

# RESPONSE PROFORMA

Transforming places; changing lives: A framework for regeneration

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<b>Is your response confidential?</b>  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Comments:</b>	
Provision is made throughout this questionnaire for you to provide additional comments. If, however you wish to provide more detailed comments on any aspect of the consultation then please feel free to append additional materials and supplementary documents, clearly marked and cross referenced to the relevant questions, as necessary.	

Organisation type (tick one box only)			
Architects	<input type="checkbox"/>	Neighbourhood Manager	<input type="checkbox"/>
Commercial Developers	<input type="checkbox"/>	Non-Departmental Public Body	<input type="checkbox"/>
Consultancy	<input type="checkbox"/>	Other non-governmental organisation	<input type="checkbox"/>
Housing Association (Registered Social Landlords)	<input type="checkbox"/>	Private individual (unaffiliated)	<input type="checkbox"/>
Individual in practice, trade or profession	<input type="checkbox"/>	Research/academic organisation	<input type="checkbox"/>
Journalist/media	<input type="checkbox"/>	Specific interest or lobby group	<input type="checkbox"/>
Local authority	<input checked="" type="checkbox"/>	Third sector	<input type="checkbox"/>
Manufacturer	<input type="checkbox"/>	Trade body or association	<input type="checkbox"/>
		Other (please specify):	<input type="checkbox"/>

## Questions in Chapter One

**Q1.** Is this analysis right?

Yes  No

**Comments:**

We consider the analysis is generally appropriate and the Parkinson report on the “Impact of the Credit Crunch on Regeneration” will be a very important policy tool. However, there are two issues in Chapter 1 about which we are concerned:

- The recognition that “regeneration is a sub-set of economic development” in paragraph 1.4 is particularly welcomed, although it over simplifies the process and problems involved with regenerating deprived communities. One of the ultimate outcomes of successful regeneration is improved economic performance, but the social and environmental outcomes are equally important. Furthermore, the environmental improvements generated by a regeneration scheme may be immediately apparent whereas the economic and social improvements may be indirect and longer-term.

- Paragraph 1.11 states “decades of de-industrialisation and economic restructuring adversely affected millions of people”. This suggests communities are no longer affected by economic restructuring; whereas restructuring is an ongoing process. Large areas of northern England continue to lag behind the leading economic regions and are still de-industrialising in comparison to the South East. The OECD report “Building a Competitive City-Region: The Case of Newcastle in the North East” clearly identifies the value of the manufacturing sector to the region. It recognises that manufacturers require continued support while steps are taken to bring forward other sectors and renew the value of manufacturing itself. This is particularly appropriate in County Durham and the Government should recognise this ongoing need for restructuring in County Durham and the North East more generally.

**Q2.** What further analysis is needed to ensure the needs of different demographic groups are properly reflected in our regeneration priorities?

**Comments:**

The document does not adequately represent the regeneration challenges facing different communities throughout England. Clearly the report cannot identify the unique problems of every deprived neighbourhood in England but nevertheless it is important to recognise that each deprived neighbourhood has a unique history that has led to its current problems. More detailed good practice guidance would be helpful in determining how to identify the needs of different demographic groups and how to translate these into regeneration priorities.

## Questions in Chapter Two

**Q3.** Are the outcome measures proposed helpful? Will they ensure regeneration benefits the poorest people and places in society?

Yes  No

**Comments:**

Many of the measures overlap with LAA targets and other data that is commonly collected, which is welcomed. However, the document recognises that regeneration is often focused on neighbourhoods but does not recognise that data for these geographies can often be difficult to collect, unavailable, or inaccurate. One of the best sources for local level data is the Census but this has its own accuracy issues and is updated only once a decade. The Indices of Deprivation is a key source of data and is collated more regularly, but this also has reliability problems. A major problem for developing timelines of data to measure progress is that the methodology, geography, or reporting of statistics is generally different each time (although it is recognised that the changes are usually attempts to make the data more accurate). The timeliness of data is also problematic as there is usually a time lag of a number of years between the analysis of data and the publication of it (2008 data may not be available until 2010, for example).

However, the measures used to report regeneration are not the major problem. The lack or availability, short-term nature, and overly ambitious expectations of regeneration funding streams are far greater barriers to effective regeneration programmes. The focus on clear, short-term economic improvements and financial returns also mean that regeneration funding is often concentrated in the areas of greatest return than those of greatest need. Chapter 2 correctly recognises that deprived communities can benefit from investment in more central locations (such as “employment hubs” and “town centres”) than direct investment in the neighbourhoods themselves. In this context we are pleased to support the approach of Government in bringing forward the New Growth Points agenda and its emphasis on coupling housing development with local employment opportunities and environmental matters. However, regeneration funding outside deprived communities must lead to direct opportunities for them. There is a risk that the intentions of Transforming Places are interpreted to mean that investment is solely concentrated in the urban cores. Whilst this may be appropriate for London which offers excellent public transport connectivity between inner and outer areas, it is not the case in the North East where the cores are poorly connected to large areas of the city regions (as defined by the North East Regional Spatial Strategy). Therefore, the proposed “regional regeneration priorities maps” must address how investing in areas of opportunity directly connects with and benefits areas of need.

**Q4.** Have we proposed the right measures?

Yes  No

**Comments:**

See previous comment.

**Q5.** Should we measure the scale and rate of private investment in deprived areas, and how could we do so?

Yes  No

**Comments:**

One way of determining the success of public investment is to compare it to the proportionate leverage of private investment. Therefore, it is important to measure the scale and rate of private investment in deprived areas and compare it to public sector investment. However, while Transforming Places follows a trend of government guidance pursuing greater returns from public investment, there is a risk that this could be to the detriment of social and environmental objectives. Deprived neighbourhoods are deprived because they do not attract private sector investors and developers, so public sector investors should expect that returns will be comparatively lower than in areas of opportunity. The success of regeneration schemes must be measured across a range of indicators as Transforming Places suggests, but the focus should be on how changes have improved the circumstances for established communities rather than people who have been attracted by new investment.

**Q6.** What can central Government do to give communities a stronger voice in shaping regeneration? How can other agencies help?

**Comments:**

For County Durham, it is vital the Government supports and reinforces the role of Local Authorities because they are the elected representatives of local people. The Government's LAA approach will provide a key measure of the effectiveness of Local Authorities. As the largest unitary authority in the North East (from April 2009), County Durham is taking robust steps to ensure local communities have a clear route for influencing the policy and strategy through Area Action Partnerships.

Additionally, the Homes and Communities Agency should focus on giving communities a stronger voice. Transforming Places suggests a focus on the leverage of private sector investment which is important but may mask deprivation rather than tackling it. The development of executive homes near deprived communities may raise average income levels but not tackle lower incomes and low quality housing issues, for example. Furthermore, current national policy seems focused on housing led regeneration, but while investment in housing can help improve the social mix of an area it must be complemented by investment in jobs, education/skills, healthcare and transport.

**Q7.** What else can we do to ensure regeneration is responsive to environmental change?

**Comments:**

Planning regulations need to be flexible enough to protect environmental assets whilst not stifling necessary regeneration and development. Sustainability experts from Local Strategic Partnerships and local authorities must be involved in regeneration schemes at an early stage.

**Q8.** How can we further strengthen sub-regional partnerships to deliver regeneration outcomes?

**Comments:**

The role of sub-regional partnerships (SRPs) would be strengthened:

- if they are to be given more responsibilities by RDAs;
- if budgets are agreed further in advance (budgets are often confirmed less than 3 months before the start of a financial year); and
- if they are given more room to devise sub-regional projects within a framework that delivers regional objectives and outcomes.

SRPs must be able to agree delegated budgets with RDAs; where a financial level is set that determines how much SRPs can invest in projects without seeking RDA approval for every individual project. County Durham Economic Partnership – the recognised SRP for County Durham – had a delegated budget until recently, but now every project must go to the RDA for approval which can detrimentally impede development and regeneration activities.

Past experience in County Durham shows that SRPs also need a dedicated, professional project management team together with other professional in-house skills to ensure projects run as efficiently and effectively as possible. SRPs need to be given more security in terms of funding to ensure personnel are in place, projects are not delayed, costs do not escalate, and private sector partners are not dissuaded from investing. SRPs should also be able to switch capital and revenue between objectives and priorities. This would enable SRPs to capitalise on economic opportunities and shifting economic trends.

SRPs are also well placed to coordinate the production of the proposed Economic Assessments. This would ensure that local Economic Assessments are consistent at a sub-regional level and would therefore constitute the heart of the evidence-base informing the proposed Integrated Regional Strategy.

Rural areas such as County Durham are finding it increasingly difficult to obtain regeneration funding because often urban schemes are seen as returning better value for money. However, there is a risk that RDAs are investing public money too heavily in urban areas which are already attractive to private investors and which may be crowding out private investment, which results in 'deadweight' and 'displacement'. This leaves deprived communities in more rural locations less able to tackle underlying deprivation problems. SRPs are best placed to deliver regeneration outcomes in both urban and rural communities.

The Government must be clear about the roles of Multi-Area Agreements compared to SRPs – and ensure MAAs do not replicate the role of SRPs. This is particularly important considering MAAs do not cover whole regions or indeed city regions and should continue to be considered a means of improving the coordination of activities across areas, but not a replacement for SRPs. Similarly, the ongoing Local Authority Business Growth Incentive (LABGI) suggests that, for statistical purposes, NUTS3 areas are considered sub-regions but these geographies are not suitable replacements for SRPs either. It is also important that SRPs are not used as a proxy for functional economies. Market-based economic assessments – such as those proposed by Prosperous Places – must take account of the different spatial dimensions of economies and recognise the limitations of the geographies and data they use.

It would be particularly useful if the Government defined what an SRP is within Transforming Places, to avoid any confusion and to highlight the fact that the term SRP may have different interpretations. Additionally, the Executive Summary of Transforming Places suggests it “sets out new expectations” of SRPs and other regeneration organisations (page 5). However, while Chapter 4 clearly identifies the new expectations of other organisations, it does not do so for

## Questions in Chapter Three

**Q9.** Is the criteria based approach a helpful way of ensuring greater consistency in prioritising regeneration investment?

**Yes**       **No**

**Comments:**

We consider a criteria based approach could lead to inconsistencies without detailed guidance. The “strength of the wider sub-regional economy”, the “economic and social characteristics of the area”, and the “dynamics of the area and how it is changing over time” are all subjective measures so consistency in selecting regeneration locations will be difficult. It may also be difficult for region-wide stakeholders to understand how deprived areas are identified and selected for regeneration. Furthermore, consistency depends on the Government’s approach to prioritising regeneration investment; will cities continue to be prioritised, for example?

**Q10.** Should we ask regions to develop regional regeneration maps? What are the disadvantages of that approach?

Yes  No

**Comments:**

Without detailed guidance on the purpose and content of regional regeneration maps it is difficult to comment. We support the general principle of such maps if they are tools to help demonstrate how investment in areas of opportunity directly benefits areas of need. We believe that regional regeneration maps should be devised from the bottom-up, as opposed to maps being formulated by regional bodies and then “consulting” with local and sub-regional partners before maps are finalised. There is also a need to ensure ongoing regeneration programmes in deprived areas (e.g. LEGI, New Growth Points, Coalfield regeneration areas) are adequately reflected in such maps.

There is a risk that if regional bodies are given the ultimate responsibility for developing regional regeneration priorities maps, the maps may be used to represent the priorities of those regional bodies in terms of corporate, organisational objectives. Investment in areas where private sector leverage is high, for example, may exacerbate intra-regional disparities. Areas of deprivation and need will, by definition, experience additional challenges in developing private sector interest, so they may lose out. Transforming Places and any subsequent guidance should specify that regional regeneration maps strike a balance between continued economic development in core urban areas which drive the regional economy, and the regeneration of outer areas which suffer from deep-rooted deprivation that can constrain regional economic performance. The proposed maps must balance social, environmental and economic objectives if they are to live up to their name.

Furthermore, there is a risk that the maps will reflect projects that are ongoing or in development but may not be flexible enough to include priorities that have yet to be identified. As national and regional funding regimes change over time, there may be opportunities for regeneration programmes in areas that were not considered when maps were drawn up. Additionally, economic, social and environments fluctuations may create new and more immediate regeneration challenges than those that are identified by the maps which suggest the need for medium-term reviews of the maps. Hence, maps must be adaptable to changing regeneration opportunities and needs.

**Q11.** Should we go further? What else can be done to align national Government investment behind local and regional priorities?

Yes  No

**Comments:**

In line with the recommendations of the Lyons Review (2004), the Government should make provisions to relocate more civil servant jobs to northern regions to support improving skills and education levels, increasing aspirations and ongoing northern regeneration programmes. Additionally the government should do much more to ensure northern areas of the country benefit from the vast amounts of public spending in the south on other schemes such as Wembley, the Olympics, transport improvements, jobs, and housing. Higher Education research and investment monies should be more equitably distributed throughout the Country – particularly world class universities in the North of England, such as Durham.

**Q12.** Will this approach give the private sector confidence and unlock long-term investment? If not, what would?

Yes  No

**Comments:**

Yes, as in London and the South East where most civil servant jobs are located, the employers and jobs lead to demands for a range of other services such as transport, leisure, shopping, housing and education as well as conference venues, hotels and business services.

**Q13.** If there is a case for central government still identifying some specific neighbourhoods and targeting particular assistance at them in future in order to learn lessons, as we have done with NDCs?

**Comments:**

National schemes “parachuted” into local communities do not deliver sustainable long-term solutions to deep rooted deprivation and underlying economic conditions. Concentrated neighbourhood deprivation can only be successfully overcome with the commitment of long-term investment and intensive assistance for local community champions. Some neighbourhoods in County Durham need special assistance from the Government or Europe to bring them up to a “normal” socio-economic standard. Regional bodies must work with sub-regional and local bodies to identify neighbourhoods needing targeted investment and work with central government to secure special national or European assistance.

**Questions in Chapter Four**

**Q14.** Taken together, do these new and enhanced roles for different agencies equip them to deliver the expectations in the framework?

Yes  No

**Comments:**

The roles outlined in the document should help improve the delivery of regeneration. Although Chapter 4 (p68) refers to the need for RDAs to work with Regional Assemblies, the document should recognise that RDAs will soon assume the responsibilities of Regional Assemblies. This is an important step forward for regional policy-making as it will align regional strategies more closely with economic growth as the main objective – which reflects the key messages of Transforming Places. However, while the objective of improved economic growth is essential, successful regeneration programmes must lead to long-term growth rather than “quick wins”. In addition, successful regeneration should not be measured by direct financial “returns on investment”; but rather a wider set of measures as suggested in Transforming Places.

**Q15.** What would be the costs and benefits of this approach?

**Comments:**

**See previous answer.**

**Q16.** How should this framework be implemented in London given London’s unique governance arrangements?

**Comments:**

**No comment.**

**Q17.** What would be the impact of this approach on different groups, according to:

- gender and gender identity;
- disability;
- race;
- age;
- religion/belief; and
- sexual orientation

**Comments:**

**There should be positive impacts for all concerned if a holistic approach to regeneration is administered. A narrow focus on economic opportunities will only exacerbate social inequalities.**

**Further Information**

We would be grateful if you could provide us with the following information to feed into the full Impact Assessment:

How are the regeneration priorities, you deal with, currently decided? Are these communicated clearly?

How much time do you currently spend on negotiating regeneration priorities?

To what degree is the local community in your area engaged in this process?

What would be the likely cost of doing this if it is not done already?

What analysis do you currently undertake to support regeneration policy?

Are the analytical proposals in the Framework additional to what you are currently undertaking?

Will the proposals set out in the consultation document lead to a more focussed approach?

And better value for money? If so, how?