



DEBATE PACK

8 September 2015

Regeneration of towns and cities in England

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Initiated by Alison McGovern MP

Matthew Ward

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The House of Commons Library prepares a briefing in hard copy and/or online for most, but not all, non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Summary

The October 2010 White Paper [*Local Growth: Realising Every Place's Potential*](#) set out the Coalition Government's approach to regional regeneration and development in England. The paper argues that a successful regional regeneration should entail "shifting powers away from central government" in favour of local communities.

Many of the paper's specific proposals and initiatives were first mooted in the [Coalition Agreement](#) and the [June 2010 Budget](#), some of which are detailed below.

Local Enterprise Partnerships

The Coalition Agreement outlined plans to replace Regional Development Agencies with Local Enterprise Partnerships (LEPs). From June 2010, businesses and local authorities were invited to form LEPs. The approval of 24 LEPs was announced as part of the 2010 [*Local Growth*](#) White Paper; a further 15 LEPs, including one covering the whole of London, were subsequently approved. A map of LEPs is available on the [Department for Business, Innovation Skills website](#), as is a [list of LEPs by local authority](#).

LEPs are locally owned strategic partnerships of local businesses and civic leaders designed to determine specific local economic priorities and promote growth, employment and infrastructure development. Initially established without any direct government funding, LEPs were collectively awarded £25 million in September 2012 up to 2014/15 and a further £20 million over 2013/14 and 2014/15.

The [June 2013 Spending Review](#) saw the Government ask LEPs to develop multi-year local Strategic Economic Plans, which would then be used for negotiations on 'Growth Deals' with the Government. These deals would see LEPs awarded funding from the Single Local Growth Fund from 2015/16. The budget for the Single Local Growth Fund, set at £2 billion a year, will be drawn from the existing budgets of central government departments.

In March 2014, all 39 LEPs submitted Strategic Economic Plans. In July 2014, the government announced details of funding received by each LEP over the period 2015 - 2021. In January 2015, the government expanded the deals.

For more information see the Library Standard Note [*Local Enterprise Partnerships*](#).

Regional Growth Fund

The Regional Growth Fund (RGF) was announced as part of the 2010 [*Local Growth*](#) White Paper as a fund open to businesses, local authorities and other organisations to bid for financial support to help stimulate private enterprise and create sustainable private sector employment. Recipients must use their funding to secure investment from private sources.

The Department for Business, Innovation and Skills described the original purpose of the RGF as “to help areas and communities at risk of being particularly affected by public spending cuts.” There have been six funding rounds between 2010 and 2015, awarding total funding of £3.5 billion. The fund is scheduled to run until 2017.

The Department for Communities and Local Government have reported that the RGF has created or safeguarded 65,000 jobs in rounds 1 - 4, estimating the cost per net additional job at £52,300.

For further information, see the Library Standard Note [The Regional Growth Fund](#).

Enterprise Zones

In a speech to the Conservative Party spring conference in March 2011, George Osborne announced plans for the creation of Enterprise Zones, to assist “the parts of Britain that had missed out in the last ten years.” The [2011 Budget](#) and accompanying [Plan for Growth](#) announced plans for 24 Enterprise Zones, later increased to 25. These became operational in April 2012. Enterprise Zones are geographically defined areas, hosted by Local Enterprise Partnerships, in which commercial and industrial businesses can receive incentives to set up or expand.

Businesses moving into Enterprise Zones are offered numerous concessions, including a business rate discount of up to 100% over a five year period, exemption from rates on industrial and commercial property and Development Land Tax, a simplified planning regime and capital allowances for plants and machinery. Funded by central government, these incentives are predicted to total £205 million until 2015/16.

The 2015 Budget included proposals to expand six existing Enterprise Zones and establish a further two, one at the Plymouth Naval Dockyard and another in Blackpool.

A map of Enterprise Zones is available on the [Department for Communities and Local Government website](#).

For further information, see the Library Standard Note [Enterprise Zones](#).

City Deals

City deals are bespoke packages of funding and decision-making powers negotiated between central government and local authorities and/or Local Enterprise Partnerships and other local bodies.

Between July 2012 and August 2014, 27 City Deals have been negotiated. The first wave covered the 8 largest English cities outside London; the second wave covered the next 14 largest English cities and their wider areas, as well as the next 6 English cities and areas with the highest population growth between 2001 and 2010.

In a one-off deal in August 2014, Glasgow and the Clyde Valley became the first area outside England to agree a deal. The 2015 Budget included proposals to begin negotiations for the creation of a further 3 City Deals: 2 in Scotland and 1 in Wales.

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For further information, see the Library Standard Note [City Deals](#).

Growth Deals

In July 2013, the Department for Business, Innovation and Skills published the document [Growth Deals Initial Guidance for Local Enterprise Partnerships](#), providing detailed guidance on how LEPs should prepare the preparation of Strategic Economic Plans and details of the timetable for the delivery of funding.

This clarified the function of Growth Deals, stating that Growth Deals will be

A partnership between the Government and Local Enterprise Partnerships, where the Government will respond to the offers made by Local Enterprise Partnerships in pursuit of the shared objective of growth.

In March 2014, all 39 LEPs submitted Strategic Economic Plans for approval. In July 2014, the government announced details of funding secured by each LEP over the period 2015 - 2021. In January 2015, the government expanded the deals, with LEPs securing a further £1 billion in total investment between 2016 and 2021.

For further information, see the Library Standard Note [Growth Deals](#).

2. Press Articles

Financial Times

[Summer Budget: Manchester wins as devolution gathers pace](#)

8 July 2015

Observer

[Is the future now looking brighter for beach towns?](#)

5 July 2015

Daily Telegraph

[Look beyond the cities to revive the North: Regeneration should be achieved by small-scale interventions - and not by witless gestures](#)

21 May 2015

Daily Telegraph

[Handing power back to the nation's great cities will allow new waves of wealth and life to flourish there](#)

18 May 2015

Observer

[Perils of the 'northern powerhouse': is devolution a mixed blessing?](#)

16 May 2015

The Guardian

[Who should be building Britain's homes? Cash-strapped councils are struggling to build enough houses to keep pace with a growing population. But should private developers step in? And what does this mean for communities?](#)

16 April 2015

Financial Times

[Tesco cuts leave communities desperate for alternative projects](#)

12 March 2015

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The Guardian

[Devolution for England, the background debate: Regional councils are having to reinvent what they stand for, and it is not only 5.2m Scots fighting over changes, writes Phillip Inman](#)

7 September 2014

Financial Times

[Coalition's attempts to boost regional growth criticised](#)

16 May 2014

3. Parliamentary Questions

Asked by Chris Ruane: To ask the Secretary of State for Communities and Local Government what plans the Prime Minister has to meet Mary Portas on the issue of regenerating high streets.

Answered by Mark Prisk: I have been asked to reply as the Minister with responsibility for high streets and town centres.

In May 2011, the Government asked Mary Portas to undertake an independent review into the future of the high street. Mary Portas presented her findings to Government in December 2011. The Government issued their formal response to the Portas review in March 2012 and have since been taking action to support the high street. Mary Portas has continued to take an interest in and has generously given her time to support a number of the Portas pilots that were set up in response to her review. I wrote to Mary Portas last month to update her on progress on high streets issues. I have placed a copy of the letter in the Library.

Chris Ruane: To ask the Secretary of State for Communities and Local Government with reference to the Portas review on the future of high streets, published in December 2011, what progress has been made on enabling successful business improvement districts (BIDs) to take on more powers and responsibilities and become Super BIDs. [161624]

Mr Prisk: We have engaged with business improvement district partners and interested groups to discuss the concept of Super BIDs. Many of these are already taking on additional roles reflecting the local issues they face and it was felt there would be little value in meeting national criteria to be a Super BID. However there was strong support for providing help to those who wish to take on more responsibilities in their local areas. We will shortly be implementing new regulations to allow business improvement districts in England to operate across more than one local authority area, consulting on a new model led by property owners, and seeking tenders to operate a £500,000 recyclable loan fund to help proposed new business improvement districts with their start up costs. Business improvement districts policy in Wales is a matter for the Welsh Assembly Government.

HC Deb 1 July 2013 Column 420W

Asked by Chris Ruane: To ask the Secretary of State for Communities and Local Government with reference to the Portas Review on the future of high streets, published in December 2011, what progress has been made on bringing forward legislative proposals to allow landlords to become high street investors by contributing to their local business improvement district.

Answered by Mark Prisk: Business improvement districts are an important tool for growth and this is already recognised by landlords

who are voluntarily contributing to individual projects. In our response to the Portas Review we committed to explore with industry experts how a formal property owner business improvement district scheme may be delivered, within the provisions of the Business Rate Supplement Act 2009. Further to that work in England we are aiming to issue a consultation paper on how a scheme may work shortly. Any legislation implementing a formal property owner business improvement district scheme will be subject to that consultation.

HC Deb 26 Jun 2013 Column 259W

Asked by Steve McCabe: To ask the Secretary of State for Communities and Local Government (1) what steps he has taken to ensure that the High Street Innovation Fund is used to support high streets and not absorbed into local authority budgets; (2) what support his Department provides to local authorities on the best use of High Street Innovation funds; (3) how much of the High Street Innovation Fund has been allocated; and how much of this fund is classified as underspend.

Mr Prisk: The Government are committed to help revive the nation's town centres and as part of their response to the Portas review have given £10 million to 100 local authorities in England to support their efforts to bring empty properties back into use and rejuvenate their high streets. The High Street Innovation Fund was allocated to local authorities with a high number of empty properties and to those affected by the riots. Local authorities were encouraged to use this fund to leverage further financial support and to use a wide range of tools to revitalise their high street, including increasing business rate discounts, simplifying planning rules and working with landlords to support new occupiers.

No central data are collected on the use of the High Street Innovation Fund reflecting the fact that this Government is committed to reducing top-down reporting burdens on local government; we would encourage the spread of best practice, especially at the local government level.

Each of the recipients has also been offered support from the Association of Town and City Management as part of the Government's wider support for the high street and its response to the Portas review of the Future of the High Street.

Manchester city council has spent the fund engaging with businesses, landlords and individuals or organisations wishing to move onto the high street. They are currently focusing on delivering three exemplar projects, each of which is to be supported with £20,000.

Ashfield has used the fund on greater use of "meanwhile use" grants to enable local artists, community groups and charities to take up empty shops, and supporting their local markets and traders.

HC Deb 23 Apr 2013 Column 804W

Asked by Nadine Dorries: To ask the Secretary of State for Communities and Local Government what (a) advice and (b) resources his Department plans to provide to local authorities on the regeneration of town centres.

Answered by Mark Prisk: The National Planning Policy Framework sets out clear guidance to councils about ensuring town centres are at the heart of their communities, and they should pursue policies to support town centre viability. It makes clear that parking charges should not undermine the vitality of town centres, and applies a strong sequential and impact test for unplanned out of centre development.

“Regeneration to enable growth: A toolkit supporting community-led regeneration” was published in January 2012, and describes how we have put local partners in the lead, providing them with a wide toolkit of powers, flexibilities, options and incentives to help them drive the regeneration of their area, strengthen their local economy, and improve their opportunities.

In July, we published “Re-imagining urban spaces to help revitalise our high streets” aimed at anyone working to improve their high street, town centre or retail area. It is full of case studies describing the many different ways in which under-utilised assets can be used imaginatively to support high streets and town centres—increasing high street vitality, attracting footfall and boosting local economies.

In March this year, the High Street Innovation Fund allocated £100,000 to 100 local authorities across England which encouraged a focus on bringing empty shops back into use. Local areas also have the opportunity to apply for the £1 million Future High Street X-Fund that will reward those who have demonstrated the greatest improvement in their high street.

Government published its response to the Portas review of the High Street “High Streets at the heart of our communities” which encourages local authorities to be the leaders on, and drivers of economic growth and high street improvement, highlighting their new powers to introduce and fund local business rates discounts.

The Department for Communities and Local Government is funding 24 Portas pilot town teams with each of them receiving up to £100,000 to implement their plans to improve their local high streets and town centres. We will use the experience of the pilot towns to create a toolkit to support community-led regeneration.

We have recently invited those 392 town teams that were not selected to be Portas pilots to register as town team partners and receive £10,000 each. They will also be provided with advice, and supported by the Association of Town Centre Management.

4. Press Releases

The next regeneration of UK towns and cities

CBI, 20 October 2014

We partnered with [EC Harris](#), a leading global built asset consultancy and CBI member, to identify ways to unlock the regeneration potential of our towns and cities.

We worked with a wide range of CBI members to explore different ways to boost local growth. Our recommendations to government and local leaders are set out in the following two related reports – [Locally Grown](#) and [The Next Regeneration](#).

Our key message

We want to ensure growth reaches all parts of the UK and that means co-ordinated action to rejuvenate our towns and cities. Thriving local communities need good amenities on their doorstep, with decent infrastructure, housing and public services. Most importantly we need to stimulate jobs. For businesses to invest, good transport links and modern office space are a must.

Why not take a look at our [infographic](#) to find out the real cost for local communities if we miss the opportunity to regenerate our high streets.

We support the following efforts to stimulate local growth.

United and strategic local leadership

- Empowered local Leaders must work strategically, looking at the whole of the local economy, beyond short term and parochial interests
- Flexible and joined-up funding to local areas, such as through the Local Growth Fund must be backed over the long-term by political parties
- Local growth initiatives must be co-ordinated, aligned and targeted across the same geographical area

Proactive planning allied with early private sector engagement

- Local authorities should be looking to innovate through merging resources and embedding more commercial strategy in regeneration plans,
- They must follow leading local councils who have already had success with private sector engagement and arm's-length delivery bodies, like the Olympic Delivery Authority
- LEPs must also play a stronger role in ensuring sufficient new homes are built to meet local needs

Reformed business rates and business leadership to support high street rejuvenation

- With 1 in 7 shops in the UK high street lying empty it is important to recognise that shops will play a smaller role in the developing space of town centres
- Planning changes to make it easier to convert shops into homes should be implemented without further delay as well as removing the need for planning consent for temporary seating on high streets
- Business Improvement Districts bringing together local businesses need to be strengthened, evolving into investment bodies that can act as a single strategic organisation to design and implement an area improvement plan
- A cap on rates increases and a year-long rates holiday on long-term empty properties can encourage growth and investment.

Alignment of national and local infrastructure plans

- Local and national schemes must be integrated to ensure maximum impact, local support and the completion of plans
- Local Transport Bodies must back schemes in alignment with the wider growth priorities set out by LEPs

Financing regeneration requires creative new approaches

- Public money must be joined up with private sector investment to back schemes that will generate long term returns as through Urban Development Funds
- Public bodies must free up surplus assets - properties or land - to be used for regeneration
- Strong public sector balance sheets used to underwrite investment from the private sector in key regeneration schemes through innovative tax schemes, such as Tax Increment Financing, TIF, or guaranteeing private investment.

New support to help communities re-energise their high streets

Department for Communities and Local Government, 14 October 2013

A new half a million pound pot launched today (14 October 2013) will help give local businesses a new way to generate extra funds for projects that will help communities to regenerate their own town centres, High Streets Minister Brandon Lewis announced.

So called business improvement districts are a tried and tested town centre catalyst, used in towns and cities across the world, to raise fund for improvements to local trading areas. Their potential to successfully support town centres growth was outlined by Mary Portas in her [review of High Streets](#).

The government is committed to support the business improvement district model for high street regeneration and this £500,000 fund will

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help communities who wish to create a business improvement district overcome prohibitive initial start-up costs.

The new High Streets Minister announced that [British BIDs](#) will run the loan fund scheme while on a visit to the successful Bedford Business Improvement District, where he was attending the third meeting of the Future High Street's Forum. The forum brings together leaders from across local government, retail, property and business to better understand the competition town centres across the country face and to drive forward new ideas and policies.

British BIDs will offer loans of up to £50,000 to communities and business groups with the potential to successfully establish a new business improvement district.

There are currently over 160 business improvement districts across the UK working on issues such as town centre safety, improvement of public realm, support for local traders and parking initiatives.

High Streets Minister Brandon Lewis said:

Local communities and local businesses know what works best in their area and business improvement districts help them to successfully raise the cash they need to re-energise their high street. Having experts like British BIDs manage our £500,000 loan fund will mean the right communities will be able to take advantage of this new support.

This is just one of a wide range of measures the government has put in place to help the high street including doubling the amount small business and shops get in business rate relief so it now totals £900 million; cutting National Insurance and corporation tax; and encouraging local innovation and best practice through a range of projects like our 350 town teams.

We have also changed bureaucratic planning rules to make it easier for empty high street shops to be brought back to life and we are now tackling unpopular parking practices that reduced parking spaces and increased parking charges deterring potential shoppers from coming to town.

Dr Julie Grail, Chief Executive, British BIDs said:

The business improvement district model now has a proven track record in delivering improved management and leadership and, with over 160 business improvement districts currently in operation nationwide, has made a significant contribution to the wider economic performance of many locations.

As the industry grows and becomes ever more complex, the concept and need for a loan fund, in order to facilitate the successful growth of quality business improvement districts in England is well understood.

British BIDs, the voice for business improvement districts in the UK, is delighted to be in a position to deliver this fund, on behalf of the Department for Communities and Local Government, and looks forward to continuing to play a significant role in the future establishment and growth of strong, effective business improvement districts in England.

5. Further Reading

[The retail industry: statistics and policy](#), House of Commons Library Briefing Paper, May 2015

[Business Improvement Districts](#), House of Commons Library Briefing Paper, August 2014

[The Regional Growth Fund](#), House of Commons Library Briefing Paper, March 2015

[Local Enterprise Partnerships](#), House of Commons Library Briefing Paper, March 2015

[Enterprise Zones](#), House of Commons Library Briefing Paper, March 2015

[City Deals](#), House of Commons Library Briefing Paper, March 2015

[Local Growth Deals](#), House of Commons Library Briefing Paper, March 2015

CBI, [The next regeneration: Unlocking local growth](#), September 2013

Department for Communities and Local Government, [The Future of High Streets: Progress since the Portas Review](#), July 2013

CBI, [Locally grown: Unlocking business potential through regeneration](#), June 2013

Department for Communities and Local Government, [Regeneration to enable growth: A toolkit supporting community-led regeneration](#), January 2012

Department for Communities and Local Government, [National Planning Policy Framework](#), March 2012

Lizzie Crowley, Brhmie Balaram and Neil Lee, [People or Place? Urban policy in the age of austerity](#), The Work Foundation, September 2012

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Professor Tony Travers, [Local government's role in promoting economic growth: Removing unnecessary barriers to success](#), London School of Economics, 2012

Mary Portas, [The Portas Review: An independent review into the future of our high streets](#), December 2011

Catherine Durose and James Rees, [The rise and fall of neighbourhood in the new Labour era](#), *Policy and Politics*, vol. 40, no. 1 January 2012

Christopher Cadell, Nicholas Falk and Francesca King, [Regeneration in European Cities](#), Joseph Rowntree Foundation, 2008

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