

Meeting:	BNG Board
Date:	18 <sup>th</sup> September 2008
Contact:	
Board Action:	For Information
Sensitivity:	Public

**Subject:** Item 12 - Transforming Places; Changing Lives: a framework for regeneration

**Link to BNG Vision and Objectives:**

Increasing employment and skills opportunities for residents is essential to underpin all of the housing market renewal and growth activity being done by BNG and its partners. Implementing the proposals of this regeneration framework will provide greater alignment of funding and contribute to reducing concentrations of worklessness.

**Recommendation:**

To receive this covering report for information, and to read and comment on the draft consultation response (attached).

**Executive Summary:**

The Department for Communities and Local Government (CLG) have produced *Transforming Places; Changing Lives: a framework for regeneration* which contains a series of proposals for consultation that aim to guide the way that regeneration activity is carried out in future in England. Once completed, it will guide the work of the Homes and Communities Agency and feed into the 2009 Spending Review.

The document sets out ambitious proposals that aim to shape the way that regeneration is carried out in future in England. The new approach builds on what CLG know works and aims to improve the value for money of regeneration investment. It contains a renewed focus on ensuring that regeneration tackles the underlying economic challenges to increase social mobility and support people to reach their potential, regardless of where they live. Bridging Newcastle Gateshead are in a position to support and benefit from the proposals.

The objectives are to:

- ensure that regeneration investment is co-ordinated and prioritised in the right places, with public, private and third sector organisations working together in the same places towards a shared vision
- devolve power – decisions about where to invest should be made as locally as possible, so this framework proposes an approach to prioritisation that starts with communities and their councils, and provides an approach, co-ordinated by Regional Development Agencies, to align investment behind local and regional regeneration priorities – making programmes fit places, not places fit programmes
- focus regeneration investment on tackling the underlying economic challenges that hold

back deprived areas, in particular supporting people to get a job and get on in the labour market and boosting levels of enterprise in those areas.

The first section of the report sets out how CLG want regeneration to be different in the future. It talks about the nature of deprivation in England and considers what holds places back from reaching their potential. The Government believes that, in future, regeneration investment should be more focused on tackling barriers to economic growth through reducing rates of worklessness and promoting enterprise – to transform the lives of people in the most deprived areas. They want to see regeneration better targeted and co-ordinated, based on a shared strategy to improve a particular place.

It recognises that a lot of progress has been made and regeneration has been successful to a certain degree, yet some places have been slower to bring about a significant reduction in the number of people without work, and deprivation is still intense in some areas.

A positive proposal is for regeneration in the future needing to be *"defined by the outcomes it achieves, rather than the process it follows"*. Significantly, it signals a move away from monitoring of numbers/output, instead focusing on *"the underlying sustainable outcomes that really matter for the long-term regeneration of communities"*. The outcomes being sought are:

- improved economic performance in deprived areas
- improved rates of work and enterprise in deprived areas; and
- creating sustainable places where people want to live and can work, and businesses want to invest

The document also contains proposals for a common approach to targeting regeneration investment, bringing alignment at a national, regional and local level. Four criteria are put forward that can be used to identify priorities for regeneration investment, and to determine the type of regeneration investment that is likely to be most effective.

The criteria are:

- the level of deprivation
- the strength of the wider sub-regional economy
- the economic and social characteristics of the area
- the dynamics of the area (whether it's getting better or worse).

The Government is exploring how these criteria could be used to improve the value-for-money of targeted regeneration investment, prioritising investment, where it can deliver sustainable improvements in outcomes and contribute to economic prosperity.

The final section sets out proposals for how these changes, if fully implemented could impact on the way different agencies work. CLG have proposed reducing the amount of key decisions taken at a central government level and letting regions and local authorities decide themselves. This would also put communities and their councils at the heart of regeneration; develop a stronger sense of common purpose for regeneration across different agencies; and improve the efficiency and effectiveness of regeneration investment, delivering maximum value for money for the taxpayer.

This framework aims to develop a shared vision between community and neighbourhood organisations; local government and other members of the Local Strategic Partnership (LSP); sub-regional partnerships; Regional Development Agencies (RDAs2); the new Homes and

Communities Agency (HCA); Urban Regeneration Companies (URCs); Urban Development Corporations (UDCs); as well as the private sector, the third sector and central Government departments (including their delivery agencies and non-departmental public bodies).

Specifically, the framework sets out proposed new expectations at all levels of government.

Local Government will be expected to:

- Lead the delivery of economic development, and physical and social regeneration in their areas.
- Use their Local Area Agreements and Sustainable Communities Strategies to drive positive outcomes for deprived areas.
- Develop appropriate structures and processes to put communities at the heart of the design and delivery of regeneration.
- Play a strategic housing role – creating mixed sustainable communities that reflect diverse needs by ensuring that the right housing is in the right place with the necessary infrastructure and support and making connections with decent homes funding to secure employment opportunities.
- Ensure that housing and regeneration policies in their local area are mutually reinforcing.

Local Strategic Partnerships will:

- Prioritise regeneration funding explicitly within the local area, both geographically and thematically, within the context of the Local Area Agreement, the LDF and SCS.

Regional Assemblies will:

- Work with regional partners to provide indicative regional regeneration priorities maps as part of their regional funding advice by early 2009.

Government Offices will:

- Work with individual and groups of local authorities to ensure efficient performance against ambitious Local Area Agreements and develop Multi-Area Agreements that deliver key regeneration outcomes.
- Work with Regional Efficiency and Improvement Partnerships to build capacity across the region with a particular focus on the capacity of local government.
- Work through LSPs and with other local partners to support the development of effective regeneration strategies.
- Feedback to Whitehall Departments about good practice and barriers to the implementation of regeneration policy.
- Work with regional partners to provide indicative regional regeneration priorities maps as part of their regional funding advice by early 2009.

The document proposes that Regional Development Agencies work with local authorities and Regional Assemblies to:

- Help to build the capacity of local authorities and sub regional
- partnerships, to deliver sustainable economic development and regeneration activity, consistent with the Government's objectives of creating economic opportunities for all and tackling spatial concentrations of deprivation.
- Delegate their funding – in line with the regional strategy, MAAs and LAAs – to support economic development activities that are best carried out at local and sub-regional spatial levels, where capacity and appropriate structures exist.
- Work with regional partners to provide indicative regional regeneration priorities maps

as part of their regional funding advice by early 2009.

- Consider developing employment hubs, through promoting enterprise and business growth supporting skills development, and contributing to 'place' development – particularly in weak sub-regional economies with high levels of deprivation.
- Explore the use of special purpose vehicles (with the Homes and Communities Agency and government), Regional Infrastructure Funds, Regional Funding Allocation Advice and the European Regional Development Fund to promote regeneration.

Significantly, the document proposes that the Homes and Communities Agency will:

- Base their approach to regeneration on this framework including reporting annually on the impact their regeneration investment has on the success criteria in this framework and regeneration investment in line with the geographic priorities outlined in regional funding advice.
- Develop a range of integrated housing and regeneration programmes in partnership with local areas – aimed at tackling deprivation through the provision of physical improvements and infrastructure to support economic development and connect homes to job opportunities.
- Consider access to jobs in decent homes programmes and decisions on location of new social housing
- Provide support to local agencies to put communities at the heart of the design and delivery of regeneration
- Review the Special Delivery Organisations they fund when the HCA is established, on the basis of the framework.
- Have a duty to co-operate with local authorities to implement their regeneration priorities.
- Meet its responsibilities in race, gender and disability, working with local and national agencies to ensure that regeneration priorities identify, work with and respond to the needs of diverse communities and consider the impact of regeneration on equality and community cohesion.

Bridging NewcastleGateshead is one of the special delivery organisations mentioned above, and will therefore be reviewed against the policies of the framework. Fortunately, BNG (and indeed, all the pathfinders) has long acknowledged the relationship between housing market renewal and economic development, so we are in a strong position with our strategies and programmes already meeting the majority of the proposals. Alignment of the two themes is also clearly evident in each of our Business Plans and in the Changing Place document.

This is a draft framework for consultation. CLG have provided a response form that includes a series of consultation questions and sets out the arrangements for feeding in views. The consultation period ends on 31 October 2008. The framework will be updated in the light of feedback and finalised early in 2009.

The attachment to this report is the draft response from BNG, for comment from the Board.

<b>Implications</b>	
Financial:	The finalised document will feed into the 2009 Spending Review.
Equality:	One of the fundamental objectives of the framework is tackling inequality across the country, relating to reducing deprivation

	<p>and worklessness.</p> <p>The document also explicitly promotes consideration of equalities in regeneration initiatives, quoting Race, Gender and Disability as issues to consider.</p>
Sustainability:	<p>The framework is designed to improve the manner in which the many agencies involved in regeneration can co-ordinate their efforts. It states that regeneration and development should be sustainable. Regeneration and renewal offers opportunities for improved standards of sustainability as premises and places are improved, and hence indirectly supports the drive towards sustainable development. The framework underlines existing policy and does not seek to change it.</p>
Freedom of Information:	This is a public document
Report Status:	
Residents' Panel Consultation:	n/a