Local Government and Regeneration Committee

Regeneration Inquiry

Submission from West Scotland URCs (Clyde Gateway, Clydebank Re-built, Irvine Bay and Riverside Inverclyde)

Delivery of Regeneration in Scotland inquiry – Call for Written Evidence

Introduction
This submission encompasses a joint response to the Local Government and Regeneration Committee from the four West of Scotland URCs – Clyde Gateway, Clydebank Re-built, Irvine Bay and Riverside Inverclyde.

We welcome the opportunity to provide a joint response, but would highlight that each URC was established with a specific purpose, designed to meet local needs and aspirations. We have therefore acknowledged local issues, or other differences, in our response as appropriate.

We recognise that physical change on its own is not enough and each of us work with our local partners (communities, agencies and businesses) to ensure that local people are at the heart of the impacts and benefits that are generated through all of our project activity. All of our Board Members have strong local community and business links, with each of us having local elected representatives (providing direct local accountability) and three with community Board Members, giving direct input to local people on governance and decision making.

Strategy and Policy Issues

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

There are lots of policies and strategies with direct links to regeneration across physical, social and economic strands, and URCs have a good fit with, and contribution toward, core objectives. Whilst the URCs were established with a focus on physical regeneration, we take every opportunity to link with local partners and integrate our project activities to maximise economic and social objectives for local communities. For example, all four URCs have embedded the use of community benefit clauses in construction contracts to create employment and training opportunities for local people. Also, two (Riverside Inverclyde and Clyde Gateway) have worked with local businesses to promote contract opportunities and ensure ‘readiness to supply’ for both direct URC and other relevant opportunities.

There is, however, an opportunity to enhance linkages through an agreed definition of regeneration (economic, social and physical) and recognition at all levels of the public sector of where and how organisations fit and contribute. This could encompass area based holistic approaches to budget setting for regeneration that maximises local accountability.
2. 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. We believe strongly that physical, social and economic regeneration objectives need to be progressed together to ensure the sustainability of our activities and maximise opportunities for local people. Physical projects are an essential component of the whole regeneration process, without which the other strands would be difficult to progress. Through our projects we work closely with local partners to deliver training/employment opportunities for local people and facilities/contract opportunities for local businesses, providing an integrated approach.

Rather than all regeneration organisations attempting to do everything, we believe that best results are achieved through specialist organisations working through integration and partnership at the local level. This takes best advantage of technical skills and expertise and avoids unnecessary duplication of effort.

We have provided examples from each of our URCs of where we have worked alongside partners to ensure that our regeneration projects have wider social, economic and community benefits for local people and businesses:

- Clyde Gateway – we worked with Glasgow Community Safety Services (GCSS) to develop a new head office facility within our area that brought over 400 jobs into the community in 2012, creating spin-off benefits for local shops, suppliers and other service providers. Our Training and Employment Manager (who works with all key employers to maximise jobs and training for local people) has worked with GCSS and our partner agency Jobs and Business Glasgow, to create 30 new jobs for local people, funded through our Youth Jobs Fund, of which 14 are already in place.

- Clydebank Re-built – our long history of working in partnership with local people has been recognised by Scottish Government in 2008 in relation to our long running Public Design Forums which were often attended by well in excess of 80-100 local people at each event. More recently we led the physical regeneration of the Titan Crane (which itself has won a number of major awards) which is recognised by the local community as a major achievement. Titan now operates as an iconic visitor attraction, managed through a separate Board, with almost half of the members from the local community (3 of 7). We work with our local CPP to create at least five employment positions for unemployed people each year (attraction open to visitors for 6 months per year and to education/specialist interest groups all year), with further volunteering input from local residents. As with the other URC’s, we have included employment/training requirements in our construction contracts.

- Irvine Bay – we work regularly and consistently with local partner agencies and organisations to ensure that our regeneration projects address wider social and economic issues. Within our Kilwinning town centre public realm works we required the contractor to create local jobs and training positions, we worked closely with the local school (design, history, artworks and work
experience), engaged with local businesses, and attracted 12 new businesses into the town. One of the follow-on developments from this project includes a gateway social housing scheme.

- Riverside Inverclyde – we have a strong belief in using our interventions to enable social/economic activity and create benefits for local people and businesses. Following development of a successful community-led marina in Greenock, we provided office and pontoon to the Ocean Youth Trust Scotland (previously based in Glasgow city centre) which has embedded the organisation within our local community. The Trust now berths four former round the world racing yachts in Greenock and works with 900 people each year from across Scotland, mainly disengaged youths from disadvantaged areas. Our Chief Executive is an Ambassador for the Trust, alongside our local MSP. This initiative was cited as a good example of community engagement by Margaret Burgess MSP, Minister for Housing and Welfare.

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?

Best value for money is achieved through an integrated, long-term and focused approach to addressing the issues that affect deprived communities and ensuring that they are able to share the benefits of future growth opportunities. By their very nature, regeneration areas are not attractive to private sector investors who, in the absence of support, commitment and encouragement, will continue to focus on successful areas and low risk projects.

The level of market failure in regeneration areas is of such scope and scale that there is a need for commitment from the public purse. Addressing market failure in our respective URC areas is a long-term process to build interest from the private sector. The public sector has to demonstrate confidence and commitment to the regeneration of our areas to satisfy the needs/demands of our local communities, ensuring that good services/opportunities are available to our local people, and also to build up interest from the private sector.

The need for guaranteed long-term commitment is a pre-requisite, without which private investors will prioritise other, less risky, choices. We believe that we are creating the right conditions to attract private investment into our areas in the future, but the economic downturn has had a significant negative impact, which has made investors even more risk averse. By maintaining the momentum of investment and development in our communities we have bolstered private sector interest for emerging opportunities as markets recover.

Value for money can only be achieved in regeneration areas through long-term and guaranteed funding against which the private sector will assess the level of commitment (funding and timescales) and make appropriate investment decisions.
There are no quick fixes when it comes to regenerating deprived communities. The ongoing cost to the public purse of dealing with the effects of decades of social and economic deprivation is substantial. Focused, guaranteed and integrated regeneration efforts are needed to improve chances and opportunities for our communities.

**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?

Delivery mechanisms need to have a clear vision, adopt a long-term partnership approach and be focused on building confidence, both for local people who will live with the legacy of our regeneration efforts, but also for the private sector, which we lever investment from.

URCs are local area based and focused regeneration mechanisms that were established in areas that have suffered from decades of deprivation, disadvantage and under-investment. We have adopted an investment-led approach that has successfully levered in substantial private and other public investment to delivery physical, social and economic projects that have benefitted our local communities – we do not believe that this would have happened in our absence. We have positive and pro-active engagement with our local communities, both through direct Board input and also though ongoing engagement.

There is a concern that areas that have not had the focused regeneration efforts that our communities have benefitted from, will not be able to access support and funding to deliver regeneration. Without a well-resourced delivery vehicle that is focused on addressing specific local issues, it is those areas that need regenerated most that may secure the least.

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

There is a need for flexibility to allow appropriate focus that meets the needs of different areas. To ensure sustainability, it is important to meet both start-up and running costs – timescales and values will be dependent on local circumstances. It is important that funds can make early impacts and therefore establish credibility but also, as noted consistently in our response, a need for ongoing funding to provide sufficient direct action and other forms of support that will attract and secure private investment.

The key issues for regeneration areas are that, typically, needs are multi-faceted and interventions are expensive. Major regeneration projects will always need large sums of capital investment over a lengthy timescale, but this needs to be balanced with resource input (people and money) to work successfully with local communities.
We recognise that there is a dichotomy in capital investment for property development projects. On the one hand investment could be directed toward projects that support self-preservation i.e. generating income to pay ongoing revenue costs alongside small-scale regeneration projects, rather than disposing of completed assets to reinvest in major regeneration activities. On the other hand, providing grant funding to external investors to create valuable income generating assets where ownership is, typically, held outwith the local community, reduces the extent of spin-off benefits for the local economy. With the direct build option the asset is owned and controlled locally, with the option of asset transfer to local ownership.

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

Whilst regeneration projects should not be considered against the same criteria as commercial projects, there is a need to consider the realistic prospects of levering private sector interest within 10-20 year period. Without this it would be questionable if the right things are being done in the right place, or if regeneration in some areas can ever be sustainable.

Obtaining financial sustainability in physical regeneration is very difficult due to the large sums involved, and also the need to address wider social and economic objectives. As noted, it is very difficult to generate private sector investment in regeneration areas, particularly in the current economic climate, and therefore risk that without further investment in bolstering our initial successes, the gains we have achieve for our local communities will be lost.

The long-term goal for regeneration should be market adjustment, and therefore sustainability, where our communities become as attractive to private investors as other comparable areas, recognising that the private sector has choices about where to invest. Success in this long-term aim would shift the focus of activity from regeneration to development – there is a need to understand and be clear about the differences between these. It is our view that regeneration addresses wider issues than just physical intervention. Also, regeneration should be focused on areas where the private sector will not intervene on its own and therefore where communities suffer through lack of access to good quality facilities, services and opportunities.

From a sustainable perspective we would highlight the long-term approach and progress that is made in regeneration areas. Physical regeneration to remove environmental blight, address contaminated land and deliver modern commercial and residential units has major positive impacts in improving the perception of places both amongst local people, but also from external visitors and investors. Creating attractive places for investment improves the long-term sustainability of our communities and leads to the attraction (and retention) of jobs, businesses, homes and residents.

**Practical Issues**
7. What actions could the Scottish Governments forthcoming community capacity building programme include to best support communities to “do regeneration” themselves?

We fully support the forthcoming Community Capacity Building Programme. We actively work with our local communities, for example through support (money and people) to establish Community Development Trusts, promoting community capacity building, mentoring, and providing accommodation. While the technical nature of some of our projects precludes a lead role for communities, we value their input through governance, advocacy and guidance.

Our experience shows that there is a need for lots of support to communities to allow them to lead the design, delivery and management of regeneration projects. We have provided, and will continue to provide, money and people resources to support the establishment and operation of community groups. We also note the need for guidance and support, particularly at early stages, to ensure that the voices and views of all sections of the community can be heard, rather than a small minority that is not always representative of the whole community.

We have a concern that without adequate support (people and money) that a community focused approach could create greater disadvantage. It is far more difficult in deprived, in small and in transient areas for communities to lead the regeneration process, as there are fewer people, less technical capacity and less neighbourhood wellbeing, yet these are typically the areas where regeneration is needed most. We fully support the objective of self-determination for communities and would therefore strongly urge the provision of appropriate and accountable support, over a reasonable time period, to support and embed this process.

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

We believe that the CPPs have an important role in supporting community-led regeneration. Our objectives are aligned with our local CPPs and we have established good working relationships through joint and complementary project activities.

We have noted with interest the approach adopted in some CPPs, and also the One Place approach in England, focused around area-based delivery. We wait with interest to see what support we can provide if this approach is taken forward in our local areas e.g. URC property as a base for local delivery. For example Irvine Bay is working with the North Ayrshire CPP in implementing a neighbourhood planning approach that aligns service delivery and available resources. The URC is a full member of the CPP Board and its Chief Exec is a member of the Strategic Management Team which is charged with delivering the Single Outcome Agreement.

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.
As organisations embedded in our local communities and dealing with the effects of decades of major deprivation and disadvantage, we endorse all attempts to empower local people and support our local communities in addressing the challenges they face.

We do, however, recognise that the range and scale of dereliction and decline across our URC areas needs to be tackled in parallel if community empowerment is to take hold. We believe that our URC structures are the best model to address major infrastructure, contamination, dereliction and market failure, whilst also allowing our local communities, through direct engagement, governance and input to CPPs, to guide our interventions.

We work closely with our CPPs and also directly with our communities through both governance and engagement. We actively seek community input in the knowledge that local people help us to create more sustainable and successful outcomes from our project activities.

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?

Each of the URCs was established with specific Business Plan targets (around land remediation, job creation, commercial floorspace, houses, etc) that we measure and report annually to Scottish Government. We are therefore clearly capturing the outcomes of our regeneration activities.

Our individual KPIs are aligned with our specific URC’s objectives and project activity and are not therefore always common across all URCs. While we believe that this is the correct approach (measuring things that we are accountable for) we would also welcome the introduction of a small number of common targets for URCs and other regeneration bodies that would allow a coherent national approach to impact assessment and evidence based decision making.

We believe that the measurement and accountability culture in Scotland is well established and we are able to isolate those KPIs that we have a direct influence on and that we can attribute direct outcomes from our activities.

We believe that it is important to recognise that while physical outcomes can be relatively easily measured, social and economic outcomes will manifest over a longer period and that it is therefore important to adopt a long-term approach and not to measure too soon. We also recognise the importance of not trying to measure everything and of including some qualitative perception indicators. For example, taking SIMD data zones, while some places have continued to feature toward the bottom of the rankings, this does not mean that there has been no improvement for local people and communities.

General
We welcome the opportunity that this combined approach has given us to consider our common issues and interests. In summary we would highlight a number of core points:

- economic and social regeneration are core to our objectives and we address local priorities on environmental blight, creating jobs and good quality housing, and delivering leisure facilities that are comparable with more successful communities;

- our local communities are central to what we do and why we do it – local people and businesses live with our regeneration efforts and we therefore work with them to ensure that we reflect local circumstances, issues and opportunities;

- successful and sustainable regeneration needs a long-term approach to demonstrate positive opportunities and building private sector confidence; and

- each of our respective areas has suffered from many decades of dereliction and disadvantage, we do not believe that the issues that we are addressing can be resolved in 5-10 years, but that there is a need for a long-term approach to ensure that we deliver sustainable change.