Local Government and Regeneration Committee  
Regeneration Inquiry  
Submission from Scottish Enterprise

Introduction

We welcome the opportunity to provide evidence to this timely and interesting inquiry. In doing so, we have directed our response at those questions we are best placed to answer.

SE’s primary role is to help increase Scotland’s sustainable economic growth. Working in partnership with the public and private sector we support companies and sectors and enhance Scotland’s business environment to ensure that Scotland can take full advantage of economic opportunity. Our contribution to regeneration rests on our ability to identify and stimulate growth opportunities and secure their exploitation through fully utilising Scotland’s assets.

In parts of Scotland assets such as people and land are significantly under utilised. Major regeneration initiatives such as Clyde Waterfront, Clyde Gateway and Dundee Central Waterfront are directly tackling these issues. SE continues to be an active, positive partner in regeneration.

Strategy and Policy Issues

1. How can the linkage between the various strategies and policies related to regeneration be improved?

With the increasingly limited resources available to the public sector, it is essential to focus on those activities which have the greatest potential impact. As such, clearer prioritisation of Scotland’s public sector resourcing of regeneration would be an important step forward. The different relevant strategies and policies – Regeneration Strategy, National Planning Framework (and strategic and local development plans), Infrastructure Investment Plan, Agenda for Cities and Community Planning – should be effectively co-ordinated around these priorities.

Clear priorities are not only important for maximising the impact of public sector spend. They also send a strong message to the private sector about where public investment is most likely to enhance the conditions for the private sector, making the returns on investment sufficiently attractive. Clear strategic priorities, backed up by commitment to action and investment, provides the long-term certainty the private sector requires to invest. This, in turn, is essential in securing the long-term sustainability of regeneration (as discussed in our response to question 6 below).
SE’s contribution to enhancing areas in need of regeneration is not limited to our investment in regeneration initiatives. Our work in supporting Scotland’s companies and sectors to grow can have a significant impact on opportunities accessible in areas that are currently disadvantaged. For example, the National Renewables Infrastructure Fund (NRIF) has the potential to stimulate significant investment and job creation in Dundee, North Ayrshire and central Fife. In tourism, taking advantage of assets in markets such as adventure sports is contributing to the regeneration of rural areas. It is important therefore to ensure that joined up working is not restricted to strategies and policies directly badged as “regeneration”.

2. Can physical, social and economic regeneration really be separate entities?

A focus on physical development, in isolation of business and people development will not lead to effective long-term regeneration. We need to improve the linkage between these components, in particular linking growth generating activities with the capacity of people and business to take advantage of them.

However, the relative focus on physical, social and economic aspects of regeneration may vary between places and across time according to the needs of an area. For example, in the Dundee Central Waterfront, an extensive period of focus on physical regeneration is required before the major economic regeneration opportunities emerge, reflecting the lengthy timescales for master planning, land acquisition and preparation, re-alignment of roads etc. Given the uncertain economic climate, it is difficult to estimate the specific skills required by the businesses that will eventually locate at the waterfront until later in the process. As the major new source of future employment for the wider area, and a part of Dundee with few current residents, work on social and skills-related regeneration will also have a different geographic focus, targeting those communities in the Dundee city region with the greatest need and potential to benefit from the Waterfront development.

3. Are we achieving the best value for investment in this area?

As outlined in our answer to question 1, focussing our limited public sector resources where we can make the greatest impact is crucial to achieving best value.

**Partnership Working**

6. How can it be ensured that regeneration projects are sustainable in the long term?

The relationship between public and private sector investment is pivotal in securing sustained regeneration. Across different components of regeneration, the public sector is only ever in a position to pump-prime change. It requires engagement with the private sector, to stimulate market demand, for this change to be sustained. Provision of business infrastructure
is only sustainable if businesses are willing to occupy it, town centre enhancement will only bring regeneration if businesses locate there, and increasing the capacity of individuals will only improve their prosperity if they can secure a job as a result.

In short, regeneration will only have a long-term sustained impact where it succeeds in adjusting the market. Insufficient attention has, at times, been given to this requirement when prioritising resources and designing approaches to regeneration. In determining strategic priorities, we need to develop understanding of where there is a realistic prospect of changing the investment patterns of the private sector. This is not to say we “write-off” places, but that we need to better understand the lessons from successful regeneration, the triggers that have been most important in securing turn-around.

**Practical Issues**

8. **What role should CPPs play in supporting the community in regenerating their communities?**

Others are better placed to comment on the role of CPPs in community engagement and empowerment. However, we are keen to highlight one related practical issue. CPPs have a key role in linking economic and social regeneration. Close partnership working is required to ensure that new employment opportunities are communicated and mechanisms are put in place to help employers recruit and to help partners build the capacity and employability of individuals. But, as the Dundee Waterfront example (see question 2 above) illustrates, we would caution against taking too narrow a focus on a local area. For important aspects of service provision to alleviate and prevent deprivation (e.g. community safety or child care), a focus on local services is absolutely appropriate. In seeking to improve prospects in the employment market, it is important that any approach builds connections between an area and its wider labour market (e.g. transport, awareness of opportunities, confidence to widen horizons) rather than inadvertently re-enforcing geographic limits.

In this context, the refreshed Scottish Government employability framework, *Working for Growth*, is welcome in highlighting the importance of “bringing the employability and economic development objectives closer together” and urges local employability partnerships to consider “where cross-boundary working with other partnerships can serve to better reflect the realities of travel to work areas and the recruitment practices of employers”.

10. **How can the outcomes of regeneration truly be captured and measured?**

For delivery of regeneration in Scotland to be more effectively joined up across different functions and parts of the public sector, it is important that measurement of its outcomes and impacts is aligned to the Scottish Government’s overall purpose of increased sustainable economic growth, and the National Performance Framework designed to capture progress.
Because of the often complex, linked interventions which contribute to regeneration, understanding the difference made is more effectively done across a programme of interventions rather than for individual projects. Assessing outcomes must also reflect the long-term nature of the change which regeneration is trying to secure.

Combining these points, the targets and indicators in the National Performance Framework provide the measures that can be used to assess the difference made to a community by a prolonged programme of investment. While GDP-related measures of growth may be difficult to apply to a local area, other SG Purpose Targets such as increased economic participation or increased population growth provide tangible measures of contribution to sustainable economic growth. Use of a basket of the most appropriate National Indicators, such as increase in number of businesses, improvement in level of educational attainment, reduction in the proportion of individuals living in poverty, would allow areas to capture and assess the rich mix of outcomes secured through regeneration.

**Conclusion**

We trust this submission is of interest to the Committee and we look forward to seeing the results of their inquiry. Should the Committee wish further information on any of the issues covered above we will be happy to provide it.