1.0 Background

1.1 Raploch Urban Regeneration Company Limited (RURC), which has charitable status, and Raploch URC Landholdings Limited were incorporated in 2006. The principal activity is the development of the Raploch area into a community where people choose to live, work and visit with new homes, education and health facilities, within an economically sustainable environment.

1.2 There are two main strands to the work carried out by the Raploch companies:

- A masterplan, involving the community, was put in place for the Raploch area mapping out the strategy for development over the next few years. Several parcels of land in Raploch were transferred from Stirling Council to the regeneration company with the intention of selling to developers to build a mix of social and private housing.
- Community Enterprise is a training centre to provide personal and vocational training to adults and young people in Stirling; many from socially challenging backgrounds. Big Lottery has funded an initiative called Altered Lives Big Adaptations (ALBA) over five years from June 2011 and Employability programmes such as Get Ready For Work and Training For Work programmes are provided for Skills Development Scotland. Trainees are given experience on commercial contracts focussed mainly on grounds maintenance, landscaping and construction, which also generates income for the company. In addition, the centre provides training such as Construction Skills, health and safety and the European Computer Driving Licence to individuals (often funded by Individual Learning Accounts) and to organisations.

1.3 The original intention was that these two activities would complement each other with trainees from the Community Enterprise being given experience of working on the construction sites with some going on to secure full time employment with the developers under the Community Benefit Clause of the Regeneration Agreement.

2.0 Impact of the economic downturn - summary

2.1 The economic downturn from 2008 hit both arms of the business hard with the slow-down in the housing market meaning that developers wouldn’t commit to building houses that couldn’t be sold quickly and a reduction in jobs being available for the trainees to progress to.

2.2 This in turn impacted on the finances and cash flow of the regeneration companies; their main source of income being sale of land to developers,
which was not being realised. In March 2012 Stirling Council agreed a number of measures, which included pausing physical development, undertaking a review of the Raploch regeneration initiative and requesting that the Raploch companies reduce operational running costs and overheads, where possible. As a result, all five members of the senior management team have gone through voluntary severance or securing alternative employment. In addition, the Board has gradually reduced from 16 Directors to three. The loss of key personnel has meant that a lot of knowledge and expertise has also gone, which has made gathering detail and evidence for this inquiry somewhat challenging.

### 3.0 Positive Aspects

3.1 The following paragraphs set out the positive aspects and issues that have been found with the regeneration initiative.

3.2 The Regeneration project has been critical in delivering a number of key infrastructure projects, which have improved the environment of the Raploch area. In particular, the improvements to Drip Road (the main road through the centre of Raploch), which has been heavily traffic calmed, and the upgrading of the Stirling Western Access road to accommodate traffic that previously passed through Raploch has led to significant environmental improvements through traffic reduction. The creation of the Raploch Community Campus has re-provisioned three primary schools and a nursery from out-of-date buildings into brand new, modern purpose built facilities. The Campus also includes a range of Community facilities and has brought Forth Valley College into the area with the creation of its hospitality and beauty base at the Campus.

3.3 While housing development has been slower than anticipated, a total of around 160 new housing units have been created which have provided a more balanced mix of tenure and type than was previously the case. A recent planning approval will see another 88 units developed over the next two years. The presence of new housing will have changed the demographic in the area, with a higher proportion of the population in employment, and a younger age range of population.

3.4 The regeneration label has probably been a key factor in attracting and establishing El Sistema/ Big Noise to set up their first Scottish base in Raploch. The initiative has been very popular in the local area attracting national television last summer with the Big Noise Concert forming a key part of the pre-Olympic events in Scotland. The consultation for the current Masterplan refresh would suggest that the Big Noise project receives universal support from across the whole Raploch community.

3.5 Developments around the fringes of the existing Regeneration Masterplan area have also provided opportunities, which in the long term can uplift both the perception and vibrancy of the area. These include a) the completion of development on Castle Business Park with the expectation that all office
space on the site may be let by the end of 2013; b) the new Stirling College as part of Forth Valley College at Kildean; and c) the acquisition from the Crown Estate of around 30 acres of prime business development land at Kildean for future business park development.

3.6 A grant of £1m was successfully secured from Scottish Government from the Town Centre Regeneration Fund for the development of brownfield sites; a modular building was purchased as the company’s headquarters and a sustainable building for mixed-use residential and retail was developed.

4.0 Issues

4.1 **The Business case** for the Regeneration Initiative was fairly simple. Grant funding would provide initial physical infrastructure and the wherewithal to set up a company at arms length to Stirling Council. The company would be “gifted” land from the Council and then use the proceeds from the development of that land to pay for a) company running costs, b) further infrastructure improvements within the area and c) a level of social regeneration through both job opportunities via housing construction and through supported employment and training schemes. However the model was wholly dependent on:

- Developing the land sites (for housing) within a given timeframe; and
- Estimated land values based on pre-credit crunch land values.

With land receipts trickling rather than flowing in, and at a fraction of the anticipated level, the model became unworkable. Lower levels of land receipt meant a greater proportion of any funds received were swallowed up in running costs of the URC.

4.2 With a failure of the business model to deliver the expected receipts came an inability to deliver the hoped for infrastructure improvements. The intention had been to use funds to upgrade existing built elements so that the quality of the environment between new and old would be similar. This has not been possible, with evidence from recent consultation events suggesting that there is a split between new and old, and north and south of Drip Road, with the potential that the community may not feel unified.

4.3 The URC Company was initially set up with a number of directors from a range of public sector bodies. This reflected the breadth of the organisation that it was hoped would be able to engage in the project and encompassed the Local Authority, Health Service, Scottish Enterprise, and the Raploch Community Partnership. Forth Valley College were also represented on the Board at a later date and a variety of individuals have sat on the Board in recent times. However, as the economic downturn meant that the prospects for the regeneration company became less certain, the number of bodies represented on the board has diminished, with the Board now consisting of three directors, two of whom are Stirling Councillors.
4.4 With reduced budgets to and re-organisations within public bodies, individuals within them become focussed on their own interests meaning that joint working on initiatives is not always a key priority. The myriad of local and national government strategies and a lack of co-ordination between both tiers coupled with reduced resources means that delivery was and will continue to be restricted.

4.5 A general perception is that the regeneration process requires a certain level of momentum to win over the hearts and minds of the local community. With a business model based on downturn and a stagnant economy, the regeneration project has largely ground to a halt, although a recent planning decision to approve 88 new housing units does provide an opportunity to inject momentum again. Without development visible progress is difficult to see, even with some success still being achieved on the community employment and training side.

Issues (cont’d)

4.6 In setting up the RURC, Stirling Council entered into a legal agreement (the Development Agreement) with RURC and RURC Landholdings which set obligations on both parties to procure development and meet the regeneration objectives (obligations of the RURC) and to transfer landholdings, some straight away and some at a future point in time. The RURC then entered into a separate Regeneration Agreement with developers R3 (Cruden Homes and Taylor Wimpey) to undertake development. The structure became problematic because:

- The Development and Regeneration Agreements were not “back to back” meaning that the RURC was exposed to certain risks over which it had no control;
- The Regeneration Agreement was very inflexible making no allowance for a possible break should circumstances change (which they have). Generally the agreement is seen as being too “developer friendly”; and
- The programmes included within the agreements became undeliverable due to economic conditions and therefore obligations could not be met.

4.7 Initial work on some of the main sites was undertaken to clear the sites for future development. With development then not happening, physically unattractive sites have remained in situ, or have required ongoing land maintenance which has again eaten into the RURC’s resources. In some cases blocks of building have been emptied ready for demolition or redevelopment, with the exception of one or two residents who are to be provided with new specialist housing. However, the slow progress of housing development has left these near empty blocks in situ for far longer than was anticipated and they are an eyesore.

4.8 With RURC set up, Stirling Council remaining a landowner and the Cowanes Trust also remaining as a landowner of some import in the Raploch area, there is sometimes a lack of clarity (for the community) as to who owns,
and therefore who is responsible for each site. This is of particular concern where sites cause problems. Similarly there have been occasions where assets in the RURC ownership have not always been designed to what Stirling Council would see as an “adoptable standard”. The result is that the assets, remain as RURC’s assets (including elements of road and civic infrastructure) and the problem of the RURC.

4.9 With sites sometimes being uneconomic to develop, R3 have, on occasions sought to bring forward development proposals which, have not always been deemed to be consistent with the original Raploch masterplan. This is particularly the case where ground conditions are less favourable and where a greater critical mass than originally envisaged may be required to make a development feasible. Tensions between momentum of the regeneration and moving away from the original design principles have therefore been created.

5.0 Consultation

5.1 Community involvement has been key to the regeneration of the Raploch area and over the years there have been many consultation exercises and public meetings, working in partnership with Stirling Council, the Community Council, the Raploch Community Partnership and other public sector agencies and local businesses.

5.2 The Raploch Community Partnership received funding to carry out annual residents’ surveys over a three-year period from 2009 to 2012 as part of the Community Liaison, Engagement and Research project (CLEAR). A number of questions were asked around the residents’ attitudes and opinions towards the regeneration project and their subsequent satisfaction with the area during times of change. A number of interesting outcomes were produced but what will be important is to put in place an action plan on how the community and local agencies can work together to tackle the key issues and improve satisfaction levels.

5.3 In 2013 Chris Ball, a PHD student at the University of Stirling used Raploch as a case study to examine the ‘whole of government’ approach to urban regeneration and the link between the theory in academic studies and practice. He spoke with key partners involved in the regeneration and concluded that the approach was complex and there were a number of challenges involved in this process related to organisational boundaries and accountabilities and issues with loss of control and the contingencies when the initiative entered a crisis situation.

6.0 The Future

6.1 The future of the regeneration of the Raploch area and the Raploch companies is uncertain.
6.2 Stirling Council has commissioned a firm of architects to review the Raploch Masterplan, which will form the basis of a report to the Council in June 2013.

6.3 Given that there is no senior management team at RURC, an interim manager has been appointed for a few months on a consultancy basis to fulfil the role of Corporate Manager and to make recommendations on the way forward for the Raploch companies. The report is due to be presented to Stirling Council in September 2013.

6.4 One-off funding from central government has been critical in enabling changes to be made. However, it is difficult to see how regeneration and employability initiatives can be sustainable without funds being made available through annual revenue budgets. The uncertainty over the future of social housing from 2015 and reduced subsidies to build social housing will further impact on the ability to develop regeneration areas and invest in housing for the future.

6.5 It is critical that Scottish Government takes a lead in putting the strategies and frameworks in place to share best practice but also to work with Local Authorities and urban regeneration companies on an ongoing basis to assist in the funding and implementation of initiatives to grow the economy.