

# Regeneration Policy and Funding Bulletin



Welcome to the latest Regeneration Policy & Funding Bulletin. This edition includes a summary of announcements in the Pre-Budget Report; a new Bill that will see Local Economic Assessments for local authorities become statutory; news that Coventry is withdrawing from the City Region; and the Skills Investment Strategy published. If there is anything you would like to discuss, please contact the Regeneration, Policy, Performance & Intelligence team using the contact details at the top of this page. In the meantime we wish you a very Happy Christmas and peaceful New Year.

## Contents:

### National Policy

Pre-Budget Report Announced.....	2
LDEDC Receives Royal Assent.....	2
New Report on Poverty & Social Exclusion.....	3

### Regional Policy

Coventry Withdraws from City Region.....	4
WM Leader Board Becomes Statutory Body.....	4
Regional Spatial Strategy Revision.....	5

### Skills & Employment

Skills Investment Strategy Published.....	5
Carers Get Improved Employment Support .....	6
New Mental Health & Work Strategy.....	7
Funding for Volunteer Management Training.....	7
Skills for Life Training too Short.....	7
More Help Needed to Find Young Offenders Jobs...8	

### Business and Investment

New Fund Proposed to Help Businesses Grow.....	8
Social Enterprises are Recession Busters.....	8

### Transport

Local Transport Plan 3 Consultation Underway.....	8
£1m for Transport Priorities in the West Midlands....	9
Consultation on Better Railway Stations.....	9

### Tackling Climate Change

Consultation on Zero Carbon Buildings.....	10
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### Housing

Co-operative Housing Overlooked.....	10
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## National Policy

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### Pre-Budget Report Announced

The following is a summary of the announcements in the Pre-Budget Report on 9<sup>th</sup> December that are relevant to Regeneration:

**Maximising resources** - Arrangements are due out for the implementation of the Community Infrastructure Levy from April 2010. The Government is also exploring other types of borrowing avenues for local authorities including Tax Increment Financing, future CIL revenues, and renewable Heat Incentive and Feed-in Tariff revenue schemes.

**Supporting businesses and growth** - Measures include continuing the Business Payment Support Service; a 12 month extension to the Enterprise Finance Guarantee; the creation of a new Growth Capital Fund, the creation of Infrastructure UK, and £200m additional money to the Strategic Investment Fund (£150m for low carbon, £5m for a new prize fund for open competition in the key areas for innovative development, and £45m yet to be allocated).

**Employment and skills** - the most notable measure is the bringing forward of the Young Persons Guarantee so that all 18-24 year olds who have been on Job Seekers Allowance for six months plus (previously 12mths plus) will be guaranteed a job, training or work placement lasting at least six months. The budget also specifies new support for the over 50s through JCP and specialist providers. More information and detail will be set out in a forthcoming Employment White Paper. Up to £5m will also be available to provide support to ex-service personnel who want to become self-employed.

**Low carbon economy** - A huge amount of investment is continuing to be channelled towards measures to build a low carbon economy. The pre-budget has announced £400m over the next two years to support green growth and the development of low carbon technologies. This includes an additional £150m for the Strategic Investment Fund to support low carbon investment. The new package will provide £50m for new manufacturing and testing facilities to support the offshore wind industry; £40m to support low carbon technologies including small-scale and community level low-carbon generation; investment in a European Equity Fund to support low-carbon infrastructure; £30m to support green transport projects, including expanding the Technology Strategy Board's ultra-low carbon vehicles competition; £150m for Warm Front, and a new scrappage scheme but this time providing £400 to households as an incentive to get rid of their old boiler for a much newer, more efficient model

For a more detailed briefing note from the Regeneration Policy, Performance and Intelligence Team visit: <http://www.coventry.gov.uk/ccm/navigation/business/regeneration-policy-and-performance/>

### LDEDC Act Receives Assent

The new Local Democracy, Economic Development and Construction (LDEDC) Act has received Royal Assent. The Bill will lead to a merger of regional economic and spatial strategies, requiring Regional Development Agencies (RDAs) and local authority leaders' boards to create a combined Single Integrated Regional Strategy for each region.



The requirement could be short-lived if Conservatives win the next General Election, as they have called for planning to be devolved to a local level. The Conservatives are keen to abolish RDAs, therefore planning powers would revert to local authorities. However, the Conservatives would not be able to scrap single regional strategies right away, as they would have to introduce their own legislation first.

The new Act also allows city-regions to sign up to cross-boundary multi-area agreements with statutory duties, and to form economic prosperity boards to govern city-regions. The boards could make decisions on transport and skills.

The Act also requires councils to conduct local economic assessments (LEA). Therefore from April 2010, Coventry City Council will be required to produce an LEA. Draft guidance on developing an LEA was published by Communities and Local Government in August 2009, and it is expected that formal consultation will be carried out on this guidance now the Bill has come into force. The LEA should inform local, sub-regional and regional economic strategies including the framework for the future development of the region, as set out in the Regional Strategy.

### **New Report on Poverty and Social Exclusion**

The New Policy Institute has produced its twelfth annual report of indicators of poverty and social exclusion in the United Kingdom. The analysis covers a wide range of issues, ranging from low income, worklessness and debt, to ill-health, poor education and problems in communities. While the recession has had an impact, the report shows that several key indicators, particularly regarding low income, unemployment and debt, were already getting worse, well before the recession began. In addition, many indicators have improved, notably in health and education. The report is complemented by a website which provides updates to graphs, more analyses and links to other relevant sites. Key points include:

- The number of people unemployed or otherwise wanting work is the highest since 1997. The unemployment rate among 16- to 24-year-olds is now higher than at any point since this series began in 1993.
- These increases did not begin with the onset of recession. Unemployment has been rising since 2005, and the young adult unemployment rate stopped falling as long ago as 2001.
- Even before the start of the recession, the number of people living in low-income households rose again in 2007/08. The number of people in low-income households is now as high as it was in 2000, having risen by 1.3m in the last three years.
- The number of children in low-income households where at least one adult works is, at 2.1m, the highest it has ever been. Half a million higher than in 2003/04, it is this increase that has stalled progress towards the Government's child poverty targets – again, prior to the recession.
- Despite all this, the overall picture is far from negative. The proportion of 11-year-olds not meeting basic standards in mathematics and English has fallen every year since at least the late 1990s. The number of 16-year-olds getting fewer than 5 GCSEs is now lower than at any point in the last ten years.
- The rate of premature death (deaths before the age of 65) has come down by a sixth for men and for women over the last ten years – but the rate for men is still 50% higher than for women.



- There have also been striking reductions in the levels of anxiety about being the victim of burglary or violent crime, to levels around half of those ten years ago.

The website: <http://www.poverty.org.uk/>

Summary of the report: <http://www.jrf.org.uk/sites/files/jrf/monitoring-poverty-social-exclusion-2009-summary.pdf>

Full report: <http://www.poverty.org.uk/reports/mpse%202009.pdf>

## **Regional Policy**

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### **Coventry Withdraws from the City Region**

Coventry City Council has decided not to proceed with the City Region, and instead will be focusing on developing its links with Solihull and Warwickshire, and its participation in regional partnerships. The decision comes after the City Region Board discussed a review of the economic geography of the sub-region; a reflection on previous achievements and challenges, and proposals around the future roles and responsibilities of the City Region.

There have been a number of successes from the City Region including the Multi Area Agreement for Employment and Skills, and the work in developing an Accelerated Development Zone. However, the unsuccessful bid to become a Pilot City Region in the April Budget highlighted a need to reflect on the direction of travel and the most sensible make-up of the partnership itself.

The 'new' City Region partnership will comprise of Birmingham, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, so forming a naturally aligned economic region. The West Midlands Regional Assembly, Advantage West Midlands, the Learning and Skills Council, and Business Voice West Midlands will all remain members of the City Region Board. JobCentre Plus, the Homes and Communities Agency and Coventry's Universities, plus Paul Lankester, Chief Executive of Stratford-upon-Avon District Council, and Chair of the City Region Forum, will continue to work closely with the City Region.

Coventry will remain a full member of the City Region's Multi Area Agreement on Employment and Skills, as is the case with Telford and Wrekin. It will also continue to work closely with the new City Region on areas of mutual interest and benefit ([www.cityregion.org](http://www.cityregion.org))

### **West Midlands Leaders Board Becomes Statutory Body**

Following the enactment of parts of the Local Democracy, Economic Development and Construction (LDED) Bill, the West Midlands Leaders Board is now a statutory body. The Leaders Board, which brings together the elected leaders of all 33 councils in the West Midlands, will lead powerful coalitions with partners in business and other agencies to enhance the economic, social and environmental prosperity of the Region. Cllr Ken Taylor, Coventry City Council, is the Chairman of the Leaders Board. As the new decision making body for local government in the Region, the Leaders Board has taken over the role formerly carried out by the West Midlands Local Government Association and is set to replace the West Midlands Regional Assembly which is due to be abolished next year.



## Regional Spatial Strategy Revision

The West Midlands Regional Spatial Strategy (WMRSS) is currently in Phase 2 of three phases of revision. This phase focuses on issues around housing, employment land, centres, transport and waste. Government is due to publish the proposed changes to the draft Regional Spatial Strategy by the end of 2009. This will be subject to a final period of consultation before the revised WMRSS is approved by the Secretary of State, hopefully in the Spring 2010 ([www.wmra.gov.uk](http://www.wmra.gov.uk)).

## Skills & Employment

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### Skills Investment Strategy Published

The Government has set out how it will invest in the skills critical to the recovery & long-term success of the UK economy. The *Skills Investment Strategy 2010 -11* underpins the priorities announced in the recently published national skills strategy, *Skills for Growth*. The new strategy promises greater freedom for colleges & other training institutions demonstrating teaching excellence

The strategy includes the following proposals:

- 75% of young people should be in Higher Education, complete an advanced Apprenticeship, or equivalent level, by the age of 30
- It is not just about measuring qualification levels, we need to measure our skills system by ensuring the skilled workforce meets employer needs, ensuring the skills delivered have economic value against UK productivity, measuring employment and earning levels against training and measure vocational qualifications against our targets to achieve a world-class skilled workforce. This way of monitoring (national scorecard) will be introduced in the next spending review period and the UKCES will report on the new measures as part of their on-going *Ambition 2020* publications. Results will also look at progress against regions, sectors and socio-demographic groups
- Advanced Apprenticeships will expand. Over the next two years, they will increase by up to 35,000 and possibly more in the following period. £17m financial investment in 2010-11 and this will increase to £115m in 2014-15
- University Technical Colleges will be developed to ensure a more vocational route of learning is in place to meet employer needs. This will sit alongside the new 14-19 Diplomas
- Sector Skills Councils (SCCs) will work with HE institutions, professional bodies and employers to pilot composite honours and masters programmes
- 1,000 Apprentices will be offered £1,000 to go into the Higher Education system (a 'golden hello')
- Work needs to take place with SSCs, employers, educational institutions and professional bodies to increase the number and availability of Level 4 Apprenticeship frameworks
- From April 2010, the Skills Funding Agency (SFA) will come into existence and will better fund the sectors and markets to ensure a better skilled workforce where it is needed to underpin the UK economy and employment levels. Targeting actual priorities is not yet



known, but there will be a £100m available for them in future years that could fund some 160,000 training places for Levels 2 and 3

- Areas of priorities known include low carbon energy. The UK Commission for Employment and Skills (UKCES) will work with this industry to look at the workforce planning needed, both training aspects and Higher Education. Regional Development Agencies (RDAs) and local authorities will also feed into this process. In addition, SSCs will contribute sectoral knowledge
- Sector Skills Councils will undertake work to ensure relevant partnerships with employers and trainers are in place to ensure UK workers have the right skills to meet shortage occupations in the UK (construction was highlighted)
- RDAs in partnership with local authorities and SSCs will develop Regional Skills Strategies. SSCs will drive a significant amount of this work
- From 2011, only qualifications approved by the relevant SSC will receive public funding.
- A Joint Investment Scheme (government matched funding against employer funding) will be in place from late 2010. This funding, up to £50m government and up to £50m employer, will be targeted in areas key to economic recovery only
- SSCs to work with Government, UKCES, Ofqual and awarding organisations to reduce development times to a maximum of 12-months (6 months average). UKCES to ensure SSCs make development times public
- A fifth bidding round for National Skills Academies will take place and £16m funding will be made available for the National Skills Academies as a whole in 2010-11
- Skill Accounts will come into effect from 2012. This gives adults financial credits to 'buy' accredited courses. Further information on this will form part in the forthcoming employment white paper
- Employers' views will be vital in how future occupational licensing arrangements are looked at. It must fit sector need and consumer interest
- The UKCES recommendation to reduce publically funded bodies by over 30 was welcomed and endorsed a sharp reduction in their numbers. The UKCES will work with SSCs to make a substantial cut in their number by 2012

Visit the Skills for Growth Strategy and the Skills Investment Strategy at:

<http://www.bis.gov.uk/policies/skills-for-growth>

### **Carers get Improved Employment Support**

Thousands of carers are set to benefit from improved employment support. Jobcentre Plus customers with caring responsibilities will also be able to access replacement care funding while they are taking part in employment training. The extra support includes:

- Ensuring carers have access to appropriate employment programmes – including one-to-one work focused support for carers
- Funding for replacement care for participation in approved activities
- A Care Partnership Manager in every Jobcentre Plus district
- Specialist training for advisers who work with carers

The changes are part of the short-term aims of the Carers Strategy which were due to be implemented by 2011 ([www.wired-gov.net](http://www.wired-gov.net), December 2009)



## **New Mental Health and Work Strategy**

*Work, Recovery and Inclusion* is a new government delivery strategy that sets out a series of actions to help meet the aspirations of people in contact with secondary mental health services who want to work. The strategy responds and builds on the recommendations from the independent review undertaken by Rachel Perkins *Realising ambitions: better employment support for people with mental health conditions*. It incorporates a key part of the cross-Government response to the review. *Work, Recovery and Inclusion* also forms part of the Social Exclusion Task Force's latest work on the Socially Excluded Adults Public Service Agreement (PSA 16) which aims to support vulnerable adults in a home and a job.

The long term vision is to radically increase the number of people from this group in employment by 2025, and to narrow the gap between their employment rate and that of disabled people generally. Coventry & Warwickshire JobCentre Plus is highlighted in the report for their outreach service at a local hospital to provide benefits advice and employment support to people with mental health conditions.

View the report at: <http://www.cabinetoffice.gov.uk/media/314039/work-recovery-inclusion.pdf>

## **Funding for Volunteer Management Training**

Capacitybuilders has released details of how it intends to build on its existing investment through the Office of the Third Sector funded Volunteer Management programme. From April 2010 nearly one million pounds worth of bursary support will be made available to help meet some of the skills development needs of people managing volunteers. Capacitybuilders are seeking expressions of interest to provide development programmes at two levels. The first to support those coordinating volunteering activity day to day; and, the second to focus more on those with management and strategic responsibilities. For further information, visit <http://capacitybuilders.org.uk/node/249>

## **Skills for Life Training Too Short**

Recent research has found that the Government's Skills for Life initiative has not significantly improved literacy or the economic performance of participating companies. It is believed that one of the main reasons for the failure of the initiative is that courses are not long enough, with participants receiving on average only 30 hours teaching. The study has found that the Skills for Life strategy has left no permanent legacy of workplace training with no employers who received free on-site courses continuing them after government funding ended.

However, the study has also found that one of the broader benefits of the course was that it boosted workers' confidence. A significant number of participants went on to do further courses. More than half said that they read more, and three quarters felt differently about education as a result of the course. The research team is explaining to policy-makers precisely how current funding and entitlement rules stop adults with poor basic skills from obtaining the extended tuition they need and suggesting ways in which the problem might be addressed.



*Enhancing 'Skills for Life': Adult Basic Skills and Workplace Learning:*

<http://www.esrcsocietytoday.ac.uk/esrcinfocentre/viewawardpage.aspx?awardnumber=RES-139-25-0120>

### **More Help Needed to Find Young Offenders Jobs**

A new report by the Transition to Adulthood Alliance (T2A) claims that young offender institutions should do more to help young offenders find jobs at the end of their sentences, as a lack of employment support and skills opportunities contributes to the group's high reoffending rates. The report will recommend that sentences of less than six months should be abolished in favour of community sentences, and will call for the Government to reinvest the money that it would save from the resulting fall in the custody rate into community-based alternatives that could help tackle deep-rooted drug, alcohol, mental health and social exclusion problems. <http://www.t2a.org.uk/>

## **Business & Investment**

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### **New Fund Proposed to Help Businesses Grow**

The Government is to develop proposals for a new fund to provide finance for companies looking to invest and grow. The new fund will be provided in response to the conclusions of a government-commissioned review, which found that a permanent gap exists for businesses looking for £2 million to £10 million in growth capital and that neither banks nor equity investors are likely to fill this gap in the future. The 'Growth Capital Fund' will provide a credible channel for private capital to invest in established and growing small and medium-sized enterprises. The review is available at [www.berr.gov.uk](http://www.berr.gov.uk)

### **Social Enterprises are Recession Busters**

The first 'State of Social Enterprise' Survey has been published, and it has found that more than half of social enterprises have proved themselves to be 'recession-busters' by increasing annual turnover since the start of the economic downturn. The survey also found that the sector boasts more women leaders than any other, and that social enterprises are twice as confident of future growth as typical small to medium enterprises (www.socialenterprise.org.uk, November 2009)

## **Transport**

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### **Local Transport Plan (LTP3) Consultation Underway**

The West Midlands Metropolitan Area Local Transport Plan (LTP3) will be a statutory document setting out the transport strategy and policies for the Metropolitan Area to 2026. LTP3 will supersede the current LTP2, which expires on 31 March 2011. A key part of the LTP is its Vision. Consultation is being undertaken on the proposed Vision for LTP3 until 18



December 2009, and, as part of this consultation, views are also being sought on the transport issues that LTP3 will need to address (<http://www.westmidlandsltp.gov.uk/ltp3vision/>)

### **£1m for Transport Priorities in the West Midlands**

The Department for Transport has confirmed that four transport studies in the West Midlands are set to share £1m from its *'Delivering a Sustainable Transport System'* (DaSTS) programme. In the West Midlands, the DaSTS programme is being jointly managed by the West Midlands Leaders Board and Advantage West Midlands, through the shadow Joint Strategy & Investment Board. It will identify what the region's transport needs will be from 2014; planning now to ensure that the West Midlands develops a sustainable transport programme that builds on current strategy and delivery programmes that are being delivered across the region now. The £1m funding will be divided amongst the following four studies:

- **Growth Point Connectivity** – will look at the transport challenges caused by increased house building and economic growth around the Shrewsbury, Hereford and Telford area.
- **Improving Connectivity in Coventry north-south corridor** – will examine key travel patterns to, from and within the Coventry area linking Nuneaton, Coventry, Kenilworth, Leamington Spa and Warwick.
- **Improving Connectivity in North Staffordshire** – will examine key travel patterns for people and goods around the Stoke-on-Trent area,
- **Birmingham Access Study**– this joint DfT/regional study will consider road and rail access to/around Birmingham for freight and passengers (including addressing M6, M5 and M42 performance issues).

A series of stakeholder events will be taking place in each of these areas in December, Coventry (14th December), Stoke (16th December), Shrewsbury (18th December) and Birmingham (21st December) for local stakeholders and partners who want to get involved. The initial findings will be reported to the Department for Transport in April 2010. For more information visit: <http://www.dft.gov.uk>

### **Consultation on Better Railway Stations**

A consultation is underway on the independent report *'Better Railway Stations,'* published by the Department for Transport. The report proposes that due to limited funding up to 2014, this time should be used to introduce minimum station standards into every new franchise and exploit all existing funding channels to prioritise problem stations. Beyond 2014, the proposal is for a ten year catch-up period for stations to bring them up to the standard of the modern train fleets.

Meanwhile, a detailed planning application has been submitted to Birmingham City Council for the redevelopment of the city's New Street station. The £600m project will double passenger capacity and include a concourse that is three-and-a-half times bigger than at present, enclosed by a giant, light-filled atrium. Outline consent for the scheme was granted in 2007.

Better Railway Station consultation is at:  
<http://www.dft.gov.uk/consultations/open/betterrailstations/>



## Tackling Climate Change

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### Consultation on Zero Carbon Buildings

A consultation has been launched on proposals for all new public sector buildings to be zero carbon from 2018 and all new commercial buildings from 2019. At the same time the Housing Minister pledged that an extra £3.2 million of Technology Strategy Board funding will boost long-term research into how to design and build energy efficient homes. The money will be used by a consortium to build demonstration homes to the energy / carbon standards of Level 4 of the Code for Sustainable Homes. He also announced that a new government consortium will use their combined green buying power of potentially over £10billion to boost green skills and technology, while also driving down costs.

*Zero Carbon for New Non-domestic Buildings: Consultation on Policy Options:*

<http://www.communities.gov.uk/publications/planningandbuilding/newnondomesticconsult>

## Housing

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### Co-operative Housing Overlooked

A new report highlights a largely forgotten type of housing in the form of 'co-operative and mutual housing.' According to *Bringing Democracy Home*, the sector has produced a range of selling points including above average resident satisfaction ratings and service provision. The Commission on Co-operative and Mutual Housing (CCMH) report also found the sector was characterised by 'a tapestry of human interaction' with many members not wishing to live in any other type of housing as a result. Mutually supportive communities have, in some cases, helped individuals to reshape their lives by gaining new skills and returning to work. But in England the sector is 'tiny', making up only 0.6% of the UK's housing supply, compared with 18% in Sweden, 15% in Norway, 8% in Austria and 6% in Germany. Key recommendations in the report range from the development of a legal, regulatory and support framework by local and national government to encouraging the sector itself to become more outward facing. The global financial crisis has meant that there is a need for an ongoing debate about financing all forms of affordable housing, including cooperative and mutual housing, in the changed financial world. ([www.newstartmag.co.uk](http://www.newstartmag.co.uk), November 2009)

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