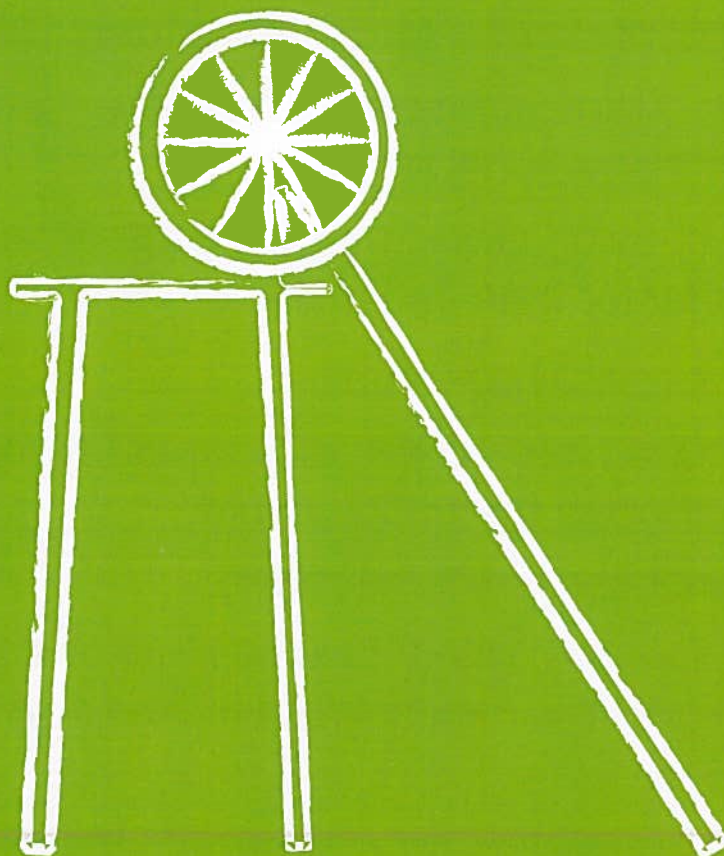


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A mine of opportunities

Local authorities and the
regeneration of the English coalfields



Local government

Summary

December 2008

 **audit**
commission

Summary

England's former coalfields are a story of renewal and growth. National and European funding has supported this transformation, but local councils and their partners also deserve much of the credit.

Regeneration actions have:

- Transformed the physical environment of the coalfields:
 - Levels of derelict land halved from 1993 to 2004.
 - New business premises have been constructed faster than the national rate.
 - Old housing stock is being demolished and new stock built faster than nationally.
- Rebuilt coalfield economies:
 - Since the late 1990s, job growth in the coalfields has outstripped the national rate.
 - Economies have diversified.
 - Employment rates have risen more rapidly, halving the gap with the national rate from 4.6 to 2.3 percentage points.

But there are still problems. The focus on physical and economic regeneration has overlooked people.

- Absolute levels of educational 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 widened and many coalfields remain among the most deprived areas in England.

Jobs have been created but are increasingly being taken by people moving or travelling into coalfield areas, while unemployment persists in local communities.

- Many coalfield residents are jobless and face significant barriers to returning to work. These include health problems, poor skills and lack of motivation. This is no longer restricted to the older generations who were originally affected by pit closures.
- Jobs continue to be created but councils face diminishing returns for their efforts as these jobs are increasingly taken by new people moving or travelling into the area to work.

Summary

- Regeneration policies need to focus on addressing worklessness – by continuing to create jobs, but also by specific action to support unemployed people back into work. This would deliver a double benefit: improving social issues, and reducing local unemployment.

There are important lessons to be learned from the history of coalfield regeneration that should be applied to the coming recession.

- There was a significant period between the initial large-scale pit closures in the 1980s, and the early to mid-1990s, when regenerating coalfields was not a national priority and coalfield areas received little specific help. During these years, benefits dependency grew, and many of the social problems facing these areas today developed and became ingrained. Early action is key as it prevents economic issues translating into deep-seated social problems.

The national economy, national funding and local geography have all influenced what has been achieved in each area. But council action is important and some have done better with the hand they have been dealt than others.

- Outcomes for an area can be clearly linked to policies and strategies of local authorities.
- Those councils that have been most successful have shared a number of characteristics including a willingness to learn from mistakes, to work with others and to listen to their communities. They also have good leadership and a strong vision.
- Successful local authorities work with the right partners and at the appropriate level – for example, sub-regionally on jobs, with local communities on social initiatives.
- They have also worked together nationally to speak as one voice for coalfields. This collective action has been an important influence on the national programmes that support coalfield regeneration.

Summary

Big budget programmes largely funded by national and EU money have characterised coalfield regeneration since the mid-1990s, but it is now entering a new, more testing phase.

- The buoyant national economy that has been a key driver of coalfield growth is moving towards recession.
- Coalfield priorities are shifting towards addressing deep-seated and complex social issues such as worklessness, low educational attainment and health inequalities.
- Funding is likely to reduce. The national programmes that have financed much of the site development and job creation are coming to an end.

Local authorities will be at the centre of the next phase of coalfield regeneration.

- As external funding falls, councils will need to maximise the impact of mainstream budgets to deliver regeneration outcomes.
- Councils' new responsibility for 16-18 education increases their role in tackling skills and worklessness.
- Councils' role as major employers and purchasers of goods and services within local economies will be more important in an economic downturn.

-
- Councils' responsibilities under the Local Area Authority (LAA) framework – to provide leadership, build partnerships and develop local visions – will be crucial in tackling difficult social issues.

Despite the successes to date, the job of regenerating former coalfields is by no means complete. The scale of the remaining issues means that the coalfields will still require some support from national regeneration programmes.

- The task of physically and economically regenerating the coalfields is not finished. Despite their success to date schemes such as the National Coalfields Programme have not completed their work.
- Other remaining challenges such as poor educational attainment and health are difficult to address. A range of government departments will need to focus on these issues.
- There is a question as to whether any future funding needs to be delivered through coalfield-specific programmes. Are coalfields still faced with distinct problems that require individual programmes or are they now faced with similar challenges to those of others trying to regenerate their areas? This question needs to be debated.

Recommendations

National government should:

- ensure that the lessons learned in coalfield regeneration – particularly the need to act quickly after major job losses to ensure that deprivation does not become ingrained – are transferred to other regeneration challenges. 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 and economic regeneration funding allocated through the National Coalfields Programme remains in place so that its final objectives can be met.

Councils should:

- 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 the initiatives that support residents back into work;
- prepare for a new, more testing phase of regeneration in which they should:
 - extract maximum regeneration gains from mainstream budgets;
 - engage in meaningful partnerships with other local service providers;
 - address issues at the appropriate geographical level. For example, jobs at a sub-regional level, health initiatives in the local community;
 - 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; often they are part of a wider local labour market and need to develop appropriate strategies that maximise the benefits for their residents;

Recommendations

- develop a deeper understanding of their local economies and their sub-regional labour markets. Finding the right solutions to issues such as worklessness can depend on a very sophisticated understanding of the causes; and
- consider how well their approach to regeneration compares with the good practice identified in this study.

Local, national government and other stakeholders should:

- debate the nature of the remaining coalfield challenge. Are these areas still beset by distinct issues that require specific coalfield programmes or are the remaining regeneration challenges similar to those faced by other areas?

The Audit Commission will:

- use the lessons from this study to inform the development of Comprehensive Area Assessments.¹

Copies of the full report are available at: www.audit-commission.gov.uk
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