

Employment and Skills: the Role of Regeneration in Supporting Communities

SLIM Learning Theme Report

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CONTENTS

| | |
|--|----|
| ACKNOWLEDGEMENTS | 2 |
| Contents..... | 3 |
| Executive Summary | 4 |
| 1. INTRODUCTION..... | 9 |
| 2. POLICY CONTEXT | 10 |
| 2.1 Introduction | 10 |
| 2.2 Recent policy initiatives in worklessness and regeneration | 11 |
| 2.3 Policy reviews | 20 |
| 2.4 Regeneration research..... | 22 |
| 3. REGENERATION IN THE SOUTH WEST..... | 28 |
| 3.1 Introduction | 28 |
| 3.2 Regional needs | 28 |
| 3.3 Sub regional regeneration: selected case studies | 36 |
| 4. WORKSHOP REPORT | 41 |
| 4.1 Speakers' presentations..... | 41 |
| 4.2 Discussion sessions | 46 |
| 5. RECOMMENDATIONS..... | 51 |

EXECUTIVE SUMMARY

This is the report of the SLIM Learning Theme, *Employment and Skills: The Role of Regeneration in Supporting Communities*. The Learning Theme, explored how to get the best jobs and skills benefits from regeneration activities as well as investigating how well regeneration policies, practices and funding streams are linking together to support communities.

The challenge

Regeneration has been defined as, 'a set of activities that reverse economic, social and physical decline in areas where market forces will not do this without support from the government'. The recent recession has also seen the return to a focus on how to tackle worklessness at the local level. Regeneration thus has the potential to not only rekindle the local economy but also to address worklessness within localities. Yet at the same time, the public funding squeeze will undoubtedly slow the pace of regeneration. It is thus more critical than ever that the resources available for regeneration, jobs and skills are effectively aligned to maximise their impact.

Indeed, the Learning Theme found that lack of integrated funding streams and centralised decision-making were symptomatic of a 'top down' approach that currently worked against alignment in services delivery at the local level. As funding is structured, it is difficult for any one organisation or agency to get a grasp of all the relevant socioeconomic issues (e.g. crime and housing) in regeneration, and there remain gaps in policies and delivery. Initiatives are also failing to take account of differing cultures from community to community, especially in rural areas. At the same time, there is an unhelpful divide between urban and rural communities in terms of funding priorities.

The changing policy context

The previous Labour Government oversaw a wide range of initiatives focused on reducing place based disadvantage. Many lessons have emerged from these experiences and it is important that this knowledge is not lost. This report highlights some of the emerging lessons including a strong body of knowledge about what works in terms of partnership development and effective interventions for individuals and communities.

Since the Learning Theme workshop took place, the new Coalition Government has been elected and the policy context underlying regeneration, employment and skills is extremely fluid with the exact shape of the policy, programmes and funding yet to emerge.

What is certain is that the new Coalition Government is committed to:

- Increasing localism
- Reducing red tape and the target culture

- Cutting public funding

Whilst the first two potentially add impetus to local authorities' regeneration activities, the latter indicates that the funding available for regeneration activities is certain to reduce significantly. At the same time, the forecast loss of jobs in the public sector combined with changes in welfare benefits will mean fewer employment opportunities coinciding with increasing numbers of lone parents and those formerly on inactive benefits moving onto Job Seekers Allowance. The challenges facing local agencies are thus potentially immense. New models of relationships, financing and delivery may be needed in this new economic context encompassing more innovative and creative approaches.

Building on the lessons

The All Party Urban Development Group (APUDG), a cross party Parliamentary body progressing UK wide urban renewal and sustainable development undertook an Inquiry in 2008, which concluded that five factors can help link regeneration to employment opportunities for local people:

- ◆ using section 106 planning agreements to secure commitment to local employment objectives;
- ◆ building partnerships between local authorities, employment agencies, further education and employers at the pre-development stage;
- ◆ forecasting all possible employment opportunities during planning, construction and post-development phases;
- ◆ matching training to employer demand and labour market needs and using targeted employment strategies; and
- ◆ ensuring that regeneration leaves a positive employment legacy by creating long term opportunities, jobs with career prospects, and ongoing support for employees.

Within the South West region there are many examples of effective practice linking regeneration, jobs and skills within both urban and rural contexts. The report draws on many of these initiatives as well as the findings of significant research in this area.

Capacity to deliver

Research has found that the move towards more localised approaches also needs to take account of the fact that areas differ in their capacity to deliver effective interventions, including: the skills of those directly involved in delivery; the experience and capacity within local communities to get involved in partnership working; and, in the relationships between collaborating organisations and with local employers.

Research undertaken for South West Councils aimed to identify the specific skills and capacity-building support required by local authorities to deliver their economic development and regeneration responsibilities. The study noted that a number of local councils are currently reviewing their delivery vehicles and partnership structures, to ensure they are fit for purpose to support their economic development strategies in the current climate. 'Widely

reported skill and capacity gaps' were identified by local authorities in relation to key aspects of economic development work across the region. These covered a range of strategy, programme management and delivery issues.

Recommendations

Delegates at the workshop developed the following recommendations:

Simplification

- The architecture of regeneration is complex and overlapping, placing a pressure on resources. Local areas need to simplify the increasingly complex maze of partnerships, local delivery vehicles and capital and revenue funding streams.
- Local areas need to review whether they are fully utilising the freedoms and flexibilities that they already have to ensure that there is a more effective co-ordination of regeneration policies and activities.
- Local authorities and other key stakeholders should take the lead in reviewing the relevance of the wide range of partnerships and local delivery vehicles on the basis of whether or not they create added value.

Financial innovation

- Financial innovation will be central in light of limited resources and multiple funding regimes. One dimension may be more small-scale, inexpensive innovations that act as catalysts to change, emphasize repair and re-use and help deliver more efficient and effective public and private sector services.
- Local agencies need to improve their understanding of the funding regimes and best practice in combining resources.

Partnership

- Working in partnership is vital to engaging with a range of stakeholders and can deliver significant benefits. Reinvigorate and build upon existing partnership arrangements.
- Partnerships should seek to harmonise differing targets and priorities and build trust alongside community representation: housing associations can be a key partner.
- Regeneration should recognise, build upon and utilise existing community assets in the form of skills, knowledge and resources.

Planning and procurement

- Local authorities should seek to increase flexibility, especially in the planning system.

- Greater use needs to be made of section 106 powers to gain employment benefits. There needs to be more effective sharing of best practice in the use of these powers.
- Culture change is needed to encourage employers to consider local sourcing and employment.
- Local agencies should review their procurement practices to ensure that they maximise the employment and skills benefits.

Capacity

- Invest in building the skills and capacity of agencies and the community.

Prioritise

- It will be vital to agree priorities for the local area, particularly in the context of limited resources, and design the strategy and delivery mechanisms to deliver these priorities. Does the area have the right projects and project mix for the location? Do the delivery mechanisms follow the priorities? Are the projects going to maximise impact on employment and skills?

Sustainability

- Having a sustainable and low carbon approach to regeneration will become increasingly important, with growing interest (and government funding for) low carbon developments and increased interest in retro-fitting as part of local development. This suggests that regeneration practitioners will need to develop models of development that support this approach.

Innovation

- Regeneration practitioners will need to ensure that their holistic approach to regeneration considers how to maximise opportunities for places and people to develop, exploit and exchange new ideas.

Measure success

- Regeneration strategies need to be clear about their objectives and measures of success, which will vary for different areas – and will require different approaches. The funding and target culture has sought the measurement of “hard outcomes”. Regeneration practitioners point to the need for more effective soft outcome measurement.

Effective interventions

- Research and evaluation of regeneration initiatives have identified a wide range of effective interventions. Many of these are well documented in this report. Local areas should thus ask themselves:

Are we re-using well tested approaches and learning lessons from previous initiatives?

Are we applying solutions that match the local problem?

Do we have the most effective delivery mechanisms?

Are we drawing on the expertise and knowledge of those already involved, including local communities?

- The multiple and complex nature of the barriers facing many disadvantaged residents means that interventions should be holistic and should address housing, health, childcare and substance use issues as well as labour market needs.
- Post employment support will be required for those facing multiple barriers. A combination of problems with money management, unfamiliarity with workplace practices and practical issues such as travel and childcare can cause individuals to drop out of employment. Good post employment support structures are thus essential for job retention.
- A distinction needs to be made between the shorter and longer term unemployed, who often have very different needs in terms of access to the labour market.

1. INTRODUCTION

This is the report of the SLIM Learning Theme, *Employment and Skills: The Role of Regeneration in Supporting Communities*. SLIM organised this Learning Theme as part of the work in supporting the delivery of the European Social Fund in the region. The Learning Theme thus brought together policy makers and practitioners to look at how to get the best jobs and skills benefits from regeneration. It also investigated how well regeneration policies, practices and funding streams are linking together to support communities.

Regeneration has been defined as, 'a set of activities that reverse economic, social and physical decline in areas where market forces will not do this without support from the government'. Whilst the focus of this Learning Theme is on the link between regeneration, jobs and skills, there are clear lessons for the ways in which local areas can benefit from wider economic development activities.

The Learning Theme took place in March 2010, since which time the new Coalition Government has been elected and the policy context, which provided the background for the Learning Theme, is thus changing radically. We have where possible referenced these changes but as readers will be aware, much of the detail has yet to be determined. Nevertheless, regeneration of communities will continue to be important and drawing on the lessons of past experience will be critical if regeneration is to be effective.

The recession has seen a return to a focus on how to tackle worklessness. Regeneration can be seen as having the potential to not only rekindle the local economy but to also lower levels of worklessness overall. The public funding squeeze will undoubtedly slow the pace of regeneration, and it is thus more critical than ever that the resources available for regeneration, jobs and skills are effectively aligned so as to maximise their impact.

The Learning Theme process has reviewed latest policy developments, research into regeneration, skills and employment and identified good practice. The Learning Theme also benefited from lively discussion at the Learning Theme workshop, which attracted a wide range of delegates from across the region.

The Learning Theme report is structured as follows: in Section 2, we look at the policy developments in this arena. In Section 3, we look at good practice within the region and Section 4 provides an account of the Learning Theme workshop, including issues and debates. Section 5 highlights emerging recommendations.

2. POLICY CONTEXT

In this Section we explore the policy context which supports regeneration and look at some of the lessons which have been emerging from a series of significant policy initiatives in this field. We also look at the issues that have been highlighted by recent research.

2.1 Introduction

The context for this Theme can perhaps be described as 'transitional'. In recent years there has been a growing emphasis on integration of services and improved partnership working. These have often spearheaded at local level by Local Strategic Partnerships and with longer term strategic input at regional level by agencies and stakeholder bodies.

Prior to the general election and the new Coalition Government, the direction of travel of policy sought a greater alignment through new planning arrangements, including:

- Work & Skills Plans which aimed to strengthen collaboration between local authorities and Local Employment and Skills Boards.
- Regional Development Agencies' planned Single Integrated Regional Strategy to cover employment and skills.
- Regional priorities statements and development of a Regional Skills Strategy aimed at more clearly linking skills to regional and local economic development.
- The need to improve alignment between ERDF and ESF funded initiatives.
- The formation of Local Employment Partnerships.

The new Coalition Government, has been swift to rescind much of this planned policy, thus Work and Skills Plans will no longer be required. The requirement for a Single Integrated Regional Strategy has also been removed. The new Coalition Government has also indicated that it will end statutory guidance on local economic assessments which will free up local authorities to decide locally how they monitor their local economy. Regional Development Agencies are to be abolished and the 2010 Budget¹ announced a new White Paper to be published later in the summer which will set out further details including:

- the creation of strong Local Enterprise Partnerships, particularly those based around England's major cities and other natural economic areas, to enable improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development;
- consider the most appropriate framework of incentives for local authorities to support growth, including exploring options for business rate and council tax incentives, which would allow local authorities to reinvest the benefits of growth into local communities; and

¹ Budget 2010, HM Treasury June 2010

- as part of the shift to a more locally driven planning regime, promote the role for a simplified planning consents process in specific areas where there is potential or need for business growth, through use of Local Development Orders.

Thus the shift towards “localism” continues. And, whilst there will no longer be a requirement on local authorities to produce Work and Skills Plans, local authorities will need a well developed evidence base in support of Local Enterprise Partnerships, and thus much of the preparation done to date may continue to be relevant.

Planned cuts in public finance also call for increased efficiency, integration and effectiveness of service provision. This will require us to draw on lessons from existing evaluations, such as: New Deal for Communities; Working Communities Fund; Employment, Education and Health Action Zones; and Joseph Rowntree Foundation research reviews.

2.2 Recent policy initiatives in worklessness and regeneration

2.2.1 Regeneration strategy

Although community based ‘worklessness’ and ‘regeneration’ are relatively recent concepts, ‘neighbourhood renewal’ is not. The Government’s National Strategy for Neighbourhood Renewal (NSNR) was launched in 2001² and was focussed on use of mainstream resources to address deprivation at neighbourhood level in 88 local authorities with the most severe concentrations of neighbourhood deprivation. The NSNR supported by dedicated funding streams: initially the Neighbourhood Renewal Fund (NRF) later replaced by the Working Neighbourhoods Fund (WNF; see section 2.2.2). The Strategy has also encompassed other programmes including the New Deal for Communities (NDC; see section 2.2.3), Neighbourhood Management Pathfinders (NMP) and Neighbourhood Wardens (NW).

Evaluation of the overall impact of the NSNR noted that it had helped to establish and join up new elements in the landscape of neighbourhood renewal, including:

- ◆ *Local Strategic Partnerships* (LSPs) – fundamental to the planning and delivery of neighbourhood renewal, delivering a range of outcomes to boost partnership working, strengthen local governance and contribute to service delivery improvements;
- ◆ *Local Area Agreements* – originally a framework of targets to reflect the goals of the Strategy, evolving over time as to become a key driver of service provision.

Evidence suggested that the NSNR has had a significant impact³ upon local governance and policy making. In addition to LSPs, it helped to stimulate:

² Evaluation of the National Strategy for Neighbourhood Renewal: final report. Report by Amion Consulting to DCLG. March 2010.

³ Evaluation of the National Strategy for Neighbourhood Renewal: local research project. Report by ECOTEC Research and Consulting to DCLG. March 2010

- ◆ development of jointly-shared strategies between service providers;
- ◆ improved use of local area statistics and other evidence in policy making;
- ◆ improved commissioning processes to support the development of outcomes-focused services; and
- ◆ new mechanisms, which have increased the ability of providers to engage with different groups.

Recent years have seen a series of policy announcements and funded initiatives that have explored the role which tackling worklessness is likely to play in regeneration policy. In 2006⁴ the Department of Communities and Local Government (DCLG) published the results of a study looking at the economic factors impinging on deprived neighbourhoods. The report acknowledged the contribution of place to local perceptions of skills capacity and employment opportunities:

What constitutes the local labour market varies by skill level, but most people's jobs, even at intermediate and higher skill levels, are within five kilometres of their homes. Interventions to help workless people into work need to recognise this.

This was followed up with the cross departmental Sub-National Review of Economic Development and Regeneration (SNR)⁵ in mid 2007. It presented proposals on how to improve sub-national economic development and tackle deprivation by bringing together regional, sub-regional and local partners. Their aim was to tailor solutions to specific problems, making best use of available resources and opportunities. The subsequent consultation in spring 2008⁶ sought responses from the regions on key economic development and regeneration issues.

Regeneration was also highlighted in the National Improvement and Efficiency Strategy, agreed between central and local government in January 2008. It committed local authorities and Regional Improvement and Efficiency Partnerships (RIEPs) to work on 'improving economic and neighbourhood renewal leadership capacity' in local government. RIEPs were proposed to help local partnerships build their economic development capacity and analyse their labour market, working with social enterprises and JobCentre Plus to share claimant information and LMI data and analysis.

⁴Dep't for Communities and Local Government. The Economies of Deprived Neighbourhoods: summary of research. 2006. <http://www.communities.gov.uk/documents/communities/pdf/151003>.

⁵ HM Treasury, Depts. of Business, Enterprise and Regulatory Reform and Communities and Local Government. Review of sub-national economic development and regeneration. July 2007.

⁶ DCLG/BERR. Prosperous places: taking forward the review of sub national economic development and regeneration. March 2008.

The resulting Community and Local Government (DCLG) strategy *Transforming places, changing lives*⁷ conceived of regeneration as a:

set of activities that reverse economic, social and physical decline in areas where market forces will not do this without support from Government ... Successful regeneration strengthens communities by creating new economic opportunities. It is a time-limited investment that transforms places and economies so they do not need long term subsidy. It is not an end in itself, and it is not mainstream funding or a substitute for it.

Transforming places acknowledged that needs of local residents and businesses drive regeneration. Investments should be linked to other key areas like health and well-being which have a direct relationship with regeneration and its outcomes. Public, private and third sector partners should cross institutional boundaries to work together. Local authorities are empowered to develop partnerships through Local Area Agreements (LAAs) and Multi Area Agreements (MAAs) which help to align sub-regional and regional interests. They are complemented by establishment of employer led Local Employment and Skills Boards, with much greater powers for local partners to fund local employment and skills priorities.

DCLG set out their plans to align regional and sub regional priorities through RDAs and local partners, targeting investment to maximise the impact of the single pot on regional economies as recommended by the DTI's independent evaluation of RDAs⁸. At more local level DCLG agrees LAA targets to reduce worklessness and increase enterprise, which then become key priorities for the Local Strategic Partnerships (LSPs) and their partners in the private and voluntary and community sectors. Worklessness interventions they deliver bring together Jobcentre Plus, the LSC and other partners (local authorities, private, and voluntary and community sectors) within an area.

The Homes and Communities Agency (HCA), works with central and local government, and regional partners (RDAs, GOSW), to deliver tailored regeneration investment for communities. Its 'single conversation' policy integrates arrangements through Multi Area Agreements, city and sub-regional partnerships, urban regeneration companies and others. It aims to align and integrate regional strategy with local agreements, such as LAAs and MAAs, based on the national indicator set (NIS) measurable at below the district level. The most relevant indicators illustrate a holistic range of issues:

⁷ Dep't for Communities and Local Government. *Transforming places, changing lives: taking forward the regeneration framework*. May 2009.

⁸ Dep't of Trade of Industry. *Evaluating the impact of England's Regional Development Agencies: developing a methodology and evaluation framework*. Report by PA Consulting/SQW Ltd, February 2006. (DTI Occasional Paper no 2)

| NI Number | Indicator |
|-----------|---|
| NI 151 | Overall employment rate |
| NI 153 | Working age people claiming out of work benefits in the worst performing neighbourhoods |
| NI 5 | Overall/general satisfaction with local area |
| NI 7 | The environment for a thriving third sector |
| NI 15 | Serious violent crime rate |
| NI 18 | Serious acquisitive crime rate |
| NI 78 | Fewer schools where <30% of pupils achieve >5 GCSE A*– C grades including English and Maths |
| NI 116 | Proportion of children in poverty |
| NI 120 | All age all cause mortality rate |
| NI 163 | Working age population qualified to at least Level 2 or higher |
| NI 117 | 16-18 year olds who are not in education, employment or training (NEET) |
| NI 166 | Average earnings of employees in the area |
| NI 171 | New business registration rate |
| NI 176 | Working age people with access to employment by public transport |
| NI 188 | Planning to adapt to climate change |

MAAs were expected by the SNR to contribute to five outcomes: employment and worklessness, education and skills, housing and infrastructure, enterprise, and the local environment. A DCLG evaluation of stakeholders involved in MAAs' early phase of implementation⁹ found that working at the level of the functional economic area was considered necessary for some interventions, and confirmed the utility of a focus on economic development. 'Place based' sub-regional strategies needed to reflect areas' distinctive characteristics and required the collaboration of central and local government as well as some delegation of powers.

2.2.2 The Working Neighbourhoods Fund

The Working Neighbourhoods Fund (WNF), announced by DCLG and the Department for Work and Pensions (DWP) in late 2007¹⁰, gives councils extra resources to April 2011 to respond to long-term worklessness in deprived areas. It replaced the DCLG Neighbourhood Renewal Fund and the DWP Deprived Areas Fund to create a single fund at the local level. Other targeted support at neighbourhood level is available through the Local Enterprise Growth Initiative (LEGI) and New Deal for Communities (NDC), the community builders'

⁹ DCLG. Research into multi-area agreements: long term evaluation of LAAs and LSPs. Jan 2010.

¹⁰ DCLG/DWP. Working Neighbourhoods Fund. November 2007.

fund, and supporting local government partnership capacity with advisers, resource centres and RIEPs.

A survey of the economic characteristics of WNF areas¹¹ compared to the English average found that they had:

- ◆ 34% more workless households
- ◆ 40% more individuals claiming out of work benefits
- ◆ 67% more JobSeekers Allowance claimants
- ◆ 40% more Incapacity Benefit claimants
- ◆ 55% more lone parents on Income Support
- ◆ 9% lower working age population in work
- ◆ 170% more of their Lower Super Output Areas (LSOAs) in the most deprived national decile in the Index of Multiple Deprivation (IMD) 2007
- ◆ 4% lower three year survival rate of enterprises registered in 2002
- ◆ Lower average earnings (typically between 4.5-11%)
- ◆ Higher proportion of the working population with no qualifications (17.6% compared with 12.6%)
- ◆ Higher proportion of socially rented housing stock (approximately 25%)

Respondents highlighted skills, qualifications and other employability issues as the most important contributory factors to worklessness. Also significant were a lack of job opportunities at both local and wider sub regional levels, unattractive job offers, low pay and job insecurity, with a culture of worklessness and the state benefit system as key institutional barriers.

The WNF study noted that spatial concentrations of key client groups, with facilities and resources to support outreach work, have resulted in a significant amount of spatial targeting. The use of a wide range of facilities in communities is also a growing feature of multi-agency working. WNF has acted as a strategic catalyst, adding value and providing resources to make things happen and giving a higher priority to reducing worklessness. Flexible and themed partnership working in economic development, enterprise and neighbourhood plans have encouraged coordinated strategies and services.

Evidence from the study showed the need to understand how a diverse range of factors come together to create the worklessness problem in an area. *Demand-side factors* emphasise the lack of availability of jobs for residents, particularly in deprived areas. These can be considered alongside *enterprise factors* that relate to the ability of an area to attract and retain new businesses. *Supply-side factors* emphasise the barriers to employment that individuals or households may experience. *Institutional factors* focus on the structural difficulties people experience in entering the workforce, or that employers experience in

¹¹ DCLG. The Working Neighbourhoods Fund (WNF) scoping study: worklessness and how WNF is being used to tackle it. Report by Cambridge University to DCLG, February 2010.

finding labour, including the housing market and 'sorting processes' that concentrate disadvantaged people in spatial terms.

The WNF study found that the programmes that have most success tend to be those working with individuals who are closest to the labour market, with those facing multiple difficulties and problems proving considerably harder to help. It also noted that:

- ◆ assistance works best when tailored to individual needs;
- ◆ engaging with employers is critical to success;
- ◆ there is little evidence to support the use of direct job creation schemes to target area-based problems (though there is more evidence to support intermediate labour markets (ILMs) targeted at individuals who need support to sustain work);
- ◆ whilst the type of delivery mechanism has not been shown to have a substantial impact, the type of programme and quality of staff are much more important; and
- ◆ good partnership working is also important.

2.2.3 The New Deal for Communities

The New Deal for Communities (NDC) has covered the holistic regeneration of 39 areas over a ten year period since 1998 and is based on key underlying principles: dedicated neighbourhood-based partnerships, community engagement, a partnership approach, and learning and innovation¹². The NDC focuses on three 'place-based' issues: crime, the community, and housing and the physical environment. It also addresses three 'people-based' considerations: education, health, and worklessness.

Statistically significant net additional outcomes were identified for the NDC Programme¹³. More positive change occurred in relation to place, rather than people, related outcomes but interrelationships between them were recognised. There were variations in rates of change across the six key outcome categories, of which the three 'people based' categories showed:

- ◆ although partnerships have seen big changes in *education* outcomes this has rarely been over and above that seen in deprived areas overall
- ◆ there is no evidence for statistically significant positive net additional change in relation to *worklessness*
- ◆ more statistically positive net change emerges in relation to *health* than for education or worklessness, much of it relating to improvements in mental health.

Evidence from the evaluation report¹⁴ identifies three major barriers limiting community engagement with the labour market:

¹² Making deprived areas better places to live: evidence from the New Deal for Communities programme. Report to DCLG by Sheffield Hallam University. March 2010.

¹³ The New Deal for Communities Programme: assessing impact and value for money. Report to DCLG by Sheffield Hallam University. March 2010.

¹⁴ DCLG. Understanding and tackling worklessness: lessons from the New Deal for Communities programme. October 2009.

- ◆ *supply-side factors* - including lack of generic skills, inadequate English, poor childcare facilities, and limited job search patterns;
- ◆ *demand-side factors* – local residents' hard and soft skills, levels and type of jobs, employer recruitment, entrepreneurship in the local economy;
- ◆ *institutional factors* - the dynamics of the housing markets and the effects of the benefits system.

Six case study NDC Partnerships were selected that demonstrate models of good practice. These have supported three types of interventions on the supply side:

- ◆ combined job brokerage and Information Advice and Guidance (IAG) projects to help workless individuals access employment and training opportunities
- ◆ recruitment and job matching services with local businesses, often with dedicated employment liaison officers
- ◆ skills development projects, sometimes with a sector-specific focus.

On a more limited scale, NDCs' demand side projects cover:

- ◆ Intermediate Labour Market (ILM) projects creating short-term jobs, providing participants with the skills and experience to gain sustainable employment
- ◆ initiatives seeking to create jobs for local people through section 106 agreements
- ◆ business support projects to promote enterprise within the NDC area.

The physical development of NDC areas provides opportunities for training and employment in construction. NDCs have also worked to bring together their worklessness programmes with other strategies operating within the wider local authority: changes in worklessness reported by NDC areas have tended to reflect changes at the parent local authority level. Joint initiatives have included integrating NDC interventions with other district wide funding mechanisms, notably the Working Neighbourhoods Fund (WNF); and seeking to align NDC policies with those adopted by district institutions, particularly Local Strategic Partnerships. There have been signs of increasing complementarity between the strategies of some organisations dealing with these people-related outcomes and NDC plans, often helped by Local Strategic Partnerships and the arrival of Local Area Agreements¹⁵.

Studies of educational attainment in New Deal for Communities areas^{16,17} covers interventions running from pre-school through to adult skills and family learning. A range of

¹⁵ Improving outcomes for people in deprived neighbourhoods: evidence from the New Deal for Communities programme. Report to DCLG by Sheffield Hallam University, March 2010.

¹⁶ Improving attainment? Interventions in education by the New Deal for Communities programme. Report to DCLG by Sheffield Hallam University, February 2010.

¹⁷ Narrowing the gap? Analysing the impact of the New Deal for Communities programme on educational attainment. Report to DCLG by the Social Disadvantage Research Centre, February 2010.

indicators is related to inequalities in education across geographic, economic and social factors: neighbourhood, household income, parental socio-economic status and educational background, gender and ethnicity. Evidence suggests that family background and household income are key as well as early school experiences. Of the three indicators relating to adult skills, NDC areas have seen a bigger improvement in the proportion of adults taking part in education or training over the twelve month period under study and in the share of adults with no qualifications, relative to the comparator areas.

Amongst the higher order policy recommendations identified for the NDC Programme¹⁸, it was noted that education has been one outcome where, not only has it been difficult for NDC partnerships to make an impact, but there are also, albeit weak, negative associations between higher rates of spend and change in general. More emphasis needs to be given to determining what works at the neighbourhood level, if education is to be incorporated into similar Area Based Initiatives (ABIs) in the future. It was suggested that the central Government locus of educational policy may have limited its ability to adapt within NDC areas. In reviewing what had worked best in the programme¹⁹, stakeholders noted that sustaining change in relation to education and health had been made increasingly complex because of factors such as institutional change, national targets, and lack of local accountability in relation to some delivery agencies such as academies.

2.2.4 New employment measures

The previous Government's White Paper, *Building Britain's Recovery: Achieving Full Employment*²⁰, announced additional funds to support community outreach expansion. It also set out the then Government's vision for a more personalised Jobcentre Plus. Thirteen pilots running from April 2010 would give four Jobcentre Plus districts many of the kinds of freedoms given to private and voluntary sector partners, moving to a more tailored and personalised service. In the pilot areas, funding and support will be based round a holistic assessment of individual clients' needs, addressing complex barriers and help customers to secure stable employment.

Whilst Work and Skills Plans are no longer a requirement, some local authorities that had progressed with the Plans have used them to start to articulate delivery strategies that underpin the relevant priorities identified in the Sustainable Community Strategy, Local Area Agreements and Multi Area Agreements.

¹⁸ The New Deal for Communities experience: a final assessment. Report to DCLG by Sheffield Hallam University, March 2010.

¹⁹ What works in neighbourhood-level regeneration? The views of key stakeholders in the NDC programme. Report to DCLG by Sheffield Hallam University, February 2010.

²⁰ Dep't for Work and Pensions. Building Britain's Recovery: achieving full employment. December 2009.

The Improvement & Development Agency (IDeA) has produced a guide to help local authorities implement interim Work and Skills Plans²¹ in anticipation of the development of Worklessness Assessments (part of Local Economic Assessments (LEAs)) as their evidence base from April 2011. Government had required local authorities that had been awarded Future Jobs Fund (FJF) status to: ensure an effective legacy for the FJF programme that demonstrates the longer term benefits from the investment to the local community and economy; and provide central Government with evidence to inform the future of devolved worklessness funding. Each full Plan would cover a three-year period from April 2011 to March 2014, matching the timetable for reviewing Local Area Agreements and the local government settlement. A Work and Skills Plan should also consider the use of current resources such as the Working Neighbourhoods Fund and future funding needs.

Guidance recommended that partners could use Work and Skills Plans to put into place a robust infrastructure and clarify relationships at local level between existing partners and the new National Apprenticeships Service, and Adult Advancement and Careers Service. They could also engage with further and higher education institutions with regard to higher level skills, and explore opportunities to develop coordinated employer engagement mechanisms, for example through Employment and Skills Boards, as well as confirming structures are in place to influence skills provision.

IDeA advised that tackling worklessness means both supporting individuals to raise their skills as well as identifying and meeting the needs of employers in skilling the workforce appropriately, and should be considered with reference to both demand and supply of labour within the local and regional economy. The level of detailed information required will depend on what the Plan will be used for. Evidence collected includes: a labour market demand and supply analysis including an in depth analysis of worklessness; an outline of current employment support and training provision, including a gap analysis; and funding programmes and budgets. Anticipating strengthened requirements for data sharing on worklessness in advance of the new duty, the DWP has also produced advice for local partnerships²².

Associated IDeA guidance for preparation of accompanying Local Economic Assessments²³ includes national and local data covering: economic and spatial trends; business and enterprise (labour demand analysis), including local industry sectors and innovation; people and communities (labour supply analysis), including population trends, labour market structure, local skills levels and economic inclusion. In tandem and feeding into the LEAs, Worklessness Assessments are expected to cover: the workless population – size, structure and change over time; characteristics of the workless population and identification of priority

²¹ IDeA. Work and Skills Plans: a practitioner's guide. April 2010.
<http://www.idea.gov.uk/idk/aio/18210199>

²² DWP. Guide on data sharing to tackle worklessness. February 2010.

²³ How to do a Local Economic Assessment. Guidance designed by local authorities on behalf of IDeA and Planning Advisory Service. October 2009.
<http://www.idea.gov.uk/idk/core/page.do?pagelId=13992067>

groups; the geography of worklessness; employer demand issues; and identification of the barriers that people face in getting into work.

2.3 Policy reviews

The All Party Urban Development Group (APUDG) is a cross party Parliamentary body progressing UK wide urban renewal and sustainable development. Although focusing on urban areas, the Group's findings on regeneration also apply to initiatives in more rural communities. Following evidence submitted to a 2008 Inquiry, the APUDG identified²⁴ the following obstacles to linking local people to regeneration jobs: lack of appreciation of the benefits of using regeneration to get local people into work; the cost of training and recruiting local people; barriers such as the benefits trap that cannot be solved at the local level, or that require a more holistic approach to getting people into work; and the perceived discrimination involved in specifically targeting local residents.

According to the Group, five factors can help link regeneration to employment opportunities for local people:

- ◆ using section 106 planning agreements to secure commitment to local employment objectives;
- ◆ building partnerships between local authorities, employment agencies, further education and employers at the pre-development stage;
- ◆ forecasting all possible employment opportunities during planning, construction and post-development phases;
- ◆ matching training to employer demand and labour market needs and using targeted employment strategies; and
- ◆ ensuring that regeneration leaves a positive employment legacy by creating long term opportunities, jobs with career prospects, and ongoing support for employees.

The report recommended that joint working for sustainable communities should ensure that local residents can capitalise on the employment legacy of regeneration projects by ensuring that: training schemes are linked to employer demand; focused careers advice is available; exit interview guidance is used; and job starts and retention rates are monitored. It would be beneficial to Local Employment and Skills Boards for Government to devolve control over adult skills budgets to local employers who can link residents to regeneration jobs through bespoke training programmes in construction, facilities management, housing and retail.

The Houghton Committee's 2008 *Tackling Worklessness Review*²⁵ examined:

- ◆ how local authorities and their partners were tackling worklessness;

²⁴ All Party Urban Development Group. Building local jobs: ensuring local communities gain employment through regeneration. APUDG, 2008.

²⁵Houghton, S et al. Tackling worklessness: a review of the contribution and role of local authorities and partnerships. Interim report to DCLG. November 2008.

- ◆ how Government departments could better support local partner delivery of employment and skills services;
- ◆ how the private sector, social enterprises and third sector, and RDAs could help local partners; and
- ◆ how stakeholder agencies can better tailor their services to meet needs of the most disadvantaged areas.

The Houghton Review considered that local authority support for employment and skills provision was crucial to link services with mainstream activity, and recommended a strengthened role for local authorities, LSPs and partners in tackling worklessness. Three immediate steps were recommended:

- ◆ All upper tier authorities should, as part of their wider economic assessment duty, provide local labour market worklessness assessments, enabling shared performance monitoring by local partnerships
- ◆ Identifying priority areas for an integrated response to local labour markets and economic conditions (using DWP programmes, LSC and WNF), building on LAA delivery and review, to develop a 'Work and Skills Plan' and budget to be commissioned between DWP and skills bodies
- ◆ Setting up a national task force, reporting to the National Economic Council, to respond to unemployment in priority areas and for priority groups.

Since Houghton's study, the recession and associated effects have strengthened the need to ensure that regeneration, employment and skills activities work in parallel to maximise impact. Subsequent analysis by the Social Exclusion Task Force²⁶ examined the social impact of previous recessions. It highlighted the contribution of the 'Total Place' initiative to move decision making closer to service provision, bringing local agencies together to develop cost effective solutions to shared goals. The Task Force developed useful checklists for integrated strategies and delivery, which should rely on:

- ◆ Joint local worklessness assessments, to identify demand for services addressing social and family barriers to employment; and Work and Skills Plans, to set out an integrated response to recession, with clear accountability and outcomes
- ◆ Maps of provision and effectiveness of local services
- ◆ Maps of local public spending across separate agencies, identifying potential efficiencies from closer collaboration
- ◆ Improved partnership working across local agencies, including Local Strategic Partnerships and other sub regional organisations
- ◆ Targeting worklessness 'hotspots' through better community working.

²⁶ Social Exclusion Task Force. Learning from the past: working together to tackle the social consequences of the recession. December 2009.

2.4 Regeneration research

2.4.1 Joseph Rowntree Foundation research

The Joseph Rowntree Foundation (JRF) has been researching regeneration and the needs of individuals living in disadvantaged areas for many years, and are national experts in the field. The majority of the research findings set out below are drawn from studies they have undertaken over the past ten years.

In their response to the DCLG consultation²⁷, the JRF compiled results from selected studies which identified key issues for developing a regeneration framework:

- ◆ Research evidence supports a focus on economic inclusion while also highlighting the current gap between social inclusion and economic development agendas
- ◆ Understanding of poverty and place underpins interventions that target individuals and area regeneration: each has a part to play in improving education and employment outcomes
- ◆ Regeneration is complex and requires not only collaboration across a wide range of agencies, but also the ability to link actions at neighbourhood level to broader local, regional and national policies.
- ◆ Tackling child poverty effectively requires improvements in a range of other areas besides worklessness, including pay, benefits and tax credits, childcare, job flexibility, parental skills and qualifications and transport.
- ◆ Flexible and comprehensive approaches to address many problems simultaneously have the best chance of engaging communities for lasting impact
- ◆ Evidence suggests that neighbourhoods and local authorities require support and mentoring to design policies and practices to address deprivation, regeneration, and place shaping. Mentoring could be provided by: government offices; the Academy for Sustainable Communities; third or community sector infrastructure bodies; experienced community anchor organisations; registered social landlords.

As well as mentoring, ideas from JRF's work on regeneration to give communities a stronger voice in regeneration include the following:

- ◆ Creating a policy context that encourages simpler structures at the local level.
- ◆ Linking neighbourhood activities to those at other levels: local; sub regional, regional; and national.
- ◆ Aligning different tiers of governance to permit strategic resource sharing by stakeholders is a critical success factor and supports the effectiveness of sub regional partnerships.

²⁷ Joseph Rowntree Foundation. Transforming places, changing lives – a framework for regeneration. Submission by JRF, October 2008.

A review of key interventions since 1997²⁸ highlighted the need for policy evaluations to include a 'counterfactual' against which to measure progress, and enable clearer analysis about the specific impacts achieved. Overall the work found that successful interventions were often locally tailored and sustained over time, supporting the case for some locally focused activity such as area based interventions. It would be useful to work with the Local Government Association and other relevant bodies to promote a culture of change; setting a clear framework for neighbourhood working; and guaranteeing that the time and stability needed locally for the neighbourhoods agenda are not undermined by subsequent calls for innovation and change.

The Joseph Rowntree Foundation Work and Opportunity Research Programme has studied success factors proven by community level activities. Within the context of the Working Neighbourhoods Fund, Meadows²⁹ researched emerging good practice from local initiatives supporting workless people across a range of elements: delivery capacity and institutions; partnership working; engagement and access; meeting individual needs; retention and progression; and the role of employers.

Evidence from projects showed that the following features were important: bridges into work and barriers to entry; the distribution of work between different groups in the population; the need for evidence from real initiatives to improve local job prospects; and employers' policies and behaviour. Acknowledgement also had to be made of the distinctiveness of individual communities, which precludes assumptions that successful approaches will readily transfer into other locations. As stated in the report:

The evidence suggests that bottom-up approaches rooted in the community encourage commitment and generate clearer understanding of the needs of potential programme participants and local employers. Multi-agency partnership working appears to be more effective where it is based on established relationships, which are more likely to be found at a local level.

One common issue was the importance of local labour markets and local delivery systems. Most people in Britain look for work within a limited geographical area, which in the report covered urban centres and their 'pockets' of low skills in inner cities. However, the report also recognised the complex interplays between high levels of worklessness and area deprivation more generally. Linkages between place and worklessness often arise through an inadequate social and economic infrastructure in disadvantaged areas to support people in work, especially in education and transport.

²⁸ Griggs J, Whitworth A, Walker R, McLennan D and Noble M. *Person or place-based policies to tackle disadvantage? Not knowing what works*. JRF, 2008.

²⁹ Meadows, P. *Local initiatives to help workless people find and keep work*. Joseph Rowntree Foundation, June 2008.

In a 'typical' local area, different strategies, roles and approaches to tackle worklessness can be led by the local authority, Jobcentre Plus, the Regional Development Agency, Business Link, further education colleges, voluntary and private sector providers of employment and training support, and housing associations. All may have distinct priorities and agendas.

The move towards more localised approaches also needs to take account of the fact that areas differ in their capacity to deliver effective interventions, the skills of those directly involved in delivery, the experience and capacity within local communities to get involved in partnership working, and in the relationships between collaborating organisations and with local employers

Meadows referred to systems functioning at 'intermediate' levels which can help to fill gaps in both development models and measurement of progress. Intermediate labour markets (ILMs) are social enterprise organisations producing socially useful goods and services while employing disadvantaged groups facing multiple barriers to work. They offer experience in a real work environment to help develop work habits and also support job search and basic training with a high staff-client ratio, combined with a holistic emphasis on helping participants deal with all their problems. ILMs' outcomes and cost effectiveness compare favourably with other initiatives for the same target groups, although costs per client are relatively high.

To underpin impact assessment, other studies have developed 'intermediate' indicators of distance travelled to determine progress in projects where outcomes are not jobs or formal training. Rather than putting forward a list of specific indicators, a set of principles was suggested on which funders and project managers should base their indicators. These were: identifying barriers to learning/personal development; focusing on variables that can lead to changes in behaviour; developing valid reliable measures so that similar results can be produced in similar situations; including multiple variables and multiple sources of information to get an even balance of indicators; being part of a wider evaluation process, building on existing assessments and information and contributing to existing plans; being relatively simple and cheap to administer.

The ILM model is not new and their activities and outputs were researched by JRF in 2000³⁰, looking at their potential role in achieving local and national labour market objectives. Survey findings noted an increase in use of ILM programmes throughout Britain as a way of tackling long-term unemployment and promoting community based regeneration. Properly managed, they can deliver better outcomes and a more sustained progression from welfare to work than other programmes for the long-term unemployed. Although getting long-term unemployed people back into work is the main objective of most ILM programmes, many also provide additional local services and therefore contribute to neighbourhood regeneration.

³⁰ Joseph Rowntree Foundation. Findings: the intermediate labour market. September 2000.

Setting up and managing ILMs requires a multi-agency approach with strong local partnerships and lead bodies, a robust delivery infrastructure and capable management. The main objective of ILMs is to give those most 'detached' from the labour market a bridge back to the world of work through improved employability. The core feature is paid work on a temporary contract within additional economic activities, ideally of community benefit. ILM programmes typically aim to do one or more of the following: maximise 'insertion' into the labour market, fill the jobs gap where there is still a relative shortage of suitable jobs, and contribute to local regeneration.

The survey found that most programmes used resources from at least three of the following: government training and employment programmes, such as New Deal; European Structural Funds; regeneration and service delivery funds. Seventy per cent of programmes used a mixture of New Deal and European funding.

Successful ILMs demonstrated the following criteria: establishing clear objectives; creating a model which best meets local aims and context; designing project activity and location specifically for target group; keeping close to local labour market conditions; treating ILM workers as 'normal', keeping participation voluntary, maintaining flexibility about training and a focus on transferable skills, paying wages at a level which relates to local market rates, making job search integral, being realistic about the amount of paperwork, establishing measurable performance criteria for contracts.

The study also recommended good practice for welfare to work programmes:

- ◆ they need to be well targeted to achieve greatest added value;
- ◆ there should be a focus on durability of employment and income progression and not just on a quick move on to a job;
- ◆ the capacity to deliver well can take time to develop and resources to build this capacity in local organisations should be incorporated into programme funding;
- ◆ there should be a common framework built in from the beginning for the tracking and evaluation of long term impacts for the participants.

Effective sustainable area based regeneration was researched by the JRF in 2000³¹. Although based on urban studies, selected findings with relevance to our varied region include:

- ◆ *Developing innovative partnerships* – among all stakeholders, including local residents. Strong leadership is vital: Local Strategic Partnerships could play this role, with a harmonised funding system and long term strategy

³¹ Joseph Rowntree Foundation. Key steps to sustainable area regeneration. Findings, November 2000.

- ◆ *Empowering neighbourhoods* – area regeneration requires neighbourhood management and: new local governance structures, community development, experimentation, joined-up service delivery, flexible work practices, and a supportive local authority. Community planning links local councillors and communities in a common agenda
- ◆ *Local data analysis* – is hindered by over-reliance on favoured area-based policies, due to four factors: targeting of worst areas always misses a significant proportion of deprived households; owner-occupiers and private renters also make up deprived households, so programmes focusing on social housing are never sufficient; regional disparities in deprivation remain unaddressed; and application of different indices of deprivation gives substantially varying definitions of what is a deprived area.
- ◆ *Sustainable regeneration* - must be driven by strategic objectives, regionally and locally, enabling local involvement in planning, implementation and management. This needs to be backed up by: coordinated action at national, regional and local levels; inclusive forms of neighbourhood management; and adequate resources for community development.
- ◆ *Regional agencies* - in assessing regeneration bids and monitoring the work of partnerships, need to emphasise development of partners' relationships. Monitoring systems of regeneration outputs should reflect local needs as well as central government's requirements.
- ◆ *Local employment plans* – must address underlying problems of joblessness and inequality within area regeneration. Variations in local labour markets require a local dimension in policy design and delivery; and need to link limited transport availability (for example) with economic inactivity
- ◆ *Neighbourhood empowerment* – would be supported by modest amounts of resources available to communities to establish a local presence. Regional and national networks of community and neighbourhood organisations facilitate community involvement at all spatial levels

2.4.2 Economic analysis of regeneration

Methodologies for analysing the impacts of regeneration expenditure were explored in a paper³² from an international development perspective. Drivers of deprivation were identified as: a weak economic base particularly in relation to the skills base and business support facilities; poor housing and social environment; and poorly performing public services. Both appraisal and evaluation of regeneration activities should be based on the extent to which it

³² Potts, D. Assessing the impact of regeneration spending: lessons from the UK and the wider world. Bradford Centre for International Development. April 2008.

is able to make value for money improvements in these areas, identify and evaluate the benefits in a way that allows value for money to be assessed.

An important question in determining impact is what the Treasury refers to as added value or 'additionality': impact analysis to determine the difference between what is expected to happen with the project and the 'counterfactual' - what would have happened without it. For example, jobs creation through regeneration schemes may have happened regardless of the intervention. Measuring additionality in turn draws on the four elements of: 'leakage', 'deadweight', 'displacement' and 'substitution'.

Potts surveyed a range of approaches for measuring value and impact of initiatives, including the Treasury Green Book, which defines the likely objectives of regeneration in terms of:

Improvements in one or more of the following: labour supply and skills; quality of life; physical environment; and local business opportunities ... regeneration outcomes might include: reductions in crime; improvements in the capacity of community organisations; or increases in local incomes and employment.

Other appraisal and assessment methodologies for evaluating the benefits of regeneration initiatives surveyed by Potts include: the Single Regeneration Budget Guidance Manual, the English Partnerships Additionality Guide, the DTI Occasional Paper No 2, the ODPM Explanatory Assessment, the Evaluation of the Single Regeneration Budget, the New Economics Foundation (Social Return on Investment and Local Multiplier 3), some of which incorporated variations in cost benefit analysis. Overseas approaches surveyed from international development projects also highlighted human capital approaches to valuing improvements in skills and environmental valuation techniques.

The following issues for appraisal and evaluation were identified:

- ◆ How do we measure the benefits of diverse regeneration activities?
- ◆ How do we take account of the indirect impact of regeneration spending on jobs and the wider economy?
- ◆ Should we be measuring only benefits to the local area/region or should we be concerned about net benefits to the wider economy? If so...
- ◆ How do we take account of the distributions both in spatial terms and in terms of the income level of the beneficiaries?
- ◆ For what scale of activity is a full cost benefit analysis justified?

3. REGENERATION IN THE SOUTH WEST

3.1 Introduction

So far we have looked at the policy context and the lessons to emerge from regeneration initiatives and research. In this Section of the report we will be looking at how community based initiatives around the South West have been developing innovative approaches to strengthen both regeneration and employment and skills in their local areas. In doing so we have looked at some examples from the following:

- ◆ Local good partnership practice linking work and skills, including European funded initiatives
- ◆ Social enterprise and third sector led activities, including intermediate labour market (ILM) type projects
- ◆ Section 106 negotiations between local authorities and service providers, introducing leverage into procurement practice (as mentioned in the recent Skills Strategy)
- ◆ The relationship of universities and higher level skills to enterprise activity and employment as showcased at regional level (e.g. Knowledge Escalator SW, Knowledge Transfer Partnerships, Great Western Research)
- ◆ The incorporation of regeneration within the strategy and planning processes for skills and employment, which are presently underway in developing Work & Skills Plans
- ◆ Developing links between locally led health services and housing provision and the new Homes and Communities Agency (HCA).

3.2 Regional needs

Whilst the South West is regarded as a relatively prosperous region, it retains pockets of concentrated deprivation, with 113 Local Super Output Areas (LSOAs) in the most deprived 10% nationally (there are over 32,000 LSOAs in England). Of these, more than a third (39) are in Bristol and more than half (65) in Bristol, Plymouth and Torbay combined. Employment and income deprivation are worst in Bristol and Plymouth. There is some evidence of worsening levels of deprivation in some of the region's most rural areas and notably, between 2004 and 2007, Torbay saw six of its LSOAs move into the 10% most deprived LSOAs nationally, and its GVA become the lowest in the region³³.

With neighbourhoods the focus for tackling deprivation, places that the South West has prioritised for future economic growth are also those with the greatest regeneration need. As the Regional Funding Advice points out, an opportunity thus exists to address disparity at the same time as maximising economic potential. In line with the national Regeneration

³³ South West Regional Development Agency. South West Regional Funding Advice – 2009-2019. 2009

Framework, it is recognised that the underlying causes of deprivation at this level are economic (for example worklessness, low or no skills and lack of access to opportunity). Successful regeneration thus depends fundamentally on an integrated approach which tackles these economic issues supported by associated physical improvements including housing development, small business space, and street and green space initiatives. Whilst regeneration policy in the UK is well developed and understood, the recession and its impact have added impetus to the need to ensure that regeneration, employment and skills activities work in parallel to maximise impact.

In July 2009, South West Councils published the outcome of a study³⁴ designed to identify the specific skills and capacity-building support required by each local authority in the South West to deliver their economic development and regeneration responsibilities. Findings were centred round local authorities' expressed intentions to enhance their capacity to address employment and skills issues, made more urgent in the context of the recession. This is particularly critical to underpin the current transfer of responsibility for commissioning post-16 education to local councils. It is also seen as an opportunity to link the economic and skills agendas together with the creation of Employment and Skills Boards and the importance of working with the Regional Employment and Skills Board (formerly the Regional Employment and Skills Partnership).

The study noted that a number of local councils are currently reviewing their delivery vehicles and partnership structures in order to ensure that they are fit for purpose to support their economic development strategies in the current climate. This includes exploring organisational and culture change to ensure that economic development is delivered effectively through internal structures and external delivery agencies and partnerships. 'Widely reported skill and capacity gaps' were identified by local authorities in relation to key aspects of economic development work across the region. These covered a range of strategy, programme management and delivery issues.

The key themes to emerge included:

- ◆ engaging and working with the private sector – both in terms of economic development and skills interventions, and in relation to the ambition to create a more entrepreneurial culture within councils and across partnerships;
- ◆ understanding economic changes and preparation for the post-recession world, including developing a low carbon economy;
- ◆ development economics and commercial property expertise;
- ◆ supporting priority sectors across the region, and strengthening growth in rural areas and those with very high proportions of small businesses;

³⁴ South West Councils. Local economy skills and capacity study. July 2009.

- ◆ inward investment and place-marketing; employment and skills expertise to respond to increasing levels of worklessness, and linking interventions to commissioning for 14-19 and adult skills provision;
- ◆ engaging higher education and promoting innovation; and
- ◆ establishing more effective delivery arrangements, either through partnership, pooling resources or setting up delivery agencies.

Around the wider region, an evaluation was undertaken of research and activities in a range of community settings for a South West Empowerment Development Project, funded by the national Empowering Communities Consortium³⁵. Five case studies were selected in rural and urban areas to showcase effective approaches to boost community empowerment. Local Strategic Partnerships (LSPs) and Local Area Agreements (LAAs) were viewed as important structures and key points of influence for community groupings to develop, prioritise and implement coherent community engagement strategies. However, there was also widespread concern about the use of the Public Service Agreement (PSA) indicators as ‘a proxy attempt to apply objective criteria to subjective experience’ – as well as their interpretation, which for best results should be used in conjunction with other local intelligence. The research suggests overall that indicators are only a small part of the picture, and that there is a need for measures for the assessment of empowerment that are realistic and achievable.

Clearly our region has a strong and vibrant third sector with considerable experience of reaching some of the most excluded communities and groups. According to the South West Forum, there are around 70,000 third sector organisations in the South West and over 18,500 registered general charities, equating to more charities per 1000 people than any other region. The voluntary and community sector is committed to ensuring that we maximise their contribution to delivering the region’s sustainable development ambitions. With the ending of specific funding to deprived neighbourhoods, this presents an increasing challenge. Continuing support through various regional sources, however, remains available to communities, and we look briefly at these below.

3.2.1 South West Forum

The South West Forum is the region’s ‘network of networks’ for the voluntary and community sector and members support over 16,000 voluntary organisations. As part of its activities in the South West’s Competitiveness region, it benefits from receipt of European Social Fund Technical Assistance to run the Voluntary Value project which aims to:

- ◆ broaden understanding of ESF funding structures amongst voluntary and community organisations (VCOs),

³⁵ South West Empowerment Development Project. Overview of Learning: a little more conversation ... and a lot more action, please! Report by the Evaluation Trust and South West Foundation to the Empowering Communities Consortium, 2008.

- ◆ facilitate partnering between VCOs engaged in the skills, employment and worklessness agenda,
- ◆ and promote opportunities for VCOs who wish to be an ESF provider or sub-contractor.

South West Forum partners with sub-regional lead VCOs who in turn work with local organisations to disseminate information on ESF opportunities and developments and feed local information up to regional level ESF stakeholders, such as Government Office for the South West, the Regional Development Agency, Skills Funding Agency, Department for Work and Pensions, and the National Offender Management Service.

South West Forum also runs the Voice and Influence project, funded by the Big Lottery until summer 2012. The project leads face to face and online networking opportunities for the voluntary sector, researches sector representation across the region, and supports small projects working with marginalised groups. It aims to build on activities of organisations supporting those with multiple disadvantages beyond the reach of the public sector.

3.2.2 Community Grants

Community Grants were originally known as Global Grants under the previous European Structural Fund programme to 2007 and available to Objective 3 regions via their Government Offices. Administered by intermediary bodies, Global Grants provided small amounts of funding to non-governmental organisations that would otherwise not be able to access ESF through co-financing or the alternative bidding system. They contributed to the aims of the ESF by responding to social exclusion and helping people from disadvantaged communities or groups move closer to the labour market. They supported the UK's National Action Plans for Employment and Social Inclusion and National Strategy for Neighbourhood Renewal, tackling worklessness in areas suffering from high disadvantage.

In the current European programme ESF Community Grants have been made available in both the Competitiveness and Convergence regions (South West and Cornwall) to charitable organisations, to help disadvantaged or excluded people improve their job prospects. Funding was channelled through the Learning and Skills Council (now the Skills Funding Agency) to support small community based organisations to offer a range of activities to the unemployed aged 16 and over, including: work experience, training advice and guidance, initial help with basic skills, job searching, confidence building and personal development. Grants up to £12,000 have been awarded through the South West Foundation and Learning Curve across the South West's sub regions, tackling personal barriers that prevent people from finding work. In Cornwall, grants have been channelled through Cornwall Enterprise (now the Cornwall Development Company), sub contracted through the Cornwall Community Foundation and Cornwall Rural Community Council.

3.2.3 The Rural Development Fund for England (RDPE)

The 'Leader approach' to delivering more than £105 million of European Rural Development Programme for England (RDPE) funding through Local Action Groups (LAGs) is being applied to stimulate regeneration in rural areas³⁶. LAGs aim to promote community-led delivery through Local Development Strategies which bring together public and private partners and community and voluntary groups. They have been tasked with developing criteria for projects to target funds towards key local issues, maximising opportunities to improve the quality of life and safeguard and create jobs and stimulating community participation and empowerment.

The following RDPE Local Action Groups are underway with coverage throughout the rural areas of the South West, each illustrating models distinctive to their local areas:

- ◆ Blackdown Hills and East Devon
- ◆ Chalk and Cheese
- ◆ Clay Country Local Action
- ◆ East Cornwall
- ◆ Forest of Dean Local Strategic Partnership
- ◆ Greater Dartmoor Local Action Group
- ◆ Isles of Scilly
- ◆ Leader 4 Torridge and North Devon
- ◆ North Wessex Downs
- ◆ Plain Action
- ◆ Somerset Levels and Moors Local Action Group
- ◆ South Devon Coastal Local Action Group
- ◆ Sowing SEEDS
- ◆ West Cornwall Together
- ◆ Western Somerset Local Action Group

The Greater Dartmoor Local Enterprise Action Fund (LEAF)

The Greater Dartmoor LEAF has initiated a Local Development Strategy which aims to grow rural businesses, create and improve the quality of jobs and deliver better access to services, and develop sustainable rural development in areas of high environmental quality. LEAF has identified four broad outcomes for priorities and activities: increased business productivity, business growth arising from environmental opportunities, improved access to services and improved business skills.

³⁶ Commission for Rural Communities. England told to think 'local' in order to make the most of £105 million rural fund. CRC press release, February 2010.

3.2.4 Rural Renaissance

The Rural Renaissance programme, managed by the South West Regional Development Agency, has been a major regional initiative towards regeneration of rural areas since the early 2000s. Rural Renaissance is a delegated investment programme for economic development projects in rural areas in the South West. The wide range of stakeholders involved in the programme are active at sub regional and local level and typically include local government partners, voluntary and community groups, and dedicated jobs and skills agencies.

Rural Renaissance has provided investment to help rural communities to respond to and influence economic change, by supporting the development and implementation of sustainable community led projects. Selected projects demonstrate innovation and enterprise and aim to: create prosperity and generate employment, improve delivery and access to services, and focus on the environment as an economic asset.

Further ring fenced funding for the initiative has been made available through SWRDA to boost capacity and partnership development. The most successful Rural Renaissance projects have been able to reposition themselves to secure continuation funding and remain involved in community regeneration (see Devon below).

3.2.5 Market and Coastal Towns

Although neighbourhood level regeneration is often associated with urban population centres, other geographic areas also show evidence of need – such as communities on or near the South West's long coastline³⁷, including busy centres for tourism such as Torbay. In 2006 the Office of the Deputy Prime Minister convened a Select Committee on Coastal Towns which highlighted regeneration challenges facing coastal communities. The Committee considered evidence from across the UK and concluded³⁸ that coastal towns, especially seaside resorts, often shared multiple interconnected problems associated with: peripheral location; poor transport provision; unemployment and seasonal fluctuations in employment; significant migration and population turnover; high levels of incapacity benefit; large proportions of elderly people in the population; low educational attainment and limited opportunities for young people; social issues arising from the placement of vulnerable adults and children a long distance from their places of origin; high levels of houses in multiple occupation; teenage pregnancies and other indicators of social instability; and problems of service provision and the recruitment of high-quality professionals. Some resorts displayed 'pockets' of multiple deprivation and environmental challenges with maintenance of coastal defences and the built environment. The extent of these problems was often masked by the vulnerable areas forming part of larger local government and other administrative units which made them less visible to policymakers.

³⁷ 700 miles, over 60% of England's 'heritage' coast; 62% of the South West's 5.2m population reside in the coastal area within 10 km of the sea

³⁸ Coastal regeneration in English resorts. 2010.

The South West Market and Coastal Towns Network

The South West Market and Coastal Towns Network has grown out of the Market and Coastal Towns Association which was active until 2008. It brings together representation from all the South West sub regions: the Cornwall Towns Association, Devon and Dorset Towns Forums, Gloucestershire and Somerset Market Towns Forums and the Wiltshire Forum of Community Area Partnerships. It aims to promote market and coastal towns across the region and beyond and share good practice and communication.

3.2.6 Transition Towns

Transition Towns are part of the global Transition Network initiative. They bring together individuals and communities that wish to reduce their dependence on 'peak oil' and improve community level environmental and sustainable energy developments. Community level action groups are formed with a focus on raising awareness of energy efficiency and reduced consumption, small scale electricity generation and lower carbon emissions, and how these aims can be achieved practically with community engagement in local projects.

Many local groups have been set up around the South West of which the Transition Towns Totnes and Taunton are leading organisations. Totnes was recently awarded a Low Carbon Communities Challenge grant from the Department of Energy and Climate Change to provide solar panels for domestic homes and civic buildings and take advantage of the incoming 'feed in' tariff for small scale generation, under the Transition Streets initiative. The network has also set up Transition Training and Consultancy to develop personal, group and organisational skills to lead positive community led responses to climate change, and the 'School of Everything' for informal learning.

3.2.7 RISE (Regional Infrastructure for Social Enterprise)

RISE was set up to champion social enterprise and since 2003 has operated as a strategic agency to represent the interests of members at a regional level, positioning social enterprise as an alternative business model. It is not a direct deliverer of 'on the ground' business support for social enterprises but rather ensures availability of high quality business support for social enterprises in the region, including several programmes to improve the quality of advice: the Business Advice Network, Training for Business Advisors and a bursary scheme for advisor accreditation. It is supported by and works closely with the South West Regional Development Agency.

RISE also provides significant research, lobbying and development work for continuation of funding for social enterprise advice across the region. It encourages cooperation and joint working between its members, social enterprises and equivalent organisations across the country, and where appropriate helps to coordinate and facilitate members' activities. RISE has also had a crucial role in policy development and advice both at the regional and

national levels and has provided significant liaison with Defra, the Department of Health and the Department of Business, Innovation and Skills.

Over the next three years RISE will be working with the South West RDA to deliver its corporate plan and Regional Economic Strategy aims and objectives, in particular:

- ◆ Creating the conditions for productivity-led growth – RISE will work to help the RDA tackle the current economic downturn, through working to help to up-skill the regional workforce and support social enterprises to become more robust sustainable businesses
- ◆ Developing a low carbon economy/Growth within environmental limits
- ◆ Creating successful places (particularly ‘priority places’ including Bristol, Plymouth, Torbay and Cornwall) and Exeter, Gloucester/Cheltenham, Bournemouth/Poole, Swindon and Taunton.

3.2.8 Creating Excellence

Creating Excellence is a regional organisation that encourages cross-sector working to find sustainable solutions to development and community issues and provide support to professionals and communities. It is funded by the Department of Communities and Local Government and the SW Regional Development Agency to support local area regeneration where people are working to improve the skills, environs and prospects of communities. Its current focus is on design, sustainable growth in the built environment, and community engagement and empowerment. To these ends, Creating Excellence offers funding advice and is involved with a number of schemes including the following:

- ◆ *Empowering Communities* - getting more people in the South West involved and influencing the decisions that affect their lives and communities. The initiative is the regional hub for supporting empowerment activities, and particularly supports local authorities and community organisations to develop the skills and resources needed to get more people involved in local decision-making.
- ◆ *Connecting Communities* - This actively links skills and learning into local community empowerment and community engagement, and targets frontline workers and decision takers.
- ◆ *Building for Life* - the national standard for well-designed homes, which highlights the linkages between good quality housing design and social wellbeing, quality of life, crime reduction, improving public health, easing transport problems and increasing property values.

3.2.9 Big Lottery Fund Reaching Communities Programme

The Big Lottery Reaching Communities Programme continues to offer funding to 2013 for projects that help people and communities who are most in need. It covers new or existing activities that respond to needs identified by communities, and those that fund projects that help those who are hardest to reach. The programme supports positive changes to communities that result in: improved life chances, including better access to training and development to improve life skills; strong communities, with more active citizens, working

together to develop joint approaches; improved rural and urban environments; and healthier and more active people and communities.

Funding is available to: registered charities, voluntary or community groups, statutory bodies (including schools), charitable or not-for-profit companies, and social enterprises. It supports place based development such as projects within public parks and small scale capital grants covering refurbishments to community buildings.

3.3 Sub regional regeneration: selected case studies

3.3.1 Bristol and the West of England

In early 2009 the Centre for Cities anticipated³⁹ the introduction of the Bristol area Multi Area Agreement (MAA) with recommendations as to how worklessness and regeneration could be incorporated into skills and growth strategies. The report stated that coordination with employment and training agencies would be crucial if local people were to have the skills to access jobs in the wider labour market. Greater use was recommended of section 106 and local employment partnerships with employers, with more emphasis on job retention and progression for long-term employment. The report highlighted the recruitment opportunities for workless people that could be offered by the Cabot Circus development, with provision of apprenticeships as longer-term objectives. The report also proposed greater use of Intermediate Labour Markets (ILMs) – perhaps delivered through social enterprise organisations - to encourage workless people into the labour market via tailored training and progression.

The complex landscape of partnerships around Bristol was illustrated by recommended actions for the following bodies:

- ◆ *The West of England Partnership* – to plan ahead for the skill needs of businesses likely to be attracted to ensure future employment opportunities are created.
- ◆ *The Employment and Skills Board* – to commission a long-term skills need assessment to boost employer support and engagement in training and progression.
- ◆ *West at Work* - to extend local employment initiatives via sustained outreach to address the wider barriers workless communities face.
- ◆ *Third sector providers* (including housing associations) - to link communities in South Bristol to employment opportunities on key development sites.
- ◆ *Bristol City Council* - to raise 14-19 educational attainment and link this to local economic demand, focusing on young people at risk of worklessness.

³⁹ Glossop, C. Inclusive growth in Bristol: the role for housing, worklessness and skills policy. Centre for Cities, February 2009.

- ◆ *Education Business Partnership and Employment and Skills Board* - to build on existing partnership arrangements between schools, colleges (including the City Academies), universities and employers.

Bristol Skills Centre

The Bristol Skills Centre, along with other sites across Bristol, delivers three ESF projects - Recruit and Train, Response to Redundancy and Embedded Literacy. It is a partnership between Cabot Circus, City of Bristol College and West at Work.

The centre opened in September 2009 to help the region recover from the effects of the downturn by giving local residents the opportunity to gain skills that local employers need. It focuses its training on the retail, tourism, hospitality, transport and security sectors and offers businesses help identifying staff training needs, information and access to local training courses, and support and advice about recruitment and growth. Students at the centre can also attend a two-week employability care course which offers specialised industry training, support in CV writing, tips to improve interview technique and assistance with job searches.

3.3.2 Cornwall

Since 2007 Convergence funding in Cornwall has helped to support ambitious mixed use developments through combinations of European funding streams, other public and private sector funding. St Austell town centre now hosts the White River Place, a £75m town centre regeneration scheme which opened in October 2009. The development has brought new jobs to the area through a new cinema, shops, bars and restaurants, an underground car park and residential apartments. It employed 200 people during its construction phase, which made extensive use of local labour and locally sourced building materials, and expects to provide longer-term employment for up to 700 local people.

Cornwall Council and the Homes and Communities Agency are partnering with the SW Regional Development Agency, CPR Regeneration, and Carn Brea's Parish Council and Regeneration Advisory Committee to develop the Heartlands Project in the Camborne, Pool and Redruth's historic mining area. The project has won £22.5 million Big Lottery support alongside millions of partnership funding. Heartlands is making use of sustainable building materials and aims to be a zero carbon development, which will include new public spaces and parks, business facilities, existing village enhancements and historic building conversions, with a final project completion due by late 2011. Heartlands will create workspace, community space and residential accommodation to complement the World Heritage Site Gateway Centre, performance space, restaurant and community centre.

CPR Works

CPR Works in West Cornwall has been highlighted as a good example of the way an organisation can add value to and complement the work of an existing partnership, in this case the Local Strategic Partnership, West Cornwall Together (WCT). WCT sees CPR Works as offering an extra level of focus and support in the most deprived neighbourhoods, providing a more in-depth and flexible approach to engaging with individual workless people than that of mainstream agencies. Joint working between WCT and CPR Works has also been made easier by the co-location of the two organisations in the same building.

3.3.3 Devon

Devon Rural Renaissance was the most successful Rural Renaissance programme in the South West and attracted over £7m during its lifetime, delivering over £25m worth of projects around Devon. Since the end of the programme in 2008 the group has reconstituted itself as a not-for-profit company with a focus on economic, social and environmental regeneration. It is a partnership organisation led by the private sector, with representation including a range of business leaders, Business Link, local authorities and the community and voluntary sector. Today Devon Renaissance provides funding advice and business support, conducts business surveys and environmental assessments, and offers monitoring and evaluation services for regeneration projects around the region. Amongst these are included delivery responsibilities for two Devon Local Action Groups: Greater Dartmoor LEAF and the South Devon Coastal Local Action Group.

South Devon Coastal Local Action Group

Funded through the RDPE, the South Devon Coastal LAG has prioritised four aims as part of its Local Development Strategy: linking and adapting businesses for improved economic performance; sustaining communities through community enterprise and linked service provision; marketing and sustaining the area's unique selling points; and building capacity to deliver rural development locally, which includes developing opportunities for local participation in rural regeneration. Skills and training, business development and diversification, and community renewal are all key areas of its activities. It brings together local area partnerships; parish, town and district councils; voluntary and community agencies and local business groupings. The South Devon LAG links more widely to other LAGs, rural networks and strategic partnerships, Competitiveness and Convergence Programmes, and sees itself as a key delivery vehicle for Local Area Agreement outcomes.

3.3.4 Dorset

Dorset Community Action provides information and resources for individuals with a community idea or concern, community or voluntary groups, charities and social enterprises. It offers a gateway into expertise on fundraising, community venue management, ICT, charity governance, local services, and community development and planning. Information available includes a directory of voluntary and community groups and regular publications, and office equipment hire and services are open for use by groups. The Community Learning and Resource Centre makes available meeting room facilities, a café which is open to the public and office space for rent including a telecommunications network.

The Dorset Community Gateway is Dorset Community Action's portal to support Dorset's third sector organisations, community groups and social enterprises. Originally funded through the Government ChangeUp initiative, it provides an updated list of events and activities, advice and support groups and voluntary sector bodies across Dorset. It fosters information sharing, local participation, networking opportunities, and information on jobs, funding and best practice.

3.3.5 Gloucester

Regeneration investment in Gloucester has included the redevelopment of Gloucester Docks and the Gloucester City Employment Programme, funded by the SW Regional Development Agency, the Gloucester Heritage Urban Regeneration Company and local authorities. The Programme aims to ensure that local people can take advantage of new opportunities brought about by regeneration. Since 2001, the South West RDA has invested around £17.7 million in the Docks project, with a further £11.2 million recently committed to complete the area's renaissance. The RDA has also invested in the infrastructure required to bring development forward in the area and in the Gloucester Works programme, which helps local people into employment created by the regeneration schemes. The Gloucester Quays has been designed as a focus for regeneration activities to include retail facilities as well as a college site. The investment in the city will lead to 3,000 new homes, 2,000 new jobs and an improved infrastructure linking to the city centre, with a significant boost to heritage visitors.

A strategy for community engagement is at the centre of Gloucester regeneration initiatives, which represents a range of five distinct public facing activities identified by the Gloucester Heritage Urban Regeneration Company: information, consultation, involvement, participation, and empowerment. For Gloucester⁴⁰, empowerment is key to helping residents shape and transform their neighbourhoods and should be able to benefit from grants, advice and support. It may involve the community taking responsibility for its own consultations or training or provision and management of community facilities. It opens up the opportunity for local community capacity building, developing individuals' knowledge base and skills, improving confidence and practical engagement strategies with the wider public. Empowerment should also make it possible for communities to develop skills which lead to employment, pass on their skills and knowledge to others, and improve sustainability towards long term use of facilities founded on community support.

3.3.6 Somerset

The Somerset Market Towns Forum acts as a membership body that brings together Somerset Market Town Partnerships, town and district councils, local industry bodies and community groups across the sub region. Working with Somerset County Council, the Forum's members have helped to influence and deliver over £4 million investment in Somerset's towns since 2000. They develop joint training courses with partners and hold dissemination events focused on market town economies. Topics covered include economic regeneration project management and delivery, community plan implementation, volunteer training, planning and fundraising for projects, grant applications and public service contracting.

⁴⁰ Gloucester Heritage Urban Regeneration Company, community engagement strategy. May 2009.

West Mendip Opportunities Project

The Project was run by Glastonbury Development Trust to deliver training and skills advice to people from rural West Mendip for future job opportunities at the Morlands Enterprise Park. It sought to boost employment in adjacent disadvantaged wards by providing information, advice, guidance and support to local people in applying for employment, starting in self-employment, accessing work-related training opportunities and providing a local 'labour exchange' for casual workers. In addition to the Glastonbury Opportunities Shop, delivery was trialled at accessible village hall venues nearby. The West Mendip Opportunities project contributed to SWRDA local and regional employment targets while benefiting local people and their communities with advance intelligence and job preparation. The project was supported by statutory agencies at local, county and regional level, some of whom provided match funding.

3.3.7 Wiltshire

In Wiltshire, Community First have been spearheading community based activities alongside establishment of the Wiltshire unitary authority. It encompasses a variety of regeneration initiatives covering skills and community development such as Project Inspire, a £375,000 three year programme tendered by Wiltshire Council to provide positive activities for NEET young people, part funded by the RDPE Local Action Group and supported by British Trust for Conservation Volunteers, and Post Point. NHS Wiltshire has also approached Community First to host the Health Trainers programme, employing and developing a team of community based workers supporting individuals to lead healthier lives, a programme of leadership and management training is under development.

A package of initiatives has been making a difference to people in Wiltshire. The Strengthening Communities scheme has supported community participation, capacity building in community needs assessments and community leadership development. It also includes a village hall advisory service, which includes a toolkit to support project planning for village hall refurbishment. The Fit Together scheme works with rural community groups across Wiltshire to enhance the availability of sport and active recreation, coordinate and support increased participation in sports and exercise programs. In parallel, the Rural Enterprise strand has worked to tackle the decline in essential services in small rural villages. It supports networking between partners and district and county level, seeks to maximise the social, environmental and economic benefits of the small business sector in villages, encourages new community based initiatives to deliver services in rural communities, and manages grants and a loan fund for shops and social enterprises. The RDPE funded Plain Action scheme draws on funding from the SW RDA and Wiltshire Council and has set up nine projects to benefit local communities on Salisbury Plain.

4. WORKSHOP REPORT

The SLIM workshop, *Employment and Skills: the Role of Regeneration in Supporting Communities* was held at Sandy Park, Exeter, at the end of March 2010. Over fifty delegates attended the workshop from around the South West, many of them representing local councils in the sub regions and others from colleges and private training providers, health trusts, local Employment and Skills Boards and learning partnerships, research organisations, Sector Skills Councils and stakeholder agencies.

The workshop featured several presentations from experts working in the forefront of regeneration initiatives, with perspectives from research, policy, regeneration practitioners and front line workers. During the discussions that followed, there was much commonality and agreement of positive ways forward for regeneration initiatives, which are summarised in section 4.2 below.

4.1 Speakers' presentations

Pam Meadows, Visiting Fellow at the National Institute of Economic and Social Research (NIESR)

Pam has been conducting research into the role of local initiatives in reducing worklessness in their communities for the Joseph Rowntree Foundation for a number of years, and is an acknowledged expert in the field.

Pam considered that disadvantaged individuals are a place based issue, as poorer areas tend to bring together concentrations of people with multiple needs. Communities and labour markets have also quite distinctive characteristics, thus tackling worklessness becomes a very local issue with local solutions. She also noted that most people tend to work close to home, and travel to work considerations – including local availability – are important for job outcomes.

In order to help people back to work, and especially for those with long term health problems, good assessment of individual needs is essential. Holistic interventions, which address housing, health, childcare and substance use issues as well as labour market needs, are more effective than those which target work opportunities in isolation. Partnership working is key to delivering a sufficiently wide range of support. Confidence is a major issue for many people who could benefit from help, who need active encouragement initially in order to engage with the help and support available. Whilst initial training is a useful first step for those who might find it difficult to cope in the workplace immediately, this is a more expensive solution and delays the start of employment.

Community capacity to engage with initiatives varies according to places and may need to be developed. Successful delivery involves patience and personal contact:

- ◆ staff, particularly personal advisers, with empathy, good communication skills and a clear sense of purpose
- ◆ active outreach to engage those who are hardest to reach
- ◆ avoiding fragmentation of provision, which can cause confusion among clients
- ◆ an environment where clients feel comfortable
- ◆ good networking and relationships between different agencies
- ◆ good links with local employers and a willingness to provide them with services and support

Partnerships have a vital role to play and for best results should build on existing relationships and networks. Organisations should seek to harmonise differing targets and priorities and build trust alongside community representation: housing associations can be a key partner. However, community engagement can also present challenges. These might include: conflicts between neighbourhoods within the same local labour market, different interest groups and diverse communities, poor relationships between community and local or national government agencies, and lack of community infrastructure and resources

There are differences to be found between short- and long-term unemployed: many who are made unemployed even in times of recession will find work again within a few months. The long-term workless find it much harder to become 'work ready' and are often not aware of availability of in-work financial support. Once a person with multiple problems finds a job, good support structures are essential to keep them employed, and awareness of the norms of the workplace may be a major stumbling block. For those on very tight budgets, short-term risks to cash flow may prove a powerful deterrent to take on work. Key issues are childcare costs and rent levels: those with large families are often least likely to be better off in paid work.

The employment system is complex, and those helping workless people into work often are not fully aware of its provisions. Local people need to be equipped for and have access to the jobs that are available locally. A clear, timely and low cost approach is needed towards employers for them not to be resistant to involvement, and it can be useful for advisors to build good relationships with existing employer networks.

Nigel Howells, Head of Competitiveness at the South West Regional Development Agency.

Nigel provided the workshop with an overview of the European Regional Development Fund (ERDF) and European Social Fund (ESF) in the wider South West region beyond Cornwall and how they work together to support regeneration through people based initiatives.

The aim of ERDF is to increase the prosperity of the region through supporting enterprises and people to develop ideas and plans, which contribute to increased productivity and competitiveness. It includes three priority axes:

- ◆ *Priority Axis 1: Innovation and Knowledge* – improving the sales and productivity of companies through speeding up innovation; harnessing the economic benefits of knowledge; product and process improvements; and increasing the number of high value added, innovative new enterprises
- ◆ *Priority Axis 2: Enterprise and Growth* – increasing the share and quality of high value added new businesses and jobs; improving the sales and productivity of businesses through high quality business support, including internationalisation and investment support
- ◆ *Priority Axis 3: Urban Enterprise* - addressing the region's most deprived neighbourhoods through new approaches to enterprise creation; raising levels of enterprise/social enterprise activity in the regions' most deprived neighbourhoods. New approaches include: the creation of new/social enterprises within under-represented groups, access to finance, business support services in the community, providing enterprise opportunities from environmental improvements, and developing small-scale infrastructure.

Nigel noted opportunities for linkages between the ERDF and the European Social Fund (ESF) through its own priority areas:

- ◆ *Priority Axis 1: Extending Employment Opportunities* - to increase employment and to reduce unemployment and inactivity across the South West
- ◆ *Priority Axis 2: Developing a Skilled and Adaptable Workforce* – to increase skills development with a focus on: literacy, language and numeracy; Levels 2 and 3; reducing gender segregation; and developing managers and workers in small enterprises.

Alignment between the two funding streams is achieved by partnership working across the ESF co-financing bodies (LSC/SFA, DWP/JCP and the National Offender Management Service) and ERDF delivery teams (SWRDA and the Strategic Investment Fund (SIF) urban enterprise partners in Torbay, Bristol and Plymouth). Joined up working on the ground means, for providers, to identify what is right for the individual and avoid 'target chasing'. Appropriate outcomes may include jobs; support for the self-employed, business start-ups or social enterprise start-ups; or incubation space.

Flexible solutions for enterprises have been developed across a business portfolio of thirty products. Support may include enterprise coaching to encourage business start-ups in rural areas or micro-loans in the three urban enterprise areas. Benefits for a larger projects supply chain can be applied such as in the PRiMARE development. However, resources specifically for regeneration are limited within the ERDF budget.

David Sanderson, Regeneration Coordinator of Bristol City Council

David gave the workshop a session on Ways 2 Work in Bristol: an initiative which coordinates and integrates employment, training and related support at community level in Bristol. The Ways 2 Work Partnership aims to offer locally based services which coordinate approaches and delivery of employment opportunities into workless communities, such as very large post-war council estates outside the city centre.

Like Pam, David made a distinction between the (short-term) unemployed and the (longer-term) workless. Workless individuals refer to those at some distance from the labour market, which need support to enter employment, including claimants of Incapacity Benefit, Employment Support Allowance, lone parents, and some long-term JobSeekers Allowance claimants.

Prior to 2006, there was much top down support from a range of agencies and initiatives: national policies and programmes including the Single Generation Budget, Neighbourhood Renewal Fund and New Deal for Communities; ESF co-financing bodies such as the Learning and Skills Council and JobCentre Plus; and the Local Strategic Partnership. Since that time Bristol City Council has reviewed provision, mapped and assessed pockets of need and identified gaps in services. Local and city wide projects were seeking coordination to link neighbourhood activities with strategic initiatives. With the impact of funding closures, allocation of remaining funding needed to be better targeted.

The new integrated initiative Ways 2 Work brings together Bristol City Council with the Skills Funding Agency and JobCentre plus in close partnership, aiming to improve relations between communities and local and national government. They seek to respond to recession and work in tandem with SWRDA, GOSW, the DWP and local partnerships, in consultation with communities and their residents, service providers and clients. Three local employment information centres have been established alongside information, advice and guidance services based in libraries on estates. Local provision monitors clients engaging, entering employment or training and gaining qualifications, attendance at jobs fairs and subsequent work, and network use by providers. Large employers are involved in the recruitment process.

Mark Smith, Director of Business Development at CPR Regeneration in Cornwall

Mark updated delegates on regeneration activities in the Convergence area of the region. CPR Regeneration is the Urban Regeneration Company of Camborne, Pool and Redruth, which is looking to ensure sustainable regeneration for the area, bringing together a range of new homes and employment opportunities alongside community and leisure facilities in an improved environment. CPR works in partnership with the Homes and Communities Agency, SWRDA, Cornwall Council and the Convergence Programme. It is able to draw on the benefits of both ERDF and ESF portfolios, which it aims to integrate practically as far as possible.

Mark spoke of the challenges of regeneration in an area with a high proportion of industrial activity with strong engineering, manufacturing sectors and public services, combined with

relatively few jobs and high levels of worklessness and inactivity. Across the ERDF and ESF areas CPR Regeneration has a triple focus on People, Enterprise and Place. It supports a wide range of ERDF developments including investment and management support, creative industries, community enterprise and workspace, public transport and strategic infrastructure, with ESF projects that focus on support for entry to employment, apprenticeships, workforce development and work related learning, vocational routeways and business clusters. CPR Regeneration is able to add value to both programmes through integrating their objectives for different audiences:

- ◆ For developers: Greater confidence in tenants, increased demand for workspace
- ◆ For community: Engagement in business activities, increased job opportunities
- ◆ For end-users: Coordinated support for growth.

Mark shared with delegates his experiences of developing the Pool Innovation Centre, a flagship new building to provide office space, of mainly locally sourced materials, which he described as 'a machine' – to give a fresh image to the area, attract new companies and provide opportunities to people. The development is co-located with Cornwall College, which has enabled it to work more closely with trainees in construction and make linkages through ESF from them to men on building sites. Young people can be offered 'experience days' and apprenticeships with local contractors in the supply chain and work placements arranged for workless people.

Skills development advice is available to enable local businesses to grow, in parallel with relocation advice to incoming enterprises, and business support for those wishing to recruit. Recruitment is a particular challenge, so CPR Regeneration sources a potential workforce and matches people skills with vacancies. Businesses targeted are small innovative companies or start-ups seeking to grow out of home based premises, which are expected to be in the building just three years. CPR Regeneration helps them to recruit, encourages tenant businesses to provide training to their workforces and offers job opportunities to local workless people with tenant businesses. With an eye to longer-term planning, the company recognises that Convergence funding will only last until 2013 and that a longer-term legacy is required to stimulate a sustained vision for economic growth.

Jayne Hathway, 2QAB Community Interest Company

Jayne gave an upbeat afternoon presentation to the workshop delegates, introducing them to the concept of 'asset mapping' which involves the exchange of gifts of the 'head', 'hands' and 'heart', and the related practice of ABCD – Asset Based Community Development. ABCD works with people in disadvantaged communities, and starts from the premise that everyone has something positive to give – whether an asset, a skill, or knowledge. It aims to overcome deficit models that undermine the image of localities and promote defensiveness and negativity amongst their residents, promote social cohesion, and drive bottom-up community-led change.

Jayne noted that there was the need for much culture change still to happen in communities before work could start on many of the issues that had been raised at the workshop. Target led outcomes and complex interactions with agencies were not necessarily helpful to individuals, and there remained much inappropriate service provision where people's needs were not sufficiently taken into account. Proper employment with contracts was what was needed to transform lives, and local firms should be used to ensure the benefit of funds returns to the local economy.

4.2 Discussion sessions

In the discussion sessions that followed the presentations, delegates were asked to consider the following questions:

1. What are the barriers to maintaining and maximising the impact of regeneration for local communities?
2. How do we improve the integration of regeneration into policy and planning? If we are to improve the integration of funding and impact of regeneration, what needs to change at the level of policy and planning?
3. What is the key to maximising the employment and skills impacts of regeneration? What are the features of successful regeneration?
4. How should we measure success?
5. Are there differences to successful regeneration practice in urban and rural community settings?

The feedback is presented against these key questions.

4.2.1 What are the barriers to maintaining and maximising the impact of regeneration for local communities?

Delegates reported entrenched and systemic inequalities to be barriers to regeneration in communities. Lack of integrated funding streams and increasing centralisation of decision-making were symptomatic of a 'top down' approach that had worked against alignment in services delivery. As funding is structured, it is difficult for any one organisation or agency to get a grasp of all the relevant socioeconomic issues (e.g. crime and housing) in regeneration, and there remain gaps in policies and delivery. Initiatives fail to take account of differing cultures from community to community, especially in rural areas. At the same time, there is an unhelpful divide between urban and rural communities in funding priorities.

Poor communications and infrastructure also act against successful community regeneration. Slow broadband and Internet access speeds and mobile dead-spots are not helpful in linking communities. This is compounded in rural areas by a lack of transport infrastructure, where poor road links and public transport are barriers to connecting people. In these areas businesses need improved access to information and more needs to be done to connect communities to work, leisure and training.

In urban or rural areas there are 'postcode' prejudices active against disadvantaged communities. However, although categorising groups such as NEETs may have negative associations, these labels have often become necessary in order for organisations to receive funding and support. In some communities, regeneration should take better account of inward migration as part of the South West demographic context – which may not be reflected in central government policies.

Regeneration in some communities has become too professionalised, with many professional groups better able to access an 'umbrella' of funding that misses its true targets: the communities. Much more should be done to help individuals and identify their real needs. At present there is a lack of credible ownership of funding by individuals in the community who may suffer severe situational barriers, such as health and disability. There is a danger of funding becoming too attached to specific issues or deliverables (such as skills) and not allowing for personalised support that may be required (such as transport).

The range and quality of local jobs should be improved, including the perceived worth of some industry sectors as springboards to progression. This is important to promote their benefits to local young people and retain their contribution to a neighbourhood. Continuing engagement by employers in regeneration schemes should be sought, as some withdraw from contact once their immediate needs are met.

Chasing targets should be made secondary to giving good service and 'joining up' practical delivery. Skills present a dilemma, as qualifications targets draw down funding while underlying needs for softer skills training go unrecognised. Job targets can be too short-term: rather than the long-term goal, sustained employment, they achieve instead an immediate output (job) - but this can lead to higher 'churn' in the labour market. There are also challenges with short-term neighbourhood renewal funding and limitations with use of Section 106 for employment targets.

Although joint agency and partnership working are good in theory, they bring with them different visions about how to make regeneration work in local communities. Lack of clarity can take time to overcome and build trust - jargon and acronyms are unhelpful. With the changes to government and to the SFA and DWP funding models towards regional contracting, there is a need to insulate clients and communities to retain engagement. Capacity building is required at strategic level as well as at community level, as with Community Learning Champions.

4.2.2 How do we improve the integration of regeneration into policy and planning?

Partnerships should bring together good management and grass roots involvement for better economic regeneration and planning. Effective partnership works both at policy and at practical levels and should improve the alignment of policy and planning. Long-term partnership requires sustained continuity of funding and communication.

The current system should be made simpler and the supply side more responsive; new developments such as skills accounts may allow for this. Outputs and results of funding investment should be better integrated and beneficiary focused. Local Authorities need support to build capacity to link employment and skills with regeneration, with more funding allocated for local strategic partnerships.

Regeneration initiatives need to be targeted widely and not focus mainly on small-growth sectors: many employers work in retail, manufacturing, tourism, and health and social care. Economic measures such as gross value added (GVA) should not be relied on solely to set priorities for community regeneration agendas. Initiatives should carry sufficient flexibility to develop local employment models that help (rather than hinder) small businesses to recruit and employ staff. Culture change is needed to encourage employers to consider local sourcing and employment: it is a good PR opportunity. Community based Internet might also be a useful hook for small businesses to get involved in regeneration, perhaps via provision of a digital intermediary for some.

The 'Total Place' model can be adapted to regeneration funding within communities. Location of the potential workforce is important to balance the triple considerations of transport-homes-work. The wider impact of developments into neighbouring areas should receive attention as part of regeneration schemes. The role of place and communities is significant to bridge the needs of people, skills and the enterprise economy. The context of place and environment should be identified in regeneration offers, so that the individual can identify opportunities and pathways that are meaningful to them.

Diverse opportunities and training encourage flows of people towards objectives and build dynamism into the regeneration infrastructure. Clear outputs and longitudinal studies should be used to track and encourage consistency in initiatives. Aligning diverse groups is achieved by joint development of common terms of reference.

Delegates agreed that the voice of the community and its individuals should be heard, listened to, and supported. 'Fluid communities' are those where people should feel that they can interface with each other and trade without barriers. A regenerated community could be seen as a behavioural issue, supporting people to shape their own future.

Young people should be brought into the early stages of projects and links made between schools and businesses. This would enable youngsters to recognise opportunities in projects to raise aspirations within local communities. Local involvement can be built through community identification, reflecting the needs of young people in regeneration. More

dialogue should be centred around a single end-user focused approach to what the client wants.

4.2.3 What is the key to maximising the employment and skills impacts of regeneration?

The simple answer from delegates was: ask people! Start where people are at, finding out what they want - rather than telling them what they need. Types and levels of need should be mapped to appropriate interventions. Begin by focusing on the skills that people already possess. What works? Patience, humility, allowing people to identify and follow their own interests. Good intermediaries or facilitators have a key role to play.

Attendees felt that systemic issues involving behavioural change could not be solved in isolation. Activities should be developed locally within a global market place, offering opportunities to cluster local businesses together for external markets whilst using local procurement strategies. Local facilitation helps to take power back to neighbourhood level - as with community members getting together to run the village shop.

Skills should be matched to regeneration job opportunities and qualifications or accreditation linked to skills in a bottom-up approach. Empowerment comes with recognition and positive feedback that values community input, including qualifications. Where needed, time off should be available for basic skills training. Volunteering presents many options for community engagement. The capacity to develop sustainability is linked to sourcing and accessing a dwindling resource.

Early engagement with local organisations on the ground, such as local schools, major employers, and colleges, helps to build more effective regeneration partnerships. Innovative, bespoke fit-for-purpose skills education can be linked to industries in the local economy, including leisure and tourism and business development. Preparing people for work and what to expect is key, using graduate internships.

4.2.4 How should we measure success?

Delegates agreed that in general there are no common measurements of success in regeneration initiatives, where soft approaches combine with targets. Long-term successful regeneration initiatives favoured well-being rather than economic achievements. Success should be measured longitudinally and not necessarily expressed in jobs and skills per se. Informal perceptions of achievement by the community are at least as powerful as numerical criteria. For individuals, enhanced choice (=agency) + control (=empowerment) = a stronger sense of value, in the context of greater resilience.

Clearer linkages should be made across the range of funding routes around outputs, results and impacts. Some statistical analysis against benchmarks can be used to measure enterprise measures, including growth; jobs and reduction in worklessness compared with benefit take-up; qualifications; environmental and health outcomes; or crime figures. 'Softer' measures of success might look at elements of well being such as social relationships;

feeling 'involved' in the community and local relationships; health outcomes; or diversity of activities and shared values. A focus on 'legacy', ongoing costs and viability, and long-term impact helps to clarify perceptions of lasting impact.

4.2.5 Are there differences to successful regeneration practice in urban and rural community settings?

Delegates felt that regeneration principles are the same in rural and urban contexts, although transport is more of an issue in rural settings. In rural areas gentrification of communities can become a challenge, especially where people are priced out of 'regenerated' rural areas. Whilst disadvantaged areas are easy to identify in urban areas, rural deprivation is often masked in rural areas.

Communities in all settings should be involved in designing their own social space, resulting in community confidence through shared ownership of community facilities. How people feel about their local communities is very important: shared values and informal perceptions of safety, crime reduction and well being are at least as key as economic factors.

5. RECOMMENDATIONS

This Learning Theme has taken place at a time of policy and funding uncertainty. The policy context underlying regeneration, employment and skills is extremely fluid and the exact shape of the policy, programmes and funding is yet to emerge. What is certain is that the new Coalition Government is committed to:

- Increasing localism
- Reducing red tape and the target culture
- Cutting public funding

Whilst the first two potentially add impetus to local authorities' regeneration activities, the latter indicates that the funding available for regeneration activities is certain to reduce significantly. Local agencies will thus be forced to be far more innovative and creative in ensuring that available funding and service provision is well integrated. New models of relationships, financing and delivery may be needed in this new economic context.

The forecast loss of jobs in the public sector combined with changes in welfare benefits will mean fewer employment opportunities, at the same time as increasing numbers of lone parents and those formerly on inactive benefits will move onto Job Seekers Allowance. The challenges facing local agencies are thus potentially immense.

The previous Government placed a great deal of emphasis on local regeneration and launched a wide range of initiatives focused on reducing place based disadvantage. Many lessons were beginning to emerge from these experiences and it is important that this knowledge is not lost. We were fortunate in having access to a range of evaluations, which have enabled these lessons to be identified and built upon. This report highlights some of the emerging lessons including a strong body of knowledge about what works in terms of partnership development and effective interventions for individuals and communities.

Recommendations

Delegates at the workshop developed the following recommendations:

Simplification

- The architecture of regeneration is complex and overlapping, placing a pressure on resources. Local areas need to simplify the increasingly complex maze of partnerships, local delivery vehicles and capital and revenue funding streams.
- Local areas need to review whether they are fully utilising the freedoms and flexibilities that they already have to ensure that there is a more effective co-ordination of regeneration policies and activities.

- Local authorities and other key stakeholders should take the lead in reviewing the relevance of the wide range of partnerships and local delivery vehicles on the basis of whether or not they create added value.

Financial innovation

- Financial innovation will be central in light of limited resources and multiple funding regimes. One dimension may be more small-scale, inexpensive innovations that act as catalysts to change, emphasize repair and re-use and help deliver more efficient and effective public and private sector services.
- Local agencies need to improve their understanding of the funding regimes and best practice in combining resources.

Partnership

- Working in partnership is vital to engaging with a range of stakeholders and can deliver significant benefits. Reinvigorate and build upon existing partnership arrangements.
- Partnerships should seek to harmonise differing targets and priorities and build trust alongside community representation: housing associations can be a key partner.
- Regeneration should recognise, build upon and utilise existing community assets in the form of skills, knowledge and resources.

Planning and procurement

- Local authorities should seek to increase flexibility, especially in the planning system.
- Greater use needs to be made of section 106 powers to gain employment benefits. There needs to be more effective sharing of best practice in the use of these powers.
- Culture change is needed to encourage employers to consider local sourcing and employment.
- Local agencies should review their procurement practices to ensure that they maximise the employment and skills benefits.

Capacity

- Invest in building the skills and capacity of agencies and the community.

Prioritise

- It will be vital to agree priorities for the local area, particularly in the context of limited resources, and design the strategy and delivery mechanisms to deliver these priorities. Does the area have the right projects and project mix for the location? Do the delivery

mechanisms follow the priorities? Are the projects going to maximise impact on employment and skills?

Sustainability

- Having a sustainable and low carbon approach to regeneration will become increasingly important, with growing interest (and government funding for) low carbon developments and increased interest in retro-fitting as part of local development. This suggests that regeneration practitioners will need to develop models of development that support this approach.

Innovation

- Regeneration practitioners will need to ensure that their holistic approach to regeneration considers how to maximise opportunities for places and people to develop, exploit and exchange new ideas.

Measure success

- Regeneration strategies need to be clear about their objectives and measures of success, which will vary for different areas – and will require different approaches. The funding and target culture has sought the measurement of “hard outcomes”. Regeneration practitioners point to the need for more effective soft outcome measurement.

Effective interventions

- Research and evaluation of regeneration initiatives have identified a wide range of effective interventions. Many of these are well documented in this report. Local areas should thus ask themselves:

Are we re-using well tested approaches and learning lessons from previous initiatives?

Are we applying solutions that match the local problem?

Do we have the most effective delivery mechanisms?

Are we drawing on the expertise and knowledge of those already involved, including local communities?

- The multiple and complex nature of the barriers facing many disadvantaged residents means that interventions should be holistic and should address housing, health, childcare and substance use issues as well as labour market needs.
- Post employment support will be required for those facing multiple barriers problems. A combination of problems with money management, unfamiliarity with workplace practices and practical issues such as travel and childcare can cause individuals to drop out of employment. Good post employment support structures are thus essential for job retention.

- A distinction needs to be made between the shorter- and longer-term unemployed, who often have very different needs in terms of access to the labour market.