

Report to: Overview and Scrutiny

Date of Meeting: 13/06/19

Report Title: Overview and Scrutiny Review of Regeneration Funding

Report By: Councillor Paul Barnett (Review Chair)

Purpose of Report

To set out the context, methods, key findings and recommendations from this review.

Recommendation(s)

- 1. That Overview and Scrutiny approve this report so that a Cabinet and Management response is then sought on the proposed recommendations and associated questions raised.**
- 2. That Overview and Scrutiny thank their review team and those that contributed to this review.**

Reasons for Recommendations

- To arrive at a response to the recommendations made in this report that will (subject to Scrutiny approval) likely inform further associated Scrutiny work.

Background

2. Impetus for this scrutiny review of Regeneration Funding stemmed from a shared view among scrutiny councillors that despite a good track record for bringing monies and resources into the borough and the changes to the physical landscape of the town and seafront in terms of new buildings and development, these changes have not sufficiently extended to the more deprived wards of the town and their residents.
3. Demographics for our more deprived wards indicate there is little positive change in the life chances of those residents.
4. Scrutiny councillors, mindful of the financial challenges facing the council and the town are keen that a future focus, not just in terms of our regeneration funding efforts but in all that the council does, works to meet the needs of the town's most deprived residents, narrowing the gap between the life chances of those between our more deprived and more affluent wards.
5. Funding for regeneration includes significant commitment to Hastings from regional and national bodies including the NHS, Optivo, Orbit, three Academy trusts, Brighton University and Rail Track, and of course from national government and East Sussex County Council.
6. HBC has the challenge of how to coordinate and advocate more funding from these sources.
7. Most other funding available locally, nationally and internationally in the last ten years has been for one off or short term projects.
8. This has become increasingly competitive, demanding considerable time and expertise from (usually HBC) officers.
9. HBC has built up effective skills in bidding for these funds, but has found it harder to be confident of success in the last few years.
10. As a result, the review team suggests a new and refocussed story is needed to help secure funding over the next period. This story should clearly articulate the priority of changing individual lives in priority areas rather than just bricks and mortar projects.
11. The recent report by the House of Lords '[Regeneration of Seaside Towns](#)' concludes that this short term funding regime needs to change if towns like Hastings are going to be successful in transformative regeneration.
12. We agree with this conclusion and urge regional and national bodies, including Government, to make more long term funding available to support a coherent town-wide regeneration plan.

Research methods and approach

13. The review team has employed both qualitative and quantitative methods including interviewing witnesses and desktop research to arrive at the recommendations proposed.
14. Further detail on research methods, witnesses and review team can be found in the appendix.
15. The review team have set out 4 consecutive recommendations in the remainder of the report. In proposing some of these recommendations the review team have also posed further questions that it is requested that cabinet and or the associated management response consider accordingly.

Recommendation 1

16. ***That cabinet agree that a key driver for all that the council does going forward is meeting the needs of the town's most deprived residents, narrowing the gap between the life chances of those residents in our more deprived and more affluent wards.***
17. It is assumed that the principle underpinning this recommendation to 'narrow the gap' will generally be acceptable as an aspiration.
18. More challenging will be to set realistic and achievable targets for the council to 'narrow the gap' through regeneration and or other council activity against a backdrop of ongoing financial challenges and the drift of power away from local authorities to central government and less democratically accountable organisations.
19. The associated questions of how this might be done, what we can learn from the recent past in terms of regeneration funding and in what order associated activity might be done in the future (mindful of other council priorities) has been what the review team have been keen to explore through the lens of the council's regeneration activity in the first instance.
20. The remainder of this report introduces further associated recommendations relative to the following themes for cabinet to consider:
 - Celebrating our successes
 - Reviewing the learning
 - External funding
 - Income generation
 - Whole council implications
 - Partnerships and town wide narrative

Celebrating our success

21. The review team heard from the Assistant Director for Regeneration and Culture with regards to the context in which the council's regeneration efforts sit.

22. They were introduced to a wide array of literature including research and reports that informs the council's regeneration approach and direction of travel.
23. They were appreciative of the good work undertaken to bring in funds and resources, some £9.2 million from the European Union in 2018.
24. £3.7 million of this is from the European Union for the CHART CLLD programme, that intends to assist those in more deprived wards become work ready, directly supporting the first recommendation set out in this report.

Recommendation 2

25. ***That the council's regeneration area of the website be updated to celebrate successes, clearly setting out what has been achieved and include aspirations and plans for the future.***
26. Review team members recognised that including our future aspirations and plans (excluding commercially sensitive ones) on our website would help a wider understanding of our regeneration priorities, our development aspirations and our focus for pursuing external funding as activity that the council is choosing to do, firming up more precisely intentions introduced in the 2019/20 corporate plan.
27. It was also acknowledged by the review team that some of our current and future regeneration efforts are 'must do' activities as we need to deliver those programmes such as CHART CLLD that we have been funded or have a legal commitment to deliver.
28. Subsequently the review team were interested in terms of what projects or programmes are on the horizon post Brexit, how they could potentially focus first on the town's most deprived wards and what criteria the council uses to decide on which funding opportunities to progress mindful of other corporate priorities?
29. It would be helpful to include on the website examples of good practice delivered by funding from other organisations (i.e. Hastings Opportunity Area) and the schedule of future scrutiny reviews, holding other agencies to account not just HBC.

Reviewing the learning

30. The review team took the opportunity to hear from representatives from the voluntary and community sector about their views on regeneration in the town, seeking views on strengths, weakness and future opportunities.
31. Representatives from the voluntary and community sector gave the consistent view that there is a need to seek views from a range of stakeholders on what has and hasn't worked in terms of regeneration efforts in recent years.
32. They were pleased that this Scrutiny review had begun this discussion and both the representatives and the review team are keen to extend this dialogue with partners and residents (see also 'Partnerships and town wide narrative' below).
33. In terms of strengths, representatives had found the area focussed (area coordination) approach that the council and partners previously undertook to be helpful.

34. In particular, it was conveyed that when the council's strategic directors were 'area champions,' for the four quarters of Hastings and St Leonards, there was a sense of senior officer accountability for these areas in addition to the ward councillors in this area.
35. This was felt to dovetail well with what were the Multi Area Task Teams (MATT) - teams led by the council but working with a range of partners to solve neighbourhood issues.
36. It was acknowledged that this was resource intensive but successful, enabling frontline officers from various service providers to work together to deal with neighbourhood issues quickly, escalating where appropriate to the area champions.
37. Discussions also considered some of the weaknesses. These included: being resource intensive and often working with the few 'usual suspects' with few residents able to shift those demographic characteristics that today remain entrenched and largely unchanged in many of the town's most deprived wards.
38. Discussions also recognised the stark financial challenges facing the council and the town in recent years has meant that that the previous approach to area coordination and community engagement is no longer viable...but that more use in this respect could be made of ward councillors in the deprived wards.

Recommendation 3

39. ***That the council consider reinstating a renewed area focus and potentially 'area champions' so that named senior officers (perhaps with cabinet member champions) within the council have lead responsibility for issues in a particular geographical patch.***
40. This recommendation acknowledges that there isn't the previous resource e.g. at MATT team level (or indeed senior management level, or with partners e.g. police, housing associations etc.), to respond to issues quickly, but reinstating area champions could signify the council's intent to lead and pursue its place shaping role.
41. This would need to coincide with a clear narrative of place for the future, led by the council, with which to talk up the towns response to the challenges of regeneration (see partnerships and town wide narrative section below).
42. Potentially, the council could, in conjunction with recommendation 2, seek to use the web and its social media channels to further build dialogue with partners and the community, supplementing what we know about our residents through their transactions with us, picking up on what has and hasn't worked to date, clarifying to local people the council offer to include clearer regeneration and council ambitions towards a renewed narrative of place and an area focus.

External Funding

43. In terms of sourcing external funding and delivering associated projects and programmes, the review team were clear that the rationale for this could be justified by meeting aspirations set out in the council's wide ranging vision and all-encompassing priorities set out in the corporate plan.

44. What was less clear to the review team was how the council decides which funding streams to pursue, how much to resource efforts and what the criteria might be for this?
45. Or is the council's external funding approach more ad hoc and opportunistic? How much of the council's staff resource and time is taken sourcing funding and then delivering associated projects and programmes when successful, and, how is this balanced against other council commitments and priorities?
46. More broadly the review team thought that answers to these questions would depend on how the council prioritises activities more generally. While the 2019/20 corporate plan suggests the council will pursue 'must do' activities first, what implications does this direction have for our approach to external funding and more broadly regeneration and our income generation ambitions?

Income generation

47. The review team understood that both external funding and income generation intend to bring in much needed monies and resource to pursue activity the council and partners might not otherwise afford to do.
48. Moreover it was recognised that the externally funded CLLD programme enables a specific area focus on our more deprived communities that the council would have struggled to progress without the funding.
49. In terms of income generation, the review team also acknowledges that our income generation ambitions intend that the council become more self-sufficient as traditional government support grants and related funding reduces.
50. What is less clear is what an income generation surplus would be used for first? Are our income generation intentions to cover funding of those basic services that the council must do by law? And/or is the council intending to generate income to fund, sustain and or expand those things we choose to do? How do our external funding and income generation intentions contribute to the council's future regeneration offer?

Whole council implications

51. The recommendations set out so far encourage further clarification of the council's regeneration offer for the future as part of firming up the broader council offer from the viewpoint that a future council offer should seek to meet the needs of our most deprived communities first where possible (recommendation 1).
52. During the course of this review, the council has developed and agreed the 2019/20 corporate plan that identifies seven key cross cutting priority programmes (page 14).
53. Clearly two of these - 'generating income' and 'developing the town' - are integral parts of our regeneration ambitions and there may well be regeneration benefits associated with the other key programmes - Waste services and in house street cleansing, modernisation and digital efficiencies, homelessness and disadvantage, tackling climate change and organisational blueprint.

54. The review team are keen to understand delivery intentions specifically for those that directly relate to regeneration, particularly how our future aspirations to generate income and develop the town might focus first on those wards with our more deprived communities? And if not, then how will additional income generated be ploughed back into ensuring those things the council 'must do' according to the corporate plan are delivered first, potentially for those most in need?
55. The review team also felt that what was less clear from the corporate plan (accepting that the document only intends to give a strategic overview) is how some of these specific programmes are grounded in meeting the needs of residents and the extent to which evidence of local need drives what we choose to do or the order of work we must do by law?
56. Also of interest to the review team is clarifying the scale of our regeneration ambitions alongside those other key programmes identified in the corporate plan, and, how resources are to be prioritised between these programmes?
57. The review team felt that work on the organisational blueprint programme, identified in the 2019/20 corporate plan, would likely assist in answering some of the questions raised in this report and potentially firm up more precisely the future direction of travel in terms of regeneration as part of a wider council future offer.

Recommendation 4

That a Regeneration cabinet committee is established to ensure delivery of a timetabled and prioritised programme of council regeneration activity that:

- a. includes resource implications and governance arrangements,***
- b. identifies benefits to residents and or evidence of need - reflecting the timetable and priority order***

It is felt that this would:

- Help address some of the questions raised in this report in terms of regeneration and council efforts more broadly, indicating where our regeneration ambitions sit in relation to other corporate priorities and evidence of working to meet resident and customer need.
- Assist the Overview & Scrutiny committee in its performance monitoring role by outlining what has to be achieved, by when, with what resource/cost and what success looks like?
- Set out a clearer direction of travel for the organisation which in turn could both shape our future working with partners and refocus a town wide narrative to talk up the borough as one clearly facing up to tackling priorities and celebrating success.

Partnerships and town wide narrative

58. Representatives from the voluntary and community sector emphasised the importance of working in partnership in terms of regenerating the town.
59. They conveyed that in the past when there were more resources available for community engagement and empowerment the 'community strategy' delivered and

monitored by the Local Strategic Partnership gave a more firm focus for partner service providers and local communities to work together towards.

60. They also recognised that in the challenging financial environment, this model struggles to work because partners including the council have to spend more time with less resource staying afloat or getting their own houses in order, making partnership arrangements more challenging but, with fewer funds and resources across the town, even more pressing.
61. However, representatives felt that these budgetary challenges make it even more crucial to agree a clear, consistent, compelling and shared narrative (that places those most in need at the centre of all the council and its service provider partners do) is required.
62. It was acknowledged that such a narrative would need to strike a careful balance between being positive (talk up the town to potential investors and visitors) and being meaningful for those in most need (crucially, such a narrative would need to translate into a shared plan of action).
63. Furthermore it was noted that external funding applications the council has progressed may well include the building blocks for a refreshed compelling and shared narrative for the town.
64. The review team felt that in exercising its clear leadership role, the council should take the lead on pulling together a narrative through which to re-galvanise partnership arrangements, serving as the basis to work together better and potentially pooling budgets and shaping place based on a renewed shared sense of direction.
65. The review team were also mindful that this is very challenging, given existing budgetary challenges and full workloads, acknowledging that such a narrative would need to follow clarification of the council's position, priorities and future intentions set out through the council's blueprint programme.

Conclusion

66. The scrutiny review team acknowledge that the recommendations and questions raised initially through the lens of regeneration funding are challenging and look forward to responses to these from cabinet and in the management response.
67. The review team feel they have just begun to scratch the surface in terms of the work undertaken to date but have been deliberate in their approach taken, set out in the methods section of the appendix.
68. The review team acknowledge that the recommendations predominantly focus on activity proposed for the council to undertake or lead on first, but recognise subsequent work cannot be done without effective partnership.
69. The review team are keen to continue investigation in these areas, and for the Scrutiny committee to consider how economic development is currently supported and to what extent this plays an effective role in regeneration.

70. More precise clarity on the council’s future regeneration funding offer will in turn lend clarity as to where this sits in terms of wider corporate priorities and commitments – what is most important and in what order and to what extent the council is willing and able to place residents in our most deprived wards at the centre of what we do?
71. This can then be used to shape a refreshed compelling narrative for the town led by the council. The review team have chosen not to make this intention a specific recommendation and instead, consider this one, one for the future, as the success of this is deemed dependent on the four recommendations already made in this report.

Relevant project tools applied? **Yes/No**

Have you checked this report for plain English and readability? **Yes/No**

Climate change implications considered? **Yes/No – Not directly at this stage.**

Timetable of Next Steps

72. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Report presented and considered by the full Overview and Scrutiny Committee	Report approved or rejected	13 th June 2019	Review Chair Cllr Paul Barnett
Any further amendments raised incorporated into version for Cabinet	Any final scrutiny changes incorporated	20 th June 2019	Review Chair Cllr Paul Barnett with Democratic Services Officers
Subject to approval item added onto the Forward Plan for Cabinet consideration	Item added to Forward Plan. Report set up on Mod Gov for Management response	20 th June	Democratic Services
Management response drafted	Report drafted	TBD	Director of Operational

and submitted for Cabinet consideration	Suitable Cabinet date scheduled Cllr Barnett invited to Cabinet Management response agreed by Cabinet		Services (TBD) Democratic Services
Overview and Scrutiny consider approved Cabinet management response and their next steps.	O and S agree preferred monitoring arrangements to track implementation of recommendations subject to Cabinet approval/management response	Q1 round of Scrutiny meetings.	Cllr Warren Davies on behalf of the O and S of the O and S committee. Democratic Services

Wards Affected

All.

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness
 Crime and Fear of Crime (Section 17)
 Risk Management
 Environmental Issues
 Economic/Financial Implications
 Human Rights Act
 Organisational Consequences
 Local People's Views
 Anti-Poverty

Additional Information

Hyperlinks embedded in the document where appropriate.

Officer to Contact

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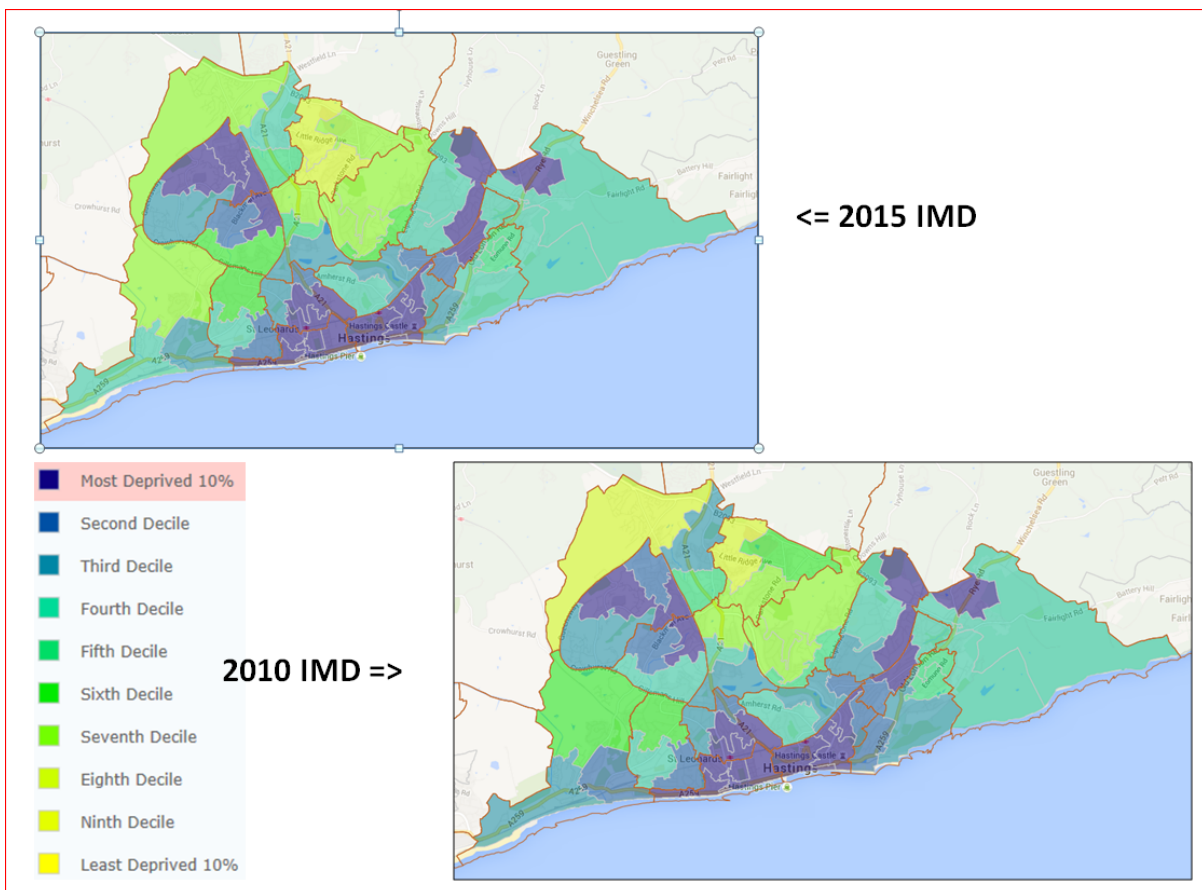
Appendix A: Review Methods

Review team

73. The review team was chaired by Councillor Paul Barnett and include Councillors Karl Beaney, Tania Charman, Warren Davies, John Rankin and Mike Turner.
74. Officer support for the review from Chris Gibbs, Coral Harding, Mark Horan
75. The review team combined qualitative and quantitative research methods to assist in arriving at the recommendations proposed.

Desktop Research

76. Desktop research of East Sussex In Figures was used to consider local geographic demographic information by ward summarised below.



- Images from ESiF online tool - darker blue areas more deprived, green and yellow less
- Geographic spread across the town – concentrations of deprivation around Hollington, central seafront and NE of town – Broomgrove, Farley Bank

- Pattern similar in 2015 to 2010 –15 neighbourhoods in most deprived 10% in 2010, all still in the same band in 2015, with one more in N Hollington
- Moving from 20th to 13th rank for % in worst 10% there is real increase in number of neighbourhoods, not just relative change
- Guidance highlights that this measure is affected by the sharp cut off of areas moving into or out of the most deprived 10% band
- Next IMD stats due summer 2019 – The review team will report on these to Scrutiny and consider which indicators might be the basis of annual O and S targets.

Interviews

77. Qualitative semi structured interviews schedules were employed to seek views on (a) council efforts to date and (b) perceived strengths, weaknesses and opportunities in terms of town wide regeneration efforts to date.
78. The review team heard from Assistant Director for Regeneration and Culture Victoria Conheady who gave an overview of council regeneration efforts and identifying a number of funding sources that have shaped council efforts to date.
79. Ron Bennett, Jan Papworth and Steve Manwaring gave their views to the review team on strengths, weaknesses and opportunities in terms of town wide regeneration efforts to date.

Report format and approach

80. In setting out the recommendations in the above report there are a number of associated or follow up questions relative to each of the four recommendations.
81. The review team have not asked these questions directly of particular officers or indeed councillors deliberately or along the way as part of this review because they are keen that the Cabinet/Management response arrives at organisational consensus in terms of the response to each question proposed.
82. This is because the review team felt that different officers and different councillors may have differing responses to the questions proposed and it is more important to arrive at a consensus position which will in turn assist with some of the wider challenges of prioritising activities going forward.
83. On this basis, it is hoped that the response to the recommendations is not simply a 'Management Response' but an Executive one – one where the views of the political and managerial leadership are shared.

Appendix B

REGENERATION FUNDING REVIEW – Chairs notes:

Witness response to Scrutiny Regeneration Funding questions:

1. How successful has Hastings regeneration been over the last ten years and how does this compare with other similar towns?

The 10 years since 2010 has seen a tough financial climate as the cumulative impact of austerity has been felt locally. Despite this, Hastings has seen a remarkable change to its economic confidence, its national image and its seafront and town-centre infrastructure. Whilst much of this can be attributed to the changing demographics as successful self-employed (often in the creative industries) people move here from all over the world, this has been complemented by astute public and private sector investment that has won awards (Source Park, Pier, Jerwood) and got Hastings noticed. HBC has led this sustained investment through developing a policy of cultural regeneration and attracting significant funding to support this from a wide range of sources. However some wards don't feel any benefit from this, but feel even more left behind 'like tourists in their own town'.

Many residents can see that the big ideas have changed the image of the Town but not in any way that helps them. This sense of increased isolation is reinforced when big ideas later are seen to run into trouble (as has happened to the university, pier and Jerwood). At the same time regeneration schemes targeted at poorer wards (Greater Hollington Partnership, 7 Streets, Big Local) have struggled to achieve lasting impact 'set up to fail' as some see it. So with KPIs very resistant to improvement, the anticipated trickle across the borough just hasn't happened. In fact the gap between the better performing and worst performing wards has, as in many parts of the country, got greater over the last ten years. The Brexit vote in 2016 is an indication of how many abandoned residents in the poorer wards feel.

2. How do we measure impact and change?

The Index of Multiple Deprivation produces new evidence every few years, measured in some detail across a wide range of indicators, with new figures due in 2019. As we note above, results have not improved, and services appear to have withdrawn from any strategic effort to reverse this trend. Schools, University, CCG and Housing Associations have not been seen to improve results locally for many residents, and Higher education, primary care and affordable housing have all been seen to get worse as this last decade has gone on for many. Where agencies act, we see impact (i.e. HBC and Grotbusting), where they tread water, things get worse.

3. Who has the role of assessing progress, challenging the status quo, planning for the future?

Although Government and County have considerable power to invest and impact locally, they won't take the lead. In fact they appear to be progressively

disinvesting in Hastings. So the leadership role of HBC is increasingly crucial, for senior officers, for all councillors, and for crucial partnerships. As the challenge gets harder, and funding reduces, leadership decisions become even more crucial. The lack of focus from the above on tackling inequality and poverty in outer areas has contributed to the growing gap between haves and have nots. To be more proactive, HBC could revitalise partnerships with other agencies and the community, starting with the Local Strategic Partnership, whose priorities on regeneration are not obvious currently.

4. Why has regeneration in the town centre been much more successful than in areas of deprivation?

Successful regeneration in the town centre has come from clear leadership politically, with a resulting focus of officer time and energy. Greatly reduced staffing in HBC has resulted in a lack of capacity to tackle other priorities. Even when external funding is available, senior staff need to provide leadership to make this effective. The current Bohemia project is likely to reinforce this lack of resource for other parts of the town. Also regeneration in outer areas requires different skills to the town centre. These skills have mainly been lost from HBC over the last ten years. It may be that other agencies working locally are better placed to offer these skills, as are some of the local councillors, and so partnerships need establishing with a more local focus to support the remaining HBC resource.

5. Which funding streams have been most effective and will these continue?

So many funds for regeneration are politically driven that with changing governments, and changing priorities, they often have a round or two and then vanish. New schemes are advertised, and successful applications can bring funding to Hastings but always on a short term basis 'they are just big sticking plasters'. This puts a premium on fundraising expertise so that new funds can be quickly assessed and applied for, and HBC has shown itself skilled at this. However the officers applying will be considering schemes put forward by other officers in the main, and so successful bids often reinforce the direction of travel, ie town centre projects. EU funding (which is unlikely to be available in the future) has been helpful for things we know how to do or are good at, but the complicated rules mean little of this ends up in locally run schemes. S106 has also generated new opportunities but has been too formulaic as defined by ESCC, and so unable to respond to local priorities. As new national funding schemes are rolled out, a new story for Hastings would be likely to increase the level of resource generated.' the people have good ideas but no one is listening'.

6. What evidence is there of successful partnership working to deliver regeneration?

Several examples of good partnerships were given, in each case needing HBC to lead or be a key partner. However little evidence of measuring or assessing impact of success was found, and the role of the LSP was questioned 'what are they actually there for?'. Some important agencies are not obviously interested in partnership working, and even HBC too often gets criticised for its unresponsiveness and defensiveness on this.

7. How does the voluntary sector see its role and potential?

In many areas of deprivation, the voluntary sector has been reduced or in some cases disappeared. This leaves some wards unable to submit bids for any funding unless led by HBC (and many funds are not open to HBC). This vicious circle needs breaking, with communities nurtured by HVA or HBC, but currently it appears that well established and trusted voluntary sector groups tend to be favoured rather than new and smaller ones. HVA can help change this by redefining its regeneration policy and building targeted clusters of organisations in priority areas. This will mean longer term planning, not just quick fixes. There can be a conflict of interest if decision makers from HBC and HVA become too associated with individual groups, as trustees or advisors.

8. How can regeneration in priority areas be accelerated?

HBC can be much clearer about their commitment to priority areas, including setting targets and priorities within the challenging whole task. Roles and responsibilities could be identified, including area champions at a senior level. These could be officers or members or partners. Funding bids should where possible identify areas of benefit, and a methodology for involving that community through the champion. Each council service should then define its focus on how best they can support priority areas. Community development skills are needed but could be supported outside the council. Photographs and social media films should be used to promote positive images of priority areas. Clarity should also extend to the commitment by other services to a shared focus on priority areas, ideally through a refocus of the LSP.

9. What should HBC role(s) be?

It then follows that the whole organisation needs to be seen to shift priorities to focus on areas of top priority over a sustained period of time (10 years?). The Cabinet can place Regeneration at the heart of council activity. This would tell a new story, aiming to narrow the gap, making regen a reality not just an idea at local level, driving the equalities agenda, and incorporating feedback from ward councillors and area champions. A key role would be balancing the regeneration push in priority areas with that of the town as a whole, this needs to be a political, practical and financial balance. So resources and funding can be used from one project to support another more risky one, in an open and transparent manner. This in turn would feed into the corporate plan, influencing budget priorities. Scrutiny Committee could include new indicators drawn from the KPIs, and monitor performance annually.

10. How can residents feel more involved and play a part in regeneration?

In addition to being represented in the above, a Big Conversation is suggested, starting with a town survey on line. This will demonstrate that residents can have a voice, and that HBC and partners want to listen. Training and support will need to be provided for key resident led projects and associations at a micro area level. A lot of this could be provided from a more engaged housing sector.