

Item No. 11	Classification OPEN	Committee STRATEGIC	Date 29TH JULY 1998
From Director of Regeneration & Environment		Title of Report The Regeneration Strategy	

1. PURPOSE

- 1.1 To propose an initial Regeneration Strategy to establish the key corporate principles in the current strategic review process.
- 1.2 To identify key issues for forthcoming strategies.

2.1 RECOMMENDATIONS

- 2.1 That the Committee notes the Regeneration Statement agreed by Regeneration & Economic Development Sub-Committee on the 24th July 1996.
- 2.2 That the Committee approves the Regeneration Statement as the Regeneration Strategy to set the key direction and focus for developing the other strategies.
- 2.3 That the Committee invite all further reports to set out explicitly their contribution to the general aims of the Regeneration Strategy.
- 2.4 That the Committee review all future strategies to ensure that long term capital and revenue budgets are designed to achieve the strategic objectives of the Council.
- 2.5 That at the end of the strategy review process, the proposed Regeneration Strategy is reviewed to take into account developments which have arisen from the other 12 strategies.

3. BACKGROUND

- Regeneration Statement*
- 3.1 In July 1996 the Regeneration & Economic Development Sub-Committee approved a Regeneration Statement (Appendix I). This was intended to provide a summary statement of the issues and opportunities surrounding the long term regeneration of Southwark. At the time the Sub-Committee anticipated reviewing the statement on an annual basis. The statement however has stood the test of time and in effect is a long term statement of intention which has guided the Council in the intervening period.
 - 3.2 A great deal of work has been done in the intervening time to develop and substantiate the case set out in the July 1996 statement. Individual issues relating to Education, Housing or other services will be addressed in detail in the individual strategies which are now being developed.

3.3 Strategic & Corporate Services Committee in April 1998 requested officers to prepare briefings on 13 strategic areas. These were:

- Regeneration
- Economic Development
- Transport
- Education
- Lifelong Learning
- Housing
- Health
- Environment
- Community governance
- Social Exclusion
- Leisure
- Social Care
- Community Safety

3.4 The new Council has agreed to consider strategic documents on each of these items. The exact timetables for the items are being developed. The Housing Strategy is also on the Committee agenda for this meeting.

3.5 Strategic documents such as these are long term proposals. As a result, officers intend to organise Members' briefings for each strategy in advance of the document being presented to the Committee. This will give an opportunity for all Councillors to examine the thinking behind presentations in more detail before the reports are presented to Committee.

3.6 A Member briefing on this strategy was held on the 2nd July. A summary of points raised is attached as Appendix 2.

4. **FACTORS FOR CONSIDERATION**

4.1 Key Regeneration Principles and Corporate Impact

4.1.1 The Regeneration Strategy needs to be seen as the overarching strategy which makes the connections between the other Council strategies. A significant outcome from the strategy development process has been the increasing awareness of the interrelationships between different areas of work. For example, education achievement is affected by the details of the residential population within the borough, the health statistics of the area as well as general issues of social exclusion.

4.1.2 One of the key conclusions from the work to date is that Southwark has potential for economic expansion within London. In parallel the Council needs to reduce the concentration of poverty in the borough. These issues will be considered in more detail in the Economic Development and Social Exclusion strategies.

4.1.3 The Regeneration Statement has received significant support. The Statement's aspirations and objectives have been generally welcomed. In developing the individual strategies, it is likely that some greater conflicts will emerge between the current situation and the desired long term plans for

Southwark. By basing the strategies on well researched and documented analysis, it should be possible to establish shared plans for the future. The Council will also need to ensure that it develops both social and physical policies in parallel to reduce any disadvantage which may arise from implementations of the Council's new approach.

4.1.4 The priorities identified from the Regeneration Statement are:

- Education achievement
- Quality and choice in Housing
- A high quality environment

4.1.5 Subsequent strategy statements as part of their assessment should consider the following questions:

- Is there a real improvement in the quality and choice of services from this strategy?
- Does the strategy effectively develop community stakeholding?
- Are conditions for sustainable wealth creation fostered?
- Are the Council's resources directed towards achieving these objectives?

4.2 Southwark Council's role in regeneration

4.2.1 The Council needs to engage a wide number of interests and groups if it is to be successful in implementing its strategic policies on the ground. The strategies on Community Governance and Social Exclusion will particularly emphasise the role of disadvantaged and excluded people in this process.

4.2.2 At a national level the Council will need to ensure that the National Government and the Government Office for London are kept informed of its broad strategic approach. The Council's involvement in Health Action Zone, Education Action Zone and in other more general projects such as New Deal give it real opportunities to propose development of national policies in the light of the experience within Southwark.

4.2.3 All of this rests however on generating sufficient money to carry out the Council's programmes. The Government has consistently reported that it does not expect significant increases in Government allocations for local authorities. As a result the Council needs to look at generating investment finance from its own assets if these programmes are to be achieved. This introduces the development of a new role for the Council in providing leadership, a strategic overview and clear objectives with targets for creating the conditions for private investment.

4.2.4 In June, Strategic Committee agreed to consult with interested groups about the Elephant & Castle. The proposals are for a major transformation of the area of the Elephant which would embrace the interconnected aspects of educational, housing, transport, economic and environmental elements of regeneration. In a sense, this is a practical area-based example of how combined objectives of regeneration can be achieved. The Elephant was selected because it was reasonable to expect considerable private sector

investment to finance a significant proportion of the work. If the project progresses, a number of lessons will be learned from this which will inform the development of subsequent area-based applications of the regeneration programmes.

5. FINANCIAL IMPLICATIONS

- 5.1 The Chancellor of the Exchequer's recent report on the Economic and Fiscal Strategy (11 June 1998) sets the context in which Local Authorities will be expected to contribute to the regeneration through the realisation of their own assets.

"... Local authorities are now expected to realise at least £2.75 billion a year from property. Again a sale of what we do not need to pay for investment in what we do need... And to maximise investment in the renewal of our infrastructure, public and private sectors must work together in a more modern and effective partnership".

- 5.2 The use of Council assets to lever in investment to achieve physical regeneration will have considerable impact on the Council's finances – positively through the realisation of cash values and the reduction in future obligations (maintenance etc) and negatively – in the short-term through the loss of land and rents. However, if the Council is successful in attracting investment through disposals, and re-investing resources in remaining assets then land, property and rents could increase by virtue of being more marketable. It is possible, in the longer term, that the value of the Council's remaining assets may exceed their current value through this investment and regeneration process.

Can only see
re-investing to
Council's income }
- land + rent
- reduced rents incl.

- 5.3 The Council will need to review its management of assets as recommended by CIPFA and likely to be introduced in the Government's review of Local Government Finance. Officer work on this should now start in preparation for Member decisions in due course. This will be an essential part of the Regeneration Strategy in that it will set out the real values and liabilities of property and in turn reflect potential uses in relation to attracting investment. In considering the best organisational means for allocating funding for capital schemes it is suggested that this provides the framework for planning capital expenditure in relation to the key strategic needs of the Council.

6. LEGAL IMPLICATIONS

- 6.1 There are no specific legal implications at this point in the process. Any detailed proposals will be assessed in subsequent reports.

7. CONSULTATION

- 7.1 The Committee needs to consider effective ways of consulting with all interested parties on the Council's strategic development. Work of the Community Development & Consultation Working Party can inform the Council on ways of conducting the consultation.
- 7.2 The real aim is to gain consensus between interest groups on a joint way forward. For example, environmental and ecological programmes need to be

accepted and supported by transport promoters, local businesses as well as the environmental interest groups. The Council will also explore ways of consulting with local residents on its strategic development through the Community Development & Consultation Working Party.

8. LOCAL AGENDA 21 IMPLICATIONS

- 8.1 The Regeneration Strategy is both supportive of, and complementary to, the Environment Strategy. There are very few conflicting issues. Improving the environment is a key element in attracting and retaining residents. There is also considerable potential for wealth creation using the environmentally based projects to create economically viable local jobs and so aid regeneration.

9. EQUAL OPPORTUNITIES IMPLICATIONS

- 9.1 The Regeneration Strategy aims to achieve the effective long-term regeneration of Southwark by addressing a whole range of issues which currently act as a barrier to social, economic and environmental improvement. Achieving sustainable regeneration will ultimately reduce poverty and promote social inclusion for all Southwark residents.

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BACKGROUND

PAPERS: The Regeneration Statement 1996-1997.

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