

Local regeneration must be at heart of national renewal, Localis study urges

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Press release

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The next government must give local leaders greater economic powers and financial control over regeneration to boost housebuilding prospects and underpin long-term local economic growth, a report from Localis, the independent think tank of place, has argued.

In a report published today - entitled “**Design for life – the smart regeneration journey to 2030**” - Localis sets out how best practice in regeneration has the potential to unlock place prosperity in the next parliament, as well as improving community health and climate change, but advises local leaders will need greater control over regeneration funds.

The study examined five main pillars crucial to attaining successful regeneration including place leadership, financial capacity, net zero and climate change, the role of the private and third sectors and the role of health and wellbeing.

According to Localis, successful regeneration in the next political cycle will require:

- a return to regional spatial planning and establishment of regional planning offices to pool talent and resources to support local and sub-regional planning;
- an end to the revenue/capital funding split in local authorities and in its place a single budget for local authorities alongside a separate regeneration account – akin to the HRA – to more efficiently allocate capital for regeneration;
- ability to use regeneration as tool to leverage capital funds for retrofit and climate resilience measures to invest in local energy-proofing housing stock;
- involvement of private and third sectors to boost capacity of community housing initiatives allowing for greater small-scale, community-led development within regeneration projects.
- central government to work with the health service and local government chiefs to drive a strategy for community-driven healthcare in urban centres that can inform the development of local and subregional plans.

Localis chief executive, Jonathan Werran, said: “In the next political cycle, the vexing problem of improving the public realm in a situation of parlous public finances will keep regeneration of our towns and cities as an economic and political imperative.

“This report presents an analysis of local regeneration policy through the lens of five overarching strategic concerns, amounting to a best practice framework from which recommendations to local and central government can be drawn.

“The overarching question is, as we enter the end of one political cycle and await the start of a new one, what lessons, both broad and particular, should our placemakers be drawing from and putting into good practice from now until the end of the decade?

“In answering this question, it is important to understand both how pressing concerns for our councils undertaking regeneration projects can be addressed, and how the current position has been arrived at through recent decades of central government policy.”

Norse Group CEO, Justin Galliford, said: “As CEO of Norse Group, I am deeply committed to regeneration, viewing it not just as a policy or a strategy, but as a core principle that should lie at the heart of local government operations.

“At Norse Group, we believe that the effective management and transformation of local government asset portfolios are fundamental to shaping the future of our communities. Our mission aligns seamlessly with the goals of enhancing local economies, communities, and environments through smart, sustainable regeneration.

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“This commitment is embedded in every project and service we undertake, ensuring that we not only meet but exceed the expectations of the communities we serve, demonstrating the substantial impact of regeneration on both a local and national scale.”

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Notes to Editors:

1. An advance copy of the report is available for download:

1. About Localis

Localis is an independent think-tank dedicated to issues related to politics, public service reform and localism. We carry out innovative research, hold events and facilitate an ever-growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

www.localis.org.uk

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About Norse Group:

Norse Group delivers the spaces and services communities need to thrive. We combine breadth, expertise, and scale with the insight of a local partner and the values of the public sector - driven by the belief there is always a better way to deliver for the public.

It is our mission to offer an integrated approach to providing public sector services - generating sustainable long-term relationships and returns in a fair and ethical way, for the benefit of our clients, employees, and all other stakeholders.

www.norsegroup.co.uk

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Key Report Recommendations

Sector summary

Place Leadership

- To facilitate effective long-term place leadership, central government should legislate for a **return to strategic regional planning**. The Spatial Development Strategies of combined authorities should be given greater legislative heft, with built-in housing targets handed down to constituent authorities. In areas without combined authorities, local authorities should be required to come together to produce Subregional Plans analogous to the Regional Spatial Plans of the pre-2010 policy regime.
- Plans should be integrated with infrastructure strategies and Local Skills Improvement Plans to ensure a strategic vision is created for a pipeline of development which is sustainable and locally beneficial.
- To allow for the uplift in capacity required across planning departments, government should

establish **Regional Planning Offices** to pool talent and resources to support local and subregional plan-making within a region. This could be carried out in partnership with other national bodies such as Homes England and One Public Estate to draw on their built-in expertise and help release capacity quickly where it is most needed.

- Funding for regeneration projects should be released to relevant authorities conditional to the setting and realisation of long-term targets within plans across the areas covered – including housing delivery, infrastructure delivery and local skills provision.

Financial capability

- The revenue/capital funding split in local authorities is an obstacle to delivering holistic regeneration projects and should ideally be **abolished in place of single budgets for local authorities**.
- In the absence of such reform, councils should be allowed to hold a separate **regeneration account** with a similar structure of rules and restrictions to a housing revenue account, where capital raised for regeneration can be spent on projects without the bureaucracy of revenue expenditure accounting – even if it is on areas normally covered by revenue spend such as provisioning for the maintenance of newly installed buildings and infrastructure.
- Strategic use of public assets is often crucial to successful regeneration for the common good, as such **the loosening of regulations on council asset sales to fund revenue expenditure must be halted and reversed**.

Net zero and climate change

- There is a clear need to tie in regeneration efforts with the wider requirement for retrofit and climate resilience measures needed by most UK buildings. Government must **create a fund to leverage regeneration capital to invest in local energy-proofing local housing stock**. As well as being an investment in energy efficiency and national energy security, this would help make local regeneration a more attractive offer to residents.
- Understanding the entirety of a project's carbon impact is crucial to making a judgement on its efficacy in the age of global heating, therefore **whole life carbon assessments must be made a mandatory requirement of local and subregional development plans**. Similar weight should be given to urban heat islands and other climate resilience measures, as is currently the case for flood resilience.
- Urban densification and 'infilling' can be less economically viable than major developments but are more carbon efficient. **Local and subregional plans should package together urban sites for infill and densification as single investment prospects** to help improve viability.

Role of the private and third sectors

- The most prominent obstacle to sustained public-private partnership at the local level is fiscal uncertainty and therefore, to support local authorities delivering in partnership, **a long-term settlement on financing regeneration** must be reached in the next Parliament. This would entail abandoning much of the current system of competitive bidding.
- Government must make a **long-term investment in the capacity of community housing initiatives** to allow for greater small-scale, community-led development within regeneration projects.

Health and wellbeing

- As part of the broader turn to subregional health partnerships embodied by ICSs, these bodies should be given **additional funding based on demographic profiles to boost investment in prevention** – this could be used as part of regeneration projects to ensure a healthy environment.

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