



Transforming Places; Changing Lives: A Framework for Regeneration

A Consultation Response from the Commission for Rural Communities

1. The Commission for Rural Communities (CRC) was established in April 2005 and became an independent body in 1 October 2006, following the enactment of the NERC Act, 2006. The Commission has the following three roles:
 - 1 Listening to and representing the views of rural communities
 - 2 Giving expert advice
 - 3 Acting as an independent watchdog
2. We have a statutory responsibility to act as an advocate for rural communities and businesses and provide independent advice to government and others to help ensure that policies and programmes reflect the needs of people living, working and doing business in rural England. We have a particular focus on tackling disadvantage and economic under-performance. The proposed Regeneration Framework is therefore very relevant to the Commission's key areas of work and we are pleased to be able to provide comments.
3. The CRC's key issues:
 - The Commission believes that greater emphasis is needed on the importance of and opportunity for regeneration outside the areas of concentrated deprivation. Accordingly we urge the Department for Communities and Local Government to bring forward a Regeneration Framework that is clearly seen to be relevant to all areas.
 - We strongly support the principle of setting outcomes to guide regeneration. We do however recommend changes to the outcomes and indicators proposed in the Framework in order to encourage even greater flexibility at a local level and to allow local and sub-regional organisations in all areas to shape their own priorities
 - The CRC continues to advocate the devolution of responsibility for regeneration which forms a central element of the Sub-National Review as well as the Regeneration Framework. This will allow central government to take a more strategic role and will pass down responsibilities for identifying need, determining the types of place or area based assistance needed and allocating resources to local and sub-regional authorities.

Area based regeneration¹

4. The Commission welcomes the Government's attempt to increase the effectiveness of regeneration activities across England. The Regeneration Framework is a very important document which will guide regeneration investment for the foreseeable future. It is vital that in developing and rolling out this Framework it is made relevant and supportive of regeneration in all parts of England from major cities, large urban areas, to market towns and dispersed and peripheral communities. We at the CRC would be pleased to support this written response with further help to CLG and supporting departments to ensure that the Framework proposals address the needs of disadvantaged people living in England's rural communities.
5. The consultation document prioritises regeneration investment on an area based basis – it requires that the outcomes of regeneration initiatives should be measured according to their impact on deprived areas and that priority locations for regeneration should be England's most deprived neighbourhoods. Whilst we recognise the value of area based initiatives, we are concerned that under this Framework proposal most activity, priorities and resources will be aimed at regeneration in areas of concentrated deprivation. This diminishes the wider regeneration needs and opportunities within most other (urban and rural) areas. It appears to contradict the definition offered in the paper of regeneration – social, economic and physical decline is more widespread than in the areas of concentrated deprivation - and marginalises particularly the third priority outcome set in the paper.
6. It is our view that strategic planning and decisions on investment priorities should not merely focus on areas of concentrated deprivation, but should enable regeneration that responds to the wider needs of disadvantaged people. If there is no change, discrimination will continue between the needs of deprived people and families on the grounds of where they live.
7. The paper itself states that “over a fifth of people claiming Incapacity Benefit or Job Seekers Allowance live in the most deprived areas of England” (pg 14). In other words, four out of every five of all incapacity and job seeker claimants do not live in our most deprived areas (as identified by the Index of Multiple Deprivation). In rural England, this contrast is even greater with an even smaller proportion of the working age recipients of DWP benefits living in the rural most deprived areas. Research by Oxford Consultants for Social Inclusion Ltd (OCSI) and JH Research commissioned by the CRC, *Deprivation in rural areas: Quantitative analysis and socio-economic classification* (June 2008) also illustrates the gap between the number of people picked up by measuring deprived areas and the number picked up by measuring

¹ This incorporates our response to the following questions:

Chapter 1: Is this analysis right?

Chapter 1: What further analysis is needed to ensure the needs of different demographic groups are properly reflected in our regeneration priorities?

Chapter 2: Are the outcomes measures proposed helpful? Will they ensure regeneration benefits the poorest people and places in society?

Chapter 2: Have we proposed the right measures?

Chapter 3: Is the criteria based approach a helpful way of ensuring greater consistency in prioritising regeneration investment?

Chapter 3: Should we go further? What else can be done to align national Government investment behind local and regional priorities?

Chapter 3: If there is a case for central government still identifying some specific neighbourhoods and targeting particular assistance at them in future in order to learn lessons, as we have done with NDCs.

deprived people. Only 3.6% of the Index of Multiple Deprivation's most deprived English areas are in rural England, yet 17% of all poor households are rural households. To tackle the needs of these disadvantaged and vulnerable people, we believe that the Framework must encourage and enable regeneration priorities and activities focused on vulnerable people wherever they live or work.

8. The rural proofing element of the report (Annex J) identifies that making use of more fine grained data will better identify rural pockets of deprivation. We support the use of lower level data by public authorities to improve the identification of deprivation. However, the lack of available lower level data for some indicators added to the dispersed nature of rural deprivation and the fact that much of it does not occur in 'pockets', will mean that many of the individuals, workers and households living in deprivation in rural areas will remain unaccounted for. A successful regeneration framework should facilitate tackling these disadvantages wherever they are significant, whether dispersed or concentrated.

The Development Fund for Rural Renewal (DFRR)*

The DFRR provides a successful example of a regeneration initiative that tackled disadvantage in a dispersed rural setting. It was set up as part of the Phoenix Fund in response to the crippling effects of the foot and mouth crisis that hit rural England in 2001. The crisis triggered high unemployment in agricultural related businesses and, due to the restrictions in access to many areas, had a significant impact on tourism and other small businesses.

The aim of the DFRR was to support projects that tackled barriers to enterprise in areas disadvantaged by the effects of foot and mouth disease and rebuild business confidence. The types of projects established reflected the dispersed nature of the disadvantage. Some examples are listed below:

- Running 'rural surgeries' for people with a spare time activity which might be converted into a micro business.
- Setting up rural centres, in partnership with community development councils, to provide a base for skills training.
- Taking stands at local events and exhibitions, craft fairs etc. to raise awareness of business support services.

Within a framework targeted at deprived areas many people would have been left behind by the declining economic circumstances that they faced at the beginning of 2001. However, providing a targeted means of support within a broader spatial area enabled the needs of those people facing severe difficulties to be reached despite their dispersal across rural areas.

* Stimulating Enterprise in Tackling Rural Disadvantage: Assessment of the Development Fund for Rural Renewal for the DTI Small Business Service, Social Research Associates, April 2004

9. There are also a number of aspects of disadvantage that lead to some rural residents being excluded from the labour market or opportunities to reach their potential which are not included in the suggested indicator set. The CRC report *Rural Disadvantage Reviewing the Evidence* (September 2006) provides a useful commentary on the nature of disadvantage in rural areas highlighting issues such as low wage poverty, under-employment and seasonal employment, poor access to transport and network poverty.

Affordable Housing

The recent report by Matthew Taylor, *Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing*, (July 2008), looking at the rural economy and affordable housing provides a good example of an issue of significant deprivation and its associated social costs that would not be identified and therefore addressed using the Index of Multiple Deprivation.

In 2007, the cost of an average family home was over £8,000 more expensive in rural areas compared to urban areas, and first time buyer homes were £16,000 dearer. At the same time, those working in rural areas earn significantly less than their urban counterparts. The average wage in the most rural areas is just £20,289 compared to £27,487 in urban areas.

The combination of high cost homes and low rural wages means that rural housing is beyond the reach of many who work in rural communities creating issues of homelessness, overcrowding and forced migration to urban areas. The wider social costs for rural communities created by this imbalance include:

- Social and economic polarisation – where smaller rural communities are increasingly the preserve of the wealthy or retired, excluding poorer and younger people.
- The loss of rural enterprise, shops and services can compound pressure on vulnerable groups (lower income, immobile, elderly) to move out.
- An erosion of family and community ties as younger family members move away for housing and jobs.
- A change to the demographic balance undermines social networks often vital for providing support for vulnerable people such as older relatives, childcare for working parents and people with disabilities.

The consultation paper suggests that deprivation can be established by identifying concentrations of affordable housing. As has been shown above, this is not the case in many rural areas where the absence of affordable housing can actually exacerbate deprivation.

(Chapter 1 Question: What further analysis is needed to ensure the needs of different demographic groups (by age, sex, minority ethnic grouping, and whether or not disabled) are properly reflected in our regeneration priorities?)

10. The CRC would like to work with CLG to identify a series of complementary indicators of deprivation that could be used in order to assist in the identification and therefore prioritisation of the more dispersed deprivation found in rural (and some urban) areas (pg 52). These could also provide useful additions to those indicators that measure the progress of regeneration initiatives (pg 36). Combined with revised regeneration outcomes (described below) they would ensure that the needs of deprived people in rural areas could be addressed by regeneration policies. Examples of indicators that could potentially be used, some taken from the Index of Multiple Deprivation and some new indicators, are outlined below:

- Housing affordability (see earlier)
- Average weekly earnings (not only in deprived areas)
- People on low household income and low wage
- People in fuel poverty

- People in seasonal, intermittent and part time employment.
- Road distance to GP Surgery, schools, banks and building society etc.

A more detailed analysis by demographic group would be useful in increasing understanding of disadvantage differs between different groups and therefore how the nature and the delivery of regeneration programmes should vary.

People-based regeneration

11. A recent study by the Joseph Rowntree Foundation, *Person- or place-based policies to tackle disadvantage* (2008) constructed a matrix identifying five different types of regeneration policy according to the extent to which they integrated people and place based policies. While, as identified in the study, the people and place based policies are often practiced separately, it is CRC's belief that if they are constructed together at a local level, capturing local knowledge and expertise, the synergies between the two types of policies will bring benefits to recipients. It is also clear from the matrix that there are a significant number of regeneration activities beyond the place based. The value of these people based policies should be acknowledged in the Regeneration Framework and local agencies encouraged to identify what combination of area based and people based regeneration approaches are appropriate for use in their areas.
12. A key issue for policy makers will be how resources for people-based regeneration initiatives can be targeted in order to address dispersed disadvantage. While Local Area Agreements will form an important mechanism for this, the need for strong and effective neighbourhood and community governance to be in place for assistance to get where it is needed is re-enforced.

Local devolution

13. CRC supports the emphasis on local decision-making and the role of local authorities and Local Strategic Partnerships in determining regeneration priorities. We also welcome the recognition that parish plans and market town health checks can have a role in determining priorities (pg 45) and the need for community empowerment (pg 21s-22).
- (Chapter 2 Questions: Are the outcome measures proposed helpful? Will they ensure regeneration benefits the poorest people and places in society? Have we proposed the right measures? What can central Government do to give communities a stronger voice in shaping regeneration?)
14. We fully endorse the principle of changing the emphasis and expectation of regeneration activities to outcomes rather than outputs. This will help to encourage flexibility at a local level and allow local and sub-regional organisations to shape their own priorities, whilst still requiring all funders and decision makers to focus on the benefits and improvements that justifies the proposed interventions.
 15. The CRC would ask CLG to actively encourage greater flexibility by changing the reference in the first two outcomes from 'deprived areas' to 'localities containing disadvantage'. This would allow local agencies to be the decision-makers on where and to whom as well as how their regeneration activities should be targeted. In ensuring that decision making is devolved to those agencies most knowledgeable about the extent and location of deprivation in their areas, it would provide the potential for the needs of all people living in deprivation to be addressed by

regeneration initiatives.

16. The CRC believe that in introducing this greater flexibility the Regeneration Framework would move regeneration further away from “devolving the responsibility of regeneration” to local communities and towards “devolving power and resources to (local communities) to regenerate themselves on their own terms”. *Coalfields Regeneration: Dealing with the consequences of industrial decline*, Katy Bennett, Huw Beynon and Ray Hudson, April 2000

Coalfields regeneration

The study for the Joseph Rowntree Foundation* of the regeneration initiatives that were used to combat deprivation in the areas that suffered from the closure of coal mines, many of which were in rural areas, during the 1990s provides useful evidence of the value of the devolution of regeneration responsibilities.

It found that successful regeneration is dependent on a framework that is sufficiently supportive and flexible to recognise the needs of individual places. No two coalfield areas were alike with differences in the problems they faced therefore why should the outputs requirements for each place be alike. Lessons from their experience can be applied across rural and urban areas especially isolated places witnessing the decline of an industry upon which they were once reliant.

The study also recognises the value of moving away from output indicators of the success of projects. Targets such as the number of jobs created or number of training places do not recognise the small steps required to get some individuals to attend. For example, helping individuals to feel included, needs and valuable in places they fell they are no longer of use.

* Coalfields Regeneration: Dealing with the consequences of industrial decline, Katy Bennett, Huw Beynon and Ray Hudson, April 2000

The role of housing (Chapter 1 Question: Is this analysis right?)

17. Annex F paragraph F42 states that “...in rural areas, lack of public transport should not be the sole determining factor against affordable housing projects.” This could be seen as less positive than the recognition in PPS1: Delivering Sustainable Development and the Climate Change Supplement, Planning and Climate Change, and draft PPS4: Planning for Sustainable Economic Development, that development in rural areas may be suitable even though it is only accessible by car and indeed encourages development that supports sustainable development in rural areas. It is important that the Regeneration Framework is consistent with the tone and aspiration of government’s planning policies and recognises that housing and employment development in rural areas can have a role to play in improving sustainability.

(Chapter 4 Question: Taken together, do these new and enhanced roles for different agencies equip them to deliver the expectations of the framework?)

18. There has been concern expressed that the Homes and Communities Agency (HCA) could potentially be over focused on urban regeneration particularly if they are asked to base their regeneration activities on the proposed framework. Given the issues described above, it would be useful to give further description and emphasis within the document the need for the HCA to support affordable housing

provision in rural areas.

Economic Well-being_(Chapter 2 Question: Have we proposed the right measures?)

19. We welcome the government's overall objective to "raise the rate of sustainable growth and achieve rising prosperity and better quality of life, with employment and enterprise opportunities for all" (pg. 13) and the recognition that "improved economic performance and more people in jobs are necessary, but not sufficient success criteria to transform the poorest places" (pg. 38). This logically leads to the framework giving greater recognition to the third of the stated outcome, "creating sustainable places where people want to live and can work, and businesses want to invest". This outcome has however been rather lost through much of the rest of the paper because of the focus on areas of concentrated deprivation. The Framework should look wider than this narrow focus and consider more fully the relationship between economic, social and physical issues and their role in improving economic well-being and quality of life and in creating sustainable places.

Private Investment_(Chapters 2 and 3 Questions: Should we measure the scale and rate of private investment in deprived areas, and how could we do so? Will this approach give the private sector confidence and unlock long term investment)

20. The Rural Advocate's report to the Prime Minister, *England's rural areas: steps to release their potential* (May 2008) has already identified that private sector capital expenditure is on average markedly lower in rural than urban areas. 18 of the bottom 20 districts for levels of capital investment in 2002 were rural authorities. Similarly rural firms appear to use or secure lower levels of capital funding than those in more urban locations. Weaknesses in both these dimensions need to be overcome to enable regeneration in rural communities to be seen as an achievable goal and route to reversing economic, social and environmental decline. If further analysis of this issue is to be done following these proposals (pg. 36), then an analysis not just of private investment in deprived areas but across England would be appropriate.

The impact of climate change_(Chapter 2 Question: What else can we do to ensure regeneration is responsive to environmental change)

21. As witnessed by the recent flooding, environmental change (pg. 41-42) has the potential to have a devastating impact on rural areas. The Rural Advocate's report to the Prime Minister contains several recommendations that address the effects of environmental disruptions, including allowing small rural communities, via the Environmental Transition Fund, to adequately assess and inform mainstream and alternative flood protection infrastructure. These environmental challenges and measures to make communities more resilient needs to be given a stronger profile in the Regeneration Framework. Regional and sub-regional agencies need to be encouraged to define regeneration priorities and impacts relative to their environment impacts and opportunities.

Sub-regional partnerships_(Chapter 2: How can we further strengthen sub-regional partnerships to deliver regeneration outcomes?)

22. Earlier in our response we advocated central government defining outcomes and inviting the sub-regional and local agencies to describe the balance of priorities and measures. The National Framework should make clear that all sub-regional partnerships should bring together agencies responsible for people based and area

based activity in order to set their priorities. In turn this should be under a national framework that emphasises that central government expects regeneration activity to be appropriate for all communities not just those areas of concentrated deprivation.

Regional Regeneration Maps (Chapter 3: Should we ask regions to develop regional regeneration maps? What are the disadvantages of that approach?)

23. We are concerned that the proposed Regional Regeneration Maps will further encourage the commitment of resources to areas of concentrated deprivation and away from the majority of deprived people in England. Even at a smaller scale it would be difficult for the maps to acknowledge dispersed deprivation and to prioritise the people based policies that could potentially help to tackle it.

Conclusion

24. The CRC welcomes the government's proposal to establish a framework for regeneration which emphasises local decision making and community involvement and recognises the breadth of activities that can impact upon the economic, social and physical well-being of an area. We are concerned however over the extent of the focus on areas of concentrated deprivation within the Framework and therefore the failure to address the needs of a significant majority of people living in deprivation who live outside these areas. Our solution would be to change the outcomes for regeneration contained the Framework to allow even greater flexibility for local agencies to identify and address, through a mixture of people based and area based initiatives, issues of deprivation in their areas.

Questions not addressed by this response:

Chapter 4: What would be the costs and benefits of this approach?

Chapter 4: How should this Framework be implemented in London given London's unique governance arrangements?