

Building a Strong Economy Scrutiny Committee

8 September 2008



Transforming Places; Changing Lives, a framework for regeneration

Report of John Richardson, Director of Environment Services

Purpose of the Report

- 1 This report considers the new Communities and Local Government (CLG) consultation document entitled "Transforming Places; Changing Lives, a framework for regeneration" (July 2008). Transforming Places sets out a package of ambitious proposals which are linked to a number of other recent Government proposals emerging from the Sub-National Review of Economic Development and Regeneration. It consults on a regeneration framework which outlines how existing organisations and information can be used more effectively to tackle deprivation.
- 2 The proposals are a positive step towards better regeneration programmes and should be welcomed; however, there are three key messages which DCC may want to respond to. Firstly it recognises that deprivation can be tackled with investment outside deprived neighbourhoods, rather than investing directly in them. Secondly it determines that "regeneration is a sub-set of economic development", and finally it perceives de-industrialisation and economic restructuring as past events. The implications of these messages for County Durham are explored below.

Background

- 3 "Transforming Places" sets out a regeneration framework for achieving better value-for-money from regeneration investment and enabling people to reach their potential wherever they live. It sets out new expectations for local authorities, sub-regional partnerships (SRPs), Regional Development Agencies (RDAs), the new Homes and Communities Agency (HCA)¹, and central government. It has three specific aims:
 - to improve the coordination and prioritisation of regeneration investment
 - to devolve power to more local levels and improve alignment from regional to local levels

¹ The HCA will be launched in April 2009 and will combine English Partnerships, the Housing Corporation, the Academy for Sustainable Communities and CLG regeneration programmes.

- to tackle underlying economic challenges (worklessness, careers, enterprise)

Key Messages

- 4 Transforming Places emphasises the need to tackle deprivation and social inequity through public and private sector investment. It states that regeneration investment can be more effective in tackling deprivation when focused in areas of opportunity such as town centres rather than in deprived areas themselves. The case is made that direct investment in deprived neighbourhoods can be very expensive compared to the economic uplift it generates, whereas reinforcing economic opportunities in central locations provides better value and greater success - although there is a risk this strategy might fail to tackle underlying deprivation problems. Nevertheless, people in deprived neighbourhoods often suffer from a range of accessibility problems, so it is vital that indirect investment benefits deprived neighbourhoods directly.
- 5 Transforming Places proposes that regions develop a “Regional Regeneration Priorities Map” which would identify priority locations for regeneration investment. It is proposed these will be prepared by RDAs and regional assemblies in association with regional partners and could inform a second Regional Funding Advice (RFA) exercise which is due for completion in February 2009. This leaves just six months to prepare, consult on, and agree a Regional Regeneration Priorities Map for North East England, which is extremely challenging. However, existing maps in the Regional Economic Strategy and the Regional Spatial Strategy may provide a starting point for them and Transforming Places determines how regeneration priority locations should be identified² which is beneficial. There is potential for this guidance to be interpreted in such a way that supports infrastructure improvements in the core of the city regions rather than throughout the dispersed settlements of County Durham. Therefore we must ensure that a Regional Regeneration Priority Map for the North East does help to directly tackle deprivation in the County.
- 6 Transforming Places states “regeneration is a sub-set of economic development” and that the success of regeneration programmes will be measured by improvements in economic performance. This follows the ongoing recognition by Government that planning, regeneration, transport, healthcare, housing, and education support economic growth. This increased focus on economic growth has implications for DCC – particularly in terms of the structure and operational planning of the new Unitary Authority.
- 7 Transforming Places also follows a series³ of recent Government policies focused on using “infrastructure” improvements as a means of tackling a wide range of social, economic, and environmental issues. Although it recognises that millions of people have been affected by decades of de-industrialisation and economic restructuring, it fails to recognise that some areas of the country are *still* undergoing economic restructuring (e.g. County Durham). Pockets of concentrated long-term worklessness are a result of the withdrawal

² Four criteria are proposed: deprivation; strength of the sub-regional economy; economic and social characteristics of the area, and; dynamics of the area.

³ Including the “Growth Fund” and the “Community Infrastructure Fund”

of large employers from numerous communities in the County but infrastructure improvement projects which connect deprived communities with economic opportunities can help address long-standing problems. It is likely that a North East Regeneration Priorities Map will direct infrastructure investment so DCC has a proactive role to play in its creation.

- 8 The role of the new Housing and Communities Agency (HCA) is outlined in the document which links their housing and regeneration roles with “economic renewal” at regional and local levels. It illustrates relationships between areas of low quality housing and deprivation and reiterates government commitments to ensure regeneration benefits minority groups. The “credit crunch” is noted as a potential short-term challenge to regeneration and Transforming Places outlines a new national study⁴ to consider these implications in more detail, which should be welcomed by DCC.
- 9 Transforming Places proposes a set of indicators for measuring progress which cover a range of economic, social, and environmental issues. It notes the recent Government proposal for a statutory Economic Assessment duty which DCC is already working towards. The indicators outlined in the document are a good starting point for Economic Assessments; although we are still awaiting detailed guidance from central Government. Transforming Places recognises linkages between Economic Assessments and community strategies and planning documents, and the importance of partnership in the development of a shared evidence base.
- 10 Finally, Transforming Places sets out new responsibilities for a range of regeneration bodies including local government, RDAs, the HCA, Government Offices and national government. It also sets out what the private sector and third sector can expect from these bodies and how other government bodies and initiatives are integrated with the proposed regeneration framework. Despite the executive summary of Transforming Places noting new expectations for Sub-Regional Partnerships (SRP), these are not specifically outlined in the main report. However, there are some subtle proposals for strengthening SRPs such as building the capacity of SRPs to lead economic development and regeneration activities; which should be welcomed.

Next steps

- 11 The consultation on Transforming Places closes on 31st October, but while it sets out many proposals it does not determine when these might be translated into statutory guidance or responsibilities. North East authorities have begun proactively planning Economic Assessments in anticipation of statutory guidance. It is vital that this work is integrated with the proposed Regional Regeneration Priorities Map. Furthermore, if the North East map is to inform Regional Funding Advice in February 2009, the map needs to be developed quickly. Therefore it is anticipated that One NorthEast and the North East Assembly will begin this work soon, and County Durham must be fully engaged in developing the map to ensure its development priorities are fully incorporated.

⁴ Professor Michael Parkinson has been commissioned to undertake a study of “The Impact of the Credit Crunch on Regeneration”

- 12 It is vital that DCC prepares for the new proposals in the document; principally we must refine and determine our own priority regeneration locations. Existing regeneration programmes such as the Durham New Growth Point and the Coalfield Housing Programme, which regional and national bodies are supporting, could be championed as County Durham priority regeneration locations.
- 13 The detailed nature of the proposals contained in Transforming Places suggests it is supported by a considerable amount of work helping to build on themes sketched out in SNR. In this respect, it is reasonable to assume that many of the proposals and the core principles will be brought forward, and this consultation offers the opportunity to influence them.
- 14 A detailed response will be worked up in consultation with partners and reported to Cabinet for their consideration.

Recommendations and reasons

- 14 The report is for information and requires no actions at present from the Building a Strong Economy Scrutiny Committee.

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