

# Regeneration Policy Bulletin

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**REGENERATION POLICY BULLETIN**

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**Welcome to December's regeneration policy bulletin. The 2008 Pre-Budget Report has been announced, detailing measures aimed at helping during the current difficult economic climate.**

**The Government has published its response to the consultation on a Review of Sub-national Economic Development and Regeneration (SNR). It includes giving Regional Development Agencies and Local Authorities a joint responsibility for the development of a Single Integrated Regional Strategy. It also confirms that the government will be legislating for local authorities to produce a local economic assessment.**

**The West Midlands has published a Regional Integrated Economic Assessment. It includes a local authority area profile for Coventry.**

**Locally, the half year report on the progress of the Coventry Local Area Agreement (LAA) has been published.**

## NATIONAL REGENERATION POLICY



### The 2008 Pre-Budget Report

The 2008 Pre-Budget Report, *'Facing global challenges: supporting people through difficult times'* was published on 24 November 2008. The main changes announced include:

#### Maintain macroeconomic stability:

- Temporarily reducing the Value Added Tax (VAT) rate to 15% until 31<sup>st</sup> December 2009
- Bringing forward £3 billion of capital spending from 2010-11 to 2008-09 and 2009-10
- The income tax personal allowance will be restricted for those with incomes over £100,000 from April 2010
- A new additional higher rate of income tax of 45% will be introduced for those with incomes above £150,000 from April 2011
- The employee, employer and self-employed rates of National Insurance Contributions will increase by 0.5% from April 2011
- The Government will increase its Value for Money target in 2010-11 by £5 billion. Current spending will grow on average from 2011-12 to 2013-14 at 1.2% a year in real terms, and public sector net investment will move to 1.8% of GDP by 2013-14

#### Supporting Business

- Measures to help small and medium sized enterprises (SMEs) facing credit constraints, including a new Small Business Finance Scheme
- A new HMRC Business Payment Support Service to allow businesses in temporary financial difficulty to pay their HMRC tax bills on a timetable they can afford

- More generous tax relief for businesses now making losses, by allowing temporary additional carry-back of up to £50,000 of losses
- The modification of a number of planned tax reforms, including the deferral of the increase in the small companies rate of corporation tax, a temporary increase in the threshold at which an empty property becomes liable for business rates
- A package of reforms to the taxation of foreign profits, including the introduction of a foreign dividend exemption for large and medium-sized businesses, supported by a worldwide debt cap on interest
- A review of the controlled foreign companies anti-avoidance rules consistent with a further move towards a territorial approach
- Measures to engage SMEs access to government contracts, including a new online portal for all government contracts over £20,000
- A set of devolutionary proposals, to be agreed with local authorities in city-regions on a voluntary basis to increase their ability to drive sustainable economic growth

#### Helping people fairly

- Make permanent the £600 increase in the income tax personal allowance announced in May 2008 with a further increase of £130, meaning basic rate taxpayers pay £145 less tax a year in 2009-10
- Bring forward April's increase in Child Benefit to January, worth an additional £22 on average to families and bring forward its commitment to increase the child element of the Child Tax Credit by £25 above indexation in April 2010 to April 2009
- The Prime Minister's announcement to legislate on the commitment to eradicate child poverty by 2020 will be taken forward through a child poverty bill in 2009
- Pay £60 to all pensioners in the New Year, which is equivalent to bringing forward the April increase in the Basic State Pension for a single pensioner to January
- Help through mortgage rescue and support for Mortgage Interest Schemes for eligible homeowners in difficulty

- A commitment from major mortgage lenders on the Panel not to initiate repossession action within at least three months of an owner occupier going into arrears
- Free and impartial debt advice through increased Government funding
- Substantial expansion of Jobcentre Plus' employer engagement capacity
- An additional £1.3bn to continue delivering effective support for the unemployed to find a new job
- A National Employment Partnership bringing together the Government and major employers to tackle rising unemployment
- Refocusing Train to Gain to provide support in pre-redundancy situations, expanding the Rapid Response Scheme to target small and large scale redundancies and extending local employment partnerships to focus on the short term unemployed
- Supporting housing supply and affordability through
  - as part of the broader fiscal stimulus package, bringing forward a further £775m of housing and regeneration investment including £575m to provide additional support for social rented homes
  - helping more people get on the property ladder by assessing the need for further tax-relieved savings options for first time buyers saving for their first home
  - welcoming Sir James Crosby's report, and proceeding to work up a detailed scheme of a government guarantee, for a temporary period, on the interest and principal of high quality mortgage-backed bonds, and seeking State Aid approval to proceed. The Government will take into consideration the interaction between this recommendation and the Credit Guarantee Scheme, and update on its position by the Budget.
- Retaining the Renewables Obligation to provide financial support for large-scale renewable electricity and extending it by at least ten years, ensuring investors can plan with confidence for the future
- Two pence per litre fuel increase from 1 December 2008
- Installing 600,000 insulation measures this winter through the £6.8bn Home Energy Saving Programme, half of which is funded by energy companies
- Reform to vehicle excise duty, while ensuring that no driver in any given band will pay more than £5 extra in 2009 or £30 extra in 2010
- Reforming air passenger duty from 1 November 2009, moving from two to four distance bands to improve environmental signals

### Queen's Speech December 2008

On 3rd December 2008 the Queen's Speech was announced to the Houses of Parliament. The Queen's speech marks the opening of the 2008-09 session of parliament. The speech lists all the bills the government is planning to pass in what will be Gordon Brown's last full legislative session before the general election.

The Legislative programme is a streamlined version of the Draft Legislative Agenda announced on 14 May 2008. The programme is designed to concentrate on the "stability of the British economy" with the aim of supporting "families and business through this difficult time".

Bills which have been dropped from the programme include the Communications Data Bill, Transport Security Bill, Heritage Protection Bill and the Geneva Conventions and United Nations Personnel Bill.

Key Bills announced relating to Regeneration:

#### **Local Democracy, Economic Development and Construction Bill**

- The bill aims to accelerate local economic development by increasing community and individual involvement, whilst making public services more transparent
- The bill will propose help to the construction industry and require local governments to help draw up sub-regional economic plans

#### **Delivering on environmental goals**

- Introducing a green stimulus – ensuring part of the fiscal stimulus supports low-carbon growth and jobs by accelerating £535 million of capital spending on energy efficiency, rail transport, and adaptation measures

- Regional development authorities and local authorities through a new local authority leader's forum will produce a single regional strategy
- The Bill includes a Duty on local government to respond to public petitions, along with measures to ensure that local and regional bodies and agencies do more to listen to their communities when making decisions. This includes the Duty to Involve, the Duty to Promote Local Democracy, and the take-up of civic roles. It also amends the Housing Grants, Construction and Regeneration Act 1996, in order to improve the cash flow and adjudication of construction contracts
- Chairs and chief executives of local public bodies, such as councils, will face regular public hearings as part of plans to increase accountability

### **Business Rate Supplements Bill**

- The Bill will enable upper tier local authorities and the Greater London Authority to levy a supplement on their business rates, and use this to promote economic development. The supplement will be set at up to 2p per pound of rateable value, as recommended by the Lyons review. This is short of the Lyons review recommendation to give councils the right to levy up to 4p in the pound for local projects. The levy will only apply to businesses whose rateable property value is worth more than £50,000. The Bill places a legal duty on authorities to consult on the imposition of this supplement, and will also allow businesses to vote on any proposals where the supplement funds more than one third of a project

### **Child Poverty Bill**

- The Bill enshrines the commitment to eradicate child poverty by 2020 in law.

### **Welfare Reform Bill**

- The bill marks a big change in the right to claim benefits by insisting that jobseekers, single parents and the disabled take active steps to seek work before being paid benefits. The bill will abolish income support and move claimants on to either jobseeker's allowance or – if they are sick – employment and support allowance.
- Benefit offices and private companies in charge of programmes to get people back to work will insist individuals sign a contract promising to go

on retraining courses and attend parenting classes if necessary to receive benefits. Claimants who fail to cooperate will face reduced benefits. This will include those refusing to attend interviews or threatening benefits staff with violence.

- The moves include a crackdown on benefit claimants by the government including lie detector tests and the loss of benefits for a month for those who fiddle the system.
- The bill brings in joint birth registration to ensure that wherever possible both parents are named on a child's birth certificate. It is designed to ensure that separated parents, mainly absent fathers, pay maintenance for their children after the failure of many parents to properly contribute to the costs of bringing up their children.

### **Government Response to Sub-National Review Consultation**

In July 2007 the government published a Review of Sub-National Economic Development and Regeneration (SNR). The SNR went out to consultation in March 2008, and the government's response to the consultation was published on the 25<sup>th</sup> November 2008. The SNR is informed by three key principles of ensuring policy is managed at the right spatial level, ensuring clarity of roles, and helping places to reach their potential. It set out a number of recommendations aimed at achieving four objectives:

- Supporting local authorities to work together, where they wish, across the sub-regional level to promote economic development and providing them with the tools to do this
- Streamlining the regional tier outside London through simplified structures, streamlined decision-making and improved accountability;
- Reforming central Government's relations with regions and localities
- Empowering all local authorities to promote economic development and neighbourhood renewal, giving them added flexibilities and incentives to promote sustainable economic growth

To achieve the above Government intends to take the following action:

## **Local Authority Economic Assessment Duty**

- Legislation will be introduced to place a duty on lead authorities to carry out an assessment of the economic conditions of their area
- Forthcoming legislation will list those public sector bodies that local authorities will be under a duty to consult in preparing their assessments. The new duty to involve comes into force in April 2009

## **Supporting Sub-Regions to Collaborate on Economic Development**

- The Government will legislate to allow for the creation of statutory sub-regional authorities for economic development – these should be voluntary in nature
- The Government does not believe that it would be appropriate to introduce a performance framework at the sub-regional level, but rather that every effort should be made to ensure the alignment of statutory sub-regions with existing local targets. The Government feels that it is also not appropriate to introduce a duty to co-operate with statutory sub-regional authorities
- The Government will legislate to allow for the creation of MAAs with statutory duties. As with existing MAAs, local authorities wishing to pursue such an agreement will nominate one LA – a lead authority – to be responsible for preparing and submitting the MAA

## **Producing the Regional Strategy & Reforming Governance Arrangements**

- The Government will give the RDA and the Local Authority Leaders' Board (previously referred to as the Leaders' Forum) joint responsibility for the regional strategy, including its drafting, implementation plan and monitoring of its delivery
- The key regional planning functions of the regional assembly will pass to the RDA and Local Authority Leaders' Board. The need for regional assemblies will end. Government will repeal any relevant legislation and transfer any funding to successor bodies
- Where they are unable to reach agreement, the Government will take a power to allow Ministers to direct the process for producing the draft strategy, with the expectation being that the task

of leading the development would then fall to the RDA

- Local authorities will need to formalise their proposals for the Leaders' Board in each region and set these out for the Government. They will also need to work with the RDAs to agree the structures that will enable them to jointly fulfil their responsibilities for the regional strategy and carrying out those functions of the regional assemblies that continue. These arrangements will need to be developed in discussion with the Government Offices
- The Government believes that the form and format of the regional strategy should be for each region to decide, but the aim should be to produce a concise and succinct document, - as set out in the consultation document
- The regional strategy should set the framework in regions outside London for the activities, plans and investment decisions of the RDA, the Homes and Communities Agency and other public bodies (e.g. Government agencies, Health Authorities etc.) in the region, local authorities and other regional partners, to ensure sustainable economic development.

## **Engaging Stakeholders**

- There will be a duty to consult and engage stakeholders. The Government will issue guidance to the RDA and Local Authority Leaders' Board who will be required to prepare, and comply with, a published statement setting out how they will consult and engage with stakeholders and communities

## **Examination in Public**

- The Government proposes to clarify in guidance the role of the EiP panel at different stages of the process
- The Government will legislate for the EiP panel to report to the Leaders' Board and the RDA (as well as to Ministers), and would expect the Leaders' Board and RDA to consider the panel's recommendations and explain how they have done so before they submit the draft strategy to Ministers

## **Implementation Plan**

The Government will legislate to require the RDA and Local Authority Leaders' Board to

- jointly produce an implementation plan setting out how the regional strategy will be delivered. This would cover detailed matters concerning delivery. For example specifying the details of agreed public investment, which would not be included in the regional strategy itself.
- The implementation plan will not be signed off by Ministers but the RDA and Leaders' Board will need to ensure that it has the buy-in of other regional stakeholders

### Scrutiny & Accountability

- Government is giving joint responsibility to the Leaders' Board for developing and implementing the regional strategy. In view of this, it is no longer appropriate for the Leaders' Board to have a separate scrutiny function.

### Government have set up the following:-

- Regional select committees for each of the English regions (except London) should be established
- Regional bodies and regional strategies will be the chief focus for the committees
- Regional grand committees, comprising all MPs in the region, should meet once or twice a year, and these should include an oral questions slot for the Regional Minister.
- RDAs will continue to be held to account by Parliament, through the Secretary of State for Business, Enterprise and Regulatory Reform

### Delegation

- Government has decided that legislation is not needed to deliver the spirit of the SNR reforms. The Government will work with the RDAs, local authorities and other partners to develop an investment planning approach to deliver the priorities in the regional strategy, which will leave greater decision-making on detailed delivery at the local level with local authorities and other partners. This guidance will also streamline existing RDA appraisal processes so that they support RDAs' more strategic, programme management role and encourage greater freedom for local authorities and other partners in developing their proposals for delivery.

### Next Steps

- Government will produce guidance on:-
  - the approach local authorities should take in producing their economic assessments
  - the process for preparing, delivering and monitoring the regional strategy, as well as what the strategy needs to cover
  - how RDAs, local authorities and other partners can jointly develop an investment planning approach to delivery of the priorities in the regional strategy. This guidance will also streamline existing RDA appraisal processes.
- RDAs, regional assemblies and local authorities will be expected to demonstrate at an early stage that they have a change management programme in place, which sets out how they will implement the changes needed to institutions, relationships and processes.
- Government expects regional partners to continue focusing on the commitment in the 2007 Housing Green Paper to reviewing regional strategies where necessary to secure the target of providing 240,000 new homes a year from 2016.

To view the Government response to the consultation on Prosperous Places: Taking forward the Review of Sub-National Economic Development and Regeneration visit:

<http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces>

### Regional Integrated Economic Assessment

The West Midlands Regional Observatory (WMRO) has published a Regional Integrated Economic Assessment (RIEA). Commissioned by the West Midlands Regional Leaders Forum and Advantage West Midlands (AWM), the regional assessment was developed in response to proposals in the Sub-National Review of Economic Development and Regeneration (SNR).

The West Midlands was the first English region to produce a RIEA. It aims to provide an assessment of the performance of the region's economy and of the factors which contribute to it. It also assesses the relative position of the different parts of the region. It constitutes an important first step in the development of the evidence base for a Single

Integrated Regional Strategy (SIRS) for the region, proposed by the SNR. It also provides a starting point and foundation for the much more detailed local work required in the preparation of individual Local Economic Assessments, also proposed by the SNR.

It contains three distinct elements:

- An overarching regional summary
- Three thematic chapters:
  - Economic Structure and Output
  - Communities and Connections
  - The People of the Region
- Local authority area profiles for each of the 14 strategic authorities

Each of the strategic authorities has an area profile which is useful in relation to statistics for operational planning, funding bids, and strategies. The Corporate Research, Information and Consultation Team, Coventry City Council, played a critical role in producing the information and they continue to be an important part of the process going forward with the Observatory.

Follow the links to view the documents:

- Executive Summary: [Executive Summary](#)
- Regional Summary: [Regional Summary](#)
- The Local Authority area profile for Coventry: [Coventry Area Profile](#)
- Thematic Chapters:
  - [Economic Output and Structure](#)
  - [The People of the Region](#)
  - [Communities and Connections](#)

## Bills Gain Royal Assent

The Planning Bill has completed the legislative process after receiving Royal Assent. The Planning Act 2008 will enable decisions on major infrastructure projects in areas such as energy, aviation, road and rail transport, water and waste to be taken much more speedily than under the current system. Under the Act ministers will set out National Policy Statements detailing national infrastructure priorities and the decisions as to whether to allow individual projects to go ahead will then be taken independently by a new Infrastructure Planning Commission (IPC). The government will set out a timetable to set-up the IPC and consult on the detailed regulations and NPSs to implement the new system in the New Year.

The Climate Change, Energy and Local Transport Bills have also gained Royal Assent. The climate

legislation makes the UK the first country in the world to adopt legally-binding carbon emission targets. Under the Climate Change Act, the government will have to adhere to five year carbon budgets and will be required to provide annual reports on its progress towards meeting the budgets. The Energy and Planning Acts will be instrumental in reducing carbon emissions, removing barriers to enable industry to invest in important new infrastructure, and giving individuals and communities the incentive to use energy more efficiently and generate their own heat and energy. Meanwhile the Local Transport Act 2008 will help bring all modes of transport together, by strengthening the role of the Passenger Transport Authorities - to be renamed Integrated Transport Authorities (ITAs) - and by enabling new ones to be established.

These will help major urban areas outside London to improve coordination of the road network and public transport. The existing six Passenger Transport Authorities will be renamed ITAs from early in the new year. They will take on full responsibility for local transport planning across their areas. The Act also creates the opportunity for local areas to review their existing arrangements, and to propose reforms including enhanced powers and boundary changes (*Regeneration and Renewal, November 2008*).

## HOUSING

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### £13 million to buy unsold homes for affordable housing

A £13 million deal to buy unsold homes off the market to use as affordable housing was announced as part of the Government's programme of action to tackle current difficulties in the housing

market. The deal enables house builders to put forward offers to sell their unsold stock for use as affordable housing.

The funding will mean that 335 affordable homes will be available, mainly for social rent, on sites across the country for families who would otherwise be on waiting lists following the agreement, between the Housing Corporation, Bloor Homes and housing provider Sanctuary Group.

Funding to purchase the homes comes from the Government's initial £200 million tranche to buy unsold stock off the open market, providing it is of good quality and offers value for money. More than 2,000 unsold homes have now been bought by the Government for use as affordable housing, with many more deals in the pipeline ([www.communities.gov.uk](http://www.communities.gov.uk), October 2008).

### **New Homes and Communities Agency (HCA)**

The new Homes and Communities Agency has officially been launched. The Agency will merge the functions of English Partnerships, the investment functions of the Housing Corporation, the Academy for Sustainable Communities and key housing and regeneration programmes delivered by Communities and Local Government. These will include Growth Areas, Thames Gateway delivery, Housing Market Renewal, Decent Homes, Mixed Communities, the Places of Change Programme and Gypsy and Traveller Sites Grant (*planningdaily*, December 2008)

## **SKILLS & EMPLOYMENT**

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### **Interim Report on Tackling Worklessness**

Stephen Houghton and his review team have published an interim report on tackling worklessness. Ministers commissioned the review,

to examine how £1.5bn Working Neighbourhoods Funding (WNF) is being used, and to consider what more central Government can do to support councils and their partners to tackle worklessness in their local areas.

The Interim Report contains the Review team's current thinking on how successful multi-agency and cross-sector local partnerships can best tackle worklessness in their communities. The report states that Councils should be given greater responsibility for coordinating efforts to tackle rising unemployment in their local areas. It recommends that upper tier councils be responsible for conducting analyses of the causes of worklessness in their local communities, as part of the Government's proposals for local authorities to undertake economic assessments.

Building on the priority given to worklessness in Local and Multi Area Agreements, councils and partnerships who want to go further on worklessness would be able to agree Work and Skills Plans with Government, outlining how worklessness would be addressed, and gaining additional freedoms and resources in return.

These councils would benefit from a dedicated, long-term Work and Skills Budget, which would be allocated for up to six years to help councils meet targets, agreed with ministers, to improve the local economy. This could include existing funding allocated to worklessness, such as WNF and other local resources, as well as additional money from mainstream employment programmes.

The report also proposes that the Government should require public sector employers in deprived areas to do more to support their local communities. This includes offering apprenticeship places, advertising all vacancies with JobCentre Plus offices and encouraging all bidders for contracts and local suppliers to provide job opportunities to local people.

The review team also has recommendations for central Government. The report recommends that responsibility and resource for helping long-term benefit claimants, coordinating delivery of employment and skills services and for promoting self-employment and enterprise is devolved to local strategic partnerships. The report recommends that local authorities and their partnerships should be a new channel through which additional support can be offered and expanded over the coming period.

A new national task force should also be established, to report to the National Economic Council and to drive forward measures to help tackle worklessness in those areas.

And a new National Challenge Fund should be available to help create temporary jobs designed to help the community, local environment and disadvantaged people.

The closing date for consultation responses is 9th January.

*Tackling Worklessness: A review of the contribution and role of local authorities and partnerships - interim report* can be found at:

[www.communities.gov.uk/publications/communities/tacklingworklessnessinterim](http://www.communities.gov.uk/publications/communities/tacklingworklessnessinterim)

### **£100m to Help Britain's Unemployed**

James Purnell, Work and Pensions Secretary, and John Denham, Skills Secretary, have announced a cash injection of £100m over the next three years to give help to people who lose their jobs. The extra cash will be available for people who are currently facing redundancy and those looking for work to help them retrain and develop their skills so that they can quickly move back into sustainable employment, either in their existing sector or a brand new one.

The additional money will come from the European Social Fund (ESF) and funding from DIUS. This money will enable people to choose what they need from a range of approved training providers. The money will be used to pay for anything from new skills or qualifications to get people ready for work, to on-the-job training in an entirely different field. The money will be carefully targeted to help, for example, people from sectors experiencing significant job losses and people who need support to move back to work.

The extra funding will help the Learning and Skills Council (LSC), with local colleges and training providers, to work closely with Jobcentre Plus to make sure those people affected get access to the services they need as quickly as possible (<http://www.dwp.gov.uk>, October 2008)

### **One Step from Benefits to Work**

It will now be easier for people to move from benefits into work, as they will only have to make one call to update their details, ensuring they are

getting the right in-work entitlements and that it pays to work. Ministers announced the national roll-out of this initiative following a successful pilot between Her Majesty's Revenue and Customs (HMRC), the Department for Work and Pensions (DWP) and local authorities to speed up the benefit and credit claims process for customers who move in and out of employment.

Previously, each relevant department had to be notified separately about a change in work circumstances - the DWP for out of work benefits, HMRC for tax credits and the local authority for housing benefit. Now DWP, through Jobcentre Plus will collect this information once and share it with HMRC and the local authority, reducing the time it takes to make the appropriate alteration to a worker's benefits by up to 15%.

The phased, national roll out of this cross government initiative is expected to be completed over the next 18 months ([www.dwp.gov.uk](http://www.dwp.gov.uk), October 2008)

## **REGIONAL REGENERATION POLICY**



### **West Midlands Regional Spatial Strategy**

The current Regional Spatial Strategy (RSS), which sets out the planning framework of the West Midlands region until 2021, was approved by the Secretary of State in 2004. He endorsed the principle of urban renaissance, focusing on development in the major Urban Areas (MUAs), but said that there were several aspects of the RSS that needed to be reviewed to reflect new national guidance. This review is being carried out in three phases:

- Phase One – covering the Black Country and has been completed
- Phase Two – covers housing figures, employment figures, strategic centres for

shopping and office development, transport and waste policies

- Phase Three – began in November 2007 and will cover rural services, gypsy and traveller sites, culture, minerals and the environment.

Work on the Phase 2 review commenced in 2005 when the West Midlands Regional Assembly (WMRA) asked councils in the West Midlands to consider how housing growth down to district level might be handled – taking into account the household projections, then just published by Government (the 2003 based projections, which indicated levels to 2026 could be up to 51% higher than the original RSS had assumed).

Through the Coventry, Solihull and Warwickshire Forum (CSWF) the Councils within the sub-region worked together to respond to the WMRA's brief and a robust technical response, including a strategy for addressing growth in the sub-region was agreed by the Forum. The Forum's submission indicated that Coventry should be the focus of growth within the sub-region and at the core of the North/South corridor. It also recognised that there may need to be the release of some green belt land close to the core development area (North/South growth corridor); balanced provisions of housing and employment; support for the defined centres within the sub-region and significant upgrading of public and other transport networks.

The City Council made a second contribution through the West Midlands Planning and Transportation sub-committee as part of the response on behalf of the Birmingham, Coventry and Black Country City Region (BCBCR) in a similar vein to the CSWF response.

In January 2007 the WMRA consulted on the Phase Two review and set out a range of spatial options of how growth could be distributed across the region. The consultation document considered three options:

**Option 1** – simply rolled forward the 2004 RSS housing levels, ignoring the increased levels of housing demand indicated by the Government's 2003 based household projections – as such it was not more than a base line. For Coventry this would be an increase of 19,000 additional households between 2001-2026.

**Option 2** – proposed that building rates in the city broadly maintained the level which was expected to be achieved. It was a 'halfway house' between

meeting future demand and current delivery capacity with the result that Warwickshire towns would take the lion's share of new housing growth in the Coventry, Solihull and Warwickshire sub-region. As such, the step-change proposed in the RSS, including focusing growth on Coventry, would not be achieved. For Coventry this would be an additional 24,400 households between 2001 and 2026.

**Option 3** – provided the focus on Coventry but implied a substantial increase in build rates in both the city and Warwickshire and purchased the scale and rate of housing development to significantly above that experienced in the past. It was proposed to be distributed to the more sustainable North/South corridor locations within Warwickshire with less restraint in Warwick but still with significant growth in or around Rugby. For Coventry this would mean an additional 44,000 households between 2001-2026.

Coventry responded to this consultation on Phase 2 options in February 2007.

In July 2007 the CSWF agreed a sub-regional spatial strategy. Within this the CSWF proposed that the Regional Spatial Strategy:

- adopted the main elements of the CSW forum's strategy and endorsed the CSW sub-region for the purpose of RSS proposals and policies
- provided for estimated housing demand generated from CSW to be met in the sub-region, so long as it was robust and could be met within the CSW Forum Strategy
- maintained the RSS step-change in the sub-region i.e. 50% minimum growth to Coventry and Solihull; growth focused on North/South corridor and Rugby; supporting infrastructure with growth in North Warwickshire and Stratford limited to local needs
- phases housing land releases to encourage regeneration in the MUAs by giving priority to
  - sustainable locations first and foremost
  - within those locations, brownfield land before Greenfield land
  - then if necessary, urban extensions within local authority areas
  - only as a last resort, cross-boundary urban extensions in the North/South Corridor

- enables specific local Green Belt boundary adjustment for urban extensions to be made through Local Development Frameworks – when and where this is essential to meet long term needs
- proposes that releases of land for housing are geared to maintain a constant average annual supply across the sub-region
- excludes the provision of land in the sub-region to meet any 'overspill' housing needs arising from elsewhere such as Birmingham, Redditch or Tamworth
- includes flexibility allowing for different ways of securing the RSS's step-change that reflect sensitivity to local circumstances

In December 2007 the WMRA approved the Phase Two Revision (the Preferred Option), for submission to the Secretary of State. The Preferred Option makes planned provision for some 365,000 additional households across the region against the 2003 based projection of 381,000 additional households.

This Preferred Option would mean a requirement of an additional 82,000 households for the sub-region. If this had been distributed according to past trends this would signify an additional 12,300 dwellings for Coventry by 2026. However this distribution would not have been consistent with the step change that the application of RSS policies had started to achieve. Growth was distributed between the MUAs and the county districts on a 50:50 split. Therefore redistribution of the 82,000 households across the sub-region would signify that Coventry needs an additional 33,500 dwellings by 2026. This preferred option is dependent on the capacity in Coventry and the outcome of further studies. Some of the allocations could be made adjacent to Coventry within Nuneaton and Bedworth and Warwick districts.

Following the submission the Government Office for the West Midlands (GOWM) commissioned further work to look at the options which could deliver higher housing numbers. NLP were commissioned to carry out the work and the consultation period in respect of the Preferred Option was extended to 8th December 2008

The findings of the NLP study were published in October 2008. It considers the scope, impact and implications of delivering additional housing across the region and will be evidence to the Examination

in Public into the RSS Preferred Option due to take place in April 2009.

### Coventry City Council Report

A published Coventry City Council Report has set out the recommended response to the Regional Spatial Strategy (RSS) Phase 2 Revision Draft Preferred Strategy -

- It recommends supporting the Preferred Option providing that its phasing policies are rigorously applied
- It welcomes the strong sub-regional context of the preferred option with a particular focus on Coventry as the centre of the sub region
- It welcomes the distribution of growth within the sub region, recognising the role of Nuneaton, Rugby and Warwick
- It states the need for joint studies to look at phasing release of land if the strategy focused on regeneration is to be reinforced
- It agrees that the recommended 82ha of land required to be available for employment as a continuous five year supply is of the right order
- It sets out a recommended response to the NLP further study, opposing the conclusions of the study, detailing why within the report

To see the report that went to Cabinet and Council:

<http://cmis.coventry.gov.uk/CMISWebPublic/Binary.ashx?Document=12301>

To view the NLP study visit:

<http://www.nlppanning.com/wmrsshousingoptions/>

## LOCAL REGENERATION POLICY



### Local Area Agreement Half Year Report

The Half Year Report for Coventry's Local Area Agreement (LAA) has been published. It provides a review of the progress made against the LAA

Performance Indicators and the Management Objectives set out in the Coventry City Council Corporate Plan.

At this early stage, much of the information required to assess progress on the three year LAA is not available – only 16 of the 35 indicators have performance data at half-year.

The report includes a section summarising progress within the theme of 'A Prosperous Coventry with a good choice of jobs and business opportunities for all the city's residents.' Within this theme there are six LAA indicators where targets were agreed with government, these are:

- NI 79 – Achievement of a Level 2 qualification by age 19
- NI 164 – Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher
- NI 117 – 16-18 year olds who are not in education training or employment (NEET)
- NI 152 – Working age people on out of work benefits
- NI 165 – Proportion of population aged 19-64 for males and 1-59 for females qualified to at least Level 4 or higher
- NI 171 – New Business registration rate

The report states that the overall progress for these indicators are as follows:

- The achievement of Level 2 by age 19 data has not yet been released but in the four years to 2007 there has been considerable positive progress with 68.8% achieving the level against a target of 72.9%. Similarly the data for working age people qualified to Level 3 (NI 164) and for Level 4 (NI 165) is not available. There are no reliable preliminary estimates
- The current NEET rate of 7.5% is an improvement since 2007/08 but still falls short of the target of 6.9% for 2008/09. There is a relatively high turnover in this group and figures may reflect some short term fluctuations arising out of, for example, waiting for courses to start.
- The number of people on out of work benefits has fallen during the first quarter to 14.3% against a final target of 13.8% but evidence from the Job Seekers' Allowance count would suggest that the count has started to rise again in the face of the economic crisis

- The new business rate figures are being recomputed on a new basis and are not available. On the previous basis, the figures have been running at 27 new businesses per 1,000 – a figure which has been stable for the last three years

The report also lists the main schemes available to help the city's economy at this time of economic difficulty:

- Business Link West Midlands including Business Link Credit Crunch Line. This is the main business support service for the region. The service offers financial advice and marketing advice including financial advice which could lead to help on product diversification. Both local Universities offer business and technical support. The Chamber of Commerce (Local Business Link Centre) offers networking opportunities.
- The City Council: LEGI Programme; Business Support Services; Inward Investment Team; Skills and Employment Team. These Council services provide:
  - Support for people looking for work or to start up business
  - Firms looking to recruit staff by providing training and encouraging people to become economically active
  - Firms looking to grow – overcoming difficult phases of growth
  - The development of hi tech business clusters which help reduce individual business costs and improve competitiveness
  - Support to business investment in the area.
- Coventry & Warwickshire Economic Recovery Partnership (CWERP) has agreed a better reporting system of redundancies. It is seeking additional resources from AWM to meet anticipated demand and to be able to respond quickly and effectively to emerging problems in the economy.
- Jobcentre Plus is broadening out the Pathways to Work scheme with the introduction of the new Employment Support Allowance. This initiative will help identify ways in which people can get trained or be supported back into work.
- Learning & Skills Council for the West Midlands Train to Gain programme enables businesses to

train staff and help improve performance. The LSC can provide assistance and opportunities for adults over 19 years to learn. For younger people not in employment, education or training, there are apprenticeships, Educational Maintenance Grants and the Entry into Employment Programme.

To see the report visit:

<http://cmis.coventry.gov.uk/CMISWebPublic/Binary.ashx?Document=12462>

## Future European Funding Opportunities

### European Structural Funds

- European funding has been a valuable source of grant for the Coventry and Warwickshire sub-region since 1984 when it first became an Objective 2 eligible area. The city has received well over £100m since 1995 from funds such as Objective 2 and 3, URBAN and KONVER. The 2000-2006 programme for Objective 2 which was worth some £28m to Coventry City Council (CCC) is now in its final weeks.
- The Commission's budget for the current round of European Regional Development Fund (ERDF) for 2007-2013 for the West Midlands' programme, entitled Regional Competitiveness and Employment (RCE) was reduced by half its former level to £270m. The Programme has some high output targets which it has to achieve – namely to assist over 22,000 businesses to improve their performance, to create over 10,000 jobs and 3,000 new businesses and to support the reduction of regional carbon emissions. The Programme is managed by Advantage West Midlands. The Coventry and Nuneaton Regeneration Zone area has been awarded an indicative £12m for its Sustainable Urban Development (SUD) Package up to December 2015.
- There is a separate regional European Social Fund (ESF) programme which is being delivered through two co-financing plans. One is being run by the Learning and Skills Council (LSC) and local authorities being led by the West Midlands Local Government Association (WMLGA) and the other by JobCentre Plus. The programme has two main priorities – working with the economically inactive and working with regional and local employers to enhance the skills of the working population. Under the first

bidding round, the Community, Employment and Skills Team in Regeneration Services were awarded approximately £1.1m ESF to carry out work with longer term unemployed people in Coventry and specialist construction training for young people in Coventry and Warwickshire who are not in education, employment or training (NEET).

### Jon Bloomfield Report

- As 2006 was viewed as a watershed for the region, with the forecast changes and their likely impact on European grants coming to the City Council, Regeneration Strategy and Resources Team in the City Development Directorate commissioned a piece of work on the future European funding opportunities most relevant to the Councils' objectives. Research for the report was carried out by Dr Jon Bloomfield. The recommendations from that report covered how we network with Brussels and our MEPs, how we could influence European policy and decision-making, how we should structure our officer and member resources, and recommended some funding streams which were most suited to the City Council's aims and objectives.

### Transnational Funds

- In addition to the structural funds, there are a range of transnational funds which apply across the European Union. The Jon Bloomfield report highlighted the Framework Programme and the Competitiveness and Innovation Programme as funds which might offer opportunities to work with universities to access funding. Officers within Regeneration Services are working with colleagues in the higher education institutes to identify potential collaborative projects. They are also looking into opportunities offered by the Lifelong Learning and INTERREG funding streams.
- The Jon Bloomfield report recommended that Coventry City Council carry out more effective networking and have a higher presence at regional events on European issues. Since the report was published, the Leader of the City Council became a member of the West Midlands Regional and International Affairs Partnership's Programme Monitoring Committee and the sub-region was represented on each of the Working Groups drafting the 2007-2013 RCE programme. The Leader has also recently

become the West Midlands representative on the board for the Lisbon Regions Network. The Lisbon Regions Network is a network of 15 high performing regions with a shared interest in the delivery of the Lisbon Strategy at regional and local level.

- In addition Coventry City Council is a partner in the Conference of Atlantic Arc Cities Network (CAAC). The CAAC is a city network of some 40 cities from Ireland, UK, Spain, Portugal and France which was founded in 2000. CAAC has benefited from funding through the European Union (EU) Regional Programme INTERREG aimed at improving cooperation and promoting economic development between certain EU regions.

### **International Strategy**

- Coventry City Council's International Strategy, which ran from 2004-2007, is currently being revised and will cover the period to March 2012. The strategy will become an International Strategy for Coventry. A key element of the strategy is to maximise the economic benefits to Coventry through international work including maximising EU funding opportunities to organisations in the city.

*(Summary from a report by Amanda Hume, Senior European Advisor, Regeneration Services, November 2008)*

To see the full report that went to Cabinet Member (Policy, Leadership and Governance), visit:

<http://cmis.coventry.gov.uk/CMISWebPublic/Binary.ashx?Document=12273>

For more information on the Coventry City Council International Strategy please contact Juliette Verdier-Scott on (024) 7683 3811

For more information on European Policy and Funding please contact Amanda Hume on (024) 7683 3783

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