
CREW Review Evidence: Response to Consultation

CREW Response to Regeneration Review Consultation



January 2013

Introduction

**CREW welcomes the
opportunity to contribute to
the consultation process.**

CREW welcomes the Review of Regeneration and the opportunity created for the regeneration sector in Wales to influence the process of future policy design. We are very pleased to offer a response to the Consultation Paper. Through our support of the NRP we have contributed to its development and respond here on key issues raised by our stakeholders as well as refining CREW opinion in the light of the detail of the Consultation Paper.

The Review is timely in that it is clear that we can't continue to pursue regeneration in Wales as we have done in the past. The condition of the national economy and public sector funding restraints are critical barriers to regeneration methods and approaches that have prevailed in the past. In keeping with the opinion of leading economists we believe that this is not a temporary crisis but represents a major shift in economic organisation at a global scale. Wales is a weak and peripheral economy in a declining UK and Europe and the current economic circumstances require radical and innovative approaches to regeneration and economic renewal.

Additionally, even without the current financial crisis, review of past policy in the UK and in Wales reveals that regeneration policy has been largely unsuccessful in improving peoples' lives in our poorest communities. Whilst some successes can be claimed for place-based improvements, gain in key areas such as health and education have been very limited. Regeneration is fundamentally about poverty eradication and this remains an unattainable policy objective to date. Whether through social initiatives, economic interventions or physical regeneration the key aim is to challenge uneven development and raise the quality of life for those who experience disadvantage and social exclusion. Key barriers have included:

- Inadequate governance arrangements
- Limited policy development skills in early post-devolution context
- Turnover of lead regeneration personnel
- Lack of regeneration skills in key sectors.
- Turf war`/tribalism that negates partnership working across sectors.
- Lack of effective anti and post evaluation systems.

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- ‘Spreading the jam too thinly’ and not properly targeting regeneration expenditure.
 - A lack of understanding that regeneration may take a ‘generation or a couple of decades’

We have also collectively failed to learn from the past delivery of regeneration initiatives, and tend to repeat mistakes as a result. The CREW UK and International Reviews of Regeneration Practice (www.regenwales.org) have attempted to redress that imbalance and arrived at a range of conclusions grounded in detailed analysis of past programmes. The most relevant conclusions are repeated here and we hope that these will inform any future guidance documentation that implements the Regeneration Framework as it emerges. Our conclusions included:

Conclusion 1: A background of a strong and diversified economy is a pre-requisite for regeneration and provides the employment which underpins a viable and sustainable society. Sectoral support mechanisms and infrastructural investment must provide the required economic environment for more localised regeneration programmes.

Conclusion 3: Regeneration policy must be clear and unambiguous in its aims and objectives to avoid dissonance between outcomes required by government and those developed by delivery agencies.

Conclusion 4: Regeneration policy cannot be driven by ideological beliefs and political values but must be based on sound evidence of what works. Policies should be evidenced-based and continually informed by active review and evaluation.

Conclusion 5: That comprehensive partnership, involving public, private and third sector organisations, is required for effective delivery.

Conclusion 6: That engagement with and involvement of local stakeholders and community organisations brings a dividend in maximising local impact.

Conclusion 9: Fragmentation of delivery can be significantly damaging to the regeneration agenda. Fragmentation can occur from:

- rapidly changing policy and programmes
- by disrupted bureaucratic and administrative structures
- by developing complex and multi-stranded policies which do not connect

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- by maintaining professional divisions and failing to develop cross-sectoral skills

Conclusion 16: To assist in realising maximum regeneration funding levels Welsh Government should recognise the regeneration potential of all its revenue and capital expenditure to fully develop supply chain and employment opportunities throughout all departments. Adoption of the housing related Can Do Toolkit developed by i2i can assist in this objective.

Conclusion 2: The current Welsh Enterprise Zones support in general the objectives of regeneration and all opportunities should be taken to engage the regeneration policy with the opportunities that may be represented by Enterprise Zones. However, this should be subject to review to ensure that Enterprise Zones do live-up to the early promise at this stage and do not suffer similar issues of displacement to those experienced in previous applications of this approach.

Conclusion 27: The Welsh Government Review of Regeneration should explore how the subsequent regeneration policy can support the infrastructural objectives of the WIIP.

These conclusions can be read in full and in context in the documents available at www.regenwales.org.

We also believe that local regeneration programmes need to correct market failure and not attempt to compensate for wider

structural deficiencies, e.g. inadequate resourcing of mainstream funding programmes. Without this understanding, regeneration initiatives are always likely to be viewed as producing a sub-optimal result. Regeneration cannot alone redress regional economic imbalances. In some instances market failure/ withdrawal can only be addressed by the creation of alternative social markets and local patterns of economic development. This will include the promotion of social enterprises, especially where they are capable of growth and provision of significant employment opportunities. Support for local currencies, time-banking and local exchange systems can also promote local economic activity at the interface with the 'real' economy and re-energise communities that have been disconnected from economic activity for many years..

In the remainder of this response we address the Consultation Questions identified in the Consultation paper.

Response to the consultation questions

In this section CREW presents its responses to the consultation questions. These are based on CREW research and conversations with key stakeholders



Responses to the consultation questions

What is your feedback on lessons learnt from delivery to date?

We have suggested above that there is a collective weakness in learning from the past and this is confirmed to an extent by the absence of clear reference to the work commissioned as part of the review from CREW, external consultants and Welsh Government departments. More could have been made of these and of delivery experience from the programmes detailed on pages 4-8 to inform the review process. In developing the programme following the consultation exercise we would encourage the detailed study of these sources inform key questions including:

- What is the appropriate spatial scale of community for Area-Based Initiatives?
- Can evaluation of HOV, SRAs and Communities First inform this question?
- What constitutes effective partnership arrangements?
- What is an appropriate role for community engagement and empowerment?
- How can top-down and bottom up approaches be integrated

- How can cross-departmental and cross-sectoral working be achieved?

Learning from past experience is to some extent engaged with in the Consultation Paper identification of the three principles of Partnership, Strategy and Sustainability as these have emerged as strong indicators of success of regeneration programmes. In future guidance documents these should be fully developed with clarification of how they will be supported through both structure and delivery arrangements in the Regeneration Framework. The sustainability imperative in particular needs detailed development to fully delineate what Welsh Government expects of sustainable regeneration.

An opportunity will exist in collating the submissions to the Review, developing the Regeneration Framework Guidance and in publishing funding criteria, for a thorough learning from past practice to be achieved.

Should other national outcomes or principles be considered.

In general we are supportive of the definition of regeneration applied in the document. Our earlier comments on market failure are generally applicable here. It is also useful to consider that addressing market failure may also require addressing parallel failures in governance and the introduction of new governance structures where they are required. A significant factor in the failure of localities is the associated and sometimes causal failure of public services as well as the withdrawal or failure of the market.

The vision for Wales is appropriate and supports the identification of the national Outcomes. This will need to be supported by a clear delivery structure that assists in the achievement of the vision by translating vision into deliverables.

CREW is very supportive of the identified National Outcomes. The harmonising with Communities First outcomes is an important step to a whole government approach that will be an essential ingredient of successful delivery of the Regeneration Framework. Linking directly in this way to community regeneration and the wider anti-poverty strategy is very significant progress towards ensuring that regeneration can be an integrative policy domain supporting key Welsh Government objectives.

The three National Outcomes also represent high-level objectives which can be clearly supported by locally determined projects. Linking the local and national in this way provides for a high level of national accountability together with a clear local autonomy. Local projects should be required to demonstrate how they will contribute to the overall achievement of these national outcomes. How they do that should be determined at the local level and in the light of local circumstances. As an important first step it would be ideal if this also fostered further alignment with the economic programmes instigated by BETS including EZ, LGZ, WIIP.

Overall we fully support the key issues identified in this section of the Consultation Paper.

What more can be done to achieve greater coherence and cross cutting action across departments?

CREW commends the commitment to a whole government approach outlined in the Consultation Paper but is also aware of the difficulties involved in achieving this. Correct governance of regeneration is as critical at the national level as well as the regional and local levels and achieving better cross-departmental action will be dependent on effective internal governance within Welsh government. The identification of parallel and related government programmes in the document is a good start and the proposed mapping of interventions will give a clearer idea of the intersections between policies and how they can be better

aligned. Stakeholder conversations have raised the following options, which might promote better joint working within Welsh Government.

- Locating regeneration in the Office of the First Minister to demonstrate its priority and to allow its integrative policy role to more fully develop.
- Merging regeneration and economic development to take advantage of the clear overlap and mutuality between these policy domains.
- Retaining the current link with housing and heritage to maximise the potential benefits of both housing and heritage led regeneration.

Within the current Ministerial portfolios we would strongly support a close harmonisation of objectives between HRH and BETS to fully develop common strategy and delivery. This will only occur if a common whole government spatial strategy is developed which can bring together the range of initiatives including EZs, LGZs, City Regions, the WIIP and the Regeneration Framework. Merging land and property strategy with infrastructural investment and social interventions will reap more benefits if they are coordinated and integrated. These emerging policy solutions share common objectives and can contribute directly to the Prosperous, Learning and Healthy Communities of the National Outcomes. The synergies between housing, heritage

and regeneration can also be continued to developed within the existing structures.

Do you agree with the national, regional and local approach set out

CREW and stakeholders are broadly in agreement with the proposals for a national, regional and local approach. Its success will depend on forging appropriate governance structures at each level and also with establishing the correct hierarchical relationships between them. We would make a very strong plea for fully recognising a ‘bottom up’ approach which permits the determination of actions at the local level. Subsidiarity has been an important factor in successful regeneration interventions. Local organisations, councils and businesses are best placed to interpret how their locality can best achieve a contribution to the National Outcomes and how success can best be measured. Consequently, we would advocate a high level of local autonomy in which innovation and experimentation can flourish. In simple terms no-one can currently predict what the new regeneration solutions are and how they will emerge from this level of practice rather than top-down instruction.

Currently, much of the energy in regeneration is emerging from local initiatives driven by community hubs, local civic organisations, town partnerships and private sector interest. Arts organi-

sations, cultural activities, niche food producers and community alliances are currently evident throughout the UK and Europe as a leading force in small-scale regeneration activity. In the absence of funding for traditional large-scale physical projects the aggregation of effect from multiple local projects can be an effective and more sustainable alternative. Harnessing this energy and realising its regeneration capacity should be the key focus of the Regeneration Framework. Given, the limited identified budget for regeneration it would be best spent in fostering this sector and its local authority partners rather than limited capital projects. In particular provision of expert guidance, advice and technical assistance will contribute to the achievements of the community sector.

Critically however, the exercise of this local autonomy should be linked to and be required to rigorously evidence its support for the achievement of the National Outcomes and their subsets of objectives. No project should be funded which is not able to demonstrate clear measurable outcomes that contribute directly to National Outcomes and is not able to provide a rigorous and achievable evaluation methodology as part of its delivery mechanism.

The regional structure identified in the Consultation Document is causing major concern in the sector. Whilst there is only muted outright rejection of a regional structure there is deep concern about its governance and linkages with other existing

and emerging regional boards and committees. Those who oppose it outright see it as an unnecessary additional layer of bureaucracy but there are more who recognise the need for a level of national and regional strategic direction and oversight to provide cohesion at the local level and prevent multiple and often neighbouring projects all addressing similar issues. This was a major issue for EU Objective One funding in Wales and is a historical mistake that should not be repeated.

Of greater concern is the perception of a potential lack of integration of spatial planning. A range of spatially orientated initiatives are proposed by Welsh Government including Enterprise Zones, City Regions, Local Growth Zones, and the Wales Infrastructural Investment Plan. Regional structures in health, education, policing and Communities First also have potential to lack spatial coherence and the proposed Regional Boards will need to contend with these potential multiple spatial arrangements. CREW firmly advocates a revisit to the concept of national and regional planning in Wales without necessarily recreating the original Wales Spatial Plan. We will be bringing a discussion paper forward on this issue in the near future.

This concern with a lack of spatial coherence is also matched by a concern about how different interests and sectors can be adequately represented at Regional Board level. The current description in the Consultation Document suggests some harmonisation with emerging local authority collaboration clusters

and whilst this may provide an effective initial basis for defining regions there is concern that other sectors will not be fully engaged in this structure. Concern about both the private and third sector engagement is evident and any proposed regional governance model must ensure that there is fair and equal voice for all sectors.

This also raises a key issue in respect of the housing agenda and the potential significant contribution of the housing function to the achievement of both people and place based regeneration and we would suggest a clearer identification of this role in the finalised Regeneration Framework. Housing Associations and LSVTs have demonstrated significant will and capacity to deliver both place and people-based regeneration and are well placed to work in the most disadvantaged communities. Their unique relationship with some of our poorest communities creates opportunity for direct engagement and empowerment of disadvantaged groups.

The proposals for the national level of delivery are appropriate and the role of the Ministerial Advisory Group will play an important strategic role as well as securing oversight of regional and local levels of delivery.

Do you have any comments on our proposals for how we will target and direct our funding?

CREW welcomes the discussion of funding criteria based on both need and opportunity. Past emphasis on need alone has been one of the contributory factors to lack of impact from past regeneration activity. However, this discussion has raised concern that some of the most disadvantaged communities in Wales will be abandoned if they cannot demonstrate opportunity for development.

Firstly, in the combined regeneration experience of CREW and its Fellows we have rarely seen any geographical location an absence of opportunities that are capable of exploitation to service regeneration outputs and outcomes. These may not be directly available in the target area but intelligent design of linkages to areas with more opportunity can ensure that development potential is recognised and realised. The importance of development corridors is important in this respect in their capacity to link, for example, heritage assets in one community with more prosperous communities and the visitor economy elsewhere e.g. a heritage trail of chapels.

Opportunities can be both place-based and people-based. Place opportunities can take the form of landscape assets, heritage assets, proximity to markets (labour and goods/services), sense of place characteristics and effective transport and broadband linkages. People opportunities can take the form of

strong civic associations, a developed community hub or development trust, well supported faith groups, strong sporting clubs and active cultural organisations. All of these can form the spring-board for local regeneration activity. In defining need and opportunity the developed Regeneration Framework will need to provide guidance on how these terms might be defined and operationalised.

We would also refer the consultation process to the paper produced by CREW on targeting regeneration resources. In that we identified the following bases for the allocation of resources:

- Territorial/ spatial criteria
- Economic Sector criteria
- Thematic Criteria (e.g. Health or education)
- Beneficiary Target Groups

In reality these usually need to be applied in a combination and programmes focused solely on one of them are rarely successful in delivering integrated regeneration objectives

CREW is broadly supportive of the list of interventions identified as likely to receive support. Our review of international best practice identifies the value and effectiveness of key regeneration methods including BIDS and ‘meanwhile uses’. We also

support the allocation of indicative budgets to regions conditional on the development of robust strategic plans which target neighbourhood level delivery. We stress that local engagement and participation in determining regional plans will be an essential ingredient of success.

We want to ensure effective monitoring and evaluation of regeneration activities, will the approach set out achieve this?

Effective monitoring and evaluation is an integral element of effective delivery and cannot be seen as a separate activity. Design of evaluation must go alongside programme and project design to ensure from the outset that objectives and outcomes are achievable and measurable. Our collective history of post-delivery evaluation as an afterthought has effectively prevented us fully understanding what has worked in Wales and what has failed. Developing an effective baseline at the outset of the Regeneration Framework is essential and timing is well placed in terms of emerging Census 2011 data. Employment of the Welsh Index of Multiple Deprivation can provide detailed analysis at appropriate spatial levels. The ability of the Index to aggregate from Lower Super Output Area upwards can provide local, county, regional and national data sets which can inform the evaluation of delivery. CREW has produced a paper to discuss these issues that will be presented to the National Regeneration Panel.

CREW also welcomes the focus on RBA and outcomes. Conventionally, we have only measured outputs rather than identifying the actual impact on the quality of life in target communities. An outcomes focus will encourage the design of intelligent and innovative practice rather than routinely repeating past techniques.

Overall, evaluation must be realistic and achievable and not burden delivery with overly bureaucratic requirements. This can lead to non-compliance or a tick-box mentality where completing the evaluation process becomes the end in itself rather than the means to improvement of delivery and practice.

Conclusion

**This section presents
general conclusions about
the potential impact of the
proposed Regeneration
Framework**



Conclusion

The Review of Regeneration presents a unique opportunity for Welsh Government to design a regeneration strategy that recognises and responds to the current financial conditions in Wales and beyond. Realism at this stage about the disappearing likelihood that past conditions will reassert themselves should focus us collectively on innovation and experimentation. Whilst retaining effective practice from the past, we should also be encouraging creativity and risk in future practice. Currently, we do not know what regeneration solutions will emerge from current conditions and imposed top-down solutions will not be as creative as the approaches which emerge out of the social conditions and minds of those experiencing them.

The proposed Framework provides a potential structure in which national strategy can be supported by the Ministerial Advisory Group, regional coherence is supported by the Regional Boards and local autonomy allowed to flourish in neighbourhoods of need and opportunity. If this is successfully set in a wider structure which recognises the need for spatial coordination and strategy and effectively links across government departments we may be more successful than in the past in regenerating our most challenged communities.