

# Regeneration of urban industry

John Holmes

I HAVE had the privilege of being involved in the regeneration industry for some 25 years holding executive and board positions in public and private sector organisations in Yorkshire and the North East and being in regular contact with practitioners in other parts of the country.

As the Government continues to make dramatic changes which impact on an industry that has achieved so much in post industrial Britain, it is timely to reflect on the effectiveness of regeneration models, business engagement and delivery, good practice and local accountability.

As former CEO of Hull's economic development agency I led a well-respected delivery organisation working closely with partners on behalf of Yorkshire Forward, the HCA and the City Council across the city including Gateway Housing Renewal company, Hull BSF, Hull Citycare, in addition to various city and sub regional partner organisations, the NHS, University and FE College and a wide range of private sector partners.

In addition to physical delivery, the World Trade Centre Hull & Humber was established, the highly successful City Bondholder scheme developed further and substantial progress made in developing private sector-led partnerships in growth sector areas of healthcare, renewables, and marine-related activities at a time when maximising transferable skill opportunities was crucial as indigenous industries were badly affected by

the recession.

While certain delivery functions have been absorbed into the city council, time will tell how these changes impact on the city's ability to attract investment by not having a dedicated and focused specialist organisation with effective relationships with private sector partners.

So what about the new economic landscape which includes Local Enterprise Partnerships (LEPs) and the Regional Growth Fund (RGF) created following the announcement to wind up the regional development agencies (RDAs).

The invitations to bid led to a frenzy of activity resulting in the creation of 36 LEPs and RGF being many times oversubscribed. Whilst there is no automatic right of passage to RGF, the presence of a LEP will provide an opportunity to communicate effectively with cities and sub regions in the absence of regional structures.

Not surprisingly at a time of severely reduced resources, the Government has opted for the agglomeration impact of local authorities working together as seen in Manchester, Leeds, and Sheffield, where engagement with businesses has been demonstrated with effective governance arrangements. In other locations much work is still required to demonstrate alliances, particularly at a time of severe cuts to budgets, and to convince businesses of the merits of engagement.

The substantial budgetary pressures faced by councils will see a different approach to physical regeneration and asset management being adopted. If the Government expects the



AT THE HELM John Holmes, director of Urban Matters Ltd,



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Localism Bill to be taken seriously, it needs to demonstrate more delegation to properly resourced local partnerships, particularly in areas such as Tax Increment Funding.

There has been much 'finger wagging' by the Government on 'Big Society' whereas the reality is that the North East in particular has been at the forefront of CSR and Community Partnership for many years by award winning organisations such as the Meadowell Community Trust in North Tyneside, the Northern Rock Trust, the Acumen Trust and the SAFC Foundation.

There has been much reported about the effectiveness of RDAs nationally and ministers have questioned their effectiveness in closing the North/South GVA gap. It is clear that northern RDAs have helped diversify economies, demonstrated real added value and driven forward several innovative programmes in new areas of technology in partnership with business, universities and colleges. Their demise will lead to the dissemination and loss of vital knowledge and impetus and English regions being financially disadvantaged in receiving significantly lower investment budgets at a time when Northern Ireland, Scotland and Wales enjoy even greater financial independence.

The jury may still be out on the merits of LEPs and the effectiveness and adequacy of the RGF at a time of considerable uncertainty when many parts of the regeneration industry have been dismantled with expertise and knowledge dissipated.

Whilst the resources of the LEPs will be nothing like the RDA budgets and only some have demonstrated real engagement with the business community, the region should wholeheartedly get behind Paul Woolston and the board of the North East LEP (supported by the Chamber of Commerce and the CBI). Public sector partners need to show real political maturity and support in working with private sector partners in demonstrating to developers, investors and entrepreneurs that the North East is a welcoming place to visit, live and do business

and the significant achievements of the Passionate People, Passionate Places campaign are not lost.

In moving away from regional strategies, there is a risk that perceived decentralisation will result in organisations competing in similar sectors which would be confusing and counterproductive in attracting inward investment and international engagement. However this in itself may enable the private sector to have more of a voice in setting strategic priorities. There is however evidence of LEPs collaborating rather than competing as can be seen in Yorkshire and as ever Manchester remains at the vanguard of strong civic leadership and local authority collaboration which not surprisingly demonstrates real engagement and success in attracting private sector investment and economic sustainability.

The UDC model of the 80s and 90s gave substantial powers and budgetary independence to private sector led organisations and particularly where local engagement was effective as was the case with Tyne & Wear Development Corporation, the results have been evident for a generation and succeeded in delivering truly sustainable regeneration.

The strategy of any sustainable community needs to demonstrate to residents and investors alike that it is earning, learning, healthy and safe.

While the Government has many competing budgetary pressures, it would be tragic to see the UK lose its position as a world leader in regeneration as a result of underinvestment and pursuing short-term strategies contrary to the very nature of holistic regeneration.

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