

# Regeneration – a Communities England perspective

## Richard McCarthy looks at how the regeneration challenge is being met by government.

The regeneration challenge for government is to enable places to become more sustainable and reverse the process of economic, social and physical decay, where the market alone cannot deliver this. This means that public expenditure on regeneration needs to stimulate private investment and that public services should protect and provide opportunities for those who are vulnerable or most in need.

The focus of regeneration is to tackle failing or underperforming economies as part of a holistic approach to creating sustainable communities. This may take a range of forms, for example:

- transforming city and town centres, housing stock and strategic environments or locations;
- ensuring that those living in our most deprived neighbourhoods have access to opportunities, jobs and training, so no one is disadvantaged by where they live and we narrow the gap between the most deprived neighbourhoods and other areas;
- we improve the economic performance of our city-regions and accelerate social mobility;
- attracting private investment to locations where the market is weak or has failed.

Communities and Local Government (DCLG) currently spends over £2.3bn per annum on regeneration, covering English Partnerships, regional development agencies, Thames Gateway and Growth Areas, housing market renewal, coalfields and other programmes. This commitment is in addition to the wide range of activity undertaken by local authorities and other government programmes, for example covering community cohesion, transport, crime and policing.

In developing regeneration policy and tailoring intervention and public investment we need to support and build leadership and capacity in our regional and local institutions, have efficient frameworks for prioritising investment, and provide technical knowledge and expertise to support these functions. It is in this context that following a review of housing and regeneration the government took the decision to create a new agency, Communities England.

## A new agency

Communities England is the proposed new regeneration and housing agency. It will combine English Partnerships, the Housing Corporation and key delivery functions from DCLG, including decent homes, housing market renewal, housing growth, housing PFI and urban regeneration.

The role of Communities England is to provide:

- a new partner for local authorities, regional development agencies, and regional assemblies, supporting them in

strategic place-making, helping to create and shape prosperous and cohesive communities;

- take an integrated approach to regeneration and housing, providing decent places as well as decent homes;
- develop new ways of working with markets and key partners to the public, private and voluntary sectors to ensure the best outcomes from investment in these places;
- create a critical mass to harness the scarce skills needed to deliver regeneration and new homes;
- help raise standards for new buildings and homes and reduce the environmental impact of our communities.

English Partnerships and the Housing Corporation have performed well and exceeded their targets, and DCLG's delivery programmes has been successful. However, we wish to deliver a step change. This requires a streamlined delivery chain, more flexibility in the ways of working and in investment, and a one stop delivery partner for local authorities and others.

## Investment partnerships

The combined budget for Communities England is expected to be in excess of £4bn of public expenditure annually, based on current budgets, with a final budget to be agreed in the Central Spending Review 2007.

The case for accelerating the pace of regeneration through a new combined agency is already evident in the innovation that is already taking place.

The highly successful Urban Regeneration Companies programme has attracted major investment in our city centres. As these partnerships have reached their completion phase they are evolving into new more complex structures, as at Sheffield One, which will deliver inward investment, physical development and economic development through a single integrated organisation.

In the area of regeneration funding, many of the RDAs are now engaged in property partnerships, linking with English Partnerships and investors such as Morley and Igloo, to form Blueprint, a regeneration fund for the East Midlands. At DCLG we have established the Urban Finance Initiative with English Partnerships to pursue new funding partnership opportunities with local authorities, as part of the next generation of regeneration investment vehicles.

We are committed to getting Communities England up and running as quickly as possible, subject to legislation. I believe that this is already creating new opportunities for the market to invest in regeneration and benefit our economy and communities. We will be consulting shortly on the new agency and look forward to receiving your views.



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