Introduction

The Development Trusts Association Scotland (DTAS) is the national organisation for development trusts in Scotland, with a membership of just under 200. These are community-led organisations engaged in the regeneration of their communities through a combination of enterprise, community ownership, creativity and voluntary effort. A recent survey of members, established that in 2011 DTAS members had a combined annual turnover of £39 million (of which £21 million was derived from non-grant income) and owned assets valued at £51 million. This submission to the Local Government and Regeneration Committee draws heavily on that collective wealth of knowledge and experience, and our own experience as an intermediary organisation, promoting and supporting development trust activity. In addition, our experience of running both the Promoting Asset Transfer programme and our current Community Ownership Support Service (both initiatives funded by the Scottish Government) has also informed our thinking about community-led regeneration policy and practice.

DTAS welcomed the general thrust of ‘Achieving A Sustainable Future’, and in particular the critique of previous regeneration initiatives and the promotion of community-led regeneration. As an organisation which has been advocating community-led regeneration for 10 years in Scotland, we were heartened by this shift in emphasis, which chimes with the experience of our member development trusts. However the period since the launch of the Scottish Government’s new regeneration strategy has been characterised by a lack of clarity, mixed messages and a distinct lack of resource to deliver community-led regeneration. The Local Government and Regeneration Committee Inquiry into the ‘Delivery of Regeneration’ is, therefore, both welcome and timeous.

Learning From Previous Regeneration Initiatives

‘Achieving A Sustainable Future’ rightly concluded that while there was some successes, there was much wrong with previous regeneration programmes. Done to, not by, local communities, they usually started from ‘where’s the money and how do we get it?’ rather than “what’s the opportunity and how did we make it happen?” As an approach it was pre-disposed to destruction, with a focus on ‘clearing the decks’, both physically and socially. It was characterised by silos – divisions of theme, ownership and tenure, and by the chasm between physical and social professionals. Regeneration programmes systematically failed to understand or value ‘the genius of place’ or the holistic nature of people’s real lives. Instead people were caricatured as blocks of statistical need, requiring dilution or displacement. The human timeframes of right now
and generational lifespans were ignored, in favour of electoral and profit-making timescales which mitigated against longevity and sustainability. Successive regeneration programmes talked the language of civic engagement and community empowerment, but professional ‘capacity building’ taught local people to work within the culture of the powerful rather than being supported to find their own agency. The nature of the problems being addressed were frequently defined externally and imposed on communities. Ultimately these regeneration initiatives were financially compromised: dependent as they were on ring-fenced government money and the continual expansion of the housing bubble. That both have now dried up, suggests that there is no longer a choice about thinking differently. However one arrives at the conclusion, community-led regeneration is the only way forward.

**Towards self-renovating neighbourhoods**

As a concept, community-led regeneration can be understood to be a process driven by local people as the agents of neighbourhood change, with public and private sector partners in a facilitative, supportive or collaborative role. The starting point of the process is peoples lived reality, and its holistic approach instinctively sees through and breaks down organisational and departmental silos. It will evolve new patterns of ownership and responsibility, find new ways to unlock resources (people, land and buildings) and it will be able to capture value. The self renovating neighbourhood is deeply rooted and realistic, co-operative and collaborative - but also unashamedly optimistic.

But understanding the concept of community-led regeneration is insufficient. The effective implementation of ‘Achieving A Sustainable Future’ requires a greater degree of clarity and understanding about the mechanism or catalyst which will actually deliver community-led regeneration, and how this can be encouraged, fostered and supported. The evidence in community after community throughout Scotland increasingly suggests that genuine community-led regeneration requires the existence of a community anchor organisation such as a development trust, an enterprising housing co-operative or a community land initiative. While there is no need to be too prescriptive about organisational type, the regeneration strategy needs to be grounded in a clear understanding of the key qualities which strong community anchor organisations possess and, crucially, the critical success factors which characterise the kind of independent, enterprising and resilient organisations which have the potential to drive regeneration processes.

**Doing regeneration in hard times**

‘Doing Regeneration in Hard Times’ is the theme of the 2013 Annual DTAS Conference, reflecting the increasingly challenging financial context, and subsequent squeeze on public sector funding, which has understandably closed down the option of significant levels of new funding being made available to support the new regeneration strategy, and in particular to resource community-led regeneration. While the successful implementation of ‘Achieving A Sustainable Future’ will require many things - much
greater clarity of thought, the re-defining of relationships and significant cultural change - it will, ultimately, require significant investment to! be brought in behind it, if it is to have the desired impact. Giving the challenging financial context, doing regeneration in difficult times demands a much more creative approach to existing resources (budgets, programmes and assets) accompanied by a greater degree of trust (putting faith in communities to deliver) and a degree of risk taking. Regeneration, by nature, is a cross-cutting activity, which will only gain traction when this cross cutting characteristic is more clearly reflected across government, local authority and other public sector budgets.

**Strategy and Policy Issues**

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

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

A fundamental principle of the development trust approach is the need to take a holistic approach to regeneration. As such, development trusts are encouraged to think and work across the economic, social, environmental and cultural spheres. This holistic approach has a number of crucial benefits, not least of which is the ability to see opportunities, make connections and break down the kind of silos which treat people as claimants, patients, clients, etc rather than as rounded individuals.

DTAS believes fundamentally that regeneration needs to be holistic in nature. However, particularly given the structural nature of poverty and inequality, this holistic approach should be applied equally to government, local authorities and other public sector agencies, many of whom continue to work in silos. It is essential that shifting the focus to community-led regeneration should not be seen as an opportunity to absolve any of these agencies from their responsibility to address problems of a structural nature and invest in, and generally contribute to, community-led regeneration efforts.

The regeneration challenge in Scotland is both multi-dimensional and considerable, raising the question of how regeneration efforts and resourcing is co-ordinated and managed across a number of Scottish Government divisions and departments. At the moment, the responsibility for regeneration seems to lie almost solely with a relatively small unit within the Housing and Regeneration Division.

*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?*

A glaring example of the contradictory approach on regeneration which reflects current Scottish Government regeneration thinking is the contrasting remits of Highland and Islands Enterprise and Scottish Enterprise. Over a number of years HIE have
acknowledged the importance of connecting the economic and social agenda, particularly in disadvantaged and fragile communities, with considerable success. With national policy now embracing community-led regeneration, it’s crucial that the Scottish Government learns from the Strengthening Communities approach which HIE has employed so successfully for years, and develop a greater level of consistency. The Scottish Enterprise budget is arguably the largest potential contributor to the Regeneration Strategy and it is difficult to see how that strategy can succeed without, at least some of that investment being harnessed.

Another major area of Scottish Government investment is their admirable support for social enterprise, particularly in the form of the Enterprising Third Sector Strategy. As a sub-set of social enterprise, community enterprise has a major role to play in creating the kind of independent income stream which will build independent community anchors, which create stronger and more resilient communities. There are however important differences between community enterprise and social enterprise (community anchors have to manage a tension between being enterprising on the one hand, and being democratically accountable on the other). Current social enterprise programmes are invariably too generic, too formulaic and often unable to provide community anchor organisations with the enterprise support required. Offering a business planning service is of little use to communities who first require support to identify and assess potential local income generation opportunities. Supporting individual social entrepreneurs is laudable, but where is the support for communities who want to start businesses collectively.

Following the publication of the Christie Report, the Scottish Government made a considerable investment in the creation of the Change Fund, to assist the transition towards different ways of providing public services. The Christie Report made it clear that it saw communities having an important role in the future provision of public services, but how much of Change Fund expenditure has filtered down to the community level? Without investment to build community capacity, it is difficult to see how communities are going to be ready to ‘step up to the plate’.

**Partnership Working**

Historically, regeneration partnerships have been more top-down than bottom up, tending to mask, rather than make explicit, power relationships between partners. A policy shift towards community-led regeneration requires a corresponding shift in thinking around partnerships. Communities need to be supported to develop and strengthen community anchor organisations, who by running services and owning assets are much more likely to be ‘players’ within regeneration processes, and, therefore, much more likely to be able to engage on more equal terms with other agencies. While partnerships will clearly remain crucial to successful regeneration efforts, we need to rethink what we mean by partnership working within a community-led regeneration context and shift the emphasis to partnerships which are initiated by the community, with specific partners (public, private and third sector), and for specific purposes.
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?

The cumulative total of the available range of funding streams, resources and programmes for community and charitable activity, enterprise, and regeneration is fairly extensive. It is however provided by a wide range of Scottish Government departments, public agencies, consortia and independent funders, making it difficult and time consuming to access for community organisations. This is challenging enough when a community organisation delivers a single service but when one takes into account that community anchors are multi activity organisations, often involved in delivering a number of services, it can place a major strain on organisations and become a major barrier to development.

This situation could be addressed in a number of practical ways. Firstly, all current streams of Scottish Government (and other public sector) grant funding should be ‘regeneration proofed’ – with the objectives and criteria reviewed within the context of community-led regeneration. Secondly, information on all funding with the potential to support community-led regeneration needs to be pulled together in a single information bank with one point of enquiry for community organisations. The Scottish Government currently invests millions of pounds in third sector infrastructure and it should be relatively easy to re-prioritise a small proportion of that spend to deliver this resource.

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

There is no blueprint for community-led regeneration, which is an organic, bottom up process reflecting the needs, opportunities, energy and capacity found within different communities. Communities are all at different starting points. As such community-led regeneration will look different from community to community. The resourcing of community-led regeneration, therefore needs to encourage, nurture and support these organic processes, providing suitable amounts of funding at the appropriate time in the development process. The appendix to this submission, is an attempt by DTAS to, perhaps crudely, outline the general development process of a community anchor organisation, based on the collective experiences of a large number of our members. This shows that at certain points in the development process, relatively small amounts of amount or support, ideally easily accessed, are sufficient to reward voluntary effort and enable the community organisation to progress their development and plans.

This process framework suggests that a lot of the funding, resourcing and support is already in existence, although not always easily accessed, or available in the correct form and at the right time. It would be relatively easy to map existing funding, support and resources against this community-led regeneration process and highlight how it could be tweaked, modified or better delivered to support community-led regeneration.
However, it needs to be stressed that the single most important element, and the major funding absence currently, is the provision of core funding which enables developing community anchor organisations to build on the voluntary effort invested, and do the detailed work which will implement community plans and deliver new services and regeneration activity. The success of the community-led housing association movement was founded in no small measure on the availability of a staffing resource in the early stages of individual housing association development. The availability of core funding for community anchor organisations, and the ability to employ a staffing resource, is the single most important requirement and is particularly important for the more disadvantaged, low capacity communities which need to benefit most from community-led regeneration.

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

The life of previous regeneration initiatives has been dictated by political priorities and the timescales of funding programmes and investment cycles. History shows that political priorities change, local authorities are re-organised, regeneration agencies and initiatives come and go and funding and the availability of investment fluctuates dramatically. The one constant, long-term factor is the community itself. Nobody cares more about the future of the community than local people themselves, which is why long term, sustainable regeneration will only occur when communities are sufficiently empowered to take ownership of regeneration and drive it forward. This happens best through community anchor organisations which reflect local aspirations, have sufficient capacity and provide the necessary strategic vision to lead regeneration processes.

DTAS has consistently argued over a number of years that development trusts and other community anchors need to strive to become strong and independent, reducing their dependency on grant funding through enterprise activity which generates independent income. Crucially this enterprising approach invariably involves the development of an asset base (community-owned land, buildings, etc) which provide additional security and financial resilience. By utilising this approach, community anchors provide the necessary framework and stability which will provide the bedrock for community-led regeneration. What they can achieve at any one point in time will undoubtedly be influenced by external factors such as available funding and investment, economic opportunity and the prevailing social-political context, but community anchors have the capacity to endure, and in so doing, providing long term sustainability to regeneration processes.

**Practical Issues**

*What actions could the Scottish Governments forthcoming community capacity building programme include to best support communities to “do regeneration” themselves?*
Consistent with the philosophy of previous regeneration initiatives, community capacity building has, by and large been done to communities, by local authorities and other external agencies. It is therefore unsurprising that a change in direction of regeneration strategy requires a corresponding change of direction in how capacity is built within communities. DTAS believes that any available funding should be invested directly within relevant community organisations, enabling them to employ staff, who immediately expand organisational capacity. In turn this enables them to benefit from the programmes and other external support which can then be accessed. If there is one point which the development trust movement would want the Local Government and Regeneration Committee to take on board, then this is it.

In considering capacity building we need to recognise that the regeneration context has changed dramatically. It is no longer about delivering communities to engage in top-down regeneration processes, it is about building the kind of community anchor organisations which can take on assets, run services and businesses, engage in strategic partnerships – in short lead local regeneration. This requires a wider skill set than that possessed by traditional community development agencies and staff. Crucially it involves encouraging and developing enterprise, challenging, rather than reinforcing dependency, supporting communities to acquire and manage assets. If community organisations are to be charged with leading regeneration, then they have the right to their own staff, who are directly accountable to them, and who can support the development of the organisation from within.

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

Community Planning is about the strategic planning and delivery of public services, usually at a city or regional level. Communities on the other hand, are much more likely to relate to activity at neighbourhood level. Successful regeneration will require a dynamic interface where strategic planning of public services meets neighbourhood planning (top down meets bottom up). This is not about token representation on committees, or about treating local people as simply consumers of public services. It is about recognizing the role of communities as leaders of regeneration processes and treating communities as partners and equals. To be successful, this interface requires the current power imbalance to be addressed and the creation of informed and confident communities, who have well-defined community plans and the capacity to play a role in the implementation and service delivery.

The purpose of Community Planning needs to be clarified and the loose thinking around Community Planning addressed - particularly in light of the Christie Commission. A good starting point would be removing the word “community” from the title of the activity. While there is clearly a need for local authorities and other public sector agencies to continue to meet together to strategically plan future public service delivery, it is questionable whether Community Planning Partnerships, as currently constructed, will
generate the kind of imaginative and creative thinking required to deliver Christie, never mind have the ability to genuinely empower communities. To deliver community-led regeneration and to explore and organise the re-provisioning of future public service delivery we need to create a new kind of interface which is fit for the undoubted challenges ahead.

**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?**

Previous regeneration policy has sought to define the problem (often incorrectly as it happens), throw money at the problem and then try and measure the change. Interestingly, there was often a marked difference between the outcomes of expensive evaluation programmes paid for by those funding the programme and the perceptions of local people living within communities being regenerated. Community-led regeneration requires that this approach is now turned on its head!

In driving community-led regeneration, the Scottish Government needs to take a bold and radical approach, investing in relationships, ideas, leadership, capacity and enterprise in order that local people themselves can make change in their own communities, in their own time and on their own terms. Community-led regeneration therefore requires that the responsibility for monitoring and evaluation shifts to community level – with local people setting objectives and targets, and monitoring progress against them. These will undoubtedly vary from community to community – but that is the whole point of community-led regeneration!

Fostering successful community-led regeneration needs to be built on trust, respect and relationships. This requires developing a national regeneration framework which is liberated from the current obsession with monitoring, evaluation and best value and, in turn, develops processes and systems which nurture and reward responsibility, ownership, collaboration, community enterprise, and inclusive participation.

If it is accepted that community-led regeneration as an approach, is holistic in nature, then holistic measurements, which enable communities to be able to monitor progress on their own terms. Measurement and evaluation frameworks such as WARM (Wellbeing and Resilience Measurement) and Oxfam’s Humankind Index are 2 examples which are worthy of consideration.

**Other Issues**

The final two issues DTAS would seek to highlight are the need to re-establish some kind of Knowledge and Skills Exchange Fund which, when funding has been available, provides a crucial resource in enabling new or emerging organisations to visit established organisations and learn from their experience. DTAS previously run a K&SE Fund, funded through Housing and Regeneration, which was open to all community networks. This was very successful – there is nothing as inspirational or powerful for a
new community organisation than seeing another community doing it from themselves, and finding out what’s involved - warts and all! The re-establishment of a fund of this nature (however it is managed) should be a relatively inexpensive element of the community-led regeneration support framework.

Secondly, development trusts are a Scottish success story. We have an incredible, untapped resource within many Scottish communities: wide ranging knowledge, skills and experience about all sorts of community-led regeneration activity. It is incumbent on those leading community-led regeneration to find an effective way to tap in and utilise this resource, and apart from a knowledge and skills exchange programme, the most obvious solution is through a peer learning and support programme or initiative. Not only would this support and build capacity within less experienced communities (in the most cost effective way possible), it would develop inter-community mutuality and co-operation. Of course the added bonus would be that every pound spend was being directly invested in community organisations.

Case Studies

DTAS would be happy to provide the Committee with case studied of community-led regeneration in action or any further information required.
**Appendix: The Community-Led Regeneration Process**

<table>
<thead>
<tr>
<th>Process Stage</th>
<th>Resources / Support</th>
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</thead>
<tbody>
<tr>
<td><strong>Stage 1: Formation and Early Development</strong></td>
<td><strong>Key resource - Small Grants</strong> (some small grants are available through the BIG Lottery, etc, but further small grant portfolios need to be developed)**</td>
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<tr>
<td>Inspiration</td>
<td>Knowledge and Skills Exchange Fund</td>
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<tr>
<td>Community consultation</td>
<td>Small grant for community consultation activities</td>
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<tr>
<td>Setting priorities / visioning / community plan</td>
<td>Small grant for consultancy support if required</td>
</tr>
<tr>
<td>Governance arrangements</td>
<td>Information / advice / templates / training (available from DTAS, and other support agencies)</td>
</tr>
<tr>
<td>Options appraisals and feasibility work</td>
<td>Relatively small grants such as Investing in Ideas</td>
</tr>
<tr>
<td>Identifying early enterprise opportunities</td>
<td>Advice / support. Could be delivered by refinement, development or expansion of current social enterprise support</td>
</tr>
<tr>
<td><strong>Stage 2: Implementation</strong></td>
<td><strong>Key resource - Grant to employ member of staff</strong></td>
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<tr>
<td>Activity / service development</td>
<td>Advice from community intermediaries and other social enterprise agencies</td>
</tr>
<tr>
<td>Partnership working</td>
<td>Member of staff</td>
</tr>
<tr>
<td>Activity</td>
<td>Support</td>
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<tr>
<td>--------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
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<tr>
<td>Asset acquisition / development / management</td>
<td>Member of staff&lt;br&gt;Specialist guidance / support from COSS, HIE, etc&lt;br&gt;Capital funding (grants, capital borrowing, community shares, etc)</td>
</tr>
<tr>
<td>Business acquisition</td>
<td>Specialist guidance / support</td>
</tr>
<tr>
<td>Business planning / enterprise Support</td>
<td>Member of staff&lt;br&gt;Appropriate support</td>
</tr>
<tr>
<td>Building leadership and developing succession strategies</td>
<td>Member of staff / Board</td>
</tr>
<tr>
<td>Employment Policies / HR</td>
<td>Information, guidance and support – currently available through arrange of agencies, although a cost is attached to some of this</td>
</tr>
<tr>
<td>Governance (trading subsidiaries, joint ventures, etc)</td>
<td>Information, advice, templates available from DTAS, etc but access to independent legal advice important</td>
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<tr>
<td><strong>Stage 3: Consolidation and Growth</strong></td>
<td><strong>Key resource: Grant to employ enterprise worker / business manager (eg TSEF / Growth Fund)</strong></td>
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<tr>
<td>Consultation and revision of plan(s)</td>
<td>Member of Staff</td>
</tr>
<tr>
<td>Further asset / enterprise development</td>
<td>DTAS / COSS&lt;br&gt;Investment and business support (eg HIE and social enterprise business support programmes)&lt;br&gt;Access to investment and affordable finance</td>
</tr>
</tbody>
</table>
Specific business support (eg. Marketing) | Social enterprise business support programmes – may need refinement
---|---
VAT and Financial Advice | May be available through business support programmes or via organisations auditor / accountant
Communications strategy | Staff member / Board
Access to advice and limited resources
Succession Arrangements | Staff member / Board

Community anchor organisations can come about in a number of ways, including:

- Evolving out of an existing organisations (eg. community controlled housing associations, etc)
- Being set up by community councils (to create a community vehicle for asset ownership and delivery of services)
- Being set up by local authorities, regional or national housing associations, etc as a focal point for community regeneration
- Through the merger or coming together of a number of smaller organisations (such as tenants associations) to create a bigger, more strategic community organisation
- When the community comes together around a particular threat (closure of key facility / service) or an opportunity (renewable energy development)

However this happens, the experience of development trusts suggest that there are a number of identifiable stages of organisational development, all of which have different requirements in terms of support and resourcing. In broad terms these are:

**Stage 1: Formation and Development**

This can be a relatively straightforward process in many communities and can often be achieved through voluntary effort and without much external resourcing. However it is recognised that in some of Scotland’s most disadvantaged or deprived communities some community capacity intervention will be required to assess the current level of community activity and encourage local people to come together to explore interest in establishing a community anchor organisation. If this interest is positive, further support may be required to formally establish the organisation, conduct community consultation and identify community priorities. In addition support may also be required to build individual and collective confidence. It is important that this community capacity building
support is underpinned by a sound understanding of community anchors, community enterprise and community ownership.

Stage 2: Implementation and Development
In our experience moving from stage 1 to stage 2 – beginning to implement the community plan, establishing activities and services, taking on assets and exploring income generation possibilities – is the time when most emerging development trusts struggle. At this point in the process, what can be achieved through voluntary effort alone is pushed to the limit, and in order to maintain the momentum which has been established, emerging development trusts need access to some kind of staffing resource. To inform the DTAS response to the Regeneration Discussion paper, we surveyed members about their experience, and the overwhelming view was that while external support (whichever agency that comes from) is often appreciated, the critical factor is being able to employ someone to work directly within the organisation. It was felt that this ensured focus, complemented the voluntary effort which board members, etc were contributing and ensured the appropriate skill match (if the key priority for the emerging developmental trust is income generation, it is unlikely that traditional community capacity building workers will have the necessary skills and experience).

Securing this kind of staffing resource is challenging for most organisations although a number of DTAS members have managed to do this in fairly creative ways – through grants from charitable trusts, through secondments and through working in partnership with bigger organisations such as regional housing associations. But most emerging development trusts struggle. If the Scottish Government was to make funding available for this purpose, then it would seem reasonable that applicants should be able to demonstrate that they have successfully completed stage 1 – have formed a potential community anchor organisation with appropriate governance arrangements in place, have conducted a certain level of community consultation and established community priorities or developed a community plan, and begun to have thought about what they can do to address the priorities and implement the plan.

Funding support for this could operate as a grants programme, similar to the people and Communities Fund, with individual organisations applying directly to the Scottish Government / grant holder.

Stage 3: Consolidation and Growth
The Peoples and Communities Fund is essentially aimed at organisations which are at this stage of development – established community anchor organisations which have the ability and the capacity to deliver important regeneration activity. At this stage the community anchor organisation should be fairly enterprising and have identified one or more income generation opportunities. This stage is particularly where synergies between various strands of the Scottish Government can be maximised and where other parts of the Scottish Government can be encouraged to support community-led regeneration – enterprising third sector, renewable energies, climate challenge fund, BIDs, etc. Looking forward a key challenge for the People and Communities Fund will be how any regeneration activity which is funded is sustained beyond the length of the grant funding period. While some of these activities will always require grant funding / or
some grant funding there is arguably more scope for enterprise than was demonstrated in the previous Wider Role Programme.