

Cheltenham Borough Council
Social and Community Overview and Scrutiny Committee -
10th September 2007
Regeneration in Cheltenham
Report of the Single Regeneration Company Feasibility
Working Group

1. Executive Summary and recommendation

1.1 The issue

1.1.1 On 8 June 2006, a cross-party working group was set up to work with the Regeneration Partnership (Cheltenham) to explore the context for the proposed single regeneration company and how the proposal will produce a more sustainable, stable and coordinated approach to regeneration.

1.1.2 Following the rejection of the single regeneration company model, the five companies have prepared a proposal for enhanced collaborative working that will retain the current organisational structure and at the same level of funding from the council.

1.1.3 The working group has welcomed the information put forward by the five companies and now wishes to put forward its thoughts on how best we can create a more sustainable, stable and coordinated approach to regeneration.

1.2 I therefore recommend that:

1.2.1 **The committee consider the proposed funding model set out below in section 6.**

1.2.2 **The committee thank representatives of the five regeneration companies and Bernice Thomson from the Regeneration Partnership (Cheltenham) for their hard work and persistence in pulling their report together.**

1.3 Summary of implications

1.3.1 Financial

The council currently puts £109,400 into the regeneration organisations. All this funding is subject to review through the conditional offers of grant reviews that will recommend on the appropriate levels and means of funding for future years

Contact officer: Mark Sheldon

E-mail: mark.sheldon@cheltenham.gov.uk

Tel no: 01242 264123

1.3.2 Legal

Any changes to the funding arrangements will need to take account of existing COGs and their replacements which are being considered as part of the ongoing review of COGs.

Contact officer: Nicolas Wheatley

E-mail: nicolas.wheatley@cheltenham.gov.uk

Tel no: 01242 775027

1.4 Implications on corporate and community plan priorities

1.4.1 The current business plan includes the following long term action to deliver by 2010

“We will work with our partners to create an improved structure for regeneration activities that will improve financial stability, governance and service delivery while providing facilities management for the four resource centres”. This will help with our longer term ambition to increase the percentage of residents in areas of multiple deprivation that are satisfied with their neighbourhoods.

2. Introduction

2.1 Although Cheltenham’s economy outperforms the national economy and our per capita income stands some 35% above national average, this wealthy image sometimes obscures the fact that we have areas of poverty and deprivation and the town is increasingly divided between the more affluent areas to the south and east, and poorer areas to the north and west. The Indices of Multiple Deprivation 2004 (IMD) illustrate the extent to which some of our communities are falling behind the rest of the town as the cumulative impacts of unemployment, poverty, crime, low educational attainment and poor health create a cycle of deprivation.

2.2 In response to issues of multiple deprivation, the council has focused its regeneration work in three areas of the town; Lower High Street, Hesters Way and Whaddon, Lynworth and Priors where there are three independently constituted partnerships and two neighbourhood projects that are delivering projects in line with their own locally agreed strategies.

2.3 Over the past 10 years, the network of organisations have made significant advances;

- In the lower high street, the partnership delivered total investment of £6.1m into the area on the back of £1.3m from the government’s single regeneration budget

fund. It currently manages the lower high street resource centre on behalf of the borough council.

- In Oakley, the neighbourhood project and partnership have successfully supported improvements to Clyde Crescent public open space are currently involved in the construction of the £1.2m Oakley Resource Centre which will open in February 2008.
- In Hesters Way the neighbourhood project and partnership built and manage the Community Resource Centre which houses a health resource centre, office and conference facilities, starter workshop units plus a community café. Work is well underway on the SACS community resource centre which will open in October 2007.

3. Background to the single regeneration company

- 3.1** In January 2006, the two neighbourhood projects were informed that one of their significant funders would be reducing the amount of funding available to them. At this time, they were also aware that other time limited project funding would cease in 2007. This began to expose some of the financial frailties of our voluntary/community sector partners engaged in community regeneration activities. Although the current set-up of three community partnership companies and two neighbourhood projects had worked well the financial demands for supporting the five limited companies was seen as drawing money away from frontline service delivery. In addition, there were also significant capacity issues for the public sector partners if effective representation was to be achieved.
- 3.2** Recognising these challenges the Regeneration Partnership (Cheltenham) secured a mandate from regeneration partners to explore the feasibility of creating a single company. A Single Regeneration Company Feasibility (SRCF) Working Group was set up following a proposal made to a regeneration stakeholder event held at Gardners Lane School in March 2006. At the meeting there was a consensus in favour of assessing the feasibility of a single regeneration company for Cheltenham.
- 3.3** As a consequence of the research and audit results the SRCF working group developed four options for how the five companies could operate in the future. The group carried out initial work on option appraisals and recommended to the stakeholders that consultants should be brought in to carry out more detailed work on the options.
- 3.4** In December 2006 WM Enterprise (Consultants) were appointed. In February 2007 the consultants reported their findings and recommendations at two meetings firstly to the directors/ trustees of the five companies and then to a wider stakeholder group.
- 3.5** The recommendations were voted on by all five company boards of directors. The following decisions were made.

Name	Preferred organisational model
Hesters Way NP	Option 1 – Status Quo
Whaddon Lynworth and Priors NP	Option 4 – Full combination
Cheltenham West End Partnership	Option 1 – Status Quo
Hesters Way Partnership	Option 1 – Status Quo
Oakley Regeneration Partnership	Option 4 – Full combination

3.6 The move to a single regeneration company was always predicated on a unanimous vote of support from the five companies and therefore the stance taken by three out of the five companies was in effect a rejection of the single company model.

3.7 Recognising the amount of time and resources that had been put into the feasibility work, the five companies agreed that there would be benefits for them working closer together across a range of collaborative opportunities to enable efficiencies and financial benefits. The Regeneration Partnership (now the Stronger Communities Partnership) coordinated a process to get the five companies collaborating on a number of workstreams such as;

- Facilities management
- Procurement
- Communications and marketing
- Community engagement and involvement
- Personnel management (staff, volunteers, boards)

3.8 Their proposals are summarised in the attached report, “The final report of the single company feasibility working group”, see appendix A.

4. The views of the cross-party working group

4.1 The cross-party working group has tracked the single regeneration company process from the initiation of the feasibility work to the development of the collaborative proposals. It has met six times and members of the group have also been present at the two stakeholder events held last year.

4.2 Although the cross-party working group were initially concerned that three out of the five companies were planning to reject the move to a single company, it has welcomed the proposals for more collaborative working. The group had an in depth meeting with representatives from the companies and found that they were all committed to making the report a reality.

4.3 If the actions in the report are fully implemented, the cross-party working group feel that this will lead to a significant improvement in the way regeneration works in

Cheltenham.

- 4.4 However, the cross-party working group is aware that the proposals from the five companies must be seen within the context of a financially challenging budget round for 2008-09 – the organisations mentioned above (with the exception of CWEP) are all subject to conditional offer of grant reviews in the autumn which will recommend on the appropriate levels and means of funding for future years.
- 4.5 The working group is also aware that the context within which regeneration is delivered has significantly shifted in the last 2 years and that these changes need to be reflected in any proposed funding model.

5. The changing context for regeneration

- 5.1 At a national level, the sub-national economic development and regeneration review published by HM Treasury in July 2007 sets a framework linking regeneration to economic growth with the ambition that all local authorities will be empowered to promote economic development and neighbourhood renewal. The review also confirms that the government will concentrate neighbourhood renewal funding more closely on the most deprived areas with greater incentives for improved performance.
- 5.2 At the county level, we now have the Gloucestershire local area agreement (LAA) which sets the framework for partnership working throughout the county. Building stronger communities is a key theme in the agreement with a focus on targeted work on the county's most disadvantaged neighbourhoods (which includes St. Pauls in Cheltenham) and then the promotion of work around community engagement, volunteering, community cohesion to benefit all communities.
- 5.3 The current administration at the council has been keen to take lessons learnt from the regeneration activity and ensure that as many other communities in the borough can benefit from this best practice.
- 5.4 In response to the LAA and political priorities, the Regeneration Partnership (Cheltenham) evolved into the Stronger Communities Partnership which is leading on a whole-borough approach to community cohesion, community engagement, partnership work on affordable housing and lifelong learning. This body is also one of the six thematic partnerships sitting under the revised Cheltenham Strategic Partnership.
- 5.5 Meanwhile we know that the issues around poverty are not going away in Cheltenham. A recent report from the Joseph Rowntree Foundation looking at the pattern of poverty and wealth across Britain 1968 to 2005 provided us with the information that Cheltenham and Gloucester have very similar percentages of core and breadline poor.
- 5.6 We also know that government is unlikely to provide Cheltenham with mainstream government support for its community regeneration work as its deprivation scores are not sufficiently bad enough compared to other parts of the country. This has led to our partnership infrastructure being supported on a 'shoestring' and using the value of land assets and capital receipts to secure regeneration outcomes such as in the successful Hesters Way housing-led regeneration and the delivery of the two new resource centres in Oakley and Springbank.

5.7 This changing context has helped the cross-party working group form its views on how best to support regeneration in Cheltenham.

6. The working group's proposals

6.1 The working group recognises the value of the Stronger Communities Partnership and recommends that the council continue to put financial resources into it. This will create the strategic framework for community regeneration while also supporting the council's work around community engagement, community cohesion, neighbourhood management and lifelong learning. These issues are very much on the government's mind at the moment and it is likely that they will all feature prominently in the refreshed local area agreement and it will be important for Cheltenham to maintain its commitment to partnership working on these issues.

6.2 The working group recommends that the two area partnerships (Hesters Way and Oakley) take a far more pro-active role in the commissioning of services and facilities management in their areas and suggests that each receives the funding that would have gone to their respective neighbourhood projects. This proposal recognises the importance of the two partnerships in coordinating effective community regeneration in their areas in response to local needs and builds on the facilities management role of the two partnerships. It also builds on the potential of the partnerships to have better corporate governance standards.

6.3 The working group recognises that the neighbourhood projects may see this as a move to undermine them. However the working group sees it as an opportunity to improve the working relationship between partnership and project which should see improved service delivery in their neighbourhoods.

6.4 This move would also give the council the opportunity to specify levels of service standards for facilities management and community service provision while also ensuring that the two partnerships take the lead on implementing the proposals for improved collaborative working set out in their report; "The final report of the single company feasibility working group", see appendix A

7. Summary

7.1 The cross-party working group has been impressed by the level of commitment to regeneration demonstrated by the five companies and the Stronger Communities Partnership and their achievements to date.

7.2 It was concerned that the single regeneration company proposal did not proceed as proposed but recognised the value in the proposals for improved collaborative working. However, it feels that these proposals alone will not create a more sustainable, stable and coordinated approach to regeneration and instead hopes that its suggestion of putting the neighbourhood project funding through the area regeneration partnerships, while supporting the Stronger Communities Partnership, will help support the evolution of our regeneration approach.

Background Papers

Social and Community Overview and Scrutiny
Committee - 8th June 2006 "Current position of
Regeneration Companies" Information paper

Report Author

Cllr. Peter Allen, Chair of the cross-party working group

Accountability

Cabinet Member Quality of Life

Scrutiny Function

Social and Community Overview and Scrutiny
Committee