

Report to: Regeneration Panel

Date: 21 January 2009

Subject: Audit Commission Report
A Mine of Opportunities: Local Authorities and the
Regeneration of the English Coalfields

Report of: Executive Director of Environmental Services

Contact officer: Naomi Sherwood 01942 828961

Purpose / summary: To provide a report on the Audit Commission –
A Mine of Opportunities: Local Authorities and
the Regeneration of the English Coalfields.

**Alternative options considered
and reason for selecting the one
recommended:** N/A

Recommendation / decision: That Members note the contents of this report.

The decision will be made as a result of this
report and will be published within 48 hours.

Risks / Implications:

Financial:	N/A
Staffing:	N/A
Policy:	N/A
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	N/A
Wards affected:	N/A

**Property Implications – Does the proposal involve a reduction, addition or
change to the Council’s asset base or its occupation?**

No

**If yes, have the property implications been agreed with the Corporate Property
Officer?**

**Does this proposal have significant implications for the Council and the local
population?**

A diversity impact assessment is not necessary at this stage, however, equality and
diversity implications have been considered when producing this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? No

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council's budget? No

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

For Cabinet reports only :

Categorisation of the report:	x		x
Discussion leading to a decision		Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
Regeneration 21/01/09			

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Martin Kimber

Date 2 January 2009

1.0 Background

- 1.1 At the beginning of the 1980s, 220,000 people were employed directly within the English coal industry. By 1993, 200,000 of these jobs had been lost and another 10,000 were lost over the next 5 years. These losses were concentrated in particular areas, with 90% of these losses in 34 local authority areas, Wigan was one of these 34 authorities.
- 1.2 These job losses were coupled with severe economic, social and physical decline which made the England's coalfields a unique regeneration challenge. Many different support programmes have been in place since the mid-1980s however the current economic climate and a change in policy direction means that future regeneration of the coalfields will look very different.
- 1.3 All of these developments are likely to make local authorities even more important in driving forward the regeneration of coalfield areas.
- 1.4 In light of this, the Audit Commission undertook research that looked at the 34 local authority areas of England where coal extraction used to be a major employer, with the principle aim of establishing the role that local authorities have played in delivering economic outcomes. Specially the research:
 - Measures progress made in the coalfield regeneration outcomes such as jobs and environmental improvements;
 - Examines the links between the different aspects of regeneration – particularly between job creation and worklessness;
 - Sets out the factors that influence success at the local level;
 - Highlights the approaches that have delivered results and;
 - Explores the future actions that local authorities in ex-mining areas will need to take to continue to deliver regeneration in the new environment.
- 1.5 The Audit Commission has now completed this research and published their findings in the report. A mine of opportunity: local authorities and the regeneration of the English coalfields. Please see press release attached in appendix 1.

2.0 Report Summary

- 2.1 The report recognises that much has been achieved in the English coalfields in terms of physical regeneration. The physical scars left by the mining industry have been a priority for regeneration funding and this funding has led to a transformation of the coalfields environment:
 - Levels of derelict land has been halved from 1993 to 2004;
 - New business premises have been constructed faster than the national rate and;
 - Old housing stock is being demolished and new stock built faster than nationally.
- 2.2 The coalfield economies are also narrowing the economic gap with the rest of the country with the job rate outstripping the national average and employment rates rising rapidly, halving the gap with the national rate from 4.6 to 2.3 percentage points.

- 2.3 Although National and European funding has supported much of this transformation, the report believes local councils and their partners deserves much of the credit.
- 2.4 However, social change has been less successful with the former coalfield areas remaining far behind other parts of England. Absolute levels of education attainment, adult skills, life expectancy, income deprivation and crime have improved but inequalities persist. The gap between these areas and the rest of the country has widened and many coalfields remain among the most deprived areas in England.
- 2.5 The report then explores the link between jobs and worklessness. Although significant numbers of jobs have been created, worklessness and the social problems that accompany it still persist. This suggests that jobs created have been taken by people moving or travelling into coalfield areas and not original residents. These original residents face significant barriers to returning to work, including health problems, poor skills and lack of motivation. Even more alarmingly, these characteristics are not restricted to older generations who were affected by pit closures but are also present in the younger generation.
- 2.6 The report also identifies the local variance and the factors which affect regeneration. These include national policy and public funding, local geographies and economies and local policy. To understand the role of these factors more clearly, and the recognition that an important part of economic regeneration is linking unemployed people with new jobs, the study divided the 34 coalfield authorities into three categories dependent upon how they have progressed against regeneration outcomes.
- 2.7 Wigan was placed within cluster 2, this should be seen as a positive indication of Wigan's performance against economic regeneration outcomes as this cluster is characterised by local authorities with high rates of both job creation and of original residents entering work. The report recognises these as central elements in successfully regenerating coalfield areas.
- 2.8 The conclusion drawn from analysis of the 3 Clusters is that some local authorities are better at playing the hand they have been dealt than others, and outcomes can be clearly linked to policies and strategies of local authorities. Successful local authorities demonstrate a willingness to learn from mistakes, to work with the right partners at the right level and listen to their communities.
- 2.9 The report identifies the Coalfield Communities Campaign (CCC), now The Alliance, as a collective action being an important influence on the national programmes that support coalfield regeneration.
- 2.10 The report then outlines the 4 stages in the response of local authorities to coalfield regeneration. The phases range from seeking help from central government in stage 1 to locally driven and a stronger focus upon social regeneration in phase 4. Within each of these 4 stages the report outlines examples of best practice.
- 2.11 Encouragingly the North West Coalfields Regeneration Programme (NWCCRP) which Wigan Council acts as the accountable body for is cited as an example of best practice in phase 4. The implication here is that Wigan and the rest of the

NWCCRP local authorities are operating within the final phase of locally driven regeneration ahead of the majority of local authorities in phase 3.

2.12 The characteristics that set apart the better performers in phase 4 from the rest are;

- Leadership and vision;
- Partnership working;
- Community engagement;
- Learning from experience and understanding your area and;
- Getting the basics right – delivering high quality statutory services.

2.13 The report also recognises that with national programmes coming to an end, regeneration of the coalfields is entering a new phase. In this new phase priorities will shift towards addressing deep-seated and complex social issues such as worklessness. Local authorities will be at the centre of the next phase of coalfield regeneration.

3.0 Recommendations of the Study

3.1 The report contains recommendations for both national government and local authorities.

3.2 The recommendation for national government is to:

- Ensure that lessons learnt in coalfield regeneration particularly the need to act quickly are transferred to other regeneration challenges. The report believes this is particularly important given the coming recession;
- Support coalfield areas in tackling key remaining issues of poor educational attainment, health inequalities and low skills;
- Consider how government departments can reflect local circumstances within national programmes and give their local delivery bodies such as job centre plus more flexibility to respond to local priorities;
- Ensure that regeneration policy is appropriately balanced between economic and social regeneration. A sustained focus on job creation can lead to social issues becoming more deep-seated and crossing into later generations of residents and;
- Ensure that physical regeneration and economic regeneration funding allocated through the national coalfields programme remains in place so that its final objectives can be met.

3.3 The recommendation for local authorities are:

- Focus regeneration activities on the social issues that prevent people from entering work, such as educational attainment and poor health;
- Continue to create jobs but co-ordinate this with initiatives that support residents back into work;
- Prepare for a new, more testing phase of regeneration in which they should;
- Extract maximum regeneration gains with other local service providers;
- Engagement in meaningful partnerships with other local service providers;
- Address issues at the appropriate geographical level;

- Involve local communities in identifying issues and delivering the solutions;
- Recognise that while job creation remains fundamentally important, authorities do not all need to be employment centres, they are part of a wider local labour market and need to develop appropriate strategies that maximise the benefits for their residents;
- Develop a deeper understanding of their local economies and their sub-regional markets to find the right solutions to their particular causes of worklessness and;
- Consider how well their approach to regeneration compares with the good practice identified in this study.

4.0 Conclusions

- 4.1 The report is encouraging. It is broadly positive about the contribution of local authorities and therefore should be welcomed. It recognises that much has been done to regenerate the English coalfields however; despite the success to date the job is by no means complete. The report also recognises the scale of the remaining issues means that the coalfields will still require some support from national regeneration programmes.
- 4.2 The identification within the report of the NWCCR as a model of best practice and the success of the programme in working across borders and between tiers of government is an endorsement of the work taking place in Wigan Borough.
- 4.3 The report also advocates need to focus regeneration policies upon addressing social deprivation and in particular worklessness. By continuing to create jobs but also by specific action to support unemployed people back into work, this would create the double benefit of improving social issues and reducing local unemployment.
- 4.4 The report should also be welcomed as this focus upon tackling worklessness is a direct reflection of the work taking place within Wigan to deliver the 'What makes Wigan Work' worklessness strategy.

Martin Kimber
 Executive Director of Environmental Services
 RP/ER/NS/LC/33.0P
 2 January 2009

News release



26 November 2008

PR 1645

Embargoed until 00:01 Thursday 27 November 2008

Coalfield regeneration is a success story, but report warns that social legacy of pit closures still lingers

England's coalfields are a success story of physical renewal and economic growth, and local authorities deserve much of the credit, the Audit Commission concludes in a review of ten years of regeneration in areas afflicted by pit closures.

Effective partnership working across the North West has been highlighted as a key driver for regeneration in the independent spending watchdog's report 'A Mine of Opportunities - Local authorities and the regeneration of the English coalfields'.

However, the research shows that the job of regenerating the coalfields is not complete. Many remain among the most deprived districts in England. The report praises progress on greening mine workings, building new homes, roads and commercial sites and creating jobs. But it finds that nationally councils must gear up to support residents by addressing problems of bad health, poor school results, poor motivation and low skills. Some councils are tackling these issues but the rest need to follow suit.

"Substantial improvements have occurred in the coalfields through a combination of national and local actions - regeneration works. But there is still more to do and local councils and their partners need to prepare for a new phase of regeneration," the chairman of the Audit Commission Michael O'Higgins said.

"While continued national funding is important, the remaining problems in the coalfields around education, health and low employment expectations will require innovative actions by councils and their partners. It is only by connecting the full range of services provided by local organisations that the complex and deep-seated social problems facing these areas can be tackled".

The creation of the North West Coalfield Communities Regeneration Programme (NWCCRP), comprising eight councils with coalfield areas was highlighted as an effective example of partnership working across borders and different levels of government. It provides a straightforward way for funding to be managed and directed to where it is required. The councils involved are Allerdale, Bolton, Copeland, Knowsley, Salford, St Helens, Warrington and Wigan.

St Helens Metropolitan Borough Council was also praised for its work in bringing the private and public sectors together in genuinely close and effective partnership - Ravenhead Renaissance (which became the area's Local Strategic Partnership, or LSP) - to tackle local challenges. Businesses play a lead role in determining economic policy and the success of this approach was demonstrated when the St Helens LSP received funding as one of four national City Growth Strategy pilots.

The report makes recommendations to help communities facing economic decline in the current climate:

- Act quickly when unemployment strikes. If a major industry sheds jobs local, regional and central government need to act quickly to help, to stop joblessness becoming a long term social problem.
- Link jobs and people. Councils should not see job creation as an end in itself. A balance needs to be struck between securing employment opportunities and ensuring that local residents are sufficiently healthy, skilled and motivated to take them up.
- Work with your neighbours. Councils should not be fixated on creating jobs within their own boundaries. Local economies run across council boundaries and many people travel outside their local authority area for work. Councils should recognise that cooperating with neighbours for job growth may bring the best results.
- Work with your partners. By cooperating local authorities and service providers can share facilities, employment possibilities and funding.
- Involve your residents. Local people usually know best what will work for them.

ENDS

Notes to editors

- The amount of derelict land in the coalfields has more than halved between 1993 and 2004 (from 7,300 hectares to 3,300 hectares).
- Between 1998 and 2006 commercial floorspace per capita grew 80 per cent faster in the coalfields than nationally.
- The demolition rate of unfit housing in the coalfields from 1998 to 2006 has been twice the national rate.
- The completion of new houses has taken place at nearly 10 per cent faster in the coalfields than nationally from 1999 to 2007
- From 1998 to 2006 job growth in the coalfields (10.7 per cent) has outstripped the national rate (7.6 per cent).
- In 2006 12.1 per cent of the coalfield's working age population was on Job Seekers Allowance or Incapacity Benefit. The national rate was 9.3 per cent, while it was 6.4 per cent in the South East region.
- Life expectancy for both men and women in the coalfields in 2005 was below the national rate and this gap had widened slightly since 1998

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Further details about the role of the Audit Commission can be obtained from www.audit-commission.gov.uk

For further information, interviews and a full copy of the report please contact David Rose, Regional Communications Manager (Northern), on 0844 798 6654 or d-rose@audit-commission.gov.uk