Local Government and Regeneration Committee

The Scottish Government's Draft Budget for 2013-14

The Committee reports to the Finance Committee as follows—

BACKGROUND

1. The Local Government and Regeneration Committee agreed at its meeting on 20 June 2012 to focus its scrutiny of the Draft Budget 2013-14 on regeneration. The Committee recognised that it had not focused upon the regeneration element of its remit and that the budget provided such an opportunity. The Committee also noted that the time available to focus upon the draft budget is constrained and agreed that work on the budget should inform a wider inquiry into regeneration during 2013.

2. The Committee also recognised that it had focused on the local government budget last year and, as funding for local government is unchanged, determined it could undertake useful scrutiny of regeneration. Annexe A included an extract from the minutes of the Committee. Annexe B provides a record of the divisions taken in private by the Committee. Annexe C provides information supplied to the Committee by SPICe on the 2013-14 draft budget for local government.

3. The Committee appreciates the considerable challenges facing local government in constrained economic circumstances. The Committee is continuing with its three-strand inquiry into public services reform and these budgetary challenges are at the heart of the Committee’s considerations. There is expected to be a spending review next year and the Committee will prioritise scrutiny of the local government settlement.

4. The Committee has considered the contribution of regeneration to sustainable economic growth as requested by the Finance Committee and this report includes the Committee’s conclusions.

5. In its call for evidence the Committee invited comment on equalities issues and climate change as requested by the Equal Opportunities Committee and the Rural Affairs, Climate Change and Environment Committee. This report also reflects the evidence received in response to questions about the role of regeneration with regard to equalities and climate change. Annexe F contains the Committee’s conclusions on climate change as requested by the Rural Affairs,
Climate Change and Environment Committee. The views of the Committee on equalities issues are reflected in the report of the Equal Opportunities Committee to the Finance Committee on the Draft Budget 2013/14.

6. The Welfare Reform Committee asked the committee to consider the impact of welfare reform on local government in its scrutiny of the budget after the Committee had agreed the focus of its remit and issued its call for evidence. The Committee could not therefore meet their request.

7. The Committee recognises the significant implications of welfare reform for councils. Emerging evidence suggests some councils are more prepared for the impact of welfare reform than others. The Committee understands the Welfare Reform Committee will be visiting councils to establish their readiness. The Committee invites the Welfare Reform Committee to report any findings in relation to the impact on local government. The Committee will then consider what further scrutiny it might undertake to add value.

8. The Committee intends to commence work after Easter 2013 to look at the effect of and impacts from the 2011 spending review (including the current budget). The work will cover the impact on councils of subsequent events including Welfare Reform and the establishment of the Scottish Police Authority and Scottish Fire and Rescue Services. It will also be informed by the ongoing committee inquiry into Public Sector Reform. The work programme is designed to inform the committee’s consideration of the expected Scottish Spending Review 2013 and ensuing budgets.¹ ²

9. The Committee issued a call for evidence on the Draft Budget 2013-14. The Committee received 21 responses to its call for evidence. Annexe D provides a summary of the submissions received. The written and oral evidence received by the Committee is attached at Annexe E. The Committee thanks all who submitted written evidence.

10. The Committee also thanks those who provided oral evidence, in particular, those local community representatives who provided evidence to the Committee on 3 October. They gave a telling insight into regeneration at a local level.

11. The Committee undertook a fact-finding visit to Clyde Gateway, who also gave written and oral evidence. The Committee found the visit very useful and has drawn upon its experience there in informing this report. The Committee thanks all those who facilitated that visit.

12. Finally, the Committee would like to thank its adviser, Bill Howat, for his support and advice throughout the budget scrutiny process.

BUDGET SCRUTINY

13. The Committee recognised the time constraint on budget scrutiny and that the focus on regeneration is only part of the Committee’s wider work on regeneration.

¹ The Committee agreed paragraph 8 by division: ANNEXE B Record of Divisions Taken in Private.
² John Pentland and Anne McTaggart dissented from paragraph 8.
Accordingly, the Committee agreed to approach its scrutiny with pairs of Committee members having responsibility for different aspects as follows—

- Strategic/Policy Issues – (Margaret Mitchell/Stewart Stevenson)
- Partnership working Issues – (John Wilson/John Pentland)
- Practical issues – (Anne McTaggart/Stuart McMillan)

This report reflects these allocations.

14. The report draws conclusions where possible. The Committee recognises it has not obtained sufficient evidence on certain issues in the limited timeframe and will return to them as part of its regeneration inquiry.

**Strategic/Policy Issues**

15. This section considers the Scottish Government’s regeneration strategy, how it is realised, communicated and linked with other Scottish Government strategies.

16. The term regeneration is commonly used but appears to mean different things to different people. The Committee explored whether these different understandings had an impact on what is being delivered and whether this was an obstacle to regeneration.

17. The regeneration strategy defines regeneration as—

   “….the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice. This holistic theme runs throughout this Strategy and forms the basis for the propositions and conclusions.”

18. The vast majority of written submissions agreed the Scottish Government’s definition was useful and broadly correct. Equally, in oral evidence, a number of witnesses expressed different understandings of regeneration without contradicting the Scottish Government’s definition.

19. John Hutchison, Chairman of Isle of Eigg Heritable Trust, held that regeneration is all about giving communities confidence—

   “It is all about establishing a creative atmosphere that encourages people and gives them the confidence to come up with ideas and take them forward.”

20. Jimmy McLellan, of the Bridgeton Steering Group, outlined the positive effects of regeneration in Bridgeton and Dalmarnock and surmised that regeneration is about “making people happy”.

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21. Carolyn Sawers of the Big Lottery Fund—

“... regeneration means improving people’s quality of life and life chances and making their communities vibrant, prosperous, resilient and sustainable. That is a positive way of looking at the proposition.”

22. Most witnesses focussed on regeneration of deprived areas whereas Pauline Gallacher of Neilston Development Trust contended that regeneration should not be limited to areas of deprivation, arguing for a preventative approach—

“I suppose that if I had anything to say about the conversation it would be that regeneration used to refer to places with self-evident problems, but—I was glad to see this in the regeneration strategy document—the definition now is perhaps more about sustaining, celebrating and supporting the assets of places so that they do not slip into a deficit mode whereby we have to have regeneration.”

23. The Committee recognises there are various interpretations of regeneration. The Committee believes the definition within the regeneration strategy is helpful and that the variants expressed to the Committee, while different, are generally compatible or complement the strategy’s definition. The Committee believes these variants are not an obstacle to effective regeneration.

24. The Committee specifically notes the comments of Pauline Gallacher and recognises that regeneration should not necessarily be confined to areas of deprivation and that there is an opportunity to take a preventative approach to regeneration.

Strategy

25. The Scottish Government’s regeneration strategy was published in November 2011 following publication of the Regeneration Discussion Paper, Building a Sustainable Future, in February 2011 and the updated Government Economic Strategy in September 2011. The strategy sought to respond to the key themes from the responses to the Discussion Paper. The strategy places regeneration within the context of other policies, provides the Scottish Government’s vision for regeneration and seeks to set out how this vision will be delivered.

26. The Committee’s consideration of regeneration has been in the context of budget scrutiny, and so its focus on the strategy has primarily related to funding as explored in the next section of the report. The Committee touched on two other distinct issues about the strategy.

27. First, the Committee explored the extent to which the strategy is joined up with other Scottish Government policies and strategies.

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28. The regeneration strategy sets out that Government Economic Strategy, the Scottish Government’s Infrastructure Investment Plan and the National Planning Framework all support the strategy and in turn regeneration outcomes.

29. The Committee explored the extent to which the regeneration strategy has been successfully integrated and related to these other strategies with Scottish Government officials. David Cowan, Head of the Scottish Government Regeneration Unit told the Committee—

“We have had mixed success; I should note, however, that the strategy is only a year old. As I said at the beginning of the session, the Government is focused on the 16 national outcomes and, as a Government official who has to engage with other parts of the Government and influence where their policies go, I think that that is a very valuable place to be.

As for how successful we have been thus far, the justice, health, community planning, local government and economic development elements are all quite joined up with us in our strategy. There are no doubt areas where we could do better—and we will do better. As I have pointed out, the document itself was launched alongside the infrastructure investment plan and the cities strategy and we see all three as being connected and see the regeneration strategy as contributing to the Government’s overarching economic strategy. We are reasonably well connected and hope to do more in that regard.”

30. The second issue, unrelated to the budget, concerns the extent to which the strategy has been successfully communicated downwards.

31. From oral evidence the Committee perceived a disconnect between the vision and delivery of regeneration as expressed in the strategy and how it is being realised by both local community groups and bodies such as urban regeneration companies (“URCs”).

32. URCs were first established in 2006 as formal partnerships of key representatives from public and private sectors, which operate at arms’ length from partner organisations to deliver physical, economic and social regeneration in a specific area.

33. URCs take a strategic overview of their area, and develop a shared set of objectives and outcomes in partnership with public and private partners and, most importantly, the communities themselves. URCs have been established in six parts of Scotland to deliver focused, integrated regeneration strategies.

34. In particular, the evidence from Glasgow Regeneration Agency, Riverside Inverclyde and Irvine Bay Regeneration Company appeared to suggest an uncertainty about their purpose, vision and relationship with the strategy.

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35. Ian Cooke, Director of the Development Trusts Association articulated concerns about the communication and clarity of the strategy—

"We were quite excited when the strategy came out. We loved the discussion around community-led regeneration, but it seems to me that regeneration takes place at different levels. We must acknowledge that communities cannot do everything, but the strategy is not clear about which issues are better dealt with by local authorities or by Government and which issues communities can make the biggest impact on."

36. As the Committee has focused on funding in support of the strategy in its scrutiny of the budget, it has not been able to explore thoroughly concerns expressed about the linkages of different strategies, nor concerns expressed about the communication of the Scottish Government strategy. The Committee recognises these are issues worth exploring further and intends to do so in its forthcoming regeneration inquiry.

**Funding in support of the strategy**

37. The Scottish Government’s regeneration strategy sets out various funding streams to support its delivery. Amongst these are the Regeneration Investment Fund; the Capital Investment Fund, (which comprises funding from the Regeneration Capital Grant Fund, SPRUCE (JESSICA) funding, and the Vacant and Derelict Land Fund); and the People and Communities Fund.

38. The Committee invited the Scottish Government to provide an overall figure for the amount of funding made available in support of regeneration in 2013/14. Prior to hearing from the Minister for Housing and Welfare, the Committee was provided the following information—

- **Regeneration Capital Fund** - In 2013/14 £23m will fund URCs and leaving a sum of £2m still to be allocated by Ministers.

- **Vacant and Derelict Land Fund** - £7.482m (a reduction of £650k)

- **Jessica Spruce** - In terms of the SPRUCE (JESSICA) funding, the overall value of the Fund is £50m. Scottish Government contributed £24m with the remainder from European Structural Funds. However the nature of the funding means it would not be possible to be specific on exactly how much would be committed in 2013/14 or the percentage that related to SG money.

- **People and Communities Fund** - £7.9m with £1.2 of that already allocated. The following figures outline the position on the People and Communities Fund for 2013/14:

  Total Available: £7.9m
  This is split into:

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Support for Community Anchor Organisations: At least £6m (of which £1.46m has already been committed)
Support for Community Ownership Support Service: £300k
Support for the Coalfields Regeneration Trust: £423k
Support for Community Capacity Development Programme: To Be Confirmed

The sole aspect available for organisations to apply for is the support for Community Anchor Organisations (e.g. Registered Social Landlords, Community Development Trusts).\textsuperscript{10}

39. In oral evidence the Committee was advised that £175 million was to be made available to support regeneration. Given the disparity between this figure and the information supplied before the evidence session, the Committee sought clarification from the Scottish Government. The Committee was advised that the £175m covers the 3 year spending period comprising, capital investment fund, the People and Communities Fund, plus £45m worth of SPRUCE. This totals £175,319,000.

40. Renfrewshire Council in its written submission questioned the impact of the funding—

“…it is debatable if the scale and extent of the funding is adequate to meet the challenge set out in the strategy”.\textsuperscript{11}

41. A number of bodies and individuals stressed to the Committee that regeneration is more about outcomes than inputs, questioning whether the funding figure in isolation is of value.

42. In the short time available, it has been difficult for the Committee to assess whether this overall figure is sufficient to support regeneration in Scotland, or whether this is the most relevant question. The concern of Renfrewshire Council is the only evidence the Committee received on this point and the Committee intends to return to it in its wider inquiry into regeneration.

43. Although the Committee could not reach a conclusion on the overall funding, the evidence raised questions about the multiplicity of funding streams, access to them, and security of funding as explored in the next section.

**Partnership Working Issues**

**Access to funding Streams**

44. Three distinct issues arose on access to and targeting of funding. First, some questioned whether there was too much emphasis on physical regeneration in targeting funds to the detriment of social and economic regeneration. Second, some queried the breadth of the geographic availability of regeneration funding. Third, and perhaps most significantly, where the focus is on community-led


\textsuperscript{11} Renfrewshire Council, written submission, paragraph 8.
regeneration, many identified challenges for local community groups in accessing funds.¹²

45. The Scottish Council for Voluntary Organisations (“SCVO”) captured these concerns in its written evidence—

“The focus of much regeneration work to date has been on physical regeneration with the hope that social and economic regeneration will follow. It is our view that this approach has been largely unsuccessful. A greater emphasis on social regeneration is required with communities at the centre of the process.”¹³

46. The Minister contended that equal prevalence should be given to physical, social and economic regeneration—

“We need to focus on all three elements. Of course, in some areas, only the physical environment might need to be dealt with. The fact is that we have to look at what is required in each area, which is why local input is important and why we need to hear from local people about what they require. In other areas, all three aspects will need to be tackled. The physical environment might have been run down for many years, and social benefits might emerge from improving that environment and tackling existing deprivation. In some areas, only one aspect will need to tackled, while in others, all three will have to be looked at. The strategy makes it very clear that we need to look at all three things.”¹⁴

47. David Cowan, Head of the Scottish Government Regeneration Unit, recognised that to date there has been a greater emphasis on physical regeneration with an unproven assumption that social regeneration will occur as a result of the physical.¹⁵

48. Callum Graham, Chief Executive of Glasgow Regeneration Agency, related his experience in Glasgow where physical regeneration had not delivered the expected social and economic regeneration. This supported a view that physical regeneration does not automatically precipitate social and economic regeneration.

49. The Committee believes that for regeneration to be effective, it is critical that local circumstances are taken into account, engaging with and listening to local communities, and making a judgement on that basis as to the most appropriate form of regeneration. There should be a balance between physical and social and economic regeneration based on the requirements of the particular area. The Committee welcomes the Minister’s commitment to this approach. At the same time, the Committee recognises that to date, there has been a greater emphasis on physical regeneration as opposed to

¹² Local community groups who meet the criteria as Community Anchor Organisations are eligible for funding from the People and Communities Fund.
¹³ Scottish Council for Voluntary Organisation, written submission, paragraph 2.
social and economic regeneration. The Committee will investigate this issue further as part of its wider inquiry.

50. Evidence, especially from remoter areas, contended that the availability of regeneration is not equitable across Scotland. Argyll and Bute argued that funding is directed too much toward urban and lowland areas—

“The vast majority of the funding streams referred to above are primarily accessible to those urban and lowland local authorities. Consequently, this gap needs to be filled as soon as possible to allow longer term and sustainable regeneration to take place in rural and island areas such as Argyll and Bute.”

51. Renfrewshire Council also related concerns about the extent to which funding is available across Scotland—

“The Regeneration Capital grant fund is worth £25 million per annum but it is only available to areas which have Urban Regeneration Companies. The Vacant and Derelict land fund is worth approximately £27 million between 2012/13 and 2014/15, although again it is only available to five local authorities.”

52. Fife Council, North Ayrshire Council, East Ayrshire Council and Orkney Islands Council all expressed similar concerns about their ability to access regeneration funds.

53. The Committee also notes the evidence from local authorities such as Dundee City Council and South Lanarkshire Council and their positive experience of accessing funding. Dundee City Council has since 2004 made use of the Vacant and Derelict Land Fund—

“…over this period some £16 million has been invested to bring back into use vacant and derelict land in the city. This has had a major impact in the successful regeneration of Stobswell, and the on-going projects in Lochee and the Hilltown. It has led to the creation of Riverside Nature Park and the wider connectivity to the Dundee Central Waterfront project as well as contributing to improved access to Dundee Port.”

54. SCVO identified the particular challenges of accessing funding for local community groups—

“With the exclusion of the People and Communities Fund the funding streams outlined above are mainly targeted at large capital investment programmes for physical regeneration which are not usually accessible to community groups. This leaves very little funding accessible for community-led regeneration which was the main focus of the regeneration strategy.”

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16 Argyll and Bute Council, written submission, paragraph 10.
17 Renfrewshire Council, written submission, paragraph 9.
18 Dundee City Council, written submission, paragraph 6.
19 Scottish Council for Voluntary Organisation, written submission, paragraph 6.
55. Ann Nelson, Deputy Director of the Housing Services and Regeneration Division in the Scottish Government, explained the focus of the People and Communities Fund as an agent to support community-led regeneration—

“The relatively recent launch this year of the people and communities fund heralded a bit of a change of emphasis, in that similar funds previously focused on the social landlords sector—the housing associations sector—whereas the new fund focuses on community anchor organisations. That takes us into a bigger area, which includes development trusts and other types of organisations that are embedded in communities. The first awards from the fund are coming through. The focus is very much on the community-led side of things.” 20

56. SCVO questioned the effectiveness of the people and communities fund as a means to support local community groups, when its two priorities are employability and preventative and not community-led regeneration. This view was echoed by the Scottish Communities Alliance. The issue of community-led regeneration is considered more generally from paragraph 85.

57. Some evidence also suggested that the variety of funding streams in themselves prevented communities and groups from being able to access funding.

58. Patrick Wiggins, Chief Executive of Irvine Bay Regeneration Company, explained how it was seeking to fund an initiative in Ardrossan—

“To make that £3 million project happen, we will have to provide directly for it, because of the weakness in the economy and the scale of market failure. We are looking at all the funding streams that we can piece together. We have a bit of our core money and we are looking at nuclear decommissioning money, European regional development fund money, Scottish partnership for regeneration in urban centres—SPRUCE—or joint European support for sustainable investment in city areas—JESSICA—money and money from the Government’s hub initiative.” 21

59. Addressing concerns raised by local authorities, COSLA explained it has—

“...requested that Scottish Government undertake a mapping exercise of regeneration funding streams in order that all those involved are clear on the funds available, who can access them, and the opportunities for match funding. Such an exercise would present a clear picture to those who would like to access funding, and would highlight possible alternative means of funding if an initial bid is unsuccessful.”

60. The Minister recognised that the multiplicity of funding streams could impact on the ability of groups to access funding and assured the Committee that the Scottish Government was engaging with this issue—

“We have tried to simplify the regeneration budget by having two streams: the capital regeneration fund, and the people and communities fund. However, the issue that you raise arises not only in regeneration. It is recognised that there is some confusion for people about a lot of the Scottish Government’s funding streams around what funding is available and what it is available for. Officials are looking at the situation and mapping it to make it easier for people or groups to see what funding is available, what they can get it for and what the criteria are. The problem has been recognised and we are looking at it.”

61. **The Committee agrees there are issues around access to funding. The Committee believes that better outcomes are realised when regeneration is community-led. It is critical therefore that community organisations are able to access funding and the Committee is concerned if the priorities for the people and communities fund hinder that access. The Committee also believes that access to funding should not be overly concentrated in particular geographic areas to the detriment of other areas.**

62. **The Committee welcomes the Minister’s commitment to simplify the funding streams and improve access to funding and urges this to be completed quickly. The Committee expects to be kept informed of the Scottish Government’s progress in relation to this and will return to this issue as part of its wider inquiry.**

**Security of funding**

63. Carolyn Sawers, Head of Policy and Learning for the Big Lottery Fund in Scotland, explained to the Committee the emphasis it places on revenue support funding—

“...in our experience of community ownership of assets over a number of years, the money to acquire or develop an asset is the first part of the story, but by no means the end. If you look back at how the Big Lottery Fund has worked in community ownership over the past 10 years, you will see that it has placed far more emphasis on, and made far more financial investment in, the revenue support to projects to follow on from a capital development. We rarely fund or support a community only with capital costs to acquire or develop a property. We always expect the community to put into the funding bid some revenue costs, whether that is for a key post to continue the project’s work in future or services that will be embedded into the project. A mix of capital and revenue funding is the norm for us.”

64. **The Gowkthrapple Organisation for Leisure and Development (GOLD) highlighted its concerns about security of funding. It explained how it has been able to run courses, but cannot assure people that they would be able to maintain courses and services as they were never sure of continued funding.**

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65. Riverside Inverclyde has funding for only the next two years. Its Chief Executive explained the impact of this uncertainty—

“The lack of security has penalised us a wee bit in our discussions with private sector partners, which will not enter into a relationship with an organisation that might not exist in a couple of years. Likewise, with SPRUCE funding, the covenant strength and the ability to borrow are important.”24

66. Similar concerns were expressed by Irvine Bay Regeneration Company and Glasgow Regeneration Agency.

67. Mike Finlayson, Chief Executive of Forth Sector, explained how Forth Sector has sought to obviate this problem, by reducing its reliance on grant funding and moving into trading; in particular by replacing grants with commercial contract work for public bodies to deliver services on their behalf—

“Three years ago, the organisation was pretty much broke. Some 60 per cent of its income came from revenue grant funding, it was serving a relatively small number of people, and it was unsustainable. Since then, we have reduced that grant dependency from 60 per cent to 6 per cent this year, and it will be zero next year.

We have made that change basically by trading. We have transformed the businesses that we operate and brought them into profitability. We now have contracts; we do not have grants. The last remaining form of grant funding, which comes from the European social fund, will end at the end of the financial year. Next year, we will survive without it. It will have gone from £260,000 a year three years ago to nothing next year.”25

68. Glasgow Regeneration Agency also reflected on the challenges of reduced grant funding, explaining that it had sought to overcome this through commercial revenue generating operations, in particular its role as a provider of nursery places.

69. The Committee recognises the success in securing a more secure income stream through trading that has been achieved by Forth Sector and others. This change from grants to contracts reflects the changes in how public agencies are procuring services, and specifically seeking to link outcomes more directly to costs. The committee believes more organisations need to follow the example of Forth Sector and others by adapting to these changes, while accepting that this may not be the most appropriate option in some areas.

70. The Committee notes the concerns about security of funding. The Committee further notes these concerns have been raised by disparate organisations, but for very similar reasons.

71. The Committee considers that a lack of secure revenue support funding is an issue of concern to a number of divergent organisations and may be hindering regeneration initiatives. The Committee intends to return to this issue in the course of its inquiry.

Practical Issues

72. The Committee began its scrutiny of the draft budget with a visit to Clyde Gateway. There the Committee saw a regeneration project on a large scale with a focus on cleaning contaminated land to enable subsequent development. The Committee was impressed with the work at Clyde Gateway.

73. At the other end of the spectrum, the Committee received evidence from local community groups on their regeneration initiatives. The Committee found the experiences of these community groups uplifting.

74. This section explores the practical issues around these different levels of regeneration.

Outcomes and stimulation of economic growth

75. The Minister emphasised that the approach to regeneration is outcome focussed —

“Some people will measure the Scottish Government’s commitment to regeneration by the scale of our inputs, but it is by the outcome of our combined efforts and investment that we will measure success.”

76. The Minister stressed the importance of outcomes, recognising that measurement had been insufficient to date —

“We are working at the moment on how we can get a better picture of what is happening with the money that is being spent. The regeneration companies and projects that receive money just now have to report back on outcomes and what they have done with the money, but I accept that we need to be able to measure that better.”

77. John Downie, Director of Public Affairs for the SCVO, reflected that outcomes had not been measured well and that the third sector in particular had not been as effective as it should. He also argued that measuring outcomes need not be overly complex or bureaucratic.

78. Andy Milne, Chief Executive of SURF, reflected on the comments of Jimmy McLellan, seeing regeneration as a way of engendering a sense of happiness in a community and noted this is one useful measurement of success. In that regard, he drew attention to the success of Oxfam’s humankind index as a means of

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measuring how people feel about themselves.\textsuperscript{29} SCVO also offered support for this index.\textsuperscript{30}

79. A principal aim of the Government’s regeneration strategy is to stimulate economic development.

80. John Downie queried whether measuring success in terms of sustainable economic development was correct—

   “Part of the problem with the alignment of the regeneration strategy at the moment is that it is all about achieving sustainable economic growth rather than providing greater social, environmental and economic benefit to people in those areas.”\textsuperscript{31}

81. The Committee was struck by the absence of meaningful outcomes offered in evidence, whether in terms of sustainable economic growth or any other measurement. Written evidence in particular failed to offer any outcomes with respondents seemingly unclear about the difference between an outcome and an objective.

82. As regards sustainable economic growth and in particular employment creation, Mike Finlayson, Chief Executive of Forth Sector, suggested that much effort had been unsuccessful because it has traditionally provided training rather than work experience. As such, he contended, a pool of skilled labour is created, but no more jobs.

83. The Committee was disappointed in the absence of tangible outcomes offered in evidence. The regeneration strategy promotes an outcome focussed approach, but it appears that to date this approach has yet to be adopted. The Committee welcomes the Minister’s commitment to improve the measurement of outcomes.

84. Given the absence of outcomes, it is impossible for the Committee to assess the effectiveness of regeneration initiatives in terms of sustainable economic growth or any other measure. The Committee intends to return to this issue in its regeneration inquiry and at that juncture would expect to receive evidence of more tangible outcomes.

Community-led regeneration
85. The regeneration strategy places community-led regeneration at its centre. The ambition of the strategy is to put—

\textsuperscript{30} Scottish Council of Voluntary Organisations, written submission, paragraph 19.
“…communities first, effectively involving local residents in the regeneration process and empowering communities”  

86. In oral evidence the Minister re-emphasised the importance the Scottish Government places upon community-led regeneration.

87. Ian Cooke, Director of the Development Trusts Association, emphasised the importance of community-led regeneration in terms of sustainability—

“A couple of points that were made this morning clearly guide us towards community-led regeneration. There was a discussion about short-termism and succession planning. What will happen in five or 10 years’ time? The one thing that is guaranteed and that will not change is the community. Governments, councillors and regeneration initiatives come and go, but the community will be there throughout. The community is the logical starting point for regeneration, which is why we support and promote community-led regeneration.”

88. The evidence reveals a universal recognition of the importance of community-led regeneration, but also recognition of the challenges in achieving it.

89. Dr Armstrong, Secretary of CLEAR Buckhaven, saw two main obstacles to community-led regeneration—

“Our biggest problem is disengagement and disempowerment of the community. Getting people along is the primary obstacle, and obtaining sustainable funding rather than one-time or short-term funding is the secondary obstacle.”

90. The Minister recognised the challenges of getting communities engaged, particularly in those areas in most need of regeneration. She advised that the Scottish Government is developing a community capacity building programme. David Cowan provided details—

“How do we look at the bigger picture, get a sense of what is there and then add value? The next step in the process is to make proposals—a working

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33 Scottish Parliament Local Government and Regeneration Committee, Official Report, 3 October 2012, Col 1266

document, if you like—to the Big Lottery, SCVO and others, to ask their views. We are hoping to sit down and talk to them in the next few weeks and to roll something out next year.”

91. Argyll and Bute Council also recognised the challenges of engendering community-led regeneration—

“...whilst local communities contain significant potential to improve their areas, there are always questions over capacity, capability, longevity and access to finance, both development and capital.”

92. The Committee recognises that there are challenges to identifying and building communities capable of leading regeneration. To that end, the Committee welcomes the community capacity building programme, and believes that these challenges can be overcome.

93. All who gave evidence presented themselves as advocates of community-led regeneration, yet the Committee perceived a disconnect in evidence between what was said and the priority that was actually afforded to community-led regeneration.

94. One of the issues that prompted considerable concern to the Committee is the absence of local community members on the boards of bodies delivering regeneration.

95. Glasgow Regeneration Agency advised that in terms of its board, community engagement came through the locally elected members. Riverside Inverclyde also indicated that its engagement with the community came through locally elected members. Riverside Inverclyde have one community representative on its board, but Bill Nicol, recognised that this was probably insufficient representation for an area the size of Inverclyde.

96. The Committee also raised concerns about the presumption that there is a limitation on the outcomes community led regeneration can deliver. In particular, the Committee expressed concern about the suggestion from Callum Graham, Chief Executive of Glasgow Regeneration Agency, that community led regeneration could not create jobs.

97. The Committee found a top down culture in a number of areas, inconsistent with the Scottish Government’s vision for regeneration, with regeneration being done to communities rather than being led by communities. The Committee doubts there is full commitment to community-led regeneration within some bodies and urges the Scottish Government to encourage a culture of community-led regeneration.

98. The Committee will return to this issue in its forthcoming regeneration inquiry.

99. Dr Armstrong, Secretary of CLEAR Buckhaven, recognised that much of its success resulted from having an effective and interested officer in the local

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36 Argyll and Bute Council, written submission, paragraph 48.
authority rather than a process that fostered community engagement. Elizabeth Cooper of GOLD echoed this view.

100. Jim Clark of Clyde Gateway argued that the significance of individuals is dependent on the size of the organisation and that given the size of the project with which he is involved, in this instance it is about the organisation.

101. The Committee recognises that the success of regeneration initiatives can rest on the individuals involved as much as the processes. The Committee believes that processes should be put in place and leadership in local authorities should imbue a culture where the success or otherwise of an initiative is not necessarily reliant on the personalities involved.

102. The Minister explained that CPPs are critical to facilitating community led regeneration. Although she recognised that to date they had not always been effective in involving communities. The conclusions of the Christie Commission that CPPs should be the vehicle for community engagement means efforts had to be made to improve in this area.\(^\text{37}\)

103. David Cowan drew the Committee’s attention to the Statement of Ambition—

“CPPs must be able to engage closely with the needs and aspirations of their communities”\(^\text{38}\)

104. Susan Carr explained the challenges for local communities to influence decision making in relation to CPPs. She noted that her organisation had two representatives on the local partnership board, but that they had no voting rights and therefore could only seek to influence.

105. The Scottish Community Development Centre was critical of CPPs, and stated that, although they—

“...are tasked with the responsibility for engaging communities in planning and decision making processes at a local level, our view is that they function (broadly speaking) mainly as inter-agency planning vehicles at a strategic level. Their engagement with communities remains, in the majority of instances, driven by agency agendas as opposed to community needs and issues. Our view is that this is because there has been a lack of investment in engaging communities at an early stage in identifying what actions are needed to achieve positive change and also because there is currently limited opportunity or mechanism for communities to bring their own agendas to the table.”\(^\text{39}\)

106. John Hutchison of the Isle of Eigg, however reflected that CPPs can be effective —

\(^\text{39}\) Scottish Community Development Centre, written submission, paragraph 5.4.
“We need to remember that the community planning partnership’s role is a strategic one but that there is a tactical level underneath that at which there is every opportunity for a local community to write a community action plan for its area. Public bodies have a duty to engage under the process and are audited on that.”

107. The role of CPPs appears critical to promoting community-led regeneration. The Scottish Government has committed to using CPPs as a means to connect with local communities. The Committee recognises that some CPPs are performing that role well while others are not. Given the critical role of CPPs, the Committee will explore their role further both in the context of the third strand of its public services reform inquiry and also in the course of its regeneration inquiry.

Preventative spending approach

108. The Christie Commission advocated a preventative spending approach.

109. The Minister was invited to advise what the Scottish Government is doing to encourage a preventative spending approach—

“For me, regeneration itself is preventative. Any money that is spent on regeneration in disadvantaged communities and areas is preventative spend. It also reduces the money that is spent from some of the mainstream budgets, thereby saving money.... I do not think that we can look at regeneration in isolation from everything else that is going on in terms of the preventative measures that the Government is taking in housing, health, transport and justice. Regeneration fits in with all those areas of preventative spend. We must look at the whole picture of spending, not just at regeneration in isolation.”

110. Renfrewshire Council exemplified its view on the contribution of regeneration to the preventative spending approach—

“Physical regeneration can contribute to preventative spending by improving levels of health and wellbeing through effective housing renewal and by reducing fuel poverty through installation and maintenance of effective heating systems. This will reduce the need for health spending caused by illness and disease associated with cold and damp conditions and mental stress. Improving the levels of social housing conditions can have a positive impact on reducing health inequalities.”

111. That view was generally echoed by other councils in their written evidence.

112. Paula Gallacher explained her understanding of preventative spending—

“It is immaterial whether you call it preventative action, sound planning or regeneration; the fact is that what we are doing in Neilston, in collaboration

42 Renfrewshire Council, written submission, paragraph 16.
with our local authority and our local housing association, is to try to do an appropriately scaled, place-specific, rounded piece of community planning.\textsuperscript{43}

113. Other evidence presented to the Committee appeared to echo the views of the Minister that regeneration in itself is an example of preventative spending.

114. The Committee agrees that regeneration can and should have a preventative spending approach. The Committee will explore in its inquiry the extent to which such an approach is being pursued and how outcomes can be effectively assessed.

Overall conclusions\textsuperscript{44, 45}

115. The Committee’s scrutiny of the draft budget this year has, as expected, opened many avenues for the Committee to explore in its regeneration inquiry.

116. The Committee believes there is good work ongoing at different levels in terms of regeneration but, in the absence of clearly identifiable, meaningful and measurable outcomes, is unable to assess the effect of regeneration as regards sustainable economic growth or for any other measure.

117. The Committee believes that there should be an increased focus on community-led regeneration. In that regard, the Committee welcomes the Scottish Government’s focus on community-led regeneration in the strategy and supports efforts to make funding streams more accessible to communities.

118. The Committee argues that in providing funding to community groups and others there should be an increased focus on revenue supporting funding to complement one-off capital investments.

119. The Committee will return to this and other issues in the course of its regeneration inquiry.


\textsuperscript{44} Committee agreed the report by division: ANNEXE B Record of Divisions Taken in Private.

\textsuperscript{45} John Pentland and Anne McTaggart dissented from the report.
ANNEXE A: EXTRACT FROM THE MINUTES OF THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

17th Meeting, 2012 (Session 4), Wednesday 20 June 2012

Draft Budget Scrutiny 2013-14 (in private): The Committee considered its approach to the scrutiny of the Scottish Government's Draft Budget 2013-14, and agreed to focus its scrutiny on the topic of regeneration. The Committee also agreed to appoint an adviser to assist its scrutiny, and to consider a more detailed approach, in private, at a future meeting.

18th Meeting, 2012 (Session 4), Wednesday 26 June 2012


19th Meeting, 2012 (Session 4), Wednesday 12 September 2012

Draft Budget Scrutiny 2013-14 (in private): The Committee considered its approach to the scrutiny of the Scottish Government's Draft Budget 2013-14. The Committee agreed a timetable for taking evidence from a series of witnesses and delegated the decision regarding any changes to this timetable to the Convener. The Committee also agreed to hold a discussion, in private, at the end of each meeting on the evidence heard, as well as to consider all draft reports in private. Finally, the Committee agreed to delegate to the Convener responsibility for arranging to pay expenses to witnesses under the SPCB witness expense scheme.

21st Meeting, 2012 (Session 4), Wednesday 3 October 2012

Draft Budget Scrutiny 2013-14: The Committee took evidence on the Scottish Government's Draft Budget 2013-14 from—

David Cowan, Head of Regeneration Unit, and Ann Nelson, Deputy Director, Housing Services and Regeneration Division, Scottish Government;

David Westland, Chairman, Alloa Town Centre Business Improvement District;

Dr Allen Armstrong, Secretary, CLEAR Buckhaven;

John Hutchison, Chairman, Isle of Eigg Heritage Trust;

Jimmy McLellan, Member of the Bridgeton Steering Group, and Jim Clark, Senior Manager, Clyde Gateway;

Elizabeth Cooper, Treasurer, Gowkthrapple Organisation for Leisure and Development;

Cathy Brien, Garrion People's Housing Co-Op Gowkthrapple;
Pauline Gallacher, Member, Neilston Development Trust;
Wendi Cuffe, Economic Development Officer, Stranraer Development Trust;
Susan Carr, Project Manager, Craigmillar Neighbourhood Alliance;
Ian Cooke, Director, Development Trusts Association;
Angus Hardie, Director, Scottish Communities Alliance;
Fiona Garven, Director, Scottish Community Development Centre;
Andy Milne, Chief Executive, SURF;
Frank Sweeney, Chief Executive, Cunninghame Housing Association Limited, Social Enterprise Scotland;
John Downie, Director of Public Affairs, Scottish Council for Voluntary Organisations;
Carolyn Sawers, Head of Policy and Learning in Scotland, Big Lottery Fund.

Draft Budget Scrutiny 2013-14 (in private): The Committee considered the evidence received.

22nd Meeting, 2012 (Session 4), Wednesday 24 October 2012

Draft Budget Scrutiny 2013-14: The Committee took evidence on the Scottish Government's Draft Budget 2013-14 from—

Mike Finlayson, Chief Executive, Forth Sector;
Callum Graham, Chief Executive, Glasgow Regeneration Agency;
Patrick Wiggins, Chief Executive, Irvine Bay Regeneration Company;
Bill Nicol, Chief Executive, Riverside Inverclyde;
Margaret Burgess MSP, Minister for Housing and Welfare, and David Cowan, Head of Regeneration Unit, Scottish Government.

Draft Budget Scrutiny 2013-14 (in private): The Committee considered the evidence received.

24th Meeting, 2012 (Session 4), Wednesday 7 November 2012

Draft Budget Scrutiny 2013-14 (in private): The Committee considered a draft report to the Finance Committee on the Scottish Government's Draft Budget 2013-14. Various changes were proposed and the Committee agreed to consider a revised draft report, initially, by correspondence.
Draft Budget Scrutiny 2013-14 (in private): The Committee considered a revised draft report to the Finance Committee on the Scottish Government’s Draft Budget 2013-14. Various changes were proposed and decided upon (three by division), and the Committee agreed the draft report as amended (by division). The Committee also considered and agreed draft reports to the Equal Opportunities Committee, and the Rural Affairs, Climate Change and the Environment Committee on the Scottish Government’s Draft Budget 2013-14.
ANNEXE B: RECORD OF DIVISIONS TAKEN IN PRIVATE

1. On Wednesday 14 November 2012, the Local Government and Regeneration Committee consider its draft report to the Finance Committee on the 2013-14 Draft Budget. This consideration took place in private session.

2. During consideration of the draft report, John Pentland proposed that paragraph 5 be amended as follows—

   After the words “This report reflects the evidence received” in the final sentence of paragraph 5, insert “in response to questions about the role of regeneration with regard to equalities and climate change”.

3. As an amendment to the amendment in the name of John Pentland, the Convener (Kevin Stewart) proposed that the word “also” be inserted immediately after the words “This report” in the final sentence. This amendment to the amendment in the name of John Pentland was agreed to without division.

4. Therefore, the question on the amendment to paragraph 5 in the name of John Pentland, as amended, was put—

   That the final sentence of paragraph 5 reads, “This report also reflects the evidence received in response to questions about the role of regeneration with regard to equalities and climate change.”

5. The question was agreed to without division.

6. During consideration of the draft report, John Pentland proposed that paragraph 8 be amended as follows—

   That the word “intends” in the first sentence of paragraph 8 be deleted, and replaced with the word “will”.

7. The proposal was disagreed to, by division: For 3 (Anne McTaggart; Margaret Mitchell; John Pentland); Against 4 (Stuart McMillan; Stewart Stevenson; Kevin Stewart; John Wilson); Abstentions 0.

8. During consideration of the draft report, John Pentland proposed that paragraph 8 be amended as follows—

   That the words “after Easter” in the first sentence of paragraph 8 be deleted, and replaced with the words “by January”.

9. The proposal was disagreed to, by division: For 2 (Anne McTaggart; John Pentland); Against 5 (Stuart McMillan; Margaret Mitchell; Stewart Stevenson; Kevin Stewart; John Wilson); Abstentions 0.

10. During consideration of the draft report, John Pentland proposed that paragraph 8 be amended as follows—
That the words “the expected Scottish Spending Review 2014 and ensuing budgets” in the seventh sentence of paragraph 8 be deleted, and replaced with the words “current and future budgets and spending reviews”.

11. The proposal was disagreed to, by division: For 2 (Anne McTaggart; John Pentland); Against 5 (Stuart McMillan; Margaret Mitchell; Stewart Stevenson; Kevin Stewart; John Wilson); Abstentions 0.

12. Paragraphs 67; 69; 70 and 71 were agreed to without division.

13. Following the completion of consideration of amendments to the draft report, the Convener (Kevin Stewart), put the following question—

That the Committee’s Report to the Finance Committee on the 2013-14 Draft Budget, as amended, be agreed to.

14. The question was agreed to, by division: For 5 (Stuart McMillan; Margaret Mitchell; Stewart Stevenson; Kevin Stewart; John Wilson); Against 2 (Anne McTaggart; John Pentland); Abstentions 0.
ANNEXE C: SCOTTISH PARLIAMENT INFORMATION CENTRE BRIEFING ON DRAFT BUDGET 2013-14

Local Government budget – key points

The total allocation to local government for 2013-14 is £9,914.2m. This is a reduction of £1,193.9m on the plans for 2013-14 originally set out in Spending Review 2011. However, this can be explained by the transfer of responsibility for policing and the fire service from local government to the new Scottish Police Authority and the new Scottish Fire and Rescue Service (along with other small changes).

Tables 2 to 5 in the FSU Briefing on the Draft Budget set out local government’s share of the Total Managed Expenditure (TME) and Departmental Expenditure Limit (DEL) budgets, both with and without the police and fire monies, and in real and cash terms. Key points are—

- Removing police and fire monies from the 2012-13 Budget, to allow for like-for-like comparisons with the 2013-14 Draft Budget, results in the total Local Government budget growing by a small amount in cash terms from 2012-13 to 2013-14.

- But, excluding the police and fire monies from the 2012-13 Budget results in a real terms reduction of 2.2%, and the share of the overall budget falls by 0.1%.

- In terms of the DEL budget, excluding the police and fire monies results in a 4.3% reduction in real terms.

- But, this is because the Government expects Non Domestic Rate Income (NDRI) to increase in real terms (NDRI is an Annually Managed Expenditure (AME) budget) – and therefore DEL is reduced by a corresponding amount within the overall Local Government Settlement.

- The Government guarantees Local Government the combined General Revenue Grant (DEL) plus Non Domestic Rate Income (AME). Therefore if there is a shortfall in NDRI, other areas of the budget, outside local government, will have to be reduced.

As has been the case since the 2008-09 Budget, the overall funding package for local government will provide a share of £70m for councils which freeze their council tax rates at 2007-08 levels. The Draft Budget also sets out a range of other commitments agreed as part of Spending Review 2011, including the prioritisation of the preventative spending approach in new Single Outcome Agreements to be agreed in April 2013, and maintaining teacher numbers in line with pupil numbers.

Non-domestic rates income is currently the single largest source of revenue under the control of the Scottish Government, although the money is collected by local authorities. As noted above, and in Table 6 of the FSU Briefing, receipts from NDRI are expected to rise significantly (12.1% in real terms from 2012-13 to 2013-14). The supplement for large retailers who sell alcohol and tobacco products, which began on 1 April 2012 will continue throughout the Spending Review period.
ANNEXE D: SUMMARY OF WRITTEN SUBMISSIONS RECEIVED

This briefing summarises the written submissions received by the Local Government and Regeneration Committee on the Committee’s scrutiny of the 2013-14 Draft Budget.

This year the focus of the Committee’s scrutiny is on regeneration. Both the Committee’s call for evidence and all submissions received can be accessed via the Committee’s webpages.

The summary is structured using the questions in the Committee’s call for evidence.

Allan Campbell

SPICe Research

06 December 2012

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.
### Definitions and what constitutes “regeneration”

The vast majority of submissions agreed with Government's Regeneration Strategy that regeneration is a “broad concept”, covering physical, social, economic and environmental approaches to regeneration. However, many submissions made the point that in the past the focus had been more on physical and economic regeneration, and that more needed to be done in terms of social regeneration.

In terms of local authority responses, most welcomed the definition in the strategy. Fife Council stated that it: “is working with the Scottish Government’s definition … and agree that this is both an adequate and helpful description. In practice this involves identifying areas of need and opportunities within these areas to build on existing strengths and to address underlying issues. This can cover a range of areas including physical improvements; facilitating changes of use in existing buildings or areas; support to community organisations; development of new housing, with a particular emphasis on affordable housing; improving existing facilities; supporting new and existing businesses.”

West Lothian Council’s view was that “whilst the regeneration vision and associated supporting outcomes apply to all of Scotland’s communities, some communities and people need additional support in order to become economically, physically and socially sustainable. It specifically mentions places in need of physical renewal, town centres and communities where there are significant issues across a range of social and economic indicators and we welcome that.”

The Scottish Community Development Centre (SCDC) agreed on the need to focus regeneration on the most deprived areas: “there must be a particular focus on our most deprived areas in Scotland. We know from statistical data that certain areas make disproportionate demands on services. These are normally small pockets of severe deprivation and social dysfunction, often found within larger areas defined as priorities in the Scottish Index of Multiple Deprivation. Such areas can readily be identified by service managers, and they can also be delineated as likely to fall within the 'worst' 2% of enumeration districts, or by geographic techniques of mapping service demand. … interventions to date have been based largely on a treatment model. It is our view that direct intervention is needed to release potential, mobilise and build the capacities and skills that exist within those communities so that better outcomes for all can be achieved.”

The Scottish Communities Alliance (SCA) agreed with this interpretation: “For a community to be the subject of regeneration, it implies that some form of
social/economic disadvantage has befallen the area and that this needs to be resolved. In this context, regeneration is generally regarded as a ‘fixing’ tool of the public sector (with private sector support) and as such a mechanism to deliver top-down investment into disadvantaged areas.”

The Scottish Council for Voluntary Organisations (SCVO) also made similar points, stressing that: “The focus of much regeneration work to date has been on physical regeneration with the hope that social and economic regeneration will follow. It is our view that this approach has been largely unsuccessful. A greater emphasis on social regeneration is required with communities at the centre of the process. This approach will build the fabric of communities and provide a strong base to deliver more positive outcomes, including increased economic development.”

**Examples of successful and unsuccessful regeneration and outcomes**

Local authorities and others provided a range of examples of regeneration activity. The focus was on successful regeneration, with very few examples given of unsuccessful projects and programmes.

Dundee City Council gave examples of how major physical regeneration projects which “focused on addressing the poor quality physical fabric of poorly planned, unconnected and unpopular places.” Major projects highlighted by Dundee City Council included the following.

**“Ardler:** the redevelopment of a 1960’s development of concrete high-rise and low rise flats in an under-serviced environment remote from the city centre emphasised by poverty and deprivation. The area has been reborn as a low-density village, based on the principles of a garden suburb. The involvement of the Ardler community in this project has been a key success. Whilst the physical transformation of Ardler is almost complete, work is ongoing to ensure that lasting economic and social benefits are also achieved.”

**“Stobswell:** the sympathetic regeneration of a once popular inner-city community, comprising dense Victorian tenement buildings and former mill buildings. Streets and buildings have been revived and redeveloped for 21st century living. Associated improvements to open spaces, the district shopping centre and the development of vacant and derelict land and property has addressed the poor perceptions of the area and boosted community pride.”

North Lanarkshire Council outlined the **One Wellwynd** development, a social enterprise centre in Airdrie town centre: “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.”

Orkney Islands Council made the point that, in a rural setting: “regeneration may take the form of a relatively low cost project such as the building of two houses in North Ronaldsay, one of the most isolated communities in the Country where the ability to attract families with school age children to move to the island is all important in sustaining local services and critically the school.”

In terms of less successful outcomes from regeneration, East Aryshire Council raised the issue of CPO: “whilst the Council acknowledges the work that has been undertaken to bring guidance on CPO into one concise document (Circular 6/2011) the process is still complex and very demanding of resources. Under the present arrangements any potential CPO requires significant investment of time by staff within legal, planning, estates and potentially other services of the Council. Not only does the Council have to weigh the public interest but it must consider the costs associated with preparing a CPO with no guarantee of a successful outcome. Additionally it must also manage the time taken to undertake the CPO process with that required to assemble a potential funding package. Given the complexity of the CPO process and the difficulty of assembling funding packages that have their own timetables to meet and that can be fully aligned with the project, this can be extremely difficult to achieve.”

South Lanarkshire Council highlighted its regular Neighbourhood Survey, the purpose of which: “is to measure the impact of our regeneration and mainstream activity into our most disadvantaged communities and to inform future service planning and service delivery. This is a household survey that generally engages around 4,000 households through face to face interviews, across all of our targeted regeneration communities, along with a South Lanarkshire wide sample – to allow for comparative analysis. The regularity of the survey enables us to measure changes over time at a community level in residents' perceptions in relation to local services, local issues and personal issues such as wellbeing, financial stability etc. The findings are shared with local community planning partners. An example of impact is additional employability resources directed into one particular community where unemployment was high but awareness of services poor. The survey also highlighted areas where levels of smoking amongst those out of work was particularly high and support agencies incorporated a smoking cessation referral into their registration process.”
The regeneration strategy, resources and funding - The Scottish Government’s regeneration strategy ‘Achieving a Sustainable Future’, set out various funding streams to support its delivery. Amongst these are the Regeneration Investment Fund; the Capital Investment Fund, (which comprises funding from the Regeneration Capital Grant Fund, SPRUCE (JESSICA) funding, and the Vacant and Derelict Land Fund); and the People and Communities Fund. Are these funds clearly defined and providing appropriate support for your needs?

How do you think the strategy is being implemented? Is the Scottish Government providing appropriate support to deliver the strategy in your area? What other support would assist you in delivery of the strategy? Are there any barriers to delivery, and how could they be tackled?

This aspect of the call for evidence received the most detailed response, with local authorities in particular setting out their views on the availability of otherwise of the various funding streams. In general terms, there appeared to be frustration among rural local authorities that most of the funds are only available to mainly central belt and urban, or semi urban, local authorities.

Local authority submissions

Argyll and Bute Council made a series of points on the funds:

“The vast majority of the funding streams referred to above are primarily accessible to those urban and lowland local authorities. Consequently, this gap needs to be filled as soon as possible to allow longer term and sustainable regeneration to take place in rural and island areas such as Argyll and Bute …

Across VDLF, URC, and SPRUCE currently 15 local authorities are eligible or receive funding for Regeneration activities. The proposal for the £25m Regeneration Capital Grant would provide an opportunity for all local authorities to potentially access regeneration funding and Argyll and Bute Council would welcome this however there is no guarantee that every local authority will benefit annually from the new fund.

The Capital Investment Fund is intended to provide support for physical development … However the funding streams that sit under this Fund would in the main not apply to Argyll and Bute as it is not within an eligible area.”

Renfrewshire Council also questioned the impact of the funds and stated that “it is debatable if the scale and extent of the funding is adequate to meet the challenge set out in the strategy”. Specifically the Council stated that “The Regeneration Capital grant fund is worth £25 million per annum but it is only available to areas which have Urban Regeneration Companies. The Vacant and Derelict land fund is worth approximately £27 million between 2012/13 and 2014/15, although again it is only available to five local authorities. The People and Communities fund, which has been made available to third sector organisations across Scotland, although the level of funding has changed since the publication of the Strategy,
from £7.9 million per year as set out in the strategy, to “At least £6 million” per year, as indicated on the Scottish Government website.”

Fife Council also stated that “Despite its significant regeneration challenges, Fife is unable to access any funding for physical investment in regeneration from the Scottish Government.” North Ayrshire Council, East Ayrshire Council and Orkney Islands Council made similar points.

However, eligible provided examples of where they had benefitted from the funding streams. Dundee City Council has made use of the Vacant and Derelict Land Fund since 2004: “over this period some £16 million has been invested to bring back into use vacant and derelict land in the city. This has had a major impact in the successful regeneration of Stobswell, and the on-going projects in Lochee and the Hilltown. It has led to the creation of Riverside Nature Park and the wider connectivity to the Dundee Central Waterfront project as well as contributing to improved access to Dundee Port.”

South Lanarkshire Council also welcomed the funds it had received, stating that: “the Council area currently attracts a reasonable proportion of resources made available by the Scottish Government to support regeneration activity, reflecting the scale of the issues facing the area, the level of need and the opportunities that exist because of its strategic location and development potential.”

But, in terms of SPRUCE/JESSICA, Dundee explained that it: “requires that projects are eligible under Priority 3 of the Lowland and Upland Scotland European Programme, within a fairly tight timescale, and that they will generate a return on the investment that can be recycled for future use. Whilst Dundee City Council identified a number of potential projects and forwarded them to SPRUCE/Scottish Government, we have not heard any further and it is likely that finding suitable projects across Scotland, given the eligibility criteria, is challenging.”

Similarly, South Lanarkshire Council said that “we understand that Clyde Gateway URC has been unable to attract funding through this route because it is judged not to have a robust enough covenant due to the fact that it only has agreed Scottish Government funding to 13/14. It would appear that the original intent of providing a flexible source of support for key regeneration projects and areas hasn’t materialised and is being promoted and managed on very much a commercial basis.”

Inverclyde (and other councils) also made similar points on the JESSICA fund, in that is “has difficulty in seeing how JESSICA Urban Development Fund can successfully be applied in disadvantaged areas where ‘the market’ capacity is very weak.” On the market failure issue, North Ayrshire Council stated that: “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.”
Argyll and Bute Council also provided a number of recommendations for how the administration and allocation of these funds could be improved:

- “funding initiatives tend to have ambitious timescales for the submission of bids allowing less time for the development of applications, particularly in relation to Business Cases. It would be useful if the Scottish Government could give more notice of when new funding streams are opened up; this includes funding criteria.

- Two stage applications are welcome … as the effort required to submit high quality submissions can be onerous but worthy of the effort if there is confidence in receiving funding. A stage one approval from a funding stream gives the confidence to release precious resources to develop sound business cases and well developed plans.

- Given the time and resources to pull together meaningful business cases future funding initiatives should clearly set out how applications will be prioritised/scored.

- Funds should be clearly linked to supporting outcomes in Annex A of the Regeneration Strategy.

- An accessible webpage providing an overview on all available funding from the Scottish Government would be useful.

- The alignment of funding deadlines and approval timescales should be taken into consideration particularly in regard to fitting with LA budget setting processes and timelines.”

Addressing some of the points raised by local authorities, COSLA noted that it has “requested that Scottish Government undertake a mapping exercise of regeneration funding streams in order that all those involved are clear on the funds available, who can access them, and the opportunities for match funding. Such an exercise would present a clear picture to those who would like to access funding, and would highlight possible alternative means of funding if an initial bid is unsuccessful.”

Other submissions

As well as local authorities, other bodies submitting evidence also addressed these points in detail, focussing mainly on the People and Communities Fund (PCF).

The SCDC voiced its support for the PCF, especially its “focus on community led regeneration and prevention and believes that this fund will help increase the ability of some community-led organisations in Scotland to work more effectively with local communities.”

But it warned that “more resources will need to be channelled towards community-led regeneration if we are to see a real, sustained difference in Scotland’s most disadvantaged communities. … [It] is open to organisations which fulfil the criteria
associated with the definition of a community anchor organisation. Our concern is that not all areas, particularly disadvantaged urban areas, have local organisations which can meet the criteria for funding or that the funding will be directed at the social regeneration, or community building, activity we refer to earlier in our response.”

SCVO also commented on the funds: “With the exclusion of the People and Communities Fund the funding streams outlined above are mainly targeted at large capital investment programmes for physical regeneration which are not usually accessible to community groups. This leaves very little funding accessible for community-led regeneration which was the main focus of the regeneration strategy.” In terms of the PCF specifically, SCVO stated that: “it is our view that this fund is not providing the flexibility required for community-led regeneration. In having only two priorities (employability and preventative action) it is missing the fundamental principle of community-led regeneration which allows communities to set their priorities and outcomes. To be effective the fund should have an entirely open remit which allows communities to dictate what the priorities are in their area and what methods they employ to meet those priorities.”

SCA made a similar point to SCVO: “The People and Communities Fund was conceived of as a fund to support bottom up regeneration and as a source of investment for community anchor organisations. Disappointingly, at an early stage the Scottish Government chose to prescribe which areas of activity the fund would be targeted at – employability and preventative action – rather than allowing communities to determine for themselves what their own priorities should be – thus defeating the very principle of bottom up regeneration and self-determination that the fund aspires to support.”

Finally, the Scottish Allotments and Garden Society made a point around community groups applying for funding: “In cities the local authorities are expected to be pro-active however the officers are over stretched and often do not realise the funding available. If the Government wanted to realise the potential for people to grow their own food and realise the Health and well-being benefits of connecting with the natural world they need to agree a support and education scheme with the local authorities, so officers are well informed and have the necessary skills to advise on, support and evaluate funding applications.”
In general terms, submissions expressed support for the preventative spend agenda, the recommendations of the Christie Commission and the equalities agenda, and provided a range of examples of how regeneration can contribute to the delivery of these goals.

Renfrewshire Council stated that: “Physical regeneration can contribute to preventative spending by improving levels of health and wellbeing through effective housing renewal and by reducing fuel poverty through installation and maintenance of effective heating systems. This will reduce the need for health spending caused by illness and disease associated with cold and damp conditions and mental stress. Improving the levels of social housing conditions can have a positive impact on reducing health inequalities.”

North Lanarkshire Council raised the issue of Social Impact Bonds, which “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.

But it noted that: “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.”

South Lanarkshire Council stressed its “intensive community engagement work”, which “has greatly improved community involvement in the area and will continue to do so as long term capacity building support is key to success. … Although in its early stages, we can evidence changes in service delivery already – e.g. a relatively simple change in relation to Public Health Nurse caseload allocations, has provided the area with a ‘key health worker’, able to link families to other supports in the area and encourage community involvement. Previously, many public health nurses would have been assigned families and would not have the holistic, area focus that the change has enabled.”

In terms of equalities, Orkney Islands Council stated that: “The simplest way to ensure that regeneration policy assists with the delivery of the equalities agenda is
to include conditions to the funding criteria for projects receiving support to demonstrate that the regeneration projects will be accessible to all. However, it is important that the assessment of equalities impact is not restricted to the protected groups within the Equality Act 2010. In Orkney, peripherality is a significant barrier to accessing goods and services, and a vital factor to consider in maintaining the sustainability of our isles communities.”

Also, in terms of rural areas, both Orkney and Argyll and Bute Council raised issues around the Scottish Index of Multiple Deprivation (SIMD). Orkney explained that it: “is an unreliable measure of deprivation in remote, rural communities such as Orkney, where deprivation tends to be disseminated and does not show up on the Index. It should not, therefore, be used to drive decision-making when developing policy which will impact on the sustainability of remote and island areas.”

The SCDC made the point that, as intended in the Christie Commission: “The move to greater involvement of local people in the influencing, shaping, complementing and delivery of aspects of public services ... requires a ‘letting go’ of professional authority and control. We believe that there is a requirement for new guidance, training and skills development for public sector staff at both strategic and practice levels on new ways of working which involve service users and local communities.”
4 – Regeneration and sustainable economic development – A principal aim of the Government’s regeneration strategy is the stimulation of economic development. We would welcome your views on any examples of how this is happening in your area, and information on any impediments to delivery.

Again, submissions provided a wide range of relevant examples in terms of regeneration projects stimulating economic development. Three are set out below, although there are more in the evidence received.

Fife Council highlighted the Fife Energy Park, which is “providing a number of new economic opportunities including job creation and the potential for a thriving energy related industries cluster. The challenge is to ensure that local towns and local people benefit from this opportunity sited in an area of high deprivation. To this end, there is a focus on developing and delivering short-medium-long term regeneration interventions to increase local communities capacity to capitalise synergistically potential opportunities unfolding at the Energy Park.”

Dundee City Council gave details of its Waterfront project: “which spans 240 Ha of land stretching 8 km along the River Tay, and covering five development zones which are strategically positioned to benefit from the existing city fabric. The general site is within a 90 minute drive of 90% of Scotland's population and projections anticipate 7000 new jobs in the city. …The Waterfront project seeks to capture the anticipated long-term benefits of economic growth. Employability pipeline programmes, structured through key strategic partners in the city, have over the last few years, been developing specifically in the fields of hospitality and construction industries, renewable technologies and life-sciences, in order that a young local workforce is well placed to access emerging employment prospects.”

Argyll and Bute outlined the Kintyre Renewable Hub project, which: “principally involves the improvement of road, marine and port infrastructure in Campbeltown. In combination, these improvements are designed to enable the efficient and effective import and export of materials to and from manufacturing facilities within Kintyre including Machrihanish airfield, which accommodates a wind turbine tower manufacturing plant. Campbeltown/ Machriha naish is identified as one of the 10 strategic sites to service the off renewables industry across Scotland (National Renewables Infrastructure Plan (N-RIP)).”

In terms of renewables projects, the SCA stated that: “The one really significant opportunity to transform the economic fortunes of the community sector and by implication the stimulation of economic growth, relates to the potential benefits to be derived from the development of renewable energy. Currently the community sector is living off the crumbs from the table that the private sector is feasting at. This window of opportunity that exists will not be open for much longer and unless a radical shift in policy takes place very shortly (for instance, where community ownership becomes a built-in requirement of every renewable energy project) this once in a life time opportunity will be lost.”

In more general terms, SCVO were “keen to support a shift in the public debate to making the economy and economic development more meaningful for people,
communities and their environment. Spending solely designed to increase economic growth can have seriously negative social, environmental and even economic consequences.

Rather than aligning spending decisions and policy priorities with the purpose of achieving sustainable economic growth, we would seek to align decisions with outcomes that will deliver greater social, environmental and economic benefit to people. Oxfam’s Humankind index would be a good place to start in this regard.”
### 5 – Community led regeneration and CPPs

The Government’s concept of a successful regeneration strategy envisages that it should be community led and delivered. How realistic is this in your area? What will make this happen and what, if any, are the barriers in this regard? What is the appropriate role for community planning partnerships (CPPs) in delivering regeneration? Are you satisfied that all your CPP partners are fully involved in and contributing to your CPP’s policies? Can you offer examples of how your Single Outcome Agreement seeks to achieve regeneration and what outcomes/indicators it specifies?

The written evidence generally welcomed community involvement, although there was some debate over the level of involvement that was desirable/attainable.

North Lanarkshire Council and Fife Council both stated that the community “led” rather than community “delivered” regeneration was a more “realistic” aspiration. However, North Ayrshire Council stated that “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).”

Argyll and Bute Council welcomed community led regeneration, but noted that “whilst local communities contain significant potential to improve their areas, there are always questions over capacity, capability, longevity and access to finance, both development and capital. Whilst the public sector has a crucial role to play in assisting community groups, the shrinkage of the public sector coupled with the growth of empowering community groups requiring assistance has resulted in a mismatch of support available. ... A key frustration with communities is the perception that regeneration in their localities is ‘taking too long’. It is well established that successful and sustainable regeneration takes time and managing expectations can be a challenge to prevent ‘fatigue’ within communities. Support for communities and third sector organisations are critical and the development of community action plans has a key role to play in the identification of actions and priorities.”

In terms of CPPs specifically, South Lanarkshire Council stated that: “given the complex and inter related nature of the issues that have to be addressed, and the fact that that no single partner has the powers or resources to meet these challenges on their own, all partners need to be involved in a co-ordinated fashion and the CPP provides the most appropriate route through which this can happen.”

In terms of its own arrangements, through the South Lanarkshire Community Regeneration Partnership, the Council noted that although: “It has representation from the all appropriate Council services, community and voluntary sector, NHS, SDS, Strathclyde Police and Jobcentre Plus [it] has no legal status and therefore cannot hold budgets directly or employ staff. It has no independent power to act but functions through its ability to co-operate, co-ordinate and collaborate on key pieces of work together as partners and with others.”
Some councils highlighted the lack of the role of elected members in the Government's strategy. Renfrewshire Council stated that: “While these projects are community led they also require significant support and involvement from public agencies. The Council, as the public agency whose members have been democratically elected to lead and represent their community should play a lead role in driving forward and supporting community led regeneration activities - just as it has a lead role in supporting the community planning process. Communities, particularly deprived communities most in need of regeneration, require additional support and resources to take forward their aspirations.”

Dundee City Council explained how both elected members and council officers are involved: “In Dundee elected members and Council officers work in partnership with local communities to deliver regeneration projects of all scales. Electoral wards in Dundee are matched by a network of Local Community Planning Partnerships (LCPP) which comprise all ward elected members, representatives from key public and private agencies, community representatives and Council officers. LCPPs meet in public and provide a quarterly review of events and issues impacting in that part of the city and are a conduit for expedient action.”

Fife Council highlighted the role of the business community “as a legitimate community partner (where a range of business interests are represented e.g. business associations, Business Improvement Districts, etc) if economic development objectives are to be delivered. Finding appropriate delivery partners (with the required capabilities and more importantly capacity) in areas blighted by market failure is difficult and relies largely on local personalities.”

SCDC was critical of CPPs, and stated that, although they: “are tasked with the responsibility for engaging communities in planning and decision making processes at a local level, our view is that they function (broadly speaking) mainly as inter-agency planning vehicles at a strategic level. Their engagement with communities remains, in the majority of instances, driven by agency agendas as opposed to community needs and issues. Our view is that this is because there has been a lack of investment in engaging communities at an early stage in identifying what actions are needed to achieve positive change and also because there is currently limited opportunity or mechanism for communities to bring their own agendas to the table.”
Regeneration and climate change targets

Is there any role that regeneration can or is playing that would assist towards the delivery of sustainable climate change targets?

This final element of the call for evidence received the least detailed responses, although some submissions did outline how regeneration was contributing to delivery of climate change targets.

Inverclyde Council explained its School Estate Management Plan: “that reflects the Government’s long term strategy for school buildings, considers the impact on the school environment of future learning and teaching needs and meets the criteria set out for Scottish Government support. …To embed low carbon criteria in the specifications, the Carbon Trust worked alongside the Council as it went through the process of procuring four new schools as part of the Council’s Public Private Partnership (PPP) project. The Carbon Trust presented to the bidders on behalf of the Council, ensuring they thoroughly understood the low carbon aspects of the brief.

Key elements included making sure the buildings would be well insulated and airtight, so they would lose as little amount of heat as possible and have very high levels of natural daylight, minimising the need for artificial light.

Once bids had been received, the Carbon Trust worked closely with the Council in evaluating their carbon credentials and ensured the contract imposed ongoing energy performance obligations on the successful bidder.”

North Ayrshire Council highlighted: “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.”

North Lanarkshire Council noted that: “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.”

Finally, SCVO also mentioned Community Renewables schemes: “Initiatives such as the Fintry Development Trust show how ownership of community renewables can contribute to an area’s regeneration through a variety of carbon reduction
techniques, home improvements and other projects which tackle fuel poverty. Further support is required to encourage more of these projects and find ways of ensuring urban communities also have the opportunity to benefit from renewable schemes."
ANNEXE E: WRITTEN AND ORAL EVIDENCE RECEIVED BY THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

21st Meeting, 2012 (Session 4), 3 October 2012

ORAL EVIDENCE

David Cowan, Head of Regeneration Unit, and Ann Nelson, Deputy Director, Housing Services and Regeneration Division, Scottish Government; David Westland, Chairman, Alloa Town Centre Business Improvement District; Dr Allen Armstrong, Secretary, CLEAR Buckhaven; John Hutchison, Chairman, Isle of Eigg Heritage Trust; Jimmy McLellan, Member of the Bridgeton Steering Group, and Jim Clark, Senior Manager, Clyde Gateway; Elizabeth Cooper, Treasurer, Gowkthrapple Organisation for Leisure and Development; Cathy Brien, Garrion People’s Housing Co-Op Gowkthrapple; Pauline Gallacher, Member, Neilston Development Trust; Wendi Cuffe, Economic Development Officer, Stranraer Development Trust; Susan Carr, Project Manager, Craigmillar Neighbourhood Alliance; Ian Cooke, Director, Development Trusts Association; Angus Hardie, Director, Scottish Communities Alliance; Fiona Garven, Director, Scottish Community Development Centre; Andy Milne, Chief Executive, SURF; Frank Sweeney, Chief Executive, Cunninghame Housing Association Limited, Social Enterprise Scotland; John Downie, Director of Public Affairs, Scottish Council for Voluntary Organisations; Carolyn Sawers, Head of Policy and Learning in Scotland, Big Lottery Fund.

SUPPLEMENTARY WRITTEN EVIDENCE

Neilston Development Trust
22nd Meeting, 2012 (Session 4), 24 October 2012

**ORAL EVIDENCE**

Mike Finlayson, Chief Executive, Forth Sector;  
Callum Graham, Chief Executive, Glasgow Regeneration Agency;  
Patrick Wiggins, Chief Executive, Irvine Bay Regeneration Company;  
Bill Nicol, Chief Executive, Riverside Inverclyde;  
Margaret Burgess MSP, Minister for Housing and Welfare, and David Cowan, Head of Regeneration Unit, Scottish Government.

**SUPPLEMENTARY WRITTEN EVIDENCE**

Forth Sector  
Glasgow Regeneration Agency  
Irvine Bay Regeneration Company  
Riverside Inverclyde

**FURTHER WRITTEN EVIDENCE**

Aberdeenshire Council (16KB pdf)  
Argyll and Bute Council (62KB pdf)  
COSLA (10KB pdf)  
Dumfries and Galloway Council (23KB pdf)  
Dundee City Council (37KB pdf)  
East Ayrshire Council (38KB pdf)  
Fife Council (39KB pdf)  
Inverclyde Council (33KB pdf)  
North Ayrshire Council (46KB pdf)  
North Lanarkshire Council (46KB pdf)  
Orkney Islands Council (26KB pdf)  
Renfrewshire Council (26KB pdf)  
Royal Town Planning Institute (21KB pdf)  
Scottish Allotments and Gardens Society (16KB pdf)  
Scottish Community Alliance (53KB pdf)  
Scottish Community Development Centre (90KB pdf)  
Scottish Council for Voluntary Organisations (33KB pdf)  
Scottish Federation of Housing Associations (40KB pdf)  
South Lanarkshire Council (48KB pdf)  
West Lothian Council (23KB pdf)
ANNEXE F: CLIMATE CHANGE

1. At its meeting on 20 June 2012, the Committee agreed to submit a separate report to the Rural Affairs, Climate Change and Environment Committee on the Draft Budget 2013-14. This decision was taken in response to the invitation from the Rural Affairs, Climate Change and Environment Committee to subject committees to set out what steps they took to include climate change scrutiny in their budget scrutiny and what their findings have been.

The Committee's approach to climate change scrutiny

2. The Committee agreed to include within its general call for evidence on the regeneration aspect of the budget a question relating to the role that regeneration can play or is playing to assist towards the delivery of sustainable climate change targets. The call for evidence was issued on 21 August and issued directly to all local authorities, all council leaders and 104 organisations. In addition it was published on the committee website.

3. 21 submissions were received with a number outlining how regeneration was contributing to climate change targets.

4. Inverclyde Council explained how climate change targets are included in their School Estate Management Plan: Low carbon criteria are built into the specifications and the Carbon Trust worked alongside the Council as it went through the process of procuring four new schools under the Council's Public Private Partnership (PPP) project.

5. The Carbon Trust presented to the bidders on behalf of the Council ensuring they thoroughly understood the low carbon aspects of the brief. Key elements included making sure the buildings would be well insulated and airtight, so they would lose as little amount of heat as possible and have very high levels of natural daylight, minimising the need for artificial light.

6. The Carbon Trust worked closely with the Council in evaluating their carbon credentials of bids with the contract awarded imposing ongoing energy performance obligations.

7. North Ayrshire Council highlighted community energy schemes which play a role both in regeneration and in 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

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47 Inverclyde Council, written submission, paragraph 47.
consumption. As well as creating finance for community benefit funds for distribution within the local area this has also created employment opportunities.  

8. North Lanarkshire Council indicated that regeneration activities are able to play a central role to achieving climate change targets; however they raised a concern that this requires to be resourced.  

9. Two separate concerns flowed from taking an asset-based approach to regeneration; providing for sustainable buildings, utilising appropriate sustainable construction materials, and renewable energy, all reduce long-term carbon emissions. This typically adds 10-15% to the cost of a development, with a longer-term pay-back on investment. As a consequence the viability of projects is reduced and can conflict with the commercial approach criteria to investment that is applied by such as SPRUCE and the Green Investment Bank. The added cost also raises the need for greater grant availability. 

10. The Committee brings to the attention of the Scottish Government that a change of approach for climate change/energy efficient projects should be considered by accepting that projects of this type will likely have lower returns and require higher grant aid. This is an aspect that the committee will be further considering as part of its wider regeneration inquiry. 

11. Aberdeenshire Council gave the example of the Huntly Development Trust, which is developing interest in wind and hydro power in conjunction with existing developers through a community benefit share or an additional turbine. They have also partnered with a Registered Social Landlord who, in return for an equity stake in future developments is assisting with core costs and expert advice. This they believe is a first in Scotland which, if successful, will not only return climate change benefits but will help counter fuel poverty and provide investment for new local housing. 

12. Finally, the Scottish Council for Voluntary Organisations also mentioned Community Renewables schemes. Initiatives such as the Fintry Development Trust show how ownership of community renewables contribute to an area's regeneration using a combination of carbon reduction techniques, home improvements and other projects to tackle fuel poverty. This is an area that the committee will be investigating further as part of its ongoing regeneration inquiry. 

13. The committee during its tour of the work being undertaken by Clyde Gateway saw the development of the athletes' village by ciltylegacy who are creating 1465 predominantly low rise high quality mixed tenure homes. Those sustainable homes, with low energy solutions meet the 60% carbon dioxide emissions reduction target. Particularly noteworthy was the fact that they were rated as “excellent” under the BREEAM rating. BREEAM is the world's foremost environmental assessment method and rating system for buildings, and sets the standard for best practice in sustainable building design, construction and 

48 North Ayrshire Council, written submission, paragraph 30. 
49 North Lanarkshire Council, written submission, paragraphs 36 – 41. 
50 Scottish Council for Voluntary Organisations, written submission, paragraph 22.
operation being one of the most comprehensive and widely recognised measures of a building’s environmental performance.\textsuperscript{51}

14. A specified BREEAM rating has increasingly become a requirement for both public and private sector schemes. For example, a BREEAM rating of 'Excellent' is required for most new build healthcare and education projects and for any new Government buildings. Many Local Authorities have incorporated into their planning policy for new commercial developments certain minimum BREEAM standards (at least a 'Very Good' rating).

15. The Scottish Government prepared a summary document drawing together details of the budget lines across the current spending review period that support the delivery of measures to reduce greenhouse gas emissions.\textsuperscript{52} Given the Government’s holistic approach to regeneration activity the committee were not surprised that there was nothing in the document in relation to regeneration spend.

16. The Rural Affairs, Climate Change and Environment Committee and the Finance Committee may wish to consider whether they wish to make any recommendation in relation to local government spend on such activity.

\textsuperscript{51} BREEAM. Available at: \url{http://www.breeam.org/about.jsp?id=66} [Accessed 14 November 2012]
\textsuperscript{52} Scottish Government (2012). \textit{Details of Funding for Climate Change Mitigation Measures.} Available at the Scottish Parliament Information Centre (BIB 54423).