



All Party Urban Development Group

promoting sustainable development and urban renewal

Inquiry 5:

REGENERATION:

Delivering city jobs

Autumn 2008

Written evidence

All Party Urban Development Group

The All Party Parliamentary Urban Development Group (UDG) is a dynamic non-partisan Parliamentary body of MPs and Peers committed to progressing urban renewal and sustainable development in the UK.

The group was formed to raise the profile and understanding within Parliament of the urban regeneration process and the role that can be played by the private sector, particularly the property investment community.

The group's remit is to take a holistic approach in the examination of all the constituent elements that bring about truly sustainable communities, and to review policies that will increase the quality and pace of urban renewal and sustainable development nationally.

Current membership

Clive Betts MP (*Labour, Sheffield Attercliffe*) (Chair)

Rt Hon Nick Raynsford MP (*Labour, Greenwich and Woolwich*) (Hon Chair)

Lord (Richard) Best (*Crossbench, Life peer*) (Vice chair)

Robert Syms MP (*Conservative, Poole*)

Publications

The reports and evidence of the Group are published and available on the internet at www.allparty-urbandevelopment.org.uk.

Staff

The British Property Federation has been formally registered by the Office of the Parliamentary Commissioner for Standards to provide secretariat services for the Group in partnership with the Centre for Cities, the independent research unit carrying out the Group's research.

Contacts

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All Party Urban Development Group

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WRITTEN EVIDENCE SUBMITTED BY ACCESSIBLE RETAIL:

Accessible Retail has submitted the following report, which was prepared in partnership with Business in the Community (BITC) and King Sturge:

'The contribution of the retail sector to the economy, employment and regeneration'

The full report can be found here:

About Accessible Retail:

Accessible Retail (AR) represents owners, investors and retailers in the out-of-centre retail sector. This sector comprises a significant part of the retail and commercial property industries in the UK with AR members having major commitments in out-of-centre retail parks and warehouses. Members also have major holdings in town centres and have an interest in ensuring that both locations prosper alongside each other including helping to reduce social exclusion and secure regeneration in deprived urban areas.

AR has made increasing understanding and awareness of the economic, competitive and social benefits of retail employment a key priority together with building a working relationship with Parliament, Government, Local Authorities and other potential partners to try and ensure policy frameworks and advice incorporate and facilitate the exploitation of these benefits.

Summary of research:

To support this work, AR commissions research from leading independent research houses. The most recent of these, looks at retail employment and regeneration. It examines whether the prevalent view that retailing is not a source of 'good' jobs coupled with a failure to recognise that in disadvantaged communities there is untapped labour capable of filling these jobs, results in opportunities being missed to promote regeneration projects with real impact on reducing social exclusion.

Undertaken in partnership with Business in the Community (the Underserved Markets Group), the research consists of three complementary surveys. Ipsos MORI looked at the attitudes and experiences of some 4000 adults over 15 years old to retail employment; Experian measured the contribution of retailing to the economy and employment including in the most deprived communities in the country; and third, a number of case studies were examined.

The findings of the Ipsos MORI survey are surprising. It reveals that, contrary to the negative view referred to earlier, the vast majority of people in the UK think that retailing has a positive impact on their communities. For many individuals who worked in the industry (nearly half of adults at some point in their life), it made an important contribution to developing their skills and employability. Working in the industry was thought to be particularly advantageous for family commitments, providing much needed flexibility to cope with children and other dependent family members. These results echo the findings of other recent reports which have begun to explode some of the myths about retail jobs.

The Experian research is similarly revealing. Retailing is the third largest employment sector in the UK economy (some 3 million jobs), with 16% of all new jobs created in the last 20 years provided in the industry (especially in areas where there has been a loss of manufacturing). The industry accounts for a disproportionately high number of the small businesses in the UK (13% or 240,000 firms). In terms of combating social exclusion, it scores highly as well. In the most deprived areas, it accounts for 1.1 million jobs or 10% of the workforce. Of the industry's 3 million employees, the majority are women (1.89 million) and the majority (1.75 million) are employed part-time of which 1.3 million are women. Some 95% of the part-time jobs are permanent and a higher percentage of retail employees compared with employment generally are educated to NVQ3, exploding two further myths.

The case studies, drawn from Leeds, Sheffield, Birmingham and Bolton underline these findings with practical examples of how retailing and training have addressed the 'welfare to work' agenda taking people off the long term unemployment register.

In summary, the surveys commissioned by AR show that in virtually every key social policy area, retail is a positive force engaged in bringing lasting benefits to individuals and their communities. Their findings need consideration by policy makers in all areas concerned with reducing social exclusion, improving economic performance and achieving regeneration.

WRITTEN EVIDENCE SUBMITTED BY ASDA STORES LTD:

1) Overall: can big physical regeneration projects help inner-city residents to get back to work and improve their life chances? Should this be one the key objective of property led regeneration? What lessons can be learned from previous projects, e.g. the Bullring in Birmingham or the Millennium Dome in Greenwich.

Large scale inner city regeneration projects can deliver jobs, investment and prosperity to communities if they are properly linked into local areas. It is important that regeneration projects have the support of inner city communities. They should not be seen as 'top down' projects, imposed upon communities, but rather 'bottom up' - plugged into communities and reflective of their needs. To this end it is important local people have an active input into projects from the very beginning of the process. It is also important that regeneration developments, where possible, include facilities that are of benefit to the community.

Creating employment should be one of the major objectives of regeneration projects. At ASDA we have undertaken a number of large scale regeneration projects in inner city areas. In our experience projects that are developed in partnership with local communities can be very beneficial to those communities – creating jobs, promoting investment and helping to regenerate urban areas. Our Breck Road store in Liverpool is a prime example of where we have helped to regenerate an inner city area and provided job opportunities for local people. The Breck Road store was constructed on a brown field inner city site in the Everton ward of Liverpool. ASDA worked closely with the local community, Jobcentre Plus and Liverpool City Council to ensure that employment opportunities were targeted at local people. Over 3,000 local people applied for positions at the store. Of the 277 Colleagues employed, 75% of those were previously unemployed and over 60% were long term unemployed. At our new Eco-store in Bootle, our regeneration of a brown field site has created 350 new jobs. Over 5,000 applications were received for the positions. ASDA worked closely with Sefton Council in assessing applications forms and providing training in food hygiene, customer service, first aid and retail skills for applicants. ASDA is also one of the largest recruiters of Remploy candidates, since 2001 ASDA has recruited over 700 colleagues through Remploy.

It is also important that local communities have a voice on the management boards of large scale redevelopments – so they are linked into inner city communities. This, in our experience, can be achieved by working with local community groups and representatives. At our Parkhead store in Glasgow our General Store Manager, George Robertson, sits on the Parkhead Forge Shopping Centre Board. The board is a management forum that brings together community representatives, Councillors, local businesses and the Police to help enhance and manage the area. Over the last four years the Parkhead store has raised over £100,000 in aid of the charity Cash for Kids – an organisation that helps underprivileged children. The store also organised a bingo day for local elderly residents and have provided day care facilities for local working parents during the school holidays.

2) Meeting employer demand: how can developers, contractors and local training providers work together better to ensure that city residents have the skills to work on major regeneration projects – prior to, during, and following on from development?

Early co-operation between developers and services, such as Jobcentre plus, is vitally important both before and during the planning process. Sometimes there can

be a reluctance from training providers to engage with developers before planning permission is granted and this is something that needs to be addressed. It is also important that training is tailored to the area and the skill set of the community where a new development is being proposed. ASDA, as an organisation, has signed up to the Local Employment Partnership programme and undertakes training of applicants in conjunction with Council employment providers. The supply chain generated during developments can also be very powerful – with many opportunities for local employment. At ASDA we use regional contractors across our UK development sites, this is vital in ensuring local communities benefit from supply chain opportunities.

3) Public sector projects: what more could be done to boost the jobs legacy of big public-sector development projects – such as Building Schools for the Future, NHS LIFT, and others?

N/A

4) Incentives: should Government or individual cities, consider fiscal incentives for regeneration investors who get local residents into jobs for the long term? What form would these incentives take?

There needs to be a wider recognition from both local and central government of the positive impact of regeneration projects. Urban regeneration projects bring direct and indirect employment, act as a catalyst for wider regeneration, input wealth into local communities and provide local tax revenue.

Large scale regeneration projects often fail or succeed on the returns they can provide investors over the longer term. Proposals for a Community Infrastructure Levy (CIL) in addition to existing S106 agreements, Empty Property Rates and proposals for a Supplementary Business Rate all impact on the viability of large scale developments. It is important that government assess these impacts in relation to the delivery of regeneration projects. It is already the policy of ASDA to recruit locally and fiscal incentives in this regard would not be appropriate. Scrutiny should be given to ensuring that government create an environment where commercial regeneration schemes are encouraged.

5) Apprenticeships: can regeneration be harnessed to increase the overall number of apprenticeships in cities? And could specially targeted ‘regeneration apprenticeships’ help cities boost employment?

Linking apprenticeships to the employment opportunities to be created by developments is a positive idea. Organisations such as Jobcentre Plus and other training providers need to engage with employers to ensure training is tailored to the jobs that are to be created. To an extent this is already occurring organically with companies such as ASDA already working with training providers to target and train potential Colleagues.

6) Training: in big cities, should developers, contractors and post-regeneration employers have a bigger say over how training is funded and delivered? How?

Developers should certainly have a say in how funding is spent. It is important that training is focussed on developing the skills necessary for the jobs to be created by the development. A joined up approach, between all parties, is required so funding is targeted where it is most effective in delivering employment and regeneration to inner city communities.

WRITTEN EVIDENCE SUBMITTED BY ASSET SKILLS:

Introduction:

Asset Skills is pleased to contribute to the shaping of future private sector co-operation with public agencies to enhance training and job opportunities for inner city residents.

As the Sector Skills Council for property, housing, facilities management and cleaning and support services we have a commitment to enhancing job opportunities and training in key areas of urban development.

As the lead Sector Skills Council for the promotion of adult literacy and numeracy as well as employability we also have a long-term commitment to improving the training and job opportunities for inner city residents. There are major strands of housing activity which are devoted to regeneration and community engagement and we see this work as a key part of our role.

Before addressing the key questions you set, we would like draw your attention to a number of skill related programmes the Alliance of Sector Skills Councils have developed which are of direct relevance to the issues being raised.

Asset Skills, Construction Skills and Summit Skills in conjunction with Constructing Excellence have developed a Skills Matrix for Sustainability in the built environment (attached to this submission) which identifies detailed functions that each partner in major projects should address in relation to urban regeneration. The matrix is designed to inform not only individual contractor practice but also the skills and professional training of all participants in the process. We recommend the matrix to you as a good starting point for future development activity.

In particular the matrix has key social components and related functional areas which could help provide a framework for future work:

1. Optimising opportunities and social benefits
 - creating useable public and private space to deliver successful communities
 - improving the health, wellbeing, accessibility and security of communities
 - enhancing employment and skills development opportunities for the local community
2. Promoting sustainable communities through planning and design
 - meeting the requirements of local, regional and national development and regeneration strategies
 - ensuring the appropriateness of the development to the needs of the community including multiple use and adaptability
- 3 Engaging stakeholders
 - consulting with the public authorities, general public and other stakeholders, including end users and responding accordingly
 - involving and managing expectations of stakeholders in the development process from concept to commissioning
 - consulting and managing expectations of stakeholders on changes to ongoing use and operation

A second key initiative directly related to improvements in inner city employment prospects involves the creation of Sector Employability Toolkits aimed at the long term unemployed which provide support to them to obtain sustainable employment in elementary job roles across a wide range of occupational areas. Programmes have been developed in a range of sectors including construction, cleaning, security, retail, health, clothing and transport.

This takes a demand led approach engaging employers in the design of training and work trials which looks at the employability skills required in each sector. This is linked to a 2 week training programme which develops a broad range of literacy, numeracy, employability and technical skills followed by a 3 week trial period with employers. We believe that such highly structured supportive programmes could be rolled out in inner city areas to great effect.

Finally, we would point to the crucial importance of employability skills in creating sustainable job opportunities. Asset Skills has lead on a project to identify a set of generic employability skills derived directly from employer input. This employability matrix can then be used to inform training programmes and careers and guidance information aimed at developing the skills most likely to secure employment. A copy of the employability matrix is attached to this submission.

We believe that the active promotion of these three initiatives would achieve much in extending opportunities for employment and developing autonomous community based learning and development.

Main body of evidence:

1. Overall: can big physical regeneration projects help inner-city residents to get back to work and improve their life chances? Should this be one of the key objectives of property-led regeneration? What lessons can be learned from previous projects – e.g. the Bullring in Birmingham or the Millennium Dome in Greenwich?

Such projects can help individuals get back to work but only if certain conditions prevail. Firstly contractors must either have, or be encouraged to have, a clear policy of recruiting from the local labour market for appropriate types of jobs via local advertising and use of local employment services.

However, this pre-supposes a pool of people with the necessary skills ready for employment. There is substantial evidence from the current work on the Olympics skills initiatives in the 5 London boroughs to suggest that such a skill base is very hard to achieve in even the medium term. Employers cannot be expected to employ local residents based on locality alone and there will inevitably be specialised and highly technical skill areas that will be sourced from outside the immediate area.

Many of those not in employment have literacy and numeracy needs that require substantial investment over time before they are ready to join the labour market. This applies to elementary job roles where both the technical skills and the employability skills of individuals need to be developed over time. The Sector Employability Toolkits and the employability matrix outlined in the introduction to this response could be key components in ensuring local residents get maximum employment opportunities from major projects.

A key precursor to such activity is to have an accurate audit of the extent and nature of the local skills base and the education and training needs of the population to raise them to a realistic employability level.

2. Meeting employer demand: how can developers, contractors and local training providers work together better to ensure that city residents have the skills to work on major regeneration projects – prior to, during, and following on from development?

To make this a key objective of property-led regeneration we will need to develop a clear understanding and commitment from both the private and public sector as to roles and responsibilities. The public sector and local agencies should concentrate on creating an infrastructure of underpinning skill development (literacy, numeracy, ESOL, ICT and employability) to ensure that potential recruits have the necessary skills to benefit from employer led training. Through this type of preparation, the local community will become an attractive resource for contractors. To expect contractors to take on the role of primary provider of such basic skills training is unreasonable. In such cases there will always be a tendency to “bus in” an already trained workforce from elsewhere.

The model provided by the Sector Skills Councils for the built environment is to create a Skills Academy centred around each major project and develop the skill base on-site. This is more likely to result in local communities gaining direct training support. Such an approach also ensures that the skills’ training is focused around the immediate project.

However, the earlier caveat about the need for a minimum skills base remains. Nor should the time needed to develop full occupational competence be underestimated. Such “local” Skills Academies rather than a single national entity may also assist in the legacy work whereby skills development centres may remain after the life of the project.

Another model for such collaborative can be found in the creation of a central learning and employment “hub” such as that based around Birmingham’s new hospital. This is a drop in centre for local residents and anyone already contracted to the project. The hub itself was constructed by a local contractor and includes, offices, teaching rooms a conference facility and an IT suite.

The hub provides a base from which the developers, training providers and contractors can work together with the local residents to ensure that they are aware of vacancies during the regeneration and after its completion. Any additional training is offered to those seeking work so they are work ready on completion including health and safety and the development of basic skills. Work experience will also be provided in the hub for 14-16 year olds

Apprenticeships are being offered to those working on the construction for 16-19 year olds and adult apprentices both through contractor based and programme led apprenticeships. There are also day release professional trainees on site as well as placements from local universities.

Although in its early stages of development, local residents are being offered work and training before contractors consider employing from outside the area. By identifying job opportunities and liaising with Jobcentre Plus more than 50 jobs have already been found.

3. Public sector projects: what more could be done to boost the jobs legacy of big public-sector development projects – such as Building Schools for the Future, NHS LIFT, and others?

There is a need to differentiate between different types of legacy opportunities. There are certain jobs that will remain as an inherent part of the end product of the project. This is particularly so in Asset Skills' footprint where facilities management, cleaning and support services and local environmental services remain a permanent feature during the life cycle of the project. It will be more difficult to guarantee a long term skills legacy where the skills base lies in the initial construction of the buildings and the creation of key utilities.

A further key legacy relates back to the need to boost the basic skill base of the local community in terms of literacy, numeracy and employability. Once these training facilities are created then they will form the basis of all future basic skills work for the local population. The Sector Employability Toolkit programme is a case in point as this would remain a permanent employment related training offer for the local community.

4. Incentives: should Government, or individual cities, consider fiscal incentives for regeneration investors who get local residents into jobs for the long term? What form would these incentives take?

Fiscal incentives can have an impact on recruitment but contractors will have been given very tight performance and quality criteria to meet. This means that the skills that the local community can offer and the level of their commitment to the work will outweigh the advantage of any subsidy. One major support would be to dedicate a training and development fund as part of each major regeneration project which could be accessed by contractors for specific training linked to local residents.

Many contractors have already shown their commitment to supporting the local community and engaging with stakeholders to maximize recruitment from local residents. Some form of recognition of this commitment, whether financial or otherwise would be welcomed. One option would be to create a Recognition Scheme equivalent to the Considerate Contractor programme but linked to skills development and recruitment.

It would also be helpful to provide financial support for the additional training input that is needed to develop local residents in terms of salaries for instructors, cost of materials and equipment and related costs. Subsidising the cost of maintaining a skills centre after the development work is completed would assist in the legacy impact of big projects. There could also be contractual "bonuses" for achieving certain levels of recruitment from the local community.

5. Apprenticeships: can regeneration be harnessed to increase the overall number of apprenticeships in cities? And could specially targeted 'regeneration apprenticeships' help cities boost employment?

The concept of recruiting apprentices from the local community should be encouraged and is already part of the culture in the housing sector. Much will depend upon the life cycle of major projects given the substantial period of time needed to achieve an apprenticeship and the level of employer support needed. Where apprentices are taken on by local employers contracted to deliver part of the project, then the commitment to continue that support remains with them. Where the apprentice is taken on by a major contractor who will move on to other projects than

this could be problematic. Programme based apprenticeships may be the best way of creating sustainable apprenticeships in the local community.

The concept of a dedicated “regeneration apprenticeship” is not favoured as it would be difficult to see how they could or should differ from other routes of entry. The apprenticeship must ensure that a full Level 2 or 3 N/SVQ is obtained, that a Technical Certificate captures the underpinning knowledge and skills and that employment rights and responsibilities are fully understood. There are already alternative routes for different client groups to entry to apprenticeships but the content remains broadly the same. The best solution may be to ensure there are effective transfer arrangements whereby the apprentice is guaranteed the opportunity to complete the apprenticeship through local provision should they be unable to do so during the lifetime of the project,

6. Training: in big cities, should developers, contractors and post-regeneration employers have a bigger say over how training is funded and delivered? How?

There are opportunities for employers to be represented on existing national, regional and local funding bodies. Employers frequently complain of rigidities in the national system of funding, in particular the vagaries of eligibility criteria. This is particularly true of funding for Level 2 and 3 full qualifications which is often denied because the beneficiary already possesses a qualification at the same level although not relevant to their current job role. Employers should be given more opportunity to influence funding regimes in order to ensure that smaller components of awards can be funded discretely as this will better reflect the training needs of their staff. This is a systemic issue than one directly related to specific regeneration projects.

A tripartite compact between contractors, training providers and the local residents is at the heart of future success in this area.

WRITTEN EVIDENCE SUBMITTED BY BUSINESS IN THE COMMUNITY (BITC):

1.0 Introduction

Business in the Community welcomes the opportunity to contribute to the All Party Urban Development Group Inquiry regarding the contribution that the private sector can make to the sustainable social impacts of regeneration. Business in the Community's Regeneration Staff Team focuses on this very issue and aims to help its members maximise the positive benefits to communities that regeneration can bring.

2.0 Context

2.1 About Business in the Community

Business in the Community is a business-led national charity (number 297716) dedicated to mobilising business for good. With more than 850 companies in membership, it represents 1 in 5 of the UK private sector workforce and convenes a network of global partners. It inspires, engages, supports and challenges companies on responsible business, working through four areas: Marketplace, Workplace, Environment and Community.

2.2 Business Leadership

The work of Business in the Community is business driven with each strand of work led by a group of senior business leaders. The regeneration work at Business in the Community is led by the Business Action on Economic Renewal (BAER) Team and chaired by Sir Stuart Hampson, former Chairman of John Lewis Partnership. The remit of the leadership team is to campaign for business action that builds healthy, wealthy, inclusive local economies and that tackles pressing social issues in a sustainable way. It works to maximise the value of investment, enterprise and employment opportunities to local communities, thereby increasing social equity and cohesion. The BAER Vision is that all cities and towns will have a growing number of businesses contributing to the health and wealth of their communities by employing locally, supporting local enterprise and tackling relevant social issues. More information about this team including its membership is included in Appendix 1.

2.3 The Under-served Markets Project

The Under-served Markets project reports to the BAER leadership team. The project is chaired by Ian Coull, Chief Executive of Segro plc. The Under-served Markets project was launched in 2002 by the then ODPM and Business in the Community with the core aim of promoting and securing private sector investment in deprived areas. The project is building on practical experience from the United States and the UK, as well as research commissioned by CLG and British Retail Consortium which recognises that commercial success for private sector investors can exist alongside wider regeneration goals.¹

¹ 'Changing Practices: A good practice guide for businesses locating in deprived areas', NRU / ODPM / BRC (June 2003).

The project is predicated upon the belief that retail investment in deprived areas can be commercially successful for the private sector seeking to open up new markets in under-served areas whilst concurrently providing new opportunities for local communities. As a result of private investment, levels of economic activity can be improved; access to products and services and employment and training increased; and the quality of the built environment enhanced; all of which combined can attract additional investment into the community.

The initial stages of the project have identified both the problems and how some of these might be tackled, from the decision-making processes of the private sector to the public policy framework within which they operate. In early 2007, a consortium of GHK Consulting, GVA Grimley and University of Cardiff were commissioned by CLG to undertake a three year evaluation of the impact and effectiveness of the Under-served Markets Programme. The evaluation process is being managed by Business in the Community and has just completed its first year.

The project has also found that planning policy can greatly enhance employment opportunities. In order to increase opportunities for inner-city residents, Planning Policy Statement 6: Planning for Town Centres (PPS6) – which provides policy guidance to investors and local authorities on projects - should have greater emphasis on encouraging requiring specific regeneration strategies to support employment and training (see appendix 2).

3.0 Overall: can big physical regeneration projects help inner-city residents to get back to work and improve their life chances.

Physical regeneration projects should always have people and place-making at their core. The public sector sees this sort of large-scale programme as the key to unlocking economic opportunities for disadvantaged residents however too often this is narrowly focused on construction jobs in the development and construction phase rather than the more sustainable opportunities that will be afforded by new tenant retailers and service industry occupants who trade there in the long term.

If a physical regeneration project takes place and the indigenous population is no better off then the project should be deemed to have failed c.f. Canary Wharf in Tower Hamlets which is still one of the most deprived London boroughs in spite of having had a wealthy financial services industry transplanted in its midst 20 years ago. An improvement in the physical environment alone is not sufficient justification for public sector investment in a physical regeneration programme.

Business in the Community has recently established the Property Developers' Forum for our relevant member companies. One of the two key issues highlighted by this group was their ambition to make sure that the social impacts of their developments were maximised. We are therefore working with this group of developers to define what an appropriate social impact plan looks like and how they might measure it.

4.0 Meeting employer demand

Business in the Community has shown that business has a larger role to play in regeneration projects than traditionally has been the case. Business should be taking an active part in devising the strategic direction of the regeneration programme including defining and delivering the social impacts.

Through the work of the Under-served Markets programme we have learned that in the UK the barriers to investment in deprived areas are not always down to a business reluctance to invest. Sometimes it is the reluctance of the public sector to allow investment where they feel there is a risk of displacement from other centres or where they do not rate the value of the jobs that the investment will bring. This is particularly the case in retail-led regeneration.

Retail-led regeneration can provide a reconnection to economic opportunity leveraging in direct employment and additional investment. As part of a wider regeneration strategy, it can also help lever additional or improved housing, support for leisure and community centres or other multiplier effect benefits.

Retailing can play a big part in ensuring long term benefits of training and job opportunities for inner-city residents:

- Retail employment has significant value in deprived areas where education and skills levels are often poor: many areas of retail require few skills or formal qualifications, offer flexible hours and have a high demand for workers.
- Retail employment is ideal for both young and old, carers, people who need to work flexibly and those returning to the workforce after prolonged economic inactivity.
- Retail has the ability to be a stepping stone to wider opportunities. While the retail industry as a whole employs 11% of the UK workforce, 43% of the adult population have worked in retail at some point in their life, demonstrating its key role as an entry point to employment².
- With appropriate focus on retention and training strategies, companies can develop additional managerial level candidates as well as prepare employees for access to a wider range of career opportunities in other areas of the service sector, such as travel, banking, leisure and food.

However all these benefits can only be gained if the public sector has the confidence and experience to make this ask of private sector investors.

5.0 Public sector projects

Business in the Community's Business Action on Economic Renewal Leadership team has already identified that there is a missed opportunity with the large public infrastructure projects such as BSF and NHS LIFT. The public sector has a tremendous focus on delivering projects on time and to budget which is naturally

² King Sturge, BITC, Accessible Retail (2006) The Contribution of the Retail Sector to the Economy, Employment and Regeneration.

vital. However what is lost is the potential for wider community benefits and too few local authorities are considering these.

As a result Business in the Community has recently opened conversations with Partnerships For Schools to look at devising a rubric for what additional community benefits can be leveraged from these investments. We envisage devising a “menu of opportunities” which contractors and public sector alike can use to select from.

Options might be:

- Establishing a Business Action Group in the area to provide some sustainable business engagement opportunities for the area beyond the term of the construction stage
- Helping to recruit school governors
- Providing work experience placements for local people and school children
- Running “Meet the buyer” events for local small businesses

The list above is notional at this stage. Feasibility testing will be done over the coming months to see what options should practically appear on this list.

6.0 Incentives

Supplementary Business Rates and the Community Infrastructure Levy have not been welcomed by the business community however these two initiatives are an attempt to provide local authorities with tax raising powers, within strict parameters and independent of central government. Local authorities should therefore also be given the opportunity to waive these to use as an incentive as and when necessary.

Section 106 agreements could also be more robust. Often these are still restricted to providing leisure facilities and ignore the hard economic impacts that could instead be achieved like pre-employment training. On the occasions when they do include hard economic impacts some contractors are happier to pay the financial penalties rather than comply with the terms of the 106. Also the time and cost implications of a public sector project often override any other factors for a local authority – again a wasted opportunity.

These difficulties would be improved if planning and regeneration worked more closely together at local level. In fact even at central government level planning and regeneration are in separate directorates and are only joined together at Secretary of State level.

7.0 Apprenticeships and Training

Creating a new regeneration apprenticeship would not be helpful as again it would reinforce the idea that regeneration is only about construction when in fact it has the potential to deliver much wider benefits and job types.

Also in the public sector far too much emphasis is placed on the “magic bullet” of inward investment. Any new regeneration project should be accompanied by a strategy of how to work with existing businesses to create more job opportunities. Too often local authorities leave the account management of businesses on their

patch to the Regional Development Agencies who in their turn only concentrate on what they deem to be the potentially “high growth” businesses.

Every local authority should have a sound relationship with its local businesses and should be speaking to them on a regular basis about how they might make their own contribution to the prosperity and well-being of the local community. This relationship cannot be built without some kind of Business Account Manager or Business Broker being put in place.

From 2002 – 2005 the then ODPM, DTI and Home Office funded a £3.2 million pilot looking at how business engagement in local authority areas could be improved. The result was 10 Business Brokers working alongside Local Strategic Partnerships in 10 deprived local authorities in England. The pilot programme was managed by Business in the Community. The independent evaluation showed that where a Business Broker was in place business engagement in Local Strategic Partnerships increased three-fold and business involvement in community organisations increased four-fold³. This illustrates that, for a minimum level of investment a huge impact can be achieved.

Businesses do need to be more involved in what training is delivered in an area however they can only be so if there is an Account Manager/Business Broker growing and developing the local business relationship with the local public sector partners. There needs to be a connecting interface between the two sectors.

8.0 Conclusion

In our experience there is certainly a willingness from the private sector to make sure that the developments in which they are involved have a lasting social benefit. However too often, the public sector lack imagination about what the private sector might contribute – not financially, but in terms of practical steps that businesses can take corporately to make sure that the most disadvantaged in our communities are connected to economic opportunity.

Campaign objectives and vision

The regeneration team campaigns for business action that builds healthy, wealthy, inclusive local economies and that tackles pressing social issues in a sustainable way. It works to maximise the value of investment, enterprise and employment opportunities to local communities, thereby increasing social equity and cohesion.

Vision: All cities and towns have a growing number of businesses contributing to the health and wealth of their communities by employing locally, supporting local enterprise and tackling relevant social issues.

³ Educe Ltd, CEA (2005) Brokering Business Connections, Evaluation of the Business Brokers Pilot Programme funded by CLG, BERR & Home Office

Current programme activities

There are three main focuses for the Leadership Team at present. These are:

- **Supporting business engagement with local government and local strategic partnerships**

BITC works with Communities and Local Government to build a network of 'business brokers' who work to connect businesses to regeneration opportunities. This followed a £3.2 million programme that showed that where business engagement was in place, the value to the community quadrupled. Activities include:

- Supporting a network of 'business brokers' whose aim is to connect business to LSPs
- Working to identify good practice in local government business engagement
- Specific work in a number of local areas to increase business engagement
- Developing training for public, private and third sectors managing cross sectoral partnerships
- Working with Government to develop national policy in this area.

- **Supporting the property and construction industries to promote responsible investment**

BITC is working with the property and construction industries to ensure that the value of investment in the built environment is maximised to the local community in a sustainable and inclusive way. Activities include:

- Developing a national property forum for companies to exchange best practice in this area, spanning the social and environmental aspects of investment
- Disseminating the findings of the 'under-served markets' project which looked to build the market case for investment in non traditional/'deprived' areas
- Lobbying for changes to the planning system to reflect the above
- Developing specific research, best practice and guidance about how this is achieved

- **Increasing the opportunities for those facing barriers to work to enter the workforce**

BITC is working with the Government on the overarching campaign to 'unlock the nation's talent'. This strand of work particularly focuses on increasing the employment opportunities for those living in the most disadvantaged neighbourhoods and facing particular barriers to work. Specific activities include:

- Developing relationships between businesses and housing associations to increase the employability skills and work opportunities for housing tenants (research and best practice published in 2008)

- Developing a series of masterclasses for companies wanting to increase their impact on employability
- Specific activity on the employment of ex offenders, including Seeing is Believing visits, guidance and a London based pilot

In addition, the Economic Renewal Leadership Team has responsibility for overseeing the:

- Challenging of companies' employee volunteering activities so it has more impact on social issues and areas of disadvantage
- Delivering the Community Regeneration and Employability categories of the national Awards for Excellence
- Running of Seeing is Believing visits to relevant areas to increase business activities
- Overseeing the development of skills training for company practitioners on regeneration issues

New work areas

- **Business/housing association pilots**
BITC has secured £100,000 in funding from the Housing Corporation, augmented by business money, to run two pilots, one in Birmingham and the other in Bristol, to connect businesses to housing associations to increase the employability skills and opportunity for employment of social housing tenants.
- **Investing for a social legacy – maximising the sustained socio-economic impact of commercial investment**
This is a piece of research, led by Serco and Anglo American, aimed at providing the guidance for businesses and site operators on how they can manage the broader socio-economic and environmental impact of investment decisions – including entry and exit to new markets. BITC is seeking a small number of additional companies interested in forming the leadership for this work strand and is in conversation with Government about support.
- **Building Schools for the Future (BSF)**
A piece of work potentially in development with Partnerships for Schools, Costain and Wates on how BSF funding can be best used to increase the environmental and social impact in local communities. The implication of successful work in this area is its replicability in other areas of public sector investment.
- **Property sector case studies**
BITC is working with DTZ to develop a series of case studies showcasing how the property sector can increase its positive social and environmental impact on communities.
- **Global/local research**

A piece of work in development with the Association of Town Centre Management. It will seek to bridge the gap between companies' national responsible business strategies around enterprise and employment and local company practice.

- **Best practice in local engagement**

BITC is looking to build on previous work to provide new guidance to local authorities on what good business engagement looks like to sit below the Government's new Regeneration Framework. This was one of the subjects discussed with Hazel Blears, the Secretary of State for Communities and Local Government, with Sir Stuart Hampson, on 10 September.

WRITTEN EVIDENCE SUBMITTED BY CENTRAL SALFORD URC:

Summary

- Central Salford was approved by central government as a 'new style' Urban Regeneration Company (URC) in 2005
- Central Salford's original business plan target was to secure £550million of private sector investment and 10,000 jobs by 2020.
- Central Salford now has a Business Plan target of £4billion of private sector investment and 30,000 jobs by 2020.
- By strong partnership working, especially with local communities and their representatives, Central Salford URC is effecting the fundamental transformation of some of Britain's poorest communities and making a significant contribution to the economic development of the North West Region.
- Two projects are highlighted as exemplars for their contribution to a) overcoming the barriers to taking up effective long term employment and b) working in partnership to ensure a major city centre regeneration project boosts long term training and job opportunities for inner city residents.

1. The Central Salford Context

The establishment of Central Salford Urban Regeneration Company (URC) was approved by central government in 2005. The three Founder Members are Salford City Council, the Northwest Regional Development Agency and English Partnerships (soon to be the Homes and Communities Agency). Under the chairmanship of the private sector, it brings together both public and private sector partners to attract high levels of investment, stimulate quality development and strategically deliver and co-ordinate the sustainable regeneration of the historic heart of the City of Salford. The area encompasses some 2000ha and has 72,000 residents; five out of the seven wards register in the highest indices of poverty and deprivation in the country. The challenge is significant but so are the opportunities.

1.1 The Vision and Regeneration Framework

In spring 2005, a draft vision and regeneration framework was completed and was the subject of a comprehensive consultation and engagement programme. The consultation process was based on an innovative model that involved a partnership between public, voluntary and community agencies and social enterprises. With the support of the URC and the University of Salford, community groups formed a 'collective' that led a range of consultation initiatives in a 'bottom-up' approach that built on the strengths of local people's knowledge and community networks. In total, more than 3,900 people were consulted and over 110 consultation events took place. A wide variety of consultation methods were used and consultation targeted a wide range of stakeholders, including faith-based groups, different age cohorts, disabled people, BME and LGBT representatives, students, refugees and asylum seekers.

In February 2006, the University of Salford produced a Consultation Review document, which detailed the findings of the consultation process. The final Vision and Regeneration Framework incorporated the valuable feedback received through the consultation process and provided the context for the URC and its partners to work together towards the common goal of making Central Salford desirable physically, socially and economically – to be beautiful, vibrant and prosperous.

1.2 Places and People

It is clear from the company's inception and approach to the development of its vision and regeneration framework, that Central Salford adopts a balanced, whole system approach consistent with government policy - places and people.

As a 'new style' URC, Central Salford pledged from the outset that as much effort and investment would go into helping local people take advantage of new opportunities, as into attracting the investment itself. This is reflected in the structure of the company, with the Director of Development and Director of Community Regeneration working in close partnership on an equal level. This is why Central Salford has developed a clear and sustained strategy designed to connect local people with the local opportunities the coming decades will bring.

Those plans are now being put into action with the aim of helping some of the city's most disadvantaged groups into some of the city's most exciting new work roles.

2. Case Studies

Two case studies are highlighted to demonstrate a unique approach to community regeneration and an example of how a successful public-private partnership is ensuring the long term benefits of training and job opportunities for inner city residents.

2.1 Case study 1 - the 'Spotlight' model

Communities like those in Central Salford have grown understandably cynical over the years. Much has been promised but real change for the better seldom delivered. Many younger people in particular either left the area or turned their backs on society.

Another major barrier is in which public services have traditionally been delivered. The existing system does not deal with persistent problems because it fails to focus everyone's attention on the things which the community knows would make a real difference. Public agencies continue to work without reference to one another or, more importantly, to the people they serve; local Community and voluntary organisations are seldom welcomed by the authorities or asked to use their expertise to help deliver mainstream services. Central Salford has developed a radical new approach to helping communities and the early signs are promising.

'Spotlight' has been adapted for local use from a method called 'Priority Reviews' which is a successful public service improvement tool developed by the Prime Ministers Delivery Unit.

The Spotlight programme focuses everyone's attention on the things which local people say really matter. Spotlight assembles all the public and voluntary agencies active in a neighbourhood and, together with local people, will analyse and blitz some of the key social issues for an intensive six week period. In the process everyone alters their behaviour for the future, so that the benefits are continued indefinitely. The public agencies are persuaded to change the way they deliver their services to work more effectively with one another, bending effort and resource onto a shared objective. Local people are encouraged and enabled to get involved with making lasting changes which they believe will benefit them and their community. And local third sector, or voluntary, organisations such as Seedley and Langworthy Trust (SALT) and The Broughton Trust, are brought in to use their expertise to research issues and, where appropriate, help formulate solutions.

2.1.1 Spotlight on worklessness

One of the Spotlight pilots focused on the problem of worklessness in the Broughton New Deal area of Salford. The community was asked what worklessness meant in practice, and whether or not they received the help they needed. Because Spotlight starts with such an intense period of activity it was an opportunity to challenge and say things in different ways. People felt able to express their real views, and to have

this recorded and acted upon. It highlighted the fact that someone unemployed in Broughton might be happy to take a job washing dishes in Manchester, but was unable to do so because there was no transport to get home. Just one example of what can stop people working. It also brought other new providers into delivery chains to which they have never belonged, for example GP contracts have been changed to incentivise referrals of people on incapacity benefit to employability advisers, and it proposed bringing Registered Social Landlord's into the worklessness delivery chain.

Each Spotlight project is different and one size does not fit all but one of the biggest benefits of the process is getting all the agencies around the table focused on one topic. Spotlight has clearly demonstrated the vital importance of multi-agency links.

Although in its infancy, the Spotlight model has already started to gain recognition nationally as a promising approach to the reform of public service delivery to deal with the challenges of deprived areas in a sustainable way.

The Department for Communities and Local Government has asked for input to support them on the new National Regeneration Framework and Community Empowerment White Paper in respect of the 'people side' issues, and also on the Working Neighbourhoods Fund.

2.2 Case Study 2 - MediaCityUK

MediaCityUK is the single largest regeneration project in the North of England and the BBC's chosen site for the relocation of 1,600 staff from five its existing London-based departments.

Using the BBC as the catalyst, MediaCityUK will eventually cover 200 acres at Salford Quays, Greater Manchester. MediaCityUK is an ambitious £450million scheme to deliver the UK's first media city. An innovative, creative hub to rival other media cities emerging around the world, MediaCityUK is a national project of international significance.

MediaCityUK is being developed by a partnership of Central Salford URC, Salford City Council, the Northwest Regional Development Agency and private sector developer Peel Holdings. The first phase of the site, which is 37 acres in total, is due for completion in 2011 and is being built out at a rate of £5million a month.

With space for 1,150 media and creative businesses and employment opportunities for 15,500 people, it is expected that MediaCityUK will deliver significant economic benefits in terms of new jobs, inward investment, training opportunities and new business start-ups. MediaCityUK will bring £1bn into the northern and UK economy over the next 5 years.

2.2.1 MediaCityUK: a public-private partnership

The excitement being generated by MediaCityUK is already raising aspirations for the area. It is this sense of opportunity which Central Salford and its partners are making a concerted effort to capitalise on, ensuring the local community feel the benefit of living near one of the world's most state-of-the art digital media hubs and not disenfranchised by it.

There is no doubt that the private sector developer will attract high level interest and tenants but to support the delivery of the transformational outcomes that MediaCityUK has the potential to produce, an integrated and balanced programme of public sector support has been developed on three fronts:

- Place

- Economy & Sector
- People & Community

The drivers for this approach are:

- a) The MediacityUK Strategic Framework Agreement Partners Strategic Objectives, which reflects a range of outcomes related to site development, inward investment, broader economic development, area image and positioning, sectoral development, area regeneration and social inclusion.
- b) The nature of current UK Government policy on regeneration and sustainable communities which advocates a balanced approach between economic/physical development and social inclusion, the engagement of the private sector. The use of mainstream public sector resources is also a key element of national policy, increasingly driven by the diminishing public investment and demand for reform and efficiency in public services.
- c) Learning from successful approaches to regeneration programming, where programmes and initiatives supporting major developments have been taken forward collectively with 'people side' developments to achieve sustainable results (e.g. Manchester Commonwealth Games).

This policy and programming environment provides important context for the development, in relation to the engagement of partners and resources in a Salford context, but also partners across Greater Manchester, the region and wider North. It makes clear the imperative for public service partners to be fully engaged with the MediaCityUK project.

It will be important that the way in which the programme brings partners together around this exciting development fuels the creativity and innovation that will be central to its long term success. Developing within the programme the concept of MediaCityUK as '**a place where conversations happen**' can potentially add huge value to both the delivery of the project, but also the delivery of a wider range of social, economic and environmental outcomes.

Although at an early stage, several initiatives are already under way to help ensure local people can access the jobs and training opportunities created by MediaCityUK before, during and after it opens its doors in 2011.

- A City Academy that specialises in media and ICT with enterprise, with the aim of inspiring secondary school children to pursue further and higher education within creative industries subjects, opened in Salford in September 2008. This will subsequently move in late 2011 to a purpose build facility at the gateway to MediaCityUK, Salford Quays.
- Bovis Lend Lease and the Salford Construction Partnership have developed construction skills activity which includes, for example;
 - building relationships with local high schools and Universities
 - long term work experience opportunities for the Youthbuild project
 - employment of apprentices and local residents on a Bovis Lend Lease sponsored day release Construction Management degree

This has resulted in an increase in uptake of employment on site for local people across the Greater Manchester city region from a non industry background seeking up skilling/ re training

- The BBC, regional sector skills agency and Salford City Council are working to develop new and exciting access routes to careers in the media industry. The second round of Media Apprenticeships (14 to 19) is successfully under way in the region with an ever increasing number of applicants
- BBC Outreach activity with regional Secondary schools is successfully under way teaching 14-19 year olds basic industry skills
- Salford City Council and the BBC Philharmonic have entered into a partnership that is enabling the Orchestra to build active links with Salford and its communities, making possible new opportunities for young musicians to develop their skills and career aspirations, whilst also helping to raise the profile of the city nationally and internationally. From 2011 the BBC Philharmonic will be based in a dedicated state-of-the-art studio at MediaCityUK which will also be the focus for its community and learning activities in Salford.

As the project develops and gains wider recognition, further opportunities are being identified and built into the programme. For example, the BBC's 21st Century Classroom will open in Salford in 2009 in advance of the BBC arrival creating a community based learning facility; and MediaCityUK is acting as a catalyst to the Community Media sector with the Community Channel considering a relocation to Salford in 2009.

WRITTEN EVIDENCE SUBMITTED BY THE AYLESBURY NEW DEAL FOR COMMUNITIES / THE CREATION TRUST AND THE AYLESBURY ESTATE:

BACKGROUND

The Aylesbury Estate in South East London is an infamous TV estate: it is the location for ITV's *The Fixer*, has had regular outings on *The Bill*, and Channel Four – infamously – uses the estate as the backdrop for its logo. In one of his first appearances as Prime Minister in 1997, Tony Blair symbolically launched the National Strategy for Neighbourhood Renewal on the estate promising “no more forgotten people”.

This estate, considered to be an iconic sink estate is currently home to more than seven thousand people. The local authority has agreed to completely demolish the estate and start again, building new homes, a new community and with it increased life chances, hopes and opportunities for all those who live there. The first brick will be laid in the near future.

AYLESBURY NEW DEAL FOR COMMUNITIES (NDC)/CREATION

The Aylesbury NDC has been supporting residents on the estate since 1999, funding projects that have resulted in substantial improvements to people's lives – including a 50% drop in unemployment and a 300% improvement in GCSE results. The NDC programme is due to be completed in 2010 and the Creation Trust is the successor organisation who will ultimately become responsible for continuing to develop and deliver the area's renewal in the longer term. The Creation Trust will operate as a charity and is managed by the local residents, ensuring that the regeneration programme meets their needs.

PROGRESS UNDER THE NDC PROGRAMME

Since 1999 there has been a great deal of progress across many areas of the community. Many aspects of life on the estate have improved for residents such as health, educational attainment, diminishing crime and a growth in community cohesion.

For the purpose of this inquiry we will focus on the progress made with employment and training. This has been at the heart of the regeneration plans, reflecting the fact that the Creation Trust is run by, and for, the residents of the Aylesbury Estate.

EMPLOYMENT

The latest employment figures available are from an IPSOS MORI household survey of the Aylesbury NDC that looked at progress and changes between 2002 and 2006. In 2006, the survey revealed that 9% of people on the estate were unemployed. In contrast, 16% of people were out of work in 1999.

As a separate indicator, the parliamentary constituency of Southwark is divided into different wards and the Aylesbury Estate covers two thirds of the Faraday Ward. In the 2001 Census, unemployment was registered at 16.3% in the Faraday ward, compared to 10.8% in Southwark and 5.8% in for the whole of Great Britain. By February 2008, things had improved significantly: 5% were claiming Job Seekers Allowance in the Faraday ward, compared with 3.3% in Southwark and 2.2% in the rest of the country.

However, the picture is even more positive than these figures reveal as we know that as people have improved their career prospects and gained more income, they have

often moved off the estate to live elsewhere. As a consequence, the statistics may be even more encouraging than they appear.

The fall in the unemployment rate reflects the various steps that have been taken to ensure that people have adequate support to pursue their career options. For example, in 1999 the main barrier to employment was recorded as the lack of childcare, with 16% of respondents feeling that this was an issue hindering their professional development. By 2006, this statistic had dropped to 2% reflecting initiatives such as the investment in the *1st Place Children and Parents Centre*, work with *Sure Start* and other childcare initiatives.

LEARNING AND TRAINING

We also believe that this improvement is attributable to the Creation Trust's support of training projects, preparing people for interviews and backing the Aylesbury Learning Centre to help residents find work or start up their own business. Support has also been offered to specific employment projects for refugees and residents from the black and minority ethnic community.

Another important factor is the work we have done to tackle low levels of educational attainment. Education rates have improved dramatically in the last nine years, with an increase of 300% in the number of GCSE students gaining five or more A*-C grades (now equal to the national average). Despite the disadvantages faced by Aylesbury schoolchildren, they now achieve better grades than their contemporaries throughout the borough.

This dramatic turnaround is due in no small part to the Creation Trust's funding of a whole range of initiatives including: learning support assistants in classrooms; breakfast, after-school homework and holiday clubs; revision sessions; and a 'gifted and talented' project to stretch gifted students and another that helps youngsters manage the transition between schools.

Other youth initiatives support this effort. For example, we have committed to the development of a juice bar in the well-known former William IV pub on Albany Road, which will be transformed into a haven for the resident youth population. The Creation Trust plans to turn this into a place that youngsters can relax, socialise and get valuable training in the sort of skills that they will need in work and in life.

FUTURE PLANS

The Creation Trust's aim is not only to get people into jobs, but also to help people get into well paid jobs with real prospects, enabling residents to achieve their ambitions by equipping them with the right skills and confidence. Plans for the future include:

- **Getting people on the learning ladder** through a new Community Learning Centre at Michael Faraday School.
- **Creating a Community Learning Network** that will link learning providers in the local area and ensure that people are supported all the way into work.
- **Supporting the creation of social enterprises** run by local people that will deliver much-needed services and help the estate become a sustainable community.
- **Construction-related training** and employment to help people take advantage of the new opportunities.

CONCLUSIONS

Progress has been made on the Aylesbury Estate over the last nine years, and the lives of many residents have improved. More needs to be done, and the residents are driving the regeneration plans forward to ensure long-term, sustained change. The networks of support that have been put in place for training, job creation, community support and learning networks will remain at the heart of the regeneration process on the estate and exemplifies the Creation Trust's commitment to creating long lasting jobs through regeneration.

WRITTEN EVIDENCE SUBMITTED BY GLASGOW SOUTH WEST

REGENERATION AGENCY:

Our submission describes the structures established to support the Silverburn retail development and the pivotal role of the developer Retail Property Holdings in engaging with and supporting the activity which led to the successful recruitment of 1,849 people into employment.

Overall: can big physical regeneration projects help inner-city residents to get back to work and improve their life chances? Should this be one of the key objectives of property-led regeneration? What lessons can be learned from previous projects – e.g. the Bullring in Birmingham or the Millennium Dome in Greenwich?

Please refer to information in paragraph 6 Results to date and paragraph 7 Conclusions and Lessons Learned. These paragraphs clearly demonstrate that large scale physical developments can create training and employment opportunities for local people, and further that with effective planning these opportunities can be targeted at those most in need.

Meeting employer demand: how can developers, contractors and local training providers work together better to ensure that city residents have the skills to work on major regeneration projects – prior to, during, and following on from development?

Please refer to information in paragraph 1 Early Intervention, paragraph 2 Developer Engagement, paragraph 3 Developing Community Benefit Clauses, paragraph 4 Partnership Working and paragraph 5 Project Delivery. These paragraphs clearly demonstrate the benefit from such an approach with emphasis placed on timing of intervention, which is most effective when early intervention is possible.

Public sector projects: what more could be done to boost the jobs legacy of big public-sector development projects – such as Building Schools for the Future, NHS LIFT, and others?

Please refer to information in paragraph 3 Developing Community Benefit Clauses and paragraph 7 Conclusions and Lessons Learned. The approach taken by GPW will be replicated across South West Glasgow through South West Working Partnership Group, chaired by Ian Davidson MP who is a keen supporter of the benefits to be gained from such an approach within both the public and private sectors alike.

Incentives: should Government, or individual cities, consider fiscal incentives for regeneration investors who get local residents into jobs for the long term? What form would these incentives take?

Please refer to information in paragraph 5 Project Delivery and paragraph 7 Conclusions and Lessons Learned. Indirect incentives in relation to the time and expertise of support staff; together with training funding and resources to up-skill staff was appropriate in this case.

Apprenticeships: can regeneration be harnessed to increase the overall number of apprenticeships in cities? And could specially targeted ‘regeneration apprenticeships’ help cities boost employment?

Please refer to information in paragraph 5 Project Delivery.

Training: in big cities, should developers, contractors and post-regeneration employers have a bigger say over how training is funded and delivered? How?

Please refer to information in paragraph 5 Project Delivery and paragraph 7 Conclusions and Lessons Learned.

Evidence Summary

- This report summarises the success, unparalleled in Scotland, of the innovative partnership, Greater Pollok Working (GPW), set up to maximise local benefits from a predominately private sector development opportunity in South West Glasgow.
- Glasgow South West Regeneration Agency established the unique (GPW) partnership between the public, private and voluntary sectors with the aim of maximising the employment benefits from the £350m Silverburn shopping centre, through a significant LOAN intervention.
- Established in 2004, GPW was a small but effective partnership that successfully secured local employment from both the construction and end-use (retail) phases. The partnership was successful in establishing Community Benefit Clauses written into legal tender documents with the developer Retail Property Holdings, and Principal Contractor Bovis Lend Lease as part of the pre-tender phase of contract appointment.
- Partners involved in the process included Job Centre Plus, Glasgow City Council, Careers Scotland, Cardonald College, Greater Pollok Community Planning Partnership, Retail Property Holdings, Construction Glasgow, Skillsmart Retail, UCATT and USDAW, Johann Lamont MSP and MP for Glasgow South, Ian Davidson. Political commitment to the partnership from the outset was notable, with Ian Davidson chairing the Strategic Group set up to drive the GPW partnership. This commitment was crucial in maintaining the momentum from the various partners throughout the process.
- Crucial early intervention from UCATT and USDAW ensured issues such as terms and conditions for personnel employed on the development were levied at appropriate rates; adding credibility to the process for local people from inception.
- The project enabled a delivery framework to be established at the heart of the construction activity and to end user Retailers of the Silverburn Development; and delivered a suite of programmes to prepare and promote local people and business to opportunities.
- To maximise the end user jobs secured by local people, a Partnership Agreement, The Greater Pollok Accord, was developed with principal contractors, setting out the ways of working agreed together with specific delivery targets in terms of jobs, apprenticeships, training, etc. The Accord established GPW as the “recruitment partner of choice”.
- GPW acted as a conduit to opportunities arising within the major retail development at Silverburn and ensured each individual employer had a single

point of contact as well as a robust and consistent process to match people to opportunities. The process was in many cases used by the employers to recruit staff to other site within the Glasgow South travel to work area, such was their confidence in its ability to meet their staffing needs.

- Key to engaging the community, and informing them of the opportunities available within the development, was a robust, comprehensive community engagement strategy. A number of information and public relations exercise were undertaken during the development phase, most probably contributing to the large numbers of local people applying for, and ultimately securing positions within the development.
- Public meetings were held in key local community sites; we engaged with schools, community groups and local businesses in order to raise awareness of construction and retail jobs and to promote opportunities. Additionally a Silverburn roadshow utilising our Mobile Internet Vehicle & Kicks and Tricks Street Football enabled us to raise awareness in some of the harder to reach communities using media that most appealed to some of the equally hard to reach client groups.
- We worked with people and businesses to develop skills and actively promote these skills to the various contractors and employers.
- Total number of job outcomes achieved – 1954 (Construction = 443, Retail = 1511)
- Construction results - 82% of clients equating to 338 clients placed into construction jobs through Silverburn activity were from the local South West Area, 198 (59% of South West total) were local unemployed South West Clients.
 - 132 clients - less than 6 months unemployed
 - 25 clients - 7 – 12 months unemployed
 - 15 clients - 13- 24 months unemployed
 - 9 clients - 25 – 36 months unemployed
 - 1 client - 36 months+ unemployed
 - 16 clients - unknown status
- Retail results – 76% of clients equating to 1099 of local South West clients were placed into work through Silverburn activity, 631 (57%) were local unemployed South West Clients.
 - 319 clients - less than 6 months unemployed
 - 101 clients - 7 – 12 months unemployed
 - 54 clients - 13- 24 months unemployed
 - 46 clients - 25 – 36 months unemployed
 - 100 clients - 36 months+ unemployed
 - 11 clients - unknown status

Evidence detail

1. **Early Intervention** – we commissioned research conducted by Professor Alan McGregor (Training and Employment Research Unit of Glasgow University) to carry out a labour impact study based on developments in both Greater Pollok and East Renfrewshire which concluded the need to employ dedicated staff and establish a mechanism for promoting local people to employment. We organised and held a workshop on how to take forward

findings of the Impact Study which was attended by over 30 organisations including partners; other public and voluntary organisations; local politicians including Councillors, MP and MSP; colleges and training providers; housing associations and other project sponsors; contractors and local companies.

2. **Developer Engagement** - we established contact with the developer Retail Property Holdings pre-procurement in order to gain commitment to our objective and to ensure that the appropriate clauses were included in tender documents and contracts. Before contracts were awarded we met with those tendering to identify likely labour needs in the scheme and developed with them an approach to meeting these needs. This then formed part of the procurement contract from the client and was a key component to realising maximum job opportunities. The information we got at this stage was invaluable in being able to mobilise and prepare the local labour force. The introduction to the process at this stage of UCATT and UDAW meant there was clarity of expectation in relation to terms and conditions expected for staff, hitting potential problems face on rather than dealing with actual problems at a later date.
3. **Developing Community Benefit Clauses** - The idea itself was not particularly innovative or specialised, however, putting specific targets and responsibilities to the contractors was. Most other clauses have relied on “best endeavours” and have required the contractors to run programmes or take “trainees”. Our agreement was based on making it easy for the employer – tell us in advance what you will need and we will prepare people in time. The novel element of this relationship was literally the timing; with enough advance preparation time we were better able to meet labour demands. By interpreting the labour histograms provided pre contract start, our Construction Intermediary, employed for his specific sector experience could interpret these and advise us accordingly.

The clauses have been tested against EU Procurement Policy. The key was in how you define “local” – wider Glasgow, but also that you are not saying employees can only come from these areas. In that respect it is a bit like Positive about Disability – levelling the playing field. The other key was ensuring that it is included at all stages of the process, right from first registration of interest, and introduced in the process after tender specification causing confusion or bad will between main and sub contractors.

With Retail Property Holding this clause was approved by their lawyers at each stage prior to being used. We used variations of this labour clause with different contractors and employers in Silverburn. Arguments usually presented included – “it will cost more”; “it will loose time on the job”; “it is against equal opportunities”. Each of these were dismissed – there is no cost passed on to the contractor or developer because our commitment was to find the people and pay for all the training; if people were not available or could not be found in time we promised to let employers know immediately in order that they could recruit elsewhere; we did not tell employers who to employ, they still had free selection, but we made sure that selection includes local people who have been trained and were appropriate for the job.

4. **Partnership Working** – From the outset GPW was very much a partnership which played to the strength and experience of its many partners, no one of which could have produced the successful end results in isolation. Established as a strategic area response to a £1/2 investment locally and up to 3000 job opportunities, the design of the model and approach taken

followed extensive consultation and research with partners, academics and other models in Glasgow and beyond.

The objective of GPW was to maximise opportunities for local people and businesses. The partners represented on the group were committed to furthering this aim, and the Strategy Group driving GPW forward was populated only by representatives from partners who had significant authority to make decisions, drive forward activity and minimise delay. In addition to the Strategy Group populated by all partners an Operational Managers Group also met on a regular basis reporting to the Strategy Group and existing to take forward the more operational elements of work as well as reviewing and developing activity to ensure wider integration with city-wide structures, and sharing of best practice for wider benefit.

A current “Linking Opportunity and Need” study conducted by TERU unit of Glasgow University states that “GPW is seen to have operated very well with stakeholders identifying the following key strengths of its partnership working:

- *Strong leadership.* GPW benefited from strong leadership and this can be seen on two fronts:
 - **Political.** The local MP’s chairmanship of and commitment to GPW brought credibility to the partnership. This was particularly important in securing high-level commitment from the Silverburn developer to enabling local people to benefit from the development.
 - **Implementation.** GSWRA drove forward the partnership to ensure it delivered against its objectives. Crucial to this was the strong relationships built up with the developer, end-use employers and Jobcentre Plus.
- *Size and composition of partnership.* Only key local players that could ‘bring something to the table’ sat on GPW. Furthermore, these organisations were represented at the strategic level – so enabling quick, decisive decision-making.
- *Developer commitment.* The developer’s presence on GPW showed its commitment to the LOAN intervention and gave the partnership greater credibility when looking to engage with construction and end-use employers. Its commitment was symbolised in signing the Pollok Accord.
- *Set up in advance of the development.* GPW was set up one year in advance of the development allowing it to plan effectively for the LOAN activities and the jobs coming on stream. From this early stage, the partnership actively sought to:
 - Raise awareness of Silverburn and its opportunities amongst local communities.
 - Build up local employability services to deliver towards its objectives – i.e. to fill Silverburn jobs.
 - Identify and develop training provision to meet employer needs.
- *Constructive approach.* GPW was prepared to learn from past LOAN interventions and from any weaknesses or criticisms of it. Through regular meetings, the partnership actively sought to quickly identify and then fix any problems encountered.

5. Project Delivery - In developing our activity for the construction phase of developments, GSWRA were the lead partner and provided the bulk of

staffing and resources for activity, however, both Jobcentre Plus and Careers Scotland seconded staff in order to support activity and ensure links across the city. GSWRA secured additional funding for activity from Greater Pollok Community Planning Partnership, European Union and training monies from Scottish Enterprise Glasgow. Organisations involved in direct delivery of the project:

- Glasgow South West Regeneration Agency – lead partner and owner of the project; delivery of client engagement, guidance and counselling, job search and targeted recruitment activity; delivery of core skills
- Jobcentre Plus - delivery of guidance and counselling, job search and targeted recruitment activity, provide additional vacancies
- Careers Scotland - delivery of guidance and counselling, job search and targeted recruitment activity, provide additional vacancies
- Construction Glasgow - provided additional vacancies and referral of suitable beneficiaries
- Glasgow's other Local Regeneration Agencies - provided additional vacancies for and referral of suitable beneficiaries
- Colleges & Training Providers - delivered technical and vocational skills and qualifications, delivery of core skills
- Employers - vacancies through local labour agreements; contribution to employer led programmes; work experience and vocational tasters.

Construction Phase

Securing jobs at the construction phase was a challenge because LOAN interventions are often not in place in sufficient time and/or the timing of the construction phase can slip – making it hard to target construction jobs. In this respect, the Silverburn LOAN intervention produced strong outcomes – particularly with agreement of the **Pollok Accord** between GPW and the developer which set the minimum targets over the two-year construction programme. The Accord promised

- 150 jobs for local people
- 20 apprenticeships started on site
- 100 work experience places
- 100 employees to take up life-long learning opportunities
- 300 employees to take up health checks
- 75% of all waste to be recycled

GPW achievement

- 338 jobs for local people
- 16 apprenticeships started on site, plus 5 apprenticeships to other adjacent sites (all local clients)
- 150 work experience places
- 200 employees to take up life-long learning opportunities
- 78% clients retained employment beyond 6 months

The Pollok Accord was a good example of a private sector developer sharing the commitment of public sector agencies to local recruitment and training objectives and its success was dependent on the following factors:

- **Early engagement with the developer.** GSWRA started discussions with Retail Property Holdings prior to the main contractor being appointed.
- **Strong existing relationships between the developer and its contractors.** Having signed up to the Pollok Accord, the developer (Retail Property Holdings) used its relationships with contractors from previous developments to encourage them to also commit to the Community Benefit clauses and proactively encouraged links with the Construction Intermediary. A desk was provided on site and he attended all site meetings and was part of the induction process for sub-contractors and all employees on site.
- **Ongoing, shared commitment across partners.** Strong commitment to the Pollok Accord targets was maintained on all sides – developer, contractors, and GPW – so ensuring delivery against the targets agreed.
- **On-site recruitment centre.** We established a dedicated Recruitment Centre (funded by the developer) which was adjacent to the development. This acted as a point of contact and focus for activity for local people and businesses but also the various employers, contractors and sub-contractors. The Recruitment Centre operated under the GPW name reinforcing the partnership approach and ensuring a co-ordinated service to both individuals and employers. All vacancies were placed with GPW. A supply of registered jobseekers was managed by GSWRA staff to ensure that the BEST employee was put forward to the BEST employer, thus ensuring BEST job match and sustainable employment.
- **Industry expertise.** GPW recruited a Construction Sector Intermediary with proven industry experience to bring a greater understanding of employer needs. The role of the Intermediary was to “convert” targets in the Accords and to “interpret” needs to the Recruitment and training staff working with individuals. This in turn gave GPW greater credibility with employers. Industry expertise was also passed onto other colleagues of GSWRA to ensure a better understanding of employer demands and thus enable stronger job brokerage and matching to vacancies.
- **Work ready recruits.** Early intervention with the developer and contractors enabled staff of GSWRA to work in advance of particular packages of work within Construction activity to allow clients time to work towards job readiness. Through training provided by GSWRA, Cardonald College and other providers, local people who were put forward were work ready and met employer needs – for example, all had CSCS Certification.
- **No cost to employers.** The training and work preparation of local people was funded by Scottish Enterprise through mainstream programmes – for example, Skill to Build, Training for Work and Modern Apprenticeship monies, also utilising European monies and Community Regeneration Funds.
- **Effective Community Consultation.** The PR exercise undertaken to inform local people of the opportunities available meant that local people were more receptive to taking up the training opportunities when they became available, and had confidence that there were

employment opportunities available if the successfully completed the training.

Retail Phase

Following our success in the Construction phase, the Developers were once again very keen to replicate the approach taken by GPW with end user employers in the Centre. A new variation of the Community Benefit Clause was checked by Retail Property Holdings legal team and then inserted into Heads of Terms Lease agreements with employers. This once again set GPW as the “Recruitment Partner of Choice” and set out the working practices of the partnership in terms of maximising 3,000 job opportunities to local residents.

Previous studies from approaches taken at Braehead Shopping Centre and the Fort Easterhouse told us that job enquiries for such a high profile development would come from far and wide across all travel to work areas and beyond our local South West Area. We commissioned TERU once again to advise us of our approach and targets. The track record for some of the previous developments over past years is captured below:

- Gyle – 11% of those recruited were from the Wester Hales an area of high joblessness
- Great Western Retail Park – 20% of those recruited were from local residents
- Braehead – 1st phase, 16% recruited from local area with 13% of those unemployed residents and 2% long term unemployed
- Fort Easterhouse – 59% recruits came from partnership, 25% of those from local SIP residents, 12% on benefits and very few long term unemployed

Taking these figures into account, GSWRA set the following as targets for jobs secured via GPW at Silverburn -

- 920 local residents recruited.
- 550 of these local unemployed people

The approach taken to maximise the chances of meeting these targets included utilising the following –

Website. A dedicated website www.silverburnjobs.com was created to let job seekers log on and enquire about Silverburn and register their interest in working at this new development.

Call Centre. The call centre was launched by Councillor Steven Purcell and served the dual purpose of taking calls from job seekers interested in securing employment at Silverburn as well as providing training for unemployed people in contact centre operations. (67 clients receiving contact centre training, 48 of whom moved into sustainable employment).

Marketing. We developed a strong branding in line with developer approval using *Silverburnjobs*, this meant local people could clearly identify where to find out more information about getting a job at Silverburn. Our approach involved utilising various methods of marketing and engagement to highlight the massive job opportunities at Silverburn and led to 20,148 clients registered through www.Silverburnjobs.com with 53% of these registering unemployed.

- Community Road Shows
- Local Press Editorials

- Leaflet drops to the South West Area
- Bus stop and Billboard campaign across Glasgow
- SMS text messaging
- Email campaigns
- Call Centre “ring round” campaigns
- Employer Led Open days
- Local partnership advertising

Employer Engagement. Replicating the approach used during construction phase, GPW recruited a Retail Sector Intermediary with proven industry experience to bring a greater understanding of employer needs. The role once again of the Intermediary is to “convert” job opportunities and to “interpret” needs of employers to the Recruitment and Training staff working with individuals. Working closely with the developers on the progress of sign ups to the Centre, provided early engagement opportunities to allow time for GPW to organise Recruitment Campaigns according to store opening dates and allowed time for client preparation for job readiness.

Industry expertise was also passed onto other colleagues of GSWRA to ensure a better understanding of employer demands and thus enable stronger job brokerage and matching to vacancies. In the initial store opening campaign we provided a professional recruitment service to 77 employers to assist the recruitment process for approximately 2,000 vacancies.

Effective and innovative job matching service. Using job screening technology, Silverburn registrants were screened against the type of job they were looking for (e.g. hours and type of retailer) and their personal attributes. The results were then matched against the individual specification of each employer. This was a quick and effective way to screen a large number of registrants against a large number of vacancies.

10,198 clients were successfully job matched to 2,000 potential employer vacancies using our candidate profiling database. In a massive exercise undertaken predominantly by GSWRA staff within our recruitment team and in local employability offices and our call centre, supported by staff from Jobcentre Plus, over this time, we made contact with all of these clients to ensure that they were interested in being submitted to the employer.

- 10,198 clients job matched
- 5551 (54%) clients were from the South West Area
- 2871 (51%) of these SW clients were unemployed (47% JSA, 4.7% IB, 15% IS, 28.8% not claiming benefits)
- 3422 clients were from Greater Glasgow Area
- 1741 (50%) of these GG clients were unemployed (45% JSA, 3.2% IB, 10.5% IS, 37% not claiming benefits)
- 1225 clients were outwith Glasgow
- 388 (31%) of these OG clients were unemployed (48% JSA, 4% IB, 8.5% IS, 36% not claiming benefits)

From this pre-screening exercise we were able to present 3,837 clients to employers that successfully matched their requirements and were interested in the job. 1,475 (38%) were local South West

clients of which 1,106 (75%) were registered as unemployed through Silverburnjobs.

- **Retail training programme.** For registrants who were not quite job ready, training programmes were set up to prepare them for retail jobs. These were delivered predominantly through GSWRA and assisted by Cardonald College and Working Links.
 - 153 clients receiving retail training
 - 77 of these clients moving into sustainable employment
- **Wider advice and guidance services.** GSWRA, through its network of local agencies, could advise and then source additional supports to help address the wider barriers faced by clients – such as money advice and childcare issues, core employability skills etc. Utilising information from Silverburnjobs we were able to identify local clients that would not immediately match employers criteria and through a robust engagement campaign we were able to contact these clients to offer additional support to enhance their applications.
- **Ongoing service.** We continue to grow the relationship established with the Centre Management Team and Retailers on site. We are in the process of establishing a “Silverburn Modern Apprenticeship” with the support of Skillsmart (Sector Council for Retail) and are targeting 100 employees across the development to be assessed to SVQ level 2 in Customer Service over the next 6 months. Our staff continues to provide an aftercare service to new employees.

6. Progress to date – The development of the Silverburn Shopping Centre promised massive job opportunities to local residents. GPW aims were to maximise these opportunities, **target 40%*** of local clients with **60%[^]** of these unemployed and results are demonstrated in the table below

Indicator	Total	Construction	Retail
No. of job outcomes achieved	1954	443	1511
No of clients placed into employment	1849	412	1437
No. of clients u/e placed into employment	962	258	704
No. of South West Clients placed into employment	1437	338	1099 (76%)*
No. of South West employed clients placed into employment	261	42	219
No. of South West clients in education placed into employment	102	9	93
No of South West u/e clients placed into employment	829	198	631 (57%) [^]
less than 6 months unemployed (SW Clients)	451	132	319
7 – 12 months unemployed (SW Clients)	126	25	101
13 – 24 months unemployed (SW Clients)	69	15	54
25 – 36 months unemployed (SW Clients)	55	9	46
36 months + unemployed (SW Clients)	101	1	100
Unknown Status	27	16	11
No of clients accessing Training	606	285	321

Please note that some clients have achieved more than one job outcome through Silverburn activity.

7. Conclusions and Lessons Learned. The success of the GPW approach at Silverburn and the experience that GPW partners gained from it is well recognised in South West Glasgow. Earlier this year a new group was established, South West Working Partnership Group, to replicate the benefits of this approach and ensure that they are applied to all future physical developments across the area. Notable developments to which the original GPW principles will be applied include the South Glasgow Hospitals Redevelopment, housing developments planned and underway by Glasgow Housing Association and a number of Local Housing Associations as well as a range of Private Sector led developments at Pacific Quay, Tradeston, and Darnley Mains.

There is commitment from partners across South West Glasgow to ensure that the key lessons learned, and listed below, are transferred to all future developments -

- **Leadership.** A strong, well-resourced lead agency is needed to drive forward activity.
- **Gain private sector commitment.** To capture employment opportunities it is important to build strong relationships with the developer, contractor and end-use employers. This takes time and again reinforces the need to start early. Ideally this should be part of planning consents and be automatic in tenders and contracts. If not, early signalling from planners to agencies that can follow up with developers but relationship needs to be built with developers so that they can see the benefits and ensure that clauses are included in pre-tenders, tenders and contracts.
- **Understand the opportunity.** There must be a clear understanding of the number, type and timescale of employment opportunities being created. The “Accord” approach appeals to employers and sets parameters for the relationship. Developing and maintaining a detailed and up-to-date timeline of developments is critical to the effective planning and timing of LOAN activities.
- **Flexibility in approach.** A ‘one size fits all’ model for all developments is not practical. While there are elements of best practice that will hold true for each development – such as early engagement with developers, contractors and employers – there needs to be recognition that what works in one development may not work with another development. Therefore, in developing a LOAN framework that can be applied to a series of developments – such as in South West Glasgow, it is important that it is sufficiently flexible and can be tailored to the needs of employers and beneficiaries.
- **Community Benefit clause included at all stages of procurement process.** All necessary information and requirements relating to the Community Benefit clause must be made clear to contractors at all stages of the procurement process. This will include information on the recruitment and training targets, the selection procedure and the supply-side support available to assist contractors in the delivery of the contract’s requirements.

- **Clarity around what is required.** There needs to be clarity around what is expected in terms of the Community Benefit clause – and there are two elements to this:
 - Targets. The recruitment and training targets must be clearly specified to ensure all stakeholders know what is to be achieved and to enable the effective monitoring of these.
 - Roles and responsibilities. Each partner involved must fully understand what is expected of them and other partners. This will include the contractor, the contracting agency and supply-side providers.
- **Early intervention with employers and local community** is essential to identify opportunities and prepare the local labour market in advance of need.
- **Industry expertise.** To ensure employer needs are met and to give the LOAN intervention credibility, it is important to have staff involved that have a strong industry background. Knowledge and expertise of the industry that you are trying to target; gives employers comfort that we understand their needs and can deliver. Dedicated staff with knowledge and experience of the industry goes a long way to establishing credibility and meeting employers' needs securing their commitment. The role of Intermediaries is to “convert” targets in the Accords and to “interpret” needs to the Recruitment and training staff working with individuals.
- **Mutually beneficial.** For employers to commit to a LOAN intervention there must be a sound business case to do so. For example, access to skilled labour at no cost to the employer. Make a business case not a social inclusion or responsibility case. Particularly private sector employers are driven mainly by profit – their objective is to get the job done to the specification in the timeframe allowed and within budget. We have to respect that and not expect them to behave differently or ask them to do anything that jeopardises that.
- **Clear point of contact.** To make it easy for employers and prospective job seekers, it is important to have a single, designated point of contact to source information and resolve any issues. Give employers one point of contact that they can rely on ideally co-located on the site or adjacent. To manage and oversee the delivery of process, it is important to have a designated ‘champion’. The ‘champion’ may be an individual or a small, dedicated team that manages the Community Benefit clause – whether working with the contractor, coordinating the supply side provision or monitoring the process. Where possible, the ‘champion’ should have a strong understanding of the contractor’s industry. For example, if a construction project it is beneficial for the champion to have a construction background.
- **Setting targets.** Setting specific targets with a legal, contractual basis deliver better results than a voluntary, best endeavour basis.
- **Monitoring mechanisms.** The monitoring process can often be overlooked but it is important to have a fit for purpose monitoring system which can identify any problems or difficulties at an early stage. An effective monitoring process will place a significant commitment on the contractor to provide timely and accurate information – and this must be clearly specified in the procurement process.
- **Effective partnership mechanism.** LOAN interventions are too large for one organisation to handle. Therefore, a suitably-sized partnership mechanism that contains the key players is required. Each partner to be clear on their role, accountability and delivery.

- **Local infrastructure.** Is essential to engage with local people and organise and deliver training as appropriate; single organisation that can take the lead and can co-ordinate activity liaising with training providers and other agencies. Local people respond to real opportunity in large numbers and we need to be prepared to meet their development needs and manage expectations.
- **Job Brokerage Process.** A robust process is required to identify and match to jobs and a locally based single door approach are key factors in making it easy for employers to engage and delivering a co-ordinated response. The principle is BEST job for individuals (not any job) and BEST employee for companies. If we don't do this we will not get sustainability and we will not get confidence of employer. Measure of success is that we placed more than 50 people with one employer on Silverburn and they have said "best source of recruitment we have used".
- **Pre-employment and aftercare support.** Is essential when supporting people who have been unemployed and best delivered by local organisation.
- **Professional recruitment service** – Find the right person not just any person that meets employer criteria, that may mean looking outwith the immediate area and/or outwith Glasgow and working with people who are already employed. For GPW we have turned our business approach on its head – the employer is the primary customer.

**WRITTEN EVIDENCE SUBMITTED BY HUMBER ECONOMIC PARTERSHIP/
UNIVERSITY OF HULL/ HULL CITY COUNCIL:**

The Humber Economic Partnership submitted the following report by the Centre for Economic Policy, part of Hull University's business school:

'Future Growth Sectors and Clusters in the Hull and Humber Ports City Region:
Opportunities for Addressing Worklessness and Exclusion'

By Dr Mike Ryan and Dr Mike Nolan.

The full report can be found here:

WRITTEN EVIDENCE SUBMITTED BY JOHN LEWIS:

Overview

- The John Lewis Partnership operates 27 department stores across the UK, johnlewis.com, 193 Waitrose supermarkets and Greenbee.com, a direct services company. The business has an annual turnover of over £6.8bn. It is the UK's largest example of worker co-ownership where all 69,000 staff are partners in the business.
- The John Lewis Partnership is committed to keeping town centres vibrant and economically sustainable, which means maintaining the shops we have in town and city centres and, when looking for new shops, choosing town and city centre sites where we can.
- When we build new shops, we work closely several years before the opening, with local authorities, developers and community groups to find out the views of local people from the time of choosing the site to the shops opening, ensuring we integrate shopping with the town or city and maximise its attractiveness to residents and visitors.
- We aim to bring sustainable employment opportunities to regeneration areas in the form of high quality jobs, flexible working arrangements and training for local people.

Growing our business through regeneration: a key pillar of our growth strategy

1. We have ambitious plans to double the size of the business, and through property acquisition and development aim to be a catalyst for retail-led regeneration across the UK.
2. The recent opening of a new John Lewis department store in Leicester is a powerful case study, and we are already preparing the ground for a large regeneration project in Stratford which will comprise a John Lewis department store and Waitrose food store.

Retail-led regeneration: catalyst for change

1. The John Lewis Partnership's jointly commissioned report with Westfield, "Social and Economic Impacts of Town Centre Retailing", demonstrates how retail-led regeneration delivers social inclusion, creates additional jobs and catalyses new investment. The key findings of the research are as follows:
2. Town centre retail locations provide jobs for socially excluded groups by drawing a large volume of their workers from disadvantaged areas. An analysis of the largest 25 town centre retail schemes currently in the development pipeline suggests that they have the potential to create some 16,500 jobs for people from the most disadvantaged areas. This has significant implications for employment, social inclusion and integration of hard-to-reach groups, as well as for the 'up skilling' of the workforce as a whole.
3. Town centre retail locations are easily accessible and therefore provide greater retail choice for socially excluded groups. Trips to in-town centres are not heavily dependent on access to a car. Car ownership is considerably reduced within lower

income groups: 33% of households with less than £10,000 net annual income are without access to a car, compared with 4% for those earning in excess of £40,000.

4. The research dispels the myth that new town centre retail developments will inevitably displace activity from existing shops. In fact the contrary is true - nearly all the new jobs created are additional. The effect of Southampton West Quay, Solihull Touchwood and Reading Oracle retail developments has seen a net increase in employment levels of 84 percent on average.

5. Large-scale retail developments are often the catalyst for further **investment** in associated schemes and office developments. The study reveals that the volume of planning applications across five town centre locations doubled in the year immediately after the opening of a new shopping centre. Current plans for large-scale town centre retail schemes in places such as Liverpool, Derby, Bradford and Preston will have a substantial impact on the ability of those city centres to attract future investment.

Meeting employer demand: how can developers, contractors and local training providers work together better to ensure that city residents have the skills to work on major regeneration projects prior to, during, and following on from development?

Lessons from Leicester

1. The experience of John Lewis's September opening of a new shop in Leicester provides a clear example of how the key players involved in a major regeneration project can work together successfully to deliver jobs *following on* from that development.

2. The Highcross development has added 2000 additional jobs bringing the total to 4000.

3. 95% of the 700 people appointed to new jobs for John Lewis were locally recruited and of these 10% were recruited from "Category 1" applicants such as the long-term unemployed.

4. In the latter case John Lewis worked closely with Job Centre Plus and the Local Cove in designing and running a flexible pre-employment programme to support applicants in gaining core skills. This type of programme is critical for opening up regeneration opportunities to all city residents including the disadvantaged.

5. An "employment hub" was created providing a one-stop-shop for local residents wanting to benefit from regeneration jobs.

6. Job-seekers were able to apply centrally and be re-directed towards appropriate roles in a variety of areas. John Lewis alone was offering jobs in catering, administration, selling, goods handling, security and more. It is this kind of partnership working that is critical in delivering skills and employment.

7. In our view the leadership role should be undertaken by the Council, exhorting developers and their tenants to get involved as part of the original development agreement and then taking responsibility for establishing a working partnership.

8. In terms of preparation for retail skills in particular, more work needs to be done by the Learning and Skills Council and Sector Skills Council in conjunction with local authorities to improve knowledge of the retail industry, relevant job opportunities and simplifying and funding the route ways and process.

9. The establishment of Retail Academies should be a vital step in providing one of the key points of contact in raising profile, awareness and encouraging skills development for the retail industry.

Incentives: should Government, or individual cities, consider fiscal incentives for regeneration investors who get local residents into jobs for the long term? What form would these incentives take?

1. In our view, funding for employability and skills training schemes is a more relevant lever than fiscal incentives.

2. In particular, employers working with Job Centre Plus to recruit the long term unemployed need both financial support for the additional investment required at the assessment and training stages, and also a package of support for residents to help with childcare or provide other benefits.

3. Pre-employment programmes offering residents skills training or work placements that help them adjust to workplace demands are simple to deliver but would be accelerated if Job Centre Plus supported the schemes by, for example, paying for travel costs.

4. Our experience in Leicester was that four excellent candidates who were offered permanent, flexible positions at John Lewis could not accept because the cost of travelling, childcare and availability of nursery places was prohibitive.

5. We would therefore recommend that financial support continues for an agreed period of time after the resident commences work.

Training: in big cities, should developers, contractors and post-regeneration employers have a bigger say over how training is funded and delivered? How?

1. Engagement and collaboration over the funding and delivery of training between all those involved, including developers and employers, is essential. Communication and trust at an early stage is also critical to success delivery of training for regeneration.

2. Firstly, it is essential that funders are open about the availability of funding and consistent in following up any “promises”. In our experience funding has sometimes been made available for impractically short windows.

3. Secondly, a joined up approach is critical between funding agencies, recognising complementary expertise and balancing demands.

4. Finally, skills training must be delivered consistently, flexibly and in sufficient time so that all can assess the programmes and their impact.

WRITTEN EVIDENCE SUBMITTED BY LIVERPOOL ONE:

Liverpool ONE

- Liverpool ONE is the largest city centre urban regeneration scheme in Europe.
- The mixed-use development spans over 42 acres in size and comprises 160 retail outlets, 22 bars and restaurants, two hotels (Hilton and Novotel), over 500 residential units, a five acre park, a transport interchange and 3,000 car parking spaces.
- The bulk of the development opened in 2008 during Liverpool's year as European Capital of Culture. Remaining residential units, bars and restaurants and the two hotels are scheduled to open in 2009.
- Liverpool ONE is the most important development in Liverpool's city centre for over 40 years redressing years of underinvestment. Its scale and variety of retail is expected to move Liverpool back up the UK retail hierarchy (CACI 2006). The development reinvigorates the heart of the city reconnecting the existing city centre to its historic waterfront as well as driving higher levels of footfall to Liverpool from surrounding catchment areas. It's scale, design and impact is ground-breaking, placing the developer Grosvenor and its partners at the forefront of urban regeneration.

Job creation

Liverpool ONE has created in excess of over 3,000 temporary construction jobs and 5,000 permanent jobs for the local community, as well as providing training for young people and opportunities for local businesses. Given the scale of Liverpool ONE, an employment initiative was developed to recruit and train the skilled workforce within the site. The development has created opportunities for local people to be recruited from both employment and unemployment to the Liverpool ONE operations team, and to new retailers and leisure operators opening within the development, as well as into construction jobs. Local employment and training initiatives were undertaken on the construction side, mainly through our main contractor Laing O'Rourke. As these are more short term in nature we have focused below on the impact of the permanent positions in the Liverpool ONE Management Company (including the management team, cleaning and security), and those generated by retailers and leisure operators opening in the development.

1.0 Background

In October 2005, Grosvenor started the process by undertaking an audit of recruitment and training needs for Liverpool ONE.

It was recognised that customer demands are constantly changing and that Liverpool ONE needed to focus on delivering customer service excellence and that recruitment to deliver this need was undertaken in conjunction with local city partners.

2.0 Progress to Date

At the end of 2007 a Liverpool ONE People Strategy was developed to support our vision to be the most successful retail and leisure city centre destination in the UK. The Liverpool ONE culture is defined by our values, ONE City, ONE Passion, ONE Team. The values demonstrate Liverpool ONE's commitment to the city under the 'ONE' team approach and to delivering innovative customer service excellence. The ONE Team approach is supported by a non-hierarchical organisation committed to continually learning from best practice and developing new and leading edge ways of delivering service and value to our customers, many of whom are

drawn from local communities. The values are paramount to creating and maintaining mutual respect, openness and honesty. Our rationale was that Liverpool ONE would be imbedded into city life and inextricably linked to its reputation.

A strong employment brand was developed to attract and promote Liverpool ONE as an employer of choice. Adverts, application packs, the selection and interview process, right through to the team's uniform, all reflect the culture and ethos of ONE Team.

3.0 Partnership working

- **Shop for Jobs** - Strong partnerships have been formulated with Shop for Jobs, which is a public sector and training umbrella organisation in Liverpool formed by Liverpool City Council to respond to the job opportunities created by the Capital of Culture 2008 and Liverpool ONE. Their remit is to provide a co-ordinated, seamless, simple and account managed 'One Stop Shop' for the retail, leisure and hospitality sectors. The needs of Liverpool ONE Management Company and its retail and leisure partners' have been successfully met in an individual and coordinated approach. The partnership approach is demonstrated by the locating of Shop for Jobs in the Liverpool ONE information centre on Lord Street.
- **Outreach events** - Promotional/outreach events were held highlighting Liverpool ONE opportunities to the local communities to reach out to the local employment pool, in particular Neighbourhood Renewal Areas, such as Toxteth, Walton, Garston and Kensington.
- **Pre-Employment Training** - Liverpool ONE bespoke job ready training has been developed and delivered by Shop for Jobs to support Liverpool ONE Management Company and our retail and leisure partners in their mass recruitment campaigns, for example, for Debenhams first store in Liverpool.
- **City Centre Job Fairs** – These were located in a central venue accessible to all communities. On average 3000+ potential local applicants have attended Liverpool ONE Jobs Fairs sponsored by Shop for Jobs. Liverpool ONE's retail and leisure partners have successfully filled numerous posts following the Jobs Fairs.
- **Reed in Partnership** - Partnerships have been embedded with Reed to support and develop individuals recruited from the unemployed sector with additional funded training courses such as First Aid at Work.
- **Remploy** - Relationships have been strongly established with Remploy to promote Liverpool ONE as an employer who welcomes and supports applications from individuals with disabilities.

4.0 Training and Development

4.1 Corporate Induction Programme

To ensure the Liverpool ONE team are equipped to succeed and deliver service excellence in line with the defined values, a corporate induction is given to team members. It includes:

- Liverpool ONE Values
- Service Culture
- Individual Accountability
- Teamwork

- Customer Service

To ensure continual improvement of service delivery and commitment to excellence, all Liverpool ONE team members are trained on a bespoke Liverpool ONE Customer Care Academy course that includes:

- Liverpool ONE Welcome and Introduction
- Personal Skills and Communication
- Customer Focus and Customer Service
- Handling Complaints and Difficult Customers
- Health and Safety
- Security
- Diversity and Cultural Awareness
- Customer Caring City

To demonstrate our commitment to the team and individual development, Liverpool ONE works with local partners to map the training to an NVQ in Customer Service and modules of an NVQ in retail.

4.3 Liverpool ONE Training Academy

Progress has been made in setting up a Training Academy for Liverpool ONE. To ensure the success of the Academy it is necessary to formulate a strong city wide strategy that fulfils our aspirations and vision from Level 1 to Post Graduate development.

To date the following city wide partnerships have been developed;

- Shop for Jobs
- Liverpool Community College
- Hugh Baird College
- St Helen's Chamber
- Learning and Skills Council (LSC)
- University of Liverpool
- John Moore's University

The Academy will provide pre and post employment training for our retail and leisure partners and for potential job seekers. Through partnership working with the above city bodies we propose to target public and private sector funding to develop the academy.

5.0 Retail and Leisure Partners Recruitment and Development Services

To ensure consistency and quality of approach Liverpool ONE has and will continue to support its retailers by providing a comprehensive and user friendly recruitment service in partnership with Shop for Jobs. The following services are provided;

- Job/Recruitment Fairs
- Advertising on the Liverpool ONE website
- Advertising on the Liverpool ONE Live Information Pods
- Room and resourcing support
- Facilitation of interview process
- Direct Talent Pool/shared database of potential applicants
- Advertising across the potential employment pool locally, particularly focusing on those out of work and from black racial minority groups.

6.0 Conclusion

The regeneration of Liverpool City Centre has provided local members of the community with significant job opportunities, whether they are temporary within the construction industry, or more long term opportunities within Liverpool ONE Management Company and its retail and leisure partners.

Working with its retail partners the Liverpool ONE management company aims to ensure there are no barriers in applying to work within Liverpool ONE. We believe in recruiting team members who have the right behaviours, attitudes and passion and we will endeavour that they are trained to the highest standard for them to perform successfully in their roles. To date Liverpool ONE Management Company has successfully recruited 120 team members. In excess of 75% of our 5000 Liverpool ONE team members (Liverpool ONE Management Company & retail and leisure partners) are drawn from the Merseyside area.

WRITTEN EVIDENCE SUBMITTED BY THE REGIONAL DEVELOPMENT AGENCIES (RDAs):

Summary

- The RDAs have a wealth of experience in promoting economic, social and physical regeneration, and are committed to the continued strengthening, greater cohesion and wider participation in the regional economies.
- The overall research question to which this paper relates is: *“How can major city centre projects do more to boost employment in inner city neighbourhoods?”*
- In order to answer this question, the RDAs have considered four sub-areas, which can be summarised, along with the key findings, as follows:

1. **Extent of the problem:** Is it the case that inner-city residents do not get jobs as a result of major regeneration projects despite their proximity to the sites? What is the scale of the problem? What are the characteristics of those who are economically excluded?

- The RDAs recognise that, relative to national, regional or local averages, deprived inner city neighbourhoods still record higher levels of long-term unemployment.
- There are a number of complex social and economic factors involved in inner city worklessness that make it difficult monitor and assess the full extent of the problems and which require fully integrated solutions to address.
- Key characteristics associated with deprived and economically excluded inner city residents include low skill levels and a poor education, and such areas often contain residents with marginalised backgrounds, such as Black Minority Ethnic (BME), ex-offenders, the elderly or disabled people.

2. **Barriers:** What are the barriers which prevent job opportunities created by regeneration initiatives being “converted” by inner city beneficiaries?

- A lack of employment opportunities for residents of inner city areas represents a dislocation between supply and demand in the local labour market.
- The employability of residents in inner city areas is restricted by people’s overall lack of qualifications, work experience and training.
- Constraints on the employability of residents in inner city areas relate closely to social exclusion in such areas, meaning that benefits and tax implications, childcare, language barriers, wider social problems and infrastructure must all be addressed alongside education and skills.

3. **Good practice examples:** What experience and good practice can be identified in overcoming the barriers? Is there any evidence of success, or transferable lessons?

- Much of the work supported by the RDAs has focused on growing the economy more generally to reduce under-employment and create vacancies and new jobs at lower levels (the 'trickle-down' effect).
- The RDAs acknowledge that more can be done in the future through interventions that better address the demand side of local labour markets.
- Examples of good practice have included: pre-volunteer-programs for large scale sporting events which aim to improve the skills and knowledge base of disadvantaged groups; Local Employer Partnerships and Job Pledge schemes which have helped improve links between employers and local people; and, Local Labour in Construction schemes which directly link urban regeneration schemes with unemployed local residents.

4. The RDAs' role: What is the potential contribution of the RDAs to the improvement of performance in this regard? What initiatives are they currently or planning to support?

- The RDAs will continue, in their role as economic development and regeneration agencies, to promote and support physical, economic and social regeneration activities that reduce under employment and address the needs of inner city residents.
- The RDA will continue to facilitate the integration of local authorities, regional and national partners and the business to community to ensure greater benefits for all.
- Regional Economic Strategies will continue to promote economic inclusion and support the promotion of employment opportunities in inner city areas.

1. Introduction

- 1.1 This paper has been prepared on behalf of the eight RDAs excluding London Development Agency (LDA), coordinated by One NorthEast, to provide evidence for the All Party Urban Development Group's inquiry into how key private sector players – developers, construction companies and businesses – in regeneration can work with the public sector, including the RDAs, to deliver long-term training and employment benefits for inner city residents.
- 1.2 The RDAs were established to bring fresh vitality and a business-led approach to economic development and social and physical regeneration. The RDAs regularly use regeneration to turn around local economies, working with partners to improve the quality of the environment, revitalise communities, create more jobs, provide more skills, and improve transport and communications infrastructure. The RDAs realise these goals through focusing on the specific regional priorities that drive economic growth, supporting business development and competitiveness by encouraging public and private investment and by connecting people to economic opportunities. Since 2002, the RDAs have created (or safeguarded) over 500,000 jobs, created over 56,000 new businesses and brought over 5,600 hectares of brownfield land to life.

- 1.3 Through engaging communities in economic development, the RDAs seek to promote greater cohesion and wider participation in the economy. It is clear that regional economies can only thrive where levels of economic participation are as high as possible. The RDAs understand that exclusion not only has a significant adverse economic impact, but also negative social effects with unemployment directly linked to increased poverty, poor health and low educational standards. The RDAs recognise and understand the complex issues involved and continuously work to overcome the barriers to economic inclusion, whether through increasing access to jobs, providing learning opportunities and through projects targeted at encouraging enterprise among disadvantaged groups.
- 1.4 The RDAs believe that they are in a very strong position to continue delivering on the ambitions outlined in the emerging Regeneration Framework: *'Transforming places; changing lives'*. Through their continued involvement in supporting and promoting economic development and regeneration, the RDAs will work to:
- Improve economic performance in deprived areas;
 - Improve rates of work and enterprise in deprived areas; and
 - Create sustainable places where people want to live and work, and businesses want to invest.
- 1.5 In order to address the Group's question – *"How can major city centre projects do more to boost employment in inner city neighbourhoods?"* – this report will first consider the extent of the existing problem, in terms of coverage, the relative and absolute scale and demographic characteristics. It will then briefly examine what the possible barriers are to high priority beneficiaries maximising the employment opportunities created as a result of physical regeneration. Following this, the RDAs will highlight a number of examples of good practice in overcoming these barriers from around the country, before considering how the RDAs can contribute to achieving these aims in the future.
- 1.6 Within this work, it is necessary to recognise a distinction between short-term employment opportunities – i.e. jobs available before and during the construction phases of regeneration – and longer-term employment, or the permanent jobs and training opportunities created as a result of city centre regeneration. It is also worth noting that this work does not attempt to cover all of the sub-questions identified within the Inquiry's brief, but instead focuses on the role of the RDAs from a regeneration perspective.

2. Extent of the problem

- 2.1 Despite many successful examples of city centre regeneration initiatives providing employment benefits for deprived inner city residents, the RDAs recognise that this is not always the case. New jobs created through regeneration programmes do not automatically go to local people and it is widely documented that 'inner city' residents often represent the most deprived individuals in terms of social and economic inclusion, despite their close proximity to the hubs of regeneration.
- 2.2 It is worth noting at the outset that this does not mean that all inner city areas are deprived or have high unemployment rates, or that all joblessness occurs in inner urban areas. It is important to take account of the fact that spatial concentrations of 'worklessness' happen for different reasons in different places, with the role of the housing market in 'sorting' the most disadvantaged

people together being as important as changes in the nature and location of jobs available.ⁱ For example, the Joseph Rowntree Foundation identified inner city areas and former mining villages and industrial areas as having the highest rates of unemployment and 'non-employment' compared to the rest of the country, with the largest increases between 1981 and 1991 occurring in areas with the highest concentrations of public sector housing.ⁱⁱ

- 2.3 However, for the purpose of this research deprived inner city areas are the focus of the work, as these areas – generally the older and more urbanised areas of large cities surrounding the central business district – are those best placed to capitalise on the employment opportunities presented by regeneration projects in the city centres. However, there is little direct research looking at either the extent to which deprived inner city residents benefit from regeneration programmes, whether in the short or long term, or who actually gains employment as a direct result of jobs created.
- 2.4 The RDAs recognise and understand a number of the underlying processes that make this issue difficult to monitor and which limit the ability to fully assess the extent of the problem. For example, it is difficult to assess the level of 'trickle down', where a sometimes long chain will result in greater employment opportunities for lower skilled workers as more skilled or experience workers move into the more skilled jobs created. The ultimate question may therefore be 'who enters into employment as consequence of the new jobs created' rather than 'who gets the new jobs created'.
- 2.5 Within this there is also an increased likelihood as a chain gets longer of jobs 'leaking out' of the vacancy chain. Even if the local, inner city residents get x% of the new jobs created, it is likely that the ones who get them are those in jobs already, which would leave vacancies further down the chain. Therefore, each time a new job becomes available within the chain there is another chance of it going to a non-inner city resident, further reducing the proportion of local inner city residents who benefit.
- 2.6 Regardless of how easy the situation is to monitor, the extent to which the problem is now recognised at a national, regional and local level demonstrates that there are failings in linking inner city residents either directly or indirectly to the jobs created during, and as a result of major regeneration projects, despite their proximity to the sites. Relative to national, regional or local averages, deprived inner city neighbourhoods still record higher levels of long-term unemployment (often more than two or three times the national rate) and higher proportions of residents being in receipt of Income or Council Tax Supportⁱⁱⁱ, despite large scale redevelopment occurring in close proximity.

Characteristics

- 2.7 Clearly, deprived inner city areas often have common characteristics, many dictated by the concentration of densely populated, blighted or public sector housing. The tenure often leads to specific social characteristics in such areas, which are difficult to separate from the economic exclusion. However, the overriding attributes of low skill levels and a poor education are strongly linked to both high unemployment and deprived inner city areas. For example, in relation to education participation and attainment, deprived inner city areas often have a lower than average proportion who continue in full-time education post-16 and a higher percentage of school leavers with no GCSEs. Clearly, therefore, skills and training have an important role to play in tackling social and economic deprivation and in improving employment rates in inner city areas.^{iv}

- 2.8 However, it is often difficult to draw a distinction between economic and social factors, and also between causes and effects. For example, deprived inner city areas often have high concentrations of individuals with marginalised backgrounds, such as black and minority ethnics (BMEs) or ex-offenders^v, and individuals experiencing social deprivation are more likely to experience multiple forms of economic disadvantage and *vice versa*. For example, people with criminal records are 13 times more likely to be unemployed than the general population; at the same time, they are also significantly more likely to suffer from mental illness, lack basic skills, and be homeless.^{vi}
- 2.9 Alongside this, further analysis shows that ethnic minorities, women, disabled people and older people experience even worse exclusion from the labour market in terms of earnings and access to employment.^{vii} For example, a report by Karen Ecott (2007) on behalf of RENEW Northwest has looked at women's employment and local regeneration programmes^{viii}, concluding that, while over £24bn a year of public money was spend in the north west on regeneration and economic renewal, and more than 15,000 people employed in the sector, women are seldom considered in economic and employment initiatives. This has meant that women are more likely than men to live in poverty, and poverty remains a persistent feature of some local labour markets, despite recent policy changes. Employment rates for ethnic minority women were lower in all of the areas studied, suggesting that multiple forms of social disadvantage play a part in the problem.

Conclusions and Implications

- 2.10 The RDAs recognise that there are a range of issues involved in ensuring deprived inner city residents benefit from physical regeneration that is occurring in many of our city centres. A number of factors contribute to the complexity of understanding the problems and challenges making the full extent of the problem, or indeed the benefits that have been realised, difficult to assess. The areas worst affected by economic exclusion often also suffer social exclusion and include those with marginalised backgrounds, such as BMEs, ex-offenders, the elderly or disabled, and those with low skill levels and poor education. Desegregating the social and economic factors is almost impossible, leading to the conclusion that a fully integrated approach is required.

3. Barriers

- 3.1 Accepting that many recent regeneration initiatives have often failed to provide job opportunities for deprived inner city residents, it is worth considering what the main barriers are that prevent local take-up. As with the extent of the problems and characteristics of inner city areas, the RDAs believe that the barriers to jobs being obtained by inner city residents have considerable synergy with the fundamental barriers to social and economic exclusion.
- 3.2 Fundamentally, barriers to employment represent a dislocation between supply and demand in the local labour market. Supply is often stifled by the lack of qualifications, experience and job confidence amongst inner city residents. Labour supply is also held back by the indicators of deprivation amongst residents, such as long-term illness and crime. Demand for labour is influenced by the requirements of industry and business. Demand for new positions created through regeneration often differs from inner city labour

supply in that it requires higher skill levels and more experience and qualifications.

- 3.3 When residents of inner city Birmingham were asked to help identify barriers to work in 1998^x, the following were recognised as key constraints:
- Insufficient jobs, with young people in particular stating that there are not enough jobs suitable for their qualifications and work experience;
 - Lack of work experience;
 - Poor pay rate;
 - Lack of qualification and lack of training; and
 - The cost and access to childcare, which was especially important for women aged 25 to 34.
- 3.4 As part of the Park Royal (London) Regeneration Strategy, Llewelyn-Davies commissioned a piece of qualitative research to look at barriers to the employment of local people at Park Royal. The outcomes are similar to those recorded in inner city Birmingham, but provide further detail on a number of the barriers. For example, people in inner city areas near to Park Royal found it difficult to find work which paid sufficiently well to compensate for the loss of benefits – including housing benefit, council tax rebate, and school meals, etc – and therefore lacked the motivation to find work.
- 3.5 In relation to the suitability of jobs, some people in the case of Park Royal were put off by the menial nature of the jobs on offer to them, which fell below their current skills, qualifications and/or experience. Male groups, in particular, mentioned that employers often demanded both experience and qualifications, which was a serious issue for younger men. Paradoxically, they found that they could not gain experience without some prior experience and they were often competing against people who had either more experience or better qualifications. Women felt they were not accommodated for in the flexibility of employment and training offered by most employment services.
- 3.6 As mentioned, other potential constraints on the employability of disadvantaged people relate closely to the social characteristics of an area, such as:
- Health, including mental illness and disabilities;
 - Debt and complex financial issues, including the payment of Child Support monies;
 - The possession of a criminal record;
 - Circumstances at home, including caring responsibilities; and
 - The lack of a fixed address.^x
- 3.7 All of these factors can be understood as general barriers to employment for disadvantaged inner city residents; however it is also worth noting that many barriers are often locally specific, meaning that any attempt to overcome these may be more appropriately undertaken at a regional or local level. The RDAs are well placed to help draw together local and regional partners and help secure fully integrated physical, economic and social regeneration that benefits inner city residents. In accordance with the recognition in the Sub National Review (SNR), the RDAs would underline that regeneration and economic development are, in fact, one and the same activity. In fact, the

unique position of RDAs is that they will be better able in the future to work with all regional partners to join up economic development and regeneration activities at a regional policy level through the development of the single integrated regional strategies.

- 3.8 Examples of more locally specific barriers can be seen in the recent research undertaken by the London Assembly (2007) looking into the legacy of major regeneration projects undertaken to prepare to host past Olympic Games, one part of which focussed particularly on the skills and employment legacy of the games. During Barcelona 1992, attempts to improve the skills and job opportunities of the local population were, to an extent, thwarted by sub contracting in the construction industries, which lead to opportunities bypassing local people.^{xi} The majority of jobs created for the local population in Barcelona were based in the service industries; these jobs were generally not well paid, short-term and did little to improve the skills base of local people.
- 3.9 The same piece of research also looked at barriers to the employment and skills legacy of the 2012 Olympic Games in London, with one of the main potential barriers found to be language. According to the research, 15% of people from ethnic minorities cite language as the main barrier to work in the Capital. With regards to the construction industry, occupations are often very physically demanding and recruitment procedures are less straightforward than for many other sectors. This has limited the effectiveness of policies that have attempted to lever jobs from the construction industry. Also many of the opportunities are inherently temporary and move from site to site depending on where the building work is taking place.
- 3.10 Barriers to employment can also be physical in nature. The DCLG “Framework for Regeneration” states that although inner cities may appear reasonably well located in terms of access to jobs and other opportunities, many deprived inner city estates are characterised by poor public transport links to city centre areas, out of town business parks and shopping centres and other areas of employment growth beyond the urban periphery.^{xii} Other aspects of isolation exist in relation to weak informal employment networks, lack of social capital and restricted perceptions of available external economic and social opportunities.^{xiii}
- 3.11 The problem with removing these barriers is not thought to be a lack of services for the unemployed, but rather a lack of coordinated access to them. This fundamental problem comes from the need to develop a system to more effectively utilise and integrate existing support services, which is better placed to address the specific needs and opportunities associated with the proposed regeneration strategy.^{xiv}

Conclusions and Implications

- 3.12 As with the problems associated with inner city unemployment, the barriers to maximising job opportunities for inner city residents are complex and involve economic, social and physical factors. Fundamental imbalances in local labour market supply and demand underpin many of the barriers and education, skills and lack of work experience represent the main challenges. However, benefits and tax implications, childcare, language barriers, wider social problems and infrastructure must also be addressed. It is clear that integrated solutions are needed to overcome the identified barriers and the RDAs are committed to working with local communities and public, private and third sector partners to create locally tailored solutions to help deprived inner city residents into employment.

4. Good practice examples

- 4.1 The RDAs acknowledge that many of the interventions they have been involved with in the past have often been general in nature, rather than site-specific, and little data has been collated to monitor the direct impacts on local labour markets. Most interventions have also followed the 'trickle down' philosophy, concentrating on the provision of higher level skills and on growing the economy in order to reduce under employment and create vacancies and new jobs at lower levels. However, there are many positive lessons that can be learned from past projects, with many leading to some tangible outcomes in terms of employment opportunities and skills in local inner city areas.
- 4.2 For example, at the 2002 Commonwealth Games (CWG), Manchester City Council (in partnership with Sport England) developed a pre-volunteer-program (PVP) designed to improve the skills base and knowledge of 1,500 people from 17 different areas across the North West. The benefits for disadvantaged groups of people included obtaining a number of National Vocational Qualifications (NVQ) and were designed to have greater 'longevity' than the duration of the CWG. This case study represents an attempt by the organisers of the CWG to develop skills they required to run the games in disadvantaged people throughout the region, with a particular emphasis on East Manchester. These skills were intended to enhance the employability of those individuals and improve their access to the local labour market.
- 4.3 It was hoped that by participating in the PVP local people would gain enough experience and new skills so as to go on to participate in the main volunteer program for the CWG and in the longer term improve their own personal employability. Of the 160 PVP graduates from the inner city area of East Manchester, 145 applied to become CWG volunteers and 60 were accepted as full CWG volunteers. Participants' having a criminal record is cited as one of the main reasons why members of the PVP did not become CWG volunteers.^{xv} This scheme has proved to be such a success that the initiative is being transferred to the London 2012 Olympic Games, though there are currently no exact details about how this will work.^{xvi}
- 4.4 Similarly, a major aim of the Cabot Circus regeneration project in Bristol is to ensure that local people make the most of the new job opportunities arising from the development. The Cabot Circus Jobs Partnership was set up by West at Work and Bristol Alliance in order to engage and train local people. West at Work is an established partnership which includes Jobcentre Plus, LSC, Business West, SWRDA, Connexions and the four local authorities (currently funded by the LSC and SWRDA). Its express aim is to join up unemployed and disadvantaged communities to major new employment opportunities arising from big development projects or growth sectors.
- 4.5 As a result of the Cabot Circus regeneration project 4,000 jobs are expected to be created, 50% of these jobs are expected to be filled by unemployed local people and/or by residents of the most disadvantaged communities in the city. The results so far from the Cabot Circus regeneration job scheme are as follows:
- 500 Individuals completed Pre Employment Training;
 - 14,500 people engaged through activity in target areas;
 - 12,000 people registered on Cabot Circus Jobs website; and

- 76% of employers engaged with Cabot Circus Jobs process.
- 4.6 As mentioned in Section 2, the visibility of women in regeneration programmes is often lacking. Escott (2007) suggests that programmes “should consider the barriers to women’s engagement in the labour market, the gender pay gap, and low pay. This involves a better understanding of the needs of different groups of women, in different communities.”^{xvii} Best practice for women is demonstrated by employment projects that bring together childcare, training, and vocational experience, supported by effective local services. However, women should not be seen as a homogenous group in regeneration and economic development initiatives, and “the needs of different groups of women could be better distinguished, to understand their relative distance” from the jobs being created by such initiatives.
- 4.7 It is notable that initiatives such as these have focussed on how deficiencies in labour supply have led to local people being economically excluded. Although such initiatives have provided significant benefits they only seem to deal with one half of a seemingly two-pronged problem. Until very recently economic and employment initiatives have tended to divorce themselves from demand side measures and have focussed only on how to improve the supply of labour.
- 4.8 North et al (2007), in a study looking at the economic needs of deprived areas, argue that local employment initiatives are all too often poorly connected to wider local economic processes. They go on to suggest that, until recently, most national and regional economic strategies have failed to grasp the importance of linking related employment generation and business opportunities with the needs of deprived areas.^{xviii} It can therefore be argued that a more effective way of linking locally created jobs with individuals from inner city areas would be to develop targeted recruitment strategies with employers, whilst building in the needs and circumstances of deprived areas in terms of both the non labour market barriers (accommodation issues, health issues etc.) and the skills and job search barriers.
- 4.9 This is not a new problem and initiatives attempting to resolve the problem are not new either. For example, the Minneapolis Neighbourhood Employment Network (NET), set up in 1981, provided an over-arching framework strategy which sought to break down barriers to employment for locally unemployed residents, and provide a link between job seekers, employers and the multitude of educational, vocational and social programmes operating in Minneapolis.^{xix} This co-ordinated approach has the needs of *both* employers and the unemployed at its heart. Again, the RDAs are well placed to help bring together the public and private sectors to create effective, business-led solutions.
- 4.10 The role of employers is crucial if there is to be an attack on the skills mismatch created by the dislocation between local labour supply and demand created though regeneration initiatives. Employers control access to the job market and it is therefore their attitudes and practices which must be understood if programmes are to successfully link local people to employment. This is already happening with initiatives such as Local Employer Partnerships (LEP) and the Job Pledge scheme which forms part of the LEP initiative.^{xx} Central to these initiatives is the idea that leading employers should begin to step-up responsibility for the local community, and begin to recruit people with histories of worklessness, many of whom live in inner city areas close to these large employers. The importance of the link between supply and demand is also being realised in the City Strategy

Pathfinders, through the publication of Business Plans that reiterate Employer Engagement as key to successful local labour initiatives.^{xxi} Any initiative seeking to influence “recruitment practices, vocational training, sectoral recruitment and post-employment support” must first have a mutually beneficial relationship with employers.

4.11 So how do these initiatives work on the ground, and how can they be explicitly linked to regeneration projects? The London 2012 Olympics is a huge driver for regeneration in the Capital and, as a result, the LDA has worked carefully with its partners to deliver a range of the economic benefits for people living in London at the time of the Games and in future years once the Games have finished. This will be achieved through:

- The creation of new jobs;
- Improving the sustainable skills of the local population;
- Improving the links between employers and job seekers; and
- Reducing the exclusion of Black, Asian and ethnic minorities.

4.12 The five host Boroughs and the LDA, in partnership with Construction Skills and the Learning and Skills Council, have successfully formed the National Skills Academy for Construction (NSAfC). This was based on the successful ‘Training Strategy for Construction’; a \$10 million scheme providing 12,000 training places leading up to the Sydney games. The Strategy has been widely hailed as a success for producing a positive employment legacy for the construction-side of the Sydney Games.^{xxii} The London NSAfC will deliver site based training for 2000 local people in order to meet the construction industry’s needs. The Olympic Delivery Authority is working with partners on the supply and demand approach to employment, to ensure that unemployed people and people looking to improve their skills base benefit from the employment strategy for the Games. Here the Olympic Delivery Authority has also made efforts to understand the local labour market in terms of jobs and skills shortages.^{xxiii}

4.13 The RDAs see the use of local labour schemes as a way of linking employment opportunities to the local population through partnerships with local business groups, local government, skills councils, the voluntary sector and employment agencies. Local Labour in Construction (LLiC) schemes are a type of scheme intended to link urban regeneration schemes with unemployed local residents.^{xxiv} These schemes are increasingly being used by regeneration bodies who seek not only to improve investment opportunities in commercial and residential properties in an area, but also to ensure training and employment opportunities are increased through the programme to tackle local social and economic exclusion. LLiC schemes vary in their arrangements but most work through local and regional partnerships to ensure that labour used in construction projects is sourced locally, and employees are subsequently trained in the appropriate skills for the jobs. New entrants often need experience in the job before their productivity increases to an acceptable industry level. Schemes therefore provide a range of wage subsidies for this sub-productive period.^{xxv}

4.14 One such scheme is Greenwich Local Labour and Business (GLLaB). This scheme, which gained the local authority Beacon Status^{xxvi} for removing barriers to work, was set up in 1996 to improve the link between local people and emerging job opportunities. Through the Local Development Framework process, the council lever funding for the scheme through S106 agreements,

as set out in the Council's planning obligations Supplementary Planning Document (SPD). Achievements of the scheme include:

- 5,600 local people trained in skills relevant to emerging job opportunities;
- 4,500 people placed into work; Just under half from ethnic minorities; and
- 75% of job placements previously unemployed and 34% long-term unemployed.

4.15 GLLaB has obviously proved successful and it is therefore important to consider some of the lessons to be learned from the scheme. First, the scheme has developed a clear vision, with strong political engagement and leadership. Developers have been brought in from an early stage, with added certainty for developer's contributions brought in through the use of the SPD on planning obligations. The scheme also provides a range of services to guide people towards employment using New Deal and Intermediate Labour Market to increase local people's employability and provide valuable experience.^{xxvii}

4.16 Problems do exist with regard to local labour initiatives. Public sector developers need to understand that the EC Procurement Directive applies to public sector contracts above a certain value.^{xxviii} This means that the procurement of contractors must not place a non-UK firm at a competitive disadvantage. However, the Joseph Rowntree Foundation has suggested that a number of mechanisms exist for implementing local labour initiatives within this slightly restrictive context.^{Error! Bookmark not defined.}

4.17 The Skills issue is complex. It involves linking learning and skills development to actual job opportunities, and to people's perceptions of job opportunities. The consultancy Tribal has some interesting experience in tailoring web-based portals to specific employers / communities:

- Low skills in local communities are a major barrier to ensuring urban regeneration leads to increased employment for those communities. Employability programmes and pre-employment programmes are much more effective when there is real involvement from local employers and training is tailored to the demands of specific local and realistic job opportunities. A good example of this was a pre-employment programme developed by Contact Centre Professionals in the North East region, which prepared low skilled unemployed adults for employment in local contact centres. The outcomes from the employer-shaped programme were significantly greater for employers and participants when compared to other more general employability training;^{xxix}
- Other examples include: the 'Move On' website and 'Test the City' campaigns, both proving highly successful in engaging low-skilled adults and encouraging local communities back into learning – for example Sunderland City Council's partnership with City of Sunderland College; and, Tribal's own experience of successfully engaging local communities in learning and skills development through website, portal and campaign based approaches. This was done in the case of on-line vocational and skills for life training for large employers such as McDonalds; and
- In the special case of language skills as a barrier, the ESOL Portal is a single source of information and training aimed at supporting those whose first language is not English, and a good example of a cost effective approach to engaging specific communities.

- 4.18 What is also clear is that employer practices can be critical in determining the extent of local benefit and uptake. In Inverclyde (2000), one call-centre employer in the Enterprise Zone (Royal Bank of Scotland) had a workforce, 60% of whom were not just from the two main towns in the conurbations, Greenock and Port Glasgow, but actually from the “relatively deprived “SIP” areas – primarily social housing estates “along the back” of the two towns. No other EZ employer came near this: relying as they did on conventional hiring and advertising in the wider region, rather than specifically targeting the SIP areas as Royal Bank did.

Conclusions and Implications

- 4.19 Many of these good practice examples have been supported directly and indirectly by various RDAs. Much of the work done directly by the RDAs has been achieved through general interventions, not linked to specific schemes, and has focused on growing the economy more generally to reduce under-employment and create vacancies and new jobs at lower levels (the 'trickle-down' effect). There is a feeling that more can be done to address the complex and troubling phenomenon of inner city economic exclusion and the RDAs understand that future interventions must better address the demand side of local labour markets, as well as the supply. The above examples show that initiatives are beginning to demonstrate success in that regard. The RDAs are committed to learning from past experience and to working with local and regional partners and businesses to help improve employment opportunities for inner city residents.

5. The RDAs' role

- 5.1 As outlined briefly above, there are many examples of where RDAs have begun to address economic exclusion, including inner city residents. Moving forward, the RDAs will continue, in their role as economic development and regeneration agencies, to promote and support physical, economic and social regeneration activities that reduce under employment and address the needs of inner city residents. The RDAs recognise that they have an important role to play in bringing together local authorities, national and regional partners and the business community to ensure greater benefits for all.
- 5.2 At a general level, Regional Economic Strategies (RES) have been and will continue to be used to frame strategic objectives with regards to economic inclusion. Each region has a Framework for Regional Employment and Skills Action (FRESA) which is implemented by a Regional Skill Partnership (RSP). It is intended that the RSPs will provide a coherent and coordinated approach to national employment and skills policies, and bring together key partners from the public, private and third sectors at a strategic regional level and therefore give a more locally specific and relevant response. The RSPs will also seek to raise awareness of local barriers to employment and training and identify gaps in the local provision of services to address worklessness and the consequences of it.^{xxx} This will include ensuring local people have the necessary skills to meet the demand of regional employers and that all communities have access to a range of support networks which allow them sustained employment.
- 5.3 More specifically, some RDAs have looked at how, at a regional level, local labour initiatives can be implemented. One of the key proponents of this approach is SWRDA. SWRDA highlight that one of the key foundations to achieving sustainable economic success in the region is the ‘Sustainable

Construction Charter'. By signing up to the 'Charter', it has meant a commitment from SWRDA and its partners to work towards principles such as using local labour for construction. SWRDA see the 'Charter' as an important way of ensuring more development in the region, as successful construction projects generally depend on the availability of a skilled workforce and the employment of locally sourced people in such projects will therefore play a significant role in protecting and strengthening the local economy.^{xxxix}

- 5.4 This strategic view of local labour initiatives has led to the formation of projects throughout the South West, centred on local labour for construction. One such initiative is 'Constructive Devon', a project which has sought to attract people into the construction industry and qualify the 34,500 current construction employees to at least NVQ level 2 by 2010. The initiative encourages contractors to take on local trainees through the use of subsidised training costs and wage subsidies. Constructive Devon is part of a wider partnership between the Construction Industry Training Board (CITB), Construction Skills, SWRDA, District Councils, the Learning and Skills Council, Jobcentre Plus and local, regional and national contractors.^{xxxix} Although not explicitly for inner city residents, this initiative does focus on how local labour supply and demand can be matched and how regional influence can be an important ingredient at the local level.
- 5.5 In London, as part of the 2012 Olympic Games Delivery Programme, the LDA will seek to maximise the employment and training opportunities through two strategic initiatives:
- The Local Employment and Training Framework, acts an employment support mechanism for local residents of the five host Boroughs, and also a job connection service which links residents, employers and contractors with the Borough's job brokerage networks; and
 - The London Employment Skills Taskforce, which provides a framework to build on the impetus of the Games and leave a legacy of improved communication and networks between the public sector and employers.
- 5.6 It is imperative that it is not only local jobs and skills that are the legacy of large regeneration projects. Regional and sub-regional networks of employers, subcontractors and public and third sector organisations also need to be part of any legacy left by regeneration projects. It is usually only at times of large investment that these networks are formed and therefore sustaining them is important for continued and coordinated sustainable local employment initiatives.
- 5.7 In the East Midlands, EMDA produced a report looking at how worklessness and social exclusion can be tackled in the region^{xxxix}. In order to form a coordinated response to worklessness, the report found that partnerships in the form of Urban Regeneration Companies (URC) provided an important way to ensure that local skills are developed and utilised as part of the planning and delivery of key regeneration programmes within priority areas. URC partnerships have been piloted in Manchester and Liverpool and are considered to have been a success.^{xxxix}
- 5.8 An example of this is the North Northants Development Company (NNDC)^{xxxix} which was created in 2006 by the merger of Catalyst Corby (Urban Regeneration Company) and the North Northants partnership. The purpose of the North Northants Development Company is:

- To drive, co-ordinate and manage delivery of sustainable growth through the procurement of infrastructure and employment led growth across North Northamptonshire; and
- To lead and drive regeneration of communities and places within North Northamptonshire.

5.9 Coordinated responses have also been the target of Yorkshire Forward. In partnership with Local Authorities, Local Strategic Partnerships, Universities, the Learning and Skills Council, Job Centre Plus and the Government Office, Yorkshire Forward have begun to develop 'Geographic Programmes' to ensure full integration of their investments. These programmes are intended to show how the complex and diverse needs of deprived areas can be more effectively addressed in the context of wider development processes and economic development and also how different policy areas can be successfully integrated through more effective partnership working and planning. This will provide a clearer approach which in turn will clarify the role of different partnerships, and ensure that the collective impacts of planned investments on disadvantaged areas can be considered at a local level. These Geographic Programmes will also set out the RDA's contribution to Local Area Agreements.^{xxxvi}

5.10 Also drawing upon the importance of coordinated partnerships, One NorthEast, has led the formation of the Regional Employability Framework (REF) to contribute to the RES, through reducing worklessness and increasing regional participation in economic activity. The REF has shaped a shared awareness of current investment in welfare to work, and formed a strategic commitment by both providers and funders to more integrated action. Through a comprehensive understanding of the 'back to work' sequence, partners can align their activities, reduce duplication and increase effectiveness. Through this understanding, and flexible investment to the RDA, One NorthEast has been able to fill in gaps in mainstream provision.

Conclusions and Implications

5.11 The above examples demonstrate that there are various initiatives emerging from RDAs which go some way to understanding and removing the barriers to inner city economic exclusion. The RDAs are fundamentally committed to continuing to promote and support the integration of economic regeneration activities and working with a range of other partners more effectively to ensure greater benefits for all, including inner city residents.

WRITTEN EVIDENCE SUBMITTED BY ST. MOWDEN PROPERTIES PLC

1 Summary

- St. Modwen strongly believes that major regeneration schemes must deliver much more than purely physical development
- The delivery process must deliver social regeneration benefits as well by providing opportunities for the local community to be a key part of the area's transformation thereby improving residents well-being through better education, skills, employment and lifestyle.
- This requirement must be clearly set out as an objective of property led regeneration
- Regeneration programmes must also attract Inward Investors and new residents to areas creating a virtuous circle of sustainable investment
- Multi-agency Partnership working is key to delivering a sufficiently wide range of support for local individuals.
- It is important for Local Authorities to be the lead partner in supporting local economic success and getting local people into work which should be a priority within the Local Area Agreement process.
- Local delivery systems need to be in place to deal with local labour markets.

2 St. Modwen's practical approach in achieving Social Regeneration through its schemes and projects is by using and encouraging the use of local labour, by supporting local businesses and by providing a range of accommodation options to attract a diverse business community including space for new business start ups and indigenous firms.

3 The following types of actions typically undertaken by St.Modwen will assist in facilitating opportunities for inner city residents to participate in work through major regeneration projects :-

- The appointment of a Local Labour Scheme Coordinator whose role is to manage a Local Labour and Business Initiative to provide employment, training and sub contracting opportunities for local people and businesses during the construction and post construction phases .
- Inclusion of local labour employment agreements into the Contract Procurement Process.
- Liaison with public sector training providers at a very early stage to ensure the provision of advice, guidance and skills assessment and where possible accessing funding for relevant training in preparation for future jobs coming forward. It is vital that local people are trained for the kind of jobs that are likely to be available locally so that training resources are not wasted.
- Working with the Local Authority and Jobcentre Plus to facilitate a recruitment service matching local people to job opportunities with a "preparation for interview" advice service
- Exploring the potential of participating in a Local Employment Partnership Agreement with Jobcentre Plus.
- Ensuring jobs are advertised locally and linking into any local job brokerage services.
- Creating a local database of businesses including contact information; company history; main work areas and specialisms ; size; make up of workforce and number of local employees ; turnover and details of quality standard accreditation

- Providing advice and information on contracting and tendering opportunities including “ Meet the Buyer” events.
- Developing strong relationships with local firms making it easier to encourage the recruitment of trainees including long-term unemployed
- Working with business support agencies to help local companies win contracts and meet the required quality standards

4 St.Modwen’s schemes frequently include major public sector projects as an ingredient of the overall regeneration mix eg Warwick College ,Rugby; Bournville College , Longbridge; and a PCT facility at Edmonton Green, London. The actions / initiatives listed in 3 above will help these projects boost the jobs legacy.

5 St.Modwen does not believe that fiscal incentives are required to persuade regeneration investors to get local people into jobs. Far more importantly is for prospective trainees and employees to be work ready and that may require fiscal investment or incentives at a pre work stage.

6 Employer based on-the-job training has been proven to provide better outcomes than classroom-based training .This does therefore require trainees to be equipped to participate in work based training which may require a greater proportion of public sector funding for training to be targeted in this direction and developers , contractors and post-regeneration employers should be involved in the design of the training aimed at their sector.

7 Construction industry apprenticeships could be a legacy of regeneration schemes and St.Modwen is willing to work with its construction partners to achieve that if a workable model can be developed.

WRITTEN EVIDENCE SUBMITTED BY TEES VALLEY REGENERATION:

1. Highlights

- Tees Valley Regeneration is an urban regeneration company leading a £2billion investment programme in land, property and infrastructure, delivering 5 core regeneration schemes across the Tees Valley in an area of 800 acres.
- This programme has been anchored around education investment, which de risks regeneration projects to investors and increases the areas attractiveness to employers through an increase in skills levels.
- In order to ensure that these secure a long-term sustainable and transformational legacy for the sub-regional economy, TVR offers support to attract and develop business opportunities and inward investment.
- TVR's schemes are routed primarily and uniquely around education, as well as connectivity and sustainability, in order to ensure that they have direct and positive implications for the local labour market and inner-city job creation.
- The use of urban regeneration projects in boosting employment in inner-city neighbourhoods has proven to be successful in areas where regeneration is in response to market demand and has had an instrumental role in place-shaping.
- However, HMG risk regional dislocation as today's global economic slowdown will have a proportionally harder impact upon regeneration schemes and economic development in deprived and previously-neglected areas, such as Tees Valley. In addition, the Sub-National Review and other proposed structural changes risk replacing business and industry-led decision-making with political-led decision making, with consequences for private sector buy-in for regeneration schemes.

2. Tees Valley Regeneration

2.1. Tees Valley Regeneration (TVR) is an urban regeneration company, established in 2002, as part of the Government's response to Lord Rogers Urban Task Force, and designated with the task of stimulating new investment in areas of economic decline.

2.2. TVR is funded by the 5 Local Authorities that comprise the Tees Valley - Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees, with the Regional Development Agency, One NorthEast, English Partnerships and private sector representatives comprising the organisation's shareholders.

2.3. TVR's role as a catalyst for the regeneration of the Tees Valley, by ensuring the delivery of sustainable investment and development opportunities, restoring and reinforcing private sector confidence in the area and integrating physical and social renewal for the benefit of the whole area, is producing results.

2.4. Since 2003 TVR has been working to deliver 5 major, strategic, physical development projects, unseen in scale across the North East; Central Park (Darlington), Middlehaven (Middlesbrough), North Shore (Stockton-on-Tees), SKYLINK International Business Park (part of Durham Tees Valley Airport) and Victoria Harbour (Hartlepool). These were adopted for their realistic

delivery timescales, opportunities for partnership working and potential impact for communities across the whole Tees Valley.

2.5. The original remit of the organisation was expanded in 2004 following the merger with the sub-region's inward investment arm - Tees Valley Development Company - to form a single integrated unit. 2004 saw TVR take on responsibility for the Tees Valley Metro project, a planned rail system to improve sub-regional connectivity.

2.6. The Tees Valley has a shared history of partnership working; it was one of the first city regions in the UK to sign a multi-area agreement and its collaborative approach was highlighted as best practice in HM Treasury's 'Sub-National Review of Economic Development and Regeneration.'

3. The impact of major physical regeneration upon the inner city labour market

3.1. The importance of improving the local economy is at the very heart of TVR's role, with a focus on the inner-city labour market a crucial part of each flagship development. These, in turn, are pieces of a deliberate strategy that aims to transform, rather than merely shore-up, the local economic landscape.

Response to market demand

3.2. The projects are a clear response to market demand. The Tees Valley lacks a wide pool of affordable, high-quality office, residential and hotel accommodation, as well as topclass leisure and, to a certain extent, retail facilities. The 5 projects respond to this demand, knowing that the developments, and thus the associated jobs, are most definitely sustainable over the medium to long-term.

3.3. For instance, North Shore in Stockton-on-Tees is to have its riverside transformed under ambitious plans drawn up by TVR, English Partnerships, Muse Developments (a leading urban regeneration specialist) and award-winning property developer Urban Splash. It is proposed that the current mix of industrial buildings and Greenfield land will be replaced by waterfront houses and apartments, offices, leisure and retail facilities, together with hotel accommodation. Private sector investment is around £450million.

3.4. Anchoring regeneration schemes firmly around education can have a profound long term impact upon the inner-city labour market. Indeed, this can serve a number of purposes; Firstly, creating a world-class training environment will produce results, in terms of increased access and attainment, more meaningful for local communities than simply bricks and mortar. This improvement in employability has enormous positive reverberations for a whole town or region. Placing such an emphasis on skills could be perceived to be a risk, but it has another major advantage. By creating a new educational facility in the heart of previously Brownfield land, the development is thus de-risked for private sector intervention. TVR has done, and is doing, just that, fundamentally believing that the two - regeneration and education - are inexorably linked. That is the purpose for TVR rooting its projects firmly around education, with the 5 developments providing 1million square feet of educational facilities between them.

3.5. For example, Central Park in Darlington, a previously Brownfield site, is geared around the £35million Darlington College, providing first-class facilities to over 8,000 students. The College, occupied in part by the University of Teesside's 'University Centre,' is at the very heart of TVR's plans for a 75-acre mix of residential, office and leisure facilities adjacent to the town's railway station.

3.6. Regeneration and education also complement one another at the newly opened Middlesbrough College at Middlehaven. Catering for around 11,000 students and opened in September 2008, the eye-catching building is the focal point for the Middlehaven project, previously an industrial eyesore, which will be the largest carbon neutral development in Europe. In addition, the North Shore development in Stockton-on-Tees will be linked to Queens Campus of University of Durham on the opposite shore, which is undergoing an expansion, Tees Valley partners realise the importance of higher-level skills, especially in light of the Leitch report and the challenge of globalisation.

3.7. This has already produced benefits for the local labour market; there has been a 20% increase in student numbers at Darlington College, 13% at Middlesbrough College and the University of Durham at Stockton-on-Tees will double in size over the next decade.

3.8. However, this focus on education within the regeneration sphere is not focused solely on the FE and HE agendas. The education facilities in the developments aim to be the focus of, and reach out to, the wider community, to foster a sense of up-skilling, retraining and expanding horizons. This is particularly important given the history of the Tees Valley in manufacturing and its associated decline during the 80s and early 90s. There is widespread agreement among sub-regional partners that a focus on up-skilling can bring real Tees Valley-wide benefits.

Connectivity

3.9. Alongside education, improving connectivity is crucial to increasing labour market mobility and access. TVR is leading on the Tees Valley Metro project, designed to open up and improve previously-neglected areas, making them more desirable for both residents and businesses - often the most effective way of tackling urban deprivation.

Indeed, the North East Regional Spatial Strategy (RSS) identified the Metro project as an ideal way "to provide better public transport access to the ... regeneration projects in the Tees Valley."

3.10. The Metro project will enable the massive private sector investment in key regeneration schemes to feed directly through to inner-city residents and enhance their employment opportunities. This is by linking employment-rich regeneration sites - there are plans for new stations at Middlehaven, North Shore and Durham Tees Valley Airport - to transport hubs and existing, enhanced, urban stations. The project's Business Case, which has the formal support of the Local Authorities, Tees Valley MP's and the Minister for the North East, is being submitted to the Department of Transport.

3.11. In addition, as part of the development of Durham Tees Valley Airport and SKYLINK International Business Park, located on the South side of the airport, a new £11 million Long Newton Interchange on the A66 near

Darlington was recently completed. This major infrastructure improvement significantly improves connectivity between the Airport and the 5 Tees Valley centres, opening up job opportunities for a huge number of inner-city residents.

Urban expansion

3.12. A repercussion of both the Metro and Airport projects, as well as the other major regeneration sites, is their impact upon the footprint of the Tees Valley's town centres, the engine rooms of the local economy. A pivotal way of ensuring that sustainable employment is created is by extending and expanding the town centre, thus facilitating more opportunities for business investment.

3.13. Such a theory has proven to be successful in the likes of Manchester and Liverpool; the latter extending their town centre footprint to create a waterfront of international acclaim and reaping the associated rewards in terms of increased employment and wealth creation. TVR are seeking to replicate best practice and ensure that the land in proximity to the town centres are redeveloped to bring new vibrancy, and thus new jobs, to the local economy.

For example, Central Park lies on the outskirts of Darlington's town centre, Middlehaven is situated on the doorstep of the Tees Valley's retail engine room, Middlesbrough town centre, and North Shore in Stockton-on-Tees will considerably extend that town's urban heart. Furthermore, Victoria Harbour will open up a 200 acre stretch of waterfront to the north of Hartlepool's thriving marina. It has the opportunity to become a world-class waterfront destination, particularly in view of the Tall Ships Race, which is coming to the town in 2010.

Urban job creation

3.15. The impact of property-led regeneration on the jobs market in an urban area can be considerable, for a number of reasons. Firstly, the jobs required to implement the schemes will make a huge difference to the local labour market. In the case of Tees Valley, over 13,500 jobs will be created over the next decade, both as part of the development process and longer-term in the leisure and retail elements built into each of TVR's development sites.

3.16. For example, the Middlehaven development will create around 3,000 permanent jobs to fill the significant leisure element of the project, which include hotels, bars and restaurants, itself a clear response to market demand; Middlesbrough has often been deemed to have a weak night-time economy. The same can be said of Stockton-on-Tees, where the North Shore scheme will create 5,000 new jobs.

3.17. Property-led regeneration also opens up further opportunities and incentives for the private sector to input. A display of public sector confidence can massively influence the plans of the private sector. For instance, hand-in-hand with the development at Durham Tees Valley Airport's SKYLINK International Business Park - a 250 acre site which will provide over 2million sq ft of business space and offer occupiers access to world markets -the Airport is undergoing a £56million expansion to handle an anticipated 3million passengers, creating 2,500 jobs over the next 7 years.

Housing stock

3.18. By its very nature, property-led regeneration increases the stock of housing in a given area. Providing local residents with a better choice of affordable, high-quality homes is built into all TVR's projects. The new Homes and Communities Agency (HCA) has stressed the importance of regeneration ensuring an adequate supply of affordable housing to benefit local communities and bring urban renewal to deprived areas.

3.19. Across the flagship development schemes in Tees Valley, around 8,000 residential units in total will be built. For example, the St Hilda's estate in Middlesbrough, which regularly features as one of the most deprivation areas of the UK, will be replaced under the Middlehaven regeneration schemes by affordable housing. TVR projects are based in city centres where unemployment and worklessness are comparatively high, meaning that housing regeneration will directly benefit those in inner city neighbourhoods.

3.20. Although there are those who argue that regeneration schemes only attract workers from outside the area, Tees Valley partners have recognised this and through collaboration, an emphasis on skills and training, as well as seeking to diversify the local economy, have sought to ensure that the projects directly enhance the local communities they serve.

Partnership working

3.21. In any regeneration scheme, partnership working - between developers, contractors, training providers and others - is imperative to ensure both that the development succeeds and that local residents have the necessary skills to implement the project themselves.

3.22. Indeed, DCLG's consultation on a Framework for Regeneration, 'Transforming Places, Changing Lives,' specifically identifies creating jobs and training opportunities for local people prior to the initialisation of a physical regeneration programme, as an element of tremendous importance.

3.23. All regeneration schemes strive for organisational synergy and TVR has attempted to achieve this. A number of key private sector partners and developers have come on board, all with a history of implementing successful and sustainable schemes. In total, a minimum of £2000 million of private sector investment will flow into the Tees Valley, from the likes of Peel Holdings, Terrace Hill and Commercial Estates Group. £1.2bn has already been legally committed.

3.24. Such commitment demonstrates the faith they have placed in the Tees Valley and how determined they are to see such place-shaping projects come to fruition. These are underway; for example, developers Bio Regional Quintain are building the first of 15 futuristic buildings at Middlehaven, designed by Will Alsop and FAT Architects, which will provide a total of 150 apartments and 13,000 sq ft of office space.

Skills and training

3.25. Skills and training informs much of the pan-Tees Valley work being undertaken. This is crucial to ensure that the long-term benefits of training are manifested in job opportunities, innovation and success. In this way, TVR have built links with public and private sector partners across the region, from Job Centre Plus and the Local Authorities, to colleges, universities, training providers and industry-led forums.

3.26. On a micro level, Tees Valley Regeneration works with the local labour market in each area in which a flagship development is taking shape. For example, TVR and Stocktonon- Tees Borough Council have identified the numbers and characteristics of the workers they need on the North Shore project from each individual ward of the borough.

3.27. Facilitating entry into employment for hard-to-reach groups is also crucial. The Regional Economic Strategy (RES) emphasises the need for a focus upon "providing jobs close to areas of deprivation, and developing programmes to enable people from those communities to access those jobs." In this way, organisations, such as Job Centre Plus, Tees Valley Living and the Tees Valley Local Authorities, work closely together to reach out to disadvantaged groups and reduce worklessness and welfare-dependency.

Talent Retention

3.28. Regeneration and economic development can also act as a hook to entice talented students emerging from colleges and universities to stay in an area. The Tees Valley has historically suffered from high levels of outwar migration amongst graduates and reversing this trend is a key regional and sub-regional strategic goal.

3.29. Tees Valley partners believe the 5 regeneration schemes, transforming the urban centres to offer 21st century products and increased liveability, can act as a catalyst for retaining talented young people in the Tees Valley. These new city-scale developments, previously unseen in the Tees Valley, will rival the likes of Leeds, Manchester and Newcastle, who have experienced considerable success in offering those things -modern leisure, retail an employment opportunities - that attract and retain young professionals with aspiration and ambition.

3.30. As outlined above, the projects have also enabled first-class Further (Central Park and Middlehaven) and Higher (North Shore) Education facilities to be installed. The result of such investment is that improved facilities give such organisations the scope to concentrate on their expertise and business support, ultimately creating the conditions for graduates to stay in the region.

3.31. The University of Teesside, for example, is clearly committed to the economic development of the Tees Valley as a whole. They have launched new degrees in partnership with business -such as Leadership and Management in conjunction with the North East Chamber of Commerce - worked closely with industry on Knowledge Transfer Partnerships, established an Enterprise Development scheme and engaged with over 500 businesses last year alone. Indeed, the Chief Executive of HEFCE said that, "when people ask what 'employer engagement' means in a modern setting, I could start by pointing them to the University of Teesside."

3.32. It is clear that such work is beginning to produce results across the board. There have been large improvements over the past 5 years in GCSE results, NVQ Level 2 and 3 attainment rates, apprenticeship applications and success rates, as well as university applications.

4. Boosting the jobs legacy of big public-sector development projects

4.1. As the inquiry rightly indicates, boosting jobs is an element of regeneration that should happen not only prior to and during the creation of a major infrastructure project, but also following its successful implementation.

4.2. Part of TVR's ambition is to create not only a world-class physical landscape, but also to foster a change in aspirations amongst local residents through the creation of advanced business infrastructure and a focus on attracting private investment. To enable the future sustainability of employment in the sub-region, TVR aims to do a number of things: promote the area to encourage companies to invest; expand and diversify the local economy; change perceptions of the Tees Valley; and encourage business growth in deprived areas.

Private sector investment and economic expansion

4.3. Firstly, TVR's Business Investment arm works to attract private sector investment into the area in key sectors by promoting the huge positives of the sub-region, such as its infrastructure, location, workforce, affordability and quality of life. Indeed, over the past 2 years, the Team has created and safeguarded over 2,700 jobs, attracting over £570million of capital expenditure. In addition, the Strategic Account Management Programme, run by OneNorthEast and TVR, supports existing large companies in the Tees Valley, encouraging increased investment and employment from indigenous industry.

4.4. By working to attract inward investment, TVR aims to expand and diversify the local economy. In order for the Tees Valley to compete on a global footing, the sub-region needs to adapt to the changing world in which we live. Thus following the example set by conurbations such as Sheffield and Salford, which have successfully modelled themselves as respective 'Creative' and 'Media' cities.

4.5. The Tees Valley economy, previously heavily dependent upon manufacturing, is becoming more diverse. One can observe this by looking at the key sectors, visible throughout all regional and sub-regional strategies, upon which inward investment attraction is focused, such as energy, process, life sciences and digital. Indeed, the Tees Valley is now home to the third largest chemical process cluster in Europe and a rapidly growing renewable energy industry. Creative industries are growing faster in the North East than in any other region and Digital City, a partnership between the University of Teesside and Middlesbrough Council, has already worked with over 150 new and growing businesses. There is a clear emphasis on attracting sustainable jobs in high value added industries, with large employment increases in professional services, contact centres and engineering management and design. On a recent visit, the CBI Director-General said that the "structure of the [Tees Valley] economy has changed. Now it is much more diverse!" This can only further benefit urban employment.

Perceptual changes

4.6. A by-product of adapting the economy to meet 21st century challenges, changing perceptions of the region is of paramount importance. Diversifying the economy is a way of changing people's views of an area, as are the use of public art and improving the local landscape - both of which are embedded in TVR's regeneration schemes.

4.7. In terms of image management, Tees Valley Regeneration's development projects all aim to improve the quality, design and landscape of the urban public realm. For example, the North Shore project is home to the new 'Infinity Bridge,' which will leave a permanent mark upon that stretch of the River Tees, as well as enhancing connectivity.

4.8. Public art also has a role to play in the Tees Valley's development schemes, echoing the huge success of the likes of Newcastle in terms of culture-led regeneration. TVR recently unveiled the first of the five 'Tees Valley Giants' - huge pieces of public art in each Tees Valley Local Authority; the first of which, 'Temenos,' designed by Anish Kapoor and Cecil Balmond, will grace Middlehaven in Middlesbrough.

4.9. Such improvements are designed not only to alter outsiders' views of the area, but also those who live in the Tees Valley. Improving the quality of the local environment will have a positive effect upon their outlook, ambitions and job prospects. Lifting aspiration is thus vital to ensure that regeneration schemes aid urban employment prospects.

Business-deprived areas

4.10. Promoting business investment in business-deprived areas with the potential for growth is another way of incentivising urban renewal and ensuring increased urban employment. Particularly given that the Tees Valley has a weak enterprise culture, with low rates of new-start ups. That is why TVR is developing over 2million sq ft of prime office space across the 5 flagship developments. Indeed, the development at Darlington Central Park contains a number of incubator units and facilities for start-ups, designed to foster an environment of entrepreneurialism.

4.11. The All Party Urban Development Group's 2007 report, 'Business Matters,' clearly identified that investment in run-down communities could be more profitable than investing in well-off areas. TVR fundamentally concur with this judgement and has based its projects around some of the most deprived wards in the whole of the UK.

5. Conclusion

5.1. The impact of the regeneration schemes and associated work is starting to have a profound effect. The Tees Valley economy has experienced notable growth in Gross Value Added (GVA), Gross Domestic Product and employment over the past decade. In particular, GVA per person grew faster in Tees Valley in 2005 than any other area, bar London, Tees Valley employment is up by more than 13% over the past 10 years and economic activity almost 4%. Some of the world's biggest companies now have a

presence in the Tees Valley- including SABIC, AMEC, Aker Kvaerner, Barclaycard and Banco Santander, with many more on the way.

5.2. All of the above demonstrates that the combination of ambitious regeneration projects, and work to attract private sector investment and large employers, can act as a catalyst for future development.

5.3. Therefore both the schemes themselves and the reverberations resulting from them in terms of housing, education, connectivity, investment, perceptual change and economic diversification- can have enormous positive implications for the employment opportunities of inner-city residents and communities.

5.4. External macro-economic and political factors, however, must be taken into account. As the world economy enters an unprecedented period of stagnation and the UK reacts to such a structural shift, the effects on sub-regional regeneration could be profound. There is a risk that regional dislocation could occur, with the slowdown having a harder impact upon economic development in disadvantaged areas than in those that have long been economically prosperous.

5.5. At the same time, the delivery architecture of economic development and regeneration is also changing. The Sub-National Review of Regeneration does give Local Authorities more autonomy and the creation of Multi-Area Agreements-one of such recently signed in the Tees Valley - does allow for welcome sub-regional autonomy.

5.6. However, the SNR and other proposed structural changes risk replacing business and industry-led decision-making with political-led decision making, with consequences for private sector buy-in for regeneration schemes.

5.7. Both these causal effects, can, in short, lead to a flight to quality. Developers, investors and even the public sector could be tempted to desert difficult areas and challenging projects in chastened economic times. It is a challenge for regeneration vehicles, such as TVR, to prevent this from happening and to ensure that the projects, which will radically transform the Tees Valley economy, continue to make progress.

WRITTEN EVIDENCE SUBMITTED BY THE UK COMMISSION FOR EMPLOYMENT AND SKILLS

1. Evidence:

UK Urban development and Skills and Employment

- 1.1. The UK Commission for Employment and Skills recognises the important role cities must play in any spatial dimension of employment and skills policy. The 56 major cities and towns⁴ in England alone account for approximately 51% of the working age population in Great Britain, but 56% of the working age population who are not employed and have an average wage 6% higher than the average for Great Britain.
- 1.2. The UK Commission also recognises that the role of urban areas will remain important in the future. Projections from the Government Actuarial Department show that of the growth in population between 2007 and 2030 in England, 51% is projected to be within the urban areas noted above.
- 1.3. As a result of this expected growth, the influence of spatial issues on labour market performance is likely to become more pronounced. Evidence shows that on average workers in England and Wales live within 5 kilometres of their place of work⁵, this distance falls for those employed in lower levels jobs. For these reasons, the UK Commission recognises the spatial aspects of skills and employment policy to be fundamental.
- 1.4. Urban regeneration and development projects present unique opportunities to tackle low levels of employment and skills within specific areas. However, in many instances they become acute examples of the limitations of the UK employment and skills systems to be able to react to the needs of the local communities they serve. These issues have been identified by government given the emphasis on local solutions presented in the DWP green paper, “No one written off: reforming welfare to reward responsibility” and the renewed focus on worklessness for the DCLG regeneration funding through the Working Neighbourhood Fund (WNF).
- 1.5. It is also clear that the evolution of public services that deliver skills and employment services to tackle acute problems has been iterative, disjointed and with programmes having relatively short lifetimes (often as a result of the funding cycles). These shortcomings are then compounded by the plethora of funding agencies, targets and delivery bodies operating within disadvantaged communities. These must be simplified.
- 1.6. The following submission presents evidence that is being used to inform the UK Commissions view on the spatial aspects of employment, skills and regeneration issues.

2. Deprivation and Agglomeration

⁴ DCLG, 2006. *State of the English Cities*

⁵ Meadows, P. (2008), *Local Initiatives to help workless people find and keep paid work*, Joseph Rowntree Foundation.

- 2.1. As noted in section 1, urban areas account for an above average proportion of the UK population who are not in work. The indices of multiple deprivation indicate that inner city areas carry the majority of this caseload.
- 2.2. Although constructed in different ways, the indices of deprivation for Wales, England, Scotland and Northern Ireland show distinct concentrations of deprivation in urban centres. Approximately 28% of the top 10% most deprived Lower Super Output Areas in Wales are in Cardiff and Swansea, 34% of the top 15% most deprived in Scotland lie in Glasgow, and 34% of the Belfast SOA's lie in the top 10% most deprived SOA's in Northern Ireland (32% of those in Derry).
- 2.3. The detail of these data provide insight to the extent of deprivation with some inner city areas. The evidence suggests that higher levels of involuntary unemployment are found across large cities in the North and West of England. However, it is also quite clear that concentrated areas of low employment exist in areas of extreme deprivation in London and other large cities in East and South East, with employment rates in for some groups in some areas below 50%⁶. Research from the Centre for Cities indicates that it is the largest Core cities in England that exhibit the highest degrees of inequality.⁷
- 2.4. The DCLG Study, "State of the English cities" conducted in 2006 found key differences in the qualification profiles for the English cities depending on their location, with higher proportions of graduates in London and other larger cities in the South East compared to higher proportions of the population with no formal qualifications in the cities in the North and West – indeed the data suggesting a positive relationship between the size of a city and the proportion of those with no qualifications within these regions⁸.
- 2.5. The structure of these economies are often very different. The IMD for England shows similar levels of deprivation across former Coalfields, Seaside towns and areas surrounding financial districts. Despite these similarities, the causes of this deprivation and the structure of the local economy vary from deficits in English language skills⁹ amongst new migrant communities to concentrations of the long term sick.
- 2.6. As a result of these different causes, the likelihood of a uniform approach to regeneration being successful across different areas is low. The success of fiscal incentives for the remediation of land for example tends to be determined by the scale of the land packages they apply to.¹⁰
- 2.7. In explaining these differences, the UK Commission notes the value of New Economic Geography alongside the insights it offers in designing effective interventions. As noted in paragraph 1.1, average productivity (reflected by differing wage levels amongst those in employment) in urban areas are, on

⁶ DCLG, 2006. *State of the English Cities*

⁷ *Cities outlook, 2008, Centre for Cities*

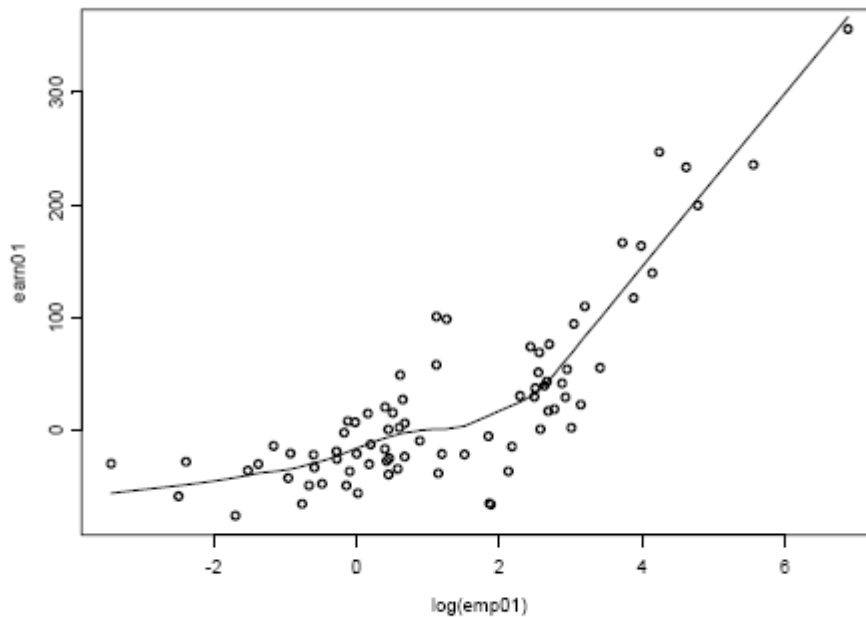
⁸ DCLG, 2006. *State of the English Cities*

⁹ Meadows, P. (2006) *What works with Tackling Worklessness, London Development Agency.*

¹⁰ *The Potential Role for Fiscal incentives in the Economic Regeneration of Former Coalfield Areas, (2001), DCLG*

average, higher than those outside urban areas. Theory and evidence suggests that agglomeration economies can exist with employers and firms choosing to maximise the benefits of being close to each other. These benefits can be from utilising shared pools of specialist labour, maximising the benefits of knowledge spillovers and minimising the distance needed to travel in order to take products to market. Figure 1 provides an indication of the relationship between job density and productivity.

Figure 1: Earnings differential and log of employment density, 87 GB areas, 2001



Note: The solid line is the fitted values from the general non-linear local regression technique, with span = 0.6

Source: *Why distance doesn't die: Agglomeration and its benefits*, Volterra Consulting Ltd for GLA Economics, June 2006

- 2.8. A key feature of the economy of a local area will be how well it is able to derive benefits from the resources in the locality, such as a close proximity to the coastline for many seaside towns, government institutions in some major cities, natural resources and linkages to other centres. Evidence suggests that these are factors that can be key to determining the location decision of firms in moving to the area¹¹.
- 2.9. International evidence suggests that the focus on building from an areas initial endowments rather than copying ideas or economic development strategies from elsewhere have proved more successful in facilitating urban regeneration: "These include ports and airports, historic neighbourhoods, waterfronts, universities and medical institutions and a dense collection of people with drive, talent, and ideas. By investing in these economic and physical assets, cities have improved their competitive position for jobs and residents."¹² International evidence also suggests that a focus on delivering effective public services such as good schools, policing, sanitation and health services are the key pillars behind urban renewal with some American cities.

¹¹ *Global Financial Centres Index, Corporation of London, 2008*

¹² *DCLG, 2006. State of the English Cities*

- 2.10. In some instances, the levels of productivity generated in these areas and the levels required to remain in the area produce a job market generating opportunities toward the top end of the occupational spectrum, creating an increasing gap between any low skilled residents in an area and the growth in employment opportunities. Of the English core cities, over 1/5 of the local population in both Liverpool and Birmingham hold no qualifications.¹³

3. Linking inner city regeneration to local employment:

- 3.1. There is undoubted potential for localised projects to provide the employment opportunities for local labour during both the development of the project and its legacy.
- 3.2. However, research findings show there is no clear relationships between an increase in jobs in the area and any notable fall in long term unemployment, with the exception of a minority of cases. There is also little relationship between areas of job loss and rising long-term unemployment. In consequence, active labour market policies (ALMP's) are crucial in connecting the unemployed more effectively to everyday labour market opportunities.
- 3.3. Furthermore, the evidence suggests that actions to reduce long-term unemployment are necessary in periods of both job growth and job decline. There are many reasons why the long-term unemployed don't get jobs other than there being not enough. Jobs do not just 'trickle-down' to those in long-term unemployment.¹⁴
- 3.4. The review of the neighbourhood regeneration evidence for the DCLG in 2006¹⁵ shows that in some cases, business creation programmes have significant displacement effects through providing new businesses with a competitive advantage over those already located in the area.
- 3.5. Other unintended consequences emerge through geographic mobility. Increasing incomes (through gains to employment) allow residents to move between areas, making it difficult for the full benefit of regeneration to be captured within an inner city area. As a result, meeting spatial targets for employment set for regeneration programmes can be both inefficient and misleading.
- 3.6. To effectively maximise the benefits of any physical development amongst a resident population, the above evidence illustrates some key issues that need to be accounted for in any programme:
- Those who are further from the labour market either require more time for preparation or more intensive support. To ensure projects maximise their regeneration potential, it is important that the employment services become involved, (or at least aware) of likely placement opportunities at the beginning of the infrastructure planning process.

¹³ *Cities outlook, 2008, Centre for Cities.*

¹⁴ *Local responses to long-term unemployment, JRF, 1998*

¹⁵ *What works in economic development for deprived Neighbourhoods, DCLG, May 2007*

- For large scale regeneration projects those with health conditions may be limited from working on the construction, not only through a lack of training but through not being in good enough health to perform the work. In this instance, further services are likely to be required to support the claimants return to relatively demanding physical work.
- 3.7. Alongside the benefits from harnessing the physical development of an area, regeneration sites can and should act as a focal point for service providers to come together and become engaged in the process to ensure benefits are effectively captured from the legacy (due in no small part to the number of partners involved in physical infrastructure projects such as Local Authorities, developers, employers, community groups, housing associations amongst others). The evidence shows that the most effective methods for engaging local employers is through inclusion in the way the project is run and delivered (Fair Cities and City Strategy Pathfinders).
 - 3.8. A key feature of success is the ‘buy-in’ of local communities and employers - the interest of whom diminishes with each failed regeneration initiative. Therefore it is important to limit the chances of failure and providing faith in the initiatives through longer term commitment.
 - 3.9. Whilst investment proposals appraised through green book methods will account for some level of optimism bias, in selling the ideas to those communities and employers there is the need to manage their expectations of the impact the project is likely to have as part of effective stakeholder management.

4. Effective employment services within inner cities:

- 4.1. As noted in section 3, the simple creation of jobs has a limited impact on increasing employment within an area, given the barriers faced by the workless to participating in the labour market. To effectively capture the benefits of growth in an area, there is the real impetus for local employment and training services to prepare the individual to effectively compete in the labour market.
- 4.2. The evidence identifies the following barriers associated specifically with the longer term unemployed “not having the skills to match evolving job opportunities; the fact that the long-term unemployed may not be applying for a wide range of jobs; the fact that employer recruitment channels mean vacancies may not come to the notice of long-term unemployed people; high labour turnover costs (reducing the number of job opportunities that become available); domestic and personal circumstances (such as poor health and child care difficulties); and recruitment practices. Employers are more likely to prefer new labour market entrants, women returners, people moving into the area and commuters when filling vacancies”¹⁶.
- 4.3. There is a strong body of literature around what works in supporting workless individuals back into work, much of which the result of pilot programmes that have taken place in inner city areas (Employment zones, Fair cities and most recently the City Strategy Pathfinders). This evidence identifies the following

¹⁶ *Campbell, M. Walton, F. Sanderson, I. Local responses to long-term unemployment, Joseph Rowntree Foundation, 1998*

elements of welfare to work programmes that are likely to yield more successful outcomes in comparison to those without:

- A good assessment of the individual needs, including those long term sick and disabled is essential - this is required to design interventions that are holistic rather than focusing on one aspect of employability.
- Whilst providing this flexibility (such as the that delivered to employment zone contractors¹⁷) programmes that exhibit continuity between providing job search support, work experience and training even these element are provided by separate contractors. Structured interventions show better result in general than those that are not.
- Those closest to the labour market benefit from immediate placement, those who find it difficult to cope in the workplace immediately benefit from some initial training, (however the evidence suggests this much more expensive and delays the start of employment).
- Engendering and maintaining motivation, especially through voluntary involvement rather than mandatory programmes whilst ensuring job search is central to the programme.
- Encouraging those delivering the services and programmes such as employment support agencies and providers to actively engage with employers – ie being ‘demand led’.

4.4. Under present arrangements, delivering a sufficiently wide range of support these services in a locality means that partnership working is key across both local service delivery organisations but also employers. As noted, the most successful provision comprises at least some element of the local employers allowing them the flexibility to drive provision to meet the needs of the local economy.

4.5. However, employer engagement alone is not enough to drive success. Evaluation evidence from the Fair Cities pilots, show that whilst employers were able to drive the process outputs were weak - the result of a number of factors.¹⁸

4.6. The evidence also suggests that coordination of services and simplification of the process to the claimants is also key. The UK commission notes the role the forthcoming adult advancement and careers services can play here.

4.7. Alongside the involvement of local employers, the research indicates that establishing trust amongst the communities in receipt of these services are also key to success¹⁹. As part of the DCLG work into the lessons learnt from the New deal for communities, the outcomes suggested that the sheer amount of new initiatives that had been targeted at these areas and had led to little change and had in turn brought forward a degree of resentment toward those implementing it.

4.8. Further evidence suggests a number of factors have significant effect on the likelihood of an individual finding work and remaining in work:

¹⁷ Griffiths R. Jones, G. *Evaluation of Single Provider Employment Zone Extensions to Young People, Lone Parents and Early Entrants*, DWP, 2005

¹⁸ Atkinson, J. Dewson, S. Fern, H. Page, R. Pillai, Tackey, N. *Evaluation of the Fair Cities Pilots*, DWP, 2007

¹⁹ *Local Initiatives to help workless people find and keep paid work*, 2008

- **Retention and progression** depend on the individual being in the right job, with suitable hours, skills and location. Transport issues are often ignored, but are important in people's ability to get and keep jobs.
- More accessible and better information about the opportunities through the proposed adult careers and advancement service.
- More requirement on claimants to participate in job preparation and /or job seeking activity
- Better coordination of existing mainstream and local funding along with specialist services
- Streamlined access which minimises bureaucracy and waiting time to receive support
- The number and quality of 'intermediaries' or 'gatekeepers' (ie personal advisors, skills brokers and advice services) especially in deprived areas.

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WRITTEN EVIDENCE SUBMITTED BY WALSALL REGENERATION COMPANY:

How regeneration in Walsall is delivering training and job opportunities for the town's residents.

Walsall Regeneration Company's success in revitalising the town and its economy lies in working with the private and public sectors and delivering training and jobs for the local community so that it benefits from the renaissance. (1)

With £500 million of mostly private sector investment committed to the town centre by 2010, WRC was instrumental in setting up, and it continues to host, two initiatives to ensure local people, particularly those in the hard-to-reach groups, can take advantage of the opportunities. (2)

The Retail Academy and the Construction Academy bring key private sector players and community organisations together to find what businesses need and how the partner organisations can provide it and assist in recruitment and training. (3)

Up to 21 organisations and businesses are involved with each Academy, meeting monthly at the WRC offices. Some are not directly involved in WRC projects – e.g. retailers such as Marks & Spencer and Boots – but recognise the wider benefits of the town centre's regeneration. (4)

Participation by organisations such as Walsall Education Business Partnership has opened doors for builders such as Skanska Innisfree (building the new Walsall Manor Hospital) and Shepherd (working on the new Walsall College), giving access to education networks and private sector linkages. This has created opportunities for Jobcentre Plus, other agencies and educational establishments looking to place people into companies for jobs, training opportunities, Young Enterprise or Diploma placements. (5)

The Retail Academy

The £25m ASDA development opened in July 2007 as the first phase of the St Matthew's Quarter regeneration project. The largest town centre ASDA in the country, it not only helped improve Walsall's retail offer, it also provided 500 jobs. (6)

The Retail Academy brought together Jobcentre Plus, the Learning and Skills Council, Walsall College, Walsall Council, ASDA, community representatives and other organisations. The approach focused on identifying business needs, how the partners could provide it and helping the borough's more disadvantaged and hard to reach communities to benefit from the new jobs. (7)

The result was special training and advice sessions to help would-be job applicants and prepare them for interviews. (8)

No additional funding was needed as existing capacity and resources were used. Jobcentre Plus worked with Walsall College to develop a one-day retail skills course for unemployed people interested in the vacancies, with courses held across the area. More than 200 unemployed people took part and increased their chances of securing work. (9)

The Retail Academy's 'joined-up' creative approach and a willingness to see the bigger picture were real strengths. Walsall Council, for example, looked at how public

transport links and timetables could be changed to tie-in with shift patterns for the store to help local people to access jobs. (10)

The Retail Academy utilised the contacts and skills of its varied partners, raised awareness of the job opportunities and the ASDA recruitment culture and gave practical help to benefit the community. (11)

It also showed other retailers considering investment that Walsall is prepared to do all it can to support them. National retailer Tesco has indicated it will look at the Academy model when developing its recruitment campaign for its new superstore which is to be built on the old Walsall College site and which is due to open in 2010. (12)

The Construction Academy

The experience gained from the Retail Academy has provided a model of good practice that can be transferred to other sectors. The Construction Academy was set up to ensure developers behind the new Walsall College (£64m), Walsall Manor Hospital (£174m PFI) and Waterfront (£128m) mixed use scheme – all transformational regeneration projects – were aware of the need to engage local people in jobs, training and their supply chains. (13)

Developers Jessup, Shepherd Construction, Skanska and Urban Splash came together with WRC, Walsall College, Walsall Council, the Learning and Skills Council, Jobcentre Plus, business and community organisations. (14)

The new Walsall College is due to open in September 2009 to play a central role in the transformation of Walsall's economy. Its contribution to the education, training and enterprise agenda will be significant and the building work itself has created opportunities for local people. Indeed before a brick was laid developers Shepherd had given an undertaking to engage the community. (15)

The partnership with Walsall College and Shepherd has achieved a £1.6m local procurement spend and a commitment to provide 100 work placements for students. (16)

Shepherd also agreed to put 12 trainees through a vocational qualification course, targeted to employ ten from those who completed the course, and to create 12 employment opportunities for the long term unemployed. (17)

At Walsall Waterfront a £128m project will transform 17 acres of derelict land into an exciting 'canalside quarter' with a new town square and iconic buildings including residential, commercial, leisure and cultural uses. Private and public sector partners had already worked together to influence the quality of the design and to gain planning permissions within tight timescales. (18)

Developers Urban Splash and Jessup Developments are members of the Waterfront Steering Group and as participants of the Construction Academy they will look to engage local people and use local suppliers in their schemes. Urban Splash, working with Walsall Endeavours (the local social economy centre), hosted an event for more than 90 companies to focus on the business opportunities available. (19)

Jessup has a community ethos in its projects and is committed to providing work experience through its subcontractors which will lead to jobs for some. Again it will utilise local suppliers. (20)

WRITTEN EVIDENCE SUBMITTED BY THE WATES GROUP:

The Wates Group has been owned by the Wates family for 110 years. It is one of the UK's largest private construction and development companies and, since its establishment in 1897, has grown to employ over 2,000 people. It has five operating businesses: Construction, Interiors, Retail, Living Space and Land Development. It has always been committed to supporting communities and pursuing business in a socially responsible way.

In April 2008 Wates were delighted to instigate, sponsor and chair a unique piece of research to explore how the “business community (both large and small) can make a significant difference to the success of local economies and the social wellbeing of local communities”. The report identified that Social Landlords play an increasingly important role in supporting social as well as physical regeneration, on top of their traditional landlord and housing management duties. In addition they have a close contact and understanding of the communities but the question posed was “how can they better engage the Business Sector and maximise the huge, real potential that exists for the benefit of local communities?”

The work was co sponsored by other organisations from both the Private and Public Sector and managed by Business in the Communities (BITC).

The work resulted in the publication of the following key documents which were submitted as evidence for this inquiry:

- 1. Building Opportunities:** A guidance note for social landlords on working with businesses to build better communities.

The full report can be found [here](#).

- 2. A toolkit for Business:** Building opportunities for businesses and social landlords to work together.

The full report can be found [here](#).

- 3. A Guide for Registered Social Landlords**

The full report can be found [here](#).

The reports include many examples of collaboration between businesses, social landlords and communities. It also highlights the benefits that can be generated for all parties undertaking such work and finally clearly identifies how much more that can be achieved if the different sectors can work closer in partnership and on a greater scale.

WRITTEN EVIDENCE SUBMITTED BY WORK2WORK:

In 2005 after the success of the Olympics bid, I decided to leave my post of Director of Housing and Support Services, to set-up 'Work2Work Ltd' in collaboration with five professionals who had worked in social housing and social care services.

I and a number of my associates have been employed in the area of social housing – both in local authorities and housing associations, housing related charities, children's services, and in the provision of professional counselling services. I have also been the regional Chair of the Chartered Institute of Housing, and was also one of 15 nationally elected members of the CIH governing council. I have also been a non-executive director of one of the largest housing associations in the country.

With this wide range of experiences, we wished to provide a personal development service for people who were tenants in organisation such as those in which we had worked: people that are workless or who were long term unemployed. We were very optimistic about obtaining funds to do such much needed work, in light of the stated intention to enable at least 40% of local unemployed people to up-skill and to gain employment in the 5 host boroughs. We therefore tried to establish ourselves in one or two of the host boroughs.

As it was known that considerable funding was to be granted to the 5 boroughs, through the Learning and Skills Council and a number of Sector Skills Councils, we have worked tirelessly to raise awareness of our existence, our range of skills. We also tried to enlighten a range of organisations of some of the barriers which faced people that were long term unemployed and workless and why a service such as ours was needed. Because of our background in social housing, we were very aware that many of our residents were a long way from being able to gain employment, yet these seemed to us to be the very people that the announcements were aimed at enabling. The understanding of their circumstances came from managing estates and being in contact with the experiences of many tenants to whom were provided a service who we found were trapped for various reasons ranging from family background and inter-generational worklessness, the benefit trap, a lack of knowledge of what to do to get into work, lack of skill, ill-health, substance mis-use and other factors. We understood those people required quiet patient support and guidance, and specific assistance to diagnose and treat their problems.

The level of unemployment among social housing tenants was borne out by Sir John Hill in his report 'Role of Social Housing: Ends & Means (2007)' In his report, he stated that 55% of tenants were unemployed or workless. He went on to say that if those who are of retirement age or had small children or were disabilities were excluded from the whole, the true level of those who are not in work who could be in work was nearer 80%. I have spent the past 2 and a half years striving to gain funds to provide a service to such individuals, and so far, I have been completely unsuccessful.

Caroline Flint's arrival as housing minister and the announcements made by the Department of Work and Pensions of its intention to 'persuade' tenants and or their adult children to take up skills development and employment opportunities seemed to be a new realisation that something had to be done. We at Work2Work had great expectation that this would result in funding becoming available to enable work with this client group to be done. The reality of the situation is very different.

Work2Work has approached the Learning and Skills Council and the Job CentrePlus (JCP) who have been provided with the bulk of funding to up-skills workless or unemployed people in the 5 host boroughs. Both organisations have responded by saying that they are working with larger providers. They also say their processes are dependent on people approaching the Job Centre or the Colleges directly themselves. A few good JCP may pay for someone to do 'outreach work' to bring people in. The majority do not and it seems to me that this is because they are not incentivised to do what was intended at the outset, really get workless people into work!

Since the majority of unemployed reside in social housing, there has been no contact, to the best of my knowledge, to engage with these landlords who have hundreds of thousands of tenants between them. By working with landlords in a long-term way they would have the confidence and where-with-all to invest into employing additional, appropriately skilled staff and smaller providers to work with their tenants. Some organisations, such as Peabody Trust aims to assist their tenants through their regeneration work. They the exception. The majority of housing organisations, and contractors believe that it is someone else role to fund the long term support and mentoring that the long term unemployed or workless people need to provide them with the skills and confidence they need to seek a transformation in their circumstances.

The DWP's announcement that they would provide funding over the next 3 years cause much excitement. However this was quickly announced that they would award 9 regional contracts and would not work with smaller contractors. Enquiring into how this might work, another organisation's experience illustrates the point. The training company agreed to take NEETs from a local school to help with skills development. They found that although the local school was paid £2,000 per person per year to teach and support difficult pupils, they would be paid some £800 per person, allowing the school to retain the bulk of the funding. This is not an isolated example.

Among those giving evidence on the 20th October that BeOnsite, who is the training arm of Bovis Lend Lease, and agent of JCP, and therefore that they believe there should be funding to aid the long term unemployed. Their business model assumes people will come in to be trained and we know this client group is unlikely to do so. We also know that organisations such as BeOnsite, and the ODA have agreed a target of between 10 and 20%. This bears no relationship to the 40% which was talked of at the start of the process, we have found that and the balance is made up of migrant workers. This allows organisations to ignore what needs to be done to work with long-term unemployment and workless people to get them into work. Small organisations specialist organisations and local people are proving to be losers with the current arrangement.

Recommendations

- Funding is needed, which must be long term, to help smaller specialist organisations to work with the long-term unemployed and workless.
- The level of funding needs to be sufficient to work over a long period to properly support, develop and mentor the unemployed.
- The appropriate organisations who can get to the people this is aimed at should be funded to do this work.

- The funding must be adequate. There is little point in paying large organisations significant sums and then allowing them to retain the bulk of the funds while subcontracting the work to smaller organisations, often when they have been unable to deliver the contract. This means what money is passed on is often insufficient to fund smaller organisations over the long term to do what is needed to start making a difference.
- Work with housing organisations in all their forms who should be expected to find the best way of working with their tenants which mean they are able to identify those who need support, and ensure the right type of support is provided, and this must include tackling the many barriers which militate against tenants going to work currently.

WRITTEN EVIDENCE SUBMITTED BY WORK DIRECTIONS:

How can major city-centre regeneration projects do more to boost employment in inner-city neighbourhoods?

Launched in late 2002, WorkDirections UK is now one of the leading welfare-to-work providers in the country, delivering Government-funded employment programmes across London, Birmingham, Nottinghamshire and Edinburgh. WorkDirections recognises the individual needs of our clients and their unique sets of skills and potential, and we offer each client one-to-one support to find a job that suits their personal circumstances.

We are delighted to submit this response to the All Party Urban Development Group's autumn 2008 inquiry. WorkDirections is engaged in policy development as part of our commitment to continue to improve services delivered to all stakeholders – clients, government, employers and staff.

Our response is informed by our experiences of delivering Pathways to Work services in the Olympic boroughs, and a Private Sector Led New Deal programme in West London close to the new Westfield Shopping Centre:

Contracts awarded to employers with a good track record of fair recruitment practices, employee learning and development, and flexible working opportunities

The employers who are awarded regeneration contracts should demonstrate that they support the Department for Work and Pensions' agenda of achieving an 80% employment rate and eradicating child poverty. To this end, it would be valuable if they committed to achieving and maintaining employee diversity, marketing vacancies locally and offering flexible working hours. This could be facilitated through signing up to the Local Employment Partnership scheme.

Transparent and sustainable recruitment practices

Clear plans for recruitment, shared with local employment service providers and Jobcentre Plus offices, will enhance local employment by ensuring that unemployed people have the knowledge and information required to apply for job vacancies. Local residents must also have clear expectations of the volume of jobs being created by the regeneration initiative, and employers' requirements for applicants for those positions. More transparency and communication between recruiters and providers would facilitate more effective matching between job seekers and job vacancies. Programmes could also be developed to provide employers with candidates prepared for the specific types of work available. Recruitment must be for employment that is sustainable, giving employees the opportunity to develop work skills and experience for their future career progression.

Direct communication between recruiters and employment service providers

In some cases recruitment would be better served directly by an employment services provider than by Jobcentre Plus. An 'Account Manager' model can work well, where the employer has a direct point of contact with the employment service provider, with whom they can discuss their recruitment and training needs. This will facilitate targeted pre-employment training. For example, those of our clients who successfully secured work in London's new Westfield shopping centre were supported by undertaking valuable induction training to prepare them for the opening of Westfield.

Recruitment in line with Jobcentre Plus priorities

Where recruitment of staff for regeneration projects is managed through local Jobcentre Plus offices, many vacancies are taken up by people who have been out of work for only a short amount of time (and may therefore have found work anyway; this is sometimes termed 'deadweight'). If employers directed their recruitment at client groups prioritised by Jobcentre Plus (the long-term unemployed, homeless, ex-offenders, etc), this would be more likely to have a greater impact on sustained employment outcomes. Again, direct communication between employers and those providers working with these priority groups would facilitate this.

Employers reflect the diversity of the local community

Employers should recognise the needs and capabilities of those without work in the local area, and recruit local residents for jobs at all pay levels. For example, although the focus of the Olympic Delivery Authority's recruitment is on construction and logistics, not all residents are committed to or suitable for entry-level manual jobs in this industry. Many WorkDirections clients have a physical health issue which means manual work is not possible for them. Others are not interested in the construction industry because they perceive the work to be irregular, and are hesitant to risk their stable benefit income without guarantee of ongoing permanent work. In this case, employers should look equally to recruit locally for non-entry level and non-manual work where possible, to ensure diversity across their job profiles. In addition, the provider must take account of local labour market conditions and help job seekers prepare for jobs which actually exist.

Here we have highlighted some key features of successful city-centre regeneration projects from our experience of delivering employment programmes in inner-city neighbourhoods. Where successful, regeneration can deliver a 'triple win' – for the individual, the employer, and the local area. When large regeneration projects are embarked upon the local area stands to increase its economic productivity and sustainability, including increased employment of local residents. Partnership that unites employers with the local labour supply can facilitate this outcome, and maximise the opportunities that regeneration projects can bring.

WRITTEN EVIDENCE SUBMITTED BY YORKSHIRE FORWARD:

How Regeneration Can Better Deliver Training and Job Opportunities for Inner City Residents

There are a number of different ways that town and city-centre regeneration projects can connect local people to economic opportunity. A failure to engage local people effectively in the regeneration process can create a perception that regeneration is something that is being done to them rather than for and with them.

Yorkshire Forward's Renaissance Towns and Cities Programme is an Urban Regeneration Programme that seeks to work at different levels, including direct physical regeneration, to accelerate better connection to economic opportunity.

Overall

Regeneration projects can deliver real opportunity to local people but interventions need to be structured and coordinated. It is important that the full lifecycle of projects is considered in order to optimize their impacts. Local involvement and ownership is paramount and Yorkshire Forward attempt to ensure that this is cascaded through all projects, allowing local people to shape, build, occupy, service and visit new developments.

This local involvement and ownership is considered a key output and outcome in any regeneration project. Securing sustainable employment and training will require revenue funding in order to provide the 'softer' support, such as ongoing advice and mentoring, from partners like Business link, Job Centre Plus and local community groups.

Meeting Employer Demand

Major projects do not happen overnight but are years in the planning. This provides plenty of opportunity to consider how training and employment opportunities are secured through the process. This type of forward thinking should enable a schedule of the likely skills that will be required for any major regeneration project and the jobs that will be available.

A range of models, either identified through best practice elsewhere or tailored specifically need to be in place to bridge the gap between local people and the demand for jobs and skills.

There must also be consideration of providing facilities for local people in terms of business set-up and development; are there local ideas (could local businesses move or expand into premises/services, café/food/cleaning services?) is there scope for local co-ops to seize opportunities (grounds maintenance/security etc)?

Public Sector Projects

There is a danger that training and employment schemes become focused on the short-term and people are placed with the intention that they remain in the job only for the length of the development. It is imperative that a longer term view is taken in securing sustainable employment – linked to business, the public sector, the third sector and encouraging entrepreneurship – rather than 'fixed-term' projects.

Working with the public sector also provides an opportunity to build links between projects, coordinating recruitment, training and development activity in order to optimize both the numbers and quality of employment and training opportunities made available.

Incentives

Centrally driven incentives can often distort business priorities rather than helping businesses and local populations where they need it most. In terms of delivering jobs and training through regeneration it is important to get partners involved at an early stage to enable them to take ownership of the initiative and have a real stake in ensuring that it is successful. A commitment to jobs, skills and training for local people must form a prominent part of the selection process for developers and partners.

Apprenticeships

The process of regeneration can be harnessed to boost apprenticeships from certain disadvantaged areas or under-represented groups.

We can utilise existing networks of colleges, qualifications bodies, industry agencies (such as the Construction Industry Training Board), and construction companies which could be harnessed to provide training and employment opportunities that compliment planned regeneration. For example, major regeneration projects could be used to expand existing college places or develop new schemes for trainees.

Training

Work is needed to ensure that the process to identify current and future skills needs is structured and relevant. Those taking part need to see evidence that their needs are being catered for with future training provision to ensure that they remain engaged in the process and that there are real benefits as a result.

Case Study

Holbeck Urban Village – A Strategic Approach

The Holbeck Urban Village, (HUV), is being developed with Leeds City Council and funding from Yorkshire Forward as part of Yorkshire Forwards commitment to Urban Renaissance. The programme is in its early stages and there are ambitious plans to develop a new community of creative industries. The area contains large amounts of ageing industrial and commercial premises and has traditionally held a lot of affordable housing. Neighbouring areas are also home to large numbers of low income households.

From the outset the partners involved have sought to ensure that local people have access to the economic opportunities generated by the project. As a result a bespoke Inclusion Strategy has been developed that includes the identification of economic opportunities for local people.

One of the key objectives for the HUV is:

- Local employment - to ensure that 5% of new jobs created in the urban village are ring-fenced for local, unemployed residents and that developers should work with Leeds City Council to ensure that there are clear training routes into the new jobs created.

This approach to inclusion considers how people can be more engaged in the process and outcomes associated with the development of the HUV including;

- Direct employment in construction during the development process.
- Location of business activity within the redeveloped buildings within the HUV.
- Use of the scheme as a catalyst to promote enterprise and entrepreneurship.

Mechanisms for delivery will rest with Leeds City Council with some responsibilities being transferred to local partners for the development and delivery of the scheme. This will help to promote local ownership of the content and process – enabling it to join-up better with other related services and support that might be available through the council.

Some business development has already been done in the area through the provision of support to encourage local people to identify and pursue business opportunities locally. But there is also a need to provide specific advice and ongoing mentoring if people are to effectively grasp the opportunities made available through urban regeneration.

A good example of the support being offered is Iain Scott's Enterprise Island Challenge, which took place in and around Holbeck over the summer 2008 and was organized jointly with HUV and Leeds City Council.

The free event was simply a series of 20 minute 'conversations' held at the Queens Hotel and Midnight Bell bar in Leeds by a panel of local small business entrepreneurs led by Iain Scott, author of *Tortoise Walking for Beginners* and all round business guru.

Pete Hirst from Westbourne Avenue in Holbeck was one of the people to take up the challenge: "I had an idea but wasn't really sure if I could make a business out of it. The biggest barrier to starting a business is confidence and I think that the panel was a great way to bounce ideas off people without anyone being negative. My business isn't started yet but now I am getting the support and advice to help me do it."

Simon Brereton, Programme Manager of Sharing the Success who are sponsoring the challenge in association with Holbeck Urban Village explained: "We know there are many people out there who would like to turn their talents into extra income but don't know how to go about it. This is an event we successfully ran in 2007 creating nine new businesses as a direct result of Iain's unique approach which starts to take the fear out of starting your own business."

From the initial panel days 30 people went on to complete a two day workshop helping them to work out a clear plan of action whether it is just to sell things as a hobby to make extra money or to set up their own business and plan for a better future.

As the Holbeck Urban Village project is still in the early stages we will not see the effects of this approach until the works there are fully under way. At this stage it will be critical that the right support is provided to those looking to take full advantage of the training and employment opportunities available.

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