CONFIDENTIAL

10 DOWNING STREET

THIS FILE MUST NOT GO OUTSIDE 10 DOWNING ST

E 1873

FILE TITLE: Policy	SERIES Regions
	PART 14
PART BEGINS 24 December 04	PART ENDS 31 MARCH 05
	CAB ONE

LABOUR ADMINISTRATION

PART CLOSED

PREM 49/4322

CONFIDENTIAL

T.S.O. Order No. N0064510 3/98 C5 59064

PART

CLOSED

DATE CLOSED	31 MARCH 05

Series : **REGIONS**

File Title : **POLICY**

Part : **14**

Date	From	To	Subject	Class	Secret
			Sustainable Communities: People, Places and Prosperity	R	
31/12/2004	ss/dfes	PPS	Strategy Unit and Neighbourhood Renewal Report 'Improving the Pr	U	
10/01/2005	fco	FA/PS	Replacement Nominations to EU Committee of the regions	U	
10/01/2005	ms/ODPM	DPM	Guidance on Location Choice	U	
10/01/2005	fco	FA/APS	Replacement nominations to EU Committee of the Regions	U	
12/01/2005	ss/defra	CH/EX	RDA Corporate Plans 2005-2008	U	
13/01/2005	SS/DfT	DPM	The Northern Way - regional funding allocations	U	
13/01/2005	SS/DfT	CH/EX	The Northern Way - regional funding allocations	U	
13/01/2005	DCMS	PPS	Startegy unit and neighbourhood reneral report Improving the propse	U	
14/01/2005	pd(MG)	dpmo	Local Environments and Neighbourhoods	U	
17/01/2005	DPM	CST	Realising the Potential of all our Regions	U	
19/01/2005	SS/DoT	DPM	Publication of Neighbourhoods and Leadership Discussion Papers	U	
20/01/2005	ss/dfes	DPM	Publication of neighbourhoods and leadership discussion papers	U	
21/01/2005	SS/DoH	DPM	Sustainable Communities: Homes for all - ODPM's five year plan	U	
21/01/2005	SS/DoH	DPM	Sustainable Communities: People, places and prosperity - ODPM's fi	U	
24/01/2005	ss/dti	DPM	Regional economic strategies - revising the statutory guidance	U	
24/01/2005	PM	DPM	Sustainable Communities	U	
24/01/2005	MS/HO	DPM	Sustainable Communities: People, places and prosperity	U	
24/01/2005	FA/APS	fco	Replacement nominations to EU Committee of the Regions	U	
25/01/2005	SS/DoT	DPM	Realising the potential of all our regions	U	
25/01/2005	ss/dti	PM	Re-Appointment of Chair of the North West Development Agency	R	
25/01/2005	SS/DEFRA	CST	Realising the potential of all our regions	U	
30/01/2005	ss/dti	DPM	Regional Economic Strategies - Revising the Statutory Guidance	U	
31/01/2005	SS/DCMS	ss/dti	Regional economic strategies: Revising the statutory guidance	U	
10/02/2005	SS/DoH	DPM	Regional Economic Strategies: Revising the Statutory Guidance	U	
10/02/2005	ss/defra	DPM	Regional Economic Strategies: Revising the Statutory Guidance	U	
18/02/2005	MS/DPMO	ss/dti	Regional Economic Strategies: Revising the statutory guidance	U	
21/02/2005	SS/WO	FCS	EP Agreement to the nomination of Councillor W J Williams to EU C	U	
22/02/2005	ms/ODPM	DPM	Publication of revised regional spatial strategy for the East Midlands	U	
28/02/2005	DPM	ms/ODPM	MiltonKeynes/South Midlands Sub Regional Straegy: Publication	U	
02/03/2005	SS/DoT	ms/ODPM	Publ;ication of revised regional spatial strategy for the East Midlands	U	
02/03/2005	DPM	ss/dti	Regional Economic Strategies - Revising the Statutory Guidance	U	
11/03/2005	ss/defra	DPM	Publication of regional spatial strategy for the east midlands	C	
14/03/2005	MS/DPMO	pd(MG)	Interdepartmental ministerial group on cleaner safer greener commu	U	
15/03/2005	fco	FA/APS	replacement nominations to EU committee of the regions	U	
16/03/2005	DPM	ms/ODPM	East Midlands Regional Spatial Strategy	U	
31/03/2005	DPM	SS/DCA	Improving public service delivery across the countries and regions of	U	

MATRIX

SPM

cc. AMcG

DEPUTY PRIME MINISTER

OFFICE OF THE
DEPUTY PRIME MINISTER
26 Whitehall
London
SW1A 2WH

Tel: 020 7944 8623
Fax: 020 7944 8621

The Rt Hon Lord Falconer of Thoroton
Secretary of State and Lord Chancellor
Department for Constitutional Affairs
Selborne House
54-60 Victoria Street
London
SW1E 6QW

31 March 2005

Dear Charles

IMPROVING PUBLIC SERVICE DELIVERY ACROSS THE COUNTRIES AND REGIONS OF THE UK

I have seen your letter to the Prime Minister regarding the above, and the thoughtful paper submitted with it. Please accept my apologies for not responding earlier.

Given ODPM's clear interest in this work, both through our regional agenda and our work with local authorities, I was surprised that my officials were not involved in drawing up the paper. However, I understand that your officials have been in touch with mine to apologise for this oversight, and to ensure that ODPM will be fully involved as this work goes forward. I trust that this will be the case.

Regarding your specific proposals, I am content for an annual report to JMC to be produced, as suggested, subject to appropriate ODPM involvement, as above. I trust that the obvious danger of comparing the performance in particular English *regions* with that of the other UK *countries*, given their widely different governance arrangements and remits, will be given due consideration. But I am not, in principle, against this idea, if useful lessons can be learnt from the process. I am also content with the recommendation that all Government Departments should work more closely with the Devolved Administrations to share best practice in service delivery.

Regarding the identification of key indicators, I must draw attention to the work that ODPM has done on Regional Outcome Indicators (ROIs), and ask that my officials be very closely involved in this work as it goes forward.

ROIs were developed at my request in 2002, to give Ministers and officials with a cross-cutting interest in delivery a quick 'way in' to questions of regional and local variation in progress towards Government PSA targets. The 22 indicators cover major policy themes, from employment, welfare and health to skills and community safety.

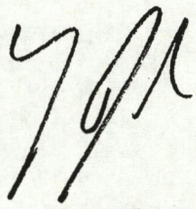
Regional and sub-regional snapshots show recent changes for each indicator across all regions and sub-regional areas (e.g. local authorities). A 'traffic light system' shows whether the change in each area is positive (green), negative (red), or roughly the same (amber) relative to the corresponding change across England as a whole.

The ROIs are available in two forms: a six-monthly paper bulletin for Ministers and senior officials, and a more detailed website available across the Government Intranet http://intrago/roi/default.asp

Since 2003, the ROIs have also included commentary on any trends evident within each of the indicators. This commentary is collected from departments and quality assured by the Regional Co-ordination Unit here at ODPM. The commentary often mentions the difficulty in assessing performance against PSA targets at the sub-regional level where data quality is often poor. The commentary also highlights the fact that there is often greater variation in delivery against PSA targets within regions than between regions.

Subject to these comments being taken on board, and the on-going involvement of my officials, I am content with your paper and the work programme proposed.

I am copying this letter to the Prime Minister, members of the JMC committee, Gordon Brown, Paul Boateng, Ian Pearson, Tom McCabe and Sir Andrew Turnbull.



JOHN PRESCOTT

MATRIX ~~MTX~~ 2. File.

AMG
cc: MG

DEPUTY PRIME MINISTER

OFFICE OF THE
DEPUTY PRIME MINISTER
26 Whitehall
London
SW1A 2WH

Tel: 020 7944 8623
Fax: 020 7944 8621

The Rt Hon Keith Hill MP
Minister of State
Office of the Deputy Prime Minister
26 Whitehall
London
SW1A 2WH

16 March 2005

Dear Keith

EAST MIDLANDS REGIONAL SPATIAL STRATEGY

You wrote to me on 22 February seeking DA clearance to publish the Revised Regional Spatial Strategy for the East Midlands (RSS8). Replies were received from Margaret Beckett and Alistair Darling.

Margaret was pleased to see that the strategy reflected her Department's policies and she was content for the strategy to be published.

Alistair was also content.

No other replies were received. You therefore have DA clearance to proceed.

I am copying this letter to the Prime Minister, members of DA Committee and to Sir Andrew Turnbull.

Yours

JOHN PRESCOTT

Office of the
Deputy Prime Minister
Creating sustainable communities

The Rt Hon Keith Hill MP
Minister for Housing and Planning

Office of the Deputy Prime Minister
26 Whitehall, London SW1A 2WH

Tel: 020 7944 8952 Fax: 020 7944 8953
E-Mail: keith.hill_MP@odpm.gsi.gov.uk

www.odpm.gov.uk

14 MAR 2005

Miles Gibson
10 Downing Street
LONDON
SW1A 2AA

cc: MH
VB letter only

Dear Miles

INTERDEPARTMENTAL MINISTERIAL GROUP ON CLEANER, SAFER GREENER COMMUNITIES

I attach the minutes of the Ministerial Group on Cleaner Safer Greener Communities meeting held on 3 March, together with copies of the presentations made by Phil Hope.

In discussing Phil's presentation on strategy for delivery of PSA8, we touched on the key challenge of improving people's satisfaction with their area and the work MORI has been doing in this area. I attach the presentation Ben Page from MORI gave at the Sustainable Communities Summit in Manchester and which we mentioned at the meeting. It shows a clear turning point in the level of public satisfaction on liveability issues since 2003.

I also enclose a copy of the 'How To' programme prospectus and Town Centre guide to be launched by Phil Hope in Manchester on 15 March, together with a core script for you and other colleagues to use to promote the programme through any appropriate engagements you have.

Finally, we agreed that the Ministerial Group should meet again in June and my Private Office will be contacting your and others shortly to identify a date. Can I ask all members of the group to treat attendance as a priority.

A copy of this letter and enclosures goes to other members of the Ministerial Group on Cleaner, Safer Greener Communities and Miles Gibson (No.10)

Keith Hill

KEITH HILL

Cleaner, Safer, Greener Communities
Interdepartmental Ministerial Group

09:00 am to 10:00am Thursday 3 March
Admiralty Board Room
26 Whitehall

Present
Keith Hill MP (Chair)
Tony McNulty
Alun Michael
Lord McIntosh
Phil Hope

Secretariat
Peter Matthew (ODPM)
Steve Kelly (ODPM)

1. Introduction

Keith Hill began by welcoming colleagues back to the meeting of the group. Apologies had been received from Paul Boateng, Hazel Blears, Melanie Johnson, Margaret Hodge and Jacqui Smith. He explained that the Ministerial Group had a key role in taking forward the Cleaner Safer Greener Communities (CSGC) programme agreed last Summer and it was important that members made effort to attend and maintain commitment.

Keith Hill reminded the group that his letter of 7 December confirmed the Route Map for delivery had been agreed as the framework for taking forward the priorities agreed for the CSGC programme.

Delivering the new PSA target on Liveability and taking forward the 'place based' approach through the 'How To' programme were key workstreams on which ODPM led.

2. How To' programme

Introducing the item, Keith Hill put on record his appreciation for the effort put in by a number of departments to develop the 'How To' programme. It was noted that the process had been pressurised but that the programme structure and 'town centre' guide showed just what was possible through joint working. The timetable for subsequent guides on 'streets and residential areas' and 'parks and open spaces' were also challenging but should allow more time for departments to contribute.

Phil Hope gave a presentation on the approach, structure and purpose of the 'How To' programme (CSGC (M)1/1/05). Key points made in the presentation were:

- 'How To' programme would offer a mechanism to engage practitioners and communities with guidance and good practice about the powers, tools,

strategies and approaches, and resources available to create clean, safe and attractive places;

- Guidance would be underpinned with Academy style seminars and workshops, telephone and on-line help lines designed to provide, practical support to front-line staff and create a dialogue through which to identify what more needed to be done to help remove obstacles to making improvements on the ground;

- The first guidance would focus on managing 'town centres' and respond to current challenges created by the revitalisation of towns and cities, particularly around the night time economy and the implications of excessive alcohol consumption and associated violence and anti-social behaviour; and

- The programme and town centre guide were scheduled to be launched on 15 March at the 'Together - Tackling Anti-Social Behaviour' event in Manchester. The 'How To' programme would utilise the successful 'Together' Academy structure to deliver its support and engagement with practitioners.

Before opening up the item for discussion, Keith Hill thanked Phil Hope for his efforts over the last 9 months in pulling together an effective strategy on liveability, of which the 'How To' programme was a key part. In discussion the following points were made

- The structure of the programme, the focus on specific places, and the Academy style approach to supporting practitioners was welcomed. It was noted that the establishment of the programme, working in tandem with the 'Together' campaign, would bring together the core components of the CSGC programme.

- Although effective management of the night time economy was a current priority, it was important not to lose sight of the broader issue of improving performance in all aspects of town centre management. The initial 'town centre' guide focussed on the most immediate challenge, but there were other key issues to tackle to improve liveability of towns and cities and these should be addressed in subsequent guidance.

- Given existing diary commitments it would be difficult for Ministers to attend the launch event in Manchester on 15 March. However, there were a range of other events at which Ministers could weave in and promote the 'How To' programme. It was agreed that Ministers would require a core Communication script setting out the key messages on what the CSGC programme was trying to achieve, and the role of the 'How To' programme in delivery.

Summing up the discussion Keith Hill:

- Thanked Phil Hope for his presentation;
- Noted that the group approved the approach and structure of the 'How To' programme and the 'Town Centre' guide; and
- Requested that the Communication group prepare a core script

3. PSA8 - Strategy for delivery

Introducing the item Keith Hill reminded colleagues that Departments had a key role to play in delivering the new PSA target and the wider CSGC programme. In particular, Home Office plans to deliver their new PSA2 target to reduce fear of crime, tackle anti-social behaviour and build confidence in the criminal justice are crucial to deliver the 'safer' component of the Cleaner, Safer, Greener programme.

Phil Hope then gave a short presentation to the group on the strategy to deliver ODPM PSA8 (CSGC (M)1/2/05). Key points made in the presentation were:

- Seven indicators chosen to measure progress in delivering PSA8 presented challenging but achievable targets based on existing data, and stretched and improved upon current trends where possible. All the indicators contain a specific target for improvement in deprived areas.

- Key dependencies are interdepartmental co-operation, inspiring improvement in local authority service delivery and creating a climate of innovation and good practice. Managing these dependencies was therefore a critical task. The following strategy was outlined for doing this:

    - All departments must maintain levels of commitment and deliver on those workstreams, highlighted in the presentation, that contribute to delivery of the target

    - Improving local performance required local authorities, for example, to give greater priority to liveability in their Sustainable Community Strategies, greater weight attached to effective management and maintenance of public space within local authority performance management framework and helping authorities to spend existing resources better

    - The 'How To' programme would provide the primary tool to disseminate innovation and good practice on cleaner, safer and greener issues, while creating a dialogue with practitioners and communities to understand their needs and challenges.

- In terms of improving quality of the built form, ODPM were continuing to explore availability of robust indicators which could be used to measure progress. A further consideration would then be the extent to which such factors should be captured by PSA8 or other ODPM PSA targets

In discussion the following points were made:

- The levels of improvement required for each of the seven indicators, and the overall approach to delivery were agreed. It was noted that a better understanding of the methodologies employed to set and track indicator targets would be helpful;

- As increasing peoples satisfaction with their local area was required to achieve the PSA target, it would be helpful to compare recent work carried out in this area by MORI; and

- Quality of built form was an important determinant in whether or not people found places attractive. Factors such as boarded-up shops, vacant sites, derelict or abandoned dwellings, poorly maintained public buildings detracted from the appearance of a place. But others factors for example design quality also had an important impact. Further work was required before the group could reach a considered view.

Summing up the discussion Keith Hill:

- Thanked Phil Hope for his presentation;
- Requested that officials prepare a paper for discussion at the next on meeting on options for measuring improvement in the quality of the built environment; and
- Invited colleagues to meet bi-laterally if they wished to discuss in detail the approach taken to set targets for each of the seven PSA8 indicators .

4. Any other business

Keith Hill confirmed that the LGA had accepted the invitation to become members of the group and nominated Cllr David Sparks (Lab, Dudley MBC) as their representative. Andrew McIntosh confirmed DCMS support for inviting the Big Lottery to attend future meetings on ad hoc basis.

It was agreed that the Cllr Sparks would be invited to the next meeting of the group. A decision on attendance of the Big Lottery would be taken once the shape of the agenda firmed up. It was further agreed that all external members would be advised of the need to withdraw from meetings when government business was discussed.

5. Date of next meeting

Next meeting would take place at the beginning of June.

ODPM
10 March 2005

Office of the
Deputy Prime Minister
Creating sustainable communities

Cleaner Safer Greener Communities

The 'How To' Programme

Presentation by Phil Hope MP
Interdepartmental Ministerial group on
Cleaner, Safer, Greener Communities
3 March 2005

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal

Office of the
Deputy Prime Minister
Creating sustainable communities

Overview

- Provides practical assistance for practitioners who want to improve their area.
- Offers advice and explanations of the tools available and sets out the issues facing people who work to deliver cleaner, safer greener communities.
- Provides an opportunity for a range of audiences to engage with each other and learn from experience.

Office of the
Deputy Prime Minister
Creating sustainable communities

Aims

- **Explain** the issues that affect the "liveability" of town centres, residential areas and parks and open spaces
- **Identify** ways of using existing powers and money better
- **Engage** with the people who provide local environmental services – at a strategic and practical level
- **Support and foster** innovative management and service delivery
- **Inspire** continuous improvement and challenge inaction
- **Spread** good practice and communicate lessons that others have learned
- **Provide** support and advice when they are needed – by phone, online or in person

Office of the
Deputy Prime Minister
Creating sustainable communities

Offer

- **Three guides** – setting out the issues, approaches and best practice in town centres, residential areas and parks and open spaces, to stimulate discussion.
- **Events and seminars** – to explore and update the issues identified in the guides.
- **Helpline and online support** - to answer practitioners' questions quickly and conveniently.
- **Working with towns and cities** – to try out new approaches and discover best-practice solutions to the issues identified in the guides and at events.

Office of the
Deputy Prime Minister
Creating sustainable communities

Three Guides

1. How to Manage Town Centres (out in March 2005)
2. How to Improve Residential Areas (out in *June* 2005)
3. How to Create Quality Parks and Open Spaces (out in *June* 2005)

Each guide will provide:

- information for working in partnership
- an outline of the powers and tools available
- examples of innovative approaches for using them
- examples of good practice for tackling priority issues

Office of the
Deputy Prime Minister
Creating sustainable communities

Events and Seminars

- Partnership with the Home Office's *Together Academy*
  - supplemented with additional events from partner agencies like IDeA, ENCAMS, Groundwork, and CABE Space.

- Events will build on the experience of successful action and encourage poor performers to improve by:
  - clarifying the menu of resources available
  - demonstrating how powers can be used to solve problems
  - encouraging innovative management
  - capturing and disseminating good practice and feedback
  - Informing us of priorities for guidance

Office of the
Deputy Prime Minister
Creating sustainable communities

Helpline and Online Support

- Quick and specific answers to common queries from practitioners and the community.
- Working with the Home Office's *Together* campaign, the helpline will be available from summer 2005.
- The "Cleaner Safer Greener" website will display information about the **How To** programme. It will be regularly updated to include advice and support on the key issues and other lessons arising from the guides and events.

Office of the
Deputy Prime Minister
Creating sustainable communities

Working with 20 Towns and Cities

- Working with local government leaders and practitioners, to try out new approaches to implementing national policies and powers and to learn from and share their experiences.

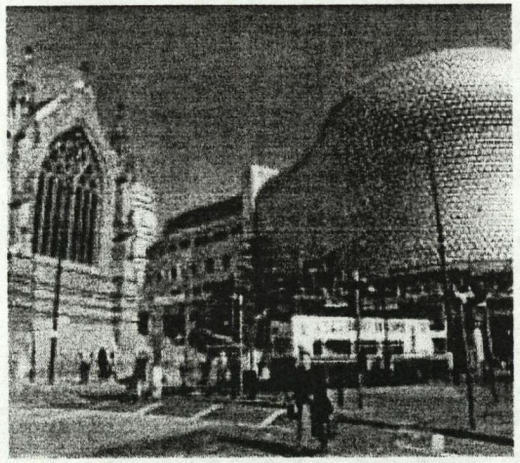
- Helping to make better use of resources through the Safer Stronger Communities Fund and LAAs

The 20 Towns and Cities

- Ipswich
- Liverpool
- Nottingham
- Ealing
- Hackney
- Southwark
- Westminster
- Gateshead
- Newcastle
- Bolton
- Manchester
- Luton
- Brighton and Hove
- Reading
- Bristol
- Gloucester
- Dudley
- Wolverhampton
- Kingston upon Hull
- Sheffield

Office of the
Deputy Prime Minister
Creating sustainable communities

Town centres



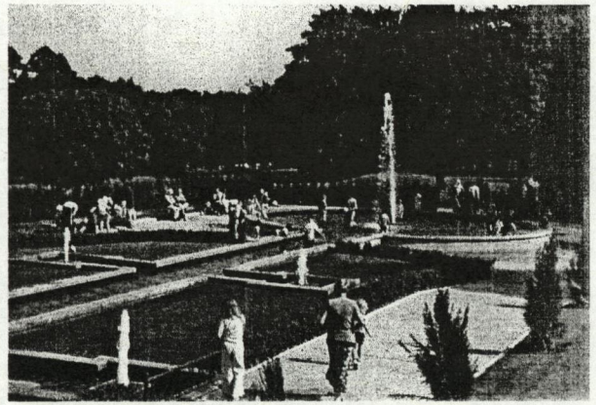


- Rejuvenated town centres have been a success – but new challenges are the focus of Guide
- Launch 15 March and through series of Together Academy workshops
- Developed through future academy style events and partner learning

Office of the
Deputy Prime Minister
Creating sustainable communities

Next steps





- Planning for the wider programme
  - Drafting and launching guides on residential areas and parks and open spaces
  - Developing and delivering a programme of events to develop issues, building on Together events
  - Developing the offer and action with partner local areas


Cleaner Safer Greener
Communities

Office of the
Deputy Prime Minister
Creating sustainable communities

ODPM PSA Target - Liveability

Strategy for Delivery

Presentation by Phil Hope MP

Interdepartmental Ministerial Group on Cleaner Safer Greener Communities

3 March 2005

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

What does the target mean ?

Demonstrate commitment to

- Take forward Cleaner Safer Greener Communities programme

And to

- Improving and creating quality public places
- Effective management and maintenance of public space
- Particular focus on deprived areas

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

ODPM PSA8

Lead the delivery of cleaner, safer, greener public spaces and improving the quality of the built environment in deprived areas and across the country with measurable improvements by 2008

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

So what is our approach?

- To focus on delivering the 'cleaner and greener' elements
- Home Office will deliver the 'safer' through their PSA2 - reassuring the public, reducing fear of crime and anti-social behaviour, and building confidence in the Criminal Justice System without compromising fairness
- Develop reasonable indicator of built environment quality

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

How will we measure success on PSA8?

Must achieve at least 4 of the 7 indicators – 3 substantive and 1 perception

- less litter and detritus;
- fewer abandoned vehicles;
- more Green Flag Award winning areas;
- LA performance on environmental services;
- Improve quality of local environments around housing;
- Improve public satisfaction with parks and open spaces; and
- Improve household satisfaction with the neighbourhoods in which they live.

Office of the Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Litter and detritus

- Reduce proportion of LAs with unacceptable levels of litter and detritus from 23% to 10% nationally and from 33% to 17% in NRF areas

Key workstreams

- Commencement and implementation of Clean Neighbourhoods and Environment Bill
- Gershon efficiency savings in local authority street cleansing services
- Revised statutory Code of Practice on Litter and Refuse
- Build climate of innovation and good practice

Key contribution

- Defra

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Clearing Abandoned Vehicles

- Reduce by 25% from 310,00 to 233,000 nationally and from 138,000 to 104,000 in NRF areas, the number of abandoned vehicles removed by LAs - Problem forecast to grow to 560,000 by 2007 without intervention

Key workstreams

- Implementation of National Nuisance Vehicle Strategy
- Increase accuracy of the Vehicle Record
- Free 'Take Back' under End of Life Vehicle Regulations
- Build climate of innovation and good practice

Key contributions

- ODPM on NV strategy, DfT, DTI, Defra on workstreams

Office of the Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Quality Parks and Green Spaces

- 60% of LAs nationally and 60% of LAs in receipt of NRF, to achieve at least on Green Flag award winning space – ie from 139 to 239 LAs nationally and 45 to 65 LAs in NRF areas

Key workstreams

- Take ownership and revamp Green Flag Scheme
- Encourage LAs to adopt PPG17 principles and complete open space audits
- CABE Space to work with 50 LAs (05/06) on green space strategies and projects
- Ensure quality green spaces built into growth, market renewal and regeneration programmes
- Build climate of innovation and good practice

Key contribution

- ODPM

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Local Authority Performance

- At least 90% of all LAs, and 90% of LAs in receipt of NRF, to receive a CPA score of '2' or better for Environment Services Block

Key workstreams

- Ensure BVPI and CPA framework gives greater priority to effective liveability services
- Encourage LAs to prioritise clean and attractive places in their Sustainable Community Strategies
- Establish quality service benchmark and standard
- Helping LAs spend better by rationalising grants through SSCF and LAAs
- Spread and share good practice to challenge poor performance

Key contribution

- ODPM

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Reducing Nos. of households in poor quality environment

Reduce from 16% to 14% nationally, and from 21% to 18% in NRF areas, the number of households in a poor quality environment – ie reduce by 400,000 households nationally and 271,000 households in NRF areas experiencing a liveability problem

Key workstreams

- ODPM programmes (eg Decent Homes, Market Renewal) that include investment in sustainability
- Neighbourhood renewal where improving local environment quality is a priority
- Gershon efficiency savings in social housing management

Key contribution

- ODPM, HO (ASB) DfT (Traffic, street parking) Defra (street cleansing) DTI (RDAs)

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Satisfaction with parks and open spaces

- Increase satisfaction with parks and opens spaces from 71% to 75% nationally and from 69% to 75% in areas in receipt of NRF

Key workstreams

- Do the things that will improve quality of parks (eg More LAs with Green Flag parks and spaces)
- Engage and involve communities and people directly in transforming and looking after more local green spaces: Groundwork and other key partners will help
- Capture and celebrate success on the ground; spread good practice

Key contribution

- ODPM, DCMS (playing fields, play areas), Heritage Lottery Fund, Sport England

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Household satisfaction with local environment quality

Increase from 64% to 67% nationally and from 60% to 65% in NRF areas households identifying no problem with 6 'liveability' factors

Key Workstreams

- Do the things that will improve the quality of local environment around housing (Decent Homes, Market Renewal, Neighbourhood Renewal)
- Work to change behaviour eg 'Together' tackling ASB
- Focus Groundwork and other VCS partners to engage communities to tackle liveability problems, particularly in deprived areas
- Capture, celebrate, disseminate success on the ground; spread good practice

Key contribution

- **ODPM, Home Office (ASB, fear of crime), Defra (street cleansing) DfT (Traffic Management)**

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renew

Office of the Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

3 Key Dependencies

- Interdepartmental co-operation
- Ability to inspire improvement in local authority service delivery
- Ability to create a climate of innovation and good practice and positively affect what people think
  - Communication is key work stream and Comms strategy needs to be policy driven

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Interdepartmental co-operation

Key contributions

- Defra – street cleansing, improving local environment quality
- DfT – accuracy Vehicle Record, street maintenance, traffic management
- Home Office – making places safer, reducing crime, reducing fear of ASB
- DCMS – Encouraging take-up of sport and leisure, activities for children and young people
- DTI - Free 'Take Back' for end of life vehicles

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renew

Office of the Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Improving LA performance

Main approach

- Make liveability a greater priority for all LAs - Sustainable Community Strategies
- Spending money better through rationalising funding - SSCF & LAAs
- More effective and efficient service delivery - CPA & Gershon
- Innovation, good practice and communication - 'How To' programme
- Partnerships – Making things happen, joining up action to improve outcomes
- Participation – Neighbourhood empowerment and engagement to identify priorities

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Communication

- 'How To' programme gives framework to communicate policy, action and good practice to deliver PSA8 and Cleaner, Safer, Greener Communities

It will

- Enable us to explain what we are trying to achieve and how we plan to do it
- Create a dialogue with practitioners and people so we understand needs and challenges
- Allow us to capture and disseminate what works and how it can be used by others
- Involve and harness expertise and skills of key delivery partners

Risks to delivery

Main risks

- Loss of momentum
- Liveability a low priority by LAs to minimise financial pressures
- Local authority performance fails to meet expectations
- Key partners do not deliver
- Public satisfaction levels do not rise despite improvements on the ground

Office of the
Deputy Prime Minister
Creating sustainable communities

PSA8 – Liveability : Strategy For Delivery

Quality of built environment

Built environment is?

- Built open space
- Built form

Quality of built open space covered by our indicators, so what about built form?

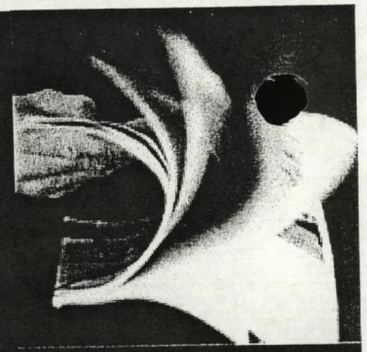
- Built form = housing, commercial buildings
- Quality determined by = appearance, condition, dereliction , voids etc?
- Proxies (Social housing voids, re-lets, NLUD) available through other programmes

Quality of built environment is being addressed through programmes and related PSAs eg

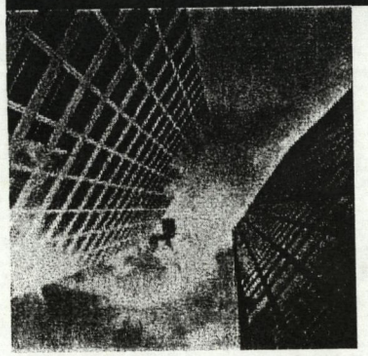
- **Housing**
- **Planning**

Do we need to duplicate in this PSA or simply capture through others?

MORI



Liveability – where are we now?



Ben Page

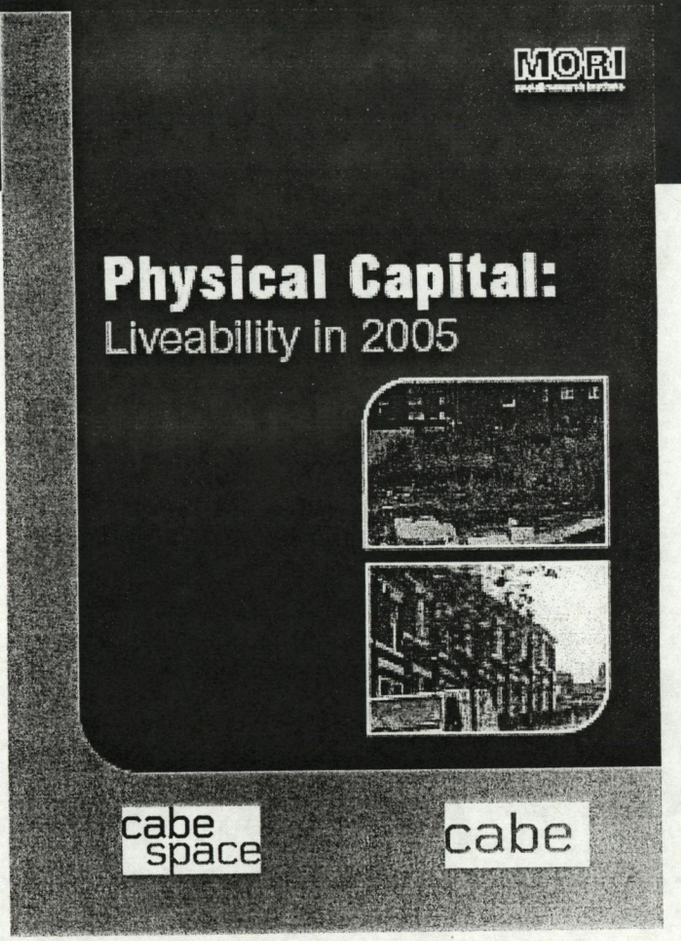
Director

MORI Social Research Institute

ben.page@mori.com

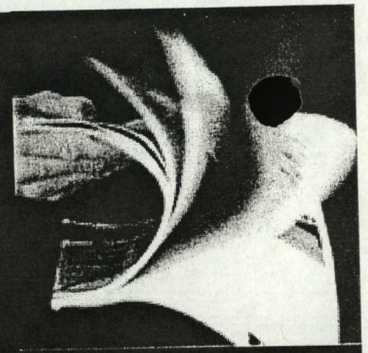
Background

- Three years ago MORI reported on the prominence of Liveability issues right across Britain
- Falling satisfaction with local environments, rising concern about teenagers hanging around, graffiti etc
- In 2005, our new report on Physical Capital shows the picture looks better
- Focus and investment has made a difference

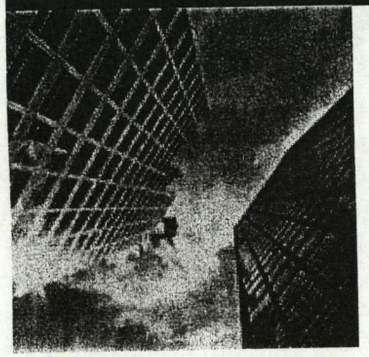


MORI

MORI

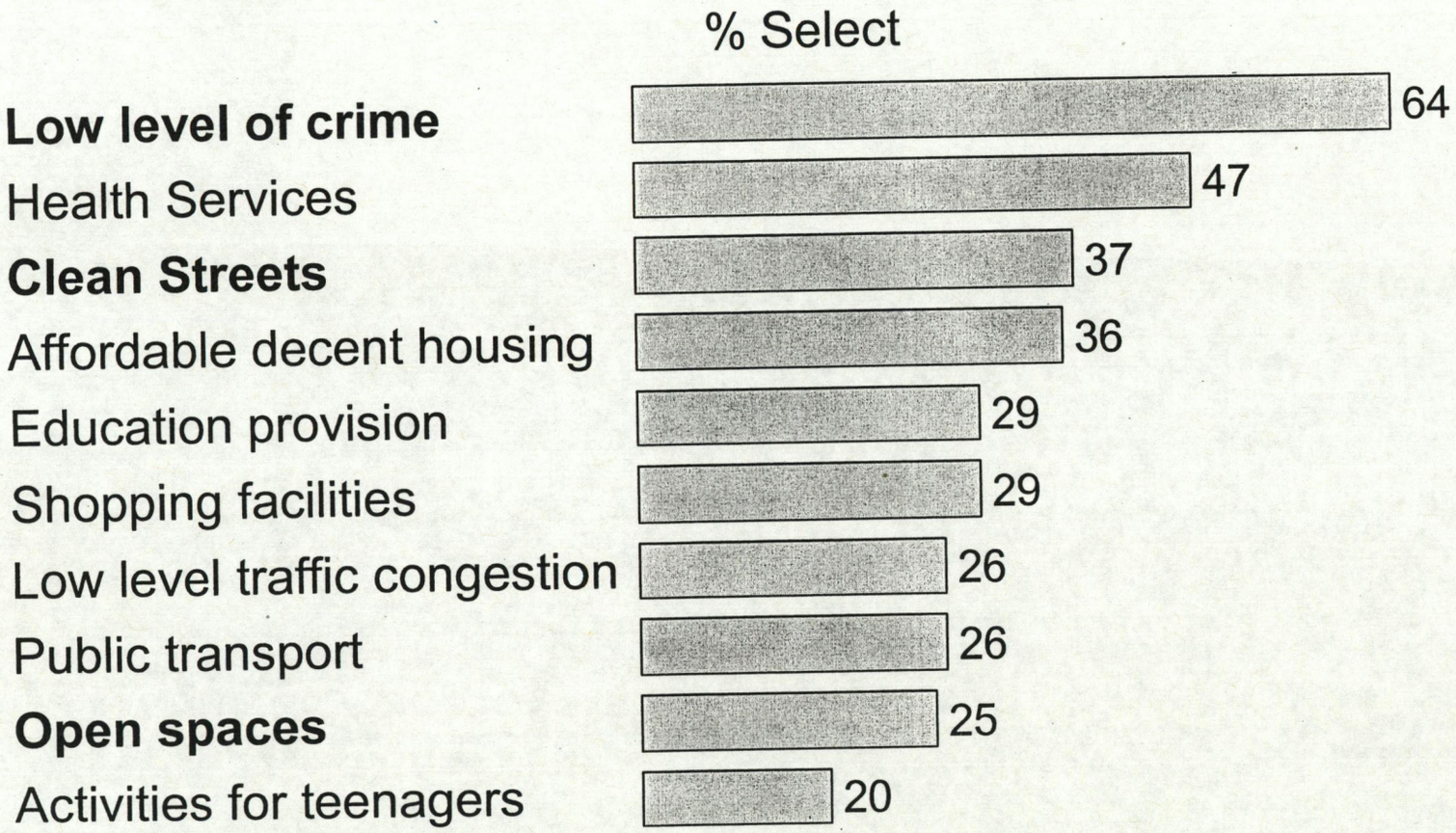


It still matters more than most public services at a local level



What Makes Somewhere a Good Place to Live?

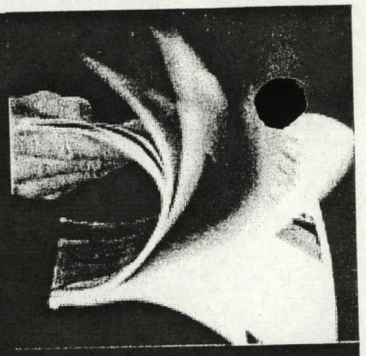
Q *Thinking generally, which of the items on this list would you say are most important in making somewhere a good place to live? You can choose up to five*



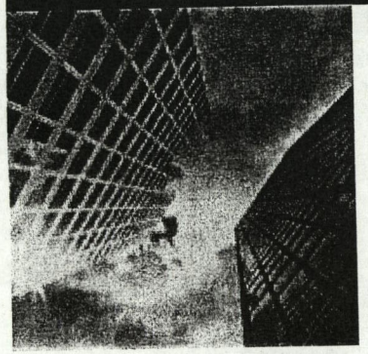
Base: 596,000 BVPI survey responses 2003/4

MORI

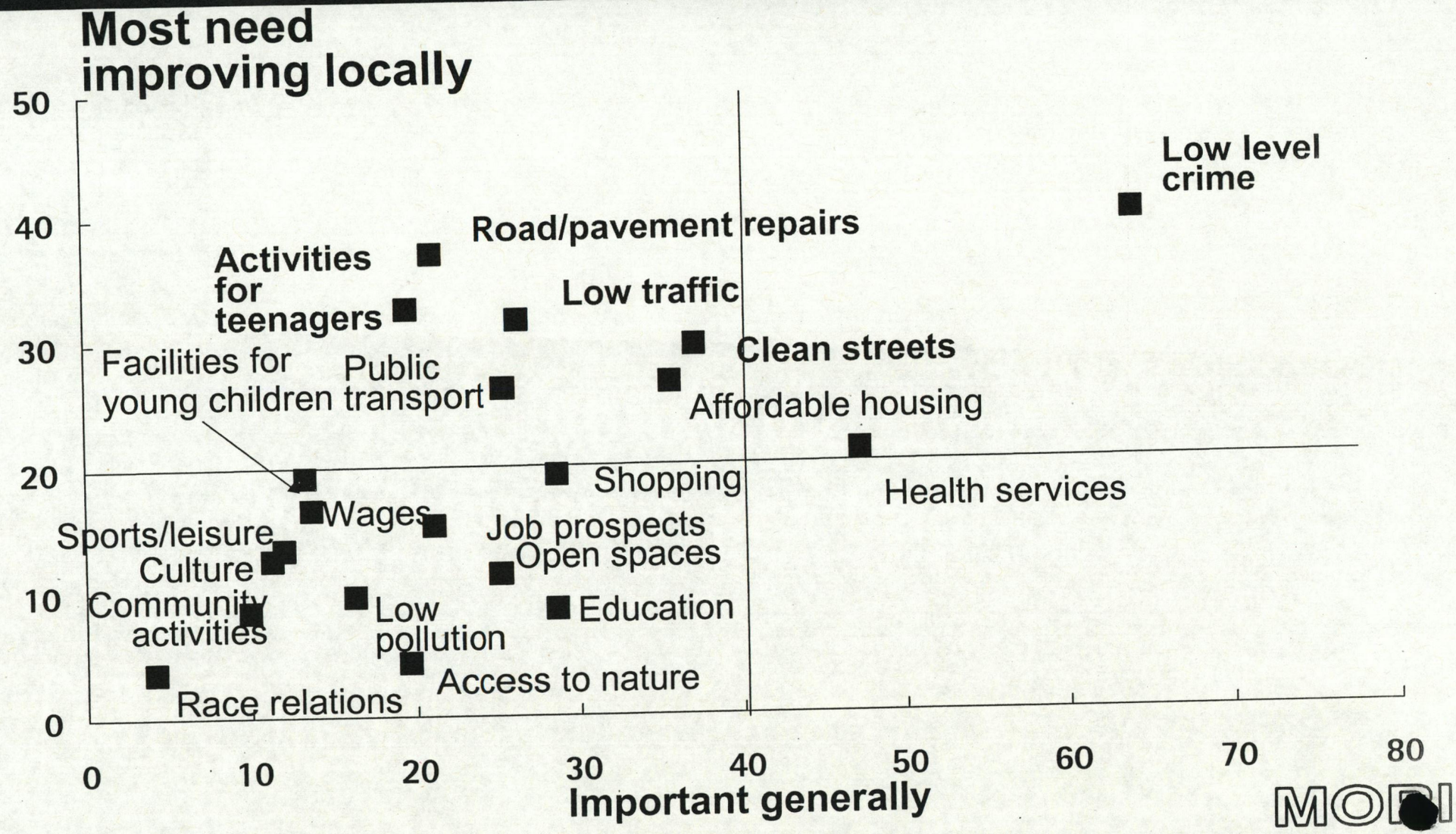
MORI



And remains a key priority for improvement

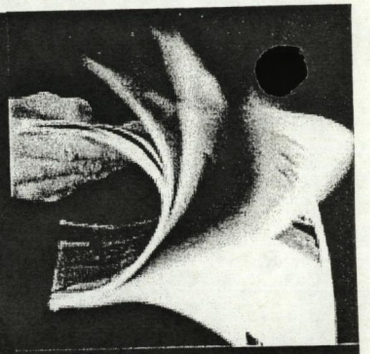


Quality of Life - Ideal vs Needs Improving

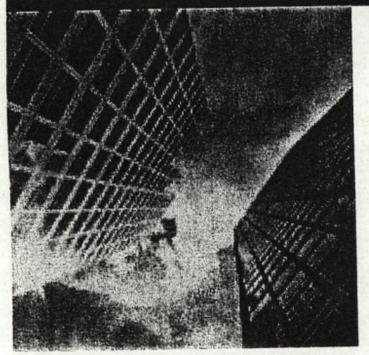


Base: valid BVPI responses

MORI



Liveability and the public realm clearly affect quality of life



The impact of Physical Capital

Importance of Physical capital

- Much talk of Social Capital in relation to quality of life since 2000
- Need to also consider Physical Capital
- New MORI analysis suggests that quality of public realm has a clear relationship with quality of life
- Looked at around 11,000 observations throughout the country
- Rating on overall visual quality (design, maintenance, traffic etc)
- Created the "MORI physical capital" index and then related it to resident satisfaction with area - using c70 recent local MORI surveys

MORI

Satisfaction with area versus visual appearance

Our scoring system….

1. **Best visual quality (3% of England)**

2 (16%)

3 (33%)

4 (31%)

5 (14%)

6 - Worst visual quality (4%)

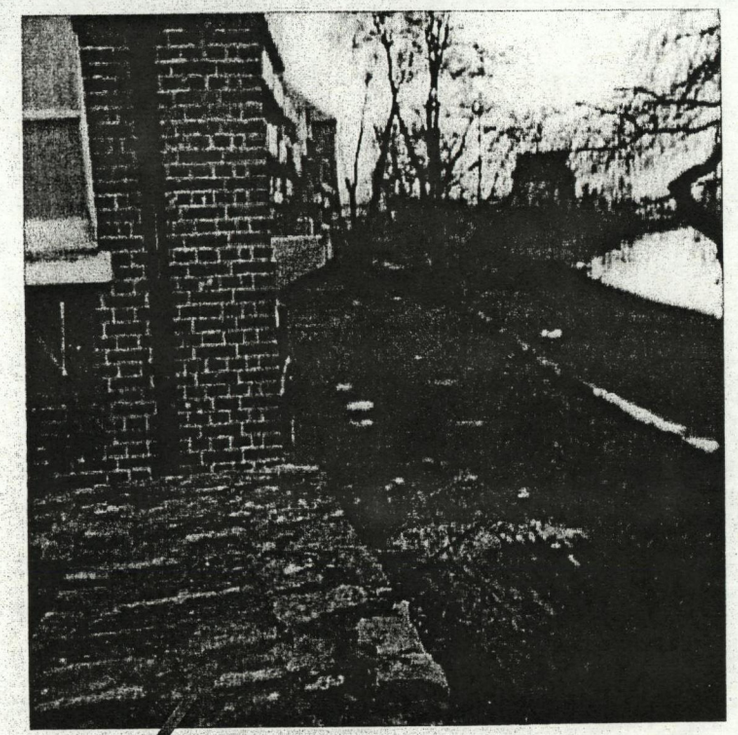
Source: EHCS 2001 – unweighted data

MORI

Litter, graffiti



OVER-FLOWING RUBBISH

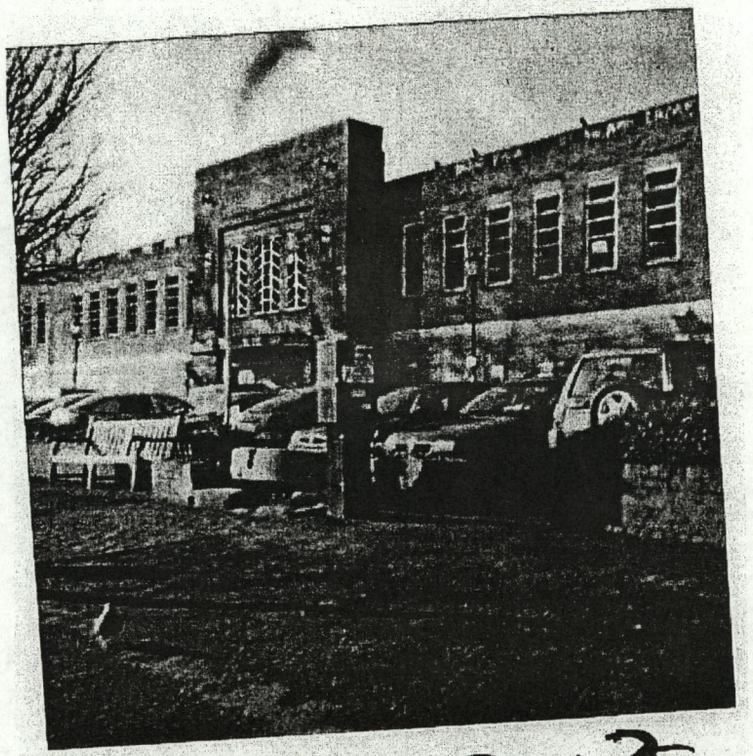


MESS + RUBBISH !

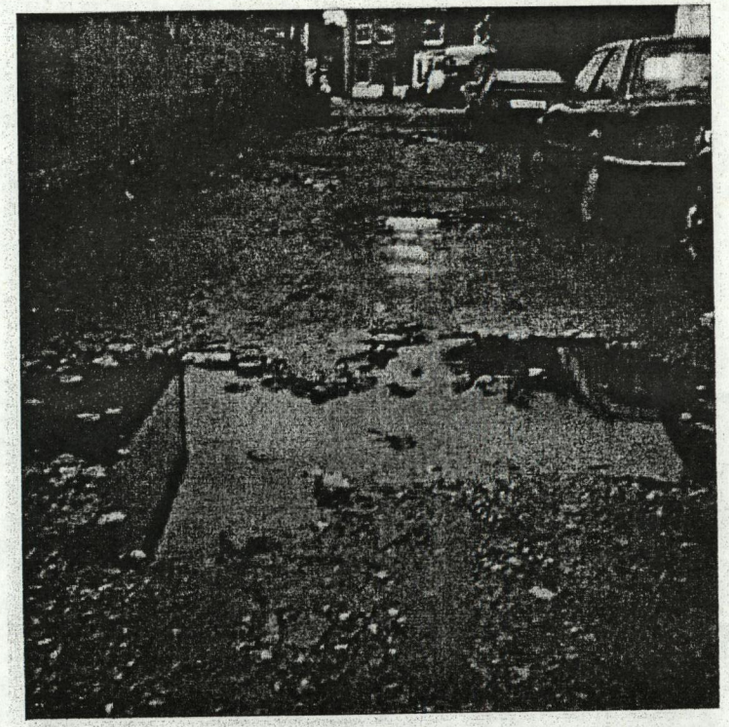
NB – note this picture refers to badly maintained streets as messy; illustrating how interwoven ideas of cleanliness and maintenance can be.

MORI

Good design is so important that bad design feels very frustrating



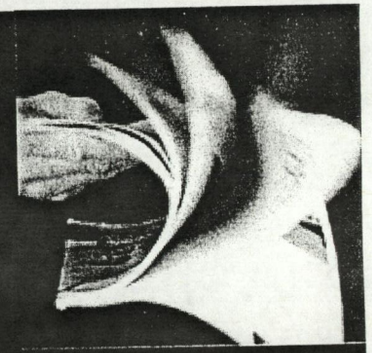
SWIMMING POOL?
DERELICT FOR 25 Years



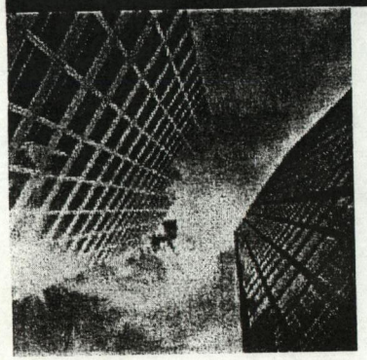
DERELICT FOR 40 YEARS.
BETWEEN HEATHFIELD STH
& NORTH 30.1.04

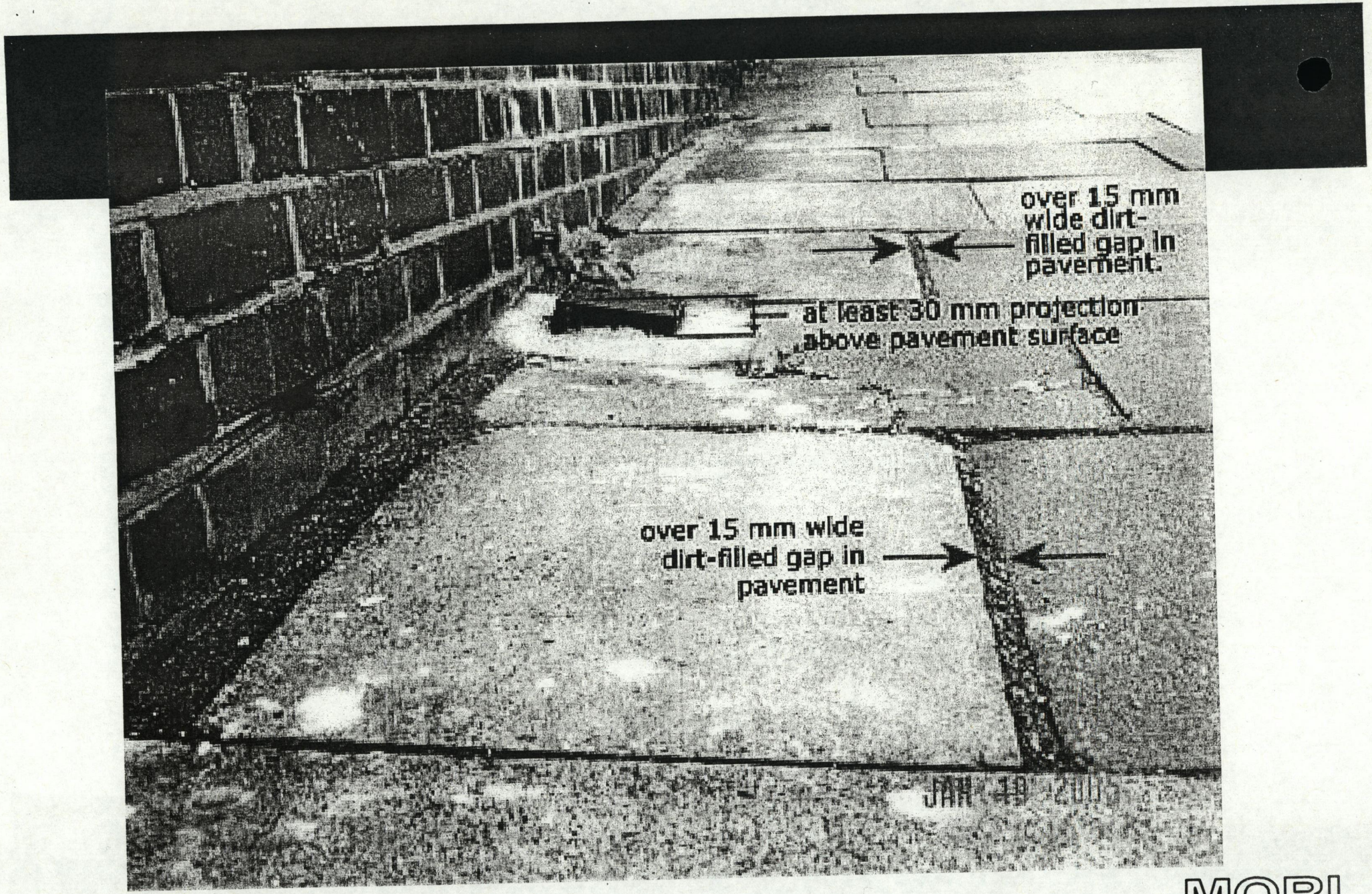
MORI

MORI



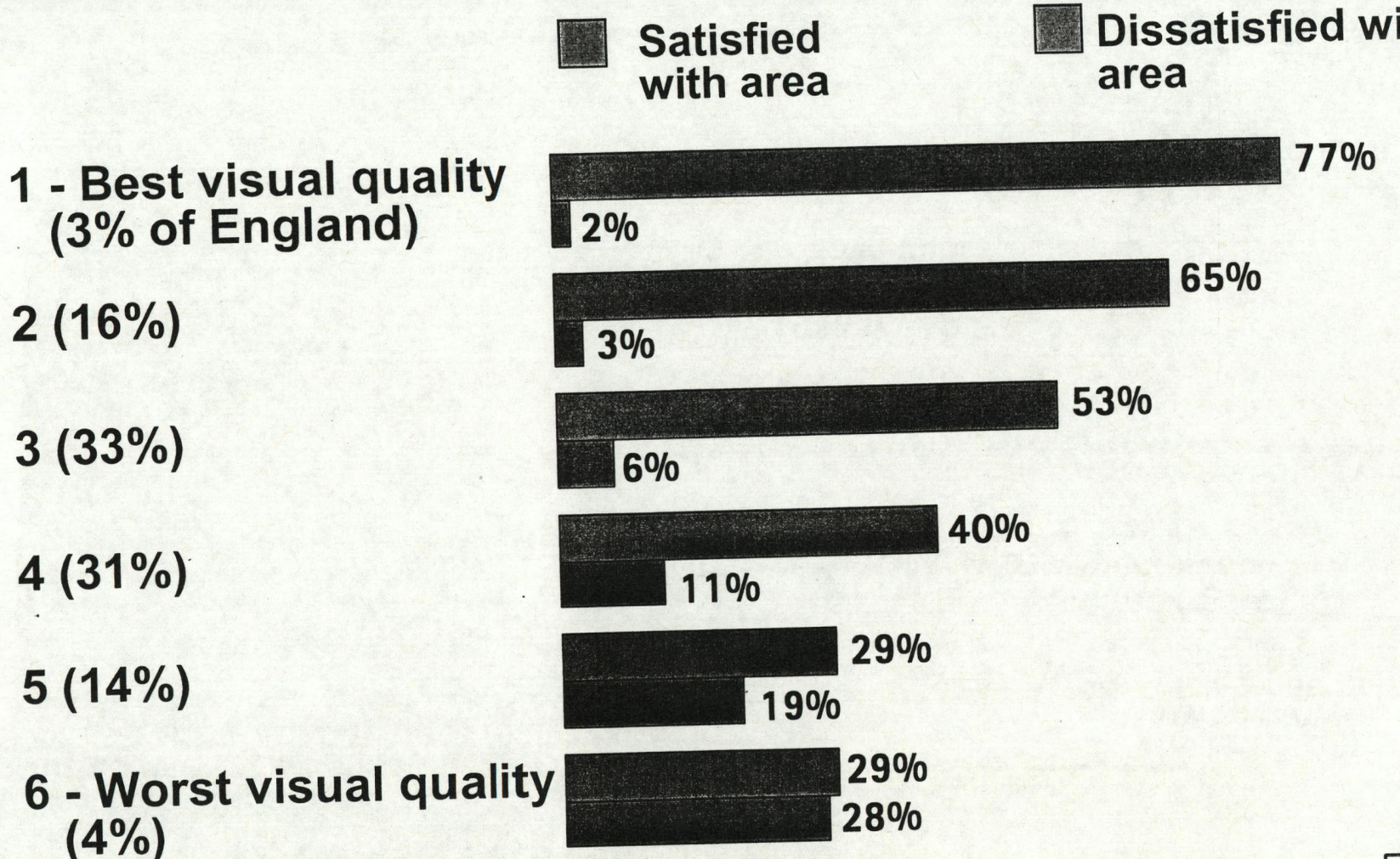
Even without going this far.....




over 15 mm wide dirt-filled gap in pavement.
at least 30 mm projection above pavement surface
over 15 mm wide dirt-filled gap in pavement

MORI

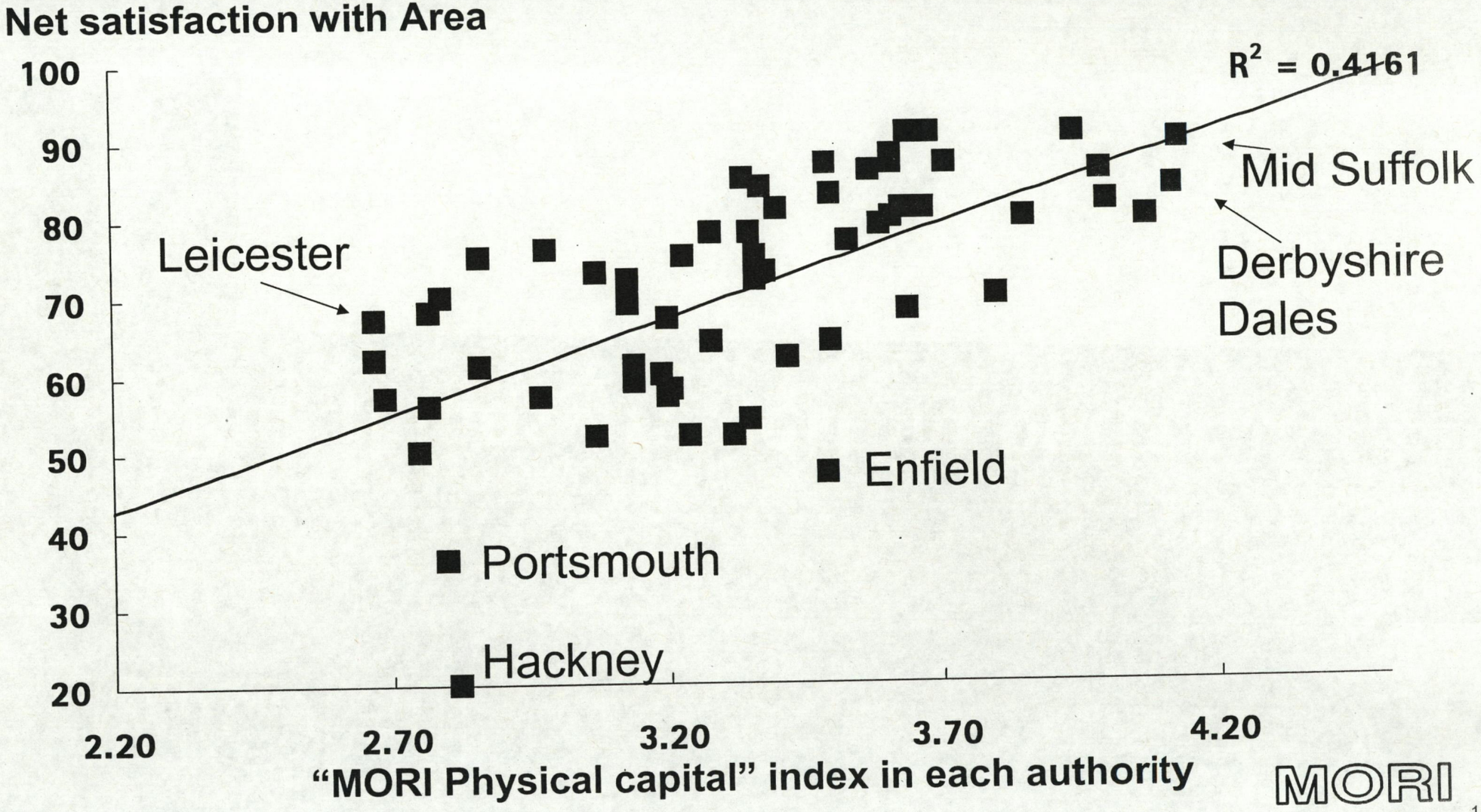
Satisfaction with area versus visual appearance



Source: EHCS 2001 – unweighted data

MORI

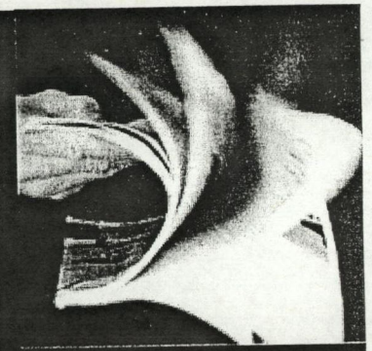
Satisfaction with area versus physical capital



Base: All

MORI

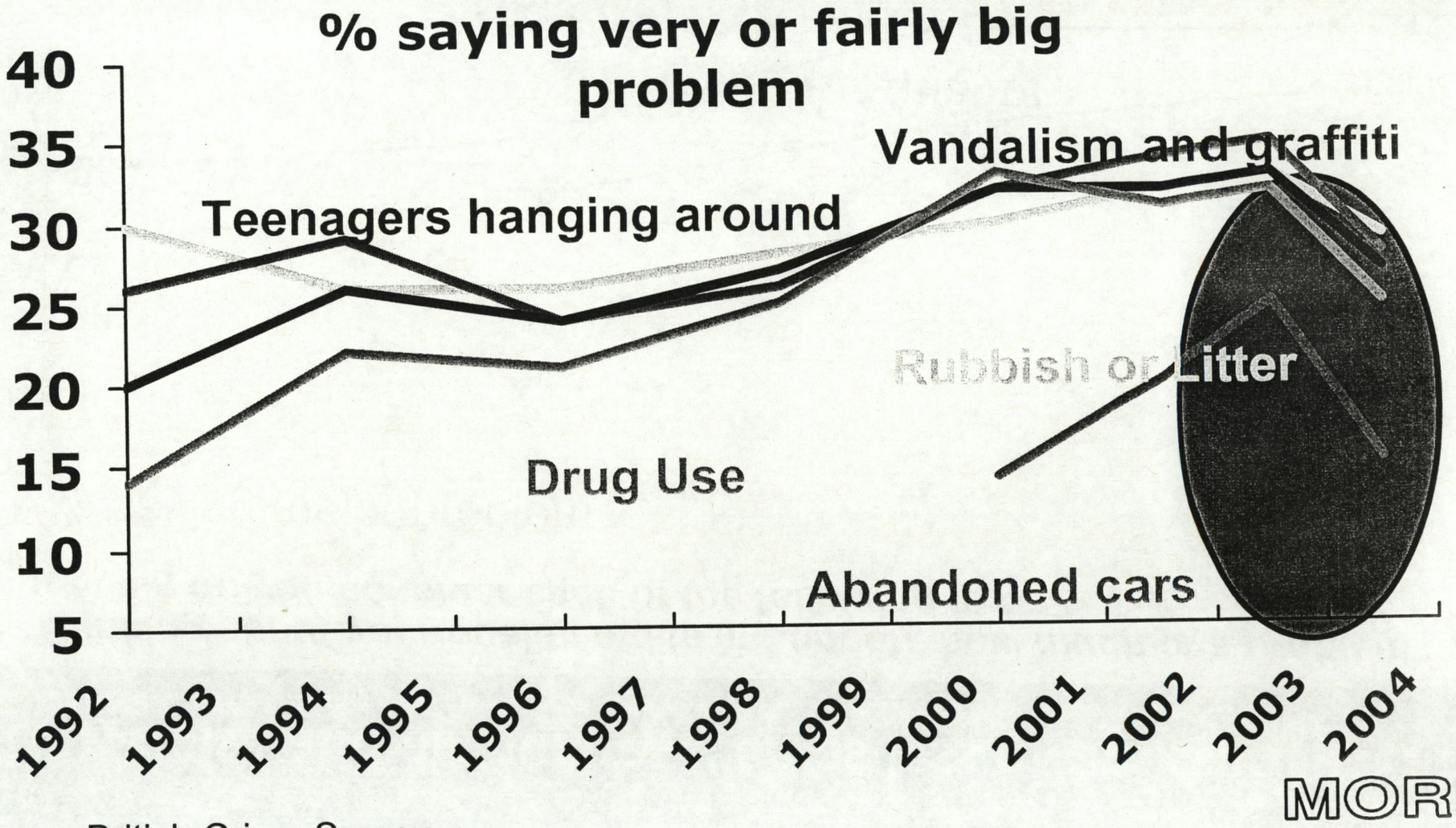
MORI



But things are getting better....



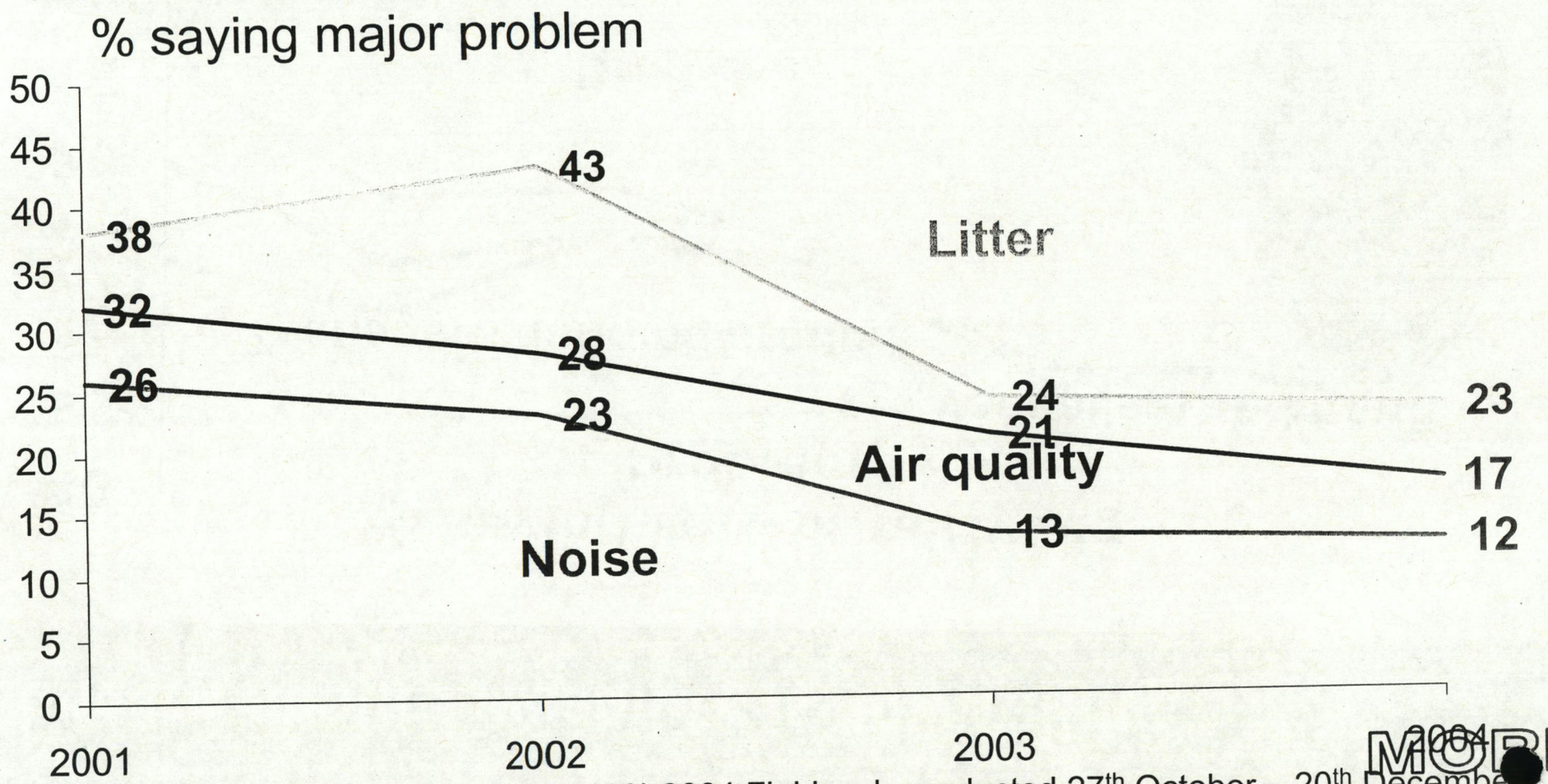
Concern about Liveability is now falling



Source: British Crime Survey

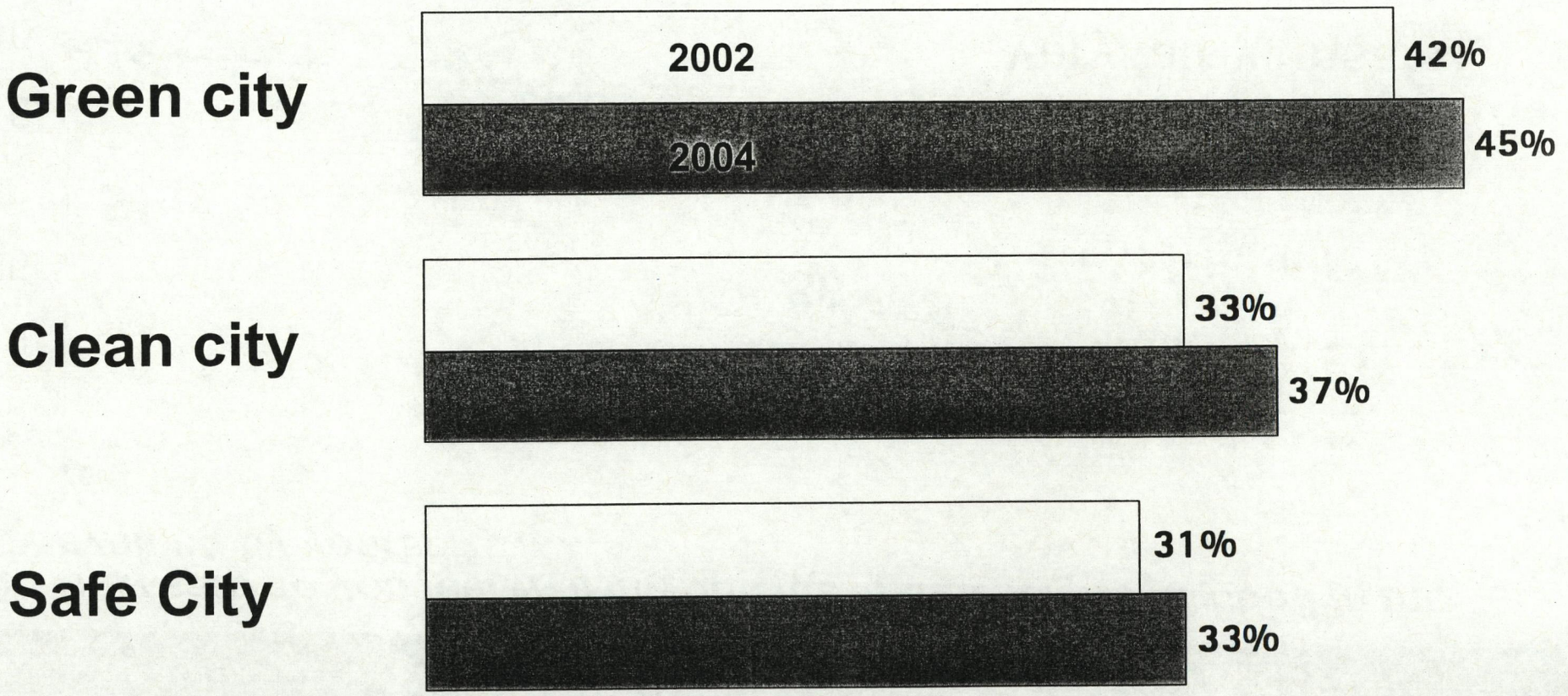
Litter, noise and air quality seen as less of an issue

Q ***Thinking about your quality of life in London, how much of a problem, if at all, do you consider each of the following to be?***



Base: All Londoners 2000 -2004 (circa 1,400) 2004 Fieldwork conducted 27th October – 20th December

% of residents describing Birmingham as

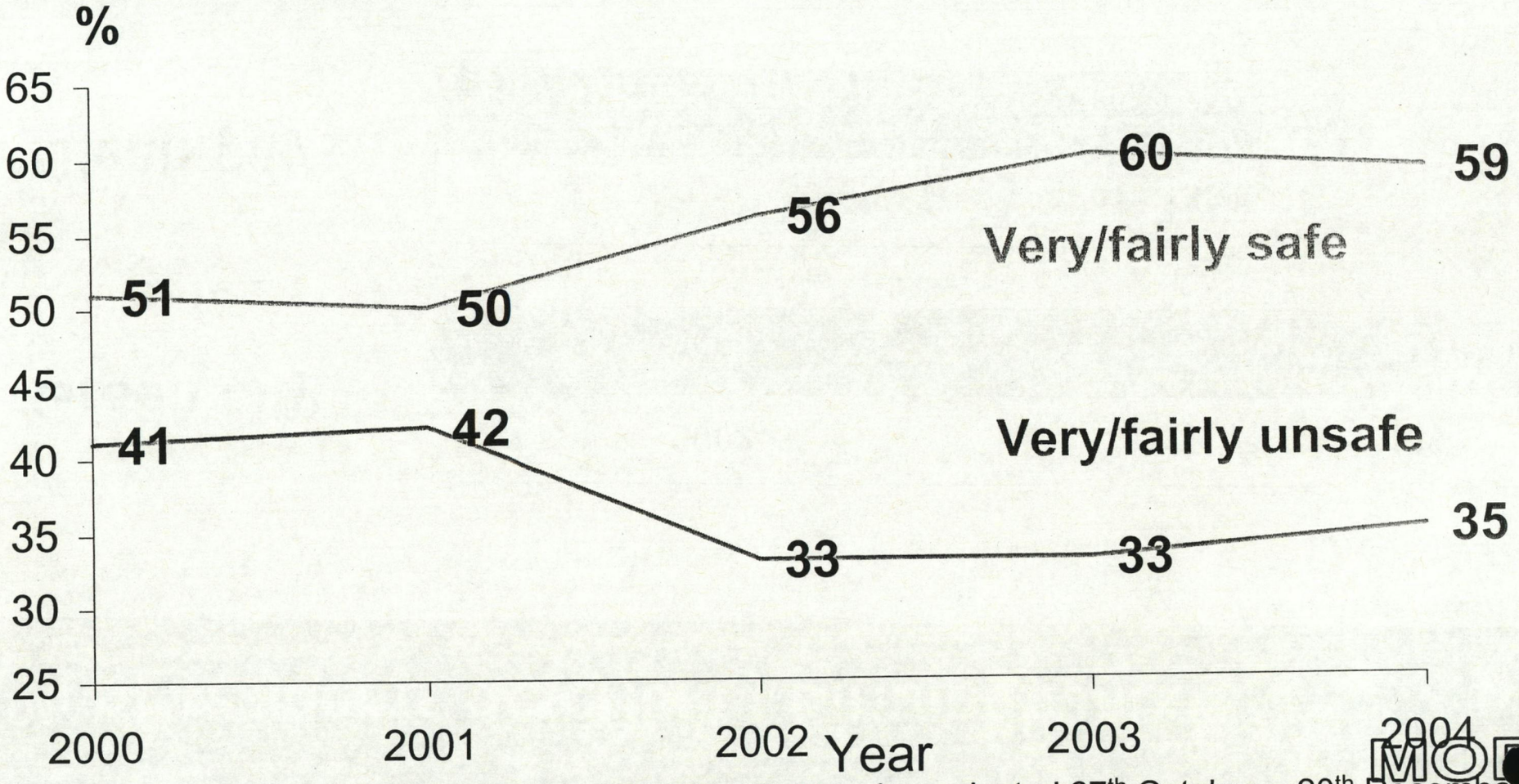


Base:1,034 Birmingham residents, interviewed face-to-face 11th Oct 2004 - 11th Jan 2005

MORI

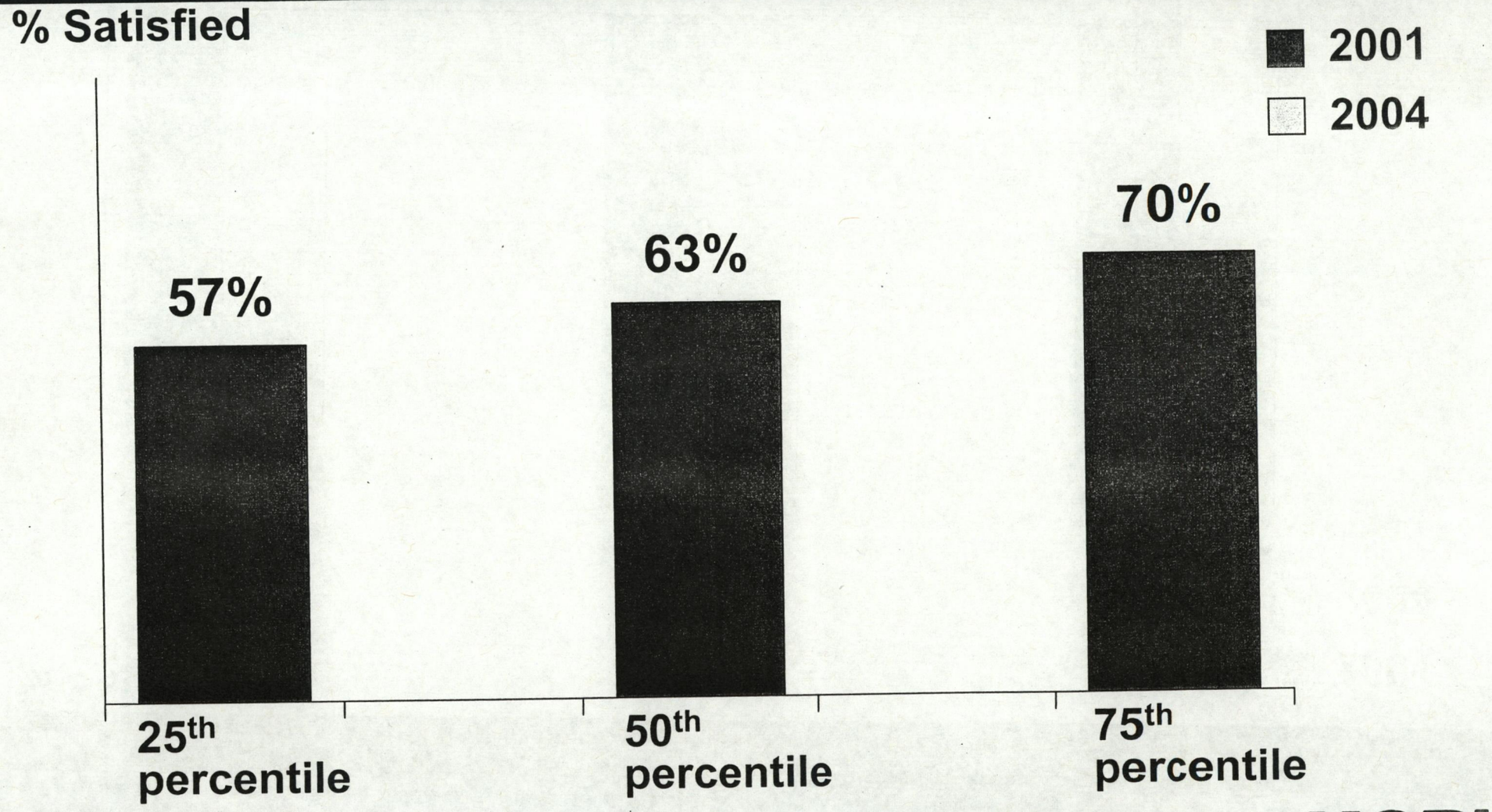
Londoners now feel safer.....

Q How safe do you feel walking outside in this neighbourhood in the evening by yourself .....



Base: All Londoners 2000 -2004 (circa 1,400) 2004 Fieldwork conducted 27th October – 20th December.

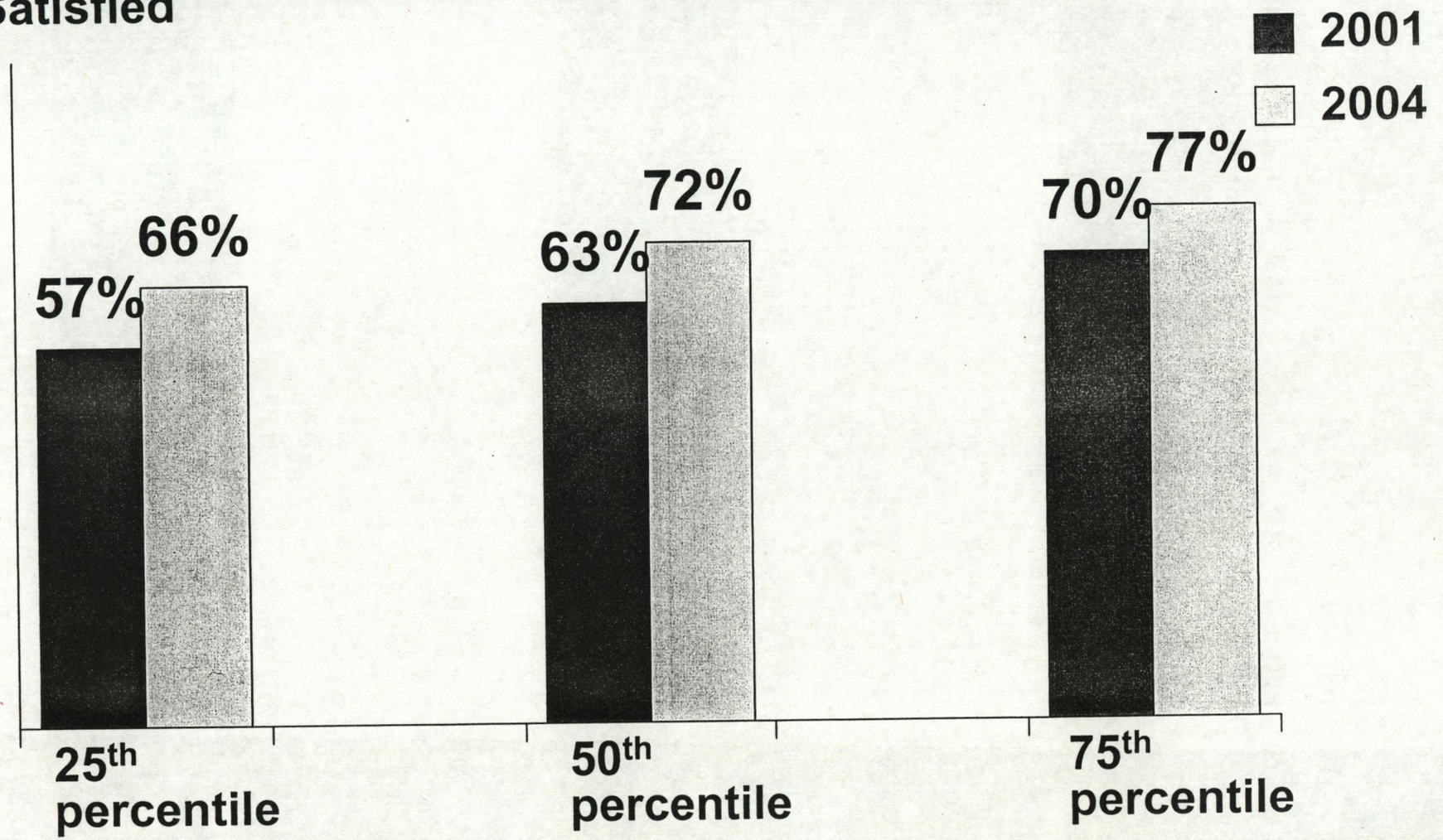
People are more positive about parks than a few years ago.....



Source: BVPI General Survey Topline Report, ODPM, June 2004

MORI

People are more positive about parks than a few years ago.....



Source: BVPI General Survey Topline Report, ODPM, June 2004

MORI

Conclusions

- These issues are seen as vital for local quality of life
- Recent trends have been reversed by concerted cross-government and local action
- But can we embed improvements made so far?

MORI

JP
NS
KD
AMc

Foreign &
Commonwealth
Office

London SW1A 2AH

15 March 2005

Dear Antony

Replacement Nominations to EU Committee of the Regions

Following the death of one member and the resignation of another, we need to nominate two replacement UK candidates for membership of the EU Committee of the Regions (CoR).

The First Minister for Wales has put forward Councillor William John Williams, Leader of the Isle of Anglesey County Council, and the ODPM has put forward Councillor David Parsons, Leader of Leicestershire County Council and Chairman of the East Midlands Regional Assembly. They were chosen in accordance with recently agreed procedures, paying particular attention to maintaining the regional, political, gender and ethnic balance of the current UK delegation.

The Foreign Secretary and the EP Committee have endorsed these nominations. As usual, we are now seeking the Prime Minister's agreement, so that we can notify the Council of the new members' appointments.

The CoR is a consultative EU body with limited powers to give non-binding opinions on EU draft legislation. Current CoR members hold office until 2006. The complete nomination process for the 2006-2010 CoR term will start later this year.

C Wilson

(Caroline Wilson)
Private Secretary

Antony Phillipson Esq
10 Downing Street

SKP 15/3/05

020 7238 6465

Nobel House
17 Smith Square
London SW1P 3JR

Telephone 08459 335577
Email secretaryofstate@defra.gsi.gov.uk
Website www.defra.gov.uk

defra
Department for Environment
Food and Rural Affairs

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
London
SW1A 2WH

11 March 2005

AMac

cc MH
MG.

From the Secretary of State
The Rt Hon Margaret Beckett MP

Dear John,

PUBLICATION OF REGIONAL SPATIAL STRATEGY FOR THE EAST MIDLANDS (RSS8)

I have seen a copy of Keith Hill's letter of 22 February seeking DA clearance to the publication of the Regional Spatial Strategy for the East Midlands.

My officials have been closely involved in finalising the RSS and I am pleased to see that it reflects Defra's policies.

I am content for the Regional Spatial Strategy to be published.

I am copying this letter to the Prime Minister, members of DA Committee and Sir Andrew Turnbull.

Regards

Margaret

MARGARET BECKETT

DEPUTY PRIME MINISTER

AMc. fc JMcT MG MH

OFFICE OF THE
DEPUTY PRIME MINISTER
26 Whitehall
London
SW1A 2WH

Tel: 020 7944 8623
Fax: 020 7944 8621

The Rt Hon Patricia Hewitt MP
Secretary of State
Department of Trade and Industry
1 Victoria Street
London
SW1H 0ET

2 March 2005

Dear Patricia

REGIONAL ECONOMIC STRATEGIES: REVISING THE STATUTORY GUIDANCE

This letter gives you ERP clearance to proceed as proposed in your letter to me of 21 January 2005, subject to the views set out below.

You sought agreement to issue revised guidance on the Regional Economic Strategies (RES). Responses were received from Margaret Beckett, John Reid, Tessa Jowell, Stephen Timms and Nick Raynsford.

Margaret was content. She said that RES played a significant role in ensuring an integrated and sustainable approach to addressing the differing needs in the regions; it was essential that sustainable development was central to these strategies and contributed to the objectives and targets of the Regional Sustainable Development Framework. She was therefore pleased that the amendments proposed by Defra had been included in the revised guidance. She was also pleased with your intention to revise the guidance once the UK Sustainable Development Strategy was launched in Spring in order to ensure a consistency of message. The revised guidance together with the requirements in the RDA Tasking Framework should ensure that Regional Development Agencies take into account sustainable development and rural issues at an early stage and Margaret looked forward to seeing how this had been achieved when departments were consulted on the revised strategies in the coming year.

Margaret also said that it would be helpful if any best practice could be shared with other RDAs and departments in readiness for this next round of RES reviews; the East of England Development Agency had carried out some interesting work on improving departmental input to consultations. I understand that your officials are content with Margaret's request and have already taken steps to ensure this happens. Defra officials had already provided a list of strategic policy documents and would update this information on a regular basis.

John was content. He said that there was a strong relationship between RES and health, both in terms of improving the health of the population and the contribution the health service makes to local and regional economies. DH officials will therefore ensure that key departmental policy documents would be available via the DTI website. Tackling social exclusion and disparities in regional economic performance was important to meeting PSAs on health. In the RDAs Tasking Framework, the target on worklessness was of particular relevance because of the relationship between unemployment deprivation and life expectancy. In the *Choosing Health* White Paper, work, employment and the workplace were identified as key to improving health.

John also said that the significant investment in the NHS was already making a contribution to local and regional economies. The NHS contributed between 6% and 10% of regional GDP and was often the major employer. He said it would be important in drawing up and delivering RES that the NHS was identified by the RDAs as a key partner. The DH's Regional Public Health Groups were also in a position to offer practical assistance to RDAs; they were already working closely with them on health and economic issues. They would also be able to help link spatial, transport and housing strategies with RES from a health perspective.

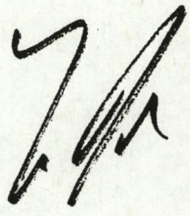
Tessa was content for the revised guidance to be issued. She was pleased that it recognised that, in developing their RES, RDAs should consider links with tourism, culture and sport. She was grateful for the opportunity to issue further non statutory guidance and supplementary advice if necessary so that RDAs could be kept up to date with policy developments.

Stephen was content for publication of the guidance subject to some final changes which were being agreed at official level. These changes were to ensure the guidance was consistent with the *Devolving Decision Making: A Consultation on Regional Funding Allocations* published at the time of the Pre-Budget Report last year. I understand that these changes have now been agreed at official level. Stephen said that RES provided an important opportunity for regions to identify their priorities for economic growth and employment. He said that, looking towards the next round of guidance, it could be streamlined further in order to more clearly state the Government's high level requirement with respect to the production of RES.

Nick was content. He hoped that departments would work closely with DTI colleagues to ensure the policy document links to support the RES Guidance were kept up to date on the DTI website. This would assist RDAs when considering the Government's agenda for regional economic growth.

You have ERP clearance to proceed as proposed.

I am copying this letter to the Prime Minister, members of ERP Committee, members of EAPC Committee, Sir Andrew Turnbull and Paul Britton (Cabinet Office).



JOHN PRESCOTT

Department for
Transport

From the Secretary of State

Great Minster House
76 Marsham Street
London SW1P 4DR

Tel: 020 7944 3011
Fax: 020 7944 4399
E-Mail: alistair.darling@dft.gsi.gov.uk

Web site: www.dft.gov.uk

The Rt Hon Keith Hill MP
Office for the Deputy Prime Minister
26 Whitehall
LONDON
SW1A 2WH

Our Ref: AD/004462/05

- 2 MAR 2005

PUBLICATION OF REVISED REGIONAL SPATIAL STRATEGY FOR THE EAST MIDLANDS (RSS8)

I have seen a copy of your letter of 22 February to the Deputy Prime Minister about the publication of the revised Regional Spatial Strategy for the East Midlands alongside the Milton Keynes and South Midlands Sub-Regional Strategy on the 17 March.

I confirm that I am content with the proposed publication date.

I am copying this letter to the Prime Minister, members DA Committee and Sir Andrew Turnbull.

ALISTAIR DARLING

DEPUTY PRIME MINISTER

OFFICE OF THE
DEPUTY PRIME MINISTER
26 Whitehall
London
SW1A 2WH

Tel: 020 7944 8623
Fax: 020 7944 8621

The Rt Hon Lord Rooker
Minister of State
Office of the Deputy Prime Minister
26 Whitehall
London
SW1A 2WH

AMcG MG

28 February 2005

Dear Lord

MILTON KEYNES / SOUTH MIDLANDS SUB REGIONAL STATEGY: PUBLICATION

You wrote to me on 9 February seeking DA clearance to publish the final Milton Keynes South Midlands Sub-Regional Strategy.

No replies were received. You therefore have DA clearance to proceed.

I am copying this letter to the Prime Minister, members of DA Committee and to Sir Andrew Turnbull.

JP

JOHN PRESCOTT

Rt Hon KEITH HILL MP

MINISTER OF STATE FOR
HOUSING AND PLANNING

OFFICE OF THE
DEPUTY PRIME MINISTER
26 Whitehall
London
SW1A 2WH

Tel: 020 7944 8952
Fax: 020 7944 8953

The Rt Hon John Prescott, MP
Deputy Prime Minister and First Secretary of State
Chair of Domestic Affairs Committee
26 Whitehall
London
SW1A 2WH

A Mac

cc MG
MH

22 February 2005

Dear John,

PUBLICATION OF REVISED REGIONAL SPATIAL STRATEGY FOR THE EAST MIDLANDS (RSS8)

The Domestic Affairs Committee agreed that Proposed Changes to the draft revised RPG8 should be published for public consultation in July last year. Following the consultation no major changes of policy have been made to the RSS apart from the addition of Part A (General Strategy) and Part B (Northamptonshire) of the Milton Keynes & South Midlands Sub-Regional Strategy (MKSM SRS). The MKSM SRS is the subject of a separate submission to the Domestic Affairs Committee.

I intend that a joint statement should be laid before both Houses on 17 March to allow for publication of both the RSS and the MKSM SRS on the same day. I would be grateful if colleagues could confirm they are content with this proposed publication date by no later than 4 March 2005.

RSS8 was subject to a Public Examination in November-December 2003 and in respect of Northamptonshire it has also taken account of the independent Panel's recommendations following the separate Public Examination into the MKSM SRS held in March-April 2004. Representations on subsequent Proposed Changes on both the RSS and the MKSM SRS have also been duly considered and a number of mainly minor changes have been incorporated.

The existing RPG8 was issued in January 2002 with the suggestion that it should be reviewed as quickly as possible, particularly to include a full regional transport strategy. The housing provision figures were excluded from the revision, though housing provision in Northamptonshire, which is part of the MKSM growth area, has been increased and figures included down to the district level.

The Proposed Changes published in July 2004 attracted only 75 separate representations and most of these related to essentially minor changes, or to matters that were outside the scope of the consultation as they raised issues that were not discussed at the Public Examination, or were not subject to changes at the Proposed Changes stage.

MKSM SRS: The main change has been the inclusion within the RSS (as Section 6) of the proposals for the MKSM SRS as they apply to Northamptonshire. The MKSM SRS raises the housing provision for Northamptonshire over the current RPG8 figure by some 80% for the period up to 2021.

Apart from Northamptonshire **Housing Provision** was not reviewed and the figures included in the January 2002 version of RPG8 are retained until the next RSS review. This will be started as soon as the official household projections are issued later this year and current indications are that housing levels will need to be increased in all parts of the region if housing provision is to match expected household creation.

Policy 14 (Nottingham-Derby Green Belt): The Panel recommended that a policy to review the Green Belt around Nottingham and Derby was superfluous as PPG2 provided adequate guidance for any review. However there has been widespread support, especially amongst affected local authorities, for going ahead with a strategic review with only a few representations opposed. The Policy and supporting paragraphs are therefore retained and amended accordingly.

Policy 41 (Regional Priorities for Renewable Energy): There had been many objections related to the inclusion of a geographically based policy which indicated general areas where wind energy proposals might be acceptable. In line with the Panel's recommendation the map has now been replaced by a criteria-based policy in line with current Government guidelines as expressed in PPS22. This proposed change has received widespread support.

Regional Transport Strategy: This section has been revised in line with advice from DfT, the Highways Agency and the SRA. The main changes have been to remove specific targets for rail and freight movements where these are no longer in accord with the latest Transport White Paper. Appendix 9, which lists transport schemes likely to take place during the plan period, has also been revised to reflect the latest best estimate of what might be achievable and when schemes might be completed.

The revised RSS has already been circulated around officials in other Government Departments and the final version incorporates changes suggested by those departments.

I am copying this letter to the Prime Minister, members of the Domestic Affairs Committee and to Sir Andrew Turnbull.

Yours ever,
Keith.

KEITH HILL

Wales Office | Swyddfa Cymru

KD
cc AP
AMc

Office of the Secretary of State for Wales
Gwydyr House
Whitehall
London SW1A 2ER

Swyddfa Ysgrifennydd Gwladol Cymru
Tŷ Gwydir
Whitehall
Llundain SW1A 2ER

Ysgrifennydd Gwladol Cymru
Secretary of State for Wales

Rt Hon Peter Hain MP

Tel: 020 7270 0549
Ffon: 020 7270 0549

Fax: 020 7270 0568
Ffacs: 020 7270 0568

Our ref: 05/Sub/77

21 February 2005

Dear Jack,

EP AGREEMENT TO THE NOMINATION OF COUNCILLOR W J WILLIAMS TO THE EU COMMITTEE OF THE REGIONS

I am writing to you in support of the First Minister for Wales' nomination of Councillor William John Williams as the replacement to Councillor Brian Smith on the EU Committee of the Regions.

Councillor Williams has had a long and distinguished career in local government and will prove an excellent representative for the people of Wales.

I am copying this letter to the Prime Minister, Members of EP Committee, Sir Andrew Turnbull, Kim Darroch, John Grant (UKRep).

Yours sincerely,

Rt Hon Jack Straw MP
Foreign Secretary
Foreign and Commonwealth Office
King Charles Street
Whitehall
London SW1A 2AH

Office of the
Deputy Prime Minister
Creating sustainable communities

Fde AMcG
cc GN
BB

The Rt Hon Nick Raynsford MP
Minister for Local and Regional Government

Office of the Deputy Prime Minister
26 Whitehall, London SW1A 2WH

Tel: 020 7944 3013 Fax: 020 7944 4539
E-Mail: nick.raynsford@odpm.gsi.gov.uk

www.odpm.gov.uk

Our Ref: P/R/ 001773/05

18 FEB 2005

The Rt Hon Patricia Hewitt MP
Secretary of State for Trade and Industry
Department of Trade and Industry
V 823
1 Victoria Street
London
SW1H 0ET

Dear Patricia

REGIONAL ECONOMIC STRATEGIES : REVISING THE STATUTORY GUIDANCE

Thank you for your letter to the Deputy Prime Minister dated 24 January seeking policy clearance of the revised guidance for Regional Economic Strategies (RES). I am replying on behalf of the Office of the Deputy Prime Minister.

I am content with the revised Guidance and hope to see departments working closely with DTI colleagues to ensure the policy document links to support the RES Guidance are kept up to date on the DTI website. This will assist Regional Development Agencies in their work when considering the Government's agenda for regional economic growth.

I am copying this letter to the Prime Minister, Deputy Prime Minister, members of the Ministerial Committee on English Regional Policy and to the Cabinet Secretary. I am also copying this letter to members of the Ministerial Committee on Economic Affairs, Productivity and Competitiveness (EAPC); as well as Mavis McDonald, Richard McCarthy, Rob Smith, Richard Allan, David Lunts and Philip Cox within my Office.

Yours ever

Nick

NICK RAYNSFORD

From the Secretary of State for Health

Department of Health

Richmond House
79 Whitehall
London
SW1A 2NS
Tel: 020 7210 3000

IMC 36506

The Rt Hon John Prescott MP
Deputy Prime Minister and
First Secretary of State
26 Whitehall
LONDON
SW1A 2WH

GN ✓ RB
IR
MG
AMcG
JLG
AN
MA

10 February 2005

Dear John,

REGIONAL ECONOMIC STRATEGIES: REVISING THE STATUTORY GUIDANCE

I have seen Patricia Hewitt's letter seeking clearance from English Regional Policy colleagues to issue revised guidance on Regional Economic Strategies (RES). I am content that the revised guidance on RES is issued.

Whilst health is not specifically mentioned in the Guidance, there is a strong relationship between RES and health, both in terms of improving the health and wellbeing of the population and in the contribution the health service makes to local and regional economies. My officials will therefore ensure that our key departmental policy documents relevant to RES will be available via the DTI website.

Tackling social exclusion and disparities in economic performance in the regions is important to meeting PSAs on health and health inequalities. In the Regional Development Agency (RDA) Tasking Framework, the target on worklessness is of particular relevance, because of the relationship between unemployment, deprivation and life expectancy. In our recent cross-government White Paper *Choosing Health*, work, employment and the workplace are identified as key to improving health.

JF090201

From the Secretary of State for Health

Department of Health

The significant investment in the NHS that underpins the NHS Plan is already making a contribution to local and regional economies. The NHS contributes between 6% and 10 % of regional GDP, and in deprived areas it is often the major employer.

Given such important relationships between regional economies and health and health services, it will be important in drawing up and delivering RES that the NHS is identified by the RDAs as a key partner with which to work. My Department's Regional Public Health Groups, co-located with Government Offices, are also in a position to offer practical assistance to RDAs and are already working closely with them on health and economic issues. They will also be able to help link spatial, transport and housing strategies with RES from a health perspective.

I am copying this letter to the Prime Minister, EAPC and ERP members and Sir Andrew Turnbull.

JOHN REID

JF090201

020 7238 6465

Nobel House
17 Smith Square
London SW1P 3JR

MATRIX

1. MTK
2. File.

AMcG
CC: JMcT
MH
VB

Telephone 08459 335577
Email secretaryofstate@defra.gsi.gov.uk
Website www.defra.gov.uk

defra
Department for Environment Food and Rural Affairs

GN
RB
IR
MG
AMcG
MH
VB.

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
London
SW1A 2WH

10 February 2005

From the Secretary of State
The Rt Hon Margaret Beckett MP

Dear John,

REGIONAL ECONOMIC STRATEGIES: REVISING THE STATUTORY GUIDANCE

Patricia Hewitt wrote to you on 21st January seeking policy clearance from ERP colleagues to issue the revised guidance on the Regional Economic Strategies.

I am content with the revised guidance. Regional Economic Strategies play a significant role in ensuring an integrated and sustainable approach to addressing the differing needs and opportunities in our regions. That is why it is essential that sustainable development is central to these strategies and that they contribute to the objectives and targets of the Regional Sustainable Development Frameworks. For this reason, I was pleased to see the inclusion in the revised guidance of suggested amendments from my Department.

I was also particularly pleased to read of Patricia's intention to revise the guidance with regard to sustainable development once the UK Sustainable Development Strategy is launched in the Spring. As she points out, this will ensure there is consistency of message.

The revised guidance, together with the requirements set out in the RDA Tasking Framework, should ensure that Regional Development Agencies take into account sustainable development and rural issues at an early stage. I look forward to seeing how this has been achieved when Departments are consulted on the revised strategies in the coming year.

I understand that the East of England Development Agency (the Defra lead RDA) carried out some interesting work on improving departmental input to consultations during the review of their RES in 2004 and that this has been shared with DTI. It would be helpful if any best practice could be shared with other RDAs and Departments in readiness for this next round of RES reviews in 2005.

My officials have already provided Patricia's with a list of Defra strategic policy documents for the web-page, and will update this information on a regular basis.

I am copying this letter to the Prime Minister, members of ERP, EAPC and Sir Andrew Turnbull.

Regards

Margaret

MARGARET BECKETT

MATRIX 1- MTa
2- File - Regn

Department for Culture, Media and Sport
The Rt Hon Tessa Jowell MP
Secretary of State

2-4 Cockspur Street
London SW1Y 5DH
www.culture.gov.uk

Tel 020 7211 6243
Fax 020 7211 6249
tessa.jowell @
culture.gsi.gov.uk

AMG
cc. JMT

CMS 4609/DC

The Rt Hon Patricia Hewitt MP
Secretary of State for Trade and Industry
Department of Trade and Industry
1 Victoria Street
LONDON
W1H 0ET

31st January 2005

Dear Patricia

REGIONAL ECONOMIC STRATEGIES: REVISING THE STATUTORY GUIDANCE

Thank you for copying me your letter of 25 January to John Prescott.

I am content for the revised RES guidance to be issued and am pleased that it recognises that in developing their RESs, RDAs should consider links with tourism, culture and sport. I am also grateful for the opportunity to issue further non-statutory guidance and supplementary advice if necessary so that RDAs can be kept up to date with policy developments.

I am copying this letter to the Prime Minister, members of the Ministerial Committee on English Regional Policy, members of the Ministerial Committee on Economic Affairs, Productivity and Competitiveness and the Cabinet Secretary.

Yours

Tessa

TESSA JOWELL

Make Britain proud - back the bid for the London 2012 Olympic and Paralympic Games - visit www.london2012.com to register your support or text LONDON to 82012.

POSITIVE ABOUT DISABLED PEOPLE

INVESTOR IN PEOPLE

AMG

cc: MG
GN
RB

dti

January 2005

The Rt Hon Patricia Hewitt MP
SECRETARY OF STATE
FOR TRADE AND INDUSTRY

The Rt Hon John Prescott MP
Deputy Prime Minister and
First Secretary of State
26 Whitehall
LONDON
SW1A 2WH

REGIONAL ECONOMIC STRATEGIES : REVISING THE STATUTORY GUIDANCE

Six of England's eight Regional Development Agencies (RDAs) are to lead reviews of **the Regional Economic Strategies (RES) for their regions in 2005. I am therefore seeking policy clearance from ERP colleagues by 7 February to issue the attached revised guidance on the RES.**

The RES continue to be central to achieving many of our regional and economic policies. They have a pivotal role in embedding devolved decision-making, ensuring that policies are effectively targeted and delivered in order to bring about real change. The RDAs have a budget of £1.9 billion in 2004-05, rising to £2.3 billion in 2007-08, but the role of the RES is to focus and influence the spending not only of the RDAs but also of other key public bodies in the region as well as the private sector and the voluntary and community sector. Both the RDAs and the context and framework within which they work have developed since 1999 when guidance on RES was first issued. It is therefore timely to consider how, through revised guidance, we can help the RES be as successful as possible in driving improvements in regional economic performance. My Department has led a review of the current RES guidance, in consultation with the RDAs, departments, and with the Regional Assemblies and Government Offices. The attached draft revised guidance is the result of this work.

Department of Trade and Industry
V 823
1 Victoria Street
London
SW1H 0ET

Direct Line +44 (0)20 7215 5428
Fax +44 (0)20 7215 5468
Minicom +44 (0)20 7215 6740
Enquiries +44 (0)20 7215 5000
www.dti.gov.uk
mpst.hewitt@dti.gsi.gov.uk

The revised guidance retains core messages from the original statutory guidance on the purpose of the RES, the need for an integrated and sustainable approach to developing and implementing the strategies, for close partnership working at regional level and synergy with relevant national policies.

New elements, aimed at increasing the influence of the RES on other regional, local and national policies are guidance on the evidence base needed to support the RES, and on the need for the RES to address the differing needs and opportunities of different parts of the region. A key driver for this is the need to help RES feed effectively into Regional Spatial Strategies, including informing regional housing needs, building on analysis carried out for the Regional Economic Performance PSA, and on the Barker Review of Housing Supply.

As colleagues may be aware, a new UK Sustainable Development Strategy will be launched in Spring 2005. The draft guidance refers to the new Sustainable Development Strategy and indicates that the guidance with regard to sustainable development will be revised when that Strategy is published. We can then ensure consistency of key messages. I consider that it is important that we should issue the RES guidance in the meantime to help the RDAs as they undertake their reviews.

The revised guidance also reflects the RDAs' and departments' experience so far with the RES as well as developments since 1999 (such as the growth of inter-regional strategies) the consultation on long term regional budget allocations, and latest Government standards and best practice in consultation, including on working with faith communities.

And the guidance recognises the importance of the voluntary and community sector to the formation and delivery of the RES.

The revised guidance follows the high-level approach of the original statutory guidance on RES, focusing on the key characteristics which the Government wishes to see in a RES rather than on linkages to detailed policy initiatives. I believe it is important that we keep to this approach, which reflects the strategic nature of RES and their identity as documents developed and owned by the regions. Alongside the statutory guidance, to help RDAs as they review their RES, my officials have invited departments to specify key strategic departmental policy documents relevant to RES; these will be listed on the DTI's regions web-page. Your departments will also of course want to engage actively with the RES reviews through consultation events which the RDAs are likely to organise and in response to consultation drafts.

I am copying this letter to the Prime Minister, members of the Ministerial Committee on English Regional Policy and to the Cabinet Secretary. I am also copying this letter to members of the Ministerial Committee on Economic Affairs, Productivity and Competitiveness (EAPC) because of the importance of the RES in improving economic productivity and competitiveness in the regions.

I would be grateful if ERP colleagues can confirm by 7 February that they are content for the guidance to be issued.

PATRICIA HEWITT

GUIDANCE TO RDAS ON REGIONAL STRATEGIES

FOREWORD

In the last Spending Review, the Deputy Prime Minister, the Chancellor and I committed our three departments to a public service agreement to:

"Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006"

We have been working together to ensure that all our policies contribute towards the achievement of this aim. We have also been collaborating with all the other Government departments whose policies impact on regional economic performance. However, we are clear that action by central government alone cannot ensure sustainable economic performance throughout the regions of England and that this goal cannot be achieved without the contribution of the RDAs and their partners. It is they who will provide the leadership that will take their regions forward.

The Regional Economic Strategies are a key part of this process. The role of the Regional Economic Strategy is to provide a shared vision for the development of the region's economy, to improve economic performance and enhance the region's competitiveness. The Strategies identify measures that will lead to an improvement in economic performance, whether the region is already successful or seeking to improve its performance. These measures could be targeted at a regional or sub-regional level, or inter-regionally, as in the case of the Northern Way Initiative.

The RDAs are charged with drawing up the Regional Economic Strategies and keeping them under review, but the aim is that the strategy is owned by the whole region and draws on the resources of all the major partners in the region. It needs to provide a strategic vision for the region, backed by a firm evidence base which will help ensure its influence on other regional strategies, and that these are mutually reinforcing, and on national and regional policies. It needs to ensure that delivery is effective at all levels. And it needs to identify priorities and ensure that common goals are adopted.

Since the RDAs were established, we have given them greater resources, more responsibility and wider flexibility. They have responded by developing ambitious but practical Regional Economic Strategies, and by ensuring that these are taken forward. This work is now moving into its next phase, and we are confident that the RDAs will again rise to the challenge and help us to advance the prosperity of all the regions of England, and of the nation as a whole.

Patricia Hewitt

INTRODUCTION

1. Section 7(1) of the Regional Development Agencies Act 1998 ("the Act") requires a Regional Development Agency (RDA) to formulate and keep under review a strategy in relation to its purposes and to have regard to the strategy in exercising its functions. Section 7 (2) of the Act enables the Secretary of State to give guidance and direction to an Agency in relation to the exercise of its functions under subsection (1)[1] to which an Agency must have regard. This document constitutes guidance under Section 7 (2) of the Act.

2. The RDAs drew up the first strategies for development of the English regional economies in 1999. Since then these strategies have become known as Regional Economic Strategies (RES). This title reflects their purpose and their distinctive role among the suite of strategies drawn up in the regions and which, together, provide a framework for the sustainable development of the English regions. The role of the RES is to provide a shared vision for the development of the region's economy. The RDA is charged with drawing up the RES and keeping it under review. However, the aim should be to formulate a strategy that is owned by the region and commands wide support, and which draws on the support and resources of all the major partners in the region.

3. The RES must have a clear focus on economic development, and both it and action to implement it must be based on the principle of sustainable development. The RES should work towards the objectives in the UK Sustainable Development Strategy in terms that reflect regional distinctiveness; a new Strategy is due to be published in Spring 2005. In developing the RES a full sustainability appraisal should be carried out in order to identify how the RDA and its partners will contribute to sustainable development. The appraisal should be informed by the Regional Sustainable Development Framework or the equivalent in the region, and should be published alongside the RES. This Guidance is subject to review with respect to sustainable development in the light of the publication of the UK Sustainable Development Strategy.

PURPOSE OF THE RES

4. The fundamental purpose of the RES is to improve economic performance and enhance the region's competitiveness, addressing market failures that prevent sustainable economic development, regeneration and business growth in the region. The RES should take an integrated and cohesive approach to improving regional economic performance, addressing business competitiveness and the need to increase productivity. This will include building capacity in the region to improve performance on the drivers of productivity – innovation and knowledge transfer, skills, enterprise, investment and competition – which will embed the capacity for growth. Underlying problems such as unemployment, skills shortages, inequalities, social exclusion and access to services and physical decay should be addressed in the strategy where they are of importance to the region.

[1] The RDAs' purposes and the scope of the Secretary of State's power of guidance are set out in an Annex to this document.

5. The RES should concentrate on the key economic issues for the region and, in doing so, have regard to regional priorities agreed by the partners in all sectors in the region. The RES should focus primarily on those areas that justify action at the regional level while also providing the context for sub regional and local activity contributing to economic development (see below on the spatial dimension of the RES).

6. Underpinned by a sound evidence base, the RES should set out a vision for the regional economy which will ensure better strategic focus for and co-ordination of activity in the region whether by the agency or by other regional, sub-regional or local organisations. The RES should address economic, social and environmental issues that contribute to the development of the region's economy in a way that recognises regional distinctiveness. Where appropriate, the RES should complement and help deliver national strategies and policies. Particular regard should also be paid to the reform of the Structural and Cohesion Funds post 2006 and the potential for the RES to provide the strategic framework for the future Funds.

7. The Government regards the RES as a major tool for policy dialogue with the region and will give RESs proper weight in its own policy making. RESs provide a long-term framework for economic development in the regions. Whilst their ambition is to influence the development of resources by a wide range of public bodies, they have been linked explicitly only to the resources expected to be available to the RDA in each region (through its Corporate Plan for each 3 year Spending Review settlement); and indirectly to Business Support resources, and the workforce development funds of the Learning and Skills Council. However, alongside the 2004 Pre-Budget Report, the Government published for consultation proposals to provide clearer funding assumptions – including providing regional transport allocations for the first time and planning guidelines for the longer term – to provide a better basis for regions to plan over the long term. Under these proposals, where regions decide to take account in their RES of expected long-term RDA, housing and transport resources and align the recommendations supporting implementation of the RES with those in the RSS and RHS, they will have a stronger voice in the next Spending Review. They can also expect a closer link between the vision set out by the RES and their ability to influence its delivery.

LINKS WITH OTHER REGIONAL STRATEGIES

8. Regional Chambers, more commonly known as Regional Assemblies, have been designated under section 8 of the RDAs Act to provide regional accountability for the work of the RDAs. In developing and reviewing the RES the RDA should have regard to the views expressed by the Regional Assembly. This is especially important given the Assembly's role in ensuring alignment of the various regional strategies.

9. The RES will need to be informed by the Regional Sustainable Development Framework (RSDF) or its equivalent that underpins and thus helps join up all the other regional strategies. It is an important starting point for developing the RES to

ensure that sustainable development is at its heart. The RSDF also has an important role in identifying and resolving any conflicts or tensions between the RES and other regional strategies. The RES should, as far as possible, set out its contribution to the objectives and targets in the RSDF.

10. The RES, the Regional Spatial Strategy (RSS), which includes the Regional Transport Strategy (RTS), and the Regional Housing Strategy (RHS), are major regional strategies and each have implications for the economic development of the region. They should be mutually reinforcing. These strategies should take account of each other so that, as far as possible, the evidence, objectives and priorities of each are consistent. The RSS and RHS should take account of the economic ambitions and needs of the region, and put in place spatial planning, transport and housing priorities that will support and enable the aspirations of the RES to be met. Similarly, the RES should take account of the spatial and transport priorities of the RSS and the housing objectives of the RHS. The three strategies (RES, RHS and RSS) will need to be aligned if they are to secure the management of change in a coherent and sustainable way.

11. Both the RES and the RSS are subject to European Directive 2001/42/EC on strategic environmental assessment (SEA) (transposed by the Environmental Assessment of Plans and Programmes Regulations 2004). For the RSS, the Directive's requirements are covered by mandatory Sustainability Appraisal under the Planning Act 2004. RDAs should refer to the ODPM consultation publications "A Draft Practical Guide to the SEA Directive" and "SA of RSSs and Local Development Frameworks: Consultation Paper" (www.odpm.gov.uk). The latter shows planning bodies how to assess the full range of social, environmental and economic effects of plans against criteria of sustainability.

DEVELOPMENT

Links Between RESs and National PSA Targets and Policies

12. The RES should aim to address the particular needs of the region, while supporting, enhancing and delivering national policies. In formulating the RES, the RDA should therefore have regard to all relevant national Public Service Agreement targets, in particular those covered by the RDA Tasking Framework, as well as other relevant statements of Government policy and separate guidance that might be issued under the RDA Act 1998. Where the RES is under review, the process of developing the RDA Corporate Plan will inform aspects of the RES review that are relevant to the Corporate Plan. Government (either through central government departments or the Government Office for the Region) will advise on the national policy context and its impact on the RES. Government departments will aim to work closely with the RDAs, involving them in the formation and delivery of national and regional policies and delivery which will have an impact on regional economic development. This will also help RDAs shape the RES in the light of national policies.

Partnership Working

13. The success and effectiveness of the RES will depend in large measure on the degree of support it commands in the region. This in turn will depend on the way in

which the contribution of all partners, both national and regional, is best harnessed. The aim should therefore be wherever possible to proceed through dialogue, working in an open and inclusive way, so as to develop a strategy and agreed priorities for action that recognise the principle of subsidiarity. Working with the organisations responsible for developing other regional and local strategies (both statutory and non-statutory) will be particularly important in this regard. This will reduce the scope for duplication of effort and ensure that the region as a whole secures value for money from the resources available to it.

14. It will be for the RDA to consider how best to foster and maintain regional and national partnership and co-operation, in both public, private and voluntary and community sectors, developing an approach which best suits the needs and characteristics of the region but which should include the following elements:

Inclusivity. the RDA should ensure that those involved in developing and implementing the RES fully represent economic, social and environmental interests within the region; that they cover rural as well as urban interests; and encompass relevant economic, ethnic and social groups, including the voluntary and community sector.

Working with the Regional Assembly, other relevant regional partners and stakeholders. The Assembly and other regional partners should be involved in the development of the RES at an early stage. The RDA will also need to work closely with other strategic bodies that make policy decisions on issues relevant to the RES and with stakeholder organisations in the region. The Government Office is a key partner providing advice on the national policy context and with responsibilities for delivery in a wide range of policy areas relevant to the RES. Such close working should not only help identify priorities for the RES but also help action to deliver the RES join up with other priorities, such as tackling health inequalities.

Engaging with sub-regional partners. The RDA should involve those operating at the sub-regional and local levels as well as at the regional level. These will include sub-regional partnerships and Local Strategic Partnerships. Local authorities are key partners because they represent their communities and play a major role at local level in many areas of the RDA's business. In rural areas National Park Authorities and Area of Outstanding Natural Beauty Conservation Boards will also be key.

Engaging with partners in other regions. Given the increased emphasis on cross-regional working and the emergence of inter-regional strategies, RDAs are encouraged, where preparing the RES, to share their experiences and good practice and, as appropriate, take into account RESs in other regions.

Ensuring equality and diversity issues are addressed. RDAs need to understand the demographic, equality and diversity issues that are particular to their regions in order to deliver on objectives relating to economic growth and productivity. The RES should demonstrate good practice in partnership working which will underpin this understanding and the achievement of relevant objectives in the RES

In working with national partners, agencies should aim to work closely not only with relevant central government departments but also with other Government agencies

and NDPBs whose work is relevant to the RES. An important aspect of this is making effective use of relevant national resources and sources of evidence.

Consultation

15. In formulating the RES, the agency should consult widely within the region, with RDAs in neighbouring regions and with Government and other interests nationally, ensuring that they meet the SEA Directive's requirements on consulting the public. In developing their approach to consultation the RDAs should refer to the Government's Code of Practice on Consultation, and to "Working Together: Co-operation between Government and Faith Communities", published by the Home Office. These documents are available on the Cabinet Office and Home Office websites (www.cabinetoffice.gov.uk and www.homeoffice.gov.uk). For the voluntary and community sector, the process of developing a regional Compact should inform consultation. The RES should include a statement on the arrangements made for consultation, including a list of those consulted and, where appropriate, of those who have agreed to be associated with its proposals.

Cross-regional working

16. The strengths and weaknesses of a region will in many respects be exclusively the region's, but there will also be issues and opportunities which are of interest to more than one of the agencies. RDAs should work closely together in addressing issues of common interest, both to inform the strategies they adopt and to ensure that action plans are complementary. In some cases, RDAs may wish to work together to develop a cross-boundary strategy or action plan to address a particular issue. Where inter-regional strategies have been established between RDAs, these must be adequately reflected in each region's RES. RDAs should also consider developing appropriate links with their counterpart organisations in Scotland, Wales and Northern Ireland. Each RES and any inter-regional strategies, should contribute to the aim of raising the economic performance of the United Kingdom as a whole. RESs should not, therefore, be directed at the expense of or in competition with other regions and should be based upon co-operation between RDAs and development agencies elsewhere in the United Kingdom.

Resources

17. The RES is an aspirational document setting out the strategic aims of a wide range of regional and local partners. It should not identify specific financial resources for RDAs and other partners. Indeed, the RES should itself enable the generation of resources (through economic success or influencing policies and spending) that will enable future aspirations and objectives to be met. The objectives of the RES must be realistic, but should also be stretching. Assumptions about future growth and wealth creation may be used to provide a basis for the RES's ambitions. The indicative regional budgets on which the Government is consulting may assist in the development of the RES.

Evidence

18. It is important that a comprehensive and shared evidence base be agreed through consultation for the RES and that it is presented in a clear and persuasive way, both for reasons of transparency and to strengthen the ability of the RES to feed into and influence other key regional strategies, and national and regional policies. HMT, DTI and ODPM have published a series of documents setting out the strategic approach to evidence-based economic policy making (e.g. *Productivity in the UK No1, DTI Strategy: Analysis and DTI Economics Paper No.7, Competing in the Global Economy*). RDAs should have regard to these documents and the DTI's Chief Economic Advisor will act as a focal point for RDAs seeking advice from central Government in developing their evidence base.

19. The RES should be based on a high quality assessment of the economic, social and environmental characteristics of the region, including in relation to equality and diversity, which inhibit the achievement of key objectives, as well as its particular strengths. The RES should include an analysis of the performance of their regions and sub-regions against the key drivers of productivity and employment. This should allow the choices and priorities of the strategy to be understood in terms of the particular market failures, which are to be addressed through cost effective policy interventions. The HMT document *Policy Appraisal in Central government* – the 'Green Book' – provides more detailed guidance on these issues (www.hm-treasury.gov.uk).

20. The approach to identifying the cost effectiveness of these policies should be described, including sufficient information about other options to demonstrate that decisions about policy priorities have been taken in accordance with the principle of securing value for money. This section should present the results of evaluation research that has been undertaken into the activities of the RDA and/or other agencies, as this will form an increasingly important part of the evidence about the effectiveness of policy options in the region, given its specific circumstances. Where appropriate, evidence should be placed in a national, European or international context.

21. ODPM will be issuing guidance on the economic evidence base for Regional Spatial Strategies. In preparing the RES, in order to align regional evidence and recommendations as set out in paragraph 7, RDAs should have regard to this guidance.

22. It is envisaged that the majority of this material will be presented in a separate document on which RDAs should consult, if possible in advance of consultation of the RES itself.

23. The Regional Assemblies have an important scrutiny role in relation to the activities of the RDAs in their regions. RDAs should consider how the Assemblies' findings should inform their activities and feed into development and implementation of the RES.

CONTENT/COVERAGE OF THE RES

24. The RES should set out for the medium to long term (at least 5-10 years) the region's policies, aims and objectives for the regional economy, making clear any

links that exist between different policy areas, for example between the business development and skills agendas. It should consider links with other areas such as environment, transport, housing, tourism, culture, sport and health where these have an economic impact on the region or areas within it.

25. The RES should identify key strategic issues for the region, with clear priorities. It should identify who will be responsible for delivering particular elements of the strategy and over what timeframe. The RES should describe how far the objectives of earlier versions of the RES have been achieved, what changes are needed to those set out previously and why.

The spatial dimension of the RES

26. The RES should reflect the distinctiveness of the different parts of the region (including rural and urban areas), identifying challenges and opportunities for these geographic areas. This might include, where appropriate, different policies for different locations of particular importance to economic development.

27. In making their assessment of opportunities and risks facing particular sub-regions or conurbations, agencies should consider the range of relevant area-based initiatives within those areas. RDAs should ensure that the RES complements such programmes, so that they are mutually reinforcing and deliver the economic, social and environmental improvements essential for the delivery of sustainable communities.

28. The RES should also identify areas or communities with significant problems such as deprivation, inequalities and social exclusion and identify the main social, environmental and economic factors which underlie these issues. This should include identification of sections of the community that offer particular opportunities to contribute to the region's economic development by correcting current imbalances, and may also include strategies to deal with these issues.

29. In addition to the coverage set out above, the RES should identify geographical or sectoral clusters of businesses and knowledge based organisations that are, or have the potential to be, of regional economic importance, and explain how these can be nurtured. In doing so RDAs should ensure that cluster policy, as for other policies, is not developed in isolation from national or other regional perspectives.

MONITORING AND EVALUATION OF THE RES

30. The RES should set out how the RDA will monitor its implementation and impact. It is for the RDAs in conjunction with Regional Assemblies and other regional partners to decide how to judge the success of their RES, but use should be made wherever possible of specific and quantifiable indicators. The RES should make clear how the impact of the RES will be evaluated, including how policy interventions will be evaluated and the results used to inform the subsequent revisions of the RES.

31. RDAs should ensure monitoring and evaluation of the RES is carried out as

transparently as possible. Cabinet Office guidance "Non Departmental Public Bodies – a Guide for Departments", available on the Cabinet Office website (www.cabinetoffice.gov.uk), includes best practice principles for transparency in NDPBs in the document " Policy – Openness and Accountability". Guidance on evaluation can also be found on the Cabinet Office website (www.policyhub.gov.uk/evalpolicy/magenta/guidance-notes.asp).

REVIEW

32. RDAs will wish to develop the RES for its region over time to reflect changing circumstances but should aim to review the RES in full every three years. In carrying out reviews, RDAs should pay full regard to guidance on the evidence base set out above.

FURTHER GUIDANCE

33. Departments may from time to time give RDAs additional non-statutory guidance and supplementary advice on matters of Government policy relevant to the RES. Such supplementary guidance on the RES will be available on the DTI regional website [http://www.dti.gov.uk/regions/rdapage.htm] alongside this Statutory Guidance.

ANNEX

LEGAL BACKGROUND TO THE GUIDANCE

Purposes of a Regional Development Agency

Section 4 of the RDAs Act 1998 (the Act) sets out the purposes of an agency which are:

(a) to further the economic development and regeneration of its area,
(b) to promote business efficiency, investment and competitiveness in its area,
(c) to promote employment in its area,
(d) to enhance the development and application of skills relevant to employment in its area, and
(e) to contribute to the achievement of sustainable development in the United Kingdom where it is relevant to its area to do so.

The Act states explicitly that a regional development agency's purposes apply as much in relation to the rural parts of its area as in relation to the non-rural parts of its area.

The Secretary of State's powers to give guidance and direction

Section 7(2) of the Act enables the Secretary of State to give guidance and directions to an agency in relation to the exercise of its functions under subsection (1), in particular, with respect to:

(a) the matters to be covered by the strategy,
(b) the issues to be taken into account in formulating the strategy,
(c) the strategy to be adopted in relation to any matter, and
(d) the updating of the strategy.

Section 7(3) provides that the issues mentioned in section 7(2)(b) include issues relating to any one or more of the following:

(a) the agency's area,
(b) the area of any other regional development agency, and
(c) any part of the United Kingdom outside England.

The Secretary of State also has a general power under section 27 of the Act to give guidance and directions to an agency in relation to the exercise of its functions.

Under section 28 of the Act, guidance can only be issued after consultation with the RDA concerned. Such guidance must be published by the Secretary of State in a manner which he considers appropriate.

Nobel House
17 Smith Square
London SW1P 3JR

020 7238 6465

Telephone 08459 335577
Email secretaryofstate@defra.gsi.gov.uk
Website www.defra.gov.uk

AMG
cc: MG
MEMH
VB

MATRIX

1. MTx
2. File

defra
Department for Environment Food and Rural Affairs

The Rt Hon Paul Boateng MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

25 January 2005

From the Secretary of State
The Rt Hon Margaret Beckett MP

Dear Paul,

REALISING THE POTENTIAL OF ALL OUR REGIONS

I have seen a copy of John Prescott's letter, of 17 January, seeking agreement to the publication of 'Realising the Potential of All Our Regions – The Way Forward' at the Sustainable Communities Summit in February.

Overall I welcome this document. I know that a great deal of effort has gone into maintaining a balance between highlighting the significant amount of work which is going on in the regions to promote economic activity and keeping the document down to a digestible size. I am also pleased that the work goes some way to reflecting the concerns outlined in my letter to Gordon Brown, of 23 November.

Whilst the document necessarily majors on economic development it acknowledges that this must be in the context of the wider sustainable development agenda. The document also highlights the need for activity to be tailored to local circumstances. It is important that this should include the sometimes unique needs of rural areas. My officials have a few further drafting comments to this end, already passed to those in ODPM, and subject to those, I am content for the document to be published as drafted.

I am copying this letter to the Prime Minister, members of EAPC and DA, to the RDA Chairs and to Sir Andrew Turnbull.

Regards

Margaret

MARGARET BECKETT

RESTRICTED - APPOINTMENTS

dti

Already rec.

The Rt Hon Patricia Hewitt MP
SECRETARY OF STATE
FOR TRADE AND INDUSTRY

GN

cc RB
MH
AMac

PRIME MINISTER

RE-APPOINTMENT OF CHAIR OF NORTH WEST DEVELOPMENT AGENCY

I am writing to seek your consent for the re-appointment of Bryan Gray as the Chair of North West Development Agency. This will be Bryan's second term of appointment; his first term ends on 31 March 2005.

The NWDA Chair is the only RDA Chair, or indeed RDA Board Member, appointment that does not end on 13 December. I therefore propose that, to regularise this position for future years, Bryan Gray should be re-appointed for slightly longer period than the usual three years ie that his second term should run from 1 April 2005 until 13 December 2008 (rather than 31 March 2008). His re-appointment will be on the basis of three days per week with an annual remuneration of £74,781 per year (to be revalorised as of 1 April 2005 in line with SSRB recommendations).

You are aware that, under the terms of the Commissioner for Public Appointments' Code of Practice, Ministers may choose to appoint individuals for a second term without the need for open competition subject to a satisfactory performance assessment. In coming to my decision to re-appoint Bryan, I have taken account of the comments of key stakeholders in the region which acknowledge the managerial changes that Bryan has brought about in the Agency, increasing the emphasis on strategy, action and results and delivering the revised Regional Economic Strategy that has been welcomed for its fresh, clear presentational style and action focus.

I have also discussed stakeholders' comments with Bryan personally, and I am confident that, where there are issues to be addressed, he will take the necessary action.

Department of Trade and Industry
V 823
1 Victoria Street
London
SW1H 0ET

Direct Line +44 (0)20 7215 5428
Fax +44 (0)20 7215 5468
Minicom +44 (0)20 7215 6740
Enquiries +44 (0)20 7215 5000
www.dti.gov.uk
mpst.hewitt@dti.gsi.gov.uk

I have written to John Prescott, Gordon Brown, Margaret Beckett, Charles Clarke, Alan Johnson and Tessa Jowell on this matter and they have indicated that they are content with my decision. I am therefore writing to seek your approval to the re-appointment of Bryan Gray as Chair of NWDA for a second term.

I would be grateful for your response as soon as possible, to enable a press announcement to be made by the end of February.

I am copying this letter to John Prescott, Gordon Brown, Margaret Beckett, Charles Clarke, Alan Johnson, Tessa Jowell, Jacqui Smith and Sir Andrew Turnbull.

PH

Department of Trade and Industry

25 **January 2005**

Department for
Transport

From the Secretary of State

Great Minster House
76 Marsham Street
London SW1P 4DR

Tel: 020 7944 3011
Fax: 020 7944 4399
E-Mail: alistair.darling@dft.gsi.gov.uk

Web site: www.dft.gov.uk

Our Ref: AD/001371/05

25 JAN 2005

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
LONDON
SW1A 2WH

Amy
Leung
MEI
PB

REALISING THE POTENTIAL OF ALL OUR REGIONS

I have seen a copy of your letter of 17 January to Paul Boateng seeking agreement to publication of the document *Realising the Potential of All Our Regions - the Way Forward* at the Sustainable Communities Summit.

The document presents a very clear picture of the strong commitment across Government and our regional partners to improving economic performance in the regions and I am content for it to be published at the summit. My officials are in discussion with the REP PSA team about textual amendments required in a few areas.

I am copying this letter to members of EAPC and DA and to Sir Andrew Turnbull.

ALISTAIR DARLING

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

24 January 2005

Dear Caroline,

REPLACEMENT NOMINATIONS TO EU COMMITTEE OF THE REGIONS

Thank you for your letter of 10 January nominating Councillors Sharon Taylor and Dave Quayle to the EU Committee of the Regions. The Prime Minister is content, so the way is clear for you to inform the Council of their appointment.

Yours,

ANTONY PHILLIPSON

Caroline Wilson
FCO

AMcG
cc
SPM
GN
RB

dti

The Rt Hon Patricia Hewitt MP
SECRETARY OF STATE
FOR TRADE AND INDUSTRY

24 January 2005

The Rt Hon John Prescott MP
Deputy Prime Minister and
First Secretary of State
26 Whitehall
LONDON
SW1A 2WH

Dear John,

REGIONAL ECONOMIC STRATEGIES : REVISING THE STATUTORY GUIDANCE

Six of England's eight Regional Development Agencies (RDAs) are to lead reviews of **the Regional Economic Strategies (RES) for their regions in 2005. I am therefore seeking policy clearance from ERP colleagues by 7 February to issue the attached revised guidance on the RES.**

The RES continue to be central to achieving many of our regional and economic policies. They have a pivotal role in embedding devolved decision-making, ensuring that policies are effectively targeted and delivered in order to bring about real change. The RDAs have a budget of £1.9 billion in 2004-05, rising to £2.3 billion in 2007-08, but the role of the RES is to focus and influence the spending not only of the RDAs but also of other key public bodies in the region as well as the private sector and the voluntary and community sector. Both the RDAs and the context and framework within which they work have developed since 1999 when guidance on RES was first issued. It is therefore timely to consider how, through revised guidance, we can help the RES be as successful as possible in driving improvements in regional economic performance. My Department has led a review of the current RES guidance, in consultation with the RDAs, departments, and with the Regional Assemblies and Government Offices. The attached draft revised guidance is the result of this work.

Department of Trade and Industry
V 823
1 Victoria Street
London
SW1H 0ET

Direct Line +44 (0)20 7215 5428
Fax +44 (0)20 7215 5468
Minicom +44 (0)20 7215 6740
Enquiries +44 (0)20 7215 5000
www.dti.gov.uk
mpst.hewitt@dti.gsi.gov.uk

The revised guidance retains core messages from the original statutory guidance on the purpose of the RES, the need for an integrated and sustainable approach to developing and implementing the strategies, for close partnership working at regional level and synergy with relevant national policies.

New elements, aimed at increasing the influence of the RES on other regional, local and national policies are guidance on the evidence base needed to support the RES, and on the need for the RES to address the differing needs and opportunities of different parts of the region. A key driver for this is the need to help RES feed effectively into Regional Spatial Strategies, including informing regional housing needs, building on analysis carried out for the Regional Economic Performance PSA, and on the Barker Review of Housing Supply.

As colleagues may be aware, a new UK Sustainable Development Strategy will be launched in Spring 2005. The draft guidance refers to the new Sustainable Development Strategy and indicates that the guidance with regard to sustainable development will be revised when that Strategy is published. We can then ensure consistency of key messages. I consider that it is important that we should issue the RES guidance in the meantime to help the RDAs as they undertake their reviews.

The revised guidance also reflects the RDAs' and departments' experience so far with the RES as well as developments since 1999 (such as the growth of inter-regional strategies) the consultation on long term regional budget allocations, and latest Government standards and best practice in consultation, including on working with faith communities.

And the guidance recognises the importance of the voluntary and community sector to the formation and delivery of the RES.

The revised guidance follows the high-level approach of the original statutory guidance on RES, focusing on the key characteristics which the Government wishes to see in a RES rather than on linkages to detailed policy initiatives. I believe it is important that we keep to this approach, which reflects the strategic nature of RES and their identity as documents developed and owned by the regions. Alongside the statutory guidance, to help RDAs as they review their RES, my officials have invited departments to specify key strategic departmental policy documents relevant to RES; these will be listed on the DTI's regions web-page. Your departments will also of course want to engage actively with the RES reviews through consultation events which the RDAs are likely to organise and in response to consultation drafts.

I am copying this letter to the Prime Minister, members of the Ministerial Committee on English Regional Policy and to the Cabinet Secretary. I am also copying this letter to members of the Ministerial Committee on Economic Affairs, Productivity and Competitiveness (EAPC) because of the importance of the RES in improving economic productivity and competitiveness in the regions.

I would be grateful if ERP colleagues can confirm by 7 February that they are content for the guidance to be issued.

Best wishes,

Patricia

PATRICIA HEWITT

FINAL DRAFT

GUIDANCE TO RDAS ON REGIONAL STRATEGIES

FOREWORD

In the last Spending Review, the Deputy Prime Minister, the Chancellor and I committed our three departments to a public service agreement to:

"Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006"

We have been working together to ensure that all our policies contribute towards the achievement of this aim. We have also been collaborating with all the other Government departments whose policies impact on regional economic performance. However, we are clear that action by central government alone cannot ensure sustainable economic performance throughout the regions of England and that this goal cannot be achieved without the contribution of the RDAs and their partners. It is they who will provide the leadership that will take their regions forward.

The Regional Economic Strategies are a key part of this process. The role of the Regional Economic Strategy is to provide a shared vision for the development of the region's economy, to improve economic performance and enhance the region's competitiveness. The Strategies identify measures that will lead to an improvement in economic performance, whether the region is already successful or seeking to improve its performance. These measures could be targeted at a regional or sub-regional level, or inter-regionally, as in the case of the Northern Way Initiative.

The RDAs are charged with drawing up the Regional Economic Strategies and keeping them under review, but the aim is that the strategy is owned by the whole region and draws on the resources of all the major partners in the region. It needs to provide a strategic vision for the region, backed by a firm evidence base which will help ensure its influence on other regional strategies, and that these are mutually reinforcing, and on national and regional policies. It needs to ensure that delivery is effective at all levels. And it needs to identify priorities and ensure that common goals are adopted.

Since the RDAs were established, we have given them greater resources, more responsibility and wider flexibility. They have responded by developing ambitious but practical Regional Economic Strategies, and by ensuring that these are taken forward. This work is now moving into its next phase, and we are confident that the RDAs will again rise to the challenge and help us to advance the prosperity of all the regions of England, and of the nation as a whole.

Patricia Hewitt

INTRODUCTION

1. Section 7(1) of the Regional Development Agencies Act 1998 ("the Act") requires a Regional Development Agency (RDA) to formulate and keep under review a strategy in relation to its purposes and to have regard to the strategy in exercising its functions. Section 7 (2) of the Act enables the Secretary of State to give guidance and direction to an Agency in relation to the exercise of its functions under subsection (1)[1] to which an Agency must have regard. This document constitutes guidance under Section 7 (2) of the Act.

2. The RDAs drew up the first strategies for development of the English regional economies in 1999. Since then these strategies have become known as Regional Economic Strategies (RES). This title reflects their purpose and their distinctive role among the suite of strategies drawn up in the regions and which, together, provide a framework for the sustainable development of the English regions. The role of the RES is to provide a shared vision for the development of the region's economy. The RDA is charged with drawing up the RES and keeping it under review. However, the aim should be to formulate a strategy that is owned by the region and commands wide support, and which draws on the support and resources of all the major partners in the region.

3. The RES must have a clear focus on economic development, and both it and action to implement it must be based on the principle of sustainable development. The RES should work towards the objectives in the UK Sustainable Development Strategy in terms that reflect regional distinctiveness; a new Strategy is due to be published in Spring 2005. In developing the RES a full sustainability appraisal should be carried out in order to identify how the RDA and its partners will contribute to sustainable development. The appraisal should be informed by the Regional Sustainable Development Framework or the equivalent in the region, and should be published alongside the RES. This Guidance is subject to review with respect to sustainable development in the light of the publication of the UK Sustainable Development Strategy.

PURPOSE OF THE RES

4. The fundamental purpose of the RES is to improve economic performance and enhance the region's competitiveness, addressing market failures that prevent sustainable economic development, regeneration and business growth in the region. The RES should take an integrated and cohesive approach to improving regional economic performance, addressing business competitiveness and the need to increase productivity. This will include building capacity in the region to improve performance on the drivers of productivity – innovation and knowledge transfer, skills, enterprise, investment and competition – which will embed the capacity for growth. Underlying problems such as unemployment, skills shortages, inequalities, social exclusion and access to services and physical decay should be addressed in the strategy where they are of importance to the region.

[1] The RDAs' purposes and the scope of the Secretary of State's power of guidance are set out in an Annex to this document.

5. The RES should concentrate on the key economic issues for the region and, in doing so, have regard to regional priorities agreed by the partners in all sectors in the region. The RES should focus primarily on those areas that justify action at the regional level while also providing the context for sub regional and local activity contributing to economic development (see below on the spatial dimension of the RES).

6. Underpinned by a sound evidence base, the RES should set out a vision for the regional economy which will ensure better strategic focus for and co-ordination of activity in the region whether by the agency or by other regional, sub-regional or local organisations. The RES should address economic, social and environmental issues that contribute to the development of the region's economy in a way that recognises regional distinctiveness. Where appropriate, the RES should complement and help deliver national strategies and policies. Particular regard should also be paid to the reform of the Structural and Cohesion Funds post 2006 and the potential for the RES to provide the strategic framework for the future Funds.

7. The Government regards the RES as a major tool for policy dialogue with the region and will give RESs proper weight in its own policy making. RESs provide a long-term framework for economic development in the regions. Whilst their ambition is to influence the development of resources by a wide range of public bodies, they have been linked explicitly only to the resources expected to be available to the RDA in each region (through its Corporate Plan for each 3 year Spending Review settlement); and indirectly to Business Support resources, and the workforce development funds of the Learning and Skills Council. However, alongside the 2004 Pre-Budget Report, the Government published for consultation proposals to provide clearer funding assumptions – including providing regional transport allocations for the first time and planning guidelines for the longer term – to provide a better basis for regions to plan over the long term. Under these proposals, where regions decide to take account in their RES of expected long-term RDA, housing and transport resources and align the recommendations supporting implementation of the RES with those in the RSS and RHS, they will have a stronger voice in the next Spending Review. They can also expect a closer link between the vision set out by the RES and their ability to influence its delivery.

LINKS WITH OTHER REGIONAL STRATEGIES

8. Regional Chambers, more commonly known as Regional Assemblies, have been designated under section 8 of the RDAs Act to provide regional accountability for the work of the RDAs. In developing and reviewing the RES the RDA should have regard to the views expressed by the Regional Assembly. This is especially important given the Assembly's role in ensuring alignment of the various regional strategies.

9. The RES will need to be informed by the Regional Sustainable Development Framework (RSDF) or its equivalent that underpins and thus helps join up all the other regional strategies. It is an important starting point for developing the RES to

ensure that sustainable development is at its heart. The RSDF also has an important role in identifying and resolving any conflicts or tensions between the RES and other regional strategies. The RES should, as far as possible, set out its contribution to the objectives and targets in the RSDF.

10. The RES, the Regional Spatial Strategy (RSS), which includes the Regional Transport Strategy (RTS), and the Regional Housing Strategy (RHS), are major regional strategies and each have implications for the economic development of the region. They should be mutually reinforcing. These strategies should take account of each other so that, as far as possible, the evidence, objectives and priorities of each are consistent. The RSS and RHS should take account of the economic ambitions and needs of the region, and put in place spatial planning, transport and housing priorities that will support and enable the aspirations of the RES to be met. Similarly, the RES should take account of the spatial and transport priorities of the RSS and the housing objectives of the RHS. The three strategies (RES, RHS and RSS) will need to be aligned if they are to secure the management of change in a coherent and sustainable way.

11. Both the RES and the RSS are subject to European Directive 2001/42/EC on strategic environmental assessment (SEA) (transposed by the Environmental Assessment of Plans and Programmes Regulations 2004). For the RSS, the Directive's requirements are covered by mandatory Sustainability Appraisal under the Planning Act 2004. RDAs should refer to the ODPM consultation publications "A Draft Practical Guide to the SEA Directive" and "SA of RSSs and Local Development Frameworks: Consultation Paper" (www.odpm.gov.uk). The latter shows planning bodies how to assess the full range of social, environmental and economic effects of plans against criteria of sustainability.

DEVELOPMENT

Links Between RESs and National PSA Targets and Policies

12. The RES should aim to address the particular needs of the region, while supporting, enhancing and delivering national policies. In formulating the RES, the RDA should therefore have regard to all relevant national Public Service Agreement targets, in particular those covered by the RDA Tasking Framework, as well as other relevant statements of Government policy and separate guidance that might be issued under the RDA Act 1998. Where the RES is under review, the process of developing the RDA Corporate Plan will inform aspects of the RES review that are relevant to the Corporate Plan. Government (either through central government departments or the Government Office for the Region) will advise on the national policy context and its impact on the RES. Government departments will aim to work closely with the RDAs, involving them in the formation and delivery of national and regional policies and delivery which will have an impact on regional economic development. This will also help RDAs shape the RES in the light of national policies.

Partnership Working

13. The success and effectiveness of the RES will depend in large measure on the degree of support it commands in the region. This in turn will depend on the way in

which the contribution of all partners, both national and regional, is best harnessed. The aim should therefore be wherever possible to proceed through dialogue, working in an open and inclusive way, so as to develop a strategy and agreed priorities for action that recognise the principle of subsidiarity. Working with the organisations responsible for developing other regional and local strategies (both statutory and non-statutory) will be particularly important in this regard. This will reduce the scope for duplication of effort and ensure that the region as a whole secures value for money from the resources available to it.

14. It will be for the RDA to consider how best to foster and maintain regional and national partnership and co-operation, in both public, private and voluntary and community sectors, developing an approach which best suits the needs and characteristics of the region but which should include the following elements:

Inclusivity. the RDA should ensure that those involved in developing and implementing the RES fully represent economic, social and environmental interests within the region; that they cover rural as well as urban interests; and encompass relevant economic, ethnic and social groups, including the voluntary and community sector.

Working with the Regional Assembly, other relevant regional partners and stakeholders. The Assembly and other regional partners should be involved in the development of the RES at an early stage. The RDA will also need to work closely with other strategic bodies that make policy decisions on issues relevant to the RES and with stakeholder organisations in the region. The Government Office is a key partner providing advice on the national policy context and with responsibilities for delivery in a wide range of policy areas relevant to the RES. Such close working should not only help identify priorities for the RES but also help action to deliver the RES join up with other priorities, such as tackling health inequalities.

Engaging with sub-regional partners. The RDA should involve those operating at the sub-regional and local levels as well as at the regional level. These will include sub-regional partnerships and Local Strategic Partnerships. Local authorities are key partners because they represent their communities and play a major role at local level in many areas of the RDA's business. In rural areas National Park Authorities and Area of Outstanding Natural Beauty Conservation Boards will also be key.

Engaging with partners in other regions. Given the increased emphasis on cross-regional working and the emergence of inter-regional strategies, RDAs are encouraged, where preparing the RES, to share their experiences and good practice and, as appropriate, take into account RESs in other regions.

Ensuring equality and diversity issues are addressed. RDAs need to understand the demographic, equality and diversity issues that are particular to their regions in order to deliver on objectives relating to economic growth and productivity. The RES should demonstrate good practice in partnership working which will underpin this understanding and the achievement of relevant objectives in the RES

In working with national partners, agencies should aim to work closely not only with relevant central government departments but also with other Government agencies

and NDPBs whose work is relevant to the RES. An important aspect of this is making effective use of relevant national resources and sources of evidence.

Consultation

15. In formulating the RES, the agency should consult widely within the region, with RDAs in neighbouring regions and with Government and other interests nationally, ensuring that they meet the SEA Directive's requirements on consulting the public. In developing their approach to consultation the RDAs should refer to the Government's Code of Practice on Consultation, and to "Working Together: Co-operation between Government and Faith Communities", published by the Home Office. These documents are available on the Cabinet Office and Home Office websites (www.cabinetoffice.gov.uk and www.homeoffice.gov.uk). For the voluntary and community sector, the process of developing a regional Compact should inform consultation. The RES should include a statement on the arrangements made for consultation, including a list of those consulted and, where appropriate, of those who have agreed to be associated with its proposals.

Cross-regional working

16. The strengths and weaknesses of a region will in many respects be exclusively the region's, but there will also be issues and opportunities which are of interest to more than one of the agencies. RDAs should work closely together in addressing issues of common interest, both to inform the strategies they adopt and to ensure that action plans are complementary. In some cases, RDAs may wish to work together to develop a cross-boundary strategy or action plan to address a particular issue. Where inter-regional strategies have been established between RDAs, these must be adequately reflected in each region's RES. RDAs should also consider developing appropriate links with their counterpart organisations in Scotland, Wales and Northern Ireland. Each RES and any inter-regional strategies, should contribute to the aim of raising the economic performance of the United Kingdom as a whole. RESs should not, therefore, be directed at the expense of or in competition with other regions and should be based upon co-operation between RDAs and development agencies elsewhere in the United Kingdom.

Resources

17. The RES is an aspirational document setting out the strategic aims of a wide range of regional and local partners. It should not identify specific financial resources for RDAs and other partners. Indeed, the RES should itself enable the generation of resources (through economic success or influencing policies and spending) that will enable future aspirations and objectives to be met. The objectives of the RES must be realistic, but should also be stretching. Assumptions about future growth and wealth creation may be used to provide a basis for the RES's ambitions. The indicative regional budgets on which the Government is consulting may assist in the development of the RES.

Evidence

18. It is important that a comprehensive and shared evidence base be agreed through consultation for the RES and that it is presented in a clear and persuasive way, both for reasons of transparency and to strengthen the ability of the RES to feed into and influence other key regional strategies, and national and regional policies. HMT, DTI and ODPM have published a series of documents setting out the strategic approach to evidence-based economic policy making (e.g. *Productivity in the UK No1, DTI Strategy: Analysis and DTI Economics Paper No.7, Competing in the Global Economy*). RDAs should have regard to these documents and the DTI's Chief Economic Advisor will act as a focal point for RDAs seeking advice from central Government in developing their evidence base.

19. The RES should be based on a high quality assessment of the economic, social and environmental characteristics of the region, including in relation to equality and diversity, which inhibit the achievement of key objectives, as well as its particular strengths. The RES should include an analysis of the performance of their regions and sub-regions against the key drivers of productivity and employment. This should allow the choices and priorities of the strategy to be understood in terms of the particular market failures, which are to be addressed through cost effective policy interventions. The HMT document *Policy Appraisal in Central government* – the 'Green Book' – provides more detailed guidance on these issues (www.hm-treasury.gov.uk).

20. The approach to identifying the cost effectiveness of these policies should be described, including sufficient information about other options to demonstrate that decisions about policy priorities have been taken in accordance with the principle of securing value for money. This section should present the results of evaluation research that has been undertaken into the activities of the RDA and/or other agencies, as this will form an increasingly important part of the evidence about the effectiveness of policy options in the region, given its specific circumstances. Where appropriate, evidence should be placed in a national, European or international context.

21. ODPM will be issuing guidance on the economic evidence base for Regional Spatial Strategies. In preparing the RES, in order to align regional evidence and recommendations as set out in paragraph 7, RDAs should have regard to this guidance.

22. It is envisaged that the majority of this material will be presented in a separate document on which RDAs should consult, if possible in advance of consultation of the RES itself.

23. The Regional Assemblies have an important scrutiny role in relation to the activities of the RDAs in their regions. RDAs should consider how the Assemblies' findings should inform their activities and feed into development and implementation of the RES.

CONTENT/COVERAGE OF THE RES

24. The RES should set out for the medium to long term (at least 5-10 years) the region's policies, aims and objectives for the regional economy, making clear any

links that exist between different policy areas, for example between the business development and skills agendas. It should consider links with other areas such as environment, transport, housing, tourism, culture, sport and health where these have an economic impact on the region or areas within it.

25. The RES should identify key strategic issues for the region, with clear priorities. It should identify who will be responsible for delivering particular elements of the strategy and over what timeframe. The RES should describe how far the objectives of earlier versions of the RES have been achieved, what changes are needed to those set out previously and why.

The spatial dimension of the RES

26. The RES should reflect the distinctiveness of the different parts of the region (including rural and urban areas), identifying challenges and opportunities for these geographic areas. This might include, where appropriate, different policies for different locations of particular importance to economic development.

27. In making their assessment of opportunities and risks facing particular sub-regions or conurbations, agencies should consider the range of relevant area-based initiatives within those areas. RDAs should ensure that the RES complements such programmes, so that they are mutually reinforcing and deliver the economic, social and environmental improvements essential for the delivery of sustainable communities.

28. The RES should also identify areas or communities with significant problems such as deprivation, inequalities and social exclusion and identify the main social, environmental and economic factors which underlie these issues. This should include identification of sections of the community that offer particular opportunities to contribute to the region's economic development by correcting current imbalances, and may also include strategies to deal with these issues.

29. In addition to the coverage set out above, the RES should identify geographical or sectoral clusters of businesses and knowledge based organisations that are, or have the potential to be, of regional economic importance, and explain how these can be nurtured. In doing so RDAs should ensure that cluster policy, as for other policies, is not developed in isolation from national or other regional perspectives.

MONITORING AND EVALUATION OF THE RES

30. The RES should set out how the RDA will monitor its implementation and impact. It is for the RDAs in conjunction with Regional Assemblies and other regional partners to decide how to judge the success of their RES, but use should be made wherever possible of specific and quantifiable indicators. The RES should make clear how the impact of the RES will be evaluated, including how policy interventions will be evaluated and the results used to inform the subsequent revisions of the RES.

31. RDAs should ensure monitoring and evaluation of the RES is carried out as

transparently as possible. Cabinet Office guidance "Non Departmental Public Bodies – a Guide for Departments", available on the Cabinet Office website (www.cabinetoffice.gov.uk), includes best practice principles for transparency in NDPBs in the document " Policy – Openness and Accountability". Guidance on evaluation can also be found on the Cabinet Office website (www.policyhub.gov.uk/evalpolicy/magenta/guidance-notes.asp).

REVIEW

32. RDAs will wish to develop the RES for its region over time to reflect changing circumstances but should aim to review the RES in full every three years. In carrying out reviews, RDAs should pay full regard to guidance on the evidence base set out above.

FURTHER GUIDANCE

33. Departments may from time to time give RDAs additional non-statutory guidance and supplementary advice on matters of Government policy relevant to the RES. Such supplementary guidance on the RES will be available on the DTI regional website [http://www.dti.gov.uk/regions/rdapage.htm] alongside this Statutory Guidance.

ANNEX

LEGAL BACKGROUND TO THE GUIDANCE

Purposes of a Regional Development Agency

Section 4 of the RDAs Act 1998 (the Act) sets out the purposes of an agency which are:

(a) to further the economic development and regeneration of its area,
(b) to promote business efficiency, investment and competitiveness in its area,
(c) to promote employment in its area,
(d) to enhance the development and application of skills relevant to employment in its area, and
(e) to contribute to the achievement of sustainable development in the United Kingdom where it is relevant to its area to do so.

The Act states explicitly that a regional development agency's purposes apply as much in relation to the rural parts of its area as in relation to the non-rural parts of its area.

The Secretary of State's powers to give guidance and direction

Section 7(2) of the Act enables the Secretary of State to give guidance and directions to an agency in relation to the exercise of its functions under subsection (1), in particular, with respect to:

(a) the matters to be covered by the strategy,
(b) the issues to be taken into account in formulating the strategy,
(c) the strategy to be adopted in relation to any matter, and
(d) the updating of the strategy.

Section 7(3) provides that the issues mentioned in section 7(2)(b) include issues relating to any one or more of the following:

(a) the agency's area,
(b) the area of any other regional development agency, and
(c) any part of the United Kingdom outside England.

The Secretary of State also has a general power under section 27 of the Act to give guidance and directions to an agency in relation to the exercise of its functions.

Under section 28 of the Act, guidance can only be issued after consultation with the RDA concerned. Such guidance must be published by the Secretary of State in a manner which he considers appropriate.

02072733965

File

Home Office

Hazel Blears MP
MINISTER OF STATE
50 Queen Anne's Gate, London SW1H 9AT

Rt.Hon. John Prescott MP
Deputy Prime Minister
Office of the Deputy Prime Minister
26 Whitehall
London SW1A 2WH

AMG
CC MH
UB
MG

24 **January 2005**

Dear John,

I have seen Nick Raynsford's letter to you of 19 January seeking DA clearance to publish Sustainable Communities: People, Places and Prosperity and I have some comments.

Firstly, I was concerned that the plan suggests we have delivered Local Area Agreements when they are currently still only pilots at this stage. I am aware of your intention to invite applications for another 40 LAA pilots in addition to the 21 currently being negotiated, but I think we need to be careful not to give the impression that full roll out has already taken place.

Secondly, I feel that there needs to be greater mention of action to tackle crime and drugs in the section on cleaner, greener and safer places and the section on neighbourhood renewal. Tackling these problems is key to building sustainable communities as communities in which crime and drugs misuse are allowed to flourish will be the most difficult to sustain.

Thirdly, there is no specific reference to encouraging Voluntary and Community Sector service delivery and also no mention of "Firm Foundations

the Government's framework for Community Capacity building" which is mentioned in the paper on Service Delivery and Citizen Engagement. Both of these need to be included because the VCS can make a vital contribution to delivering Sustainable Communities in several ways; by identifying local issues, by helping to build community capacity to address these issues and also by directly delivering services which improve the well-being of local people and places.

Finally, there needs to be greater reference throughout the document to the fact that community cohesion and race equality lies at the centre of what makes a strong, vibrant and safe community. In particular, the document we have recently published called "Improving Opportunity, Strengthening Society: the Government's strategy to increase race equality and community cohesion" needs to be referred to. The focus of this strategy is about ensuring everyone has the same opportunities - a blanket policy aimed at deprived communities is likely to perpetuate racial inequalities in outcomes rather than address them.

I have asked my officials to provide yours with a more detailed note of the changes we would like made. I hope they can work together to do this quickly so as not to delay publication. Subject to these changes being made I am happy for the document to be published.

I am copying this letter to the Prime Minister, DA Committee and Sir Andrew Turnbull.

Yours Hazel

HAZEL BLEARS

I am really pleased that we have worked so closely on these issues, especially around the neighbourhood proposals, and increasing the role of local authorities in community safety will help us make significant progress.

file

cc CO
RO

10 DOWNING STREET
LONDON SW1A 2AA

24 January 2005

THE PRIME MINISTER

Dear John,

Thank you for your letter suggesting a Ministerial informal on Sustainable Communities during the UK Presidency in the second half of this year.

As you know, we have sought to limit the number of informals in order to maintain a strategic and targeted approach to our EU business during 2005, but I am happy for you to go ahead and organise the event.

I hope you will be able to build on the work of previous Presidencies, and to link the event into the Lisbon agenda of jobs and growth. It is vital that we use our Presidency events to demonstrate the benefits of EU membership.

I am copying this letter to Jack Straw.

Yours ever,

Tony

The Rt Hon John Prescott MP

Monica Jelley

From: Miles Gibson
Sent: 20 January 2005 11:10
To: Garden Rooms
Subject: FW: Draft PM to DPM letter on sustainable communities summit

Grateful if this can be formatted and sent to PM for signature please.

Miles
-----Original Message-----
From: Webb Nicola - European Secretariat - [mailto:nicola.webb@cabinet-office.x.gsi.gov.uk]
Sent: 19 January 2005 16:36
To: Gibson Miles - No. 10 -
Cc: McGrade Paul - European Secretariat -
Subject: Draft PM to DPM letter on sustainable communities summit
Importance: High

Miles,

With apologies for the delay, please see attached a draft PM-DPM letter on the proposed sustainable communities summit.

<<PM DPM on sustainable communities summit1.doc>>
Thanks,

Nicola

Nicola Webb
European Secretariat
Cabinet Office
70 Whitehall
T: 020 7276 0095
E: nicola.webb@cabinet-office.x.gsi.gov.uk

The Cabinet Office computer systems may be monitored and communications carried on them recorded, to secure the effective operation of the system and for other lawful purposes.

From the Secretary of State for Health

Department of Health

Richmond House
79 Whitehall
London
SW1A 2NS
Tel: 020 7210 3000

IMC 36392

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
LONDON
SWIA 2WH

21 January 2005

Dear John,

SUSTAINABLE COMMUNITIES: PEOPLE, PLACES AND PROSPERITY - ODPM'S FIVE YEAR PLAN

I am writing in response to Nick Raynsford's letter of 18 January seeking DA clearance to publish the second of ODPM's five year plan, *Sustainable Communities: People, Places and Prosperity*.

My officials have worked closely with ODPM officials and have given detailed comments on this plan. I am aware that the latest plan makes explicit references to the government's health agenda, and in particular those most recently developed in its White Paper, *Choosing Health*. I am grateful that these issues have been incorporated and I am content for the plan to be published.

I am copying this letter to the Prime Minister, DA Committee and Sir Andrew Turnbull.

Yours ever

John

JOHN REID

AMcG
~~HG~~ ~~cc~~ ~~JHGT~~ MG
MH
VB
JleG
AN
MA

From the Secretary of State for Health

DH Department of Health

Richmond House
79 Whitehall
London
SW1A 2NS

Tel: 020 7210 3000

IMC 36247

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
LONDON
SWIA 2WH

21 January 2005

Dear John,

SUSTAINABLE COMMUNITIES: HOMES FOR ALL - ODPM'S FIVE YEAR PLAN

I am writing in response to Yvette Cooper's letter of 10 January seeking DA clearance to publish ODPM's five year plan, *Sustainable Communities: Homes for All*.

My officials have contacted ODPM officials and have given detailed comments and were told most of which would be taken up in your other five year plan, *Sustainable Communities: People, Places and Prosperity*. We received this document recently and I am aware you are seeking separate DA clearance.

There is one point I would highlight that might merit further discussion between officials, although I do not think it need delay publication of the plan. This concerns that aspect of the plan that details how cheaper homes for first time buyers can be provided and, in particular, how they might be built on public sector land that is surplus to requirements. The implication of the draft plan is that if the NHS is expected to be involved, there are likely to be lower receipts from its land sales to fund modernisation. It would be helpful to be able consider how these arrangements would work out in practice.

My last point notwithstanding, I am content for the plan to be published.

From the Secretary of State for Health

Department of Health

I am copying this letter to the Prime Minister, DA members and Sir Andrew Turnbull.

Yours ever

John

JOHN REID

MATRIX

1. Matrix
- 2. File

AMcG
CC: AA, GH

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0870 0012345 dfes.ministers@dfes.gsi.gov.uk
Rt Hon Ruth Kelly MP

The Right Hon John Prescott MP
Deputy Prime Minister
Office of the Deputy Prime Minister
26 Whitehall
London
SW1A 2WH

20 January 2005

Dear John

Publication of Neighbourhoods and Leadership Discussion Papers

I am writing in response to Nick Raynsford's letter to you of 12 January seeking clearance to publish both the leadership and neighbourhoods local government strategy 'daughter' documents on 31 January.

I agree that the two documents should be published, subject to minor and drafting changes, on which my officials will continue to liaise with yours.

The documents will provide a good basis for consultation and further discussion. As you know, local government is a key deliverer for my Department. This is particularly the case in the development of children's trusts, where a strong council leadership role is essential in bringing together a full range of local bodies. Whilst I fully support the importance of local councillors representing their constituents effectively, we must be careful not to unduly emphasise the very local (e.g. councillors as mayoral figures within their own wards) at the expense of the strategic leadership of the area as a whole.

The shaping of services around the needs of children and learners is at the heart of my Department's remit. I am keen that in developing a strategy for local government, we continue to work together to ensure improved outcomes for citizens. I look forward to working with GL colleagues to discuss proposals resulting from the consultation.

I am copying this to the Prime Minister, GL and MISC24 Committee and Sir Andrew Turnbull.

Yours ever
Ruth

RUTH KELLY

department for
education and skills

MATRIX 1. Matrix 2. File

ME
cc: AM/G MH VB PB SPAD

Department for Transport

From the Secretary of State

Great Minster House
76 Marsham Street
London SW1P 4DR

Tel: 020 7944 3011
Fax: 020 7944 4399
E-Mail: alistair.darling@dft.gsi.gov.uk

Web site: www.dft.gov.uk

OUR REF: AD/000779/05

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
LONDON
SW1A 2WH

19 JAN 2005

PUBLICATION OF NEIGHBOURHOODS AND LEADERSHIP DISCUSSION PAPERS

I confirm my agreement to publish the discussion papers about leadership and neighbourhoods related to the development of a strategy for local government. The 'Future of Transport' White Paper of July 2004 emphasised the need to make choices about the planning, delivery and management of our transport networks at the right level - including at local level. These two discussion papers are contributions towards improving local choices.

ALISTAIR DARLING

I am copying this letter to the Prime Minister, members of GL and MISC 24 Committees and Sir Andrew Turnbull.

Sustainable Communities: People, Places and Prosperity

Draft of 12 January for circulation to OGDs at official level

TABLE OF CONTENTS

FOREWORD BY THE DEPUTY PRIME MINISTER 2

OUR VISION – SUSTAINABLE COMMUNITIES 4

CHAPTER 1: SUMMARY 6

CHAPTER 2: SUCCESSES AND CHALLENGES 11

CHAPTER 3: NEIGHBOURHOODS AND COMMUNITY ENGAGEMENT ... 18

CHAPTER 4: LOCAL LEADERSHIP 28

CHAPTER 5: TACKLING DISADVANTAGE 35

CHAPTER 6: PROSPEROUS REGIONS 43

CHAPTER 7: THE OFFICE OF THE DEPUTY PRIME MINISTER DELIVERING FOR ALL 53

CHAPTER 8: A VISION FOR 2010 56

APPENDIX I: DEFINITION AND COMPONENTS OF SUSTAINABLE COMMUNITIES **58**

Foreword by the Deputy Prime Minister

[draft to be developed further]

There is a quiet renaissance going on across England. We are transforming communities and beginning to reverse the legacy of decades of neglect and under-investment.

With money going into housing and regeneration, a growing green belt, and more of our building happening on brown-field sites, city centres, local neighbourhoods, villages and the countryside across the country are noticing the difference.

In our sustainable communities plan, early in 2003, we set out how we would do even more to build successful, thriving and inclusive communities, urban and rural, across England. They will be communities that will stand the test of time; and places where people want to live.

My recent plan for housing, *Homes for All*, set out what we will do to make sure that everyone can have a decent home, with more ways for people to get a foot on the property ladder and invest in where they live.

But people live in neighbourhoods, not just in houses.

And sustainable communities are about all the things that make somewhere a good place to live – the local area, the schools, hospitals, libraries and leisure centres, the shops, job opportunities, and transport. A sustainable community is one that is clean, safe, green, convenient and well-served. It also meets the needs of all its citizens and involves them all in decisions.

This is work that stretches across the whole of Government, and brings everything together to make places better for people.

In this plan, I am setting out the next stage of my vision for sustainable communities.

At the heart of my vision are local people.

Too often in the past the Ministers in charge of housing and places forgot the people. Their minds were full of architectural blueprints where the only people were the little plastic ones in models, put in to show the scale of the buildings.

We know that any vision for communities that doesn't start with people is doomed to failure. So at the centre of my plan for developing sustainable communities is putting more power in the hands of local people – giving them the chance to have more of a say in all the decisions that affect them, and to shape the places where they live themselves.

This will also help to re-energise our democracy – at present, too many people feel disillusioned or disenfranchised, and it is the worst off in our

society – those who might have most to gain – who are least likely to vote or get involved.

Sustainable communities depend on strong, effective local government that is well-led to deliver excellent services. They depend on making sure that the most disadvantaged aren't left behind. And they depend on prosperous regions that mean local people can get jobs, and local businesses can flourish.

So government at every level – locally, regionally and nationally – needs to do its bit, and especially to take difficult decisions which go across boundaries, or which balance the different interests of different communities. This plan sets out how we'll work at every level to improve the communities that people live in.

But in the end it is local people who will make a reality of our vision for sustainable communities. So Government at every level also needs to have the courage to give local people more power to change the things that matter to them.

This plan will deliver for local people – but more importantly, it will help them deliver for themselves.

Together, my two plans will mean that everyone can have a decent home in a prosperous, pleasant place where they want to live, and where they can have a say in the things that affect them, and shape their own sustainable community.

Our Vision – Sustainable Communities

[this section also appears in Homes for All]

A flourishing, fair society based on opportunity and choice for everyone depends on creating sustainable communities – places that offer everyone a decent home that they can afford in a community in which they want to live and work, now and in the future.

Not all communities are the same – different places have different strengths and needs. But sustainable communities have many things in common: decent homes at prices people can afford; clean, safe, green environments; access to jobs and excellent services - schools, hospitals, shops and banks; and people having a say in the way their community is run.

A comprehensive statement of the Government's view of what makes a sustainable community is set out at appendix one, reflecting the work we have done in response to the Egan Review of Skills. Sustainable communities should be:

- **Active, inclusive and safe** – fair, tolerant and cohesive with a strong local culture and other shared community activities
- **Well run** – with effective and inclusive participation, representation and leadership
- **Environmentally sensitive** – providing places for people to live that are considerate of the environment
- **Well designed and built** – featuring a quality built and natural environment and accessibility
- **Well connected** – with good transport services and communication linking people to jobs, schools, health and other services
- **Thriving** – with a flourishing and diverse local economy
- **Well served** – with public, private, community and voluntary services that are appropriate to people's needs and accessible to all
- **Fair for everyone** – including those in other communities, now and in the future.

We know that we cannot succeed without a strategy that includes the whole of Government, to make sure that local people have access to jobs, transport and the best services – from schools and hospitals to rubbish collection and well-kept parks.

Real progress

In the Sustainable Communities Plan we said that we would work across Government to deliver change. We have delivered:

- **Sustained economic growth with historically low interest rates and inflation**
- **Crime down 30% since 1997**
- **Over 55 000 more nurses and over 7000 more doctors since 1999.**
- **Premature deaths from heart disease and strokes down by over a quarter and deaths from cancer by 12% since 1997**
- **A real terms increase in funding of £1000 per pupil between 1997/98 and 2005/06**

We said that we would work to tackle the housing shortage in London and the South East, delivering new growth in a sustainable way. And we said that we would bring life back to parts of the North and the Midlands that were suffering from decay and decline. We have delivered:

- **Over 60 000 new homes built annually in the wider South East**
- **Over 10 000 key workers helped to buy new homes**
- **Four Growth Areas established: by 2008 we will invest £850 million investment in Thames Gateway; some £450 million to support infrastructure in three newer growth areas; plus £200 million Community Infrastructure Fund for transport projects**
- **Nine pathfinder partnerships in the North and Midlands to tackle the most acute problems of low demand and abandonment**
- **The Northern Way, to deliver a comprehensive strategy for housing, jobs and growth in the North**

We said that we would work towards our goal of a decent home for everyone and help for vulnerable people. We have delivered:

- **Non-decent homes down by one million since 1997**
- **130 000 vulnerable households in the private sector helped to make their homes decent**
- **An end to the long-term use of bed and breakfast accommodation for homeless families**

We said that we would work towards clean, safe and attractive environments in which people can take pride, focusing on the most deprived neighbourhoods. We have delivered:

- **3000 new neighbourhood wardens; crime down 28% in warden areas**
- **Over £200 million investment in parks and public spaces**
- **Clear improvements in the most deprived areas on jobs, crime and education, narrowing the gap with the rest of the country.**

We said that we would protect the countryside and address the needs of rural communities. We have delivered:

- **Increased development on brownfield land, up from 56% in 1997 to 67% in 2003**
- **Density of new development up from 25 dwellings per hectare in 1997 to 33 dwellings per hectare in 2003**
- **19 000 hectares added to the greenbelt**

We said that we would reform the planning system, devolve power to the regions, provide more freedom for local government and raise standards. We have delivered:

- **Two-thirds of single tier and county councils are now rated good or excellent**
- **Local Area Agreements to deliver better services based on shared priorities**
- **A faster planning system: over half of major applications now determined within thirteen weeks; and two thirds of minor applications are now determined in eight weeks.**

Chapter 1: Summary

1. In February 2003, we published the £38 billion Sustainable Communities Plan, the most comprehensive programme of investment and improvement in people's quality of life for decades.

2. Our aim is to create **sustainable communities** – places that offer people
   - a decent home that they can afford,
   - a community in which they want to live and work,
   - the chance to develop their skills and interests, and
   - access to jobs and excellent services.
   - the chance to get engaged in their community, and to make a difference

3. More and better homes, built in the right place, at the right cost, and with the right quality, are vitally important to creating sustainable communities.

4. That's why the Government recently published our 5 year strategy for housing, **Sustainable Communities: Homes for All**. It explained how we are opening up opportunity and choice, so that everyone can have a decent, safe, secure, and affordable home.

5. But our ambition is about much more than housing alone.

6. Our commitment to sustainable communities is underpinned by the belief that everyone, in every region, deserves a share in the nation's prosperity, and a pleasant, green, clean and safe place to live, with excellent local services. Creating sustainable communities needs every part of Government to be involved. Sustainable communities need good schools, good hospitals, good parks, good transport, flourishing business and vibrant communities as well as houses.

7. So we are publishing this 5 Year Strategy, **Sustainable Communities: People, Places and Prosperity,** as the partner of our Strategy for Housing. It shows how, working across the whole of Government, we will promote prosperity for all and help local people create communities they feel proud of.

8. Our strategy is built on two main principles - the need to give communities more power and say in the decisions that affect them; and the importance of working at the right level to get things done.

More power and say for communities in the decisions that affect them

9. Already over a million more people have become engaged in their communities. In the past, many people thought that local decision making was not for them. They often felt distant and unheard by the people in power. But now they are helping to shape the place where they live.

10. Programmes such as local strategic partnerships, Sure Start, and the New Deal for Communities are nurseries for democracy, getting people involved who wouldn't dream of becoming councillors. They've unlocked huge untapped energy and experience – giving people more influence over the decisions which matter to their community.

11. We have made very encouraging progress in giving people, not just a greater say in what happens locally or regionally, but a greater incentive to take an interest - because they can actually influence change.

12. But we know that many people are disillusioned with politics at all levels; and that they feel they can't make any real difference. We need to reconnect politics with the things that people really care about in their local communities – by giving them more power and a bigger stake in the way their areas are run, and making sure their voices are heard in local, regional and national government.

13. We want to give power to local people to improve their own areas, make decisions about where money should be spent and determine priorities for their own community. The past shows all too clearly that imposing solutions from outside doesn't work.

14. And this is particularly true for the most deprived people and for those who have been sometimes neglected - such as those with disabilities, with care responsibilities or from minority groups. People in more deprived areas on average have shorter lives, fewer skills and qualifications, fewer job opportunities and a poorer quality of life. And they tend to be less satisfied with their local area, and far less likely to get involved, or to vote. For social justice, we must give everyone – and especially the most deprived – more of a say, and make sure that services serve the worst-off as well as the better-off, and give people a chance to escape poverty and deprivation.

15. Making more real opportunities for all communities to exercise power – in partnership with local authorities – will give many more people a genuine stake in our democracy.

Working at the right level

16. People's sense of place is not straightforward. Sometimes, and for some things – clean streets, the local park, the local primary school - people identify most with their street or block or village; and it is this neighbourhood that holds the answer. For other things – for example, work or transport - people think and care more about a wider area, a town, county, city or region.

17. So we aren't dogmatic about how decisions should be made – we want more chances for communities to get involved and make decisions, but we also know there are things that are best sorted out by good, strong local councils, and others that need a wider view, across a bigger region.

18. We need to enable the right kind of involvement at each level – with people able to have their say, and decisions taken at the level that makes most sense.

19. This also means that we need good decision-making at every level – with leaders who have a clear strategic vision but who aren't defensive about giving more power to local communities.

20. Local government is a central partner in making communities pleasant and sustainable. It delivers important services; and it can also play a major role in empowering communities, and in making far better links between local people and the services that Government and others provide, by working in partnership with people, businesses, charities, regions and central government. Our new strategy for local government – **local:vision** – which we are developing through wide consultation – will help shape a new role for local government which puts it at the heart of our work to create sustainable communities and to empower people.

21. Already, the number of 'good' and 'excellent' councils is rising, and council services are getting better and better ratings across the country. In St Helens, for example, the council got top marks in its 2004 assessment. The Audit Commission noted in December 2004: "The council is very clear about what it is trying to achieve and is using Ravenhead Renaissance (its Local Strategic Partnership) to work successfully with its private, voluntary and health sector partners to deliver improvements. The way that citizens can contact the council about services has improved and communication with local people is better."

22. We have also seen what happens when people get together at regional level or across local authority boundaries and decide to make a difference – for example, the impressive work that's been done in Gateshead and on Tyneside to use culture as a stepping stone to wider urban regeneration.

23. We need to get it right at every level – neighbourhood, local, regional and national – if we are going to give everyone the chance to live in a desirable, sustainable community. It's not enough to have a strong neighbourhood body if the local council isn't up to scratch; and even an excellent local council can't deliver the bigger economic growth and drive that a strong region can.

A programme of action

24. To meet the challenge of engaging people and creating places they want to live in, we need to:

    - **Give people more of a say in the way places (both urban and rural) are run, helping improve local services and make areas cleaner, safer and greener. There will be:**

- ✓ A Neighbourhoods Charter, giving communities more control over their own neighbourhoods – including the ability for communities to own their own assets (for example, playgrounds or community centres), and to trigger action when things aren't right
- ✓ More responsive local services, with better links to local people, including schools, hospitals, and the police.
- ✓ A new role for councillors, as advocates for local communities and with a more active part in their neighbourhood
- ✓ More devolution of budgets and control to communities - including small community funds held by councillors to make a difference in their neighbourhoods
- ✓ A wide-ranging strategy to make places cleaner, safer and greener, with clean, safe streets free of anti-social behaviour, good quality, well-maintained parks and open spaces, and well-run, attractive and inclusive town centres

- **Work through the Town, City or County Hall so that local government delivers excellent services and leads and enables community empowerment. There will be:**

- ✓ More councils working with other local partners (health, education, police, business and others) through new Local Area Agreements, which streamline arrangements and hold all partners to account more simply
- ✓ Business Improvement Districts, engaging the private sector in projects to improve town centres
- ✓ Clearer roles for councillors – with a strong, visible executive and roles for backbench councillors as advocates and leaders of their local community
- ✓ Mayors for those that want them, to give visible leadership, particularly in our major cities
- ✓ A fair, transparent and sustainable local tax and finance system

- **Tackle disadvantage, so that people are not condemned to lives of poverty, poor services and disempowerment by accidents of birth or geography. There will be:**

- ✓ Over £2.5bn invested each year in practical work to transform many of the worst-off areas in Britain, better targeted on those that need it most
- ✓ Fast progress in education, health, work and cutting crime in the most deprived areas, and for the worst off people – narrowing the gap
- ✓ Housing-related support for over one million vulnerable people, to help them live independently and successfully
- ✓ Better personalised public services which can meet individual needs better – not just for the well-off, but for everyone
- ✓ Greater efforts to attract private sector investment into deprived areas

- **Work through the regions to increase prosperity, and bring together services, funding and plans which can best be co-ordinated at regional level. There will be:**

- ✓ Strong economies in all regions, offering opportunities for all people to share in increased prosperity
- ✓ A planning system which meets the needs of businesses and householders, while protecting the environment
- ✓ A strategic approach to skills, transport, planning and infrastructure, helping to increase the employment rate to 80% and resulting in 900,000 more people in work in areas outside the Greater South East.

25. By putting local people in the driving seat wherever we can, and making sure that local democracy and regional drive are flourishing, we will create thriving, sustainable communities across the country that people are proud to be part of.

Chapter 2: Successes and Challenges

1. The UK has enjoyed the longest unbroken period of **economic growth** on record in recent years, with the economy growing by 17% since 1997. Unemployment rates are at their lowest level since 1970s and we are enjoying historically low and stable inflation and interest rates, not seen since 1955. **Incomes and wealth** have risen in real terms, with households' total net wealth up 50% since 1997[1]. The number of children living in low-income households has fallen from 34% in 1996/7 to 28% in 2002/3[2].

2. This dramatic economic success has done a great deal to transform people's lives and environments. More communities are flourishing and more people live in pleasant places that they have chosen and enjoy. 88% of people are satisfied with their local area as a place to live.[3]

3. But some people have benefited more than others from this success. This Government inherited a legacy of under-investment and lack of attention to the things that make communities pleasant and sustainable. Too many communities had crumbled – not just their physical fabric, but their sense of identity and their hopes and aspirations.

4. Much has been done since 1997 to begin to set this right, but there is much still to do – and economic improvement is only part of the story. We must make sure people can translate rising prosperity into better environments, with good services and jobs, and that attractive places to live and work are for all, not just for the fortunate and well-off.

Neighbourhoods and Community Engagement

5. People's neighbourhoods are important to them, but for many years there was a sense of decline in neighbourhood and community feeling. Many people don't feel that they have enough control of what happens in their local neighbourhoods, or don't know how to get involved. Many are disillusioned and don't want to be part of traditional political processes.

6. Over time, turnout has declined at local elections. Data on British young people's attitudes has suggested that almost three-quarters of young people believe voting will have no impact on their lives and have no interest in politics.

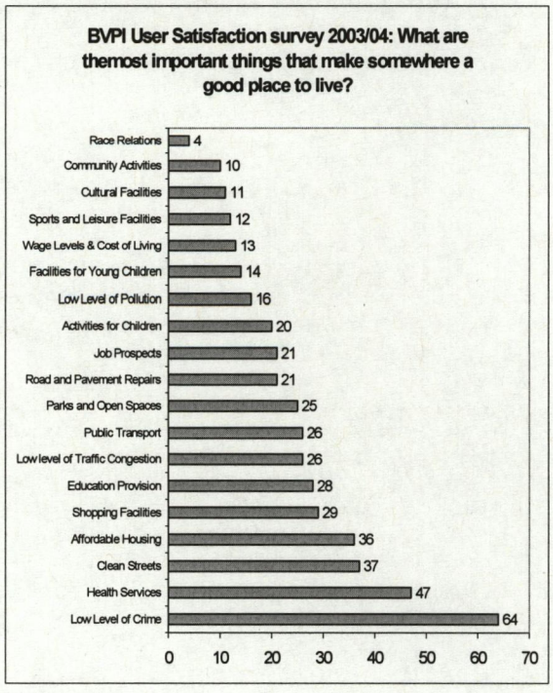
7. However, surveys by MORI and NOP in May 2003 found that people's interest in political issues, especially local ones, is stronger than their

---

[1] written answer by Ruth Kelly, 7 September 2004, House of Commons Hansard http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040907/text/40907w64.htm
[2] Households Below Average Income (HBAI) data, DWP
[3] Survey of English Housing, 2002/3

interest in elections.[4] We need to give local people the chance to change their neighbourhoods by wielding real power – and, in doing so, to reconnect local and national politics with people and their daily lives.

8. We know that the most important factors in making an area a good place to live are things such as crime, health, housing, employment, and transport. We need to make public services better and more responsive to local people; and make sure that they have the power to take action on the issues that matter most to them.



9. Across Government, we have made progress in making services more responsive, and making communities cleaner, safer and greener:

   - [Bullet illustrating something on responsive services here – perhaps a health or education example?]

   - Over 500 neighbourhood warden schemes have been created, with over 3000 wardens: this, together with the efforts of the police, has resulted in a reduction in crime of 28% in warden areas.

   - Improvements to Anti-Social Behaviour Orders have doubled their use, helping make sure communities know that action is being taken against troublemakers.

   - Satisfaction with parks and open spaces has increased from 62.5% in 2000-01 to 75% in 2003-04, and the £30m three-year Living Spaces scheme has given people the opportunity to make improvements in open spaces in their neighbourhood, providing funding to over 300 groups in its first year.

10. But despite this progress, some communities, especially in deprived areas, still struggle with poor services, dirt, litter, vandalism, fear of crime and nuisance.[5] There are currently around 3.3 million households in England living in poor quality local environments.[6] This represents 16% of all households, but 30% amongst those living in deprived areas.

---

[4] MORI 2003 'Attitudes to voting and the political process,' for The Electoral Commission and NOP 2003 'National Assembly for Wales Elections 2003' for The Electoral Commission, cited in Electoral Commission 2004, 'An audit of political engagement.'

[5] Based on analysis of General Household Survey against Index of Multiple Deprivation

[6] English House Condition Survey 2003, ODPM

11. Solving these problems needs partnership – it needs local people to be in the lead, but it also needs business, local government, and the voluntary and community sector to be engaged; and it needs central government to keep on setting up arrangements that give local people the power and mechanisms to effect change.

KEY CHALLENGE: We need to put more control in the hands of local people to help make services better, and communities cleaner, safer and greener.

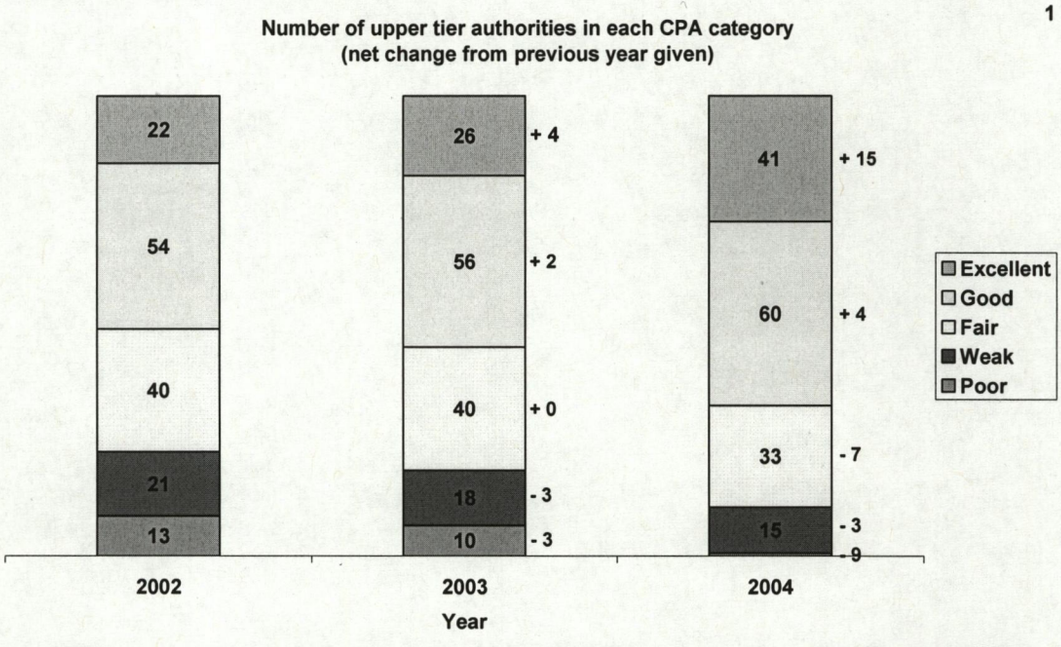
Local leadership

12. Local government was the pioneer of many of the changes that have made most difference to people's lives over the last century and a half; it needs a similar ambition, scope and challenge today. We need to reinvigorate the power and potential of local government to make a difference, building on its natural strengths as the democratically elected representative of local people, close to citizens and to the things that matter to them.

13. There is real evidence that **council services** and performance are **improving**.

14. By the end of 2004, two-thirds of upper-tier councils were rated as good or excellent under Comprehensive Performance Assessment and only one was still rated as Poor.

1



15. However, we know that there are substantial challenges to be faced if we are going to build on this positive start. Some councils have still not won the confidence of local people, of businesses, or of other partners. While trust is higher in local government than at the national level, trust in all

politicians is low and falling, compared to other public institutions. Improvements in services are not consistent across the country, and perceptions lag behind those improvements.

16. Overall, performance data and other surveys, such as those by MORI, show that, compared to three years ago, satisfaction with local authorities has declined by 10%, despite the evidence that they are performing better. Customer satisfaction surveys also consistently demonstrate that users of services are more satisfied than non-users, and that satisfaction is related to understanding and information about services. This highlights the need to make services more focused around the needs and preferences of users.

17. Local government needs to act as the champion of local people and local communities, giving them the voice to make services more responsive, and putting the experience of users at the centre of performance measures, inspection and assessment.

18. Local government also needs effective leadership if it is to deliver excellent services and have the confidence to empower communities to get involved. [evidence to come here]

19. And we need a transparently fair finance system that is fit for purpose. People who don't see their council making a difference and don't understand what local councillors do, resent rises in council tax. This is often compounded by a poor image of local government, which is seen as not delivering value for money. People need to have confidence in the link between fairness, need, service delivery and tax.

KEY CHALLENGE: We need to make sure local leadership is strong, representative and good enough to give people the excellent public services they expect and deserve, at a fair and reasonable cost.

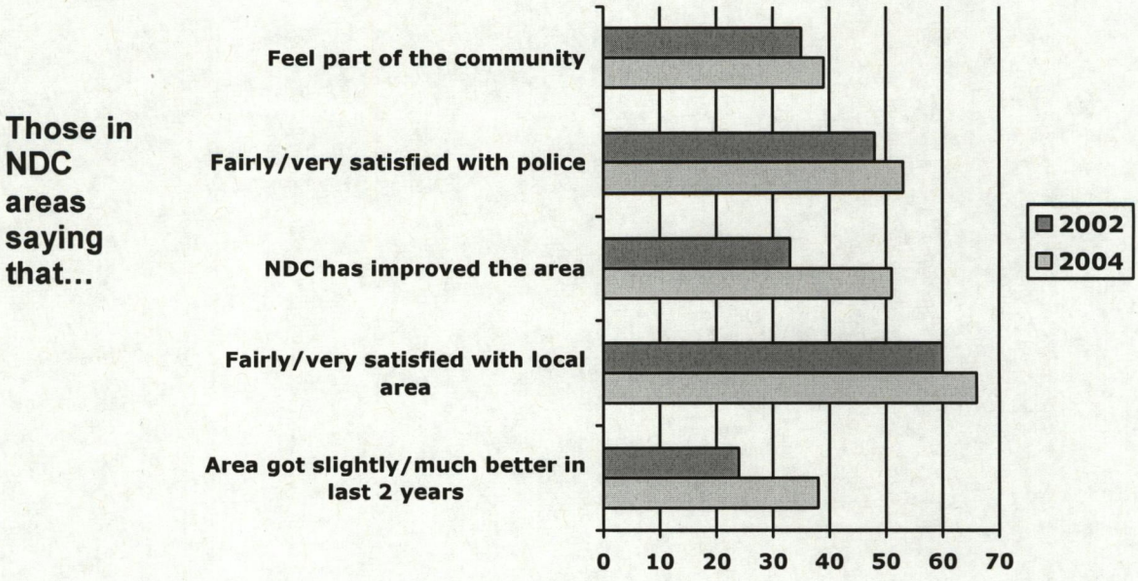
Tackling Disadvantage

20. We have made good progress in improving the quality of life for our poorest citizens. When the immediate post-war generation were growing up, many thousands of people still lived in unsanitary, unsafe homes in dilapidated slums. That is no longer the case for most people. But mistakes were made in the effort to improve areas and progress in narrowing the gap between rich and poor stalled in the 1980s.

21. Since 1997, however, huge progress has been made in combating the key drivers of deprivation:

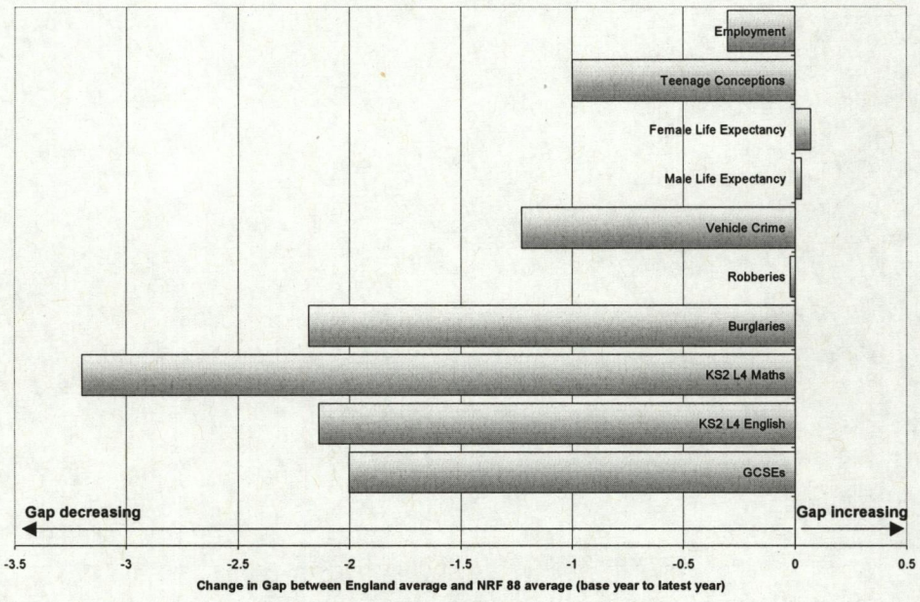
- There has been a 70% reduction in the number of people **sleeping rough**, and a dramatic reduction in the use of **bed and breakfast accommodation** for families with children.

- There is strong evidence that programmes like **New Deal for Communities**, which help people drive improvements in their local area, are making a real difference. The percentage of people saying their NDC has improved the area increased from 33% in 2002 to 51% in 2004.



- Recent evidence also shows that in the 88 areas identified for targeted activity under the Neighbourhood Renewal Fund, performance has improved, with the gap between the worst off areas and the rest of England narrowing in all public service areas over the last year. [need to clarify which years this refers to; and show what the gap is as well as how far it has narrowed]

Change in Gap between England Average and NRF 88 Average: Base Year against Latest Year



22. B
ut
to
o

many people are still disadvantaged by where they live, by their poverty, or by other circumstances beyond their control. Of the 10 areas that were the most deprived in 1991, 7 are still in the bottom 10. Moreover, some groups, including those with poor basic skills, some ethnic minorities, and those with disabilities or long-term illness, are most at risk of falling behind. The evidence is that some groups that are harder to reach have benefited least from many of the improvements[7].

- While health indicators, such as life expectancy, are improving over time, there are still large health inequalities between social groups, with cancer screening and coronary heart disease rehabilitation services underused by some groups such as minority ethnic women [get data and references from DH].
- In 2002, 77 per cent of children in year 11 in England and Wales with parents in higher professional occupations gained five or more good GCSEs. This was more than double the proportion for children with parents in routine occupations (32 per cent).
- People with long-term health problems or disabilities are much less likely to be in employment and more likely to have low incomes.
- Children in the lowest social class have a fire death rate 16 times higher than children in the highest social class, and people in the poorest 10% of wards are five times more likely to be injured by fire than those in the richest 10%

KEY CHALLENGE: We need to keep working to narrow the gap between the best and the worst off, and make sure public services serve everyone well.

Prosperity in all regions

23. Regions have played a powerful part in driving the UK's economic success in recent years. Projections suggest that by 2010 the **trend rate of growth** in every region will be higher than in the period 1989-2002 and improved regional economic performance will mean that people in all regions of England will be **better off by £2100 a year** on average in real terms compared to 2004.

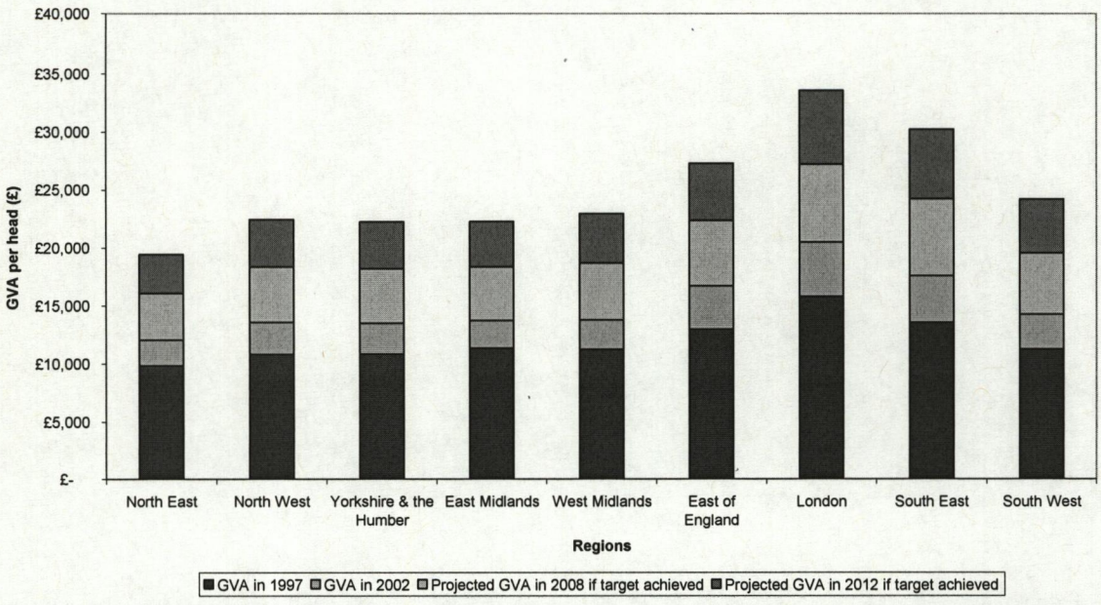
24. However, regional disparities in growth are significant and increasing. Economic growth continues to be led by some regions more than others. This means that the economy as a whole is not achieving its full potential.

- Economic output in the North East is 40% below that of London.
- The proportion of people with **no qualifications** is twice as high in the North as it is in the South East.
- 7 out of 10 people of working age are working in the North, compared to 8 out of 10 in the South East - that's 600,000 people who are not working in the North who would be if the North matched the South's **employment rate**.

[7] *Impacts & Trends in Social Exclusion*, Social Exclusion Unit, ODPM 2004

25. Closing regional gaps has huge potential to strengthen our economic performance. The graph below shows the potential impact of improving regional economic performance and reducing disparities. If we meet our targets, Gross Value Added (a measure of the value of goods and services produced in the region) will grow in all regions. [DN need to discuss further with policy officials].

GVA per head in the English Regions if the Regional Economic Performance PSA is Delivered



26. Successive governments have recognised that there are many important issues that need to be tackled above the level of a single local authority, but for which national decision-making would be too remote. Decisions made at the regional level on key issues such as planning, housing, and transport can take better account of the unique opportunities and challenges faced by an individual region and complement activity at the national and local levels.

27. Regional development agencies have been successful in acting as economic powerhouses for their regions. Some cities and regions have demonstrated what can be done by thinking big for their area.

28. We need strong regional institutions that can make the most of the opportunities to bring growth and prosperity to all parts of the country, working with business and bringing partners together to drive regional and national prosperity.

KEY CHALLENGE: We need to promote strong economies in all regions, narrowing the economic divide and boosting the economy as a whole.

29. This strategy aims to address these four critical challenges, empowering people and acting at every level to make sure that they can live in pleasant, sustainable communities.

Chapter 3: Neighbourhoods and community engagement

Aim: Local people and communities driving improvements in their neighbourhoods, in partnership with local government.

1. Neighbourhoods are the areas which people identify with most. They are the places where they live, work and relax. We intend to put power back into the hands of local people and communities, supported by local, regional and national government, to shape their neighbourhoods and the services they rely on - including housing, schools, health, policing and community safety.

2. We are developing a new, comprehensive ten-year strategy for local government, **local:vision**, in discussion with our partners. This strategy will address four key issues:

- strong, visible and accountable **local leadership** for areas and communities
- greater **citizen engagement** in the decisions that affect them, and more control over their own communities
- delivery of **better services** which meet the needs and preferences of people and communities and which respond to their views
- a more **coherent and stable relationship** between national, regional and local government, with clarity about responsibilities and accountabilities for delivery between different tiers of governance and between local partners

3. Alongside this plan, and as part of the development of the strategy, we are publishing two discussion documents, one on *Neighbourhoods*, and the other on *Vibrant Local Leadership*. These are part of a series of papers which take forward the issues and ideas in the Local Government Strategy. Many of the ideas in this chapter and the next are explored in more detail in those papers.

Our offer

- Stronger links between services and communities – with council services, hospitals, schools and policing which respond to the needs and views of neighbourhoods and all the people who live in them
- A Neighbourhoods Charter, giving all communities the opportunity to have more control over their own neighbourhoods – including the ability for communities to own their own assets (for example, playgrounds or community centres), and to trigger action when things aren't right
- Councillors who represent and are advocates for all sections of the community, and play a more active part in their neighbourhood
- More delegation of budgets – which could include a small community fund held by councillors to make a difference in their neighbourhoods
- Clean, safe streets free of anti-social behaviour; good quality, well-maintained parks and open spaces; and well run, attractive, inclusive town centres

Community engagement

4. We need stronger links between all our public services and the communities they serve. The Government's public service reform agenda is intended to make public services more responsive – with more patient and public involvement in health services, extended schools which do much more to reach out and make their resources available to the whole community, new measures to make sure that people have local police who they recognise and can get hold of easily, and a reformed Fire and Rescue Service which is seen as part of the local community and is more effective in preventing fires and other potential risks to that community.

5. This depends on opportunities for and capacity within local communities to become involved in the decisions that affect them. Our experience, particularly in deprived neighbourhoods, is that community engagement is a powerful driver for improvement (indeed often a prerequisite for sustainable improvement) but that it must be built and supported within a clear framework. It must work with the democratic structures of local government and local councillors, not be set up in parallel.

6. Our strategy for local government, **local:vision**, starts from the view that communities are different, and that these differences offer strengths and opportunities, and need to be recognised. Local government, as the democratically elected representative of local people, close to local communities, is well-placed to do this, and we see the development of neighbourhood arrangements which have councillors and wards at their heart as a central part of the local government strategy.

Increasing levels of participation

7. While traditional forms of democratic engagement such as voting have declined over time, a large and increasing number of people take an active part in shaping and caring for their local community. Between 2001 and 2003 the number who engaged in active community participation at least once a month increased from 48% to 51% of the population.[8] But for too many, dissatisfaction with the current state of their area is still accompanied by a sense of powerlessness to do much to improve it.

8. We need to transform the opportunities available for all people and communities to shape their neighbourhoods – making sure that people have the power and scope to make a real difference.

9. Community engagement also has intrinsic benefits to individuals and to communities. It can strengthen neighbourhoods and foster community cohesion. And it can provide a 'ladder of opportunity' for people who might otherwise not consider putting themselves forward at local (or indeed, national) level - building desire and confidence, and providing valuable lessons in the skills needed to get things done by working with others.

---

[8] Home Office Citizenship Survey, 2003

Community groups and individuals can often progress from sorting out a specific neighbourhood problem on to engagement in a broader set of issues covering a wider area. This is particularly important where, in the past, people might have felt excluded from local politics and processes.

Case Study: Anne Glover

Anne Glover grew up on Braunstone, one of Leicester's most deprived estates. For over nine years she has been coping with a serious disability that dominated her life - until she wandered into a community meeting and got roped into the New Deal for Communities (NDC) pathfinder. Since then her life has turned round. She has been elected to the board three times and is now vice-chair.

Until the NDC came along she says: 'It never occurred to us that we were so 'deprived'. Having the information to understand our situation has enable us to challenge decisions. You need to have the confidence to believe that there is no such thing as a foolish question and that nothing is impossible.'

She is passionate about young people - 'People say they are our future, but really it's up to us to create a better future for them'. She has led the fight against drug dealers and burglars, despite serious intimidation. And with fellow residents she helped reverse a decision to demolish 200 vandalised houses - now refurbished and fully occupied. Drug and alcohol abuse remains a major issue. But Anne can see real change and this is worth all the hassle.

Local Strategic Partnerships

10. Local Strategic Partnerships (LSPs) provide experience and evidence of what is needed for effective community engagement. LSPs bring together local authorities, other public services, private, voluntary and community sector organisations to work with residents to improve local areas and services. In the 88 most deprived local authority areas, where LSPs began, they have also produced a Local Neighbourhood Renewal Strategy. And in these areas, LSPs are eligible for the Neighbourhood Renewal Fund. They have responsibility for taking major decisions about priorities and funding for neighbourhood renewal in their local area.

11. But LSPs are not just for deprived areas. There are now around 370 LSPs across England, providing the framework for developing community strategies. Most have built up effective partnership structures and arrangements. Evidence from the Audit Commission, national floor target data and other assessments, shows that they are helping to deliver real improvements for local people.

12. We will carry on learning lessons from the earliest Local Strategic Partnerships which can be applied across the country, for everyone. One important way in which all Local Strategic Partnerships will start to influence major local decisions and spending is through their new role in Local Area Agreements – where they will work with the local council on

behalf of the local area to get the balance of spending and services they want.

Putting power into the hands of the community

13. But Local Strategic Partnerships are not the only way of giving more of a voice to local people. The majority of local authorities have set up area committees or forums that consult local people about decisions which affect them. Over a quarter have structures which give decision-making powers to communities. Some have gone further and introduced neighbourhood management bodies which are led by the public or voluntary sector. In many areas the Parish Council plays an important role; and in others, local New Deal for Communities Boards take action to give residents a stronger voice locally, and make things happen. [insert NDC example here covering services beyond liveability]

14. The Government wants to make sure that all areas have the chance to have their say, but without imposing a one-size fits all model - there are already a wide variety of local arrangements, from Local Strategic Partnerships to Parish Councils, and we need variety so that arrangements can respond to local circumstances.

15. So we propose to develop a national framework, agreed between all the key stakeholders, which sets out principles for neighbourhood arrangements, and what each of the parties will do to help establish them. The principles would be flexible, and could apply to many different models; but they would include the opportunity for all communities to have neighbourhood arrangements which give them real power. They should also work within the current democratic structures, rather than setting up rival ones. Alongside the framework, we will also correct anomalies which mean that at the moment, not all areas have the same options – in particular, we will make it possible to establish urban parish councils in London.

16. We propose that this framework be underpinned by a 'Charter', setting out what all local people should expect, both in terms of outcomes – for example, safe, clean streets – and in terms of control or influence over their neighbourhoods. Some parts of the 'Charter' would be for every neighbourhood; others would be decided between particular neighbourhoods, their local authorities, and other local partners, with more accountability needed where more power and influence was being transferred.

17. The kinds of powers available to be agreed between local authorities and neighbourhoods would range widely, and might include:

    - Giving communities the ability to require action where local people are dissatisfied with the level of performance of a particular service, including the use of fixed penalty notices, or 'triggers' which reguire the council to take action.

- Model bye-laws to make it easier for communities to deal with issues that are causing problems, such as anti-social behaviour
- Devolving budgets and giving communities the power to manage particular services directly.
- Giving communities ownership of local assets like playgrounds and community centres, and the chance to manage them themselves.
- Additional revenue-raising powers – perhaps through 'Neighbourhood Improvement Districts', which would allow local areas to vote to raise additional money to spend on local priorities.

18. The set of powers offered to neighbourhood bodies, and any restrictions on their use, would have to balance neighbourhood interests with the interests of the wider local community, in particular the importance of promoting community cohesion. For example, it must positively support our commitment to narrowing the gap between deprived neighbourhoods and other areas, and avoid risks of discrimination or capture by unrepresentative groups with narrow interests. This might point to some form of minimum standards for neighbourhood bodies which are to be given extensive powers. But the aim should be to put power in the hands of the community with the minimum regulation necessary to protect against waste or abuse.

19. The Local Government Strategy document, *Neighbourhoods*, published alongside this Plan, sets out our firm intention to create a framework within which all communities will be given a bigger say in the decisions which affect them. It describes how local government, elected councillors and neighbourhood structures could complement each other, strengthening both the community advocacy role of councillors and the voice of local people in their communities. It is a consultative document, and it invites views on how this can best be done, and on what should be on offer as part of the 'menu' of options for local communities. It also invites views on what more information it would be helpful to have at a neighbourhood level to help local people see how well local services are performing for them.

A community fund

20. In some places, including deprived areas, councillors have been given a small budget to spend at their discretion to improve the area in ways suggested by neighbourhood bodies. This has been highly effective in galvanising action on some local issues, such as vandalism or rubbish, which are relatively inexpensive to sort out but which can be a source of major annoyance. It has also helped to create a positive spirit and energy within those bodies. Through the Charter, we will encourage all councils to establish small funds (say, £10,000 per year, though the amount would vary in different places) for each councillor to secure improvements in their area.

21. Set beside the delegation of budgets or service management, the funds for councillors might seem insignificant. But the two have quite different purposes and should happen in tandem. People want and should have

more control over the services provided on their behalf - but they also need to feel empowered to sort out specific issues within their communities.

Cleaner, greener and safer places

22. People want to live in attractive places that are clean and safe, with good parks, play areas and green spaces. Many still live in areas that are dirty and vandalised with run-down parks and play areas where they feel unwelcome and unsafe, especially in deprived areas.

23. We will lead the delivery of the cross-government "Cleaner, Safer, Greener Communities" programme for improving local liveability in every community across the country, including deprived areas. We will measure our performance through our new liveability Public Service Agreement target, which says that there will be measurable improvements by 2008. Detail of the programme are available at www.cleanersafergreener.gov.uk.

24. At the heart of the programme is the need to support local authorities in raising standards. People expect local authorities to maintain the quality of their local environments - they expect less litter, graffiti, fly-posting and dog fouling, and fewer abandoned vehicles. Local authorities will receive around £7 billion for local environmental services over the next three years and around £3 billion for highway maintenance and street lighting. On top of this, specific programmes to deliver decent homes, neighbourhood renewal, housing market renewal and new housing growth will include contributions to improving local environments. Councils will also get funding from other parts of Government, the Lottery and charitable trusts. And we have given councils control over the income from a wider range of fixed penalty notices.

25. We will also streamline the powers to deal with anti-social behaviour - litter, graffiti, and noise and nuisance vehicles - through the Clean Neighbourhoods and Environment Bill. We will incentivise councils to take effective action to improve their environment, by giving this the weight it deserves in the measurement and assessment of council performance, and by providing reward grants for councils who exceed targets agreed with central Government in Local Public Service Agreements. And we will introduce model bye-laws which can be used by communities to address problems of anti-social behaviour.

26. Town and parish councils can play an important part in protecting the environment by acting as the 'eyes and ears' of local planning authorities. Many are already very vigilant about breaches of planning controls or conditions and in alerting local planning authorities where enforcement action is needed. We will be producing further advice on the role of local bodies in enforcement, to ensure early and effective action can be taken where needed.

27. We are also protecting the country's green spaces. As set out in *Homes for All,* we have already added 19 000 hectares to the green belt - an area roughly equivalent to the size of Liverpool. There are proposals for 12 000 more hectares of green belt land in current plans. We are already exceeding our target that 60% of all new developments should be built on brownfield land, increasing the rate of development on brownfield land in England from 56% in 1997 to 67% in 2003. And we have increased the densities of new developments in England from 25 dwellings per hectare in 1997 to 33 dwellings per hectare in 2003 – meaning that we can build the houses that we need using much less land.

Liveability and Community Engagement

28. Liveability issues affect people on their doorsteps. The Cleaner, Safer, Greener Communities programme will engage local people in decisions about the services they get, empower them to trigger action and make service providers responsive to their needs, and give them opportunities to drive improvements through the type of neighbourhood arrangements described earlier in this chapter. The programme will also work closely with our Neighbourhood Renewal programmes to focus action in deprived areas, by supporting the delivery of our new liveability 'floor target' to narrow the gap between the worst off areas and people and the rest - this is described in more detail in the chapter 5.

Case Study: Creating space for a community

When Constantine Blake first became a park ranger is Bristol, all the local people walked around the park and not through it. "I realised then I had my work cut out", says Constantine. "There was this great big space bang in the middle of the community but nobody was using it."

In 2000, St Agnes Park was a virtual no go area made up of an abandoned playground, a derelict lodge and badly lit parkland. Constantine was the first park ranger the park had ever had. But there were issues to deal with beyond the grass and trees – Constantine was collecting as many as 70 to 100 used drug needles in a day. "I decided to talk to the people using the park to take drugs about why they feel they need to take drugs and ask them to dispose of the needles safely. They have got to know me and respect my efforts in looking after the park. Other groups have got involved in drugs litter clean ups since I first started to confront the problem."

"Green spaces are Britain's legacy and we haven't appreciated them enough in the past – in St Agnes clearing the park was only the beginning. An adventure playground, the Church, and eight or nine residential streets surround the space. All these elements of the community have been brought together now because they all use the park. "I made it a space the community could use – it's their decision on how they want to use it. Now there is a learning centre on the spot where all I used to find was drugs litter so I would say that their use of the space so far is pretty impressive!"

29. Over the next five years we will work with the Home Office, Department for Culture, Media and Sport (DCMS), Department for the Environment, Food and Rural Affairs (Defra) and the Department for Transport (DfT), as well as practitioners at all levels, to sustain a climate of innovation and good practice on liveability issues. We will commit £5m over the next three years to establish a new 'How to' programme to support this. We will publish three 'how to' guides for tackling the liveability issues that affect: town centres; residential areas and streets; and parks and open spaces. We will also establish and work with an 'academy' of leaders and practitioners to target the right issues and identify and road test innovative ways of tackling them. The 'how to' guides will be widely disseminated, and regularly updated through the work of the academy.

Cleaner Safer Greener – How to Guides

Town centres Guide (March 2005)

We are working closely with the Home Office and DCMS to make our town centres successful places that are cleaner and safer, by implementing the Licensing Act, our planning reforms and the Alcohol Harm Reduction Strategy. We will encourage partnerships, especially between local and public authorities, Local Strategic Partnerships, Crime and Disorder Reduction Partnerships and Primary Care Trusts. We will promote more Business Improvement Districts to enable local business to enhance the quality and competitiveness of their operating environments [as described in chapter 4]. The guide will support practitioners in:

- Creating effective town centre partnerships and action plans.
- Managing the night-time economy and reducing alcohol related violence.
- Co-ordinating responses for tackling anti-social behaviour.
- Enhancing the physical appearance and quality of town centres.
- Engaging residents and businesses, and promoting Business Improvement Districts and corporate social responsibility.

Residential areas and streets Guide (April 2005).

2.1 million households face significant problems in the upkeep, management and maintenance of the environments where they live. *Homes for All* sets out our proposals for providing flexibility and choice for those who rent, and for creating decent places for people to live in. People should expect to live in communities where they need not feel threatened or intimidated on the streets where they live and work. We are working with DfT in preparing this guide which will assist practitioners to:

- Improve the quality of spaces around housing estates [a link with decent homes].
- Improve the safety and security of residential areas and streets.
- Tackle housing related anti-social behaviour by using the tools we have provided.
- Design, manage and maintain our streetscapes better.

Parks and greens spaces Guide (June 2005).

We will work with partners to sustain improvements in the quality of parks and green spaces. We will provide £19.5m over the next 3 years to the Commission for Architecture and the Built Environment (CABE) to raise standards of design and management of urban areas, parks and public spaces. We will provide £40m over the next 3 years to Groundwork to work with local authorities, residents, and local businesses in delivering over 7000 community-led projects, especially in deprived neighbourhoods. The guide will assist practitioners to:

- Improve the design and management of parks and green spaces - the CABE Space Advisory Service will directly assist more local authorities to do this.
- Use planning powers to protect and maintain the quality of parks and green spaces.
- Achieve higher standards - we want 60% of all local areas to have spaces that meet the Green Flag standards.
- Enable more local people to transform community parks and spaces - building on the success of the *Living Spaces* scheme.

30. The improvements we want to see should not depend on raising extra money through council tax. The challenge for authorities is to spend this money more effectively, by joining up service delivery and working better in partnership with public bodies, local business and people. We will support communities to do this, by streamlining ODPM and Home Office funding streams into a single 'Safer and Stronger Communities Fund'. This fund will be used to reduce crime and the fear of crime, improve public spaces, build the capacity of local communities to influence the decision-making and delivery of services, and improve the quality of life for people living in disadvantaged areas. It will help focus investment on priorities and reduce administrative burdens, freeing money up to deliver the things that really matter to the local community, through a local agreement. The fund is being rolled out to local authorities in England, and will form the basis of one of the three blocks of new Local Area Agreements described in the next Chapter.

New ways of working to underpin our offer

What we will do	How we will do it
Put more power in the hands of local people, making services more responsive	• Work across Government to make services more responsive – including extended schools and police reform • Development of and support for a wide range of different neighbourhood arrangements with effective powers to control or influence local services.
Help local government support neighbourhoods better, and devolve power effectively	• Neighbourhoods Charter for local government to use to give more power to neighbourhoods – including devolving budgets; triggering action when service standards fall below a minimum; ownership of assets; and revenue-raising powers • A new role for councillors in wards, which could include a community fund for each

	ward to use to focus on their priorities and solve local problems.
Make neighbourhoods cleaner, safer and greener	• Safer and Stronger Communities Fund, streamlining ODPM and Home Office funding streams into a single fund • Clean Neighbourhoods and Environment Bill, to streamline powers to deal with anti-social behaviour, including litter, graffiti, noise and nuisance vehicles • CPA to include environmental and liveability factors in its assessment of council performance, and used to assess reward grants for councils who exceed targets. • model bye-laws which can be used by communities to address problems of anti-social behaviour. • How to Programme to work with leaders and practitioners to develop and disseminate good practice and raise standards in town centres; residential areas and streets; and parks and green spaces.

Chapter 4: Local leadership

Aim: Strong councils securing the excellent services that local people want and providing leadership for their communities

1. Local government was the pioneer of social change, driving major improvements to public health, housing and education. It needs to take on a new role of similar ambition for the future, as a leader of communities and a champion of local people. This requires greater visibility, accountability and capacity. We will help local councils become genuine community leaders, leading and co-ordinating effective action to address the things that matter most to people.

2. We are developing a new, comprehensive ten-year strategy for local government, **local:vision**, in discussion with our partners. Alongside this plan, and as part of the development of the strategy, we are publishing two discussion documents, one on *Neighbourhoods*, and the other on *Vibrant Local Leadership*. Many of the ideas in this chapter are explored in more detail in the *Leadership* document, and will be taken forward as we develop our wider strategy.

Our offer:
- Local leadership which is visible, representative, responsive and accountable to local people
- A wide range of high quality, personalised and value for money local services, with more choice and fair access for everyone
- Joined-up services with councils working with other local partners (health, education, community safety etc) through new streamlined arrangements
- Councils that lead regeneration and promote a strong local economy
- Councillors who are effective advocates for the local community - listening to local people and representing their interests in all relevant forums, not just the council
- A fair, transparent and sustainable local tax and finance system

Community leadership

3. In 2000, councils were given additional power to act to improve the local economy, the environment and the well-being of their citizens. This signalled clearly that local authorities should look beyond the services they deliver directly. They should provide strong leadership and direction on all the things that matter most to people. Some councils have made the most of the opportunities offered by this and other changes to constitutions - setting up effective partnerships with other bodies to improve the health of local people, to make their areas cleaner and safer, and to attract new business and jobs.

4. We want all councils to take on this leadership role, pulling partners in their area together from across the public, private and voluntary sectors. And we want to remove the barriers that are stopping the best from doing even

better.

Local Area Agreements

5. Councils and their public sector partners in public health, community safety, education and in children's services, recognise that the biggest differences can be made by working together. Partnerships throw up new challenges, as each of the partners brings its own set of funding streams, targets and reporting requirements. While these may work well when organisations act independently, they can become highly complex and burdensome when organisations try to work together. At best they add unnecessary bureaucracy - at worst they discourage partnerships and new solutions. There have too often been too many complicated funding streams coming from individual central Government departments.

6. Local Area Agreements, announced in the Spending Review 2004, will simplify matters. They will be struck between Government, the local authority and its major delivery partners in an area, working through the Local Strategic Partnership. They will be structured around just three blocks - Children and Young People; Safer and Stronger Communities; and Healthier Communities and Older People. The second of these blocks expands on the Safer and Stronger Communities Fund (see Chapter 3).

7. Local Area Agreements will enable local areas to focus on delivery of a limited number of key outcomes, agreed jointly between local authorities and their partners and Government Offices in the Regions. They will rationalise funding streams, simplify auditing and monitoring processes and reduce bureaucracy. This means greater freedom and flexibility to find local solutions to local problems.

8. These Agreements will be made with and delivered by the local council and the Local Strategic Partnership on behalf of the local area, to get the balance of spending and services they want. The council and Local Strategic Partnership will also be responsible for ensuring proper engagement with local partners, including the private, voluntary and community sectors.

9. Pilot Local Area Agreements are now under way in 21 areas. If the pilots are successful, Local Area Agreements will be rolled out more widely from 2006/2007.

Councils working with business to improve local areas.

10. Local authorities have an important role in contributing to wider economic performance. This is discussed in more detail in Chapter 6, but two new schemes directly related to partnerships within the locality and the improvement of local communities are Business Improvement Districts and the Local Authorities Business Growth Incentive scheme.

11. Business Improvement Districts were enabled by the Local Government Act 2003. They allow local authorities and local businesses to work together to put in place locally-devised projects to improve their area, which can go beyond the services usually provided by local authorities.

12. The extra services or improvements are funded through a levy on business rates. Businesses vote to agree a proposal, the level of the extra rates, and the supporting arrangements. The Association of Town Centre Management has established 22 Business Improvement District pilots across the country.

13. Kingston-upon-Thames will become the UK's first Business Improvement District as a result of a ballot in late 2004, in which 66% of the businesses that voted approved the scheme. Kingston First will generate £4 million over five years through a one per cent supplement on the rateable value of properties, doubling spending on town centre services.

14. The Local Authorities Business Growth Incentives scheme will be rolled out in April 2005. It is designed to give local authorities an incentive to maximise local economic growth, by allowing them to keep a proportion of increases in local business rate revenues to spend on their own priorities. The revenue is not ringfenced so local authorities are free to spend it as needed.

15. The scheme will create positive financial incentives for local authorities to work in partnership with business and other key players such as Regional Development Agencies and neighbouring local authorities. The scheme should also be of major benefit to business, as it will increase the incentives for local authorities to understand and respond to their needs. The revenue gained will be shared between districts and counties. They will also have the option of pooling the revenue to encourage strategic economic growth.

Flexibility in delivering services

16. We will continue to increase the flexibility for front line bodies – including schools, hospitals and local council providers - to tailor their services to the needs and preferences of local people. The Government has already reduced the number of targets it sets at a national level, focussing these on national priorities and the areas where people expect a high common standard or a minimum level of service. We will also continue to reduce the inspection and regulation imposed on local public service providers, ensuring that it is proportionate to risk and designed to drive improvement.

17. In turn, we will look to councils and their partners to set their own ambitious targets in the areas that matter to local people. We will also expect them to challenge their own performance, regularly comparing it with that of their peers, and most importantly, giving local people the information and opportunities to hold them effectively to account for their performance.

Personalised services and choice

18. People expect services to meet their needs and preferences - whether it's the opening times and facilities at their local sports centre or the ways they can pay a bill. These expectations are not, and should not be, any lower for public services than for the services provided by other organisations. We will therefore work with front line bodies to extend the range and choice of services.

19. We expect the provision of all local services to start from the perspective of the user, by finding out what he or she needs or prefers, and then designing the service around the people who use it. For some services this may mean giving users a choice of different products, services or providers – or re-focusing the way a service works around choice, as is done when councils adopt choice-based lettings schemes. For other services it may mean providing something better tailored to the individual. But for all services it should mean greater attractiveness and variety, services which people use because they value them, not because they have no alternative.

[Add case study – Liverpool Service Centre]

20. The reforms in the Fire and Rescue Service offer a good example of how a user and community focus can improve performance, creating an efficient service that is responsive to local needs and saves more lives. By setting clear objectives, matching provision to risk, improving community fire safety and building a well-trained, diverse and flexible workforce, the Service aims by 2010 to reduce the number of accidental fire-related deaths in the home by 20%, to ensure no area has rates more than 25% higher than the national average, and to reduce deliberate fires by 10%.

21. Prevention of fires and other emergencies will be central to the new approach, building on the new duty to promote fire safety in the Fire and Rescue Services Act 2004. Effective prevention depends on the Service working closely with the community, local partners and local people, listening to their views and getting their support.

22. Reform of the planning system is also making it more accessible, inclusive and faster. By e-enabling their planning services, local authorities are able to provide:

- on-line submission of planning applications at a time to suit the applicant
- access to the list of all planning applications received for an area
- the ability for citizens and community groups to comment on planning applications and appeals
- access to information about the environment, such as flood plains, conservation areas and development schemes and plans
- the opportunity to engage earlier on in major decisions affecting their

environment

Effective and accountable local leaders

23. We have made changes to council constitutions to support a stronger executive and better decision making. The **local:vision** document, *Vibrant Local Leadership,* examines further ways to raise the visibility and impact of the executive within the community, including as an elected mayor.

24. The opportunity for areas to have directly elected mayors has not been taken up widely. But where local people have chosen to elect a mayor, there is evidence that they have achieved a relatively high level of public recognition - and in some cases become a strong focus and force for change for things that matter most to local people, such as crime and anti-social behaviour.

25. The challenge to deliver is most pressing in our larger cities and may be best addressed by the kind of leadership mayors can give. There also needs to be effective integration of public services across the whole area. A strong local leader could play a powerful role in achieving more effective integration, working together with other public bodies in the area, [helped by a further devolution of responsibilities from central government]. The Government will therefore be consulting on the case for a new initiative to promote the introduction of elected mayors in these cities [with additional powers devolved to them].

26. *Vibrant Local Leadership* also examines the role of 'backbench' councillors. Their role in scrutinising council policy and decisions has been emphasised over the last few years, but we also want to see councillors as advocates for their wards and communities, representing local people's interests not just on the council but for all issues that affect their area.. Councillors should be a natural focal point within the community, the person who can make things happen, acting on behalf of local people but also helping them to organise and do things for themselves.

27. This requires a wide range of people to stand as councillors, broadly representative of the make up of the community, and with a mix of skills and experience. This is not currently the case. In 2001, 71% of councillors were male, 86% were over 46, 36% were retired, and only 2.5% were from black and minority ethnic communities. We will work with others to make the job more attractive to a diverse range of people and offer new encouragement and support to those with the skills needed to come forward and represent their communities. And to ensure that, whatever their background, they can effectively serve the whole community.

28. We also need to support and train those who take on these jobs. The Capacity Building Programme, established jointly by central Government and the Local Government Association, will support long term sustainable improvement in local authorities. The Local Government Leadership Centre is one of the programmes it will fund. The Centre will develop

leadership skills and qualities among elected members and officers, using a variety of providers from different sectors.

Affordable and transparent local finance

29. Investment in local public services has risen rapidly since 1997 to make up for the under-investment of previous years. [give figures] Central government funding is continuing to rise above inflation. Alongside this, reforms to local government finance are introducing greater certainty – three-year revenue and capital settlements will allow councils to plan better, improve financial management and reduce the volatility of council tax.

30. All public bodies are rightly expected to provide value for money for taxpayers. The Gershon Review of efficiency in the public sector found scope within local government to deliver efficiency savings of at least £6.45 billion over the next three years. ODPM will support local government to meet this target, with the strong incentive that savings will be retained and can be reinvested in local services. The main elements expected to deliver these savings are: aggregation across authorities in delivering transactional services such as [X]; integration and standardisation of back-office functions; better procurement; and streamlining and reductions in the administrative and regulatory demands from central Government.

31. Against this background of investment and efficiency gains, the Government is clear that council tax rises significantly above inflation would not be justified over the next few years, would not be acceptable to local people, and will not be permitted.

32. Alongside affordability, local people expect greater transparency about the costs of services and how they are paid for. The Balance of Funding Review looked at how fair and sustainable the current system of finance is, in particular the balance between national and local taxes. [Add short details on what it found] An independent inquiry led by Sir Michael Lyons is now looking at detailed options for reform. After Lyons reports we will come forward with proposals for reform which ensure that local finance is fair and fit for purpose for the future.

New ways of working to underpin our offer

What we will do	How we will do it
Help local councils and other local bodies work together better; and give local areas a bigger say in what they deliver and how they deliver it	• Extending freedoms and flexibilities, with more scope to set local priorities and targets • Local Area Agreements which rationalise funding streams, targets and accountabilities, and give local partners a bigger say in setting priorities • Enable Business Improvement Districts
Improve responsiveness and	• Supporting councils and others to provide

personalisation of services, and give people the opportunity to get more involved	more choice and flexibility in local services, to deliver services designed around the needs of users • A performance framework which better reflects local people's experience of services and which gives people the information they need to make decisions • New electoral arrangements which increase the number of people who take the opportunity to vote
Help create strong, visible civic leaders	• New models for leadership and executives • Clarify the leadership, scrutiny and community advocacy roles of councillors • Make the jobs more attractive to people from diverse backgrounds • Capacity building and support, with a new Local Government Leadership Centre
Improve quality and value for money of local services	• Taking forward the Gershon recommendations and supporting local government to unlock efficiencies • Reform of local finance system, informed by Lyons Inquiry, to make sure the local tax system is sustainable and fair

Chapter 5: Tackling Disadvantage

Aim: Narrowing the gap between the best and the worst off to make sure opportunity and choice are for all

1. As we seek to improve services and places for everyone, we need to keep a clear focus on those who are worst off. A truly sustainable community must be a fair community, where everyone has the chance of a good education, a decent home, and the opportunity to get a job. We need targeted action for the worst-off places and people; and we need to make sure that mainstream services do at least as well for the worst-off as they do for others.

Our offer:

- Over £2.5bn invested each year in practical work to transform many of the worst-off areas in Britain
- New action to bring together our neighbourhood renewal work with activity to improve the mix of housing in a local area
- Faster progress in education, health, work and cutting crime in the most deprived areas, and for the worst off people – narrowing the gap between the most deprived and others
- Continuing reductions in rough sleeping and homelessness, halving the number of households in insecure temporary accommodation by 2010, as we set out in *Homes for All.*
- Housing-related support for over one million vulnerable people, to help them live independently and successfully
- Better personalised public services which can meet individual needs better – not just for the well-off, but for everyone
- Action to attract more private sector investment to deprived areas to stimulate economic growth and jobs

2. As we set out in Chapter 2, we have made progress in closing the gap between the best and worst off areas; but there are still very significant challenges to meet. The Social Exclusion Unit's recent report, *Breaking the Cycle*, showed that even those services that were helping some people out of poverty tended to be least successful for those who needed them most – those with very serious or multiple disadvantages. For both deprived people and deprived places, we have identified five key drivers of deprivation which must be tackled – poor educational attainment, poor health, high crime, worklessness and homelessness.

Neighbourhood Renewal

3. Chapter 3 described how we would help build stronger communities in all parts of the country - communities that give local people more control over their lives and over the services they rely on. The work we are doing to improve our most deprived communities has proved the importance of this in tackling some of the biggest challenges. That work has also pioneered

new forms of neighbourhood governance – arrangements that harness the energy and enthusiasm of people and help them to make a difference.

4. Our Neighbourhood Renewal programmes focus on the most deprived areas, and give people the power and money to turn their neighbourhoods around. The Neighbourhood Renewal Fund is providing £1.9 billion in extra resources for the most deprived communities over five years. In addition, the New Deal for Communities programme provides approximately £2 billion to 39 partnerships over ten years.

5. Funding for renewal and regeneration projects in deprived areas supports schemes to employ wardens in deprived areas, neighbourhood management which brings together communities and service providers to tailor services better to local needs, and programmes which build the capacity of local people to get involved. A skills training programme equips partnerships to improve delivery by running courses and supporting peer and regional support networks.

Case Study: East Manchester New Deal for Communities studies crime patterns to find solutions

When East Manchester NDC reviewed its ongoing programme to cut crime in the area in 2001, its research uncovered that a very small group of local criminals were committing nearly half of all detected crime. A programme was created for the most persistent offenders to offer them a way out of their criminal lifestyle.

Debbie Heath from Openshaw is the mother of a former offender who had become involved with a drug dealing ring. Now 19, her second son was on the programme two and a half years ago. He has successfully changed his criminal lifestyle and now works at a flour warehouse, has got a forklift truck qualification and is getting married. He was one of the first on the programme in 2002.

"When it happened it broke my heart, I just blamed myself ", says Debbie. "I went from having a happy-go-lucky kid to having the police search our house every week. Now he's not a stranger to me any more, I feel I've got my boy back. He's earning a decent salary, he's got a different set of mates, he doesn't hang around with the wrong crowd any more. Without help from the programme I don't think we could have dealt with this."

Above all the fear of crime has plummeted. Resident NDC board member Maggie Warburton says; "Fear of crime here has almost gone now, people just aren't worried about going out to the shops at 8 o'clock in the way they were when NDC started."

Next steps on Neighbourhood Renewal

6. The joint report by the Number 10 Strategy Unit and the Neighbourhood Renewal Unit on deprived places [add title], published [alongside this

document], described the cycle of decline which occurs in deprived areas, and concludes that our future action must continue to focus on:

- Revitalising local economies by encouraging enterprise and tackling unemployment and economic inactivity
- Stabilising communities and improving housing and the local environment
- Improving the performance of public services and delivering support more effectively to deprived areas

7. The report of the Private Sector Advisory Panel on neighbourhood renewal, published in December 2004:

- endorsed the long term strategy for neighbourhood renewal
- called for improvements in the delivery processes which enable businesses to get involved, including the capacity of Local Strategic Partnerships to engage with business to promote economic renewal
- produced a menu of opportunities to make it easier for business to contribute to neighbourhood renewal

8. We will continue to strengthen Local Strategic Partnerships, and will use new mechanisms – like Community Empowerment Networks and business brokers – to make sure that all local partners, including business, are closely engaged in neighbourhood renewal.

9. We have been consulting on how the next tranche of Neighbourhood Renewal Fund should be allocated. We intend to use the best evidence – for example, our new index of multiple deprivation – to make sure that we are targeting the worst pockets of deprivation, even below ward level. We are looking at whether to make sure all the most deprived small areas are covered, or whether to focus on larger areas with high concentrations of deprivation. [To be added here – summary of the options we are consulting on]. The Neighbourhood Renewal Fund will also be included in Local Area Agreements in the areas where they operate, so that it is part of the work to bring together and join up funding streams.

10. We also want to make sure that funding really is making a difference for local people – and are consulting on whether we should do more to link funding to results. We are also looking at what should be done where a particular Local Strategic Partnership is weak, and not delivering results for local people.

Neighbourhood Renewal and Mixed Housing

11. One finding from the Strategy Unit and Neighbourhood Renewal Unit joint report, confirmed by the Private Sector Panel, was that more could be done to integrate housing policy and neighbourhood renewal policy. We believe that Local Strategic Partnerships could pay more attention to housing issues as part of their work on neighbourhood renewal.

12. We know that concentrations of poverty or worklessness can exacerbate problems. That is why we will not build any more monolithic social housing estates, and why we are promoting mixed housing developments and looking at what more we can do to break up housing and tenure types in existing areas, as part of our wider strategy on housing, set out in *Homes for All*.

13. But we also know that new or more mixed housing on its own won't solve the problems of deprived areas. As the Chancellor announced in the pre-budget report, we will be taking forward approaches to transform very deprived estates into more mixed communities. Mixed tenure remodelling will be at the heart of this approach, together with improved connections to employment opportunities, schools and health care for the whole community. This will build on existing activity in both low and high demand areas. There will be no blueprint – each area will make proposals tailored to its needs and opportunities. Further details are being announced early in 2005.

Vandalised shops replaced with affordable housing

Sefton Council has worked with a local housing association to replace unpopular and vandalised shops with new affordable properties for rent. The remodelling of an unsightly block of shops, which attracted nuisance and anti-social behaviour, has transformed a once unsafe area into a well respected residential area.

During January 2002 to March 2004 28 new homes have been built, 22 of which are rented whilst the other 6 were sold on a shared ownership basis to local families. Neighbourhood Renewal Funding, local authority and housing association funds were combined with private capital to pay for the £2.2M scheme.

[possibly replace this case study with something on Harpurhey]

14. *Making it Happen in Neighbourhoods*, published alongside this document, reports on progress against the neighbourhood renewal strategy's aims of creating sustainable communities and tackling disadvantage. It also provides an overview of policy and programme priorities for the future, in response to evidence of what is working well and what could be improved.

Tackling the five key drivers of deprivation for both people and places

15. Not all deprived people live in deprived areas, and some of the most deprived are rootless, with little attachment to any community. We need to make sure that both for people and for places, we are tackling the key drivers of deprivation that risk pushing people into a spiral of decline. The Social Exclusion Unit's recent *Breaking the Cycle* report identified five key drivers of social exclusion: worklessless, homelessness, low educational attainment, health inequalities and crime.

16. We have a set of 'floor targets' across Government which aim to narrow the gap between the worst off and the rest. These targets all measure outcomes for people – some to be achieved by raising national averages, others by ensuring the poorest performing areas are catching up.

Some of the most significant floor targets across Government which contribute to our overarching aim of narrowing the gap

- A narrowing of the gap between the overall employment rate and the employment rate of those living in the local authority wards with the worst labour position (with NRF funding) by 1%, and by 2% for lone parents, by 2010
- Preventing homelessness more effectively and helping more people to find settled homes, halving the number of households in temporary accommodation by 2010.
- Bringing all social housing into a decent condition, with most of this improvement taking place in deprived areas, by 2010.
- By 2008, at least 50% of pupils aged 14 to achieve level 5 or above in each of English, maths and science; and a new national target to reduce the proportion of young people not in education, employment or training by 2 percentage points by 2010
- Substantially reduce mortality rates by 2010 from heart disease and stroke and related diseases by at least 40% in people under 75, with at least 40% reduction in the inequalities gap between the fifth of areas with the worst health and deprivation indicators and the population as a whole
- A 15% reduction in crime in all areas, with a further reduction in high crime areas, by 2007/08
- No Fire and Rescue Authority having a fatality rate from accidental fires in the home more than 1.25 times the national average by 2010

17. Progress against these floor targets requires work across Government to share good practice, introduce policy innovations and bend mainstream resources to ensure that money and effort is targeted on the most deprived areas and people. Targets and funding to tackle inequalities are now built into Spending Review settlements across Departments, based on evidence about what works. And ODPM works directly with other Departments to help them tackle issues related to inequality and particularly to the key drivers of deprivation.

Worklessness

18. The Social Exclusion Unit's recent report, *Jobs and Enterprise in Deprived Areas,* has confirmed that concentrations of economic inactivity can be seriously damaging for communities and for people's life chances. Work remains the best route out of poverty and deprivation. Traditional unemployment - where people are fit for work and actively looking for a job - is very low and has fallen significantly in recent years, but there are still around 2.7 million people claiming incapacity benefits, many of whom would like to work. Within this group are many people with disabilities who,

with the right reasonable adjustments in the workplace, and the right attitude from employers, could make an important contribution to our economy.

19. It is important that we focus on these longer term claimants as well as people newly claiming incapacity benefit. DWP's promising pilot programmes are starting to build a convincing case for active engagement, and across Government we are looking at rebalancing spending to provide more targeted support to help this group into work.

20. We are also using our regional policies to make sure that extra help goes to places where there are large numbers of people on incapacity benefit. The Northern Way growth Strategy includes a commitment to help 100,000 people off incapacity benefit in the North, while the 2004 Pre-Budget report announced that the 'Pathways to Work' pilots, helping people off the benefit and into work, will be extended from 7 to 21 local authority districts, covering the areas worst affected.

21. And we are funding the Under-served Markets project which, building on successful experience in the United States, aims to identify investment opportunities in deprived areas. Such areas can be seen as new markets with competitive advantages – they often have strategic locations, untapped retail opportunities and a large potential workforce. Through intitiatives such as this and City Growth, which uses private sector expertise to develop local economic strategies, we are helping to stimulate business-led economic renewal.

Homelessness

22. We have a vital programme to sustain reductions in rough sleeping and the damaging long-term use of B&B hotels as accommodation for families with children. In March 2002 the report *More than a Roof* set a new agenda for tackling wider homelessness problems, placing greater emphasis on preventative approaches that address the personal difficulties that cause or can be exacerbated by homelessness. Across the country, these new approaches are beginning to have an impact, with new cases of homelessness falling in 2004. But there are still too many people living in insecure temporary homes.

23. We have also introduced a major programme called Supporting People, to enable vulnerable people to live in their own homes. Over the next three years, the Government will provide over £5 billion to the Supporting People programme, to help over 1 million vulnerable people receive housing-related support.

24. Our further action, set out in more detail in *Homes for All*, will combine homelessness prevention and improved access to settled and affordable housing to halve the number of households in temporary accommodation by 2010.

Transforming public services for all

25. Our work to make sure that the worst off get a better deal goes hand in hand with the Government's drive to create more responsive and personalised public services. It is often the least advantaged who are worst served by a 'standard' service. Services which are designed around users are much more likely to be able to respond helpfully to those with complicated lives and many needs.

26. With this in mind, the Social Exclusion Unit's new work programme is focusing closely on how public services can best be delivered to excluded people. In 2004-05, the programme will cover young adults with troubled lives; excluded older people; people who move frequently; and excluded adults, with a particular focus on those with poor basic skills, those from certain ethnic minority groups, and those with health or disability issues. Looking at the findings from these projects, we will be considering, in the run-up to the next spending review, whether more intensive and targeted support should be available for the very worst off, and for those with severe and multiple problems, to help them get access to the basic services that the rest of us take for granted.

27. [Add brief para covering relevant OGD strategies - eg Improving the Life Chances for People with Disabilities; Community Cohesion and Race Equality; Ethnic Monitoring and Employment.]

28. The projects will not just produce lessons for central government – they will also result in practical guides for those who actually deliver public services. The first, general guide - *Delivery for All?* – has recently been published and rolled out through a series of well-attended regional events.

.Examples of practical suggestions from *Delivery for All?*

- Agree lead responsibility across services for particular groups and individual clients with multiple needs
- Put in place agreed referral procedures between services, and let clients know how long referral will take
- Where staff changes are unavoidable, develop an 'extended handover' period to minimise disruption for the client
- When developing staff training plans, consider multi-agency training
- Offer a 'collection and drop off' service for clients who have transport problems or find it difficult to get to appointments or training on time
- Recruit local people who understand the local area and community

29. In addition, not just using the floor targets, but looking across all developing Government policy, we are constantly acting as the champion of the "bottom 10%", and using them as a key test of public service reform. We will not be satisfied unless public services are improving and delivering for them, not just for the average person. We will know that our public

services are truly excellent when those with multiple disadvantages, who have in the past been considered 'hard to help', are getting a good service.

New ways of working to underpin our offer

What we will do	How we will do it
Continuously improve our targeted support to neighbourhoods	• Continuing with successful Neighbourhood Renewal Programmes, including New Deal for Communities and Neighbourhood Management, and working to improve them with better performance management of Local Strategic Partnerships • [Using better and better data – with an index of multiple deprivation that goes below ward level – to target the worst off areas, as we announce the new allocations of the Neighbourhood Renewal Fund] • Work to combine our Neighbourhood Renewal work with innovative work to improve the mix of housing and break up concentrations of poverty and worklessness
Tackle the five key drivers of deprivation for both people and places	• Floor targets and Public Service Agreement targets • Continuous work across Government to tackle the five key drivers – for example, current work with DWP on Incapacity Benefit • Sustained reductions in rough sleeping and wider homelessness, and reduced use of temporary accommodation • £5 billion Supporting People programme to support vulnerable adults to live at home • Extend funding for the Under-served Markets project
Focus on the most disadvantaged and champion them as services are transformed across Government	• SEU work programme on service delivery for the most deprived to continually refresh and update Government thinking and understanding, and spur action • Using the experiences of the "bottom 10%" as a litmus-test of reform across Government

Chapter 6: Prosperous Regions

Aim: People in all regions contributing to and sharing in increasing prosperity

1. There is wide diversity among the English regions - each has its own particular social, environmental and economic needs. We will give regions flexibility to build on their strengths, ensuring that strategies and investment decisions have the best possible impact on prosperity and well-being.

2. Alongside this plan, we are publishing a series of nine regional documents, explaining the action being taken in each region to support prosperous, sustainable communities.

Our offer:

- Strong economies in all regions, offering opportunities for all people to share in increased prosperity
- Regions that connect policies from across Government with local people, improving their quality of life and giving them a bigger say
- Development planning which meets the needs of businesses and householders, while protecting the environment
- A strategic long-term approach to key issues such as skills, transport, planning and infrastructure, with greater alignment of priorities and spending, helping to increase the employment rate to 80%, including 900,000 more people in work in areas outside the Greater South East.
- Resilient regions that can respond to disruptive challenges and emergencies

3. Economic performance has a profound effect on the sustainability of communities and the quality of life of people living in the English regions. Our economy is continuing to go from strength to strength. But it is estimated that improved regional economic performance would mean on average that everyone in England will be better off by £2100 a year in real terms in 2010 than in 2004.

4. Regional disparities in growth are still significant. Underpinned by disparities in key drivers of regional performance such as skills and enterprise, this means that the economy as a whole is under-performing. Economic output in the North East is 40% below that of London and the proportion of people with no qualifications is twice as high in the North as it is in the South East. We need to strengthen regional performance if we are to get the best from our economy. If the economic performance of the regions in the north and west of the country could be raised to that of the three regions around London:

    - there would be an extra quarter of a million businesses
    - an extra 600,000 people would have a level 2 qualification

- an extra £2.5 billion would be spent each year by the private sector on research and development

Stronger regions across the country

5. We recognise that decisions about the needs of regions and localities are most effectively made in the regions themselves and that a strategic view of planning and prioritisation needs to be taken across the region as a whole

6. In 1998 the Government created business-led Regional Development Agencies which have already made a major contribution to economic development in each region.

7. In the White Paper "*Your Region, Your Choice*", and since then, we have set out plans to strengthen the other key regional institutions, devolve more decision making and get more integrated and consistent regional investment decisions. As part of this, the voluntary regional assemblies have been designated as the Regional Planning Board, and will in future lead the merged Regional Housing and Planning board. In 2003 the Learning and Skills Council appointed regional directors to work with them in a highly integrated skills agenda. Regional Skills Partnerships were established involving RDAs, local LSCs, GOs, Jobcentre Plus, the Small Business Service and the Sector Skills Development Agency.

8. We also realised our commitment to give people the choice in a referendum on whether to have an elected regional assembly. The people of the North East voted in November 2004 against establishing an elected assembly, which means that the existing arrangements for the GO, RDA and regional assembly continue there, as in the other regions. The Government remains committed to developing existing regional arrangements to aid growth in every region, and promote successful and coherent implementation of the whole range of cross-government programmes that support sustainable communities.

Regional Institutions

Government Offices for the Regions

- The Government Offices are central Government in the regions. They bring together and deliver national, regional and local priorities, and manage regional and local relationships on behalf of central government.
- Their work has expanded considerably. It covers the work of 10 central government departments and includes neighbourhood renewal, local authority engagement including Local Area Agreements, regional economic performance, crime, drugs, transport, children and young people's programmes, rural issues, European Structural Funds and health inequalities.

- Government Offices have also supported key Government initiatives such as foot and mouth eradication, community cohesion action following the northern town riots, and the street crime initiative.
- Government Offices co-ordinate regional housing and planning issues, working closely with the regional assemblies.

Regional Development Agencies

- Regional Development Agencies work with regional partners, taking account of national priorities, to draw up the regions' economic aspirations and priorities in the Regional Economic Strategy.
- Working with other bodies such as the local learning and skills councils, they deliver targets agreed with Government.
- Building on their business-led experience, RDAs provide a crucial link between the needs of business and the policies of Government, and enable an integrated approach to business support at the regional level. They also help businesses build links with universities.
- From April 2005, RDAs will deliver research and development grants and parts of the successor to the Phoenix Fund which focuses on enterprise in disadvantaged areas. They will also have responsibility for the delivery of Business Link services in their regions.

Regional Assemblies

- Regional Assemblies for each region are made up of representatives of the local authorities, and of business and voluntary bodies.
- They have a co-ordinating, strategic role and work with the Regional Development Agency, the Government Office, local authorities and other representatives in the region. They scrutinise the regional economic strategies produced by the RDAs.
- Since 2003, they have also been the Regional Planning Boards for their regions, with responsibility for producing the regional spatial strategy, which includes the transport strategy for the region.
- The planned merger of the Regional Planning and Regional Housing Boards will mean that Regional Assemblies bring together regional responsibility for housing and planning.
- With RDAs, they will have a key role in developing an integrated regional view of priorities under the government's new proposals for long term regional funding allocations for RDAs, housing, and transport.

Regional Funding

9. The Government is making significant investment in the regions through major programmes on housing, transport and skills, economic development, rural programmes, sports, art and culture. It is estimated that approximately £20?bn is deployed and influenced at the regional level. [DN: colleagues are researching this figure]

10. ODPM is spending some [£xm] [by 2007/08] on programmes covering economic development, regeneration, housing, tackling low demand, promoting housing growth and on neighbourhood renewal and liveability.

11. The European Regional Development Fund is providing some £3.5bn for regional investment over the period 2000-2006, and regions also benefit from the European Social Fund, which supports employment and skills. Over the next two years we will continue to ensure these funds are spent wisely to support regional objectives for economic development, regeneration and supporting communities. The future of Structural Funds beyond 2006 is currently being negotiated in Europe.

European support for the English regions

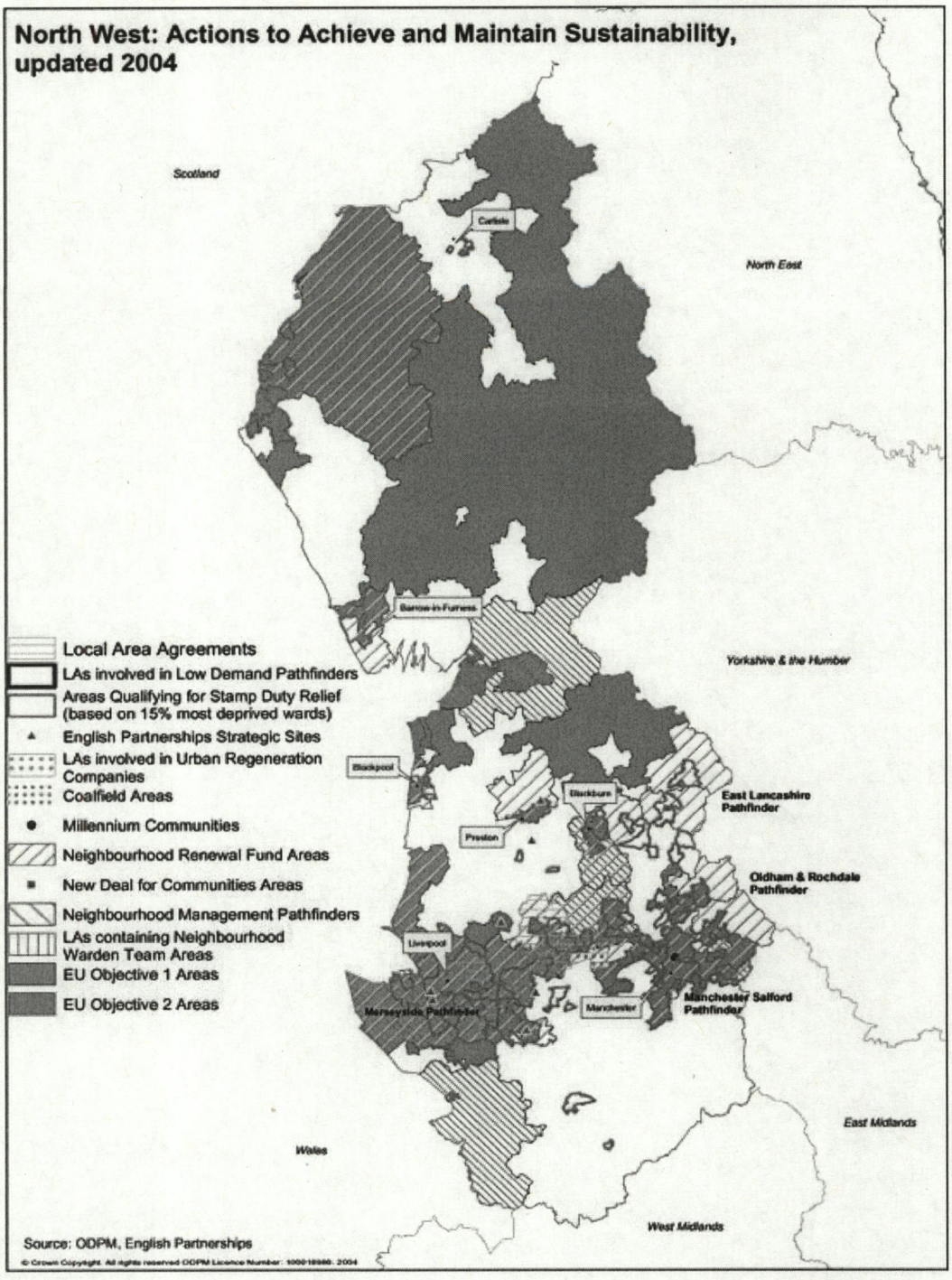
The European Regional Development Fund is supporting economic development in the English regions to the tune of £3.5 billion over the period 2000-2006. ERDF Programmes have helped create 150,000 jobs, supported 100,000 businesses, and helped improve over 1,000 hectares acres of brownfield land. The ERDF has supported projects as diverse as the Eden centre, John Lennon Airport in Liverpool and Sage centre in Gateshead.

12. The Government is consulting on a proposal to give regions clearer assumptions on funding for regional transport, housing and economic development. This will give regions a stronger base on which to plan for the long term, and a much greater say in developing long term spending priorities across these programmes. The funding allocation framework will bring together the Assembly and RDA with other key players to consider long term investment, enhancing consistency between the Regional Economic Strategy and the Regional Spatial Strategy within the broad context of sustainable development.

13. The map below for the North West region illustrates the range of key programmes in which regional partners are involved. The North West Development Agency estimates that in 2002-3, around £40.9bn of public sector investment went into the North West .[9] Government Offices have a key responsibility in ensuring delivery of defined outcomes for many of these programmes.

14. The regional assembly plays a key role by scrutinising the Northwest RDA and its £400m [DN Check] budget, developing the Regional Spatial Strategy , including the transport strategy, assisting in the development of the region's housing strategy, and working with the RDA to advise on long-term spending priorities under the Government's proposals for regional funding allocations.

[9] NWDA study (details to follow) £24.7bn was the responsibility of Local Authorities, NHS, Health Authorities, Fire Authorities and the Police)



Action at the right level

11. The regional tier has a vital role to play in driving economic performance – through employment, skills, enterprise, investment, innovation and competition. But economies and issues of social disadvantage do not follow neat boundaries. Where action is needed across more than one region, or within regions, we are developing new ways to make sure that we can act at the level that makes the most sense.

Cross-Regional

12. Where action is needed across more than one region, we are setting up strong partnerships. For example, the Northern Way, the Midlands Way and the South West Integrated Growth Strategy all seek to unlock the potential for faster economic growth and greater prosperity in those regions, by getting key regional stakeholders to work together to deliver pan-regional, regional and sub-regional policies.

The Northern Way

The progress report on the Sustainable Communities Plan called for action to unlock the potential for faster economic growth and greater prosperity in the North. In response, the three Northern RDAs brought together key regional stakeholders in a steering group, independently chaired by Sir Graham Hall, to create a growth strategy for the whole of the North of England.

The steering group produced a strategy 'Moving Forward: Northern Way' in September 2004, focused on one overall goal – to narrow the £29bn prosperity gap between the North and the rest of the UK. It concentrates on key areas to help accelerate the process of economic growth:

- bringing more people back into work;
- creating premier transport links;
- strengthening the region's knowledge base;
- building a more entrepreneurial North;
- and creating truly sustainable communities by ensuring that low demand housing is replaced at a much faster rate.

The report also identifies eight 'city regions' which are key to success - where most people live, where most businesses are located and where most people work. They are Central Lancashire, Liverpool, Manchester, Sheffield, Leeds, Hull and the Humber Ports, Tees Valley and Tyne and Wear.

The strategy also challenges Government to make policies work better to contribute to the success of the North. ODPM is working with colleagues across Whitehall to respond positively to the challenges in the Northern Way. As a start, Government has announced that it will match RDA contributions to create a £100m Northern Way Growth Fund to kick-start the strategy into practical action. The steering group will publish its implementation plan in early 2005.

Regional

13. We are at the centre of a comprehensive cross-departmental programme to increase regional prosperity. Many of the key issues need to be tackled above the level of the individual local authority, but with a focus on the problems and strengths of each region. This includes action on a variety of interrelated factors which go beyond business and purely economic matters, including education and skills, local environments, transport, crime, rural affairs, and social inequalities.

14. Key programmes that support business development are being devolved to regions. Adult skills budgets, the Business Link services and research and development grants will be co-ordinated at regional level, ensuring they are used most effectively to meet the needs of local people. More details of this work are set out in *"Realising the Potential of Our Regions"* which was published [date].

15. Strong housing policies and an effective planning regime also have a vital role to play in increasing regional economic performance, and tackling disadvantage. For example, failing housing markets and high levels of worklessness often coincide. Our work in improving housing choices and delivering better services is being co-ordinated with job creation, employment sites and skills to deliver genuinely sustainable communities. We are also working with the Regional Development Agencies, Government Offices, and regional housing boards and planning bodies, to ensure better co-ordination between economic work and housing.

South West responds to local housing challenge

The South West Regional Housing Board identified in 2003 that key workers in pockets of the area were experiencing the same problems as their counterparts in the South East in finding affordable housing close to work. In certain areas, such as Bath, Bournemouth, parts of Dorset and Bristol, the balance between incomes for key workers and the prices for homes was creating recruitment problems within the workforce. The Housing Board reacted by creating the Key Worker Challenge fund in Autumn 2003 - a two year £10m pilot which enables nurses, teachers, social workers and other key workers to obtain funding to help them buy a property in their chosen area.

The first people to benefit from the scheme are now settling in their new homes.

16. We are reforming the planning system to increase its contribution to sustainable development and to put people and communities at its centre. The improved system will also deliver quicker and clearer decisions for business and communities, with stronger regional involvement through the merging of Regional Planning Boards and Regional Housing Boards from September 2005 to give clearer strategic direction.

A reformed planning system

- The Planning and Compulsory Purchase Act 2004 and Planning Policy Statement 11 (PPS11) set out the reforms to the system, and the new purpose of planning – to contribute to the achievement of sustainable development.
- The revised planning system is designed to be more flexible, with the capacity to consider sub-regional issues unconstrained by administrative boundaries. It will also be swifter, more transparent and publicly

accountable. It will mean that regional spatial strategies can join up economic, transport and housing strategies better.

- By enabling and encouraging people to become involved earlier in the process, the system will resolve more at the start of the procedure and deliver quicker planning decisions for business and for the community.

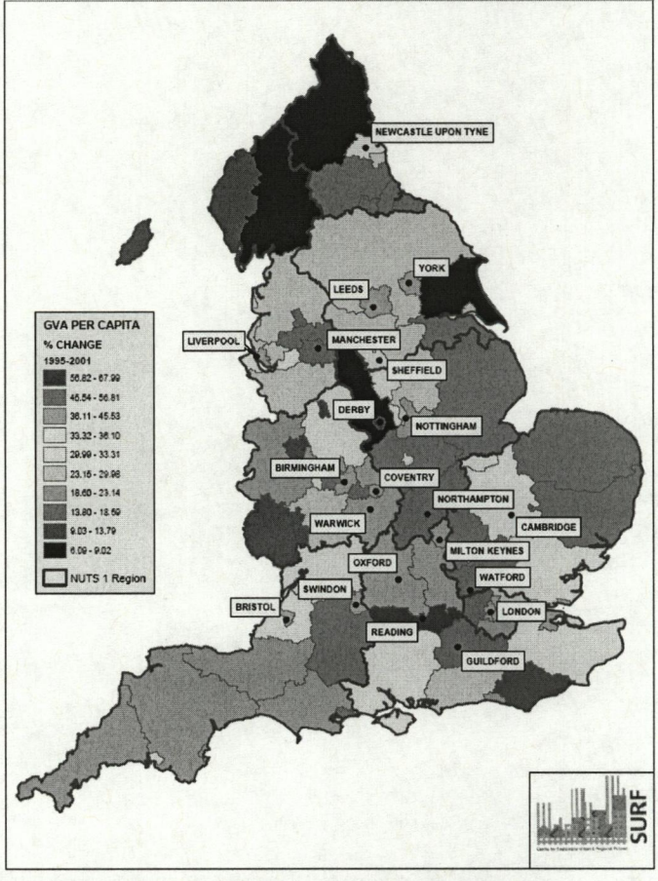
Sub-regions

17. The natural economy and locus for action in many places may be based around part of a region – perhaps several local authority areas, or a city and its travel to work areas, retail catchment areas, and housing markets.

18. Our work will continue to reflect this. 'City-regions' have been a focus of our work through the Core Cities group, and the Northern Way will lead to the development of city-region action plans, to build on their potential and tackle the problems they face.

30. Cities can help regional growth. Recent research for the eight major English (core) cities and ODPM by the European Institute for Urban Affairs[10] shows that successful urban regions do not exist without successful cities at their core. In recent years most of the eight largest English cities have been growing more quickly than the rest of their regions[11].

MAP4. NATIONAL - % CHANGE GVA PER CAPITA



19. We are also using a sub-regional approach to tackle specific problems. For example, housing Market Renewal Pathfinders projects have been established to tackle the most acute areas of low demand and abandonment in nine parts of the North and Midlands, while elsewhere growth areas are tackling the issue of high demand. More details of this work can be found in *Homes for All*.

Regions working with local areas

[10] 'European Competitive Cities: where do the Core Cities Stand?' Michael Parkinson et al, European Institute of Urban Affairs, Liverpool John Moores University, Jan 2004, ODPM
[11] 'Releasing the national economic potential of provincial city regions' SURF Centre, University of Salford, Sept 2004, ODPM

20. The Government Offices for the Regions work closely with individual local authorities and local partners in delivering many of the priorities set out in this document and in *Homes for All*. They will be strengthened to improve their effectiveness as the key representative of central Government, bringing together Government Departments and policies and working with other regional partners. Over the next five years, Departments will make a significant shift in their capacity from the centre to the regions, bringing decision-making closer to people.

21. The role of Government Offices in working directly with local areas will be enhanced, making them the first point of contact for many issues, allowing central Government to respond more quickly and to make decisions which are better informed by local knowledge. Government Offices will, for example, lead on negotiating the targets and priorities with local areas under new Local Area Agreements, ensuring they are both relevant and challenging.

22. Local authorities have a key role in contributing to regional and national prosperity, and ensuring that their area benefits from it. Action at any level will depend in part on the support of local authorities, for example to make planning decisions that respond to regional strategies, and to bring together local partners to take the opportunities offered by a regional vision and framework.

Resilient regions

23. As well as supporting economic performance, strong regional planning will help ensure people's safety and security. Regional forums will assess the risks facing the region and the readiness to avert or deal with them. These forums are now looking at the hazards over the next five years and will put in place plans to deal with them, working closely with central Government and with local areas.

New ways of working to underpin our offer

What we will do	How we will do it
Provide a coherent face for central Government in the regions, in touch with local areas	• New roles for Government Offices in delivering Government policy and bringing it together – for example, a new GO role in children's services • Strengthened Government Offices in the lead on negotiating targets and priorities with local authorities through Local Area Agreements • Regional Emphasis Documents and regional funding allocations which give more regional influence over budgets

Make Central Government's contribution to improving the performance of regional economies	• By providing support to people from all sections of the community to return to work • By actively encouraging people to gain basic skills
Act at the right geographical level to drive economic performance and bring things together	• The development of RDA inter-regional growth strategies • The Northern Way, the Midlands Way and the South West Integrated Growth Strategy • Core Cities group working to develop policies for 'city-regions'
Strengthen regions to support skills, jobs, the economy and housing	• An enhanced role for Regional Development Agencies, including the delivery of Business Link Services and R&D grants, and links with Regional Skills Partnerships • The merger of Regional Planning Bodies with Housing Boards to streamline planning • Ensuring current European funding programmes support Regional Economic Strategies
Make sure regions are resilient and ready to respond to risks and emergencies	• Regional Resilience Forum with agreed delivery plans to improve resilience • Regional co-ordination for those fire and rescue activities which need to be handled at a regional level

Chapter 7: The Office of the Deputy Prime Minister delivering for all

1. To create truly sustainable communities where local services are constantly improving, economic prosperity is shared by all and the environment and the quality of life of all local people is enhanced, the whole of Government must work together.

2. The Office of the Deputy Prime Minister focuses on the way different Government programmes come together for people in different places - from regional to neighbourhood level. This means working at national level to improve policy consistency and mechanisms; strengthening the outreach function of government, through key regional delivery bodies, and in particular through the Government Office network; and changing the relationship between central Government and local partners, to give them more flexibility and freedom to respond to local needs.

3. In addition to the responsibility we have for securing core aspects of the sustainable communities agenda itself - investing in decent homes and quality public spaces, promoting excellent local services, help for vulnerable people, working with the private sector to support a thriving economy in all regions - we have a number of key functions that help us to deliver effective cross-government working:

- Responsibility for **good governance at all levels** - the regions, local government and neighbourhoods;
- Leading the development of a cross Government strategy for **local government – local:vision;**
- Responsibility for the **planning system**, shaping how new buildings and new communities look and feel
- Working across Government to improve **standards of public services** for all, including benefiting the most disadvantaged communities.

Reforming for delivery

4. Following the recent Spending Review, some £38 billion is available to create sustainable communities. To take this forward we have set ourselves five strategic priorities around which our future work will be based, and changed our structure to fit these priorities.

Strategic Priorities

- Delivering a better balance between housing supply and demand
- Ensuring people have decent places to live
- Tackling disadvantage
- Delivering better services through strong, effective local government
- Promoting the development of the English regions

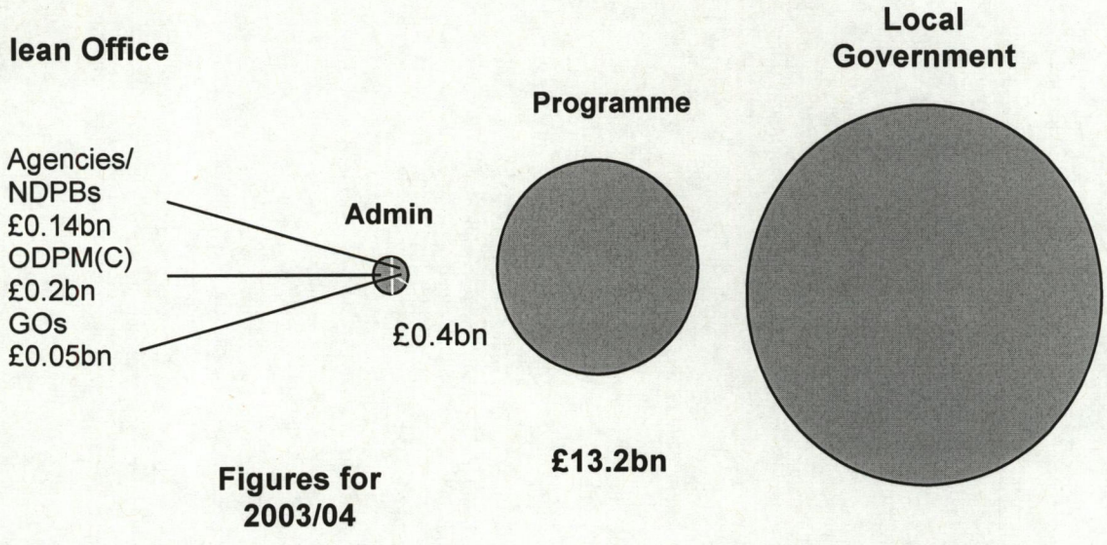
5. We have also begun an internal change programme called **'Excellence in Delivery,'** which will develop our capacity still further in the important areas of leadership, stakeholder engagement, project and programme management, financial management, and getting the best from staff.

Efficiency

6. We also want to make sure we do our business as efficiently as possible, responding to the Gershon review of efficiency and the Lyons review of staff location.

7. We are proposing to meet rising public expectations, and deliver our ambitious strategy, while meeting the Budget requirement for a 2.5% efficiency gain each year.

A lean Office



[chart to be updated and checked for accuracy]

8. We will do this by rigorously focusing on front-line delivery, and streamlining our support functions. We will put more resources into the areas where we can make the most difference to the lives of people, and scale back in the areas which are not directly helping us to deliver our objectives or where returns have diminished.

9. In addition, as part of our programme of efficiencies, we plan by 2007-08 to:

- achieve a total reduction of 400 posts, including at least 250 headquarters and Government Office Civil Service posts;
- be on course to have relocated 240 posts out of our London headquarters; and
- have made progress in relation to key sponsored bodies.

Strengthening the Government Office network

10. As we reduce our central staffing and streamline our work, we will strengthen the outreach and delivery functions of Government in the regions, bringing Government closer to people and helping to deliver our strategy.

11. Government Offices now carry out work in the regions on behalf of 10 Government departments and manage or otherwise influence around £9bn of Government funding. The GO network plays an important part in joining up Government policies in the regions, linking national Government with local areas.

12. In the context of sustainable communities, as development and delivery agents for a range of Government departments, GOs are ideally placed to recognise and respond to the challenges of the whole cross-government agenda.

13. They can help ensure that departments' programmes are tied in to the overarching programme, and promote and oversee collaborative approaches to delivery in the regions. They are also well placed to give feedback to central government about what is and what isn't working well on the ground.

14. Over time, we expect departments to shift the balance of their capacity from the centre to the regions in line with the Lyons agenda and in the interests of better and more efficient delivery. This is likely to lead to GOs assuming enhanced responsibilities both for ourselves and for our central government colleagues.

15. Even where work cannot be fully devolved, our policy is to move to the Government Office network all work that can and should be done closer to the communities it benefits. We moved or created around 120 posts in GOs in 2003-04 and have identified further functions that could be relocated, in line with the recommendations of the Lyons review.

Conclusion

Our leaner but more effective Office will work across Government and with neighbourhoods, local government and the regions to make a reality of our powerful and ambitious vision. We will work with people to transform the places where they live – not just the bricks and mortar, or even just the litter and lighting, but the things that make places come alive – public spaces, chances to get involved, education, health and neighbourliness (cutting down on crime and anti-social behaviour), transport, better design, places to play and enjoy, and real community ownership. Our vision is of sustainable, enjoyed communities that cover every part of the country, and we will put people in the driving seat so that we achieve it.

Chapter 8: A vision for 2010

[This Chapter to be developed further, with at least one more pen-picture and with photographs to illustrate the issues covered].

We believe our plans will change lives for real people, up and down the country. So our final vision isn't a set of aspirational statements – it's some examples of the kind of differences people might notice in five years' time.

Louise

Ten years ago

Ten years ago, Louise moved into her area with her two young children. The graffiti and litter around her block made Louise angry, and she thought it was disgusting that when the binmen come it sometimes made it worse, with litter flying around in the wind. She wrote to the council about it but it didn't seem to make much difference. She was also annoyed that, having moved into the block because there was a playground nearby, it had been closed because of vandalism, and the swings have been taken away. She thought there must be some sort of local body that she could join, but she wasn't sure how to go about it and didn't think it would in any case make that much difference.

Now

Louise has joined the tenants' association. She sometimes thinks that it's as much about sharing problems as getting things done, but councillors and service providers turn up and at least listen. And the tenants have organised themselves to sort out some of the problems of fly-tipping. She feels that, with the right support, they could make an even bigger difference.

In five years' time

Louise is much happier about where she lives. Councillors, council officers and managers of the service providers turn up regularly to tenants' meetings to hear their views, and she can see that this often makes a difference. When the cleaning team failed to sort out some problems, despite being asked several times, they complained to the council. A meeting was called where the contractor was told to get it right or someone else would be given the chance. It's now got a lot better. They also campaigned to get a local warden, and he organises litter sweeps and graffiti removal sessions, and because he's around the graffiti's been kept off as well as taken off. Louise really enjoys being involved, and she also likes the fact that her eldest has joined a patrol of 'young wardens' who help keep the area looking good and feeling safe for other kids.

Bert

Ten years ago

Bert had been on incapacity benefit for fifteen years, having been hurt in an accident. He'd often thought that there were probably jobs he could do – but having looked into things a bit, it was really hard to find something that wouldn't mean losing quite a bit of money. He was also not sure that there are many jobs near where he lives – his local area was run-down, with lots of closed shops, and, from what he'd read in the papers, the whole region could be doing better. He wondered about trying to do something to get things going a bit in the area, but wasn't sure what to do or where to start.

Now

Bert got a job as a result of a 'Pathways to Work' pilot – he knows he's good at his job, because he's well-organised, and he can do it despite his injury because the building's accessible and they've ordered special equipment for his desk. He gets lots of satisfaction from it and likes being with people – he's made lots of friends at work. He started talking to them about getting things going in the local area, and one of them suggested he might want to stand as a councillor for his area. Bert thought that sounded interesting but wasn't sure he had the right skills or what they exactly they did.

In five years' time

Bert is now working as an office manager in a new start-up company in the area. The company was supported by the local RDA, and has been growing rapidly. He was elected to the council a year ago and is now very active on the Local Strategic Partnership, which has opened two of the old shops as community enterprises and is beginning a big project to use volunteers to transform the local park. Bert had been beginning to think that the rest of his life was about dwindling into old age – now, he's never felt more alive, and he knows he's making a difference.

APPENDIX 1

DEFINITION AND COMPONENTS OF SUSTAINABLE COMMUNITIES

One-line definition

Places where people want to live and work, now and in the future.

Definition

Sustainable communities are places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all.

Components: headlines

Sustainable communities are:

- Active, inclusive and safe
- Well run
- Environmentally sensitive
- Well designed and built
- Well connected
- Thriving
- Well served
- Fair for everyone

Components: in full

Sustainable communities embody the principles of sustainable development.

They:

- *balance and integrate the social, economic and environmental components of their community*
- *meet the needs of existing and future generations*
- *respect the needs of other communities in the wider region or internationally also to make their communities sustainable.*

Sustainable communities are diverse, reflecting their local circumstances. There is no standard template to fit them all. But they should be:

(1) ACTIVE, INCLUSIVE AND SAFE – *Fair, tolerant and cohesive with a strong local culture and other shared community activities*

Sustainable communities offer:

- a sense of community identity and belonging
- tolerance, respect and engagement with people from different cultures, background and beliefs
- friendly, co-operative and helpful behaviour in neighbourhoods
- opportunities for cultural, leisure, community, sport and other activities, including for children and young people
- low levels of crime, drugs and anti-social behaviour with visible, effective and community-friendly policing
- social inclusion and good life chances for all

(2) WELL RUN - *with effective and inclusive participation, representation and leadership*

Sustainable communities enjoy:

- representative, accountable governance systems which both facilitate strategic, visionary leadership and enable inclusive, active and effective participation by individuals and organisations
- effective engagement with the community at neighbourhood level, including capacity building to develop the community's skills, knowledge and confidence
- strong, informed and effective partnerships that lead by example (e.g. government, business, community)
- a strong, inclusive, community and voluntary sector
- a sense of civic values, responsibility and pride

(3) ENVIRONMENTALLY SENSITIVE - *providing places for people to live that are considerate of the environment*

Sustainable communities:

- actively seek to minimise climate change, including through energy efficiency and the use of renewables
- protect the environment, by minimising pollution on land, in water and in the air.
- minimise waste and dispose of it in accordance with current good practice
- make efficient use of natural resources, encouraging sustainable production and consumption
- protect and improve bio-diversity (e.g. wildlife habitats)
- enable a lifestyle that minimises negative environmental impact and enhances positive impacts (e.g. by creating opportunities for walking and cycling, and reducing noise pollution and dependence on cars)

- create cleaner, safer and greener neighbourhoods (e.g. by reducing litter and graffiti, and maintaining pleasant public spaces)

(4) WELL DESIGNED AND BUILT - *featuring a quality built and natural environment*

Sustainable communities offer:

- a sense of place (e.g. a place with a positive 'feeling' for people and local distinctiveness)
- user-friendly public and green spaces with facilities for everyone including children and older people
- sufficient range, diversity, affordability and accessibility of housing within a balanced housing market
- appropriate size, scale, density, design and layout, including mixed-use development, that complement the distinctive local character of the community
- high quality, mixed-use, durable, flexible and adaptable buildings, using materials which minimise negative environmental impacts
- buildings and public spaces which promote health and are designed to reduce crime and make people feel safe
- accessibility of jobs, key services and facilities by public transport, walking and cycling

(5) WELL CONNECTED - *with good transport services and communication linking people to jobs, schools, health and other services*

Sustainable communities offer:

- transport facilities, including public transport, that help people travel within and between communities and reduce dependence on cars
- facilities to encourage safe local walking and cycling
- an appropriate level of local parking facilities in line with local plans to manage road traffic demand
- widely available and effective telecommunications and Internet access
- good access to regional, national and international communications networks

(6) THRIVING - *with a flourishing and diverse local economy*

Sustainable communities feature:

- a wide range of jobs and training opportunities
- sufficient suitable land and buildings to support economic prosperity and change
- dynamic job and business creation, with benefits for the local community
- a strong business community with links into the wider economy
- economically viable and attractive town centres

(7) WELL SERVED - *with public, private, community and voluntary services that are appropriate to people's needs and accessible to all*

Sustainable communities have:

- well-performing local schools, further and higher education institutions, and other opportunities for life-long learning
- high quality local health care and social services, integrated where possible with other services
- high quality services for families and children (including early years child care)
- a good range of affordable public, community, voluntary and private services (e.g. retail, fresh food, commercial, utilities, information and advice) which are accessible to the whole community
- service providers who think and act long term and beyond their own immediate geographical and interest boundaries, and who involve users and local residents in shaping their policy and practice

(8) FAIR FOR EVERYONE - *including those in other communities, now and in the future*

Sustainable communities:

- recognise individuals' rights and responsibilities
- respect the rights and aspirations of others (both neighbouring communities, and across the wider world) also to be sustainable
- have due regard for the needs of future generations in current decisions and actions

[Suggest other appendices might cover:
- our PSA targets
- a glossary
Are there other things people would like to see in the Appendices?]

~~already received~~

AMcG
ce MC
JMcT

DEPUTY PRIME MINISTER

OFFICE OF THE
DEPUTY PRIME MINISTER
26 Whitehall
London
SW1A 2WH

Tel: 020 7944 8623
Fax: 020 7944 8621

The Rt Hon Paul Boateng
Chief Secretary to the Treasury
HM-Treasury
1 Horse Guards Road
London
SW1A 2HQ

17 January 2005

Dear Paul

REALISING THE POTENTIAL OF ALL OUR REGIONS

I attach a draft of Realising the Potential of **All** Our Regions – The Way Forward. I would be grateful for confirmation by 24 January that you are content for this to be published at the sustainable Communities Summit.

Last Autumn the officials jointly responsible to you, Patricia and me for delivering the regional economic performance (REP) PSA produced a working draft of "Realising the Potential of All Our Regions". In your letter of 27 October 2004 you suggested that "Realising the Potential" should be a joint document with the RDAs and published at the time of the Sustainable Communities Summit.

Officials in the REP team have been working closely with their colleagues in other Government departments and the RDAs over the past few months. They concluded that "Realising the Potential" should be split into two documents:

- The Way Forward – a short document setting out the next steps in delivering our commitment to improve the economic performance of the regions. It is intended that this is printed and published at the Summit. A copy is attached.

- The Story So Far – a longer document for publication only on the Web, summarising the measures we already have in place to support regional economic development.

The "Way Forward" focuses on analysis undertaken by officials which suggests that if we can raise the employment rate in the three Northern regions to 80% - the level recently referred to by the Prime Minister, we could make very substantial inroads into the target. Substantially reducing the number of adults without skills could also have a similar impact. Officials have further work to do to identify a set of specific policy measures that could deliver these targets. Nevertheless, "The Way Forward" particularly highlights the importance of tackling regional disparities in employment and skills if we are to successfully deliver the REP PSA. It also explains what measures that further devolve responsibility to regional bodies and which improve performance on innovation and enterprise are also essential if our PSA target is to be met.

Improving the economic performance of the English regions is essential if we are to deliver sustainable communities. That is why Gordon and I launched the Northern Way initiative as part of the Sustainable Communities Plan. The Northern Way is a key vehicle of delivering the REP PSA and I will be jointly chairing a joint meeting of EAPC and DA to discuss the Government's response to it on Friday. We may want to reflect the outcome of that meeting in the document. I suggest that any changes that need to be made for that reason are agreed between officials.

I would be grateful if, to allow us to publish "The Way Forward" at the Summit you could confirm that you are content by Monday, 24 January. I will be seeking the agreement of the RDA Chairs when I meet them on Thursday. I intend to ask them, in particular, for some more examples for the document of the further measures that I know they are planning in order to enhance their contribution to delivery of the REP PSA.

Finally, I have asked Jeff Rooker to look at the Story So Far. I think it is important that we make this available for both Freedom of Information reasons and because of the ongoing enquiry into the REP PSA by the Treasury Select Committee. However since it is proposed to issue it only on the Web, I suggest that we leave it to officials to clear.

I am copying this letter to members of EAPC and DA, to the RDA Chairs and to Sir Andrew Turnbull

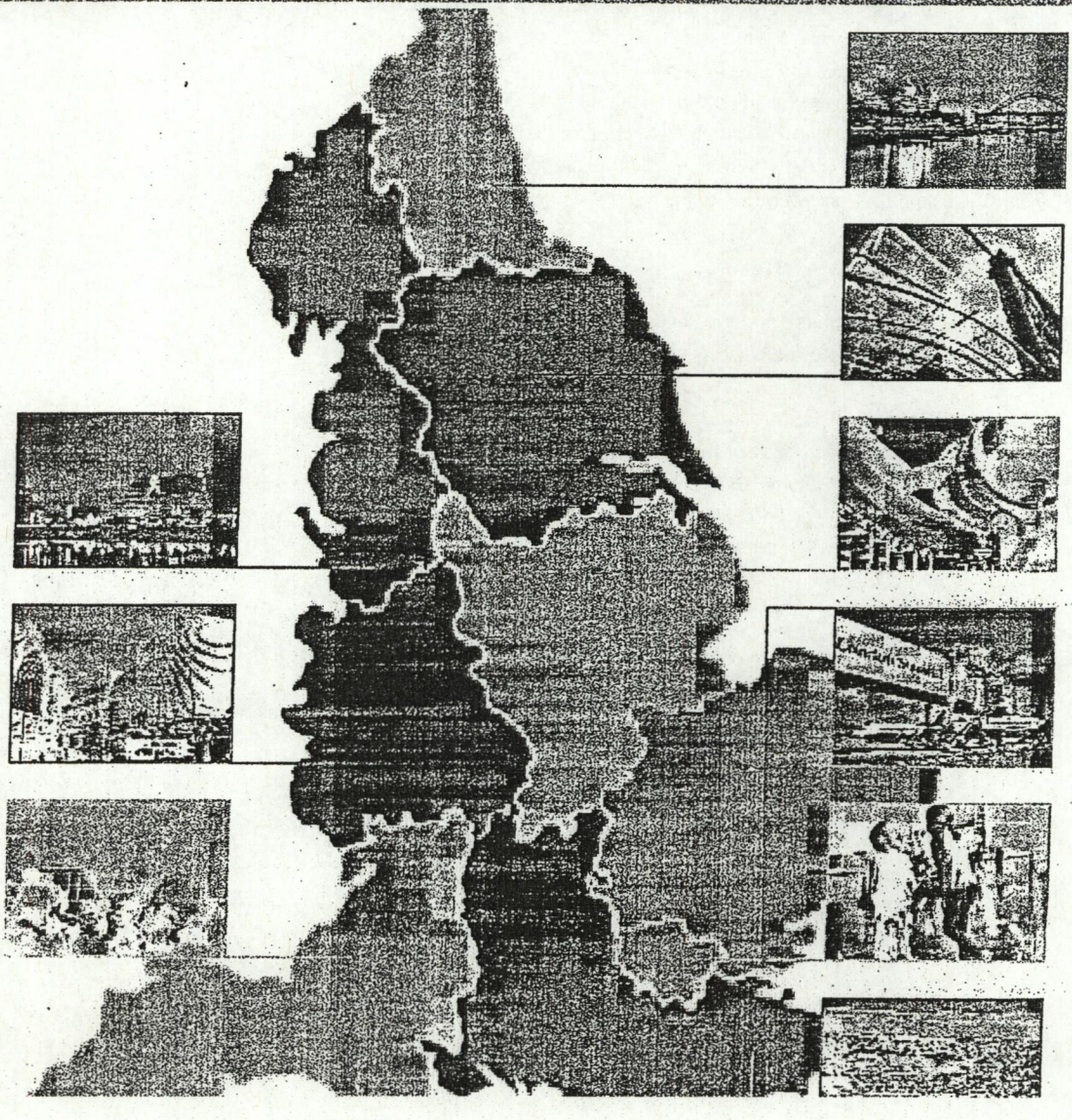
JOHN PRESCOTT

Office of the Deputy Prime Minister

HM TREASURY

Making it happen:

Realising the potential of our regions: the way forward



dti

England's Regional Development Agencies

Chapter One: Introduction

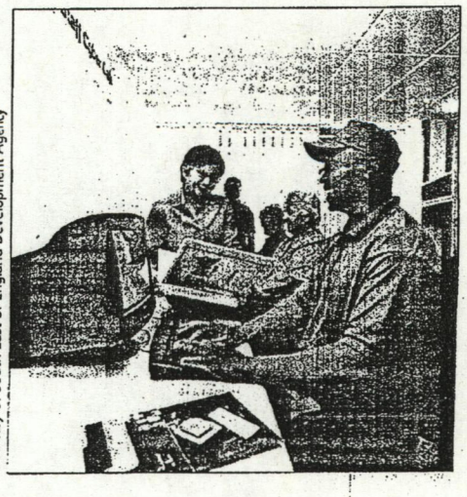
The Government and its partners in the English regions are committed to working together to improve the economic performance of each of them and, in the long term, to reducing the persistent gap in growth rates between the three best-performing regions – London, the South East and East – and the other six. To help deliver this, the Office of the Deputy Prime Minister (ODPM), the Treasury (HMT) and the Department of Trade and Industry (DTI) have adopted a Public Service Agreement (PSA) committing them to:

"Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006"

If regions are not achieving their full economic potential it means less economic growth for the nation as a whole. It also means that people in some regions will be denied the opportunities that many others take for granted. Even in otherwise successful regions, there are less successful areas and neighbourhoods which are not fully benefiting. Tackling this problem requires the engagement of all Government departments, not just the three signatories to the PSA, and the empowerment of the regions themselves.

The Causes of the Problem

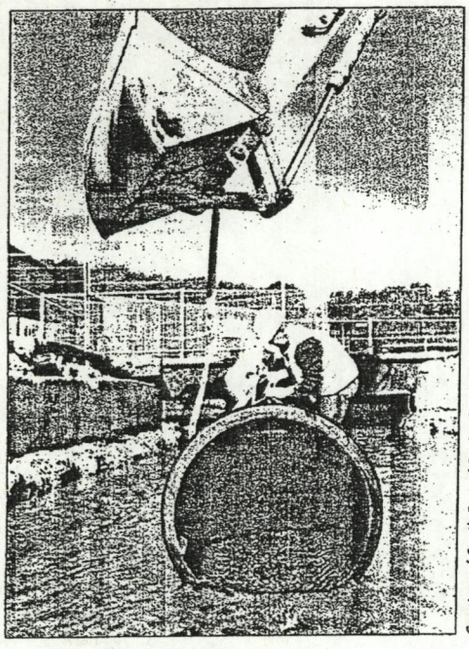
The Government and the Regional Development Agencies (RDAs) have analysed the key economic issues that are contributing to the under-performance in the English regions and the action that has been taken so far to tackle this. We are jointly publishing on the web a report which sets out this analysis in more detail, and provides a wide range of case studies which show what the Government, the RDAs and others in the regions have done so far to make a difference. This report is supplemented by work conducted by Frontier Economics – *Regional Growth* – that was published in September 2004 and is also available on the web.



Courtesy of South East of England Development Agency

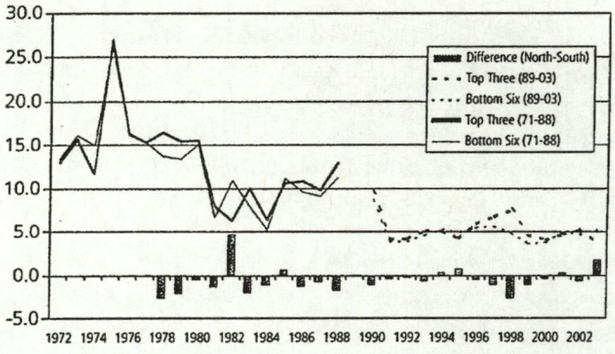
This document looks forward. It identifies the areas in which action will give us the greatest impact on regional economic performance – employment and skills. Employment accounts for 40% of regional disparities, whilst the 12 million adults without qualifications are disproportionately located in the under-performing regions and localities of England. But the improvements in employment and skills can only achieve their full impact on economic performance if businesses in every region can realise their full potential, and the benefits of a competitive private sector are felt throughout the

country. The document therefore also looks at the ways in which we will help businesses to support and sustain growth and to drive it forward, through encouraging enterprise and innovation. It is also vital that all our regions have the right infrastructure to support sustainable growth and to guarantee a good quality of life, and action in these areas is also set out.



Courtesy of South East of England Development Agency

Nominal GVA per capita growth rates for English regions -- 1972 to 2003



Devolution to the Regions

Regions and localities know best how to tackle the problems they face. There is also more scope at regional level to promote excellence, test out new ideas and for close collaboration between partners. The Government has radically devolved resources and responsibility to regional and sub-regional level. But it is not enough simply to devolve responsibility. We all need to ensure that activity takes place at the geographical level where it will have the greatest impact, whether that is the nation, the region, the local authority or the neighbourhood. It is also important that this activity is tailored to local circumstances, and recognises the need for sustainability.

Key Actions

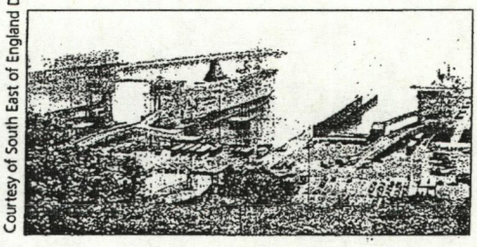
As a first step to achieving significant improvements in employment the three Northern RDAs, as part of the Northern Way initiative, have set a target of reducing the number of people on Incapacity Benefit by 100,000 by 2014. The Government has already responded to this by announcing a significant extension of the Pathways to Work initiative in the Pre-Budget Report. But we believe that it is possible to go further than this. Policies that deliver the Government's target of increasing the employment rate to 80 per cent across the whole country would almost be enough to meet the growth targets we are seeking.

There are also 12 million people with lower than Level 2 qualifications (equivalent in standard and breadth to five good GCSEs). While their proportion in the workforce is higher in the less well-performing regions, this is a challenge in every region. The Pre-Budget Report announced a national roll-out of Employer Training Pilots as an important step to improving skill levels. But it is clear that taking action to increase the skills levels of just half of those currently without skills would have a massive impact on narrowing regional inequalities in growth rates and maximising the performance of all our regions.

On enterprise, the gap in business density between the best-performing regions and the rest needs to be narrowed. The RDAs will be in the forefront of meeting this objective from April 2005 when they take over responsibility for the regional management of Business Link services, within a national framework. They will deliver [insert relevant material from RDA Corporate Plans]

The Government is also committed to increasing the level of research and development (R&D) spending across the country, and to ensuring that all companies can see the benefits which product and process innovation bring to their performance. The RDAs are committed to [insert material from Corporate Plans]. And on investment, the Government consulted in the Pre-Budget Report on plans for involving the regions more in decision-making on regional transport, economic development and housing. We believe that these measures will provide the basis for better decisions, by allowing the wider regional impact and the relationships between decisions in different policy areas to be taken into account.

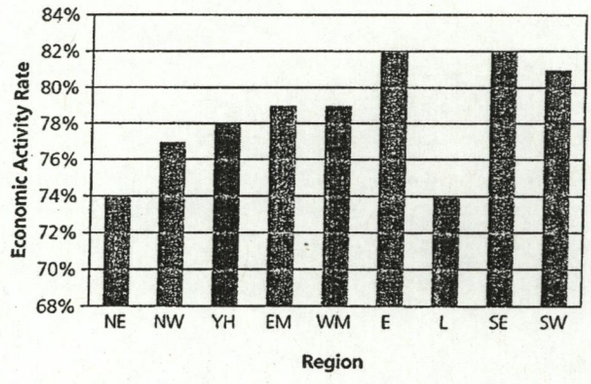
Courtesy of South East of England Development Agency



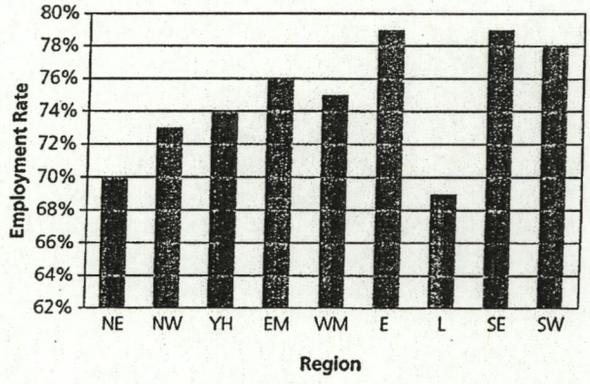
Chapter Two: Increasing Employment in the Regions

Employment is the best route out of poverty, and by bringing more people into the workplace contributes to economic performance. It is therefore one of the keys to improving economic performance in the regions. Policies that deliver the Prime Minister's target of 80% for the UK – a level already achieved in the South West and South East regions – would make a major contribution to the delivery of improved economic performance. For example, 80% employment in the North would mean an extra 600,000 people back in work, and a similar performance in London would mean xxx. But even relatively successful regions have areas where employment is low. The Department for Work and Pensions (DWP) will continue to target people in deprived areas or hard-to-reach groups, to ensure that they are able to participate in the economic success of their region.

Economic Activity Rates (Oct 2004)

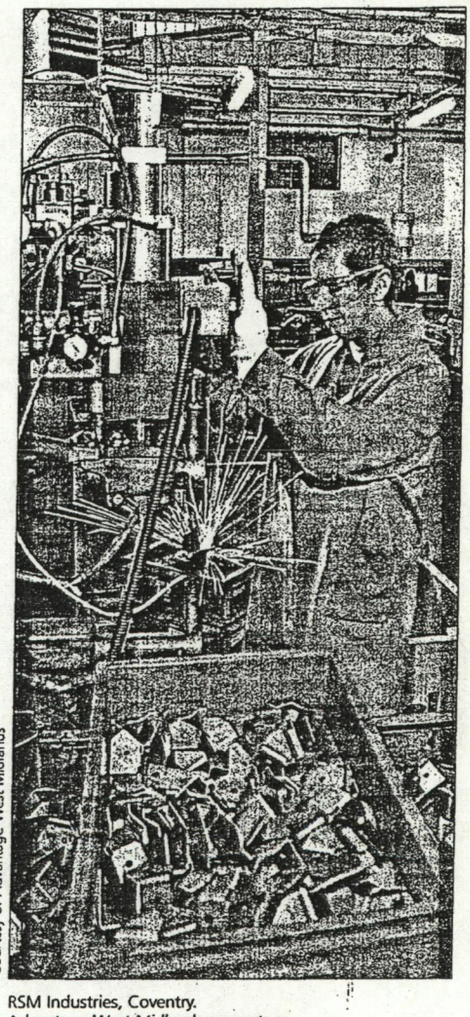


Employment Rates (Oct 2004)



Bringing People Back into the labour market

One major source of employment disparities is the number of people claiming Incapacity Benefit. The Northern Way strategy called for the Government to work with the three Northern RDAs to reduce the number of people on Incapacity Benefit by 100,000 by 2014. The Pre-Budget Report announced a significant extension of the Pathways to Work pilots to an additional 14 Jobcentre Plus districts, covering the thirty areas with the highest rates of Incapacity Benefit take-up. Pathways to Work is a proven success in its pilot areas and the Government is committed to building on its success and that of other pilot schemes – such as the Easington Demonstration Project – which make real in-roads into reducing the number of people who have had extended periods on Incapacity Benefit of 12 months or more.



Courtesy of Advantage West Midlands

RSM Industries, Coventry.
Advantage West Midlands supports an investment of £1.5m investment by an established automotive manufacturing company, to provide state of the art business premises and safeguard 112 jobs.

AIM HIGH – Easington Demonstration Project

The Government and ONE North East are working with regional stakeholders on a demonstration project to provide additional support to those claiming inactivity benefits in the Easington area. The district of Easington has the highest percentage of Incapacity Benefit claimants in the UK, with 23 per cent of the working age population described as sick or disabled.

This demonstration project brings together Jobcentre Plus, the Regional Public Health Group in Government Office for the North East, East Durham Business Service and Easington Primary Care Trust (PCT). A model for the project has been produced with North East regional partners, drawing on the experiences and successes of other projects in the region, such as Pathways to Work and Routeback.

This project aims to offer a programme of support to people on Incapacity Benefit to help them move back into employment. Over the two-year period of the project, it is expected that 1,000 people will be engaged, of which 500 will move into employment. The project builds on the existing strong partnerships that have already been developed in Easington. It has full support from all of the relevant agencies. The PCT has already pledged £100,000 to fund the project manager post for two years.

It is proposed that the project will engage people claiming Incapacity Benefit through a network of advisors in local community venues and GP surgeries. A typical client may follow a route such as being offered an interview with an employment advisor or being referred to the project's healthcare practitioner and then to a condition management practitioner. An assessment of the client's condition will be made and an action plan developed, removing barriers to employment – such as childcare – and supporting the client in finding work that is within their capabilities. Clients may continue with these modules once they return to the work place.

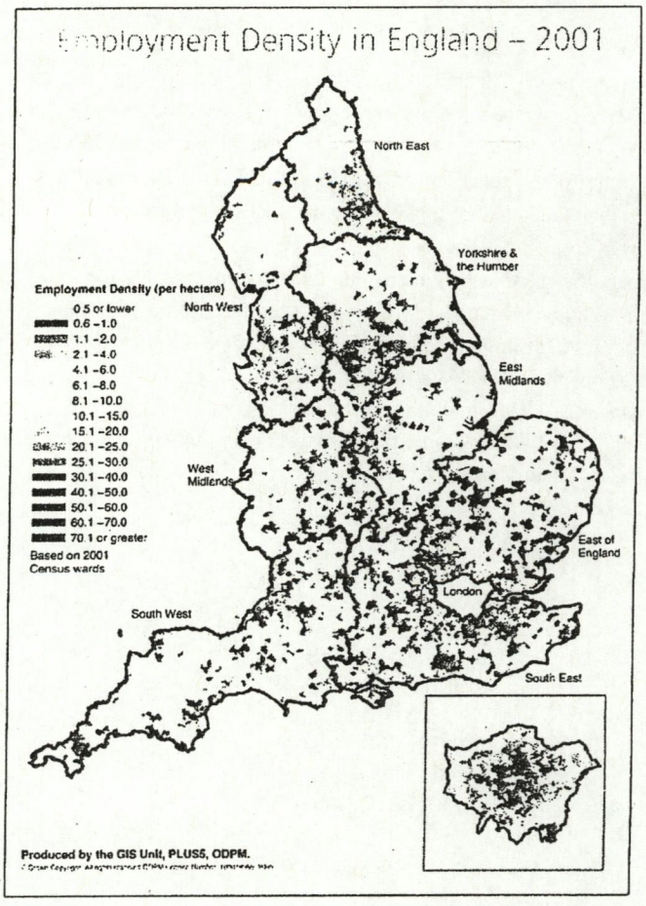
Pathways to Work sits within the Government's wider framework for tackling unemployment and inactivity, based around

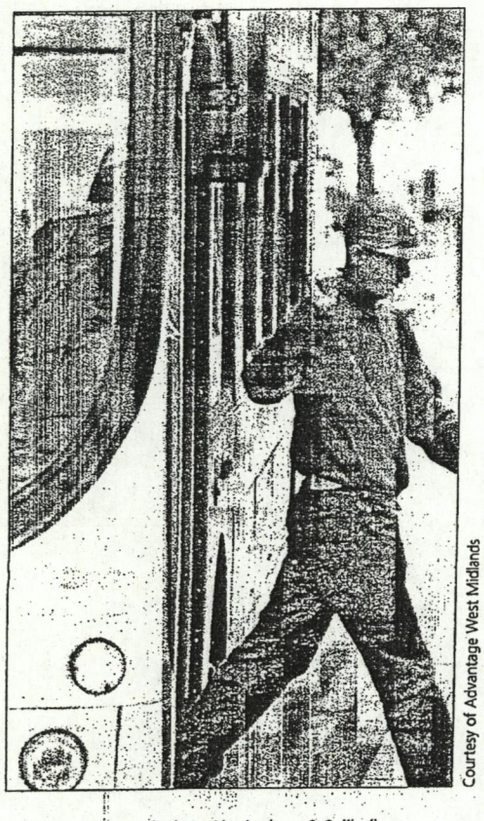
- Active labour market policies: Tailored and appropriate help and support for those without work, to prevent them from dropping out of the labour market
- Policies that make work pay: Improved incentives through reform of the tax and benefit systems and the introduction of the national minimum wage
- Policies that reduce barriers to work: For example, education, skills and training policies that help create an adaptable, flexible and productive workforce.

The Government also has a range of measures in place to tackle the very local concentrations of worklessness that exist. This includes the refocusing of DWP's neighbourhood renewal target on local authority wards rather than districts, which means action will be targeted more precisely on areas needing it most.

In 'Building on New Deal: local solutions meeting individual needs', the Government announced plans for Jobcentre Plus to pilot proposals from October 2005 to move towards greater flexibility and discretion in tackling the welfare to work challenges through the adoption of a more individualistic and localised approach. This will enable Jobcentre Plus personal advisers to work more closely with their clients, tailoring provision to meet each individual's needs.

In addition, Jobcentre Plus district managers will work even more closely with local partners such as the RDAs to develop innovative and effective employment strategies, particularly to help disadvantaged groups and people in disadvantaged areas into work.





Courtesy of Advantage West Midlands

Workwise – Birmingham & Solihull Advantage West Midlands contributed £85,000 to the £124,000 project, which provides free public transport for job seekers in disadvantaged communities. In the first 12 months of the scheme, 80 per cent of users were still in employment after four weeks and 124 people still in work after eight weeks.

Lyons Review

The public sector is also a major employer in its own right and can use this to ensure that there is an appropriate balance of economic activity across the regions. The Government has therefore accepted the report published by Sir Michael Lyons on 15 March 2004 on the location of work in the public sector. By 2010 20,000 posts will have been relocated out of London and the South East. ODPM the Treasury and the Office of Government Commerce have recently issued guidance that makes clear that new locations for public sector activity should be outside London, the South East and Eastern regions. The only exceptions permitted are where the new location is in the 20% of most deprived local authority areas (as measured by the Index of Multiple Deprivation), at least two other locations outside the greater South East have been considered, and there is no increase in net commuting. Even outside the South East, options should include localities that maximise the regeneration impact of the moves.

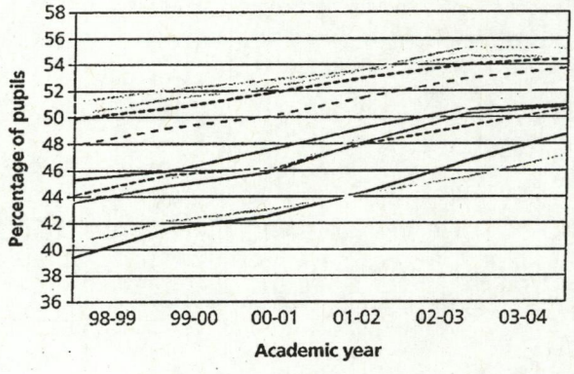
Conclusion

Government is committed to working with regional partners to bring people back into the labour market and to ensure that everyone can take advantage of the employment opportunities generated by the vibrant UK economy. Pathways to Work aims to make a real impact on the numbers of people who have dropped out of the labour market. Other policies are tailored to engage with people who have encountered difficulties in entering the world of work. But if people are to find rewarding and sustainable jobs, they need to have the right set of skills. And if companies are to generate employment, they need to be innovative and working in a competitive marketplace. Only through fully integrating our policies on employment with those on skills, innovation and enterprise will we make a lasting difference to regional economic performance. This is the key role of the RDAs.

Chapter Three: Skills and Education for the Regions

Education allows people to realise their full potential. Higher skill levels also mean that people are more productive at work, and, having acquired the habit of learning, are able to use this to up-skill themselves further. If the proportion of the working age population across the three Northern regions without a level 2 qualification were to be reduced to the level in the South East, an extra 550,000 people would have a level 2 qualification. This in turn would make a significant contribution to narrowing regional inequalities in growth rates.

% 15 year old pupils achieving 5+ A*-C GCSE/GNVQ



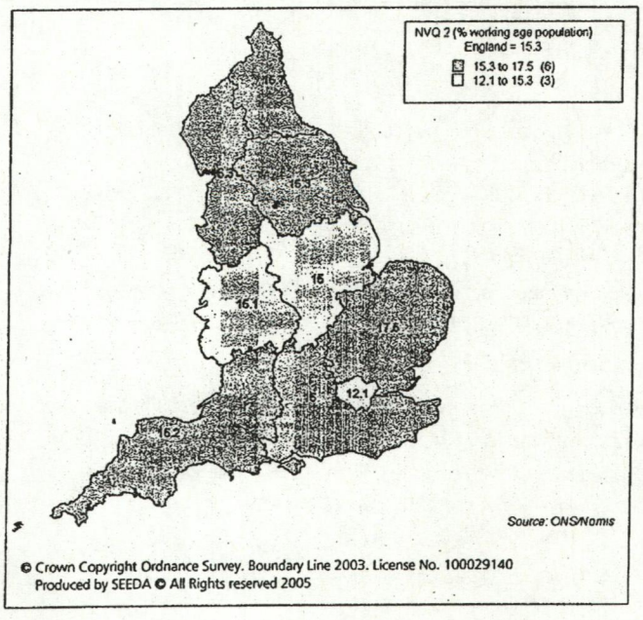
The Skills Strategy, published in July 2003, set out the targets of the Department for Education and Skills (DfES) to increase the number of adults with the skills required for employability and progression to higher levels of training through:

- Improving the basic skills levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007; and
- Reducing by at least 40 per cent the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards these, one million adults in the workforce to achieve level 2 between 2003 and 2006.

The Strategy introduced a new entitlement to free tuition for everyone to get their first full Level 2 qualification. It also introduced a new adult learning grant to help low-skilled adults meet the costs of their learning. Such targeted support will have the most impact in regions and areas with a higher percentage of adults with low qualifications. Other key initiatives which will have an impact on adult skills include:

- Adults will be able to build up small units towards a full qualification. This will improve access to training and make it more attractive to employers and employees
- Revitalised apprenticeships for a wider age group will help those who drop out between 16 and 19 and want to return to learning later
- From August 2004, the Learning and Skills Council's (LSC) local information, advice and guidance services for adults, known as "nextstep", have been integrated with the Learndirect helpline, working to new service standards
- In the workplace there will be more Union Learning Representatives

Percentage of working age population with NVQ2 (Mar '03-Feb '04)



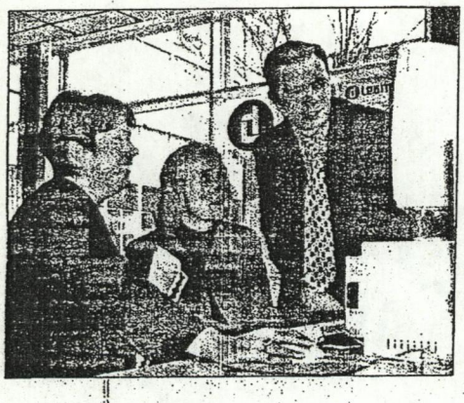
© Crown Copyright Ordnance Survey. Boundary Line 2003. License No. 100029140
Produced by SEEDA © All Rights reserved 2005

Partnerships for delivery at regional level

Regional Skills Partnerships (RSPs) bring together RDAs, LSC, Jobcentre Plus, the Small Business Service, the Skills for Business network and other partners. RSPs will ensure that skills, business support and employment provision is planned and delivered in a more responsive and co-ordinated way to meet the needs of employers and individuals. They will be operational in all regions by April 2005 and in some regions have already begun work.

The involvement of the RDAs in the RSPs will ensure that there are clear links between the regional economic strategy and the provision of education and training. It will encourage a mutually supportive relationship to develop, linking, for example, the development of the region's industrial base with the provision of the necessary skills for the workforce of the future. Because the RSPs will facilitate a shared vision of the region's economic future, it will also enable skills provision to be forward-looking and responsive to needs and opportunities.

The success of RSPs will be largely determined by how far employers believe that the support available is delivering what they want. The Government is committed to addressing institutional barriers to delivery identified by RSPs wherever possible. While taking into account national policy, where RSPs agree that dual key arrangements, aligned targets or changed planning cycles would be helpful in achieving the objectives of the Regional Economic Strategy, the Government will support these. [need examples of what RSPs have/will deliver]



Linking Employment and Skills in the Regions

It is important that skills and employment policy reinforce each other. Nearly 7 out of 10 economically inactive benefit claimants and half of the unemployed do not have qualifications equivalent to level 2, compared to the national average of just over 3 out of 10 adults. Raising the skills levels of these people would raise their prospects of entering the labour market and would contribute to social inclusion. To achieve this, DfES and DWP are developing a New Deal for Skills (NDS), building on the report of the National Employment Panel, published in March 2004, on tackling the barriers between welfare and workforce development. This will mean that benefit claimants get better advice and support and are helped to get the skills they need for sustainable productive employment. The pre-Budget Report announced the introduction of Skills Coaching as part of NDSs. Skills

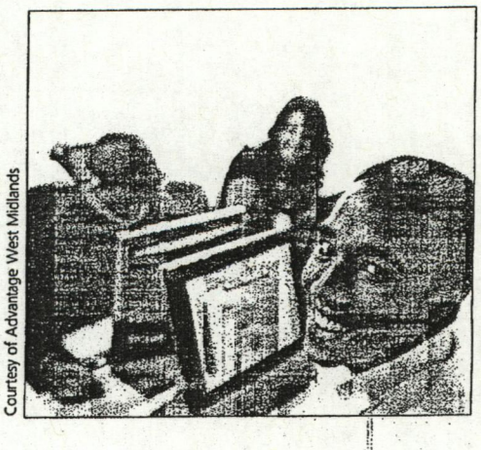
coaching will be an intensive, one-to-one service available to those people who do not have the right skills to secure sustainable, fulfilling and productive employment. As well as individuals claiming benefits, skills coaching will be made available to jobseekers moving into employment with a company or organisation participating in an Employer Training Pilot (ETP). This will help us to find out how skills coaching can complement the package of support available under ETP.

DfES and DWP are working together to trial skills coaching in a small number of areas across the country, starting in Spring 2005 and lasting for 12 months. The outcomes of the trials will help the Government to determine how and when to implement the service nationally. [give examples of areas]

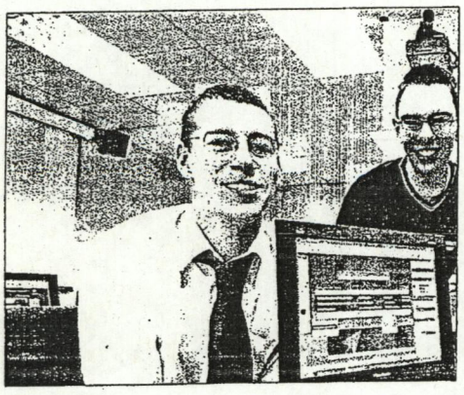
DfES will also rolling out a pilot, starting in April 2006, which will allow longer-term benefit claimants currently on Jobseeker's Allowance, along with those on Income Support and Incapacity Benefit, to take up free, full-time, work-focused training, where this is judged by their Personal Advisor as the best way of helping them into work.

The adult skills agenda is also crucial to ODPM's aim of creating sustainable communities, and those that are delivering the national strategy for Neighbourhood Renewal have adult skills at the heart of their activity. A revised strategy for Neighbourhood Renewal will be launched early this year and will include details of the actions that will be taken at the neighbourhood level to improve the life chances of those living in deprived areas, including action on education and skills. [other under-performing regions]

Testbed Learning Communities are being developed in 26 areas across England, trying out new approaches to tackling issues of intergenerational deprivation and low achievement. ODPM will ensure that the lessons of those programmes are integrated, particularly within neighbourhood renewal activity, with the aim of ensuring that those programmes give stronger support to integrating skills and training within wider support for tackling community disadvantage.



Courtesy of Advantage West Midlands



Courtesy of One NorthEast

Higher Education

The Government is also committed to increasing the number of people with high level skills. Its target is to increase participation in higher education towards 50 per cent of 18-30 year olds by the end of this decade, mainly through the expansion of work-related, employer-led, foundation degrees. Currently a young person from the highest social class is five times more likely to enter higher education than one from the lowest social class. Aimhigher is a national outreach programme, which seeks to widen participation in higher education amongst under-represented groups by increasing the number of these young people who have the abilities and aspirations to benefit from higher education. In the academic year 2004-2005 around £80 million is being provided to area and regional partnerships. The latter are innovative partnerships of schools, colleges, Higher education institutions (HEIs) and others seeking to provide a range of aspiration and attainment raising activities.

Conclusion

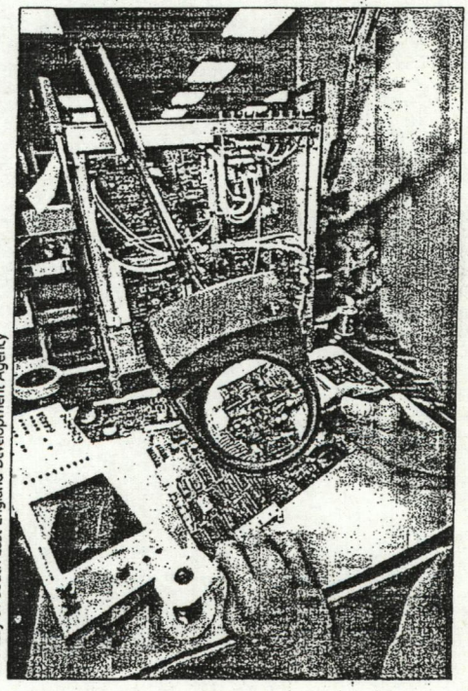
Improving economic performance in every region can only be sustainably achieved if real in-roads are made into raising the skills levels of the 12 million adults who have no qualifications. The Skills White Paper, due to be published in the Spring, will set out further steps towards this, but there will remain much to do.

Chapter Four: Helping Businesses to Support Growth

The Government and its partners cannot deliver the improved levels of employment and skills that are essential to growth unless they provide the essential conditions and support that companies require in order to thrive. The RDAs, working alongside the Government, will deliver powerful programmes to assist the development of enterprise and innovation when they assume new responsibilities in these areas from next April.

Enterprise

Three English regions have been piloting the regional management of services to small businesses through Business Link. In the North West, this has also involved working closely with the LSCs to align their funding for services to small and medium-sized enterprises (SMEs). This allows delivery within a national framework to be tailored to meet regional needs and priorities more closely.

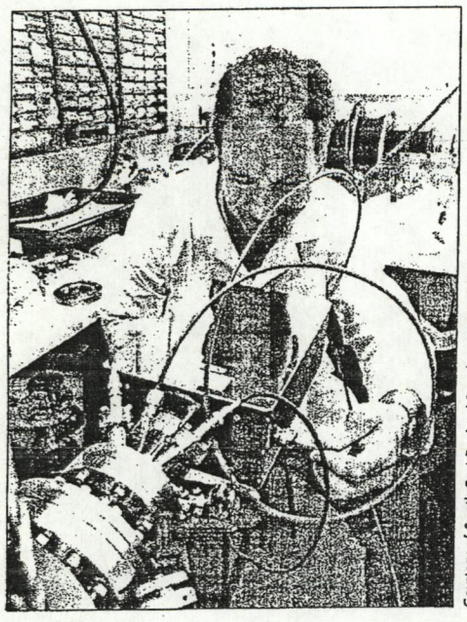


Courtesy of South East England Development Agency

For example, as a result of the pilot the North West Development Agency will in future lead and broker, with the Skills for Business network and other partners, the identification of employers' priorities. A decision-taking group will be able to identify those public funds which are dedicated to workforce development, business support, productivity and labour market support in the region and to discuss jointly how these can best be deployed.

As well as informing national policy on increasing the numbers of SMEs accessing business advice, the pilots have also informed individual RDAs' business plans. For example, all regions are now committed to helping companies to navigate the business support system by removing any confusion between information, advice and brokerage, which Business Link provides, and the delivery of business support services. The former is absolutely essential as it includes the signposting of SMEs to the most appropriate source of advice and support. Much of the latter is already delivered by private sector organisations, but the RDAs are committed to making further progress in simplifying the range of providers funded to provide such services.

One way that enterprises grow their business is through exporting and other forms of international business. UK Trade & Investment, the Government organisation which helps firms develop through international trade, operates as the RDAs' international trade arm and will in future be jointly agreeing with them a regional delivery plan on international trade, to be delivered through UK Trade & Investment teams within the region.



Courtesy of South East England Development Agency

Integrating enterprise into sub-regional agendas

All RDAs have established Sub-regional Strategic Partnerships (SSP). Each SSP has developed its own geographically focused strategy and business plan. 2005 will see much more emphasis placed on ensuring that all these bodies deliver a coherent agenda that is tailored to the sub-region, but which identifies and fully exploits potential benefits for the region as a whole.

The service also needs to be equally accessible to rural as well as urban businesses and this is where the strength of existing business networks needs to be supported and developed. For example, SWRDA is delivering services to its rural businesses via a regional rural gateway to ensure that they are responsive to the specific needs of rural businesses and are easily accessible to those who are not located in major towns and cities. It is also focussing on enterprise in the tourism sector, where the success of small businesses is often held back by seasonality, poor wages and low productivity. SWRDA is engaging with businesses in this sector to promote quality, innovation and connectivity.

Links between business support and other agendas are also being established. Delivery of research and development grants for small firms is also being devolved to the RDAs. The Phoenix Fund, which has successfully piloted a range of approaches to stimulating enterprise in disadvantaged areas and among underrepresented communities, will be continued until 2008, with greater regional involvement in development and delivery.

Encouraging Entrepreneurs

People in the less successful regions and sub-regions are often less likely to consider starting their own business than those in the more successful areas.

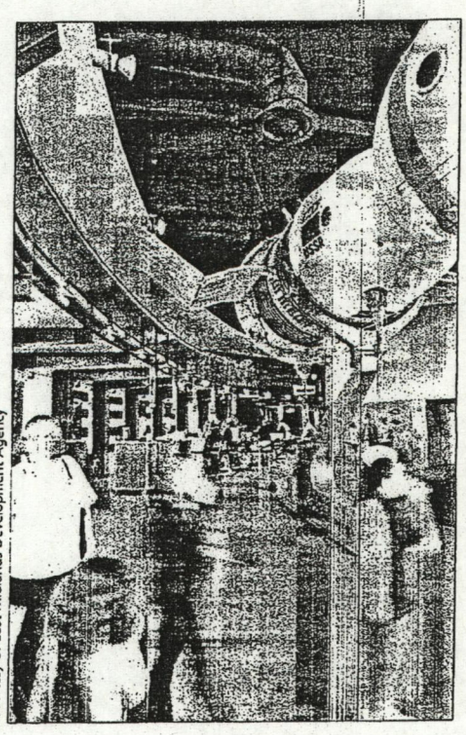
The Small Business Service (SBS) is working with the Treasury and other departments in supporting the Enterprise Insight campaign, which aims at influencing young people's career choices by promoting enterprise. Regional campaign hubs have been identified as crucial to the success of the campaign. With SBS support, Enterprise Insight has been working with RDAs and other key regional bodies to develop these hubs. The SBS is also sponsoring pilot projects which take an innovative approach to raising enterprise awareness through the £1 million Enterprise Promotion Fund.

It is important to encourage adults as well as young people to consider the value of starting their own business. The Merseyside Enterprise Project adopts a deliberately flexible approach to encouraging entrepreneurs.

Merseyside Enterprise Project

The Merseyside Chambers of Commerce (the Chambers) are jointly developing a demonstration project to increase the number of business start-ups in the region. This is based around the establishment of a "Commission" of successful local entrepreneurs, who will develop a range of measures for encouraging a greater spirit of enterprise in the area. These measures will be based both on their own experience and a detailed study of approaches which have been adopted in the UK and overseas (they are currently researching successful programmes in Canada, Belgium and Ireland). They will also consider local factors, such as the perception that Manchester has a better culture for the promotion of enterprise than Liverpool.

Once the Commission has developed its proposals, the Chambers will take them forward using EU Objective 1 money. Because the Chambers cover several types of community (central Liverpool; medium-sized towns like St Helens and relatively affluent areas like Southport), it will probably be necessary to adopt a wide range of approaches to respond to local needs. The Government is contributing to this work by providing input to the Commission and arranging for the assessment of the policy initiatives, particularly from the point of view of identifying transferable lessons which can be adopted elsewhere in the country.

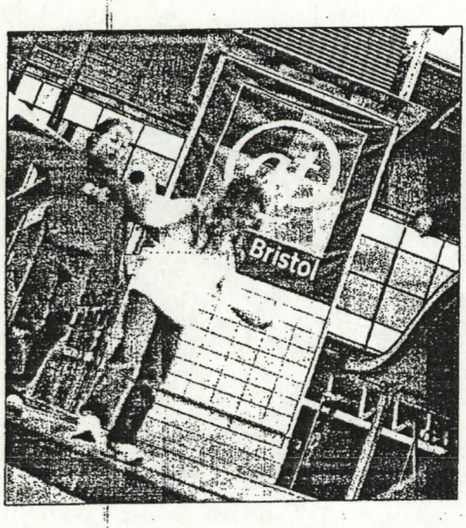


Courtesy of East Midlands Development Agency

Innovation

The Government's Approach

The Government is committed to improving the relative international performance of the UK research base and increase the overall innovation performance of the UK economy. To deliver this, it has published a 10-year Investment Framework for Science and Technology 2004-2014 which commits the Government to increasing spending on science so that it will be over £1bn higher in 2007-08 than in 2004-05. However, for the UK to catch up its global competitors in the knowledge economy, it must increase its overall investment in R&D, in the private as well as the public sector. The Government's aim is for national investment in R&D to rise from the current 1.9 per cent of GDP (£22.5bn) to 2.5 per cent (£39bn) by 2014, the majority of which must be delivered by business.



Courtesy of South West Regional Development Agency

The Role of the RDAs

Following the Lambert Review of knowledge transfer, the Government announced that the RDAs would take an enhanced role in strengthening business-university links, with the strategic aim of driving up business expenditure on R&D. They will also continue to develop their current activities in fostering and broking links between HEIs and companies, funding knowledge transfer projects and investing in collaborative research facilities and programmes.

All RDAs have or are in the process of establishing a Science and Industry Council. These influential advisory bodies bring together senior representatives of the region's business communities and research/skills providers in an industry-led forum. Regional innovation strategies will be focused by a clearer picture from the business perspective of a region's science strengths and weaknesses, including the skills dimension; a coherent regional strategy for development and use of the science base by industry; and an expert regional input into the national Technology Strategy.

Proximity to research institutes is an important factor in promoting innovation in companies, especially in SMEs. However, no single region possesses the complete range of expertise required to meet the needs of all its companies. It is crucial, therefore, that even small companies are able to collaborate with the best research source for their needs, wherever they are in the country. Working through the Regional Innovation, Science & Technology Group (RIST), the RDAs are developing mechanisms for inter-regional collaboration at an operational level to ensure that knowledge transfer networks are accessible across regional boundaries. All RDAs are conducting analyses of their regional knowledge base, which will be shared with, and accessible by, the other regions.

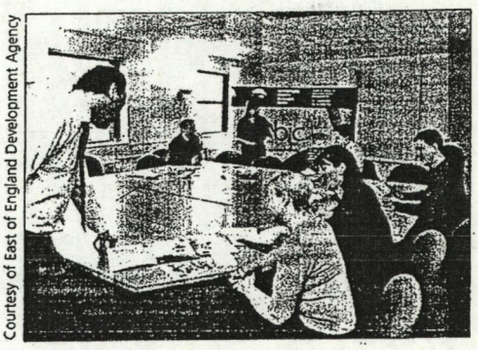
The value of National-Regional Partnership working

The Research Councils, devolved administrations and the RDAs are currently working together to explore how the funding of research, which has a predominantly national basis, can be better aligned with the development of Regional Economic Strategies. To strengthen the regional contribution to broader UK-wide science and innovation policy and delivery over the next three years, the Research Councils will enhance the scale of support for developing the RDAs' professional capabilities in science and technology issues, including through secondments of experienced staff into the RDAs and through representation on each Science and Industry Council.

From 1 April 2005 onwards, the performance of RDAs in contributing to the innovation outcomes will be assessed against outputs and targets agreed between each RDA and the Government, and which will form part of its Corporate Plan. For example, RDAs will have specific output targets for the number of businesses within the region engaged in new collaborations with the UK knowledge base. For its part, the Government will assist the RDAs to develop their capacity to broker collaboration and knowledge transfer between industry and its research suppliers.

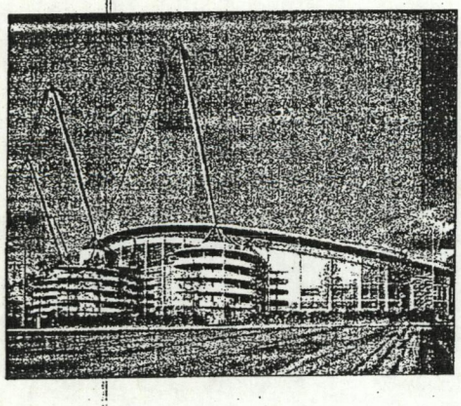
Conclusion

If initiatives on employment and skills are to have maximum impact, it is essential that successful companies are able to create sustainable jobs. Work on developing a spirit of enterprise, putting in place the right package of business support and ensuring that companies can build on the innovative resources of the UK are key means for achieving this. Where regions are already successful, the RDAs need to work with Government and stakeholders to encourage companies to match world-class performance. In less-successful regions and sub-regions, they need to encourage enterprise and innovation to take root.



Courtesy of East of England Development Agency

Hertfordshire Business Incubation Centre
Text: Hertfordshire Business Incubation Centre is the first EEDA supported scheme of its type in the region. Through EEDA funding it has become the centre of a major networking and technology transfer initiative as well as providing wider support to innovative firms in the area.

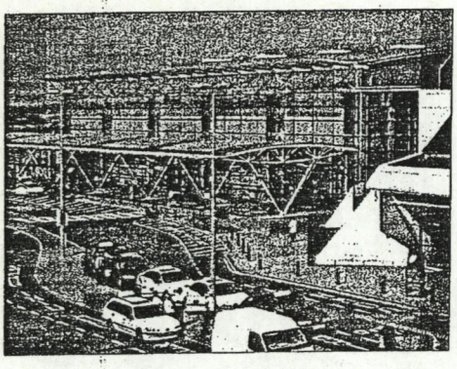


Courtesy of Northwest Regional Development Agency

Chapter Five: Planning for Investment in the Regions

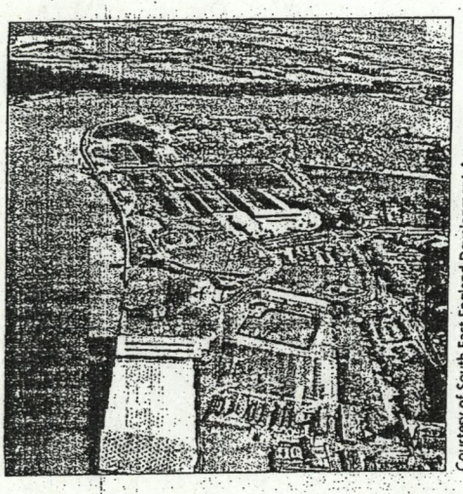
The Government has taken a number of steps which will help to bring about greater alignment between key regional strategies on transport, housing, planning and economic development. In December 2004, the Government launched a consultation on publishing funding allocations for 2005/6 to 2007/8 and long term planning assumptions for the Regional Economic Development, Housing and Transport Budgets, and that it will invite the regions to provide advice on prioritisation within and between these budgets.

The regional economic strategies prepared by the RDAs, the Regional Spatial and Regional Transport Strategies prepared by the Regional Assemblies and the Regional Housing Strategy prepared by the Regional Housing Boards will be key inputs to the advice that the regions provide on regional funding allocations. The Government is also helping to strengthen these processes and to bolster the links between them. This has the ultimate aim of ensuring that all the activities generated by these strategies are mutually supportive, and all contribute as fully as possible to regional economic performance and sustainable development.



Courtesy of One NorthEast

The RDAs are statutory consultees on planning decision and later this year ODPM will issue further guidance to the RDAs and the Regional Assemblies on how the evidence base for the Regional Economic and Regional Spatial Strategies can be improved and the links between the two strategies strengthened. This new guidance responds to calls for planning bodies, to take greater account of the economic impact of those decisions and of signals in the housing market such as changes in house prices and levels of market affordability.



Courtesy of South East England Development Agency

DfT will also be considering the role of Regional and Sub-Regional Partnerships in putting forward proposals for the new Transport Innovation Fund. This will provide a contribution to projects and initiatives across all forms of transport in England which deliver considerable productivity gains or promote innovative approaches. The RDAs will work closely with regional partners to identify and take forward projects which make use of the opportunities provided by this new fund. DfT will consult on the operation of the new fund with a view to make initial allocations in the next three year's spending review due in 2006.

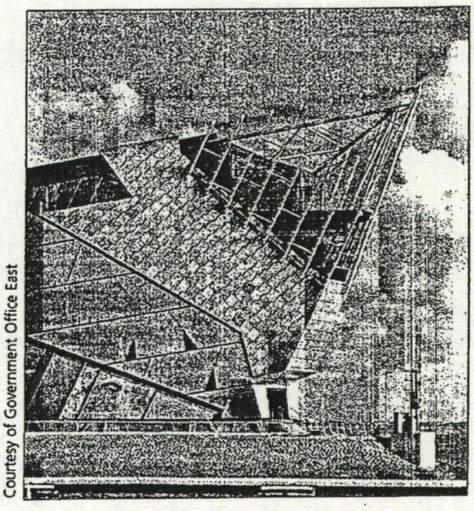
DfT is also preparing new guidance setting out how the impact of transport projects on economic development can be taken more fully into account when decisions are made about proposed new projects. This guidance will help to inform decisions about individual projects

as well as providing a means by which the regional bodies can strengthen the evidence that they provide when offering advice and proposals on regional funding allocations and the Transport Innovation Fund.

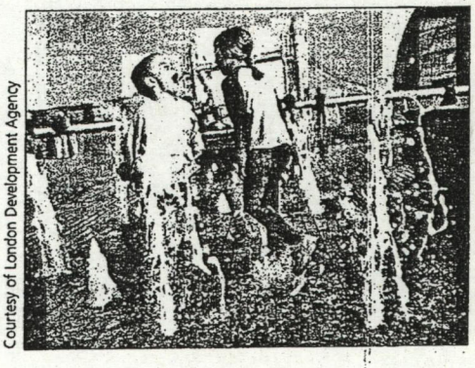
The new structure for the railway industry will also allow decisions on the provision of rail services to be taken at a more local level where that is appropriate. In England, Passenger Transport Authorities in the main metropolitan areas will be given the right to buy increased services and flexibility to transfer funding between rail and other modes of transport. Transport for London will also have an increased role in specifying services in the Capital.

Conclusion

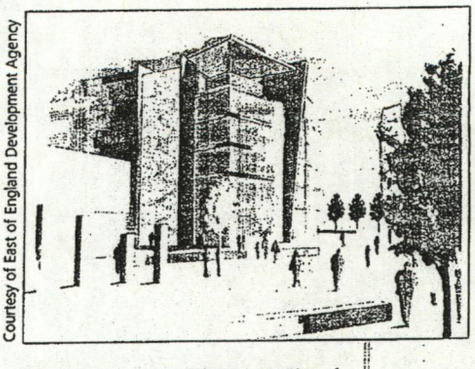
The contribution of investment in infrastructure to regional economic performance goes beyond simply counting up the amounts spent. The projects which are supported need to be the right ones, which contribute most directly to the achievement of the Regional Economic Strategy. A relatively small investment in transport links between deprived communities and sources of employment can bring as much benefit to an area as investment in major rail or road projects. The Government and RDAs are working together to integrate policy decisions on transport, housing and other key investments as far as possible to regional needs and priorities.



Courtesy of Government Office East



Courtesy of London Development Agency



Courtesy of East of England Development Agency

A major component of the regeneration of south Essex is the development of the university campus in Southend. It is anticipated that by 2010, approximately 5,000 students will use both South East Essex College and the new High Street campus, helping to increase the broader skills base in the community whilst also integrating with the needs of local business.



Courtesy of Northwest Regional Development Agency

Chapter Six: The Right Structure

Carrying forward devolution of decision-making in the regions and sub-regions is essential if we are to achieve improved economic performance. From 2004/05 the Government granted the RDAs major increases in their responsibilities, including:

- The delivery of Business Link services, R&D grants and enterprise in disadvantaged areas
- The development of Regional Skills Partnerships
- A dual key approach to the management of adult skills budgets operated by the RDA chief executive and the regional LSC director where they want it
- An enhanced role in supporting business-university collaboration
- Taking over responsibility for the socio-economic work of the Countryside Agency



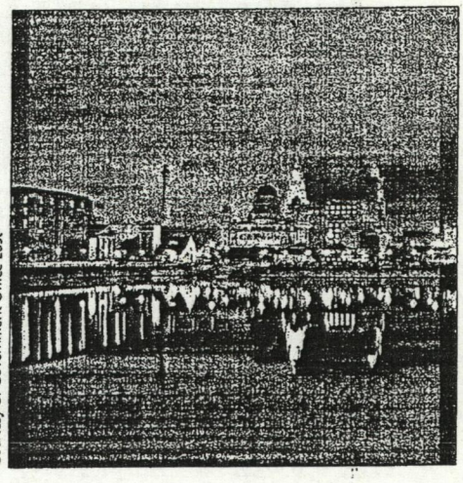
Courtesy of Northwest Regional Development Agency

Government and the RDAs have also put in place a simpler and more flexible framework for setting RDA priorities and measuring their performance, which will come into force in April 2005. This is clearly linked both to each Regional Economic Strategy and to a range of national PSAs in key areas where a regional contribution is needed to achieve national goals. These PSAs cover skills, regeneration, innovation, enterprise and other major areas of RDA activity. In the corporate plans they will be submitting sustainable development to Government, RDAs will be aiming to raise their game again, by delivering…[DN – insert in light of Corporate Plans, RDAs to provide]

RDAs will also work closely with Government Offices and Regional Assemblies to ensure that strategies are aligned and synergies with activities supported by Structural Funds are fully supported.

Sustainable Communities

The Sustainable Communities Plan is at the heart of the Government's commitment to transform communities and improve the quality of life for everyone. It is backed with £22 billion of investment from the 2002-3 to the 2005-6 financial years. Progress is being made in both urban and rural areas to reverse decline and rebuild communities that have suffered through a long legacy of neglect. The implementation of the plan is also a central part of the strategy to improve regional economic performance. At the heart this is the development of inter-regional growth strategies such as the Northern Way. Added value, scale and synergies come from working strategically across regions facing related economic, environmental and social challenges.

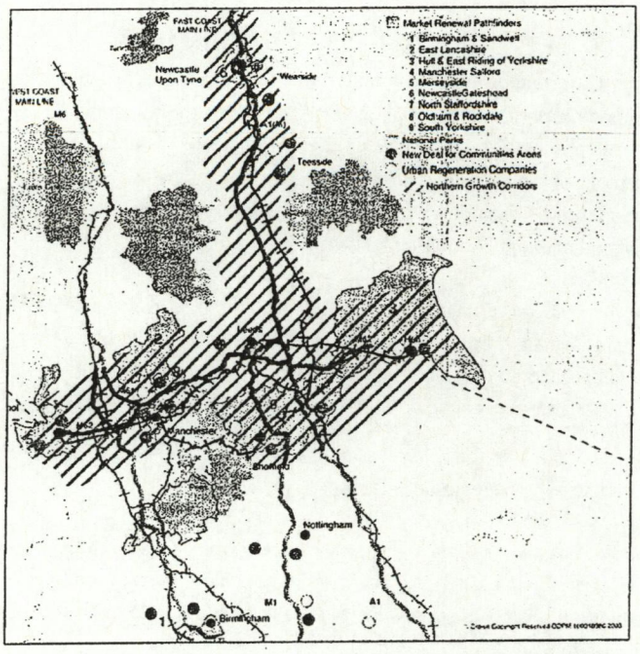


Courtesy of Government Office East

However, achieving Sustainable Communities is not just about economic growth. Sustainable development is also at its heart, seeking to improve the quality of life for all people in the regions and to ensure that alongside environmental concerns and economic growth appropriate attention is given to community and social perspectives.

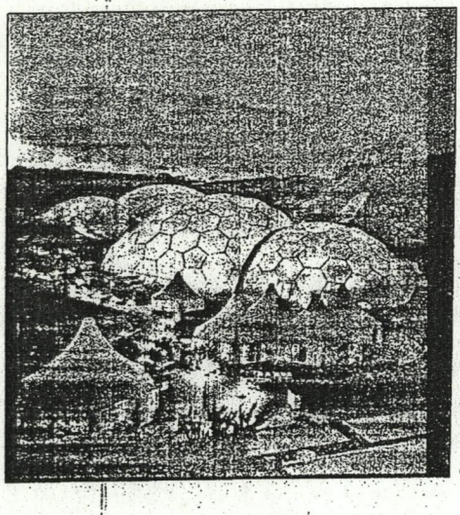
The Northern Way

The three northern RDAs, and their regional partners, are developing a long-term growth strategy for the north. This capitalises on the benefits of scale in capturing the assets and opportunities across the three regions and will identify ways of working together to address barriers to growth that affect communities across the North. The Northern Way will help to lift the productivity of the three northern regions and bring the jobs, investment and quality housing which can create sustainable communities.



Similar initiatives are being driven forward in the Midlands and the South West. In addition, initiatives such as Thames Gateway seek to establish new and sustainable communities in the less-successful and under-exploited areas of the South East, East and London.

Work at city-region and local levels also has an important contribution to make to regional economic performance. It is important that action must operate at different spatial levels – national, multi-regional, regional, city and local – and must be co-ordinated and coherent. Different spatial frameworks need to complement each other, not to compete or cancel-out. The Government is empowering policy development and delivery at the right level, and encouraging the development of flexible and streamlined partnerships between and within the different levels of operation. In this way, delivery can be customised without becoming fragmented.



Courtesy of Northwest Regional Development Agency

Chapter Seven: Conclusion

The Government is fully committed to improving the sustainable economic performance of all the English regions and to narrowing the gap in growth rates between them. The greatest impact on the growth of the lagging regions and sub-regions will be achieved by adopting the right policies on employment and skills. Working together we are committed to:

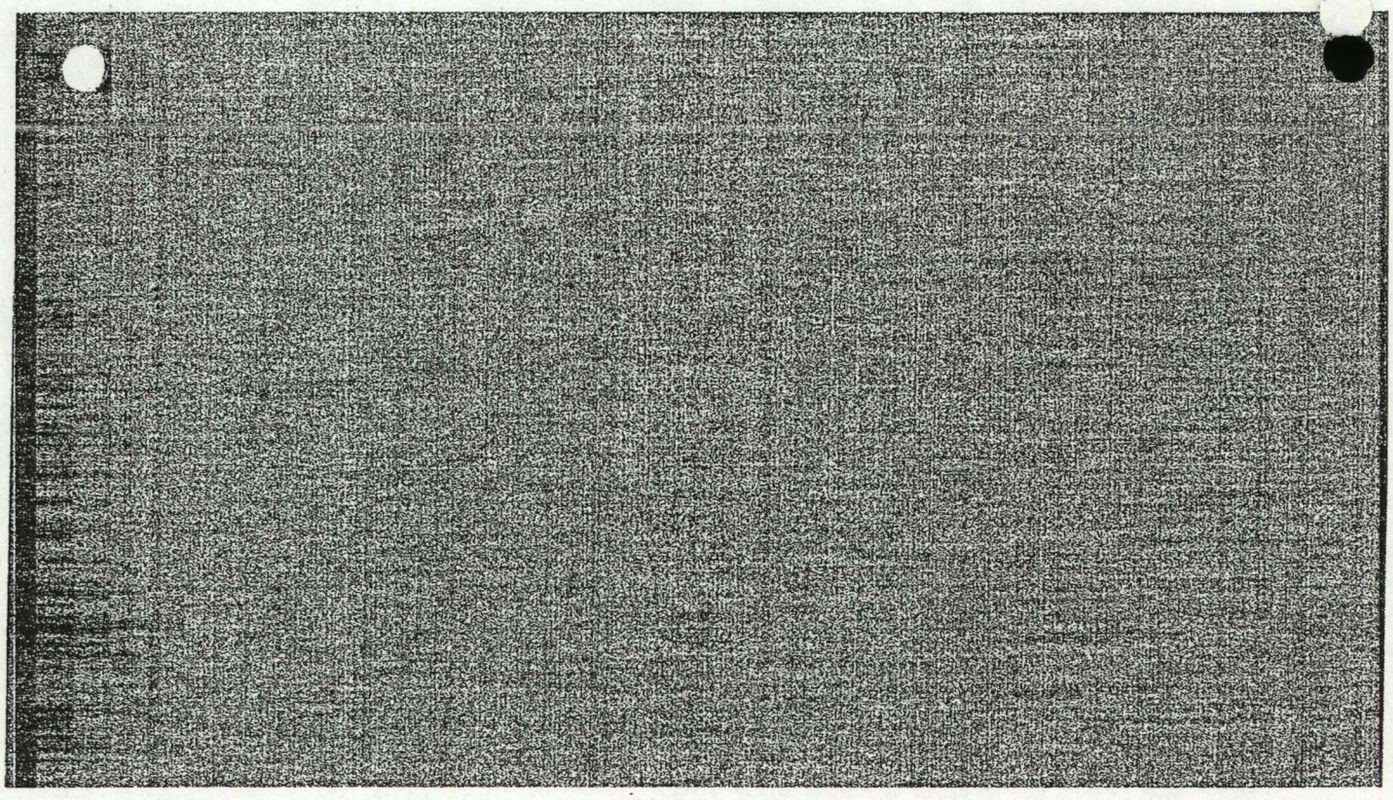
- Achieving an 80% employment rate across the country. As a first step we are developing and rolling out Pathways to Work and other tailored policies aimed at bringing people back into the workforce and engaging hard-to-reach and deprived groups
- Making real in-roads into raising the skill levels of the 12 million adults who have no qualifications

Those measures will make a strong impact on the economy of the under-performing regions. They will also help those parts of the otherwise successful regions which have not been able to participate fully in this success.

Unless all regions can be enabled to develop sustainable and growing economies, action on employment and skills alone will fail. Regions need to have a vibrant and competitive private sector, with businesses based on the delivery of innovative goods and services, which have a high added-value. Regional economies need to be refreshed and stimulated by the entry of new businesses which have the potential for growth, and regional infrastructure needs to support the development of this economic growth, and to facilitate the engagement of people in all parts of the region with it.

The RDAs are at the heart of regional growth. They link action on skills, innovation, business support and development and infrastructure together and they help to ensure that spending by their partners – neighbourhood renewal funding or structural funds, for example – makes its contribution to this activity. The RDAs also work with Government, each other and their partners and stakeholders to ensure that activity takes place at the right geographic level – national, inter-regional, regional, and in cities, towns and neighbourhoods – that it is tailored to real needs and that it is co-ordinated and coherent. This is a significant task, but the RDAs now have the resources, the flexibility and the expertise to achieve it.

But there is still much more to do. We are targeting policies where we know they will make the most impact, but we are ensuring that this is done in a way that is comprehensive, co-ordinated and coherent. We believe that this will allow all our regions to achieve their full economic potential, for the benefit of the nation as a whole.



Further copies of this publication are available from:

ODPM Publications
PO Box 236
Wetherby
West Yorkshire
LS23 7NB

Tel: 0870 1226 236
Fax: 0870 1226 237
Textphone: 0870 1207 405
E-mail: odpm@twoten.press.net

Published by the Office of the Deputy Prime Minister
© Crown Copyright 2005

Cover photo credits:

West Midlands
Bullring, Birmingham
Courtesy of Marketing Birmingham

North West
The 3 Graces, Liverpool
Courtesy of Northwest Regional Development Agency (ME00012)

North East
The Sage, Gateshead
Courtesy of the NewcastleGateshead Initiative (Music Centre)

Yorkshire and the Humber
Harvey Nichols, Yorkshire
Courtesy of Yorkshire Forward (YF3501)

East Midlands
Shuttle
Courtesy of East Midlands Development Agency

East of England
Stansted Airport, Essex
Courtesy East of England Development Agency

London
More London, Tower Bridge, London
Courtesy of London Development Agency

South East
Chatham Maritime, Kent
Courtesy of South East of England Development Agency

South West
The Eden Project, Cornwall
Courtesy of South West Regional Development Agency

File

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

14 January 2005

Dear Peter

LOCAL ENVIRONMENTS AND NEIGHBOURHOODS

The Prime Minister was grateful to see a copy of the presentation given to the DPM on 22 November on local environments and neighbourhoods. He thought this was an interesting presentation which illustrated that the Government is doing a great deal to improve the local environment. He hopes that this message can be brought out in the ODPM's Five Year Plans.

He agreed with the seven priority actions which are proposed towards the end of the presentation and was particularly interested in the proposals to create an 'implementation pack' to give local communities the capacity to use the powers available to them. He also liked the idea of a neighbourhood charter which would establish new rights for neighbourhoods to organise themselves in new ways, demand action from local service providers, raise funding and take responsibility for assets. Again, he hopes that we can make progress on this issue to develop the concepts in the charter into concrete policy proposals which can be included in the ODPM's Five Year Plans. In particular, he is interested in exploring the potential to give new powers to parish councils and pilot Neighbourhood Improvement Districts.

Yours sincerely

Miles Gibson

MILES GIBSON

Peter Betts
ODPM

ds

Department for Culture, Media and Sport
Secretary of State's office

2-4 Cockspur Street
London SW1Y 5DH
www.culture.gov.uk

Tel 020 7211 6257
Fax 020 7211 6249
matthew.reader@
culture.gsi.gov.uk

IR cc NR
JMCT
GD

CMS 2059/mk

Ivan Rogers
Principle Private Secretary
Office of the Prime Minister
10 Downing Street
London
SW1A 2AA

13 January 2005

Dear Ivan,

STRATEGY UNIT AND NEIGHBOURHOOD RENEWAL REPORT: IMPROVING THE PROPSECTS OF PEOPLE LIVING IN AREAS OF MULTIPLE DEPRIVATION

Ivan Rogers letter of 17 December sought responses to this report. I recognise that this Department has missed the deadline, but my Secretary of State wanted to register her genuine disappointment that the report does not reflect the contribution that sport and culture can make to the lives of individuals. Culture and sport sectors offer much in developing social skills, building self-esteem and increasing confidence and in doing so can bring people together and provide opportunities to build communities. There is some implicit recognition of this in places but my Secretary of State hopes that this can be expanded upon as this work is taken forward.

She does, however, welcome the fact that this would be published alongside the NRU's Making it Happen in Neighbourhoods publication, which provides a fuller explanation as to how culture, media and sport sectors are contribute in this important area. She hopes that this Department can continue to be at the table as all of this work progresses.

I am copying this to all Private Secretaries of members of the Cabinet, Sir Andrew Turnbull and to Patricia Greer in the SU.

Yours, Matthew.

MATTHEW READER
Private Secretary

Make Britain proud - back the bid for the London 2012 Olympic and Paralympic Games - visit www.london2012.com to register your support or text LONDON to 82012.

INVESTOR IN PEOPLE

Department for
Transport

From the Secretary of State

Great Minster House
76 Marsham Street
London SW1P 4DR

Tel: 020 7944 3011
Fax: 020 7944 4399
E-Mail: alistair.darling@dft.gsi.gov.uk

Web site: www.dft.gov.uk

OUR REF : AD/018981/04

13 JAN 2005

The Rt Hon Gordon Brown MP
Chancellor
HM Treasury
1 Horse Guards Road
LONDON
SW1A 2HQ

Dear Gordon

Thank you for your letter of 22 December on the Northern Way. I think the first point to emphasise is that our proposals for regional funding allocations provide an important new opportunity for regions – and potentially perhaps for the northern regions working together - to influence the Government's transport investment decisions, and in so doing to help to ensure that transport is fully integrated into long term planning for sustainable economic growth.

At this stage, the transport propositions, highlighted in Sir Graham Hall's letter, cover a wide range of potential investment priorities. The challenge now for the Northern Way partners is to develop an evidence based approach which will help to underpin the case for investment within the budget constraints and help them to reach conclusions about where the priorities lie.

My officials worked with Northern Way partners as they developed the strategy published in September and they will continue to help shape the further work needed to take the analysis forward.

The Steering Group's proposal to establish a cross regional forum with capacity to focus on pan-northern priorities for transport may well be helpful.

I am writing in similar terms to John Prescott and I am copying this letter to DA and EAPC.

Yours ever

ALISTAIR DARLING

8

Department for
Transport

From the Secretary of State

Great Minster House
76 Marsham Street
London SW1P 4DR

Tel: 020 7944 3011
Fax: 020 7944 4399
E-Mail: alistair.darling@dft.gsi.gov.uk

Web site: www.dft.gov.uk

OUR REF : AD/018981/04

MEL
cc: PB
MG
IN

The Rt Hon John Prescott MP
Deputy Prime Minister
26 Whitehall
LONDON
SW1A 2WH

13 JAN 2005

Dear John

Thank you for your letter of 22 December on the Northern Way. I think the first point to emphasise is that our proposals for regional funding allocations provide an important new opportunity for regions – and potentially perhaps for the northern regions working together - to influence the Government's transport investment decisions, and in so doing to help to ensure that transport is fully integrated into long term planning for sustainable economic growth.

At this stage, the transport propositions, highlighted in Sir Graham Hall's letter, cover a wide range of potential investment priorities. The challenge now for the Northern Way partners is to develop an evidence based approach which will help to underpin the case for investment within the budget constraints and help them to reach conclusions about where the priorities lie.

My officials worked with Northern Way partners as they developed the strategy published in September and they will continue to help shape the further work needed to take the analysis forward.

The Steering Group's proposal to establish a cross regional forum with capacity to focus on pan-northern priorities for transport may well be helpful.

I am writing in similar terms to Gordon Brown and I am copying this letter to DA and EAPC.

Yours

Alistair

ALISTAIR DARLING

020 7238 6465

Nobel House
Smith Square
London SW1P 3JR

Telephone 08459 335577
Email secretaryofstate@defra.gsi.gov.uk
Website www.defra.gov.uk

defra
Department for Environment
Food and Rural Affairs

The Rt Hon Gordon Brown MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

12 January 2005

From the Secretary of State
The Rt Hon Margaret Beckett MP

AMac
cc MH
MG

Dear Gordon,

RDA CORPORATE PLANS 2005-2008

I have seen a copy of Patricia Hewitt's letter of 6th December on the Regional Development Agencies' Corporate Plans 2005-2008.

I very much welcome this new strategic approach to tasking the RDAs, which has been successful in simplifying the Agencies' targetry framework and aligning it more closely with both Regional Economic Strategies and relevant Government PSA targets. This should ensure a more joined up approach to tackling both national and regional priorities in the English regions.

In terms of my Department's interests, I am pleased that our proposal to include three of my key PSA targets – in relation to sustainable development, rural productivity and services and sustainable food and farming – has been accepted by RDAs, and I appreciate the co-operation of Patricia and her officials to help secure this outcome. I also welcome the reference in the associated Corporate Planning Guidance to the outcomes RDAs will be expected to deliver in the context of sustainable consumption and production, one of my Department's five key objectives, in return for associated funding under the Business Resource Efficiency and Waste (BREW) Programme. My officials will continue to work together with the RDAs in identifying practical ways of pursuing the regional dimension to stimulating more sustainable patterns of consumption and production, and specifically to work out the details of the BREW funding to ensure it delivers real improvements in business resource efficiency.

In relation to sustainable development, I know the Sustainable Development Commission were disappointed not to have been given the opportunity to contribute directly to the consultation process during the development of the Framework, and I personally believe this would have been useful. This should happen at the next opportunity for reviewing the Framework. It is also of course important that all RDAs communicate with the

Commission on an ongoing basis, and I know that Jonathon Porritt is being invited to attend a future Ministerial meeting with the RDA Chairs to discuss the UK Sustainable Development Strategy Review, which is welcome.

I am content that the Framework adequately addresses the RDAs' contribution to the PSA targets for sustainable farming and food, and the productivity element of Defra's rural PSA. It is particularly welcome that for the first time RDAs will be reporting all their main outputs on a rural and urban basis, and (where possible) disaggregating these to a sub-regional level. This should make more transparent how RDAs are delivering in rural areas, and making a contribution to tackling rural disadvantage, in line with the Government's Rural Strategy 2004. As part of this, I am keen to ensure that the RDAs continue to develop smaller scale, people based approaches to regeneration, as well as larger scale interventions, given that these make particular sense in rural areas and in involving all potential players.

In relation to access to services in rural areas – for which the RDAs are receiving an additional £21.3m into the Single Pot in 2005/6 (the resources transferred from the Countryside Agency under our Modernising Rural Delivery plans) - I understand our officials have had discussions with the RDAs about whether specific targets should be set for improving access in each service area, or whether the RDAs should simply report the number of rural residents assisted. Given the overall aim for the Tasking Framework not to be unduly prescriptive, I accept that this should be a reporting requirement, without specific targets. However, this is an area we will want to revisit when the Tasking Framework is reviewed next year to assess how effectively the RDAs are delivering against this new responsibility.

The next step will, of course, be to work closely with the RDAs on the drafting of their Corporate Plans, using the guidance that has been agreed. I look forward to seeing these plans in the New Year.

I am copying this letter to the Prime Minister, EAPC colleagues and Sir Andrew Turnbull.

Regards

Margaret

MARGARET BECKETT

Replied 24/1

10 DOWNING STREET

1. Pat McFadden / 2. Sally Morgan

Do you know anything about these 2 to suggest any problem with their appt to the EU Ctee of the Regions?

AP They are fine

Fine. RR 21/1

- Pat + Sally content. Assume no need for PM to see?

Foreign &
Commonwealth
Office

London SW1A 2AH

10 January 2004

Dear Antony,

CC KD
NS

Replacement Nominations to EU Committee of the Regions

We need to nominate two replacement UK candidates for membership of the EU Committee of the Regions (CoR). Prime Minister's agreement sought.

The ODPM has put forward two candidates, after consultation with the Local Government Association. The candidates are: Councillor Sharon Taylor (Labour, East of England Regional Assembly) and Councillor Dave Quayle (Labour, North West Regional Assembly). They were chosen in accordance with recently agreed procedures, paying particular attention to maintaining the regional, political, gender and ethnic balance of the current UK delegation.

The Foreign Secretary has agreed, and the EP Committee endorsed (without comment) these nominations. As usual, we are now seeking the Prime Minister's agreement, so that we can notify the Council of the new members' appointment. I should be grateful if you could let me know if the Prime Minister agrees.

As you know, the CoR is a consultative EU body with limited powers to give non-binding opinions on EU draft legislation. The Council or Commission must consult it on a number of areas of legislation, including education issues, culture, health, transport, social matters and structural funds. Current CoR members hold office until 2006. The complete nomination process for the 2006-2010 CoR term will start in 2005.

Yours ever,

Wilson

(Caroline Wilson)
Private Secretary

Antony Phillipson Esq
10 Downing Street

Office of the
Deputy Prime Minister
Creating sustainable communities

The Rt Hon Jeff Rooker
Minister for Regeneration and Regional Development

Office of the Deputy Prime Minister
26 Whitehall, London SW1A 2WH

Tel: 020 7944 3012 Fax: 020 7944 4489
E-Mail: jeff.rooker@odpm.gsi.gov.uk

www.odpm.gov.uk

The Rt. Hon. John Prescott MP
Deputy Prime Minister
26 Whitehall
London
SW1A 2WH

SPM
cc: IR
MG

MATRIX

10/1/05

Dear John.

1) PR
2) File – Regions – Policy

Guidance on Location Choice

The Chief Secretary to the Treasury wrote to Cabinet Colleagues on 23 December to confirm the immediate actions we are taking to implement Sir Michael Lyons' recommendations on asset management and disposal. His letter noted that ODPM would be issuing guidance on location choice in the New Year for consultation with other Government departments and their Executive Agencies and NDPBs.

A copy of this draft guidance, which I have agreed with the Chief Secretary, is attached. It is issued on behalf of ODPM, HMT and the Office of Government Commerce. It sets out how Government departments should take account of regional economic balance considerations when choosing locations for work being transferred out of London and the South East in the future.

The guidance does not attempt to provide a list of places that will be suitable for public sector relocations. However, we are asking the Regional Development Agencies (RDAs) to produce factsheets about specific locations in their region for use by Government departments undertaking relocation appraisals.

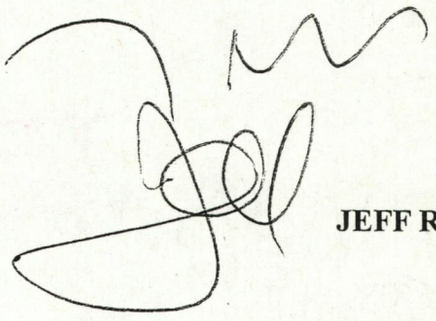
You and the Chief Secretary have made it clear that there should be a strong presumption against the Greater South East for the location of new Government activity. The guidance explains the details of how Departments should reflect this policy in the decisions they make about new locations for their business.

In parallel with this letter, Mavis McDonald is also writing to her Permanent Secretary colleagues, asking them to consider the guidance from the point of view of their own Departments and to draw it to the attention of their Executive Agencies & NDPBs. We would welcome feedback from Departments on the detailed aspects of the guidance. We would be grateful if any comments could be received by the end of March 2005, so that a final version of the guidance can be published in the spring.

Since we are now in the FoI era, we will be placing a copy of the draft guidance on the ODPM website, but we do not plan to issue a press notice about it.

I hope that departments find the guidance useful, and we look forward to receiving feedback.

I am copying this letter to all members of the Cabinet and to Sir Andrew Turnbull.



JEFF ROOKER

Office of the Deputy Prime Minister
Creating sustainable communities

OGC
Office of Government Commerce

HM TREASURY

Choosing locations for Government business

Guidance on integrating wider economic and policy objectives into location decisions

Interim Version

Office of the Deputy Prime Minister
Office of Government Commerce
HM Treasury

January 2005

Contents

Core guidance		3
Annex 1:	Assessing the wider impacts of options	8
Annex 2:	Identifying the best option	18
Annex 3:	Key contacts	22
Annex 4:	Further reading	23

Choosing locations for Government business:
Core guidance

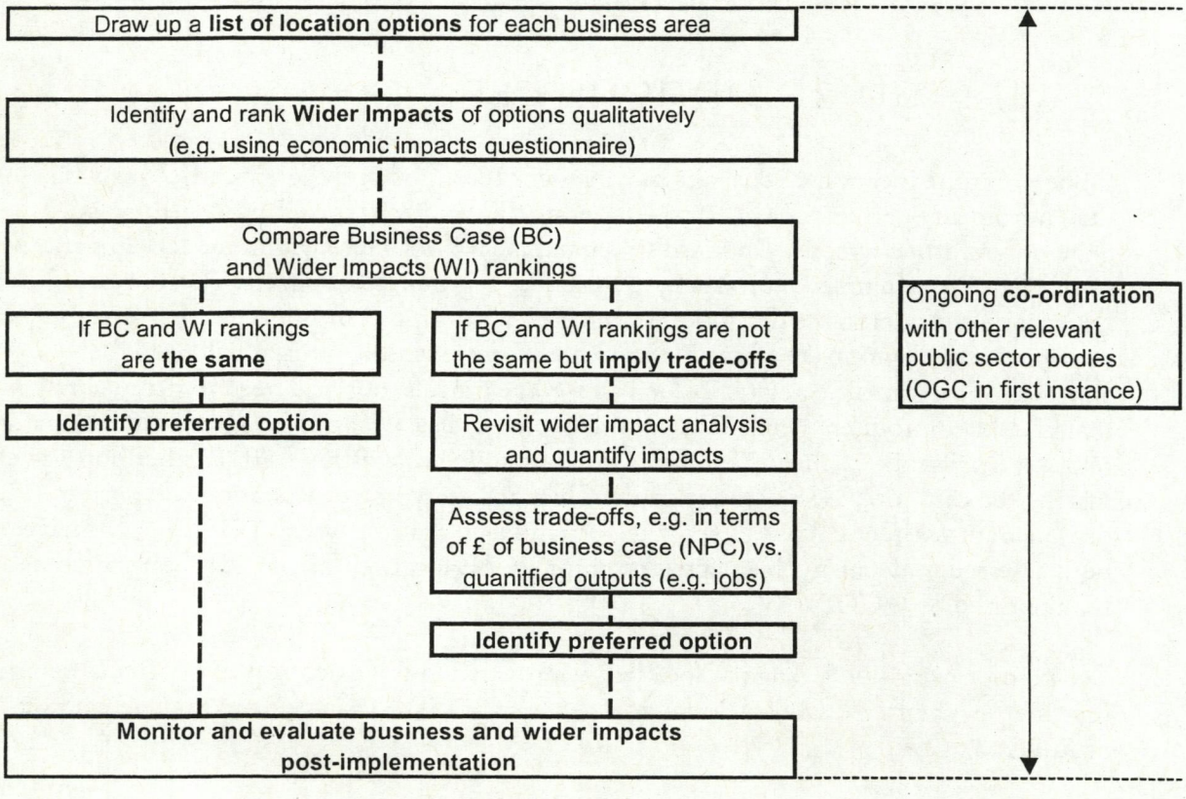
Introduction

1. Improving regional economic performance is a key PSA target for the Government. Locating government business can make a significant positive contribution to the economic performance of some regions and localities in the UK. Thus, when choosing new locations for their businesses, Accounting Officers have a responsibility to ensure that these impacts have been properly taken into account alongside the business case costs and benefits of alternative locations. This guidance summarises the steps that central public sector bodies should take to integrate wider location issues into decision-making.

Key principles

2. The flow chart below summarises the full approach envisaged for integrating wider impacts into decisions affecting relocations. Central public sector bodies should, however, adopt an approach to decision-making which is **proportional** to the scale and likely impact of a relocation. More guidance on this is given at paragraph 18 below. **ODPM** is available to assist central public sector bodies in working through issues of proportionality and wider economic impacts generally (see contact details at **Annex 3**).

Integrating wider objectives into relocations



3. The steps in the flow chart reflect the locational principles established by the Independent Review of Public Sector Relocation ("the Lyons Review"):

   - Central public sector bodies' presence in the London and South East regions should be radically slimmed down, and restricted to only those activities which really need to be there. Furthermore, no new business should be established in the Greater South East (GSE)[1] unless there are over-riding business reasons to do so;

   - Senior-level functions and those which have links with other public sector activity should be clustered in a limited number of locations, rather than being widely dispersed. Such clustering will have both business benefits (including attractiveness to staff) and would maximise economic and social impacts. Functions suitable for this kind of regional clustering are termed "**joined-up activity**" in this guidance;

   - Other, more **self-contained** functions (back-office work: finance, personnel, IT, transactional services, customer contact centres) should be located outside major urban conurbations outside the GSE, to take advantage of cost savings.

   - Pay of staff should be aligned with local rates for similar work, to avoid adverse impacts on local economies.

4. Clearly the above principles apply only to activities which actually require the organisation to provide a location in which to do business. Many activities are most effective when undertaken at a client's premises, at the premises of other government organisations, in shared facilities procured for a limited time, in an official's own home, or a combination of these. These issues of business planning are outside the scope of this guidance but need to be considered before deciding on location options for fixed accommodation. One useful reference is this area is OGC's Working Without Walls - see **Annex 4** for more details.

Drawing up an options list

5. Options for the location of business moving out of London and the South East may be drawn from any part of the UK outside London, the South East, and East of England government office regions. Options lists should include localities within the top 20 per cent of the Index of Multiple Deprivation, to maximise regeneration impacts. These areas of the UK will be considered the default options for location. If, in a most exceptional case, an organisation seeks to make a case for a regeneration area in the GSE, it will need the approval of the Chief Secretary. In such a case, the organisation will need to demonstrate that, in addition to there being an over- riding business case reason for such a choice, that relocation will not be achieved by increased commuting of existing staff. Furthermore, when making the case for a GSE location to the Chief Secretary, the organisation will need to demonstrate a sequential test to show that locations in at least two non-GSE regions have been assessed in detail. Such an application for a GSE location to the Chief Secretary must be supported by OGC.

6. Useful information on a range of locations is provided in the **Location Fact Sheets** being drawn up by the Regional Development Agencies (RDAs), available from the contact point in **Annex 3**.

[1] The GSE is defined as all of the London, South East and East of England Government Office (GO) Regions.

7. The list of options should take account of any places where public sector accommodation (and staff) **are becoming vacant.** OGC can advise on this and other co-ordination issues (contact in Annex 3).

8. It is vitally important that Departments do not unwittingly rule out locations which may meet business needs and which could benefit from the presence of Government business.

Identifying the wider impacts of options

9. It is unlikely that moving Government business out of London and the South East will have a detrimental impact on those regions. They are generally well-placed to adapt to changing circumstances and private sector activity is generally very likely to "fill the gap" left by departing public sector business. But organisations will need to consider carefully and address the potential impacts on their staff.

10. The economic benefits to new locations will take the form of:

    - **jobs** (generated both directly and through knock-on or "multiplier" effects in the local economy);
    - **skills** (e.g. through the relocation of professional and managerial staff, and the relatively high levels of training offered by the public sector) and
    - **investment** (both directly by the public sector, where investing in new buildings and IT, and indirectly if in turn, this attracts new private sector investment).

11. The actual economic impact on any particular new location will depend on:

    - how relocation **fits with local availability** of labour, skills, property, housing etc.
    - the degree to which public sector **activity is clustered together**. Such clustering magnifies the knock-on benefits and creates more of a market for local industries which could serve the public sector (and hence create wealth). However, **too much clustering can be a bad thing**. It is quite possible for the scale of public sector relocation to an area to outstrip the capacity of the local labour market to cope with the increased demand for workers. Where this happens, private sector business in the locality is seriously stifled ("crowded out") by significant competition for labour, which can cancel out the intended benefit of the public sector relocation;
    - the **type of activity relocated**, with professional and managerial activity having more scope for knock-on benefits.

12. These effects can be assessed using the approach in **Annex 1**, and the alternative locations ranked according to the economic impact of the proposed re-location (a simple questionnaire is provided for this purpose). ODPM is available to assist with this assessment (see contact details in **Annex 3**).

13. Beyond economic effects, the wider policy impacts of options should also be considered. A key factor is the scope of an option to contribute to the dispersal and devolution of decision-making and governance across the UK. Such issues can be used to modify a ranking of options based on economic considerations.

Ongoing co-ordination with other public sector bodies

14. Central public sector bodies must co-ordinate their location decisions. The Office of Government Commerce provides the central co-ordination point (see contact details in **Annex 3**). Co-ordination is vital for the following three key reasons:

    - Co-ordination amongst public sector bodies is important to maximise the business and wider benefits of "clustering" **joined-up activity** in regional centres. However this needs to be balanced against the potential to cause adverse "**overheating**" of particular receiving locations. This occurs where labour and housing markets are close to capacity, and prices, rents and/or wages rise. In such a situation, private sector activity will be stifled or "**crowded out**" because of the competition which the public sector brings for workers, transport and accommodation. In turn this negates much or all of the wider benefit of the public sector relocation.

    - Best use needs to be made of the **existing public sector accommodation**, including making appropriate use of accommodation being vacated by other bodies, especially as part of the Efficiency Review. Vacation of accommodation (especially in London) also needs to be carefully to co-ordinated and phased.

    - Best use must be made of **personnel**, including bodies of staff in particular locations becoming redundant in their existing roles as part of the Efficiency Review, which could sensibly be used in other, relocated roles.

15. Co-ordination of these aspects can be achieved through frequent and ongoing liaison with OGC's Property Co-ordination Team in the first instance, and thereafter any relevant other individual bodies. OGC's Electronic Property Information Mapping Service (EPIMS) can provide information on existing public sector accommodation, and lists of locations outside the GSE where properties are becoming vacant. OGC can also advise on the emerging location options for other public sector bodies with whom yours may wish to "join up", in a regional cluster.

Identifying the best option

16. Identifying the best location for each area of business involves **weighing the business and wider case** for each option. Sometimes, the option with the best business case may not offer the best wider impact. In such cases, to reach a final decision, the scale of the wider economic impacts should be scored (as part of a **scoring table**) or quantified. Quantification should generally be possible for the **job creation** aspect of relocations. Direct and indirect employment impacts can be forecast using estimates of local multipliers. ODPM (see Annex 3) can assist with this and can also help in estimating the sums of money that Government would usually be prepared to spend to create given numbers of jobs in a regeneration area. Such estimates can then be used to assess if "trading" business case benefits for wider impacts is appropriate.

17. Annex 2 sets out this process in more detail, but applying it appropriately will ensure that the new locations identified for Government business are selected in a way that allows

Accounting Officers to meet their obligations to take account of wider Government objectives in ensuring their businesses are run in a way that delivers best value for money.

Proportionality

18. The above sections highlight the full approach to assessing wider impacts, envisaged for the more substantial and/or consequential relocations (i.e. those with the biggest likely impacts). Central public sector bodies should apply the framework proportionately, according to the scale and likely impact of a given relocation. Ultimately this requires judgement (which should not be based purely on numbers of staff but also type of activity), but a guide to what is likely to be appropriate in different situations is set out below:

    - The smallest and/or least consequential relocations (e.g. relocating a unit of 20 back-office staff) need only follow the guidance on drawing up an options list. A preferred option can then be chosen with reference to the business case alone.

    - Medium-sized relocations (or those likely to have moderate wider impacts) should attempt to perform a broad ranking of location options for wider impact (e.g. using the economic impacts questionnaire at Annex 1), using this to inform a judgement about the optimum location. Quantification of impacts will generally not be required. Example: A unit of: 200 back-office staff; or 50 senior policy staff.

    - Larger relocations (certainly all those involving over 500 staff), and/or those likely to have large wider impacts should follow the full approach. This involves a quantified examination of the cost-effectiveness of job creation, where business case and wider impact rankings suggest different preferred options (see Annex 2).

19. Note that the categorisation of relocations into the above small/medium/large categories will need to take account of the actions of other central public sector bodies where they are also considering moving to the same places. This reinforces the need for co-ordination with OGC (see Annex 3) who will advise on whether an organisation's approach to assessment is appropriate given other developments in the locality.

ANNEX 1

Assessing the wider impacts of location options

Introduction

1. This Annex provides advice on how to carry out a broad assessment of the wider impacts of a relocation. This is something on which ODPM is also available to advise (contact details at Annex 3). Information on wider impacts will be combined with that on the business case aspects of each option[2] in reaching recommendations on a preferred course of action (see Annex 2).

2. The Annex begins with a section which highlights some general principles for the assessment of wider **economic impacts**, followed by a brief resume of the underlying theory. This theoretical consideration goes wider than the immediate issues which need to be thought through in an initial assessment of economic impacts of location options for a given activity. These immediate issues are translated into a practical "questionnaire" for practitioners to follow when initially thinking through the economic impacts associated with particular options. The wider theoretical material is intended for use if more in-depth analysis of economic impacts is required at the later stage of making decisions, if trade-offs between the business case for a relocation and wider impacts become apparent and need to be thought through in more detail (see Annex 2).

3. Finally, this Annex then considers the assessment of wider **policy impacts** of location options.

Economic impacts

General principles

4. The assessment of the wider economic impacts of location options should take a view of the implications both for **receiving** (new) locations and **sending** (existing) locations. Positive impacts on receiving locations should not be more than offset by negative impacts on sending locations (if any). In assessing the economic impacts on sending and receiving locations however, it is important to recognise the different macroeconomic characteristics of areas, in the sense that "high-performing" areas are likely to continue to be high-performing after government "moves out", and indeed may even benefit from government relocations if these "free space" (capacity) for higher-productivity private sector activity.

---

[2] Estimation of the business case per se is outside the scope of this guidance, but established HMT and OGC guidance should be followed.

5. In general, appraisals of relocation options which involve moves from the Greater South East[3] (a "high-performing" region for these purposes) do not need to consider economic impacts on sending locations. Exceptions may be areas at the more deprived end of the Index of Multiple Deprivation (ODPM can advise - see Annex 3). In all cases however, there may well be important social and personnel-related impacts to think through and address.

6. Similarly, it may often be appropriate to assume that relocations from one "non-GSE" area to another would have broadly neutral wider economic impacts. As such, the case for relocation would rest mostly on the business case. An exception to this principle would be in the case of a relocation to an area within the top 20 per cent of the Index of Multiple Deprivation (IMD) from an area outside that grouping, or vice versa. In general greater local economic impacts would be expected from a relocation to (or from) a locality within the top 20 per cent of the IMD.

7. In general, the most useful **geographical unit of analysis** for the consideration of wider economic impacts is likely to be the **Travel to Work Area (TTWA)**.

8. It is important to recognise that a positive impact on a region or sub-region arising from the relocation of public sector activity is **not automatic**. Even within receiving locations there may potentially be offsetting effects which should be considered carefully. The Independent Review of Public Sector Relocation has highlighted the fact that government relocation may be a **necessary** condition for the improvement of the fortunes of some localities, but is unlikely in all cases to be a **sufficient** one. It is vitally important for central public sector bodies to think through how any positive impacts identified as part of appraisal will actually be achieved, and whether they might be frustrated.

Theory: the six key drivers of regional economic growth

9. For each option on the options list, some assessment of likely economic impacts on both receiving and sending locations should be made, relative to the other options. In many cases it may only be necessary to carry out a qualitative, rather than a quantitative, relative assessment. The consideration of impacts should be carried out within the framework of **six key drivers of regional economic growth** which has emerged as part of analysis supporting the HM Treasury, DTI and ODPM joint PSA on regional economic performance. This broad framework is also consistent with the analysis done by Experian Business Strategies to support the Lyons Review (for a reference to this work see **Annex 4**). The six key drivers comprise five factors contributing to productivity, and one relating to employment. The six key drivers of regional growth are discussed in more detail later in this section but in summary they are:

- **Skills** }
- **Investment** }
- **Innovation** } *Drivers of*
- **Enterprise** } *productivity*
- **Competition** }

plus:

- **Employment**

[3] See definition in the Introduction to this guidance.

10. The basic recommended approach to the assessment of economic impacts is to consider each of these areas in turn, noting that the important drivers are likely to be restricted to **employment, skills and investment** – with the latter two impacts being most relevant over the longer term. For each important driver, a qualitative assessment should be made of likely impacts under each option. This can be restricted to whether the impact is "high", "medium" or "low", with the aim at this stage of only differentiating between options.

EMPLOYMENT

11. One of the key economic impacts which government business can have on an area is job creation. Jobs are created as a direct result of the business (as government employs people). Those **direct** jobs can then create "knock-on" **indirect** and **induced** jobs through **multiplier effects**. However, some of the jobs created may be at the expense of reduced employment elsewhere in the area: this is known as **displacement**, or in the specific context of private sector jobs, **"crowding-out"**.

12. Indirect jobs are those created as a result of a government business buying goods and services in the local area (e.g. from printers, cleaners, consultants etc). Induced jobs are those created as a result of government employees spending their incomes in the local area, on all kinds of goods and services from, say, food to holidays. Crowding-out arises because the incoming government business reduces the number of people working for existing private sector employers. This can happen because competition for staff increases and existing firms lose staff to the in-comer.

13. The total employment impact of a government relocation on a receiving location will therefore vary according to:

    - The total number of direct jobs involved (the more the better);
    - The magnitude of the multiplier effect in the area concerned (the higher the better);
    - The extent of crowding out (the less the better).

14. In turn, the magnitude of the multiplier effect will depend on:

    - The grade of work relocated (the higher the grade of work/staff the greater the indirect and induced effects);
    - The degree of clustering of public sector activity in an area (the higher the level, the greater scope for providers of support services to move into, or grow in, the area, thus boosting indirect employment). Clustering is also likely to be necessary to attract higher grade staff, with associated multiplier benefits (see above).

15. Meanwhile, the magnitude of offsetting crowding-out effects will depend on:

    - The level of spare capacity in the receiving labour market (the more the better, i.e. the less crowding-out will occur). For example, the number of unemployed people who could relatively easily - perhaps with appropriate training - move into the new public sector jobs;
    - The extent to which public-sector pay is higher than that in the private-sector for similar work (the less the better, i.e. the less crowding-out will occur).
    - The volume of government business relocated to the area (the less the better, i.e. the less crowding-out will occur). Large relocations, perhaps of several departments, will

be more likely to tighten the local labour market, drive up wages and price people out of private sector jobs. There is a tension between this factor and the beneficial multiplier impact of creating clusters of public sector activity. As such, there is a limit to the amount of clustering which can be supported by local economies, before they "overheat" and cause significant amounts of crowding-out.

SKILLS

16. The second area where government relocations are most likely to benefit receiving locations is the enhancement of skills in the local economy. There are three key drivers of this effect:

    - Where the government relocation involves **more highly skilled or educated staff (e.g. managers or professionals) being "moved with the job"** from a previous location, this has a direct impact on the aggregate skills base in the receiving area. However, one may need to consider what would have happened in the area anyway, particularly if a government relocation crowds out, say, major private sector technological investment.

    - Government as an employer tends to offer more generous **training provision** to its staff than some private sector organisations, given the economies of scale in provision which government enjoys. The benefits of this training can pervade the private sector, and hence the wider economy, as staff move from government employment to that in local private sector firms. The magnitude of this effect will depend on the age and grade of government staff (with high levels of training and moves between public and private sectors most likely for younger staff and those in junior professional or administrative grades). It will also depend on the extent to which there is similar junior and professional work available in the private sector in the area - or whether there is a strong likelihood of this developing or moving in to the area as a "multiplier" response to the government relocation.

    - Clusters of government activity (strengthened by individual relocations to an area) can **"draw in" professional private sector activity** such as consulting firms and academic research centres. In turn this has knock-on effects on skills levels in the local economy. The magnitude of this effect will depend on the nature of the government work being relocated.

17. All of the above effects can help boost aggregate skills levels in the receiving location. This can then drive important **second-round effects**, such as more highly-trained or educated parents taking more of an interest in local schools and the educational attainment of their children.

INVESTMENT

18. Re-use of existing public sector accommodation will generally be the most cost-effective approach to relocations from the business perspective. However, where relocations of government business involve the building of new accommodation, there may be scope to lever-in private sector investment to the receiving location. An example would be a PFI deal to build new accommodation where the PFI partner used the opportunity to build housing, retail or other office accommodation on the site.

19. More generally, the multiplier impacts of government relocation will also tend to draw in private sector investment to an area. This kind of effect has already been considered under the employment heading above however, and need not be considered further.

OTHER DRIVERS

20. The remaining elements of the six key drivers approach are Innovation, Enterprise and Competition. Generally speaking, government relocations are likely to have only small direct impacts in these areas. However, any indirect impact of the relocation of central public sector bodies on skills levels in particular could have a potential further knock-on impact on innovation and enterprise.

21. Although significant direct positive impacts are unlikely, there is a risk of a negative impact of government relocation on these remaining drivers if significant crowding-out occurs in the receiving economy. This adds weight to the need to avoid such a scenario.

22. The impacts of the relocation of government business on innovation, enterprise and competition can be assumed to be correlated with other impacts. As such, explicit consideration of these three drivers will not generally be necessary and they are not included in the economic impacts questionnaire.

Economic Impacts Questionnaire

23. To assist central public sector bodies in their initial consideration of the wider economic impacts of location options, a simple one-page questionnaire has been developed (see Page 15). It aims to highlight those key questions arising from the previous section which organisations should seek to answer in the key areas of employment, skills and investment impacts, when assessing different location options for a given area of business. Issues which are not material to this specific task (e.g. the overall type of activity, which remains fixed across location options) are not included.

24. The questionnaire is a simplistic tool and its results should be treated thoughtfully. The judgements involved in working though it should be documented for the sake of transparency. During the currency of this interim guidance, feedback from organisations on the usability of the questionnaire will be gratefully received at relocationadvice@odpm.gsi.gov.uk.

25. The questionnaire aims only to differentiate between the location options which have been generated for a given area of business or activity. It does not attempt to measure the overall economic impact of relocating that area of business in any absolute sense.

26. **Importantly, the questionnaire takes the ability of a central public sector body to set wages and salaries on a local basis, so that they are not too out of line with private sector rewards for similar work. This is a critical assumption, and without the ability to adjust pay levels by locality, the danger of dislocating local economies by crowding-out private sector work is much heightened.**

27. A **worked example** of the questionnaire is provided at the end of the chapter to illustrate its use. Overall, it prompts either "yes" or "no" answers or simple rankings. From these answers, an overall ranking is facilitated, though this should always be "sense-checked".

28. There may be instances where the answers to the various questions conflict to some extent, which makes unambiguous overall ranking of options difficult. In these cases, the questionnaire suggests that more weight should be given to the employment impact, since this is likely to represent the most significant effect.

Wider policy impacts

29. The above assessment of economic impacts forms the core of the consideration of the wider case for particular options. However, at this stage it is appropriate to bring in an assessment of certain wider policy considerations. The most important of these is the need **for decision-making and governance to be dispersed** across all of the UK and not just concentrated in part of it (the Greater South East). Other potential policy impacts include:

    - The relative contribution of options to the government's social inclusion agenda, neighbourhood renewal and sustainable communities;

    - The relative impacts on transport, the environment and wider sustainable development in local areas.

30. Central public sector bodies should consider the ranking of options arrived at having considered economic impacts and modify if necessary for policy fit - e.g. if one option fits much better with future likely shape of devolved government, then there may be a case for modifying the original ranking.

Economic Impacts Questionnaire:

Determining the broad economic impacts of options for relocating a given "joined-up" or "self-standing" activity

	Location options				
EMPLOYMENT IMPACTS	A	B	C	D	E
A. Rank (with 1=best) the options for direct impact and (for "joined-up" activity), the size/breadth of cluster they fit into at the receiving location					
B. Is there sufficient spare capacity in the receiving labour market for your relocation, taking other possible public sector relocations as given, to avoid significant wage inflation? (Answer yes or no)					
C. Would a relocation to the area by your organisation be likely to cause overheating of transport or housing markets, to the detriment of the private sector (taking other public sector activity and possible relocations as a given)? (Answer yes or no)					
D. For options answering "Y" to B **AND** "N" to C, copy answers to A here:					
E. TOTAL EMPLOYMENT IMPACTS RANK (rank answers to D.)					
SKILLS IMPACTS					
F. Rank (with 1=best) the locations for the scope they offer for government training to pervade the private sector (dependent on type of work available in private sector)					
G. Rank (with 1=best) the options for the likelihood that the cluster they will fit into will "draw in" highly-skilled private sector acitivity.					
H. Add numbers from lines F and G and give total here:					
J. TOTAL SKILLS IMPACT RANK (rank answers to H)					
INVESTMENT IMPACTS					
K. Will the relocation involve new build accommodation (yes or no)?					
L. Rank (with 1=best) options for scope to lever in private sector investment (e.g. through a PFI deal). Give those answering Y to previous question highest rank.					
OVERALL IMPACT					
M. Copy answers from line E (employment impact ranking)					
N. Copy answers from line J (skills impact ranking)					
P. Copy answers from line L (investment impact ranking)					
Q. **OVERALL RANKING** of above three lines (where above rankings conflict, take **employment** impacts as most important, **skills** impacts next most important and **investment** impacts as least important and document reasoning for choice in box below)					

Conclusions: a wider impact assessment checklist

- Consider wider economic impacts of location options for each area of business with reference to the material at paragraphs 4-22, and information sources such as those highlighted in Annex 3.
- Use the economic impacts questionnaire to assess location options for individual activities/areas of business.
- In each case, consider if the ranking of options arrived at by filling in the questionnaire should be modified for important cross-government policy impacts (in particular, the fit of options with potential future arrangements for devolved government). If so, arrive at a modified overall ranking of options by wider impact.
- Document the wider impact assessment process to ensure transparency.

Hypothetical example: using the economic impacts questionnaire

The Department for External Affairs (DEA) has five options for the location of one of its business units. This unit is responsible for policy advice to Ministers. It has assessed the business case of each of the five options, but now needs to assess the wider impacts of the different potential locations.

A completed economic impacts questionnaire is presented below. The Department's assessment of the issues raised in the questionnaire is as follows:

Employment

Whilst all location options for the unit involve the same direct employment impact (600 staff)[4], the judgement of the Department is that there is some variation in the size of the likely "cluster" benefits associated with each of its five options A-E. Furthermore, there is also some variance in the degree of spare capacity in each location to support its relocation without some unhelpful crowding out effects on the labour market, transport and housing.

Option A is the most promising in terms of size of public sector cluster (first question), but the area already has a large number of civil servants and the relocation of many more in the area could cause the economy to start to overheat. As such the Department answers "No" to the second and third questions.

[4] This will generally be the case for a given activity unless there are different levels of scope for either introducing new ways of working or making efficiency savings at different locations.

Similar assessments for the other options produce only two viable options: C and D, with C preferred.

Skills

Based on an analysis of available labour market data, DEA considers that Option C has the most scope for skills benefits arising from the relocation to pervade private sector activity (Question F). This is because a fairly large proportion of the local workforce is reasonably young and currently concentrated in low and medium-grade office activity. Option E on the other hand is ranked 5th out of 5 because local employment is concentrated in specialised manufacturing. Meanwhile, the ranking of location options according to the likely level of "draw-in" of highly-skilled private sector activity (Question G) is slightly different, with Option E having most scope. This is because the manufacturing base of the area is serviced by large consultancy firms which are likely (based on their behaviour elsewhere) to expand their operations into public-sector work. Overall on skills impacts, however, Option C appears best of the five since it also has a high rank on private sector "draw in", and has best rank on skills transfer.

Investment

Answers to the investment questions (K and L) are based on advice on local property availability, including whether new builds are likely to be required. Locations A, C and E require new builds, with DEA's judgement being that location A would be most likely to provoke private sector interest in a PFI deal. Hence that option is preferred overall on investment grounds.

Overall impact

The preferred options from the analysis of employment, skills and investment impacts are C, C and A respectively (repeated in lines M to P on the questionnaire). **Option C** also has a high rank on investment impact and so is preferred overall. Of the others, **Option D** emerges as next-most preferred as it is the only one judged to have a net beneficial employment impact, with this issue being given higher weight than the other two impacts in the final analysis.

This assessment is written up in DEA's appraisal of future location plans and the results taken forward to the next stage: making a decision on relocation given other aspects such as the business case.

WORKED EXAMPLE:
Economic Impacts Questionnaire

	Location options				
EMPLOYMENT IMPACTS	**A**	**B**	**C**	**D**	**E**
A. Rank (with 1=best) the options for direct impact and (for "joined-up" activity), the size/breadth of cluster they fit into at the receiving location	1	3	2	4	5
B. Is there sufficient spare capacity in the receiving labour market for your relocation, taking other possible public sector relocations as given, to avoid significant wage inflation? (Answer yes or no)	N	N	Y	Y	N
C. Would a relocation to the area by your organisation be likely to cause overheating of transport or housing markets, to the detriment of the private sector (taking other public sector activity and possible relocations as a given)? (Answer yes or no)	N	Y	N	N	N
D. For options answering "Y" to B **AND** "N" to C, copy answers to A here:	-	-	2	4	-
E. TOTAL EMPLOYMENT IMPACTS RANK (rank answers to D.)	-	-	1	2	-
SKILLS IMPACTS					
F. Rank (with 1=best) the locations for the scope they offer for government training to pervade the private sector (dependent on type of work available in private sector)	3	2	1	4	5
G. Rank (with 1=best) the options for the likelihood that the cluster they will fit into will "draw in" highly-skilled private sector acitivity.	5	4	2	3	1
H. Add numbers from lines F and G and give total here:	8	6	3	7	6
J. TOTAL SKILLS IMPACT RANK (rank answers to H)	4	2	1	3	2
INVESTMENT IMPACTS					
K. Will the relocation involve new build accommodation (yes or no)?	Y	N	Y	N	Y
L. Rank (with 1=best) options for scope to lever in private sector investment (e.g. through a PFI deal). Give those answering Y to previous question highest rank.	1	4	2	5	3
OVERALL IMPACT					
M. Copy answers from line E (employment impact ranking)	-	-	1	2	-
N. Copy answers from line J (skills impact ranking)	4	2	1	3	2
P. Copy answers from line L (investment impact ranking)	1	4	2	5	3
Q. **OVERALL RANKING** of above three lines (where above rankings conflict, take **employment** impacts as most important, **skills** impacts next most important and **investment** impacts as least important and document reasoning for choice in box below)	**-**	**-**	**1**	**2**	**-**

ANNEX 2

Identifying the best option

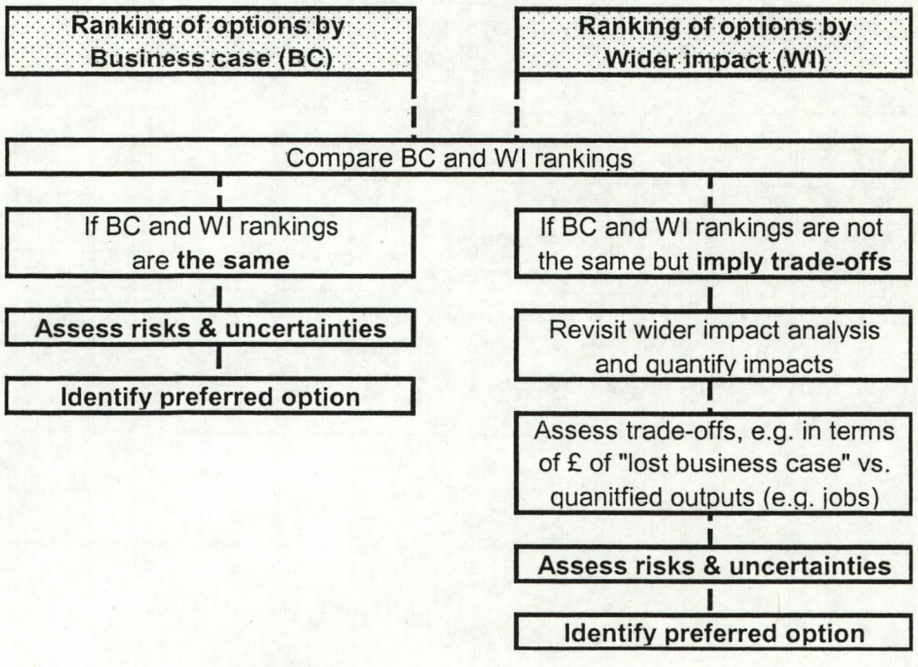
Introduction

1. This Annex gives more detailed advice (which is also available from ODPM) on techniques for integrating an assessment of the wider impacts of potential location options into the process of establishing a preferred location overall. A recommendation also needs to take into account the business case for each of the options. Assessing the business case for locations is outside the scope of this guidance as it is covered comprehensively elsewhere, notably in the HM Treasury Green Book.

Comparing wider impact and business case assessments

2. The process for drawing together the business case and wider impact assessments for options to arrive at a recommended preferred option is summarised in the flow chart below:

Flow chart for recommending a preferred location option based on the business case and wider impacts



3. If business case and wider impacts rankings suggest the same preferred option, then making a recommendation is straightforward (see the left-hand arm of the flow chart above). The table below illustrates an example of such a situation:

Location option:	A	B	**C (preferred option)**	D
Business case ranking (e.g. based on overall long-term operating cost)	3	4	**1**	2
Wider impacts ranking	4	2	**1**	3

4. However, if the rankings of the business cases and wider impacts of options do not point unambiguously at a preferred location, then more analysis may be required to support a decision (see right-hand arm of flow chart above). This is discussed in the next section.

Further analysis of wider impacts

5. To make the task of further assessment as tractable as possible, consider if the comparison of rankings does at least suggest some options can be excluded from further analysis. For example, in the table below options A and B can legitimately be excluded from further analysis as these are unambiguously inferior to options C and D. The focus of attention can then be placed on a relative assessment of the latter two options to determine the best course of action.

Option:	A	B	**C**	**D**
Business case ranking	3	4	**1**	**2**
Wider impacts ranking	4	3	**2**	**1**

6. To help make an objective decision in a situation where there may be trade-offs evident between the business cases for different options and the initial, qualitative, assessment of wider impacts, it will be necessary to revisit the latter to attempt to quantify at least some of those impacts.

7. The key area where quantification of the wider impacts of government relocations is possible is **job creation**. The conceptual approach to the estimation of job creation impacts was set out in Annex 2. The task now is to attempt to place numerical estimates on:

   - Direct employment creation arising from the relocation;
   - Indirect and induced employment arising from multiplier effects, net of displacement/crowding out.

8. Estimation of direct employment creation should be straightforward. Estimates may also tend to be constant across location options for the same activity, and to this extent will not enable any differentiation between those options. Estimates of net multipliers (i.e. those which take account of indirect and induced effects net of displacement/crowding out) are typically between 1 and 1.5[5], and *will* vary between locations. In general therefore, the key to understanding the relative job creation implications of different locations is to understand the associated differences in multipliers. The factors influencing multipliers were again discussed in Annex 1. The task of estimating multipliers can be discussed with Departmental or Agency economists, ODPM (see **Annex 3**) and/or perhaps contracted-out to suitable consultants.

Weighing trade-offs between wider impacts and the business case

9. Once estimates of net multiplier values in different locations have been obtained, these should be used to determine net job creation under each option. Next, consider the relative change in net employment between the two options under consideration, and work out the marginal cost of creating additional jobs at the location with greatest wider impact, in terms of "pounds worth" of business case (e.g. the increase in overall Net Present Cost). This will result in a calculation such as the one in the hypothetical worked example below:

Worked example: marginal cost of job creation

Option:	**C**	**D**
A. Direct job creation in the local TTWA[6] under option	850	850
B. Net multiplier for TTWA[7]	1.2	1.4
C. Total net job creation (=A x B)	1,020	1,190
D. Increase in job creation compared with Option C	-	170
E. Total Net Present Cost of option (from Business Case)	£5,500k	£7,500k
F. Increase in NPC compared with Option C	-	£2,000k
G. Increase in cost (NPC) per extra job created (=F/D)	-	**£12k**

10. What the above calculation highlights is that every extra job created under Option D (compared with Option C) costs around £12,000 in "lost business case" (e.g. because operating costs are higher). In judging whether it is worth trading off business case for extra job creation (as an element of the wider case for a particular location), central public sector

[5] Source: Experian Business Strategies: *Lyons Civil Service Relocation Review: A regional economic perspective on public sector relocations*. The number, when multiplied by the number of direct jobs created, gives the total employment impact taking into account direct, indirect and induced jobs and any displacement ("crowding-out").

[6] Travel To Work Area - the suggested basic unit for spatial analysis

[7] Total number of direct, indirect and induced jobs, net of crowding out, per direct job created.

bodies can use average cost-per-job **benchmarks** from more traditional regeneration initiatives (such as those advanced by the Regional Development Agencies). Such information is available from ODPM (see **Annex 3** for contact details).

11. However, job creation is only one particular aspect of the wider case for government relocations and it is important not to ignore other economic and policy impacts simply because they cannot be quantified in similar terms. As such, central public sector bodies should view any calculation such as that illustrated above as a partial assessment and ultimately a decision to move to a given location to maximise the wider economic and policy impacts at the expense of the business case will often require judgement, perhaps involving Ministers.

12. In approaching such judgements, the use of a **scoring and weighting table** may be helpful. Such a table would provide a framework for giving a numerical score to each level of impact for each option across a range of criteria. An assessment of the overall performance of each option could then be approached through its aggregate score, perhaps attributing different weight to different criteria. Care should be taken to make such analysis transparent and weights should be based either on high-level Ministerial preferences or on a suitable cross-section of stakeholders to the decision. More information on scoring and weighting (often termed **Multi-Criteria Analysis, MCA**) is available in a publication by the former DETR, "*Multi-Criteria Analysis: A manual*" (full reference at **Annex 4** and now available through ODPM Publications). Any use of MCA will generally need to be used in conjunction with the more partial cost-effectiveness analysis (e.g. cost-per-job assessment) discussed earlier, and not instead of it.

ANNEX 3

Key contacts and information sources

- **Office of Government Commerce (OGC)**: General co-ordination of relocations. Background on government activity in areas. Information on the availability of accommodation on the government estate. Contact: Roger Arbon, Project Manager, Lyons review implementation, 020 7271 2732.

- **Development Agencies:** first port of call for general information on localities, and authors of **Location Fact Sheets**:

  England: One North East; North West Development Agency; East Midlands Development Agency; Advantage West Midlands; East of England Development Agency; South West Regional Development Agency; South East of England Development Agency.

  Contact: via RDA National Secretariat,
  Broadway House
  Tothill Street
  LONDON SW1H 9NQ
  Tel: 020 7222 8180
  Fax: 020 7222 8182
  Website: www.rdauk.org

  Wales: Welsh Development Agency
  Scotland: Scottish Enterprise
  Northern Ireland: Department for Social Development

- **Consultants:** There are a wide range of consultants available with expertise on relocations, property and local economic data. See for example those available under OGC Buying Solutions. ODPM can also provide information on consultants specialising in local economy and regeneration issues (contact ODPM relocation advice, 020 7944 8088 or via relocationadvice@odpm.gsi.gov.uk).

- **ODPM:** general advice on the generation of options lists and wider impacts assessment. Contact: ODPM relocation advice, 020 7944 8088 or via relocationadvice@odpm.gsi.gov.uk

ANNEX 4

Further reading

A. Material available at www.hm-treasury.gov.uk:

- *Well Placed to Deliver? – Shaping the Pattern of Government Service*, Lyons Review Team, March 2004. http://www.hm-treasury.gov.uk/Consultations_and_Legislation/Lyons/consult_lyons_index.cfm#final

- *The impact of relocation: learning from previous relocations,* Experian Business Strategies, January 2004 (for the Lyons Review) (via above link)

- *A regional economic perspective on public sector relocations*, Experian Business Strategies, January 2004 (for the Lyons Review) (via above link)

- *Comaparative assessment of locations,* King Sturge, December 2003 (for the Lyons Review) (via above link)

- *Apprasial and Evaluation in Central Government (the "Green Book")*: HM Treasury, 2003 http://www.hm-treasury.gov.uk/economic_data_and_tools/greenbook/data_greenbook_index.cfm

B. Material available from ODPM:

Both the following are available from ODPM Publications, 0870 1226 236, or on the ODPM website, www.odpm.gov.uk under "About ODPM"). Enquiries on the substance of these references can be directed to ODPM relocation advice, 020 7944 8088 or via relocationadvice@odpm.gsi.gov.uk:

- *Assessing the Impacts of Spatial Interventions: Regeneration, Renewal and Regional Development (the "3Rs guidance")*: Office of the Deputy Prime Minister (ODPM), May 2004. http://www.odpm.gov.uk/stellent/groups/odpm_about/documents/page/odpm_about_029332.hcsp

- *Multi-Criteria Analysis: A manual*; Department of Environment, Transport and the Regions (DETR) Appraisal Guidance, December 2000 (includes guidance on the use of scoring and weighting frameworks http://www.odpm.gov.uk/stellent/groups/odpm_about/documents/page/odpm_about_608524.hcsp

C. Other material:

- *Working without walls - an insight into the transforming government workplace*, Office of Government Commerce, available at www.ogc.gov.uk

Foreign &
Commonwealth
Office

London SW1A 2AH

10 January 2004

Dear Antony,

Replacement Nominations to EU Committee of the Regions

CC KD
NS

We need to nominate two replacement UK candidates for membership of the EU Committee of the Regions (CoR). Prime Minister's agreement sought.

The ODPM has put forward two candidates, after consultation with the Local Government Association. The candidates are: Councillor Sharon Taylor (Labour, East of England Regional Assembly) and Councillor Dave Quayle (Labour, North West Regional Assembly). They were chosen in accordance with recently agreed procedures, paying particular attention to maintaining the regional, political, gender and ethnic balance of the current UK delegation.

The Foreign Secretary has agreed, and the EP Committee endorsed (without comment) these nominations. As usual, we are now seeking the Prime Minister's agreement, so that we can notify the Council of the new members' appointment. I should be grateful if you could let me know if the Prime Minister agrees.

As you know, the CoR is a consultative EU body with limited powers to give non-binding opinions on EU draft legislation. The Council or Commission must consult it on a number of areas of legislation, including education issues, culture, health, transport, social matters and structural funds. Current CoR members hold office until 2006. The complete nomination process for the 2006-2010 CoR term will start in 2005.

Yours ever,

C Wilson

(Caroline Wilson)
Private Secretary

Antony Phillipson Esq
10 Downing Street

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0870 0012345 dfes.ministers@dfes.gsi.gov.uk
Ruth Kelly MP

Ivan Rogers
Principal Private Secretary
Office of the Prime Minister
10 Downing Street
London
SW1A 2AA

31 December 2004

Dear Ivan

STRATEGY UNIT AND NEIGHBOURHOOD RENEWAL REPORT 'IMPROVING THE PROSPECTS OF PEOPLE LIVING IN AREAS OF MULTIPLE DEPRIVATION IN ENGLAND'

I have seen your letter of 17 December 2004, to Peter Betts in the Office of the Deputy Prime Minister. Your letter states that the Prime Minister welcomes the Strategy Unit and Neighbourhood Renewal report 'Improving the Prospects of People Living in Areas of Multiple Deprivation in England', and believes that it should be published as a statement of Government policy in late January 2005 alongside ODPM's report 'Making it Happen in Neighbourhoods'.

My Secretary of State welcomes the publication of this document and is aware that officials in this Department have been involved in developing the report at each stage, and that Ministers have received regular reports of progress on this cross Government project. Officials are committed to supporting Ministers to deliver the DfES recommendations stated in the report. In addition we are confident that the DfES Five Year Strategy for Children and Learners, with its emphasis on personalisation and choice and on extending quality and opportunities for all within the education system, provides a firm foundation on which we will continue to build on successes in closing the gap in opportunity and achievement for those who live in our most deprived neighbourhoods.

My Secretary of State is happy to agree to the publication of this important Strategy Unit and Neighbourhood Renewal Unit report, subject to some minor amendments required to reflect an early 2005 publication date, which are included in the appendix to this letter.

I am copying this letter to all Private Secretaries of members of the Cabinet, Sir Andrew Turnbull, and Patricia Greer in the Strategy Unit.

Yours sincerely

Jenny Loosley

Jenny Loosley
Private Secretary

Appendix

Required textual changes

Page 87	reference to the intention to produce planning guidance in Autumn 2004 needs to be amended
Page 93	require replacement of sentence 3 paragraph 2 with the following text 'A Green Paper on a new youth offer will soon be published as a result of analysis and policy development across Government Departments'.
Pages 95 / 96/ 120	Conclusion 16 contains a reference to fourth quarter of 2004 as being in the future and needs to be amended, as does a similar reference on p96 in conclusion 18, and on p120 conclusion 27.
Page 103	Paragraph 6, first bullet point which refers to Educare pilots as starting 'later in 2004'. These have started.
Page 127	Conclusion 31 still contains a drafting note.