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Chalk and cheese

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To suggest that the Department for Communities and Local Government's (DCLG's) publication *Regeneration to Enable Growth: What Government Is Doing in Support of Community-Led Regeneration*¹ was a disappointment to many is something of an understatement.

Consequently, the House of Commons Communities and Local Government (CLG) Select Committee's verdict on the Coalition Government's regeneration strategy for England was keenly awaited by commentators and practitioners alike. *Regeneration*, the CLG Select Committee's report published on 3 November 2011, certainly did not pull any punches, focusing in particular on the Government's 'different approach' to regeneration and its likely effectiveness.²

This article reviews the current condition of regeneration policy in England – set against to the views of the Select Committee, those submitting evidence to it, the Government's response to its findings, and comparison with the Scottish Government's new regeneration strategy, set out in *Achieving a Sustainable Future*³ – and considers whether it is fit for purpose.

Regeneration to enable growth – silence before the storm

As previously argued in this journal,⁴ *Regeneration to Enable Growth* lacks substance; the revised version published by DCLG in January 2012 is little better.⁵ To briefly recap, it fails to develop a strategy of intent or action, despite claims that the role of central government 'will be strategic and supportive' in terms of decentralising and reforming public services, incentivising growth and removing barriers, and targeting investment in areas of opportunity and need.

In the words of the Government, the January 2012 report simply identifies a set of 'tools' to be selected from a spatially variable 'menu'. Yet crucially the original *Regeneration to Enable Growth* failed to define the slippery term 'regeneration', let alone attempt to

conceptualise or operationalise ‘community-led regeneration’. In response to the Select Committee’s identification of this omission, the Government has sought to define regeneration as comprising four aspects:

- o concerted action to address the challenges and problems faced by the community of a particular place;
- o widening opportunities;
- o growing the local economy; and
- o improving peoples’ lives.⁵

Based on *what is* and *what is not* contained in the toolkit, one could conclude that central government regards the practice of regeneration as being about the removal of barriers to economic growth. The CLG Select Committee also recently criticised the Government’s draft National Planning Policy Framework for its inadequate definition of ‘sustainable development’ and for continually conflating it with the phrase ‘sustainable economic growth’.⁶

The revised version of *Regeneration to Enable Growth*⁵ still presents the majority of its content in a series of tables, targeted at potential participants, and lists other government policies that are purported to support regeneration. This fragmented collection of initiatives is likely to substantially limit the coherency and traction of regeneration in England and may divert attention and resources away from the most disadvantaged areas.

Rather than learning from the past, *Regeneration to Enable Growth* adopts a ‘year zero’ position, paying little heed to the wealth of experience and precedents of the variable performance of urban policy in the UK over the last half a century. As a result the Select Committee urged the Government to ‘urgently review the lessons learned from past regeneration programmes’ and establish how their approach will be evaluated. Overall, the Coalition’s approach lacks clarity and analysis of the nature of regeneration and the task at hand, leaving the Select Committee to conclude that it has ‘little confidence’ that regeneration needs will be addressed. As summarised by one witness, the approach ‘is just really a hotchpotch of spending commitments and little more than that’.

In response, the Government has now offered a list of six limitations of previous regeneration approaches:

- o modest results despite high investment;
- o failure to tailor to local circumstances;
- o failure to involve local people;

- o high levels of bureaucracy;
- o creation of a dependency culture; and
- o discouragement of private investors.⁵

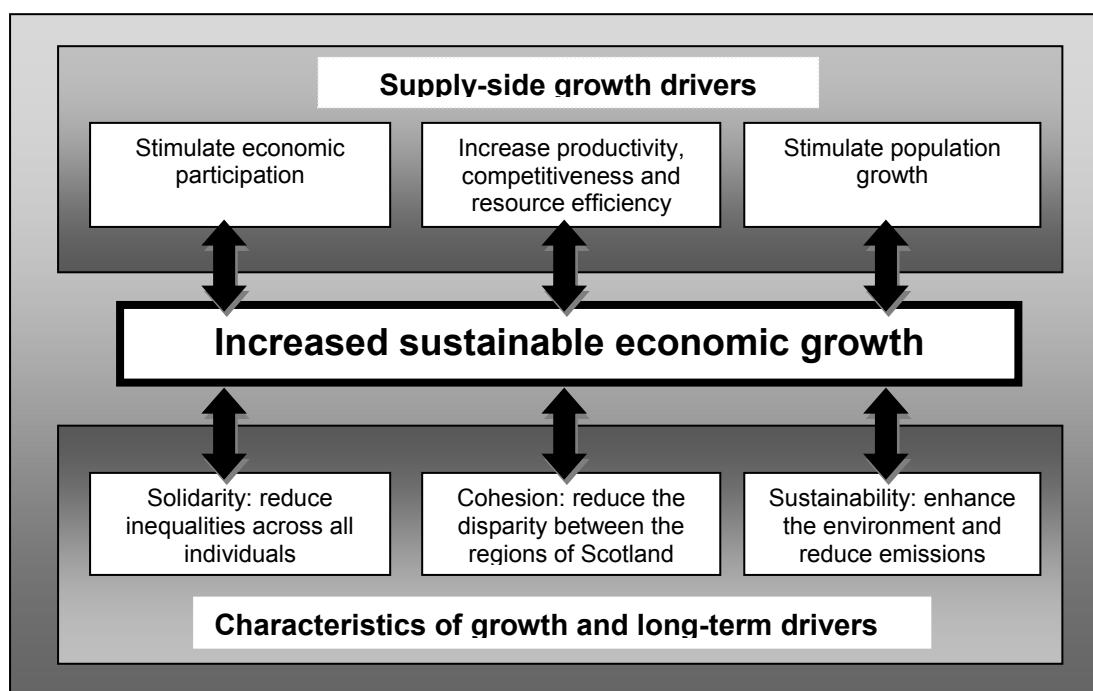
The Government believes that it is up to local partners to draw their own conclusions from the large bank of analysis and evaluations that are publicly available, but this provides no confidence that lessons will be learned from the past.

Achieving a Sustainable Future – a regeneration strategy for Scotland

In February 2011 the Scottish Government published a discussion paper, *Building a Sustainable Future*,⁷ which shaped the development of Scotland’s regeneration strategy, issued in November 2011 under the title *Achieving a Sustainable Future*.³ It is illuminating to compare Scotland’s new regeneration strategy with that for England.

Fundamentally, one of the most significant differences between the two strategies is that the Scottish strategy recognises how regeneration fits strategically with other government policies (see Fig. 1). Effective regeneration is viewed as making a contribution to social cohesion and solidarity by reducing disparities between Scottish regions, reducing income inequalities, addressing market failure, and attracting investment to create new jobs.

Fig. 1 The Scottish Government’s purpose framework



Source: *Achieving a Sustainable Future. Regeneration Strategy*³

Scotland's overarching vision is for regeneration to contribute to the drivers of growth by attempting to ensure that the potential of disadvantaged communities is realised, so that they become positive contributors to economic growth, rather than viewed as a drain on scarce resources. This is in marked contrast to the Coalition Government's apparent strategy of 'backing winners' and not 'wasting' valuable resources on deprived communities and 'failing' areas.

In *Achieving a Sustainable Future*, the Scottish Government crucially recognises that the 'relationship between economic development and regeneration is co-dependent' (p.4), where equitable economic growth and successful regeneration go hand in hand. The analysis supports a vision for Scotland where the 'most disadvantaged communities are supported and where all places are sustainable and promote well-being. This vision can only be delivered if regeneration is approached in an holistic way by addressing the economic, physical and social needs of our communities. These key elements cannot be delivered in isolation – each is connected and vital to success.' (p.9) Such an approach stands in contrast to the Coalition's 'save now, pay later' approach, which risks storing up problems for the future.

Table 1 provides a comparative summary of the key characteristics of the two regeneration strategies.

Table 1

A comparison of English and Scottish regeneration strategies

Characteristic	<i>Regeneration to Enable Growth</i>	<i>Achieving a Sustainable Future</i>
Political control	Coalition Government	SNP majority
Strategy	Presented as a compendium of existing inherited and newly introduced ad hoc funding programmes	Strategy appears to be part of a considered and planned process
Definition of regeneration	None	The 'holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice' (p. 2)
Definition of community-led regeneration	None	'Community led regeneration is about local people identifying for themselves the issues and opportunities in their areas, deciding what to do about them, and being responsible for delivering the economic, social and environmental action that will make a difference. It is dependent on the energy and commitment of local people themselves and has a wide range of

		benefits' (p. 20)
Vision	Absence of any clear vision	Explicit five-point vision set out (p. 9) with focus for interventions (pp. 11-14) and extensive actions for delivery (pp. 15-37)
Learning lessons	'Year zero' approach; no reference to evaluations of previous initiatives	Focuses on outcomes and takes account of lessons learned – list of seven lessons learned (p. 10). Based on evidence review and identification of critical success factors
Split between funding for physical and social regeneration	None apparent	Regeneration Investment Fund split between a Capital Investment Fund and People and Communities Fund
Roles and responsibilities of key actors	Unspecified	Annex B details clear roles and responsibilities

It is apparent that while Scotland's strategy has considerable integrity and reach, although it is not without flaws, DCLG's policy on regeneration appears feeble and inadequate in comparison.

Reforming and decentralising public services

The decentralisation of budgets to places is viewed favourably by the CLG Select Committee and other cross-sector interests. Distinct from haphazard decentralisation of slices of Whitehall departmental budgets to a heterogeneous cast of organisations operating across different spatial scales (not to mention with diverse strings attached), the pooling of capital and revenue resources (similar to that explored by the Total Place initiative) is considered to offer scope to co-ordinate regeneration interventions and enhance private sector leverage.

Place-based budgets, as being called for by Greater Manchester and Tees Valley among others, could be particularly useful in the present climate, in which the lack of available capital poses a significant barrier to delivering physical-led regeneration schemes. Such a prospect seems even more likely following the Cabinet Office's publication of *Unlocking Growth in Cities*,⁸ which recommends giving *some* cities one consolidated capital pot to replace multiple funding streams.

The Coalition's new strategy for city-led growth, framed around offering England's core cities greater powers and funding, is one characteristic of English urban policy that is paralleled by what is happening in Scotland – both countries recognise the unfulfilled potential of the UK's major cities to deliver economic growth and jobs. In England, at least, it appears that the prime condition of receiving a 'tailored city deal' is to introduce an elected

mayor. Notably, Sunderland, despite having a population larger than that of Newcastle-upon-Tyne, is excluded from consideration for a city deal because its residents voted against the mayoral model. Perhaps localism is only acceptable when it accords to the Government's wishes!

Planning reform and regeneration

Contrary to the Coalition Government's claims that the planning system has prevented successful regeneration, multi-stakeholder views submitted to the CLG Select Committee were unanimous in arguing that planning is not 'the problem' and in fact has often been part of solutions. The Committee concluded that planning reforms '[will not] have a significant bearing upon regeneration' (p. 42).² While few would argue that the statutory planning system inherited by the present administration was flawlessly efficient and effective, the Coalition's attack on planning over recent months, and the ongoing reforms, are unlikely to act as a noteworthy tool within a significantly depleted menu of options.

In its most recent consideration of the Coalition Government's national planning reforms, the CLG Select Committee expressed concern about how changes to policy on brownfield development, identification of land supply, and the 'town centre first' policy (also known as the sequential test) may encourage unsustainable rather than sustainable development. In the Committee's view, the removal of both the brownfield target (of 60% of new houses to be built on previously developed land) and the abolition of the wider 'brownfield-first' policy (for both housing and commercial development) will undermine regeneration in England.⁶

The Government has acknowledged the legitimacy of this concern, confirming that the 'town centre first' policy *does* play a role in promoting regeneration and retaining the sequential test in the National Planning Policy Framework, primarily for retail and leisure uses, rather than offices. It also agreed that sites of the lowest environmental value (for example brownfield land) should be used as a priority.

Community-led regeneration

Voluntary and community organisations have either been sidelined or overlooked by Coalition growth-based initiatives, with most Local Enterprise Partnerships either excluding them or providing only token involvement; an indication that their promoters may regard them as irrelevant to local economic regeneration. As one CLG Committee witness argued,

‘the words [community-led regeneration in the title of the report] are fine but we need to understand what they will translate into in practice... much of the content does not give us the confidence that that is going to be seen through. The emphasis is on infrastructure-led regeneration and the role of the private sector [which] could, unless there are counter-measures included, exclude communities, and this could then be very much about regeneration being done unto communities, rather than community-based and led.’⁹

In contrast, one of the three explicit strands of the Scottish Government’s *Achieving A Sustainable Future* offers support for community-led regeneration. Its stated vision is to support the most disadvantaged communities, the first key element of which is to put communities first: ‘In simple terms we should ask ‘what makes this place good and where do the opportunities lie’ and ‘what expertise and skills do local people have’ instead of labelling particular areas and people as ‘a problem.’ (p.12)

Funding for regeneration

The Coalition has recently begun to accelerate public investment in infrastructure, including the announcement of a £500 million ‘Growing Places’ local infrastructure fund. This is a tangible example of the Coalition providing ‘targeted investment’, although the extent to which it will support holistic regeneration ambitions or ‘the most vulnerable’ members of society is arguable.

Of greater concern perhaps is that the Treasury’s *Autumn Statement*¹⁰ made no mention of regeneration – a further indication that it has been erased from the Coalition’s vocabulary in favour of a local (economic) growth narrative. The Chancellor’s statement did, however, confirm the administration’s commitment to increase infrastructure investment, including an extra £1 billion into its centrally administered Regional Growth Fund (RGF), which is to be extended until 2014-15. This is small comfort given that Michael Heseltine, Chair of the RGF Independent Advisory Panel, confirmed to the CLG Select Committee what many already suspected, that ‘the Regional Growth Fund is not about regeneration’.¹¹

Incentivising the private sector to fill the gap

Investment by the private sector may be hampered by the distinct lack of any ‘gap funding’ to encourage development and investment that, owing to market conditions, is unviable. What we are left with is a collection of ad hoc policy initiatives, prompting the CLG Select Committee to state (in para. 49)² that ‘the Minister did not deny that very little

physical regeneration is currently taking place... he did not see it as a particular problem. We think he should be rather more concerned.'

Indeed, the gap funding model which underpinned the majority of public sector regeneration intervention and activity until the advent of the Coalition administration is now conspicuous by its absence. The now defunct Regional Development Agencies (RDAs), despite variations in relative success and performance, delivered greater net additionality and private sector leverage than other types of intervention. The much quoted statistic is that every £1 spent by the RDAs added £4.50 to regional GVA. However, in addition, evidence submitted to the CLG Select Committee argued that 'the overall Benefit Cost Ratio associated with all regeneration expenditure on all types of activities is estimated to be 2.4. In the round, this represents a substantial pay-back in real resource terms to society from regeneration policy.'¹²

The Coalition regards the New Homes Bonus as a powerful incentive with which to accelerate housing growth, although it is widely recognised that this is not an additional funding stream, but top-sliced from existing local authority funding. Furthermore, it is expected to operate more effectively in places with a more vibrant property market and it seems unlikely that it will deliver the number of new homes required nationally.

The future?

There is broad concern that the Coalition Government's implicit 'trickle-down' ideology will be a regeneration failure, as such approaches have been in the past, prompting one witness to counsel that 'a rising tide will not lift all boats'.¹³ This is reinforced by other arguments that a locally led process could be in danger of leaving some places to sink or swim.¹⁴ A more socially conscious redistribution of limited public sector resources, such as that proposed in Scotland, is called for to prevent more communities sinking further into deprivation and poverty. In summary:

- o *Regeneration to Enable Growth* adopts a 'scorched earth'/'year zero' position, in stark contrast to Scotland's historically contingent and more carefully considered holistic strategy.
- o The Coalition's approach is likely to divert resources away from the most disadvantaged areas to those where there will be greater market demand – exacerbating the spatial and social divide between winners and losers.
- o 'Trickle-down' does not work – the worst performing and most deprived areas could be cut adrift, but at what human cost? Is it time for another *Faith in the City* from the Archbishop of Canterbury?

- o The Coalition wants to pass responsibility for regeneration on to local areas without relinquishing the levers of power and commensurate resources.

This article has examined how the Coalition has failed to refine, recast and reform past regeneration policies and practice, framed by current conditions and contemporary issues. *Regeneration to Enable Growth* provides little reassurance that central government has a viable regeneration approach – a concern made clear by the verdict of the CLG Select Committee. It is difficult to see how a holistic and considered national approach to regeneration may be reclaimed from the political scrapheap, as suggested by the Select Committee, since the Government has confirmed that it has no intention of publishing a national regeneration strategy, which it sees as inconsistent with the rhetoric of its localist approach to regeneration.

However, as long as different actors and interests continue to articulate and champion the *need* for regeneration and the *opportunities* conferred, there may be some hope for a reprieve for holistic regeneration from the policy wilderness. The Coalition could do a lot worse than to look north of the border for inspiration.

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Notes

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- 10 *Autumn Statement 2011*. Cm 8231. HM Treasury. TSO, 2011. http://cdn.hm-treasury.gov.uk/autumn_statement.pdf
- 11 Oral evidence given by Lord Heseltine, Q300, *Regeneration* (see Note 2, Vol I, Ev 74)
- 12 Written evidence submitted by Professor Peter Tyler and Colin Warnock (see Note 2, Vol II, Ev w160)
- 13 Oral evidence given by Josh Stott of the Joseph Rowntree Foundation, Q2, *Regeneration* (see Note 2, Vol I, Ev 1-2)
- 14 D. McGuinness, P. Greenhalgh, G. Davidson, F. Robinson and P. Braidford: 'Swimming against the tide: A study of a neighbourhood trying to rediscover its 'reason for being' – the case of South Bank, Redcar and Cleveland'. *Local Economy*, 2012, Vol. 27, May (forthcoming); and L. Pugalis: 'Look before you LEP'. *Journal of Urban Regeneration & Renewal*, 2011, Vol. 5 (1), 7-22