Local Government and Regeneration Committee

Regeneration Inquiry

Submission from West Dunbartonshire Council

Please find attached, West Dunbartonshire Council’s response regarding the above matter.

Regeneration within West Dunbartonshire is delivered by two local regeneration companies Clydebank re-built and Strathleven Regeneration Community Interest Company (CiC), various Council Sections e.g. Regeneration, Housing Strategy, Community Planning, Asset Management and by local housing associations.

This response builds on the Council’s previous response of 20th September 2012 to the Committee, in relation to the Scottish Government’s Draft Budget 2013-14.

Our Council has developed a number of initiatives to assist with the regeneration process;

- A Strategic Advisory Board with a long term vision and action plan for the area;
- A Jobs Growth and Investment Programme to tackle high unemployment;
- A New Council House Programme to provide affordable housing;
- Council agreed a Ten Year Capital Investment Plan;
- An Infrastructure Investment Plan setting out key regeneration sites & challenges; &
- A Strategic Disposal Strategy from which WDC expects regeneration outcomes.

In addition, the Council has commissioned a review of how regeneration is being delivered in the area, to consider how it could be delivered more effectively.

Should you require any further information on this matter please do not hesitate to contact Jim McAloon, Head of Regeneration and Economic Development.

Yours faithfully

Councillor David McBride
Convener of Housing, Environment and Economic Development
Strategy and Policy Issues

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

There are various strategies, policies and funding streams that link into the Regeneration Strategy. The publication of an executive summary or overarching statement that pulls these various strands together and provides contact links for each area within the Scottish Government would be helpful and would provide clarity to those looking to contribute towards delivering the outcomes from the Regeneration Strategy. It would also be helpful to focus on the factors holding back regeneration for people in communities e.g. health, addiction, jobs, educational attainment, low income, family breakdown. The Strategy could also be better promoted by the Scottish Government through, for example, information events or workshops.

2. Can physical, social and economic regeneration really be separate entities? The Committee would find it useful to hear about projects distinctly focussed on one or more aspects and the direct and indirect outcomes of such activity.

As a general observation, most organisations involved in regeneration tend to focus on specific areas of regeneration but would also anticipate that in, for example undertaking physical regeneration, economic regeneration may follow e.g. in terms of jobs or training and/or social regeneration may follow e.g. in terms of building civic pride and confidence. To be successful in regenerating places - physical, social and economic change all need to happen and organisations involved need to co-ordinate activities and communicate more effectively to maximise outcomes. Our previous response to the Committee’s Consideration of the Scottish Government Draft Budget in 2013-14 dated 20 September 2012 gave two examples of regeneration in the West Dunbartonshire area by Strathleven Regeneration Community Interest Company (Cic) at Lomondgate, Dumbarton and by Clydebank Rebuilt in Clydebank.

Example: Lomondgate, Dumbarton

Lomondgate is a regeneration response to the closure by Diageo in 2000, of the J&B whisky bottling plant at Dumbarton, with the loss of 470 jobs. In the two year period between the announcement and closure, a Task Force worked to mitigate the effects of the closure – an approach acknowledged as a forerunner to PACE (Partnership Action for Continuing Employment). Following the plant’s closure, there was a call for the regeneration of the site and for a commitment from Diageo to meet its corporate citizenship responsibilities. With the support of West Dunbartonshire Council, Scottish Enterprise and Diageo, Strathleven Regeneration Company (SRC) was formed as a special purpose vehicle to facilitate the regeneration process. In 2004, SRC entered into a formal partnership with developers, Walker Group (Scotland) Ltd, through which the Lomondgate project is now being delivered.
Lomondgate is now one of Scotland’s most active regeneration projects. It is home to BBC Scotland’s Dumbarton Studios & River City set and to Aggreko’s new manufacturing facility. A Premier Inn hotel, Brewers Fayre pub/restaurant and Scotland’s first drive-through Costa are the first phase of Lomondgate Services. Over 330 new houses are planned, with more than 100 completed or under construction. A business park and business village is the next phase. There has been over £50 million of private sector investment to date. By April 2012, an estimated 289 net additional jobs had been created in the region’s economy and £133 million of additional GVA generated. It is independently forecast that, by 2019, Lomondgate will accommodate 2,000 jobs and will have generated an additional £529 million of GVA. There has been no public capital funding in Lomondgate. This is remarkable leverage for approximately £500,000 of original seed funding from WDC/SE and the transfer land by WDC. In particular, in judging Lomondgate’s success it is worth noting that there are now more jobs here than existed in the J&B plant. A slightly more indirect outcome has been the focus on the adjoining Vale of Leven Industrial Estate and the benefits its proximity to Lomondgate could bring.

Example: Clydebank

The widely recognised achievements of Clydebank re-built urban regeneration company demonstrate the catalytic benefits of public-sector funded physical regeneration. New sites have been prepared ready for development, attractive business space has been developed suitable for a wide range of start-up; young and expanding business already based in the area and inward locating, examplar affordable housing has been constructed; and environmental upgrading, in partnership with West Dunbartonshire Council, has resulted in attractive public and civic spaces. Over £50 million has been invested to date but with the economic downturn, the necessary and substantially greater private sector investment has not materialized. This is undermining the pace and scale of regeneration in what was originally projected as a 20 year, £450 million initiative. The concern is that with the loss of momentum, additional public investment will be necessary to overcome the issues associated with classic market failure and to complete the physical regeneration and enable economic and social regeneration. The success of the URC has raised the profile of the area and given Clydebank a more positive image, through the delivery of high quality projects that have contributed to positive place – making e.g. town centre canal-side space and Queens Quay office and college development. In this respect, the provision of an attractive and competitive place is key to stimulating and maintaining economic activity. Continuing catalytic public investment in “place” (in terms of site preparation and development of business space, housing and so on) is key to boosting confidence in an area in order to attract developers, investors and business owner-managers who will ultimately lead on the area’s sustainable economic development. As an example, Clydebank re-built in conjunction with West Dunbartonshire and other partners has made great strides in a revitalizing place-making process over the last 10 years but with the economic
downturn and the resulting reduction in available funding, the pace is stalli

ng. With better partnership working with landowners, it is believed that the worst aspects of the continuing market failure in Clydebank can be addressed and with the subsequent support of funding mechanisms to attract private sector activity.

3. Are we achieving the best value from investment in this area? If not how could funding achieve the maximum impact? Could the funding available be used in different ways to support regeneration?

It is West Dunbartonshire’s view that best value is not being achieved at the moment. At this time, the funds related to the Regeneration Strategy don’t provide appropriate support for West Dunbartonshire’s needs and it is considered that there needs to be more flexibility with Scottish Government funding. Considerable investment is necessary to make places more attractive, competitive, sustainable and well-connected in order to stimulate business start-up and growth and associated job creation benefits and to improve the area’s social fabric. Often it is not possible to achieve regeneration in a single 10 year economic cycle and this needs to be considered in the process of developing significant projects and in the allocation of funding.

There have been a number of recent funding streams that West Dunbartonshire has not been able to take advantage of because the funding criteria have been too rigid. Feedback also suggests that there may be some confusion regarding how funds are accessed and which organisations are eligible. We welcome the emerging information regarding the Regeneration Capital Grant Fund. ERDF, SPRUCE and TIF models have been linked to specific end uses which mean certain sites in West Dunbartonshire are not eligible. SPRUCE and TIF are not funding streams but borrowing facilities, both of which have their own complexities and challenges on the actual development of projects and place risks and burdens on local authorities. While JESSICA is a welcome tool to stimulate development, there are concerns in the regeneration community that the SPRUCE fund managers are looking for such low-risk investments that the fund may not be filling the space it was intended to. The designation of Enterprise Zones was a closed process. Strathleven Regeneration considered that Lomondgate met the criteria for the new breed of Enterprise Zone and that that designation would have helped drive occupier demand to a new business location. The Housing Infrastructure Loan Fund is small compared to the amount of funding required to take forward housing sites around Scotland. The recent investment of £9m in tackling youth unemployment and the People and Communities Fund are examples where West Dunbartonshire could not take advantage as the funding criteria was too rigid and focussed on limited measures e.g. Positive Destinations for School Leavers. As a Council area we are being punished for improving our school leaver destination figures. The figures whilst excellent are not sustainable longer term and West Dunbartonshire has growing youth unemployment. Once again, this is not recognised in the Scottish Government’s funding allocations. The People and Communities Fund could
possibly better meet some of our needs in the future if it was open to local authorities
to apply. The Youth Unemployment Fund was targeted at local authorities with the
highest overall number of young people not in a positive destination, as opposed to
assessing the proportion of young people who are negatively affected within a local
authority area. Capital funding to Clydebank Rebuilt has greatly diminished which is
impacting on the potential for it to engage with the private sector for example by way
of formal partnerships on major sites such as Queens Quay where substantial grants
for infrastructure investment is required to reduce private sector risk.

Investment in tackling poverty and unemployment in a joined up way will contribute
to the preventative spend agenda. This includes the delivery of adult and family
support services through agencies such as Community Learning &
Development, West Dunbartonshire Council’s Working 4U service, the Community
Health Care Partnership Work Connect service and a range of community planning
programmes such as pupil and family support. Bringing these service areas closer
and ensuring there is adequate Scottish Government investment to support the work
will positively impact on the regeneration and equalities agenda. In addition, good
quality housing and safe and secure areas play a major role in impacting on
regeneration. Therefore targeting additional resources into the affordable housing
market would help stimulate areas and the added capital investment would increase
jobs and positive futures.

Consideration needs to be given to whether the level of funding and support being
provided is sufficient enough to have a significant and positive impact on the
need/demand for mainstream services. If this is not the case then this could
jeopardise the sustainability of the Strategy. For example, more housing being built
may generate better housing and more jobs for house builders but it is not clear
whether this will have a positive impact on deprivation or eventually reduce demand
for certain Council services.

Once again, impediments to delivery in West Dunbartonshire relate to the huge costs
of the infrastructure required to service key regeneration sites, and the limited
finance available to site owners and the issue of land ownership and control.
Scottish Enterprise, as lead agency has embarked on a sector based priority
approach which doesn’t always fit well with a local authority such as West
Dunbartonshire.

Notwithstanding the above points, the Council welcomes the creation of the
Regeneration Capital Investment Fund, which it will seek funding from.

Partnership Working
4. **What delivery mechanisms, co-ordination of, and information on the funding that supports regeneration are required, to facilitate access by all sections of the community?**

Regeneration funding opportunities should be widely promoted by the Scottish Government, with clear timescales, eligibility criteria, suitable response times and key points of contact.

5. **Should funding be focussed on start up or running costs? What is the correct balance between revenue and capital funding? Please indicate reasons for your views**

Both are required. Large scale regeneration projects may be able to generate income to cover running costs but in terms of smaller scale projects that may be valuable to a local community e.g a sports hall, many communities witness the closure of such facilities if a funding stream comes to an end, or because they may struggle because they rely on volunteers.

Most of the Council’s key regeneration sites are privately owned, and the challenges faced include decontamination, rebuilding of quay walls, services, transport infrastructure and flood alleviation. The costs involved in undertaking this infrastructure work are considerable, we estimate in the region of £100m. Therefore our challenges require a fund that is specifically geared towards assisting WDC and private developers with the delivery of initial infrastructure requirements. This will help de-risk projects and act as a catalyst to kick starting key regeneration sites. In particular, West Dunbartonshire is the fourth worst area in Scotland for flooding and this places an additional burden on developers. Recognition of this issue and our other challenges should be taken into account when the Scottish Government is assessing how resources are distributed. Finally another barrier or delay to delivery in major regeneration projects can be caused by utilities companies and their lack of accountability. Local authorities have no control over delays caused to projects waiting on work to be done by utility companies.

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

The greatest opportunities are in the physical regeneration of buildings, incorporating energy efficiency measures and renewable technology. Also, the regeneration of open spaces, pathways, improved lighting, signage etc should encourage more sustainable travel choices (ie. walking and cycling) as an alternative to car travel. Taking the projected future climate (milder wetter winters, warmer summers) into account, there is an opportunity for regeneration to contribute to ‘preparedness’. For example, by way of flood prevention initiatives or enhanced greenspace in town centres (provides shade/cools temp in summer, natural drainage). It would be useful if there was enhanced direction from the Scottish Government on the role of
regeneration in meeting climate change targets – particularly given the Scottish targets are so challenging.

Practical Issues

7. What actions could the Scottish Government’s forthcoming Community Capacity Building Programme include to best support communities to do regeneration themselves?

This Programme has to be publicised widely to key organisations. Our experience suggests that access to appropriate expertise, resources and funding to deliver projects that they want, are important in supporting communities. To succeed, this service cannot simply be a short-term add-on to the existing work of organisations. Empowerment is critical for delivery of any community focused / led regeneration. There is much to be done before communities can be expected to ‘do regeneration’.

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

CPPs should be working alongside communities as critical partners in delivery of the priority outcomes for the area and be providing leadership. For example, West Dunbartonshire CPP has a key coordinating role to play in harnessing and coordinating the efforts of partners and seeking to ensure community involvement and support through the Citizens Panel and other community engagement processes. A Thematic Group - Regenerating and Growing our Local Economy exists involving partners and community members and this forms part of the development and approval mechanism. The CPP’s Single Outcome Agreement 2011 – 2014 is currently being revised. Our three current priorities are Work and Benefits, Safe Stronger and Involved Communities and Supporting Children and Families.

9. How can CPPs best empower local communities to deliver regeneration? Please provide any examples of best practice or limitations experienced that you think the Committee would find useful in its scrutiny.

A community led regeneration strategy is not likely to be delivered uniformly across a local authority area. There are communities where residents are very active in local regeneration and improvement work and other communities where this is not the case.

10. How can the outcomes of regeneration truly be captured and measured? What are the barriers to capturing outcomes and how should the success of regeneration investment be determined?
Regeneration of an area is a long term activity. A positive impact on the social and economic profile of an area over the longer term would demonstrate real success for regeneration investment, as would increasing community confidence in an area.