How communities can regenerate urban contexts:
The case study of Hackney Co-operative Development[*]

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Abstract

During the last years, the regeneration of spaces and buildings inside cities has become an important issue, which involves public governments, private actors and the third sector. The failure of neoliberal market-oriented models, as a tool against social exclusion, has led to the re-thinking of local strategies for urban regeneration. A new idea of development has emerged, based on the empowerment of local communities and their potential. It points out the creation of community enterprises for the management of local assets. This paper presents the British context and the evolution of its legislation for the community enterprises. The case study of Hackney Co-operative Developments is presented to show how a community enterprise, set up to respond to local issues can structure its business and can be a generator of social innovation.

Keywords

Social enterprise, Community development, Urban regeneration.

JEL codes

I30, O35

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1. Introduction

Cities undergo constant change. They are never static, never finished, always adjusting to new circumstances. They respond to the needs of people and they have changed their own face to be more attractive. Over the last 30 years, many European cities have experienced a pace of change far more rapid than at any other time in their recent history. The causes of such rapid evolution in the nature and functioning of cities lie in two main factors. The first is the radical restructuring of the economic base of cities that has occurred as they have ceased to be centres of manufacturing production and have become instead the locus for services and centres of consumption. The second is the process of decentralisation, or suburbanisation, which has pulled many structures out from central and inner-city areas towards the periphery of conurbations. Both trends have resulted in large-scale abandonment and dereliction of land and buildings, degraded environment, unemployed labour, and acute social deprivation. The response of public policy to these problems, in partnership with the private sector, is known as urban regeneration: that is to say, policies that attempt to return derelict and vacant land and buildings to beneficial use, create new forms of employment, improve the urban environment, and tackle an array of urban social problems. We have to consider that urban areas are complex and dynamic systems, they reflect the many processes that lead to physical, social, environmental and economic transitions and they themselves are the prime generator of many similar changes.

During the last years, the growth of civil societies and third sector has led to the formulation of new proposals for the re-development of urban contexts. The main idea of these movements is an alternative development of the economy based on social, local and environmental issues. Nowadays, the concept of social enterprise, as alternative to the public welfare state, is present in large part of Europe. Alongside, a major involvement of citizens into the political processes is requested by civil societies. These two instances are the base for community enterprises. The UK has been one of the first countries to promote a legal framework and specific politics to support this kind of business. The evolution of the state and the need of new solution against social exclusion have opened a debate about how citizens can be active part of the change.

As defined by the Development Trust Association (DTA), the national network of local trusts, community enterprises are "Community based organisations working for sustainable regeneration in their community through a mix of economic, environmental, cultural and social activities. They are independent, not-for-profit organisations, locally accountable and committed to involving local people in the process of regeneration."(DTA, 2000: 3).

In order to better understand the role and the potentialities of community enterprises, this paper firstly introduces the theoretical framework and then explores the case study of Hackney Co-operative Developments in London.

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Specifically, the opportunity to develop civil society organizations like community enterprises firstly depends on the level of *empowerment* of citizens. This idea is introduced by John Fridmann (1992), when demonstrating that the *empowerment* of community is the strengthening of the social power of people. Friedmann has thought the *empowerment* as a new policy for the state. The aim of this paper is to advance the idea of an *empowerment* through private organisations, focused on the needs of community, which develops its business pursuing social aims. In this analysis, as already mentioned, the UK context is a valid example and the Hackney Co-operative Developments is a best practice of community organisation and in the generation of social innovation and urban regeneration.

2. Urban regeneration

Urban regeneration is an outcome of different sources of influence, both internal and external, and, more importantly, it is a response to the opportunities and challenges which are presented by urban degeneration in a particular place at a specific moment (Roberts and Sykes, 2000). It is important to consider the complexity of the context because the urban regeneration does not only concern the change of physical spaces but also the role of them. Roberts and Sykes base their concept of urban regeneration on the mix of different issues correlated with this process:

- The relation between the physical conditions evident in urban areas and the nature of social and political response;
- The need to attend to matters of housing and health in urban areas;
- The desirability of linking social improvement with economic progress;
- The containment of urban growth;
- The changing role and nature of urban policy;
- The dominant policy issue.

These six elements provide the basis for an initial definition of urban regeneration: "Comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change." (Roberts and Sykes, 2000: 17).

It is obvious that this definition is the result of years of evolution of this concept. This definition encompasses the essential features of urban regeneration that have been identified by Lichfield, where she points to the need for a "better understanding of the process of decline" and an "agreement on what one is trying to achieve and how" (Lichfield, 1992: 19). By Hausner, who emphasises the inherent weakness of approaches to regeneration that are "short-term, fragmented, ad hoc and project-based without an over strategy framework for city-wide development" (Hausner, 1993: 526). By Donnison

in his call for "new ways of tackling our problems which focus in a co-ordinated way on problems and on the areas where those problems are concentrated" (Donnison, 1993: 18).

Ian Colquhoun (1995) underlines that there are some other elements that must be taken into consideration when the idea of urban regeneration is analysed:

1) There must be a catalyst, someone to trigger off the urban regeneration initiative;

2) Someone has to have vision to know where the regeneration effort is going;

3) There has to be a strategy but with no more than two or three main planks. The important of the strategy is that the direction needs to be clearly pointed;

4) There has to be a proper legal and financial framework which ensures that there are formal links to the city, the developers and the planning authorities. All parties must be allowed to play their own particular role in the process;

5) Sensitivity of approach which requires time and effort. This calls for an understanding of the wider issues in the area and the hopes and aspirations of the people on the ground. Also, the political framework, both nationally and locally, needs to be fully understood;

6) It is most important to involve the community, the policy should be to enhance the status of the inner city area, recognizing its local values and giving it life, work and invest there a greater commitment to its future. The aim should to raise the people's living standards, widen their choice, and improve environmental, housing and economic conditions.

The general idea that could emerge from this explanation of the urban regeneration is the complexity of this process and consequently the existence of different approaches about this practice. Every stakeholder involved into the process of regeneration can have its own vision and idea about how to renew the city or the neighbourhoods. In particular, the politic vision of national, regional and local governments is the base to structure the regeneration process.

3. Different approaches to the urban regeneration

This paragraph is based on the work of an inter-disciplinary academic group led by Frank Moulaert and Serena Vicari Haddock[1]. The collaboration of this group started in 2001 as a European research project named *Social Innovation, Governance and Community Building* (SINGOCOM) financed by the European Union. The research work was followed by a second part named *Katarsis: Growing Inequality and Social Innovation.* The aim of this six-year project was to investigate the practices of urban regeneration in Europe and the construction of social relationships against social exclusion. The research

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carried out by the Moulaert and Vicari Haddock's work group gives a clear image of the evolution of renewal practices throughout the last 20 years. As introduced, the process of urban regeneration can be inscribed into the field of public politics. The collaboration with the private sector has become more and more vital for planning, nevertheless the urban regeneration remains a decision with strong political implications. From the 1980s, the framework of urban politics has been oriented towards the liberal conservatism. The mainstays of this are the centrality of market, the decrease of public spending, taxation and deregulation. The range of approaches inside this concept is very wide. Nevertheless, the work group has reduced all the experiences to four models capable of representing the whole panorama:

- *Physical regeneration*: The base of this model is the alliance between local governments and entrepreneurs that allows to attract extra-local resources, in order to transform vast urban or sub-urban areas. The aim of this model is the urban economic relaunch. The cases are different: the need of re-building an abandoned industrial area, the renewal of public housing neighbourhoods or the marginal sub-urban areas. In addition, the international events represent an occasion for requalification e.g. the Olympics or Expos. Headquarters, exposition areas, cultural centres or sport facilities are the core of this model.

- *Economic regeneration:* The aim of this model is the promotion of new economic activities based on ICT and advanced services for enterprises. Generally, this model is inserted in a wider strategic program for the development of cities. The urban government has to provide the city with the conditions to compete in a global context. This means investing on strategic infrastructures such as railways, motorways or airports, and also promoting research centres for the technological innovation and advanced services for enterprises. The city becomes the product that must be sold. In order to achieve this, a marketing strategy is fundamental. The consequence is the construction of *place-identity* or *place-branding* marketing strategies.

- *Cultural regeneration:* In this model, the culture is the core of the renewal process. Different reasons give importance to the culture as key element of regeneration: first of all, in the last decades culture has become a large and important economic sector and it has been developed particularly in the cities. The second reason is linked with the consumption of art and culture. The cities are the main places of request of this sector; the expansion of the high-educated middle class and the major attention of the media to cultural events have led to the growth of the cultural field. The role of culture must also be taken into consideration for the construction of the international profile of cities. These infrastructures work as *àncore* of urban regeneration, as they contribute to the elevation of specific areas of cities. The collocation of new museums or cultural centres inside former industrial areas has the effects to build new centralities and increase the attention and investments in that area. Finally yet importantly, culture has the power of

communication and it allows to create processes of social integration and of expression of different local groups.

- *Integrated regeneration:* different projects go under this name, but all with the same characteristics. This model is a set of politics that coordinate and integrate different fields and levels of governance. The aim of this model is the involvement of beneficiaries of local social politics in order to achieve the *empowerment* of people and communities. This approach was launched by the European Union in the mid-1980s to tackle poverty and social exclusion through the creation of projects and politics based on the integration of local governments, social private sector and local stakeholders. The tools for the development of integrated politics pay particular attention to the need of building a permanent alliance and partnership between policy and civil society, in order to create a common base of knowledge and comprehension for social exclusion dynamics. The partnership has been assumed as the best practice for social innovation. The results of this collaboration are projects that unite physical regeneration and promotion of social initiatives, training opportunities, and developments of new fair businesses that aim to give possibilities to the weakest social classes.

The group of researchers has also carried out an evaluation of these models and related politics. The main aims of urban politics are the creation of new job positions and the attraction of new investments. First of all, it is important to underline that this analysis is limited because the increase of job positions and investments are determined not only by local politics, but mostly by national politics and global implications. Nevertheless, the results are under the expectations. The researchers have underlined the partial participation of private investments in the cases analysed in the European context. That is to say, that most of the resources invested into urban requalification projects are public, which is in contrast with the neoliberalist idea of public participation decrease. Employment is also an issue that needs particular attention. The increase of the construction industry is inevitable but temporary. The employment generated by the regeneration proposed during the last years is dual: on one hand high-qualified jobs have been created in the field of services and support for businesses. On the other hand, a lot of non-qualified jobs have been created in traditional fields as restorations, security and cleaning services. This solution cannot satisfy the needs of new opportunities of many neighbourhoods where the levels of education are low and consequently locals cannot elevate their social status. The result of these models is the creation of new areas with renewed houses and spaces, but which are not accessible to the former inhabitants. The regeneration shown above has led to the re-building of entire areas as new zones for new people. A clear example are the cultural-centres projects, around which the former abandoned areas have become fashionable and elegant neighbourhoods where the costs of new houses are higher than before the requalification. On one hand, it means that it is a success for the planner and local governments, as a lot of inner-cities are now wonderful places characterized by new houses, services and businesses. On the other hand, the

privatisation processes have brought to the displacement of low-income people from their areas due to the increase of the living cost and the house prices. These are the reasons why an integrated model of development is preferable in those areas where social problems and exclusion are higher.

4. An alternative model

Due to the complexity of urban regeneration and its politic implications, an alternative model for urban regeneration has emerged. It reclaims the involvement of local communities in the construction of urban policies. The debate has started in the 1960s and 1970s inside the social movements that demanded more social and politic rights. During the last decades, the change of role of the state has led to the strengthening of the civil society and the third sector. The result of this new reposition of role is the arise of new ideas about the public decision-making processes, the role of citizens and how people live cities. The community and neighbourhoods are recognised as "the concrete life-experience settings, where citizenship rights are fought for, where mobilization against social exclusion are initiated and staged and where new political rights are defined." (Moulaert et al., 2010: 6). This ideological point of view has deep roots in the bourgeois-liberal and Christian doctrine about top-down community initiatives, as well as in the bottom-up mutual aid association and co-operative movements (Moulaert et al., 2010).
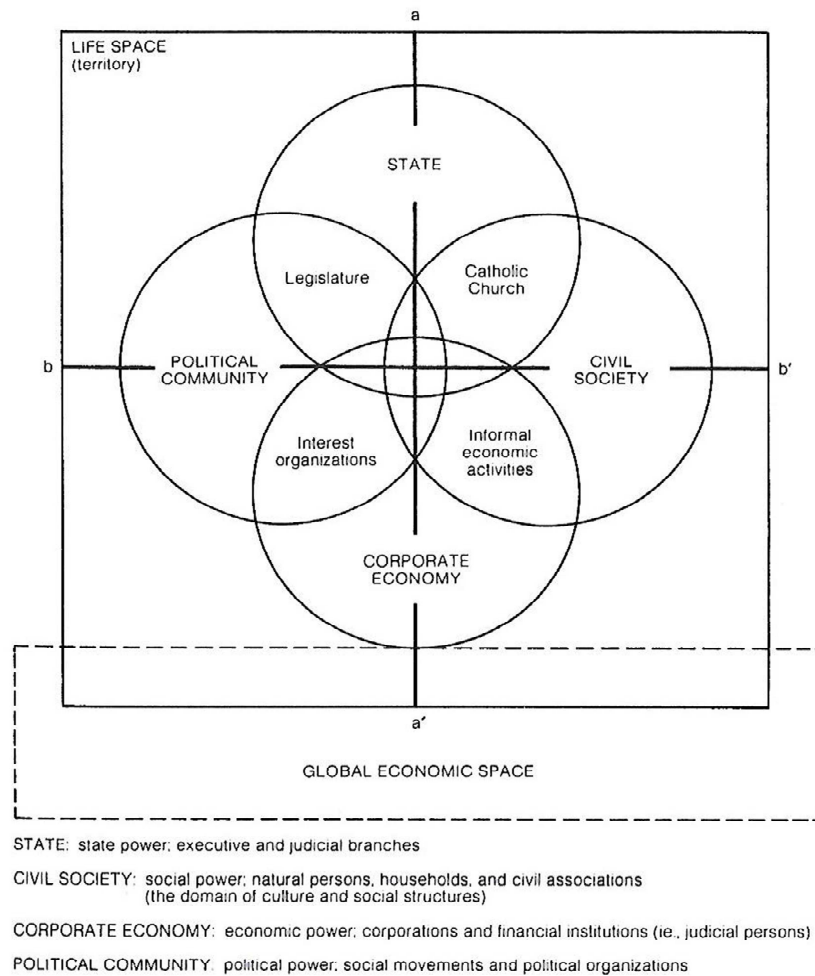
All these issues, from the request of a stronger participation of citizens in public life to the need of new models of developments for the neighbourhoods, create a mix of social instances that can be summarized as a will of an alternative development. This different way encompasses aspects from economy to urbanism and can be a theoretical model from which it is possible theorise new solutions for social problems.

In 1992, John Friedmann[2], published the book *Empowerment. The politics of Alternative Development.* The aim of his studies is to develop a thesis about the alternative development of local communities. Friedmann has analysed the evolution and articulation of the international alternative development movements and underlined that the communities are the key elements of alternative development theories. The *empowerment* is defined as "an approach which is fundamental to an alternative development, places the emphasis on autonomy in the decision-making of territorially organized communities, local self-reliance (but not autarchy), direct participatory democracy, and experiential social learning. Its starting point is the locality, because civil society is most readily mobilized around local issues. […] An alternative development is essentially a dialectical ideology and practice. It is what it is because mainstream doctrine exists, just as state exists. Its aim is to replace neither the one nor the other but to transform them both

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dramatically to make it possible for disempowered sectors to be included in political and economic processes and have their rights as citizens and human beings acknowledged." (Friedmann, 1992: VIII). Friedmann has elaborated a conceptual map of the different "popular-struggle terrains".

Figure 1 - The social domains by Friedmann

STATE: state power; executive and judicial branches

CIVIL SOCIETY: social power; natural persons, households, and civil associations
(the domain of culture and social structures)

CORPORATE ECONOMY: economic power; corporations and financial institutions (ie., judicial persons)

POLITICAL COMMUNITY: political power; social movements and political organizations

Source: Friedmann (1992)

Each domain has an autonomous core of institutions that governs its respective sphere. The core of the state are the executive and judicial institutions. According to Friedmann, the core of civil society is the household, but in this analysis. We consider the organised forms of citizens characterised by grassroots elements and the social movements. The core of the economy is the corporation and the core of the political community are independent political organisations, such as parties. For each of these it is possible to identify a distinctive power: state, economic or political power.

As Friedmann (1992) claims, social power, which is the power of civil society, is composed of eight different dimensions:

- *Life space:* where the communities live and where the people have relations with each other;
- *Surplus time:* the time available outside the job;
- *Knowledge and skills:* referred to both the educational levels and the mastery of specific skills;
- *Appropriate information:* concerns the public and social life as infant care, standard health practices, changing political configurations and job opportunities;
- *Social organisations:* either formal or informal as churches, mother's clubs, sports clubs, neighbourhood improvement associations, credit circles, discussion groups, tenant associations, peasant syndicates, etc.
- *Social networks:* essential for self-reliant actions based on reciprocity;
- *Instruments of work and livelihood:* that represent the physical conditions for work as health and access to good housing conditions;
- *Financial resources:* monetary income and formal or informal credit arrangements.

The four terrains have traditional relationships with each other and they are normally in conflict with each other. Friedmann points out that during the last 200 years, in the Western society, power has been accumulating along the vertical axis a-a', linking the state with corporations at the expense of power along the horizontal axis b-b', with connects civil society with political community. The concept of *disempowerment* elaborated by Friedmann is explainable here, as exclusion of citizens from the economic and political power. In extreme cases, the disempowerment takes the form of dictatorship backed by military power that shuts down the political community.

> "This drama take place at all territorial scales. Of particular interest to an alternative development, however at least initially, is the local scale, which is the privileged terrain of the disempowerment sectors. Here the struggle involves a redefinition of roles between state and civil society, and civil society and corporate economy, with special attention given to new form of political participation in planning, communal action, economic organisation, and gender relations in both the household and political community. Most important, an alternative development involves a process of social and political empowerment whose long-term objective is to re-balance the structure of power in society by making state action more accountable, strengthening the powers of civil society in the management of its affairs, and making corporate business more socially responsible." (Friedmann, 1992: 31)

On the same note, Moulaert et al. underline the need of new approaches by institutions. In particular, they agree with the "bottom-linked" vision that recognises the centrality of initiatives inside the communities promoted by those immediately concerned but stresses "the necessity of institutions that would enable, gear or sustain such initiatives through

sound, regulated and lasting practises and clearer citizen rights guaranteed by democratic state-functioning." (Moulaert et al., 2010: 9).

Likewise, Roberts and Sykes support the thesis of Geddes (1995) about community needs and urban regeneration. For communities, the challenge is to improve their access to social resources, extend social and economic opportunities and develop local services to become more effective in meeting local needs. "Empowerment requires policies that enable citizens to gain greater access to services and to have more say on the use of community resources such as housing." (Roberts and Sykes, 2000: 115).

Community empowerment is mainly a political approach that must be promoted by local or national governments. The aspect concerning this analysis is particularly the management of private or public urban spaces and the policies for a community empowerment. Moulaert et al. have pointed out the rising of a tendency that "reduces the governance of public space to the management of the exchange and control of properties rights. […] This means that great parts of public space have not only been privatised but depoliticised too." (Moulaert et al., 2010: 6). The enlargement of the private market and the reduction of the state presence have not solved the social problems of cities. On the contrary, they have accentuated the social fragmentation and the disempowerment of local communities through the privatisation of spaces and the delegation of the development to the private sector (Vicari Haddock and Moulaert, 2009). Vicari Haddock and Moulaert, , as well as Roberts and Sykes take into consideration Friedmann's studies about the empowerment, but the approach proposed by these authors is that the empowerment is chiefly a state-promoted policy.

The main conclusion that it is possible to deduce from the current situation is the need for a new model that surpasses the dualism between state and private market. The civil society has achieved an important role and the state has recognized its importance. The traditional economy cannot respond to social problems because is not its nature. The welfare state has changed dramatically since the 1950s and 1960s, and the social problems are different too. The spending review of public governance has led to the abandonment of huge parts of cities and assets. Thus, the new form of civil society participation into the governance of public assets must have specific characteristics:

- Economic autonomy;
- Empowerment for disadvantaged people, which means the improvement of one or more of the social bases listed above;
- Local focus.

This is the reason why, the community-led enterprises can be the answer to these problems and the new form of self-organisation of local communities. It is important to underline the strategical role of the context around the communities. This is the reason why the case of UK is presented in this paper.

5. The British politics for the urban regeneration and community engagement

The British urban policies of 1950s were characterized by the re-building of cities after the tragedy of Second World War. The task of new housing became urgent for the Labour government, which had to respond to the needs of families. The national and local governments were the key actors in the reconstruction, with the minor intervention of the private sector. Driven by the welfare state ideology, the urban polices were deeply based on the public control of assets and provision of services in order to direct the processes of urban regeneration. During the 1960s, the housing and population pressure continued to be a problem. The growth continued in the suburban and peripheral areas, while the inner-cities decline began to be a problem. "The inability of state policies and action to alleviate unemployment and deal with race riots and failing local economies, fostered the belief that the state planning system was incapable and considerably inefficient." (Tsenkova, 2002: 9). Home Office established the Urban Programme (1968) in order to tackle these problems. The central government spent huge resources to support social and urban projects that aimed to diminish the social exclusion in inner cities. The central government covered 75 per cent of costs and the local authorities the remainder, but the British welfare system and urban post-war reconstruction began to be a failure (Tsenkova, 2002). The urban policies of 1970s aimed to address four major problems:

- Rising urban poverty, housing needs, low-income earnings and unemployment;
- The long-term male unemployment and the increasing job-loss in the inner city areas;
- The concentration of ethnic minorities in urban centres;
- The causes as opposed to the symptom of decline.

The adoption of the 1977 White Paper is seen as the watershed of urban policies. The resolution of urban problems were seen, for the first time, as the result of a partnership between state, citizens and private sector (Bailey, 2012). The main goal of the partnership was to direct investments from different sectors to the development of inner cities (Tsenkova, 2002). The 1980s were the turning point in the evolution of public policies in general and urban policies in particular. The Thatcher's governments claimed that the underlying reason of the deterioration of inner cities was the economic decline. Rich Heap, Community Editor at UBM's Future Cities, explains well the strategy of neo-liberal policies:

> "In 1977, the Labour government published a white paper 'Policy for the Inner Cities' that claimed Britain's inner cities had deteriorated due to high unemployment, poor amenities, and economic decline. When Thatcher came to power in 1979, she set about trying to address this. She believed the property sector should play a key role in urban regeneration, in contrast to state-led policies of the 1970s. Her main policies were Urban Development Corporations (UDCs) and Enterprise Zones. UDCs were established following the Local Government Planning and Land Act 1980. These were appointed boards, mostly from the private sector, that aimed to entice private

investors to invest in rundown areas. The hope was that this would bring buildings and land into use; develop trade and industry; and create homes and other facilities. Enterprise Zones were also established following the same 1980 legislation. These were defined geographical areas where private investment could be encouraged by policies, including 100 per cent tax allowances for spending on commercial buildings; a faster planning system; and cutting other red tape." (Heap, 2013: n.d.).

At the same time, the neoliberal reform put the base for the reduction of the intervention of state. One of the main results was the decrease of spending for public structures as libraries, fire brigades stations or institutional buildings in general. From the 1980s, the reform of public governance considered the engagement of local communities in the creation and management of social and local services. The idea was to involve the citizens in the production of services based on the local needs. The main actors for the development of this new policy were the *trusts.* These are asset funds created by one or more persons in order to collect resources that will designate to specific aims or beneficiaries. In 1988, the government commissioned the first report on developments trusts. This set out best practices and advocated more supports for these organisations but there were not respond to this advice (Bailey, 2012).

This aim of requalification through the involvement of local communities has continued under the governments of the New labour. In particular, the most important programme developed by Tony Blair's governments was the New Deal for Communities (NDC) programme, an ambitious area-based initiative that aimed, over 10 years, to transform 39 deprived neighbourhoods in relation to six outcomes (Department for Communities and Local Government, 2010):

- Transform these areas by achieving holistic change in relation to three place-related outcomes: crime, community, and housing and the physical environment (HPE), and three people-related outcomes: education, health, and worklessness;

- *Close the gaps* between these 39 areas and the rest of the country;

- Achieve a value for money transformation of these neighbourhoods;

- Secure improvements by working with other delivery agencies such as the police, Primary Care Trusts (PCTs), schools, Jobcentre Plus (JCP), and their parent local authority: the programme is fundamentally rooted in partnership working;

- Place the community *at the heart of* the initiative;

    Sustain a local impact after NDC programme funding ceased "Between 1999-2000 and 2007-2008, the 39 NDC partnerships spent a total of 1.71 billion GBP on some 6,900 projects or interventions. Further 730,000 GBP were levered in from other public, private and voluntary sector sources. Between 2002 and 2008 NDC areas saw an improvement in 32 of 36 core indicators spanning crime, education, health, worklessness, community and housing and the physical environment; for 26 out of the 27 indicators where significance testing is possible, this change was statistically significant. The biggest

improvements were for indicators of people's feelings about their neighbourhoods: NDC residents recognise change brought about by the NDC Programme and are more satisfied with their neighbourhoods as places to live." (Department for Communities and Local Government, 2010)

In his article about the role of community enterprise and urban regeneration, Bailey criticized a specific aspect of this programme. In his opinion, Labour Government spent resources towards regeneration but did not see community enterprises as a central actor of the process. It preferred to leave the management of partnership between public and other stakeholders to local governments (Bailey, 2012). During the same years, Blair's governments promoted another important national program to develop new skills and resources in the disadvantaged zones, namely the Neighbourhood Management Pathfinders. This program aimed to improve public services through the building of partnerships between local communities and local services providers at a neighbourhood level, to tackle local problems and improve local services. It funded the development of 35 "pathfinder partnerships" to develop and test neighbourhood management as proposed by the Social Exclusion Unit. Partnerships have been funded in deprived urban and rural areas across every region of England.

> "The aim of the Programme is to enable deprived communities and local services to improve local outcomes, by improving and joining up local services, and making them more responsive to local needs. The Pathfinders have all operated the same model and approach, with a small professional team lead by a Neighbourhood Manager and supported by an Accountable Body. The teams are accountable to a multi-sector partnership including local residents and have sought to bring residents and service providers together to influence mainstream services and improve local outcomes. The majority of Pathfinders are located in the 20% most deprived areas in England" (Department for Communities and Local Government 2008: 4).

In this context, the idea of a more specific legal form to encourage the initiatives of communities grew up. The idea of social enterprise has been well known and accepted in the UK context for many years and it was one of the main focuses during the entire New labour government period (Nicolini, 2012). In 2001, the Social Enterprise Unit (SEUn) was set up to develop the analysis about the topic of social cohesion and "*social inclusive wealth creation*" (DTI, 2002). The idea of creating a new legal form was delineated in the Cabinet Office Strategy Unit report *Private Action, Public Benefit* (Cabinet office, 2002). From 2002, the British government started a public consultation about the need of recognition of the community projects. The Companies Act of 2004 (part 2) established the Community Interest Company (CIC) as a new legal form. The parliament passed legislation in July 2005 with the CIC Regulations. CICs can have different forms: limited liability company, limited by guarantee, limited by shares. They are defined as:

> "Limited companies which operate to provide a benefit to the community they serve. They are not strictly 'not for profit', and CICs can, and do, deliver returns to investors. However, the purpose of CIC is primarily one of

community benefit rather than private profit. Whilst returns to investors are permitted, these must be balanced and reasonable, to encourage investment in the social enterprise sector whilst ensuring true community benefit is always at the heart of any CIC. For some CICs this is delivered through the provision of a service to a specific community. Each CIC is required to submit on a yearly report detailing the activities undertaken and how these have benefitted the community. This is an important document as it sets out publicly exactly how the CIC has met its obligations to deliver community benefits." (Office of regulator of CIC, 2015: 3).

As explained by the Office of regulator of CIC, the essential feature of a CIC is that its activities are carried on for the benefit of the community. A community for CIC purposes can embrace either the population as a whole or a definable sector or group of people. "The CIC legislation states that any group of individuals may constitute a community if they share a common characteristic which distinguishes them from other members of the community and a reasonable person might consider that they constitute a section of the community." (Office of regulator of CIC, 2012: 6).

The community interest has to be proved by the CIC with the Community Interest test. The regulator assesses the capability of a company to satisfy the interests of community considering:

- the purposes for which it is set up;
- the range of activities in which it will engage;
- who will be seen as benefiting from its activities.

The main issue of the development of community organisations has been the "asset acquiring," which means the collection of assets in order to provide goods and services to local communities. The most important choice operated in the UK is the transfer of public assets from the state to the community organisations. The result is the renewal of local public asset under the management of organisations set up by communities (Tricarico and Le Xuan, 2013). From 2003, governments moving towards the sustainment of communities' empowerment promoting community enterprises and encouraging asset transfer from the public sector (Bailey, 2012: 8). In 2007, the white paper *Quirk review* analysed the potential and risks of community ownership and/or management of public assets. The view proposed is to see in 2020, in any locality, public assets owned or managed by communities. "We are moving from an assumption that the state's role is to try to solve all social problems, to one where the state's role is to help communities solve their own problems." (State for community and local government, 2007: 3). The main results of this white paper were the creation of the Asset Transfer Unit and the Community Asset Fund, financed with 30 million GBP (Bailey, 2012: 10).

The coalition emerged from the election of May 2010 has decided to continue this policy of local empowerment. The *Big Society* agenda is the political manifesto of the Cameron's governments. It theorizes the freedom of individual citizens to set up organisations in order to organise a self-response to local problems. "Big Society proponents' favour, all

above, individual citizens-volunteers doing good in their communities, organising themselves and taking responsibility of sorting out their locality's needs. Just as the free market of neo-liberal, micro-economy theories throws up spontaneous order in the form of allocation of resources." (Ishkanian and Szreter, 2012: 4). In 2011, government promulgated the Localism Act, which includes the Community Right to bid. This right cover private as well as public assets. Local authorities create a list of "assets of community values". If an owner of a listed asset wants to sell it, they have to notify the local authority. The local authority then, in turn, has to notify any interested parties. If community groups are interested in buying an asset they can use the Community Right to Bid to "pause" the sale, giving them six months to prepare a bid to buy it before the asset can be sold. At April 2014, 3,500 people used this right (CLG, 2015).

What characterizes the community-led enterprises as tools for the urban regeneration is:

- The renewal and management of local and/or public assets;
- A business plan;
- The engagement of community and the focus of the mission on this.

This type of business is a helpful instrument that can achieve many goals, such as the self-organisation of communities and the renewal of parts of cities. This idea of the community-led enterprise as actor of urban regeneration can be supported even by other studies. Demozzi and Zandonai (2008) elaborated a definition of community-led enterprise developed on a dual dimension. The first aspect requires four characteristics:

1) The production of goods and services in a continuous way;
2) An elevate grade of autonomy;
3) A significant level of economic risk;
4) The presence of paid-workers and not only volunteers.

The second aspect is the social dimension:

1) The community must be the first beneficiary of the production of goods and services;
2) The enterprise must be a collective initiative, which involves being promoted by a group of citizens;
3) The enterprise must have a government not based on the property of capital;
4) The enterprise must guarantee the participation of citizens and stakeholders into the decision-making process of the enterprise;

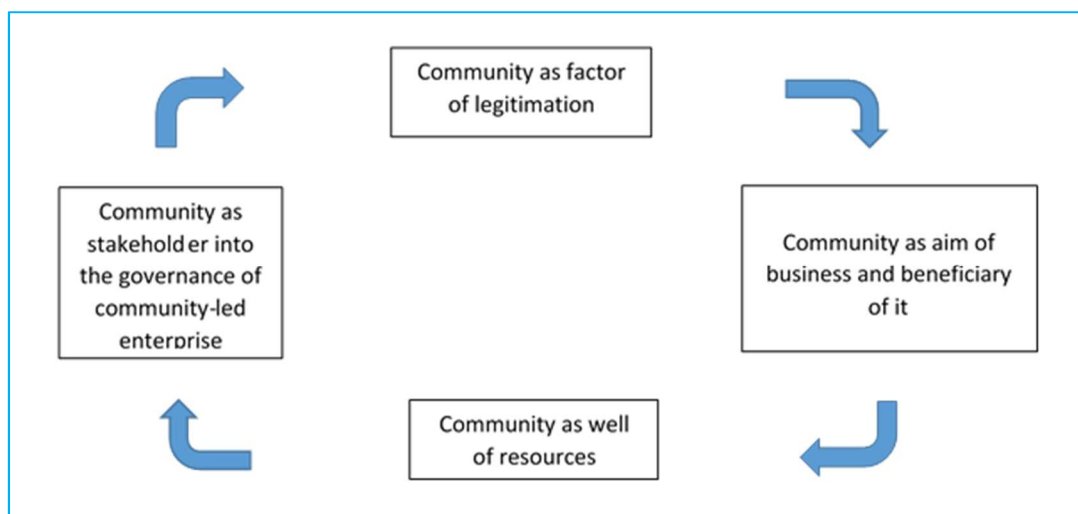5) The enterprise must establish a limited distribution of profits.

These businesses are totally different from the traditional private organisations. Their cores are the social aims, not the profits. The key characteristic of the community-led enterprise is the capability to improve the eight points that form the social power. The base for these projects are the strong intentions of local groups of the civil society. The foundations of a project for the creation of a community-focused business are the resources brought into the company by citizens and the capability to set up a business

plan coherent with the local needs. The informal relationships between the new organisation and the context around it are the key resources for the new business. On the other side, the future organisation has to be able to build new formal relationships with the stakeholders engaged into the project. This mix promoted by the new organisation is the tool to understand the context and the base for the elaboration of new answers to security needs, cohesion and social protection. This is a continuous process of connection between the social context, the stakeholders and the business that brings to the calibration of the goods and services on the specific needs of the local community (Demozzi and Zandonai, 2008). Community-led enterprises are a mechanism for empowerment because they employ local and/or disadvantaged people who can gain their participation in the economy and develop skills for the future (Roberts and Sykes, 2000). In addition, they set up instruments for the capacity-building of local people. These aim to improve parts of the social power such as working skills, knowledge, level of instruction, social networks and livelihood of places.

At the beginnings of their activities, these businesses require a huge legitimation and support from the local community. On the other side, they work to improve and revitalise the old relationships inside the local life space. Figure 2 explains well the relation between the enterprise and the community:

- These organisations recognise the community as main stakeholder because it is the first beneficiary of their activities. The communities are defined on the base of territorial boundaries.
- Capability to develop formal and informal relations with other stakeholders and representatives of local territory.
- An open system of governance.

Figure 2 - Connection between community and business

Source: Own elaboration

The community-led enterprises are not defined by their goods or services (as factories or service companies), but it is the centrality of communities that identifies an organisation of this type. These are the reasons why this type of business can be considered a good solution for many social problems within the disadvantaged context.

6. The case study of Hackney Co-operative Developments

In order to support the theoretical framework of the community enterprises as tools for the urban regeneration, this section presents the case study of the Hackney Co-operative Developments (HCD). The analysis has been carried out using tools of qualitative research method. This paper is the result of a period of four months of observation and participation inside the ordinary routine of HCD. The research analyses the history of HCD and its governance and business model. In order to study these aspects, a series of interviews were conducted to current and former CEOs, workers and members.

HCD is a CIC specialised in business support, customised training, affordable workspace provision and creation of suitable environments for small businesses, community groups and voluntary organisations in the London borough of Hackney. The mission of HCD is the social and economic development of Hackney through the values of cooperation, self-help, self-responsibility, democracy, equity and solidarity[3]. In particular, the company indicates as key objectives of its business:

1) To foster and develop common ownership resources for local regeneration and community economic development.

2) To work to bring together economic with social and community development.

3) To promote wealth generation together with the equable sharing of its benefits, in line with the co-operative movement's social ideal of the Commonwealth.

4) To foster the extension of local democracy in the peaceful development and management of local affairs.

5) To foster the formation of co-operative businesses and organizations to achieve sustainable democratic control and ownership by people at work of the enterprises in which they work.

6) To foster and support at all levels the principles and concepts of co-operation and common ownership, sustainable development, fair trade, ethical and ecological business practices. To support the growth of these principles and practices in its own affairs and in industry and commerce generally.

7) To promote communication and fair-trade, locally, nationally and internationally.

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[3] For more information, see: www.hced.co.uk

8) To promote co-operation between such co-operative and common ownership enterprises, small businesses and voluntary organizations.

9) To foster and support small businesses, social enterprises, not-for-private-profit organizations and voluntary organizations benefiting the local economy in accordance with the above objectives. (HCD, 1985).

Established in 1982, the HCD has deep roots in the cooperative movement of London. The Hackney House Cooperative set up this organisation as Adam Hart, former CEO of HCD from 1996 to 2006, explains:

> *"In the 1970s, there were a lot of squatters in London and they occupied many dwellings. In the 1980s, also, the housing cooperation increased with political support; there were lots of cooperative houses. Here there was the Hackney House Cooperative. This was a group that supported people who wanted to live in a cooperative house. Based on this experience, they thought that it would also be possible to develop business in a cooperative way. They asked local authority for a place to start businesses and received Bradbury Street, with the agreement to raise the funds to renew the entire building. The regeneration was funded with the Government money invested to increase the economic and social situation of suburban areas. This money was pushed into community organisations in order to stop conflicts."* (Adam Hart, personal interview, June 01, 2015).

The basic idea of HCD is that the support to a community through the development of new cooperative and social companies can improve the conditions of local people. Business can bring wealth if it is set up with social and mutual values. The focus are the disadvantaged people of Hackney who cannot be helped only with the traditional support provided by the state. Ethnic minorities and women are the main target of the services; as explained in previous paragraphs they are the most deprived groups. The building of relationships with the surrounding context is, from the origins, an essential tool for this organisation.

> "There is a high level of sustainable black, ethnic minority and female entrepreneurs and community groups. Many of these were assisted through start-up grants, advice from HCD and other agencies on how to move to market sustainability, specialist services, low-cost loans and the availability of affordable workspace." (Hart, 2003: 238)

The business support and the possibility to rent workspaces at affordable prices are the main services offered by HCD; these are tools for the economic growth. Alongside, extremely important is the agreement between the local authority and HCD for Bradbury Street and Gillet Square. The management and renewal of these spaces is the keystone of this experience, because it demonstrates that a community-led enterprise is set up with social and cooperative values, and that the focus on local people can regenerate parts of cities without the economic exclusion of gentrification processes. It is important to consider the context around the HCD in order to understand the importance of its work inside the borough of Hackney.

1.1 The London borough of Hackney

Hackney is a north-east borough of London and part of Inner London, the internal zone of Greater London. Hackney is officially a part of "East London". It is bounded by Islington to the west, Haringey to the north, Waltham Forest to the north-east, Newham to the east, Tower Hamlets to the south-east and the City of London to the south-west. The Borough is divided into 14 postal districts. From the end of 18th century, the borough knew an important development as an industrial zone. The presence of the Lea River allowed the availability of water for the industries and navigation. During the second half of the 19th century, Hackney's population grew rapidly and estates and farmlands were built on it. The rapid changes, which occurred during the Victorian era, were due to the development of factories and the building of new houses for the working class. They created most of the urban landscape viewable today (Hackney Council, 2014). The installation of the railway was, in addition, an element of development for this borough. Hackney's first station was the Bishopsgate terminus (partially in Shoreditch) which opened in 1840. The North London Railway opened in 1850, the City link to Broad Street in 1865 and the GER line to Liverpool Street in 1872. Trams operated in the borough from 1871 onwards and were just as important as railways in assisting development (Hackney Council, 2014). From the 1930s, the London Country Council started different projects of requalification for the disadvantaged situation of the slums in Hackney caused by the fast urbanisation around industries. The industry began relocating from Hackney and Shoreditch directly after the Second World War. When the wholesale restructuring of the London economy occurred in the 1970s and 1980s, it wiped out most of the remaining larger firms (Hackney Council, 2014). Nowadays, the borough is living a renaissance thanks to the requalification of many abandoned warehouses and industries as work places for young entrepreneurs. The historical analysis of the population of this borough is interesting. From the beginnings of the 19th century, the industrialization operated an enlargement of the area. From 1801 to 1901, the rate of growth was 2,460 per cent. This increase was constant until the 1920s. From 1921 to 1981, the last year with a negative growth rate, the population decreased by 51 per cent. Probably this was due to the war destruction, the closure of industries and the economic crisis of the 1970s and the 1980s. From 1991 to nowadays, the population of Hackney has started a re-growth and the rate has increased by 37 per cent. Hackney's current population is estimated at 257,379 people and it is the third most populated borough in London (Hackney Council, 2016).

Table 1 - Historical development of the population of Hackney (1801-2015)

Year	Population	Growth rate (%)		Year	Population	Growth rate (%)
1801	14,609	—		1921	368,469	−2.8%
1811	19,523	+33.6%		1931	358,117	−2.8%
1821	25,342	+29.8%		1941	305,501	−14.7%
1831	35,482	+40.0%		1951	260,626	−14.7%
1841	68,246	+92.3%		1961	240,521	−7.7%
1851	94,961	+39.1%		1971	221,975	−7.7%
1861	172,385	+81.5%		1981	179,536	−19.1%
1871	249,81	+44.9%		1991	187,792	+4.6%
1881	327,234	+31.0%		2001	202,819	+8.0%
1891	369,209	+12.8%		2010	213,573	+5.3%
1901	374,132	+1.3%		2015	257,379	+17%
1911	379,12	+1.3%				

Source: Wikipedia (2015)

A deeper level of analysis is the ethnical composition of the borough. This shows how Hackney is a melting pot of different ethnicities. Hackney is the sixth most diverse borough in London.

"The single largest ethnic group in Hackney is White British which accounts for 36.2% of the population. This marks a significant reduction in the proportion of White British residents from 44.1% in 2001 […] It is reflective of Hackney's increasing diversity, which currently marks it out as the sixth most ethnically diverse borough in London. Hackney is a truly global and diverse borough. […] Historically Hackney has been a borough that welcomes people from around the world and inward migration dates back to the 18th and 19th centuries. In the 1950's and 1960's, labour shortages in the reviving post-war economy drew in migrants from the Caribbean, Cyprus, Turkey and South Asia. In the last 10 years they have been joined by migrants from Western European countries like Spain and France, Eastern European countries like Poland, which have joined the European Union in the past decade, people from North, and South America, Australasia and African countries like Nigeria and Somalia." (Hackney Council, 2016: 6-7).

Table 2 - Ethnic Groups of Hackney

	Hackney	London	England
White: English/Welsh/Scottish/Northern Irish/British	36.20%	44.90%	79.80%
White: Irish	2.10%	2.20%	1.00%
White: Gypsy or Irish Traveller	0.2%	0.10%	0.10%
White: Other White	16.20%	12.60%	4.60%
Total	54.50%	59.80%	85.50%
Mixed/multiple ethnic group: White and Black Caribbean	2.00%	1.50%	0.80%
Mixed/multiple ethnic group: White and Black African	1.20%	0.80%	0.30%
Mixed/multiple ethnic group: White and Asian	1.20%	1.25%	0.60%
Mixed/multiple ethnic group: Other Mixed	2.00%	1.50%	0.50%
Total	6.40%	5.05%	2.20%
Asian/Asian British: Indian	3.10%	6.60%	2.60%
Asian/Asian British: Pakistani	0.80%	2.70%	2.10%
Asian/Asian British: Bangladeshi	2.50%	2.70%	0.80%
Asian/Asian British: Chinese	1.40%	1.50%	0.70%
Asian/Asian British: Other Asian	2.70%	4.90%	1.50%
Total	10.50%	18.40%	7.70%
Black/African/Caribbean/Black British: African	11.40%	7.00%	1.80%
Black/African/Caribbean/Black British: Caribbean	7.80%	4.20%	1.10%
Black/African/Caribbean/Black British: Other Black	3.90%	2.10%	0.50%
Total	23.10%	13.30%	3.40%
Other ethnic group: Arab	0.7%	1.3%	0.4%
Other ethnic group: Any other ethnic group	4.6%	2.1%	0.6%

Source: Nomis, UK Office for National Statistics, January 2015

The proportion of households who rent from a private landlord has more than doubled in the past ten years. Nearly a third of all households are now private renters. Nearly 45 per cent of all households in Hackney rent from a social landlord. They tend to have higher unemployment rates and lower average incomes than people living in other tenures. It is important to underline the elevate cost of houses and lands that has increased in the last 10 years. I have carried out a research, which shows the fast growth of prices. From 2004 to 2014 the average price of houses in Hackney has grown by 102% against the 92% of Inner London and a 65% of Greater London. This is an important social element because it is a sign of the gentrification process.

Table 3. The historical evolution of house prices in Hackney

	Hackney	Inner London	London
2004	213,000	240,000	220,000
2005	220,000	250,000	230,000
2006	247,500	275,000	245,000
2007	265,000	312,500	265,000
2008	265,000	314,000	260,000
2009	275,000	323,226	250,000
2010	292,500	350,000	288,000
2011	310,000	360,000	292,000
2012	325,000	369,950	300,000
2013	375,000	403,195	322,000
2014	430,000	461,000	364,000

Source: Nomis, UK Office for National Statistics, January 2015

Furthermore, it is important to take into consideration the historical condition of deprivation that characterized Hackney. For this part of analysis, it is important to introduce two tools. In 2004, the Office for National Statistics of the UK (ONS) elaborated a new system of recognition, which has divided the UK into Super Output Areas (SOAs). This system was created to maximize the information of small areas. The OAs can be Lower Layer Super Output Area (from 1,000 to 3,000 people) and Middle Layer Super Output Area (from 3,000 to 5,000 people). These are a good tool for the statistical analysis of different areas. The second tool is the Index of Multiple Deprivation that ranks each local authority area, ward and lower super output area in terms of seven domains: health, education, income, employment, housing and access to services, living environment and crime, in order of deprivation.

> "Hackney was the eleventh most deprived local authority overall in England in the 2015 Index of Multiple Deprivation, in 2010 it was ranked second. In 2015, 17 per cent of its Lower Super Output Areas were in the top ten percent most deprived, compared with 42 per cent in 2010. This indicates that Hackney is becoming less deprived relative to other local authority areas in England." (Hackney Council, 2016: 17).

There are also specific indexes of deprivation for elder people and children poverty. The index of Deprivation Affecting Older People (IDAOPI) had a value of 42 in 2015, which means that 42 per cent of people aged 60 and above are either receiving pension credit, out of work benefits, or their income is less than 60 per cent of the national median

excluding housing benefits. In 2015, Hackney ranked second for all local authorities in England for this indicator. The Her Majesty's Revenue and Customs (HMRC) measures the index of children poverty "as the percentage of children living in families in receipt of out of work benefits or tax credits where reported incomes are below 60% of the national median income before housing costs are deducted." (Hackney council, 2015: 18). The council has registered a 28 per cent in 2013 that indicates the fourth highest position in London. Another element must be added to this analysis. If data are cross-checked, the result is that in the poorest lower output areas of Hackney the level of ethnic diversity is higher. Table 4 shows a comparison between the percentages of ethnic groups in the Borough of Hackney and the areas in the third, fifth and tenth percentile of the highest deprived areas. This means the presence of a link between the most difficult situations in the borough and the ethnic minorities. Furthermore, an important element is the historic mutation of the status of Hackney. During the last 30 years, after the closure of industries, this borough has been an abandoned place. In the past, many families were attracted by work availability and lower rents, but more recently the lack of employment has led to this situation.

Table 4 - Ethnical composition of Poorest LSOAs in Hackney

		Hackney (London Borough)	3%	5%	10%
White	Count	45,587	3,711	9,521	33,673
	%	54.7	43.7	43.2	47.9
Mixed/Multiple Ethnic Groups	Count	12,849	639	1,536	4,765
	%	6.4	7.7	6.9	6.8
Asian/Asian British	Count	19,687	1,028	2,654	7,706
	%	10.5	12.2	12.1	11
Black/African/Caribbean/Black British	Count	56,858	2,464	7,184	19,871
	%	23.1	29.4	32.3	28.8
Other Ethnic Group	Count	13,059	523	5,006	3,820
	%	5.3	6.0	5.4	5.6

Source: Nomis, UK Office for National Statistics, January 2015

1.2 How Hackney Co-operative Development empowers the borough

The HCD was set up to provide business support and affordable workspaces for those people of Hackney who desire to build new social enterprises. It is important to analyse how, after 20 years, the company is structured, keeping into consideration that it is a CIC and must therefore respect specific elements, as the satisfaction of local interest and the democratic governance. The HCD is a company limited by guarantees, it does not have a share capital, and from 2005, it is a Community Interest Company.

As indicated in the company acts of 1985 and 1989, members of HCD can be people, other organisations and public authorities that support the aims of the company (HCD, 1989).

All employees are admitted to the membership. All members compose the General Meeting, which is a periodical reunion. Nowadays the HCD has 300 members. This assembly has the task to elect the General Council every year.

The General Council is the main tool of governance of HCD. The General Meeting can also decide on issues that are assessed as strategic by the General Council or the CEO. The General Council shall have no more than 30 members, it must represent the social composition of Hackney.

During the years, the services provided by HCD have been influenced by the strong relationship with the social aspects of Hackney. The peculiarity of this organisation is the focus on the issues of the local communities and the research of new solutions to tackle the social and economic problems of disadvantaged groups. As explained, the current situation of the Borough of Hackney and its critical aspects. "There is a high level of sustainable black, ethnic minority and female entrepreneurs and community groups. Many of these were assisted through start-up grants, advice from HCD and other agencies on how to move to market sustainability, specialist services, low-cost loans and the availability of affordable workspace." (Hart, 2003: 238).

HCD works within this community since 1982, and its services are in line with its mission:

- *Affordable business premises:* HCD is the owner of 73 spaces in Hackney ranging from 100-1,550 sq. ft. These include small offices, medium-sized workspaces, retail outlets and night time economy venues. These properties are in part ownership of Hackney Council, such as the Bradbury Street and Beechwood Road buildings. HCD has an agreement for the free usage of these spaces because it renewed them. Other properties were bought during the years. The choice of affordable prices for the new businesses is a key element of this analysis. The support for the economic growth of Hackney starts from the availability of workspaces for people who cannot pay the market price. In addition, HCD draws particular attention to the tenants. "We enjoy good relations with our tenants who benefit from the ethos engrained in our social and economic values and who often benefit from opportunities to collaborate with HCD and other tenants. When selecting new tenants, we prioritise co-operatives, social enterprises, businesses looking to enhance Dalston's cultural offer and local residents keen to start up in business and particularly welcome applications that demonstrate how organisations will work co-operatively with other tenants."[4] HCD premises currently accommodate over 70 locally owned small businesses, charities and

social enterprises. Businesses incubated by HCD have higher survival rates than London's in the first three years. 34 are businesses of services such as solicitors, trainers or architects, 19 per cent of the clients are in the media and tech business, 23 per cent in the culture industry and the remaining are shops, restaurants, workshops and charities.

- *Pioneering Social Enterprise in Hackney:* this programme, developed from 2013 by Mr. Millington, a manager of HCD, has the aim to support new co-operative and social enterprises in Hackney. HCD does not limit its work to the provision of workspaces, but also helps people develop their ideas of business. This is the second main service that HCD provides Hackney with, in order to achieve its mission. As they explain "We believe passionately that social enterprise in its many forms offers individuals the opportunity to come together to create businesses that are better for them and society."[5] This service provides support in business planning, market analysis, design of products and services, change of management structure, conversion into a new legal structure as CIC or co-operatives, strategy for rapid economic growth, preparation for trading in the first year. It is not a coincidence that HCD supports the formation of new social enterprises and cooperatives. It is a clear part of its mission and, in addition, "Statistically, Social Enterprises recruit far more employees from the local area. In the most deprived communities, they are more likely to focus on addressing social and financial exclusion. 52% of Social Enterprises also actively employ people who are disadvantaged in the labour market." (HCD, 2015: 6) Social Enterprises are more likely than conventional businesses to employ people from ethnic communities and at competitive wages. (Sam Obeng-Dokyi, 2007). Social enterprises in the most deprived communities are more likely than social enterprises in the least deprived to focus on creating employment opportunities (32 per cent vs 17 per cent), addressing social exclusion (20 per cent vs 12 per cent) and addressing financial exclusion (15 per cent *vs* 6 per cent) (Social Enterprise UK, 2014).

- *English my way* and *Learn my way***:** these two programmes are set up to help people acquire basic skills for their social integration. The aim of these is to enforce the knowledge of English for foreign people and the use of the internet and computer. These courses are clear examples of empowerment for disadvantaged people.

- *Training courses, events and workshops:* HCD, together with partners as Co-operative London and Principle Six, organises events and workshops to improve the network of cooperatives and social enterprises in Hackney.

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[5] www.hced.co.uk/pioneering-Social-Enterprise-in-Hackney

Alongside these services, HCD has developed an important project of urban and social requalification of the local district. In the heart of Dalston there is a place, Gillet Square. Surrounded by Bradbury Street and Kingsland Road, this is not just a place, it is the reason why this company can be considered a good example of urban regeneration through community-led enterprises. The history of this place is 25 years old. As Adam Hart explains, Hackney and particularly Dalston were totally different many years ago. *"In the 1980s, there were some riots due to the ethnic tensions and social exclusion. During the early 1980s, the manufacturing industries collapsed, and a lot of warehouses closed. There was a 26 per cent of unemployment. The consequence was the emergence of a huge squatter population in the old factories."* (Adam Hart, personal interview, June 01, 2015).

The area of Gillet Square had previously been a car park for years, and the nearby warehouses were abandoned during the 1980s. The place quickly became a source of disadvantage. "At that time it was a disused car park surrounded by derelict buildings, inhabited by drinkers and drug dealers, and avoided by the local community." These are the words of the architects of Hawkins/Brown studio, which worked to the renewal of this place with HCD. Adam Hart also confirms the description of this place: "Before the renewal, the square was a terrible place always attended by people with drug and alcohol problems and by homeless. It was not a safe place, it was where the problems were hidden." As explained above, the building between the car park and Bradbury Street was assigned to HCD from the Council as place for its business. A new space for the community began to be a key goal for the staff members of the company. "This project was the result of three development projects: in 1996, we operated the re-development of Bradbury Street, in 1999 we renewed the market trading units and in 2004/5 we built the Dalston culture house." In 2006 Gillet Square took the current aspect and the HCD could give this place back to the local community. The key characteristic of this project is the engagement of different stakeholders in the regeneration process: the public local government, the private sector as technic developer of the project and HCD as expression of the local community organised in a business structure. HCD had the idea to design the new public space with the contribution of the community. "We organised some open days and asked feedback from local community. There were several communities in Dalston and we tried to involve all of them. We had to structure meetings with all the different parts of the neighbourhood." It is clear from the first steps that this project needed to achieve the endorsement of different parts of the local communities, such as the businesses and the ethnic minorities.

> Gillet Square is "the culmination of many years' exploratory work, in consultation with the local community and with the assistance of a high-quality design team (architects Hawkins/Brown, Stock Woolstencroft, Turkington Whitelaw and others). Through this process a coherent and uplifting vision for the area has emerged. […]This perception is conditioned by an appreciation of Jane Jacob's famous four conditions for successful city neighbourhoods:

- Mixed use (housing, retail, office, workshops, etc.)
- Small blocks (intricate layouts, many corners, avoidance of long stretches)
- Aged buildings (for aesthetic and economic reasons, allowing significant elements of low rental)
- Density (achieving critical mass, community safety)." (Hart, 2003: 239).

The community engagement continues to be an important element of Gillet Square. As Mr. Ellison, current CEO of HCD, explains, the relationship between HCD and the community of Dalston is in permanent evolution:

> *"To understand what people want in Gillet Square we do surveys during the events. Some years ago, an anthropologist and an artist studied what people think and want from Gillet square. They carried out a work for a whole year, interviewing people in the square about Hackney, their life and what they thought about the new space. Last July we had a special event in Gillet square: an open discussion about the public space. We invited many different stakeholders, from the council, community organisations and local businesses, to share their idea of the space and its mission."* (Dominic Ellison, personal interview, June 01, 2015).

Also Mrs. Clayton, the creative manager of Gillet Square, describes how her work is a continued comparison with the people around the square:

> "*We support local groups that want to organise activities in the square. For every event, we think about how we can involve locals, and we engage other community organisations. We also ask local people to help us as volunteers. We also have set up a group call 'Gillet square action group', which is open to everyone who wants to attend the activities going on in the square. The group talks about how to involve people and create new kinds of events. Every event is free-access. Most of the activities are thought in order to get people involved not only 'coming and watching'. We also think of activities for different kinds of people from the younger to the older."* (Clarissa Clayton, personal interview, June 01, 2015).

In 2012, Gillet Square was rewarded by the Academy of Urbanism with the "Great Place Award". This recognition is the confirmation of a long and well-done work with local communities for their interests. As the Academy argues:

> "what is most remarkable in all this, is the commitment of the local community shown by their 'joining in' and sharing of a long term vision that has resulted in the square and its constituent parts making a very significant, vibrant and inclusive contribution to the community, becoming a physical testament to what can be done if the special ingredients are found and the right formula applied." (Lumb, 2011)

7. Conclusions

The description of the work of HCD can explain how a company set up for the interests of community can run activities and improve the social power of it. In the case study analysed, it is possible to recognise different elements of the social power delineated by Friedmann. First, the *Life space* for a community as place where have relations with each other is the aim of Gillet Square and cultural events organised inside this context. The improvement of *knowledge and skills,* for the elevation of educational levels of community is the aim of *English my way* and *Learn y way* which are services for the teaching of English and internet use. The development of *Social organisations* is carrying out by HCD through the spread of values and practices of cooperation. HCD also supports the improvement of *Social networks* in Hackney. First of all, it is itself a key node of social cohesion inside the borough because it works to enforce relationship between organisations, ethnic groups, council and private sector. Secondly, it support different projects, which aim to increase the collaboration between actors of third sector in order to build new services to respond to new demands. Finally, the main aim of HCD is to provide *Instruments for work and livelihood* through the program *Pioneering Social Enterprise* that supports people to achieve economic independence.

The general conclusion is the importance underlined in this paper of community enterprises. Has explained, the complexity of urban context brings to emerge of different issues. The use of community enterprises as tools for the governance of public or private assets of interest for community can be a response to the social exclusion and the request of more involvement of civic participation in the building of new solution for the neighbourhoods.

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