

SCOTTISH URBAN REGENERATION FORUM

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**Devolution and Regional Governance: Tackling the economic needs of
deprived localities**

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Background to study

Focuses on the relationship between two policy agendas:

(1) Devolution of power and responsibilities resulting in different models of devolved governance:

- administrative decentralisation to English regions (case studies of EM, NE & SW)
- mayor and elected assembly: London
- devolved national assembly: Wales
- devolved national parliament: Scotland

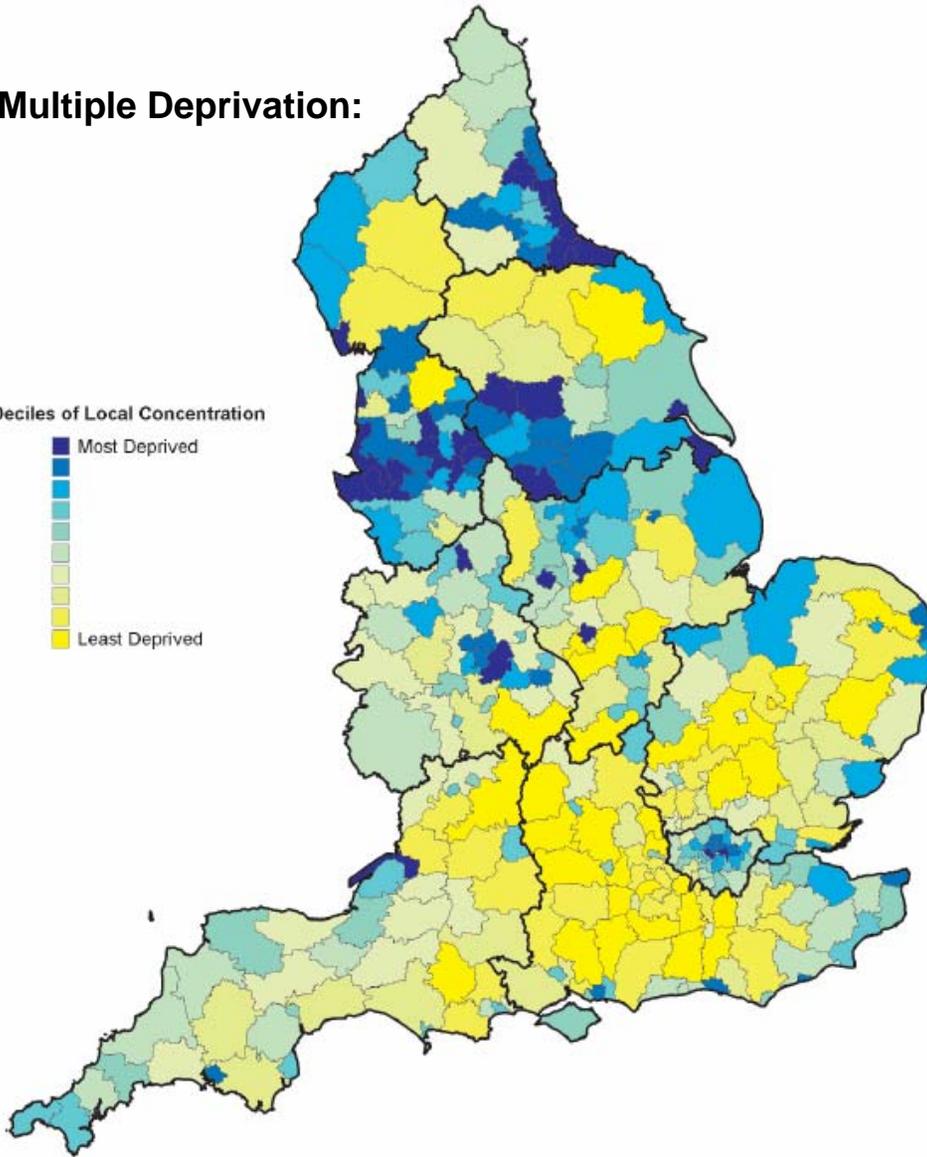
(2) Policies aimed at reducing social/economic exclusion focused on the most deprived localities:

- localised concentrations of deprivation
- integration of economic development and social inclusion
- co-ordination of policies within and across spatial levels
- identifying good practice initiatives in each study area

Map of Index of Multiple Deprivation: England

Deciles of Local Concentration

- Most Deprived
-
-
-
-
-
-
-
-
- Least Deprived



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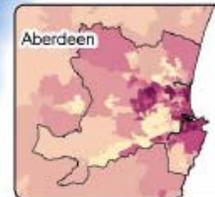
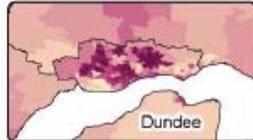
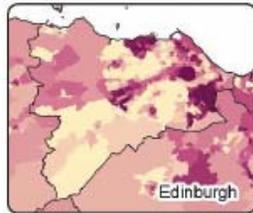
Scale 1: 2 958 000

Table 1: Percentage of SOAs in each region falling into most deprived 20% of SOAs in England

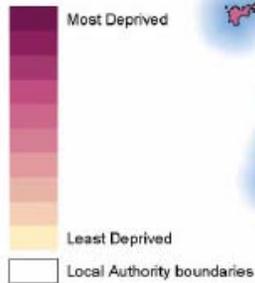
Region	IMD 2004	IMD 2007
East	6.2	6.3
East Midlands	17.6	16.8
London	26.4	28.4
North East	38.1	34.2
North West	32.8	31.8
South East	5.1	6.0
South West	8.6	9.3
West Midlands	26.3	27.3
Yorkshire & Humberside	29.6	27.5

Source: Department for Communities and Local Government

Map of Index of Multiple Deprivation: Scotland



Scottish Index of Multiple Deprivation
2006 (Data zone deciles)



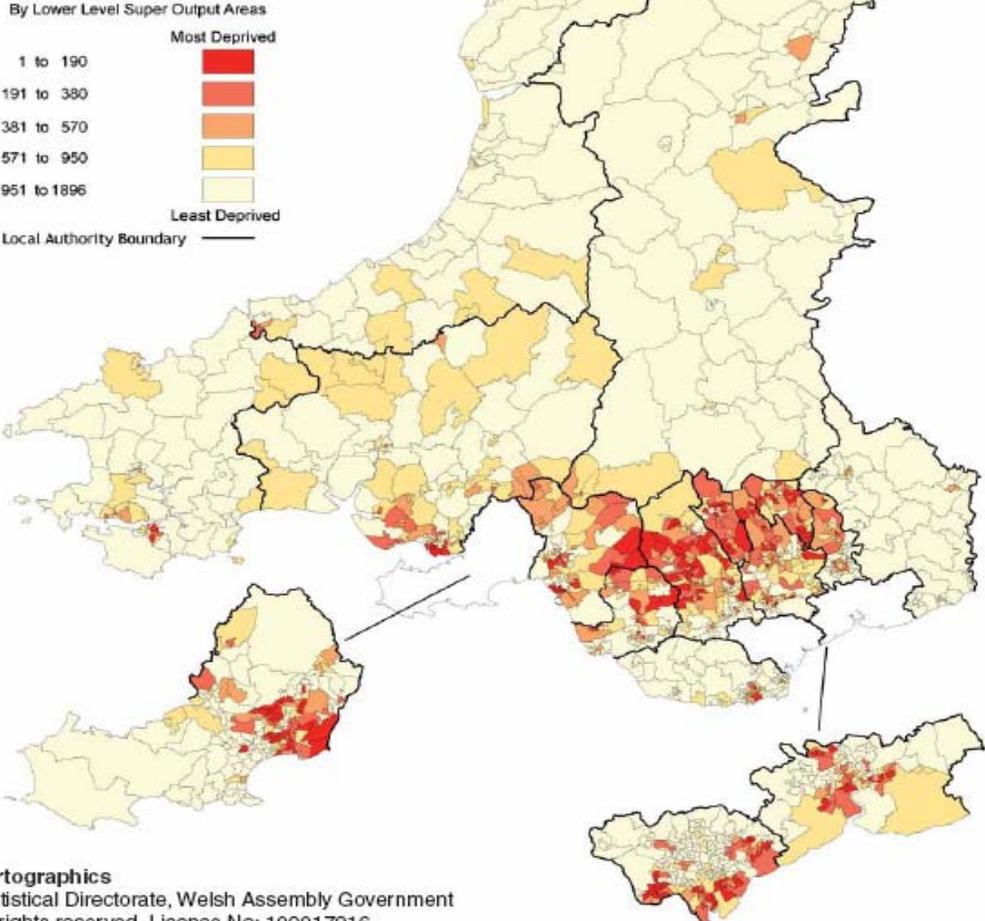
Scottish Index of Deprivation 2006 –
Scottish Executive 2006
Local Authority boundaries – Ordnance Survey 2003
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Table 2: Percentage of data zones in selected local authorities falling into most deprived 15% of data zones in Scotland

Source: Scottish Executive, SIMD, General Report 2006

Local Authority	SIMD 2004	SIMD 2006
Aberdeen	6.7	10.1
Clackmannanshire	15.6	23.4
Dundee City	28.5	29.6
East Ayrshire	18.2	18.2
Edinburgh City	11.1	11.5
Glasgow City	53.9	47.6
Inverclyde	32.7	38.2
North Ayrshire	18.4	18.4
North Lanarkshire	24.6	20.1
Renfrewshire	19.2	16.8
South Lanarkshire	16.6	14.1
West Dumbartonshire	27.1	28.0

Map of Index of Multiple Deprivation: Wales



Cartographics
Statistical Directorate, Welsh Assembly Government
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Key questions

- Is there evidence of linking between the economic growth and social inclusion agendas?
- Has the existence of a regional governance structure in England made a difference?
- Has greater devolution of power made a difference?
- What lessons can be drawn from some 'good practice' initiatives?

Is there evidence of linking between the economic growth and social inclusion agendas?

- In England, earlier regional economic strategies made little attempt to link employment generation and business opportunities to needs of deprived areas
 - 'business friendly' policies to attract and retain private sector investment
 - faith in 'trickle down' processes.
 - RDAs been competing with each other to raise overall economic performance
- “A core element of DTI thinking is that every region should maximise its strengths and address its weaknesses. It's like telling every one in a race to run faster and expecting people at the back to catch up with people at the front. What the DTI is refusing to do is get the people at the front to run slower so that the people at the back can catch up.”*

Is there evidence of linking between the economic growth and social inclusion agendas (cont...) ?

- Scottish Enterprise given a low priority to ‘closing the opportunity gap’ objectives compared to improving national economic performance.
- Highlands and Islands Enterprise achieved closer integration between economic and social development
- The most recent (2006) English RESs give more attention to deprived areas and the need to reduce intra-regional disparities.

“ In focusing on strategic activity to drive up economic participation rates in the region, we must not rely on ‘trickle down’ economics. Rather concerted efforts will be made to link areas of opportunity with areas of disadvantage, and to work with communities to overcome the barriers they face in economic engagement”
(‘Leading the Way’, One NE, 2006)

Is there evidence of linking between the economic growth and social inclusion agendas (cont...) ?

- Most regional economic strategies (also 'Smart Successful Scotland') prioritise creating a 'knowledge economy', based on high skilled, high value added sectors
 - but benefits of this approach less apparent to those managing neighbourhood renewal projects.

- Focus on a number of flagship 'high profile' regeneration projects
 - but the beneficial impacts for nearby deprived neighbourhoods remain unclear.

Example of New and Renewable Energy Centre in Blythe

Is there evidence of linking between the economic growth and social inclusion agendas (cont...) ?

- some evidence of building in social inclusion objectives from the start:

Examples of : 'Linking Opportunity and Need' (LOAN) in Scotland

'Quays to Employment' in Gateshead'

- Tackling worklessness provides the strongest rationale for the integration of economic and social agendas – e.g. 'Workforce Plus' employability strategy in Scotland and DWP's Cities Strategies
 - but many 'entry-level' jobs offer few prospects for developing skills and moving out of poverty.

Is there evidence of linking between the economic growth and social inclusion agendas (cont...) ?

- Integration of economic and social agendas hampered by:
 - different departmental agendas and responsibilities
 - employment and labour market policy not a devolved responsibility
 - lack of integrated strategies
 - enduring nature of social and spatial inequalities resulting from economic restructuring and labour market polarisation

Has the existence of regional governance structures in England made a difference ?

- Role of RDAs been constrained by their limited power, budgets and legitimacy and in some cases by the lack of relationship between regional boundaries and regional economies.
- Regional Government Offices had a key role in terms of the regional administration of the regeneration agenda and a *modus vivendi* has developed between the RDAs and the GOs.
- Regional Assemblies been relatively weak, especially since 'no' vote in North East (and to be abolished by 2010).

Is there evidence of linking between the economic growth and social inclusion agendas (cont...) ?

- Sub-regional level (city region) is the optimum scale for linking the economic development and social inclusion agendas.
 - but governance structures at this level vary greatly in their development and effectiveness.
- Local authorities and Local Strategic Partnerships had a weak economic development role (although 'sub-national review' proposes giving local authorities a greater role).

Has greater devolution of power made a difference?

- Some evidence of greater strategic focus on needs of deprived areas and populations reflecting:
 - the electoral process giving legitimacy and accountability
 - leadership and agenda setting capacity
 - left of centre political orientation
 - ability to lobby for more powers ('evolutionary regionalism / nationalism')

Has greater devolution of power made a difference (cont...)?

- In London:

- Mayor's strategies address economic and social inclusion as a major priority, aiming to link regeneration areas to opportunity areas.

- Mayor successfully argued for more powers relating to learning and skills, housing, and planning.

- In Wales:

- Welsh Assembly Government brought economic development quangos directly under its control

- Communities First regeneration programme seeks to involve communities in shaping the regeneration of most deprived localities

- but recent evaluation concluded “CF is still a long way from producing the regeneration outcomes that were and are still its main aims”

Has greater devolution of power made a difference (cont...)?

- In Scotland:

- Creation of Communities Scotland, involving the targeting of resources at most deprived communities (though its future now uncertain)

- Regeneration Outcome Agreements & the Community Regeneration Fund

- People and Place: Regeneration Policy Statement

What lessons can be drawn from some good practice initiatives?

Case studies:

- Acumen Community Enterprise Trust (North East)
- Camborne, Pool and Redruth (CPR) Works (South West)
- Local Alchemy (East Midlands)
- Brent into Work (London)
- South Lanarkshire Routes to Inclusion (Scotland)
- Want to Work (Wales)

What lessons can be drawn from some good practice initiatives (cont...)?

- Local/regional traditions of partnership working within and across spatial levels
- Clarity over roles and responsibilities
- Leadership & strong commitment from key stakeholders
- Need for long-term funding commitment to enable sustainability

What lessons can be drawn from some good practice initiatives (cont...)?

- Need for balanced approach i.e. integrate demand and supply sides
- Involvement of employers
- Importance of VCS organisations in engagement and delivery

Some final thoughts

- Case studies show that effective and coordinated interventions linking deprived areas to wider economic development processes are possible, despite limitations of governance arrangements.
- Greater empowerment of sub-national bodies to achieve local flexibility and sensitivity to differences in socio-economic contexts.
- Importance of active engagement of stakeholders, not least employers and the voluntary and community sector