

Report to: Cabinet

Date of Meeting: 2 September 2019

Report Title: Management Response to Overview and Scrutiny Review of Regeneration Funding

Report By: Simon Hubbard
Director of Operational Services

Purpose of Report

To respond to the Overview and Scrutiny report.

Recommendation(s)

- 1. Cabinet thanks the review team for their report.**
- 2. Recommendation 1 is agreed, but that it is noted that actions that grow the wider Hastings economy will be critical to creating new opportunity for economic inclusion.**
- 3. Recommendation 2 is agreed.**
- 4. Recommendation 3 regrettably cannot be currently supported because there are no council or partnership resources to support area structures since the ending of neighbourhood renewal funding.**
- 5. Recommendation 4 is agreed. A “project board” drawn from Cabinet members will have oversight of the programme to be adopted in the forthcoming budget.**
- 6. Overview & Scrutiny members are invited to comment upon the Hastings and Rother Task Force review of regeneration work and structures when this work is presented.**

Reasons for Recommendations

The kind of action that will address long term symptoms and causes of poverty are lack of employment opportunities added to factors like education, health and skills. The council is actively engaged in trying to stimulate growth. The council can contribute to both growth and economic inclusion. Through partnership with the Clinical Commissioning Group (CCG) and others it supports health initiatives and its housing programmes focus upon dealing with both the causes and consequence of poverty.

Previous neighbourhood based work was part of a nationally funded programme aimed at the UK's most disadvantaged local authority areas. Hastings programme included funding for staff to support neighbourhood provision together with a programme of area based grants. The Local Strategic Partnership had oversight of this programme with 21 key targets aimed at "gap closing" on key performance figures. Additionally, Hollington had a Greater Hollington Neighbourhood Pathfinder operating in the previous decade. Since this funding ceased the council has faced year on year reduction of its budgets.

Additionally The Connecting Hastings & Rother Together (CHART), Community Led Local Development (CLLD) and Opportunity Area are significant programmes and the council should focus on how these might be built upon and extended into the future.

The current budget of the council does not easily permit new areas of unfunded work to be developed. It is likely there will be less staff and financial resources available in 2020/21 and moving forward.

Background

1. It is timely to review the impact of regeneration upon the borough. Since the setting up of the original "Task Force" led by government, South East England Development Agency (SEEDA) and local councils in 2001, there have been many big changes to the economy and the way that funds for economic growth and inclusion are delivered. The response will give a little detail of these changes and the impact they have had.
2. A number of key things are about to change things very quickly:
 - When the UK leaves the EU there will be no further new funds from EU programmes. Hastings has done well as in both leading programmes and as a partner in big programmes.
 - The funds from the UK government are intended to respond to this and also to replace the UK funds for economic growth. It's not clear how this will materialise.
 - Current government policy favours "business-led" Local Enterprise Partnerships (LEPs) as a way of growing the economy.
 - The climate change agenda will mean a dramatic reshaping of the economy. Climate change will present particular challenges for poorer communities and individuals.

The area has been the focus of regeneration activity since 2001 when the Hastings & Bexhill Task Force was set up.

3. The council is currently working together with East Sussex County Council (ESCC) and Rother District Council (RDC) to review the impact of the programmes and to identify the priorities for the next period.
4. The financial position of this council is extremely difficult. Members will face tough choices around next year's budget. Any increase in activity not funded by new

external funding will need to be found by achieving savings elsewhere. In this kind of context, it is critical to be clear that sustainable benefits to residents are expected to accrue from any new activity and to be precise about what these might be.

Further statistical Input

- In addition to the information provided to the review team there are a number of other useful indicators.
- The economic activity rate (% of those in working age who are either employed or unemployed and seeking work) has slightly increased in the UK but dropped in East Sussex with the exception of Wealden.

Economic Activity Rate

(Percentage of working age population who are employed or unemployed and actively seeking work)

	2005	2010	2016	2017	2018
England	76.6	76.3	78.1	78.6	78.7
South East	80.4	79.4	81	81.4	80.8
East Sussex	79	78.4	77.8	78.3	76
Eastbourne	79.1	82.7	75.6	74.4	76
Hastings	75.3	76.7	70.1	71	70
Lewes	80.1	82.5	83.2	87.6	78.8
Rother	80.6	77.4	75.8	77.9	71.4
Wealden	79.5	74.4	81.9	79.9	80.9

Source: Annual Population Survey (April 2019)

- A similar picture is evident for the employment rate.

Employment Rate

	2005	2010	2016	2017	2018
England	72.9	70.3	74.3	75.1	75.4
South East	77.4	74.6	77.6	78.8	78
East Sussex	75.3	73.1	74.2	75.7	73.7
Eastbourne	73.9	78.2	72.5	69.9	74.7
Hastings	70.9	67.4	62.8	68.9	67.9
Lewes	76.9	77.4	81.3	86.3	75.7
Rother	76.8	71.6	73.2	74.7	69.2
Wealden	77.3	71.3	78.5	77.6	78.4

Source: Annual Population Survey (April 2019)

- Weekly earnings for both residence-based and workplace-based staff has increased but not kept at 'pace with the UK.' On this basis, Rother is more disadvantaged than Hastings.

Average weekly earnings (residence based) Full Time Workers

	2005	2010	2016	2017	2018	Increase

	2005	2010	2016	2017	2018	Increase
England	437	506	545	556	575	138
South East	469	548	582	596	614	145
Eastbourne	388	492	524	504	547	159
Hastings	354	407	446	468	491	137
Lewes	441	512	560	530	556	115
Rother	417	489	526	565	485	68
Wealden	441	575	575	617	617	176

Average weekly earnings (workplace-based) Full time Workers

	2005	2010	2016	2017	2018	Increase
England	436	504	544	556	575	139
South East	450	524	566	575	589	139
Eastbourne	404	495	509	505	557	153
Hastings	364	413	451	474	477	113
Lewes	426	459	559	583	599	173
Rother	332	400	432	438	427	75
Wealden	351	458	482	511	502	151

Source: ESIF Average (median) earnings, residence-based, 2002-2018 - districts (October 2018)

9. Personal incomes (which include a range of income) shows a similar picture. Older Rother residents drawing income from savings investments etc., probably changes the position between Rother and Hastings.

Personal incomes

(Median annual income)

	2011	2012	2013	2014	2015	2016	2017	Change
England	19,700	20,500	21,200	22,100	22,600	23,400	23,900	+4200
South East	21,300	22,300	23,100	23,900	24,400	25,200	25,800	+4500
East Sussex	18,700	19,400	20,600	21,100	22,200	22,900	23,700	+5000
Eastbourne	18,100	18,200	19,600	20,500	20,700	21,100	22,200	+4100
Hastings	17,000	18,000	18,400	18,600	19,800	19,900	21,700	+4700
Lewes	18,900	19,200	21,300	22,100	22,800	24,400	24,500	+5600
Rother	17,900	19,500	19,700	20,800	21,800	22,700	23,100	+5200
Wealden	20,500	21,900	22,300	22,600	24,300	24,600	25,000	+4500

Jobs Density

(Number of jobs divided by the resident working age population)

	2000	2005	2010	2015	2016	2017	
England	0.80	0.81	0.77	0.84	0.85	0.87	
South East	0.84	0.84	0.80	0.86	0.88	0.87	
East Sussex	0.71	0.70	0.69	0.74	0.75	0.75	
Eastbourne	0.81	0.81	0.77	0.82	0.81	0.87	
Hastings	0.68	0.67	0.61	0.65	0.65	0.70	
Lewes	0.77	0.70	0.72	0.79	0.80	0.70	

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Rother	0.64	0.69	0.67	0.74	0.74	0.71	
Wealden	0.65	0.65	0.67	0.72	0.73	0.74	

10. This evidence points to the need to continue to grow the whole local economy so it begins to perform at the regional/national level and look at specific measures to impact on the most deprived communities and individuals.
11. 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 the benefits of investment have not impacted sufficiently on poorer communities.
12. Demographics for our more deprived wards indicate there is little positive change in the life chances of those residents.
13. Scrutiny councillors, mindful of the financial challenges facing the council 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.
14. Funding for regeneration includes significant commitment to Hastings from regional and national bodies including the NHS, Optivo, Orbit, three Academy trusts, Brighton University and Network Rail, and of course from national government and East Sussex County Council.
15. Hastings Council, East Sussex County Council and Rother District Council are seeking to review the programme, but more significantly to consider the priorities for the next period.
16. Hastings is working with 11 coastal local authorities to create a prospectus for the coastal region of SELEP (Essex, Kent and East Sussex). Substantial parts of the coast continue to underperform and this is particularly so for towns like Margate, Ramsgate, Folkestone, Dover, Clacton and Hastings. This work is intended to influence the Local Industrial Strategy for SELEP. Of particular significance will be the priority given to productivity which may tend to encourage investment towards areas where performance and skills are already high. The issue is how to increase productivity on the coast.

Overview and Scrutiny Recommendations

17. The council has long been committed to a process of gap narrowing between the town and the UK but also to raise the position of deprived communities. Specific funding under the Neighbourhood Renewal programme was spent chiefly in the 5 most deprived wards and there were support staff, a forum and a chief officer champion for each. The local strategic partnership (LSP) was set up to ensure the partnership of all agencies and the community and there were 21 key targets to improve performance over health, education, housing, economy and crime.

Government puts great emphasis on LSPs bringing a partnership approach to regeneration and inclusion.

18. Since then there have been enormous shifts that have weakened the powers of both local partnerships and councils to lead the regeneration of their communities. Amongst these are:

- The Academies programme and the weakening of the role of the local education authority.
- Ending of government funding like Neighbourhood Renewal delegated to local authorities.
- The erosion of place based health leadership which is currently being reflected in the consultation to merge all the Clinical Commissioning Groups (CCGS) in East Sussex.
- The emergence of SELEP as a “Super LEP”, but more significant is the focus upon productivity at the expense of distribution of benefits.
- A shift away housing delivery based upon locally defined housing needs and affordability levels towards nationally based funding programmes targeting housing numbers and home ownership.
- The push towards larger FE collect structures focused regionally rather than locally.
- Changes to police structures ending a Hastings command, with partnership work increasingly moving to County or pan County level for services like probation and drug/drink support services. The reduction of neighbourhood policing importance has also meant that responses to local issues become more difficult.

19. Reductions in public expenditure have in part driven these changes and in part they have suffered from a lack of significant investment.

Recommendation 1

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.

20. Although very significant issues remain in Central St Leonards and Gensing a measure of progress has been made in recent years. Much of this is detailed in the report to Cabinet about the renewal areas in St Leonards. Conditions for many existing residents have seen improvement and an increase in the numbers of relatively affluent people living moving into these areas has been reflected in a growing arts, restaurant and social scene. The nature, age and condition of the housing stock in these areas is such that more needs to be done to support the development of balanced and sustainable populations in these neighbourhoods. Nevertheless, survey data supports the view that things are continuing to move in the right direction.

21. The social housing estates continue to suffer from issues of intergenerational exclusion. The issues facing these neighbourhoods are complex deep seated and are not susceptible to “quick fixes”. The council does not control the health, education and skills programmes which are critical levers and will need to continue

to work alongside other agencies to encourage sustained investment. Our work in supporting the Opportunity Area and in obtaining and managing CHART is evidence of this commitment. The issues in Ore Valley and Hollington and elsewhere are ones shared with similar communities elsewhere. Much regeneration in these places has improved the housing stock and amenities, but not the conditions of life for residents. We need to do more work in identifying where and how success has been achieved. Current housing policies mean that the levels of deprivation may increase rather than encourage healthy working class communities.

22. It is necessary to continue to grow the economy as “redistributive” action depends on growth.

Recommendation 2

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.

23. It is agreed that the council’s website should be updated to acknowledge the partnership successes, particularly those by the council’s staff and members.

Recommendation 3

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.

24. A number of senior managers used to serve as area champions and found it very worthwhile. However, to be meaningful this requires neighbourhood partnership structures involving police, health, housing associations and business as appropriate and these structures need to be co-ordinated and supported. Without the resources to deliver concrete responses and improvements such as a system would fall into disrepute. Additionally the council has invested a great deal in systems to enable residents and members to report faults or order services. The future is likely to accentuate this and the setting up of alternative channels could be a distraction may impose additional costs.
25. Previous resident leaderships have in some cases ended and in others grow less active. New models of community leadership may focus more on issues like the environment or climate. Changes in housing ownership may have also held down some kinds of common interest for some. It may be worth considering how the council and/or partners could seek to support and develop new leaderships without installing paid staff to fulfil this role by surrogate.
26. The resources no longer exist to support local structures or to provide meaningful responses to demands that might be identified. Members may wish to consider this as part of the budget exercise for 2010/21.

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***

27. A project board drawn from Cabinet members will have oversight of the delivery of regeneration and development projects. The same staff and resources will deliver housing, economic and climate control projects and it is important these are planned and overseen together.

Implications

28. No implications arise directly from this report which is a response to an O & S review. No expenditure or action is required. The O & S report identifies a number of implications from its review.

29. It is worth noting the potential impact of climate change on the council's budgets and those of partners. Taken with potentially much higher fuel and travel costs they may pose an additional burden on poorer people. Conversely there may be a range of opportunities for employment and energy generation may prove possible.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Consider the Hastings & Rother Task Force Review of Regeneration	Presentation at O & S Committee?	Autumn 2020	Simon Hubbard Victoria Conheady

Wards Affected

ALL, but particularly Hollington, Central St Leonards, Castle, Maze Hill, Baird and Tressell.

Implications

Relevant project tools applied? N/A

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

Climate change implications considered? Yes/No

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

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

Officer to Contact

Officer Name	Simon Hubbard
Officer Email Address	shubbard@hastings.gov.uk
Officer Telephone Number	01424 451753
