SUBMISSION FROM NORTH LANARKSHIRE COUNCIL

What does ‘regeneration’ mean in your area?

1. Regeneration is about addressing the social, economic and environmental issues that stand in the way of successful economic development and prosperity. Successful regeneration can range from small scale environmental improvements to multi million pound physical developments. Perhaps the most successful regeneration projects are those which make the largest improvements to the lives of the greatest number of people.

2. There have been significantly more successful regeneration projects in North Lanarkshire than unsuccessful ones. Generally, successful projects will be ones which directly address a market failure, are developed (or even led) by local communities and relevant partners, and crucially achieve their objectives within budget and anticipated timescale.

3. Some examples of successful regeneration projects are provided below:

One Wellwynd

4. One Wellwynd is a social enterprise centre in Airdrie town centre which was completed in November 2010, following the refurbishment of Old Wellwynd Church. Closed since 1995, the building had fallen into disrepair and suffered significantly from vandalism. In recognition that the building was well located and that there was a gap in the provision of quality business space for social economy organisations in the area, the Council and Clyde Valley Housing Association (CVHA) worked in partnership to develop the church as a social enterprise centre. This development involved the refurbishment of the existing church building which has created high quality office and meeting space for social economy organisations. One Wellwynd has been let to CVHA as a key local social enterprise organisation. CVHA are managing and developing One Wellwynd for the sector and to date has achieved 100% take-up of office space.

Youth Investment Programme

5. The Council’s Youth Investment Programme offers employers an incentive to recruit young, unemployed residents of North Lanarkshire. The programme is designed to support businesses financially to create additional job opportunities. There are three strands to the programme:

- Apprenticeships (16-24 years) – 50% of wages for 12 months
- Xtra Hands (16-18 years) – 50% of wages for 6 months
- New Start (18+) – 50% of wages for 6 months
6. Young unemployed residents apply for the jobs created through a new online recruitment portal. To date, the Programme has supported 450 unemployed local residents into jobs.

**CastleHill Grove**

7. In Gowkthrapple, local residents have led the regeneration of the area which has resulted in new houses being built for local residents. The Garrion People’s Housing Coop has highlighted the need for high quality housing for local people, and that achieving this would be a big step in the regeneration of the Gowkthrapple area. The Coop has now completed the new housing development at Castlehill Grove which consists of 37 new homes for rent and seven properties for sale through the Government’s Shared Equity Scheme.

**The regeneration strategy, reasons and funding**

8. The funds are clearly defined within the strategy; however, their effectiveness in addressing the needs of the area is variable. For local authorities, access to the Regeneration Investment Fund is restricted to the Capital Investment Fund with no access to the People and Communities Fund. Since it was only launched recently it is difficult to offer any evaluation of its effectiveness though given there is only £6million over 3 years available it’s also difficult to see it making a significant impact.

9. Currently the Regeneration Capital Fund is limited to URCs which has placed areas such as North Lanarkshire at a disadvantage. SPRUCE and VDLF however have proven to be useful in leveraging in additional public and private investment. In addition, given the scale of vacant and derelict sites in North Lanarkshire, which has one of the highest levels of vacant and derelict land in Scotland, it is important that these funds continue to be spatially targeted on areas of need and local authorities are provided with access to them.

10. It is less than a year since the strategy was launched and the focus of the Scottish Government on regeneration is particularly welcomed in North Lanarkshire, given the large scale socio-economic challenges the area continues to face. The focus on community led regeneration reflects the manner in which North Lanarkshire Council seeks to work in partnership with communities in the area. For example the Community Planning Partnership in North Lanarkshire has developed and implemented a highly effective model to utilise Structural Funds to address the area’s employment issues.

11. While it is agreed that an up to date overarching strategy is required to address Scotland’s economic regeneration and that all sectors have a part to play, the role of local government and community planning partners across all aspects of regeneration is not fully acknowledged.
12. The Scottish Government has provided the strategy and some funding, yet the majority of regeneration initiatives within the area continue to be led and implemented by community planning partners and reflect local needs. Officers from the Council’s Regeneration and Infrastructure Service met with the Scottish Government’s Head of Regeneration Strategy in April, though this was really just an introductory meeting and further discussion would be welcome. The Council has agreed to share a copy of its draft Economic Strategy with the Scottish Government’s Regeneration unit.

13. Given the constraints on public sector finance and the continuing recession all partners are working hard to take advantage of any opportunities that emerge to develop initiatives or projects that can support our communities. However, further challenges, such as the impact of welfare reform, continue to emerge. In an area such as North Lanarkshire where there is a mature and effective public sector partnership the lack of capital funding is the greatest challenge.

14. Capital investment is critical to regeneration and North Lanarkshire Council is committed to maximising investment to address its key corporate objectives and to support economic recovery. Because of the reductions in Scottish Government grant support, the Council has increased funding to investment priorities such as schools, roads, town centre regeneration and the development of business sites. This has been achieved through self-financed prudential borrowing in spite of the associated added pressure that this has on its revenue budget which has also suffered from significant reductions in Scottish Government grant.

15. The barriers to delivery are:

- Timescales for accessing various types of funding vary
- Timescales for delivery of projects or limitations on when funding must be defrayed vary
- Inflexibility within funds
- Lack of grant funding
- Short term funding
- Late announcement of grant funding

16. Increased co-ordination between Scottish Government funding streams may address some of these issues.

Regeneration, equalities and preventative spending

17. There are a number of initiatives that could be introduced to regenerate communities which support the recommendations of the Christie Commission. For example, the Council’s Youth Investment Programme is early intervention to ensure young people do not spend a long period of time out of work. The corporate commitment of large amounts of the Council’s own resources in Youth Investment Programme was largely based on the preventative spend argument and part of the challenge is to
Draft Budget submission to LGR Committee

ensure that we have appropriate information systems in place that can assess the impact of the investment that has been made.

18. Social Impact Bonds also have potential to have an important role in delivering regeneration outcomes. Through a Social Impact Bond, private investment is used to pay for interventions, which are delivered by service providers. Financial returns to investors are made by the public sector on the basis of improved social outcomes. If outcomes do not improve, then investors do not recover their investment. The public sector pays if (and only if) the intervention is successful. In this way, Social Impact Bonds enable a re-allocation of risk between the two sectors.

19. However, preventative spending interventions such as SIBs require a long term approach and have a degree of risk associated with them. For these interventions to be successful and be used more widely, funding needs to be available to support the intervention on a long term basis. Short term funding which requires money to be spent quickly is not conducive to preventative spend projects. The Government needs to take a lead role in identifying and supporting innovative regeneration interventions.

Regeneration and sustainable economic development

20. North Lanarkshire Council and its CPP partners provide a number of interventions to support economic development; both directly and indirectly:

- Employment and skill support;
- Business support, both through Business Gateway and complementary services;
- Provision of infrastructure for business and industry; particularly the small business sector where market failure is evident. Some of this is aged and requires to be continually refreshed to ensure businesses can develop.
- Town centre development, with Action Plans being developed for North Lanarkshire’s town centre in order to maximise their place in the economic prosperity for the area;
- The Council is exploring a number of innovative funding techniques to take forward its corporate objectives to regenerate the local area. Chief among these is the TIF pilot project that will unlock the development of Ravenscraig and the creation of a new town centre on the site.

21. Areas of constraint for North Lanarkshire continue to include the transport infrastructure intra-authority to encourage a mobile workforce. Further, the digital infrastructure across the authority is patchy and below national targets.

22. The financial restraints on the public sector are a difficulty in encouraging greater economic development. In particular, the focus on financial engineering models which require projects to be commercially viable,
does not respond to ongoing issues of area-based deprivation and market failure. The balance of government capital investment that remains to be grant-based requires therefore to be carefully considered to respond to issues of inequality across Scotland’s communities.

23. There is a clear potential for Scottish Enterprise to improve and play a greater role in Community Planning Partnerships and local authority based regeneration plans and strategies. This can range from referring high growth companies to local employment and business partnerships, sharing information on local growth sectors that will assist with local strategies, skills and investment plans. This kind of information and intelligence has been difficult to obtain.

Community led regeneration and CPPS

24. It is more realistic to conceptualise regeneration strategies being community led rather than being delivered by communities. The Government states in its strategy that, as lead partners in Community Planning Partnerships, local authorities are well placed to coordinate economic development and regeneration activity. Economic development and regeneration strategy should be delivered by Community Planning Partnerships as this will ensure a more coordinated approach and will minimise any duplication in activity.

25. Only those strategies that understand community needs and their priorities will be successful. Providing the platform for communities to engage with economic development and regeneration activity is clearly crucial to eliciting the views of community groups and local residents. These platforms must be varied (surveys, citizens’ panels, community forums, local area teams) and spatially targeted to allow all those who wish to have say in the local policy be able to do so. A representative mix of the communities is also important.

26. The Community Planning Partnership needs to take all of these views on board, whether they are micro-level issues that need addressed or are issues consistent with other areas. In producing and delivering regeneration strategy, CPPs must take a macro level outlook that will benefit the whole local authority area, but ensure that key local issues are also addressed in some way.

27. One of the main barriers to community involvement in regeneration is a lack of knowledge of how to get involved. It is therefore important that community groups have effective contact with public sector partners, which can broaden their knowledge of regeneration priorities and issues. Providing community groups with examples of best practice in community-led regeneration, showing how other groups have been able to take forward local based regeneration projects by themselves is an important way of improving knowledge and skills.
28. A particular barrier to community-led regeneration is communities having the assets to take projects forward. Community groups will often need advice and support in being able to unlock local resources, whether it is physical buildings or pots of funding to support and realise their aims and ambitions. Community asset transfer initiatives could be seen to be important vehicles for increasing understanding and awareness of the benefits and the risks in the transfer of assets from local authorities to community organisations. Support needs to be provided to local community groups who wish to take part in such initiatives, whether this is access to funding or advisory support, to ensure that they have the capacity to take on assets that previously belonged to local authorities.

29. North Lanarkshire has had a strong record of productive partnership working and this has continued with the Community Planning Partnership where partners generally develop strategy together and often work together to achieve local priorities. Indeed, the CPP Board is coordinating the delivering of the new Economic Strategy for the area.

30. The Single Outcome Agreement is underpinned by a number of strategic groups that are responsible for taking forward the themes as outlined in the SOA. This means there are groups for Regeneration, Lifelong Learning, Health and Wellbeing etc. Organisations within the CPP will bring the activity that they are involved in to this group so that issues are tackled in a coordinated way. Within the regeneration section of the current North Lanarkshire SOA the following outcomes and indicators exist:

31. Improved support to North Lanarkshire’s business and social enterprise sector
   - Number of employee jobs in North Lanarkshire
   - Number of active enterprises in North Lanarkshire

32. High quality infrastructure which attracts investment and drives regeneration
   - Derelict land reclaimed and urban vacant land brought back into use since 2009
   - Percentage of respondents who rate their town centre improvements as ‘very good’ or ‘good’

33. Development of Ravenscraig and our existing town centres as centres of economic and social activity
   - Square metres of developed space at key investment locations (including Ravenscraig)

34. Strong sustainable communities and more attractive places to live and visit
   - Number of areas in SIMD most deprived 15%
   - Number of visitors to North Lanarkshire and tourism revenue
35. These indicators are under review and will be changed in time for the next SOA from 2014-17.

**Participatory Budgeting Pilot - Motherwell**

Local residents and Steering Group members provided useful background to specific areas of the estate as to what they had previously been used for and how community safety concerns were preventing people from using valuable local amenities.

These discussions also centred on perceptions of crime in the area and fear of crime generally and the steering group’s perceptions of the police and how the estate was policed. Perceptions were often at odds with the statistical information available.

The community representatives used a map of the estate to illustrate and physically plot their concerns and issues about community safety in the estate.

The use of the map based exercise was a real catalyst for the group in that it made the process ‘real and tangible’ and helped to inform the next stage of the process.

The Steering group considered the information gathered and the ideas that came forward from the community. A wider community voting event identified key areas for improvement, under the theme of community safety, which were taken forward including:
- Improved street lighting;
- Environmental works and
- Fire prevention initiatives

Regeneration and climate change targets

36. Regeneration activities are able to play a central role to achieving climate change targets; however this requires to be resourced. For example, an asset-based approach to regeneration provides the opportunity for sustainable buildings, not only utilising appropriate sustainable construction materials, but renewable energy that reduces long-term carbon emissions. However, this typically adds 10-15% to a development, with a longer-term pay-back on investment. With a commercial approach to much investment, such as through SPRUCE and the Green Investment Bank, this reduces viability and raises the need for greater grant availability. The Scottish Government may wish to consider a change of approach for climate change / energy efficient projects to accept that projects of this type will likely have lower returns.
37. North Lanarkshire Council has recently been looking at the range of models that could support greater delivery of renewables, both with authority and community assets. Any successful model could likewise be utilised to deliver more sustainable regeneration activities that reduce carbon emissions. However, the scale of investment required is significant, with pay-back over extensive periods; and only a small number of renewable activities are seen to fall into a spend-to-save category. Again therefore the financial constraints are a barrier to greater use of renewables in regeneration.

38. Community Benefit is another area where regeneration has a central role in carbon reduction. Through a voluntary policy on community benefit, a fund is available within North Lanarkshire that communities can access for eligible regeneration activities, including carbon reduction projects.

39. Further options for consideration are in area-based regeneration activities utilising renewables. For example, District Heating using renewable sources could have a prominent role for off-gas-grid communities; addressing fuel-poverty concerns as well as carbon emissions. Again, however these are expensive developments which based on financial viability alone would not proceed. Additionally local communities require significant capacity building support to develop such activities.

40. The development of the renewable sector is a policy priority for the Scottish Government and local authorities are well placed to support this through their own infrastructure policies. Developing this sector and the use of renewables can impact on reducing carbon emissions. However, due to the increased costs of such developments it requires resourcing to meet the current market failure. While tariffs such as the Feed in Tariff and Renewable Heat Incentive provide some opportunities to offset long-term investment, these models continue to require a willingness to invest over significant periods. It is suggested that perhaps a financial framework that allows investment at preferential rates would support greater activities.

41. NLC is investigating the range of options available to it in asset development and renewables, including for regeneration activities. Reduction in carbon emissions is a clear policy commitment; however it is an area that requires long-term financial commitment where activities are not commercially viable.

North Lanarkshire Council