



meeting Communities Department Briefing

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4

## **Report of the Cabinet Member for Culture and Regeneration**

### **REGENERATION – THE STRATEGIC DIRECTION**

#### **Purpose of the Report**

1. The purpose of this report is to advise members of the operating context and strategic direction and priorities of the Regeneration Service following a period of significant change. This new approach will ensure that the Regeneration Service is well placed to support the County Council in developing its community leadership and place-shaping role in 2007 and beyond.
2. This report summarises the background to the changes to the service; the Government policy drivers; the economic regeneration challenges facing the county and what the service is setting out to do to respond to these.

#### **Background**

3. Although significant economic challenges continue to face Nottinghamshire the role of the local authority in promoting and delivering economic regeneration is very different now from the 1990s. In that period the County Council was one of the few big players in this field and delivered a wide range of projects and investment.
4. The past few years in particular have seen substantial changes in the economic regeneration landscape with the growing remit of the Regional Development Agency; the creation of two Sub-Regional Strategic Economic Partnerships, the Learning and Skills Council and Business Support East Midlands. This change in partners' regeneration efforts requires the County Council to ensure that its regeneration activities are relevant both in terms of our strategic interventions and direct delivery of services.
5. In 2005/06 the Council's Regeneration Portfolio had a budget of more than £4.5 million with a staffing complement of 106 full time equivalent (fte) jobs. The County Council made the decision in early 2006 to reconsider the future direction

of the regeneration service in response to both the changing operating environment and as part of wider efforts to achieve budget savings.

6. This resulted in agreement by Cabinet in January 2006 that there would be a reduction of £2m over the two year period 2006/07 and 2007/08, in the then Regeneration Portfolio as part of the Medium Term Financial Strategy.
7. During the last year the service has therefore been restructured to enable it to focus on areas of activity that will bring the most added value to the County Council's aspirations for its communities and to partners' regeneration activities in the county. To that end services and projects that provided direct support and delivery to businesses have been stopped and regeneration activity has been focused on the two key areas of:
  - Economic Regeneration and
  - Adult and Community Learning
8. Regeneration now has a staffing complement of some 41 ftes, of which 21 are either wholly or partly externally funded, a County Council budget of around £2.5 million (including staff costs) and in addition has secured external funding of £2.8 million towards the cost of providing the service.

### **Government Policy Drivers**

9. There are a wide range of national and regional policies that are impacting on the efforts of partners and local authorities to develop their local economies. Nationally the Government through HM Treasury and the Department for Communities and Local Government retains its focus on boosting regional economic competitiveness, delivering sustainable communities and tackling social exclusion.
10. Other key policy drivers which impact are the legal responsibilities placed on the authority in relation to the Community Strategy and Local Area Agreement (in particular in this context the County Council's role in leading and developing the Economic Development and Enterprise block of the Local Area Agreement); the implications of the Leitch Review which advocates the need to significantly boost attainment and levels of skills; the development of the business support simplification programme and the regionalisation of business link and the LSC.
11. Most recently the Lyons Review exhorts councils to put place shaping - whereby local authorities exercise their strategic leadership role to bring together a range of partners to deliver economic, social and environmental wellbeing - and economic renewal at centre stage. The review states that:

***‘the ultimate purpose of local government should be to take responsibility for the well-being of an area and its communities reflecting its distinctive identity and promoting its interest and future prosperity.’***

12. To come are the conclusions of the 2007 Sub-national Economic Development and Regeneration Review, led by the Treasury as part of its Comprehensive Spending Review. Part of its deliberations will be to look at issues of governance and function as related to the successful regeneration of deprived areas and the growth of local economies.

### **Economic Regeneration Challenges**

13. The economic regeneration challenges facing the county are different from those in the 1980's and 1990's when 37,000 coal mining jobs were lost (as well as jobs in other traditional manufacturing industries) with the consequent severe economic and environmental impacts and effect on communities dependent on coal as a single industry. The legacy of this structural change is still being felt and the key challenges today are summarised below:
- **Lack of growth in employment in ‘knowledge sectors’.** Overall, there has not been significant diversification into sectors offering higher-value employment, and the economy thus remains vulnerable to structural change and the challenges of globalisation
  - **Low growth in productivity** - the growth in productivity (measured by Gross Value Added per head) has been slower in Nottinghamshire than regionally or nationally and the gap between the north and south of the county is growing
  - Unemployment levels are relatively low but there is **considerable variation in economic activity and employment rates** throughout the county with areas of the county having very low levels of economic activity
  - High number of residents on **incapacity benefit and other working age benefits** often called hidden unemployment
  - **Low skill levels** in parts of the county
  - **Low levels of enterprise/business start ups**
  - **High levels of deprivation** continue to be experienced by former coalfield communities - the Greater Nottingham districts are significantly less deprived.
14. Overall it is clear that the economic disparities between the north and south of the county are growing. The recent conclusions of the latest BVPI General Survey 2006/7, Research Report for Nottinghamshire County Council carried out by MORI demonstrated that within the county, local people's sense of place and happiness with services and their communities was significantly reduced in areas suffering economic disadvantage.

## Regeneration – Future Strategic Approach

15. Given the policy drivers from Government and the economic regeneration challenges facing the county the Regeneration Service objective to 2009 to tie in with the Strategic and Community Plan planning period will be to:

***“Promote economic growth, better quality jobs and increased prosperity across Nottinghamshire and to reduce the economic disparities that exist within the County”***

16. This will be undertaken through:
- Building a shared vision with partners for the economic regeneration development of the county
  - Providing strategic influence and leadership to reflect our unique position as a democratic organisation with a county-wide overview
  - Joining up and adding value to the County Council’s regeneration efforts and service delivery and enhancing the councils role as a procurer of services and as an employer
  - Working with, and getting best value, from partnership working and delivery

## Regeneration Priorities

17. The service will focus on the following priorities for the life of the current Strategic Plan:
- **We will lead the work of partners engaged in the economic regeneration of the County and have partners signed up to a County-wide action plan under the Community Strategy.** Our priority is to shape the economic and enterprise outcomes under the Local Area Agreement into a shared regeneration forum with collective responsibility and joint working
  - **We will ensure that all parts of the county benefit from economic growth and halt the currently growing gap in economic prosperity levels between the north and south of the County.** Productivity levels remain sluggish in the County generally, but addressing the difference between north and south is a priority. Wages in Mansfield, Ashfield and parts of Bassetlaw are currently 15% below the rest of the County and skill levels in the same areas show high levels of no skills and low levels of high skills. We will achieve this by our own efforts and by directing the work of our partners. Developing the innovation centre network and exploiting the major economic development sites such as the Sherwood Growth Zone and Rolls Royce Science and Technology Park, which will create 3,000 quality, well-paid jobs for some of the County’s most economically disadvantaged areas

- **We will reduce the number of people on incapacity benefit and hidden unemployment within the County.** While official unemployment has declined it remains comparatively high in certain communities and worse, currently over 37,000 people in Nottinghamshire receive Incapacity Benefit. Through our work with Job Centre Plus, the local Primary Care Trusts and working with partners in District Local Strategic Partnerships our priority will be to support initiatives that reduce the number of people on incapacity benefit and to work with communities with the highest levels of worklessness to tackle this issue
- **We will provide adult and community learning opportunities for 8,000 people a year.** The Adult and Community Learning Service core priority is to “Bring Learning to Local Communities” as it looks to engage new and reluctant learners back into learning and focus activity on the areas of greatest economic and social deprivation. In addition to focusing on areas of deprivation, the service also prioritises certain groups, including ex-offenders, ethnic minority groups, families and carers and those with low basic skills and low confidence levels
- **We will provide an external funding service for the authority** - supporting services and projects across the authority to bring in on average £4 million of pounds a year in external funding. In particular we will focus our energy on supporting major county council projects such as Sherwood: The Living Legend which was developed as a highly robust project and £50 million submission to the Big Lottery Fund by the Regeneration Service. Our priority will be to secure eligibility for funding, to prepare excellent submissions to funders and to minimise the financial impact on mainstream funding
- **We will develop local regeneration strategies that focus our regeneration efforts on the most economically deprived communities.** Reducing the difference between the haves and have-nots will be a priority. Central to this will be our continuing support for strong viable community resource centres affording access to over 120,000 people per annum to learning, employment and community based opportunities
- **We will further develop the social enterprise sector** as it develops sustainable employment and focus on building community and voluntary sector capacity and infrastructure
- **We will target efforts at developing the enterprise skills of young adults** and ensuring that vocational training provision for young people in our most vulnerable communities is fit for purpose in the 21<sup>st</sup> Century.

## **Conclusion**

18. In taking the reshaped service forward we will ensure that the service is fit for purpose to meet the regeneration challenges of the 21<sup>st</sup> century, delivers best

value services and maintains relevance and responsiveness to the economic situation within the county.

19. It is hoped that this report and answers to the questions that will be raised at the Members' Briefing will be found helpful and informative.

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**Cabinet Member for Culture and Regeneration**