What does ‘regeneration' mean to you?

1. Regeneration in North Ayrshire means the attraction of new people and jobs and the delivery of positive change to perceptions of the area via:

   - **Economic** development through increased availability of local employment opportunities, an increase in the business start-up rate, and the attraction of high value jobs and employers to the area. North Ayrshire continues to deal with structural unemployment issues which are a legacy of major closures such as ICI, Volvo, steelworks in Glengarnock, NACCO and Simclar;

   - **Physical** change through the improvement of our towns and in particular town centres. This involves establishing and implementing a vision allowing town centres to sustain a variety of uses and attract a range of people at a variety of times. Physical regeneration also involves rectifying market failure evident in the area by delivering development on major development sites, the reuse of key vacant or historic buildings and encouraging new private sector housing development; and,

   - **Social** improvement through raising individuals’ aspirations to develop their skills and start businesses, increase educational achievement within our schools and thus individual's life chances, and providing a range and choice of housing including affordable housing of a high standard.

2. Strategic economic development and regeneration activity in North Ayrshire is led by the Economic Development & Regeneration Board which comprises key local business leaders and senior officials from the main local/national agencies. The Board reports to the North Ayrshire Community Planning Partnership.

3. A key delivery vehicle for regeneration activity in North Ayrshire is the Irvine Bay Regeneration Company (IBRC). Set up in late 2006, IBRC is one of Scotland's second generation urban regeneration companies and is the largest in terms of land mass covering over 35 square miles and including the towns of Irvine, Stevenston, Saltcoats and Ardrossan and Kilwinning. Major successes include the Kilwinning town centre public realm project, ongoing work in Irvine to develop the Bridgegate public realm and “A” Listed Trinity Church through a Conservation Area Regeneration Scheme, the development of new office property at Stevenston and work to deliver economic benefit from the Irvine Life Sciences Enterprise Area. North Ayrshire Council (NAC) and IBRC are implementing a significant programme of investment in Irvine town centre through the development of a new leisure centre and reconfigured council property to increase town centre employment/footfall.

4. Further examples of successful regeneration initiatives in North Ayrshire include:

   - The Beith Townscape Heritage Initiative which secured funding from Historic Scotland to implement comprehensive redevelopment and repair of Historic Scotland within Beith town centre and which was completed in 2008;

   - Work to secure major new investment on economic development projects such as GlaxoSmithKline, Barony Industrial Projects, Youth Employment Scheme and The Ayrshire Hatchery

   - The promotion of the Montgomerie Park residential development site owned by NAC and which has been masterplanned, marketed and delivered by NAC;

   - The success of the local community in West Kilbride in attracting funding towards the redevelopment of key buildings such as the Barony church, and marketing the town
as a Craft Town which has improved the retail offer and maintained activity for retail and other uses through the day.

5. In terms of projects which have not progressed towards implementation, the difficulty in delivering major brownfield regeneration sites in what is a secondary residential development market area should be recognised. Examples include proposals for major residential led mixed use development schemes at Irvine Harbourside and Ardrossan Harbour.

6. Successful outcomes would be:

An increase in:

- business birth rates;
- business survival rates;
- business expansion;
- jobs safeguarded;
- jobs created;
- new housing/industrial and office developments
- the conversion of Inward Investment enquiries;
- sqm of floor space refurbished;
- hectares of land remediated;
- tourism visitors;
- shops being let;
- community spaces;
- people choosing to remain and/or locate to North Ayrshire;
- the perceived attractiveness of our town centres; and
- community involvement in regeneration

A reduction in:

- derelict properties across North Ayrshire;
- unemployment;
- empty shop units;
- vandalism and anti-social behaviour;
- business failures;
- businesses down-sizing;
- contaminated land;
- fear of Crime; and
- population decline

The regeneration strategy, resources and funding

7. Certain funding mechanisms are either not available to North Ayrshire (tax incremental finance; vacant and derelict land fund) or are difficult to access or make work (SPRUCE; National Housing Trust). Some models tend to be tested and aimed at more central areas and with a stronger market, examples being the NHT and work by the Scottish Government on development delivery, which facilitated analysis of infrastructure and development delivery within Fife. More emphasis needs to be placed on areas where market failure has been a feature of the local economy for many years.

8. The Regeneration Strategy represents a shift towards reduced dedicated resources and to market-based delivery mechanisms. There is concern that these loan based or
speculative business models may not be viable for development projects within areas such as North Ayrshire where market failure is most evident, or for local organisations in disadvantaged communities.

9. Uncertainties regarding long term regeneration funding is causing significant delays in advancing feasibility and scoping work for vital projects. A longer term approach to funding is vital to secure better projects and outcomes. A further consequence of this uncertainty, has been to limit the progress of URCs to deliver sustainable regeneration and neither SPRUCE nor JESSICA have yet proved to be successful substitutes for Government funding.

10. The North Ayrshire experience of some of the funding mechanisms is set out below:

- **Tax Incremental Finance** - a pilot project application for four ‘red line’ areas was submitted by NAC in 2011. Whilst positive feedback was received, the application was ultimately unsuccessful. NAC would welcome further discussion with SFT as assessment of the pilot projects continues and the TIF mechanism is assessed for wider application;

- **Vacant and Derelict Land Fund (VDLF)** – Since 2007 the VDLF has been limited to only 5 local authorities, excluding NAC. North Ayrshire has the 3rd highest level of vacant and derelict land in Scotland, and it is disappointing that the Regeneration Strategy did not revisit the focus of or the need for the VDLF beyond funding commitments made to March 2012. As well as the high level of vacant and derelict land which exists in North Ayrshire, development economics involved in the delivery of major brownfield regeneration sites further emphasise the case for funding to be made available to North Ayrshire.

- The **SPRUCE** fund has limited availability (£50m) and a minimum £1m loan threshold, which is unlikely to be suitable for most small to medium community enterprises. It is hoped that some of the fund will be made available to North Ayrshire projects however assessment is based on financial considerations rather than wider regeneration benefits and/or ‘need’. Again, as indicated above, funds need to be available in areas where market failure is a feature of the local economy.

- The **National Housing Trust** model is not being actively pursued by NAC. The implementation of the model requires a certain level of mid market rent, which cannot be supported locally and is not thought to be a viable option in delivering affordable housing;

- The scale and priorities of the proposed **Town centre fund** have yet to be announced, although the recent start of the Town Centres Review is recognised. The Regeneration Strategy states that the national review will be used to identify the future focus of the Regeneration Investment Fund and that resources will be directed in line with clearly established visions for town centres. In Irvine in particular, through work on a Resilience model with A&DS and the further depiction of a future vision for the town centre, NAC will be in a position to demonstrate how resources may make a significant difference to the future of the town centre, to complement the ongoing major programme of investment in office, leisure, conservation and the public realm.

- Funding opportunities which continue to be made available through Historic Scotland’s **Conservation Area Regeneration Scheme** are welcomed. This funding is making a significant contribution, supplementing NAC and IBRC investment in Irvine town centre. A funding application has recently been submitted for CARS funding for Kilbirknie the award of which would make a significant difference to the town which demonstrates a clear regeneration need, and within what is a compact Conservation Area with residual architectural merit.
North Ayrshire Council welcome support which has been secured to date through the Irvine Bay Regeneration Company, however beyond 2014/15 there is no Scottish Government funding commitment to **Urban Regeneration Companies**. This is of concern given the stage that a number of Irvine Bay Regeneration Company projects are at.

11. NAC would request further consideration of delivery mechanisms within market areas such as North Ayrshire rather than a reliance on nationally conceived one size fits all funds. This may involve investigation of delivery mechanisms for specific sites whereby the public sector can absorb some of the risk and facilitate private sector development. We would invite discussion with Scottish Futures Trust on some of the particular delivery issues facing North Ayrshire and in relation to private housing, affordable housing, funding for new business premises, etc.

12. A clearer understanding of the strategic aims and timelines associated with the Regeneration Fund is required to help forward plan meaningful projects and initiatives. The government needs to be more pro-active in the promotion of the JESSICA Initiative and work with Local Authorities and their partners to clarify certain aspects of this funding stream.

13. Consideration could also be given to any additional fiscal mechanisms which could help to enable development viability within priority regeneration areas such as rate relief, council tax relief, VAT, etc.

**Regeneration, equalities and preventative spending**

14. The Christie commission called for focus on outcomes and on preventative spending. Regeneration can contribute to this by:

- Increasing employment reducing social welfare costs
- Stimulating private sector investment reducing the need for public sector investment or intervention
- Stimulating a cycle of improvement rather than decline
- Through the bringing together of strategic goals via the Community Planning Partnerships SOA document and through better planned funding for CPP activities.

**Regeneration and sustainable economic development**

15. Economic Development and in particular sustainable development is achieved through three distinct approaches:

16. Social – North Ayrshire Council has a comprehensive approach to workforce development aimed at encouraging unemployed people back into work and in particular tackling the barriers that prevent this. NAC also works with specific local companies to help them grow and develop their businesses, of which, an element of activity leads to job creation for local people. Ensuring increased business survival rates also ensures social sustainability through safeguarding existing jobs and helping to promote business development that may lead to future jobs. Of notable success in this regard is the ongoing development of Entrepreneurial-Spark's West Coast Hatchery. Barriers Include:

- generational unemployment;
- reinforcing social issues – drugs/alcohol dependency;
- access to childcare;
- risk averse nature of companies.
17. Economic – Work to help support local businesses through Business Gateway and appropriate provision of Industrial and Office space in a range of sizes and locations helps support economic sustainability, as does an on-going approach to town centre regeneration. Promotion of strategic sites for Inward/Mobile investment also helps to promote the area as ‘open for business’. A range of partners are involved in this work, including Scottish Enterprise, Scottish Development International and Irvine Bay URC, as well as the Ayrshire Economic Partnership supporting Business Gateway interventions. Plans to identify strategic economic development sites within the Irvine town centre area are under development, with a focus on the High street, historic town core and the evolving potential for night-time economy activity. It is hoped that this will lead to a series of planned development sites that will further promote the re-vitalisation of the town centre economy of Irvine.

18. Barriers to success (amongst many that could be listed) include:

- dealing with multi ownerships – private and public;
- dealing with land/building contamination;
- dealing with competing priorities and limited budgets;
- risk averse nature of companies during recession;
- banks’ lending finance for business development;
- engaging with SDI and promoting NA priorities;
- uncertain future of Urban regeneration Companies.

19. Environmental – North Ayrshire Council’s Economic Development Regeneration team has carried out a range of shop front improvement and environmental/streetscape works across a range of towns within North Ayrshire, including Kilbirnie, Beith, Largs and Dalry. There are exciting plans to build on this work during 2013/14 and to expand activities into Irvine Town Centre as part of the £30million investment by the Council. Works will include a focus on the High Street, reconnecting the visual link between the vennels and the historic town core, providing opportunities for increased night-time economy activity and revitalising the town centre itself through a series of planned public realm and streetscape improvements.

20. Barriers to success include:

- Industrial contamination;
- Multi ownership issues;
- Absentee landlords;
- Derelict properties;
- Vandalism;
- On-going maintenance.

21. An Irvine Life Sciences Enterprise Area was launched in April 2012, with financial incentives offered to new businesses locating in the EA through rate relief and capital allowances. NAC welcome the identification of the Irvine EA and the opportunity provided for new employment. GlaxoSmithKline has already announced its intention to further invest in its existing Irvine operation within the EA, and it is hoped that further employment generating uses will be secured. NAC would welcome regular monitoring of the EA’s by the Scottish Government and potential application or extension of additional fiscal incentives, as well as marketing, investment etc. to deliver new investment and employment.
22. The Hunterston National Development site is identified within National Planning Framework 2, and also as a Renewables site within the National Renewables Infrastructure Plan. It therefore provides a significant employment generating opportunity. The NPF2 Action Plan sets out actions associated with the delivery of the Hunterston National development as well as those responsible for their implementation. To date and since the publication of NPF2 in 2009, the only updates to the Action Programme refer to the planning application for and legal challenges to the Clean Coal Power Station application submitted by Ayrshire Power, which was withdrawn in June 2012.

23. The identification of the site within NPF2 has to date not led to significant investment in the site or its supporting infrastructure. NAC would welcome increased focus on the delivery of sites allocated as National Developments or within NRIP. NAC are to commence a ‘Competitive Advantage Study’ for the Hunterston area with the purpose of establishing the potential for employment opportunities being developed on the site in light of commercial viability, the infrastructure existing and required, means of raising the sites profile and an action plan for leadership and delivery. NAC would welcome the involvement of Scottish Government and its agencies in this process.

24. The Ayrshire Hatchery, run by Entrepreneurial Spark (the social enterprise backed by Sir Tom Hunter), is a business accelerator programme which provides free business start up space and facilities, mentoring support, networking and opportunities for collaborative and cooperative working. A key feature is the provision of mentoring from well known and successful entrepreneurs.

Community led regeneration and CPPs

25. In North Ayrshire the Economic Development & Regeneration Board which includes representatives from local businesses and the public sector reports directly to the CPP thus strengthening the link with local communities.

26. Community Planning should be the mechanism for a variety of partners working within a local authority area to come together and identify shared priorities, work and targets and to channel activities that make the most difference to local communities. They should also act as a way to fund community led development.

27. The aspiration to see regeneration delivered by the community is likely to be more successful in areas with active and well resourced community. There are examples in North Ayrshire of this being the case (e.g. West Kilbride Craft Town, Largs Business Improvement District), however there are other areas with less community interest, or with less capacity to deliver change (in terms of time, technical expertise or experience, etc).

28. NAC will submit comments in response to the consultation on the Community Empowerment and Renewal Bill. NAC welcomes the proposed Bill which will support communities to achieve their own goals and aspirations through taking independent action and by having their voices heard in the decisions that affect their area. While our comments will not be repeated here, there are many areas of the proposals which require further clarification and testing before the Council and other stakeholders can properly evaluate the contribution to communities. It is important that the Bill acknowledges that many of the proposals, particularly community engagement and asset transfer, can rarely be achieved without intensive community capacity building, especially in communities such as those in North Ayrshire where social capital is at a premium.
Regeneration and climate change targets

29. Urban regeneration can include the following aspirations that can help the climate change agenda:

- managing land use changes;
- protecting surrounding natural areas;
- developing mixed-use buildings – co-location;
- more working residents in towns;
- reducing travel times and distances between leisure/work opportunities;
- reducing energy usage for transportation;
- by upgrading deprived areas;
- encouraging high density levels in new build housing/office/industrial/retail development;
- better public transport;
- increased access to nearby facilities;
- reduction in water/heat/light consumption for new build offices/houses;
- retrofitting existing buildings to modern standards – BREEAM; and
- by renewing existing housing;

30. We are aware of community energy schemes which play a role both in regeneration and climate change targets. Examples include the Millour Hill Community Wind Farm in Dalry, which generates enough electricity to power approximately 10,000 homes, the equivalent to taking around 5,000 cars off the road each year. The electricity generated is exported via an underground connection to Saltcoats where it feeds into the local grid and is directed for local consumption. Over £400k of community benefit funds have been distributed within the local area as well as creating employment opportunities.

31. The implementation of improved building standards within new or existing (retrofitted) residential developments may also help to deliver climate change targets and again by providing energy savings, release additional money into the local economy.

32. NAC are currently undertaking a study investigating opportunities for energy generation from renewable fuel sources within the Council estate (land and buildings). This may result in improved efficiency and a reduction in the Council's carbon footprint, and possibly the generation of income to be invested for the benefit of local communities (for example through environmental improvements or lower energy costs). This may therefore make a contribution to both the regeneration and climate change agendas, utilising the significant resources available to the Council.

North Ayrshire Council