Local Government and Regeneration Committee

1st Report, 2014 (Session 4)

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Local Government and Regeneration Committee

Remit and membership

Remit:
To consider and report on a) the financing and delivery of local government and local services, and b) planning, and c) matters relating to regeneration falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment.

Membership:
Richard Baker
Cameron Buchanan
Mark McDonald
Stuart McMillan
Anne McTaggart
Kevin Stewart (Convener)
John Wilson (Deputy Convener)

John Pentland (22 December - 3 September 2013)
Margaret Mitchell (16 November 2011 - 11 September 2013)
Stewart Stevenson (18 September 2012 - 7 November 2013)

Committee Clerking Team:

Clerk to the Committee
David Cullum

Senior Assistant Clerk
Fiona Darwin

Assistant Clerk
Seán Wixted

Committee Assistant
Ben Morton
FOREWORD FROM THE CONVENER

Regeneration is about people, the Regeneration Strategy is aimed at reducing poverty, inequality and decline with a clear focus on people in the most disadvantaged communities.

This report covers our 12-month inquiry into the best practice and limitations in the Delivery of Regeneration in Scotland. It follows our inquiry into public sector reform and on the Scottish Government’s 2012 budget when we looked specifically at regeneration. Our inquiry focused on regeneration involving the community and has looked closely at progress since the publication of the Scottish Government’s Regeneration Strategy in December 2011.

For most of the last 60 to 70 years, the concept of regeneration was often identified in most people’s minds as relating to just the physical development, or redevelopment, of the communities in which they lived. That development could be as small as the development of a local play area for children in a given community, to as large as the construction of whole new towns in the post-war development years in the 50s and 60s. Today public policy on regeneration is interlinked with issues such as economic development, health inequalities, social integration and educational development as much as it is with the construction of new houses, schools and roads.

We see regeneration as a vision delivered through a focus of effort and strategic approach across all public policy areas. First and foremost regeneration is about reducing poverty, decline and inequality of opportunity in areas of disadvantage. It is about improving outcomes for communities. This theme runs throughout our report.

Community planning is key to the delivery of the regeneration vision, as it is to public services reform. We were disappointed in the lack of central responsibility for oversight and co-ordination of regeneration activity and consider there to be a key role for Government in driving this forward.

Our overall conclusion is that regeneration must involve the people in the communities from design to delivery; our evidence shows regeneration can only be truly and long lastingly effective if “done by people”. We are clear that all partners are not placing enough emphasis on true community participation, particularly in the design stage; and must place the community at the heart of decision making and involvement throughout.

Kevin Stewart MSP
Convener
Local Government and Regeneration Committee

1st Report, 2014 (Session 4)

Delivery of Regeneration in Scotland

The Committee reports to the Parliament as follows—

OUR KEY MESSAGES

Introduction and Background

Our communities are at the heart of Scottish life, and healthy and vibrant communities are central to improving the lives of the people of Scotland. In early 2013 we began examining how national and local government, and the wider public sector, can work together more effectively to involve, regenerate and strengthen communities.

Our inquiry has a specific focus on the community angle of regeneration. We wanted to ascertain how regeneration activity is tackling and reducing poverty, decline and inequality of opportunity in areas of disadvantage and improving outcomes for communities.

The inquiry sought to identify and examine best practice and limitations in relation to the delivery of regeneration in Scotland. We saw the inquiry as a natural follow on from our work on public sector reform, to ascertain how central and local government was integrating regeneration work across its activities and the extent to which actions are being driven with the involvement of people.

Approach and Structure of the report

The inquiry was launched in Cumbernauld on 15 January 2013 during a fact finding visit and a call for evidence issued which ultimately received 80 submissions. Six formal evidence sessions were held. Five fact finding visits were undertaken, during each of which we visited local regeneration projects and spoke to members of the community in small round table groups.

In our report we detail numerous conclusions and recommendations. We hope all those involved in regeneration activity across Scotland will consider and take note of our findings.
Regeneration is not new, activity can be traced back to Roman times – usually initiated by the State or local landowners and generally “done to people”. Our overall conclusion is that regeneration must involve the people in the communities from design to delivery, our evidence shows regeneration can only be truly and long lastingly effective if “done by people”. We are clear that all partners are not placing enough emphasis on true community participation, particularly in the design stage; and must place the community at the heart of decision making and involve them throughout.

Our report is long and we hope extensive. It sets out a brief history of regeneration activity and also notes the wide range of funds available to support activity. The main part of the report is divided into 4 themes although we recognise there is a degree of overlap across them. The themes are—

- Strategy and Policy
- Partnership Working
- Practical issues
- EU Funding Issues

Each theme covers the key evidence we received before setting out its conclusions and recommendations. The following paragraphs summarise our main conclusions contained in the report divided into each of the themes.

**STRATEGY AND POLICY**

Regeneration is about people, and the Scottish Government’s regeneration strategy is aimed at reducing poverty, inequality, and decline with a clear focus on people in the most disadvantaged areas. But even in a booming economy, issues of deprivation and inequality have remained and reference needs to be made to the necessity of sustained social action.

We see regeneration not as a ‘strategy’ or policy as such, but more a vision-delivered through a focus of effort and strategic approach, across all public policy areas, to reduce deprivation, inequality and long term decline.

There are a number of ‘regeneration strategy specific’ activities outlined in the strategy, however, on their own they cannot achieve the vision the strategy sets out to achieve. The successful delivery of the regeneration strategy is completely dependent on implementation of Christie Commission principles and effective public services reform at a national and local level. Notably better partnerships and joined up working, a focus on prevention and reducing long term social and economic inequalities, alongside greater community participation in public service design and delivery.

Whilst the regeneration strategy focuses upon these principles, we believe the document has yet to provide any further ‘added value’ for partners at a strategic or local level, in linking the contribution of various cross cutting policies to the outcomes that demonstrate successful regeneration in Scotland i.e. reductions in deprivation and inequality. Neither does the strategy appear to provide leadership or guidance on how community empowerment and sustainable community-led
approaches could be built into all related mainstream Government policies. The strategy document simply lists contributing policies and states their importance to regeneration.

While we understand the document simply sets out the vision, we believe there is still progress to be made in embedding or ‘mainstreaming’ this community-led regeneration vision at both a national and local level.

Clearly regeneration is not a defined activity, there is not a ‘one size fits all’ approach to tackling deprivation and inequality. The regeneration strategy states it provides a ‘flexible framework’ for regeneration, and places the emphasis on local partners to determine and deliver the most appropriate models of co-operation and collaboration in regeneration. However we are not convinced strategic co-ordination to embed this vision, across Scottish Government policy and guidance, has yet been fully established.

The strategy rightly states there needs to be a strong focus on community led regeneration and community participation. We are clear that communities do not yet feel that they are being placed at the heart of decision making, or that they are involved in the process timeously. Many of the decisions about how and what to do to ‘support the delivery of regeneration’ are best made locally, by those most closely engaged with their communities.

For regeneration to be truly community led, particularly when it is being delivered by mainstream budgets of local authorities and other partners, communities need to be able to actively contribute to the decision making process on public services at an early stage. It is clear all partners are not yet placing enough emphasis on true community participation in their approaches to regeneration, or are doing so too late in their decision making process. We heard the same message during our public services reform inquiry.

True community ownership and participation in public service delivery and regeneration activity rely heavily on building community capacity, through sharing of assets, best practice, good ideas, knowledge, information and expertise, as well as sufficient resources. That is effective partnership working across all relevant stakeholders, with communities playing a pivotal role.

However, nobody seems responsible for general oversight and co-ordination of activity, sharing of best practice and determination of impact across Scotland. A central strategic overview and leadership needs to be provided to all local authorities and Community Planning Partnerships (CPPs), to further support joined up, integrated approaches, and to ensure community ownership and participation is at the heart of local policy, so that opportunities are grasped and long term change is delivered.

Due to the complex, holistic nature of delivering regeneration, the funding landscape is also unclear to many stakeholders. Changes to small scale Scottish Government funded initiatives are not helpful and an improvement in linkages between funding of economic, physical and community/social activities that together deliver regeneration in Scotland would be beneficial.
Community planning is key to local alignment and delivery of the national regeneration vision, and to local implementation of public services reform. We believe the National Community Planning Group (NCPG) should play a significant leadership role in ensuring that the vision of the regeneration strategy is delivered across Scotland, that associated outcomes are embedded into mainstream local delivery and to further develop a joined up approach while overseeing implementation of the strategy’s vision.

We welcome the introduction of the Scottish Governments People and Communities Fund (PCF), as a signal of a greater focus of resource on community led regeneration but believe that oversubscription of the fund within three months is both a sign of its success and a potential opportunity lost. It is clear that more revenue funding is required.

PARTNERSHIP WORKING

In our view any organisation that works in and with the community should be considered as an ‘anchor’.

Housing associations have substantial capital and revenue resources together with a large workforce and are responsible for large areas situated within regeneration areas. Evidence indicated they carry out some valuable roles, particularly around people rather than property. Housing associations have an appetite for more activity of this nature.

We believe the role of the private sector is fully embedded in approaches to physical and economic development, and we heard some very good examples of communities working with private companies, to mutual benefit. However, we believe the opportunities available from the linkage of the private sector to community/social development are yet to be fully realised. This is in part due to the missing strategic connections between the three aspects of delivering a truly holistic approach to regeneration: physical, economic and community/social development.

We were impressed by the evidence on the benefits dedicated community officers bring and we are convinced of the dual benefits that can accrue from secondments to support community groups. The long term benefits of what is a short to medium term intervention cannot be overstated.

Not only does this support communities in accessing public funds, but this type of activity, when concentrated on transferring knowledge and building communication between communities and those involved in strategic community planning, will further strengthen the linkage between local and strategic community planning/development. It will enable and empower communities to participate independently. This we see as a perfect example of preventative action.

Buildings for the use of community groups are in short supply but all communities have schools. They are an under-used asset and there is merit in considering a strategic approach to maximising the use of school assets. We heard many good examples of local authorities improving community access to public assets, but
more could be done, across all partners, to maximise use of existing public assets, be it through community ownership, lease or discounted cost.

PRACTICAL ISSUES

We received much evidence of successful, often very successful, projects run by community groups but no real strategic approach to sharing best practice on community led regeneration. We are unconvinced that the Regeneration high level working group is working effectively nor duplicating the role of the NCPG. We make various recommendations about a role for the NCPG.

We recognise the direct support and resource needed to build community capacity, particularly in communities facing poverty, inequality and deprivation. Direct support is a hugely beneficial preventative action and any strengthening of financial support for community capacity building is welcome.

Community capacity building is a concept yet to be ‘mainstreamed’ throughout delivery of public policy. This needs to be done in order to truly empower the community to participate in decision making processes and deliver across economic, physical and community/social activity, supporting the public services reform agenda and to deliver a more sustainable model of regeneration.

CPPs are the main vehicle for delivering regeneration and significant moves are being made by public partners to deliver the public services reform required for sustainable positive outcomes for all. There is need for further improvement in CPP performance and this improvement can be supported by a stronger legislative framework for all CPP partners.

If regeneration is to be community led then local authorities, CPPs and others need to give their confidence and resources to community groups, support risk taking and accept its sometimes concomitant failure.

All partners in regeneration are interested not only in financial activity but in wider economic and social benefit. Evidence indicates that although figures purporting to represent this were widely presented there are no established standards of collection, analysis and presentation as there are with financial accounts. It is not good enough for the measurement of outcomes to be haphazard. Nor should measurement be inconsistent if progress is to be measured and councils (and CPPs) are to learn from each other.

The Scottish Government’s regeneration outcomes framework is welcome as are the monitoring arrangements. We are not convinced that the framework is fully embedded at a local level.

Regeneration delivered by CPPs is demonstrated through single outcome agreements (SOAs) and evidence indicated there could be measurable and damaging disparities in the delivery of local government services to communities in disadvantaged areas. As it is a community led regeneration strategy, more should be done to link the Scottish Government outcomes framework to SOAs, to build a wider understanding and clearer linkage of how different mainstream
activities contribute to the national regeneration outcomes of reducing inequality, deprivation and poverty across Scotland.

Regardless of what public partners might suggest, the message at community level is that they don’t feel truly part of the decision making process, and that regeneration is ‘done to them’. Communities must be given opportunities and crucially feel fully involved at all aspects of regeneration activity from initial ideas, identification of priorities and projects, through to implementation and completion. They must feel they have a voice which is listened to at all times.

As part of their statutory duties CPPs should demonstrate the amount of community participation and engagement taking place and what the impact has been. There should be a specific responsibility placed on CPPs to co-ordinate their resources in support of community-led regeneration.

EU FUNDING ISSUES

Given the difficulty of obtaining European funding, steps should be taken to identify and implement intermediary activity to aid delivery of European funds to community groups.

Difficulties in respect of the state aid regulations in some cases lead to the abandonment of schemes. The approach to date has been overly risk adverse, much driven by a ‘safety first’ approach for supporting organisations. There is a need for robust advice indicating regulations are not aimed at community-led regeneration. The opportunity should be taken to develop a comprehensive and coordinated response to the difficulties experienced in the regeneration sector by the state aid rules regime.
OUR INQUIRY

Background to the inquiry

1. In early 2012, we agreed in principle to undertake an inquiry into regeneration, as part of our future work programme. In October 2012, we scrutinised regeneration funding in the Scottish Government’s Draft Budget 2014-15. This scrutiny raised a number of questions relating to the delivery of regeneration activity in Scotland, such as the link between the Scottish Government’s regeneration strategy and regeneration policy delivered on the ground, and access by the community to regeneration funding streams. We therefore agreed to further examine these, during our planned regeneration inquiry.

2. At our meetings on 5 December 2012, 24 April, 8 May and 22 May 2013 we considered and agreed an approach to our resulting inquiry into the Delivery of Regeneration in Scotland. Our remit for this inquiry is—

“To identify and examine best practice and limitations in relation to the delivery of regeneration in Scotland.”

3. Our inquiry has had a specific focus on the ‘community’ angle of regeneration, as ‘support for community-led regeneration is at the heart of the Scottish Government’s regeneration strategy’ and is designed to improve outcomes for communities, in particular to reduce poverty and inequality of opportunity in areas of disadvantage. We undertook this inquiry to—

- Allow us to consider and report on how well the Scottish Government’s regeneration strategy supports best practice in regeneration activities across Scotland, and to make recommendations about further potential actions that could support delivery of regeneration in Scotland’s communities;

- Support our scrutiny of the forthcoming Community Empowerment and Renewal (Scotland) Bill, including in particular: the role of the community in determining and delivering local public services and regeneration activity, Community Planning Partnerships (CPPs) and ‘regeneration outcomes’ in single outcome agreements.

4. We continued our approach along the three lines of inquiry we used during our scrutiny of the Scottish Government’s Draft Budget 2013-14. These are—

- strategy and policy issues;

- partnership working; and

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practical issues.

5. On 22 February 2013 we appointed Professor Ian Wall as Adviser to the Committee to assist us with the inquiry. We wish to thank Professor Wall for his invaluable assistance. We launched a call for written evidence using the specific issues identified from the scrutiny of the Draft Budget 2013-14. A copy of our call for written evidence is attached at Annexe A. Extracts of minutes of our meetings can be found in Annexe B.

6. We also agreed to consider the impact of EU funding on regeneration in Scotland, as this was one of our EU priorities for 2013, with EU funding and rules being a significant factor in regeneration investment. Resource issues more generally were also considered during our evidence taking and are addressed throughout this report, as well as issues around equalities, sustainability and climate change.

7. The inquiry, like the Scottish Government’s regeneration strategy, has a strong community focus and, as such, the approach we took to evidence taking prioritised engagement with representatives of local communities across Scotland. The full list of organisations who provided evidence to our inquiry, and links to their evidence, is available in Annexe D.

8. Land use planning is identified as an important contributor to the success of the Scottish Government’s regeneration strategy. At the outset of the inquiry we had also intended to include our scrutiny of the draft third National Planning Framework (“NPF3”) and review of Scottish Planning Policy (“SPP”) and its links to regeneration policy. In November 2013, the Minister for Local Government and Planning, Derek Mackay MSP, informed us that the draft NPF3 would be laid in Parliament in early January 2014. Consequently, we will report on the planning aspects of the regeneration inquiry as part of our scrutiny of those documents.

9. That reporting will also include our consideration of the specific Scottish Government actions identified in the strategy, including the link to the regeneration of town centres and the recent town centre review. Certain aspects of the strategy also concentrate on areas that stray outside of our committee remit, in particular housing (for example, the Scottish Government’s target of building 30,000 affordable homes) and welfare reform. We have therefore concentrated our scrutiny on actions in the strategy that relate to community regeneration and public services reform.

Acknowledgments and community engagement

10. We held six formal oral evidence sessions on 12, 19 and 26 June; 11 and 25 September, and 27 November 2013. Links to the Official Reports of those meetings and details of witnesses can be found in Annexe C.

11. Throughout this inquiry, invaluable fact-finding visits have greatly informed our findings. We thank all those individuals who took the time to talk to us and contribute their views and experiences. In addition to our visit to Cumbernauld in January 2013, we visited Aberdeen and Glasgow in February, and Dundee and Paisley in September 2013. The information gathered during our fact-finding visit
to South Ayrshire, which we undertook primarily as part of our Public Services Reform Inquiry in April 2013, was also highly relevant to this inquiry.

12. On each fact-finding visit, we undertook a site visit to a local regeneration project and held a round-table discussion with community representatives, who covered a broad spectrum of interests. A summary of the issues discussed with community group on these fact-finding visits, as well as details of the visits themselves, are available at Annexe E.

13. We take this opportunity to thank the many officials from local government, voluntary and third sector organisations and business groups, and the community representatives who took time to meet with us over the course of our inquiry.

14. We especially thank members and staff of Aberdeen City Council, Aberdeenshire Council, Dundee City Council, Glasgow City Council, North Lanarkshire Council, Renfrewshire Council and South Ayrshire Council for the support and assistance they provided to us in organising committee fact-finding visits, and providing briefings and facilitating site visit to various locations.

15. Our sincere thanks also go to staff and members of Abronhill High School in Cumbernauld, the Aberdeen Council of Voluntary Organisations, the Albany Centre in Glasgow, Engage Renfrewshire, Ferguslie Park Housing Association in Paisley, Friends of Cumbernauld Glen, the Forestry Commission in Scotland, the residents and community council of Maybole in South Ayrshire, Scottish Water, the Scottish Wildlife Trust, the Seaton Backies project in Aberdeen, the University of Aberdeen, the University of the West of Scotland, and the Tea in the Pot group in Glasgow.

16. Finally, we thank all the members and staff of the Third Sector Interface (TSI) groups in Aberdeen City, Aberdeenshire, Dundee, Glasgow, North Lanarkshire, Renfrewshire and South Ayrshire for their support and assistance with the inquiry, and for sharing their views and experience of the needs and challenges faced by communities across Scotland.

17. The support and assistance of all those people and organisations was invaluable in assisting us in carrying out a detailed examination of community regeneration across the country. We have learned a great deal from meeting people across Scotland, and hope our report does justice in reflecting the effort and commitment shown by so many people who are working to regenerate their communities.

Structure

18. This report begins with a brief history of the evolution of regeneration policy in Scotland. There follows a summary of the Scottish Government’s regeneration strategy and the funding available for regeneration in Scotland. We then summarise our consideration of the regeneration strategy, including the evidence received and our resulting findings and recommendations under the three inquiry themes, finally we examine EU aspects of regeneration activity.
19. Lastly, we provide our overall conclusions and recommendations to the Scottish Government (and other stakeholders), and outline our next steps as a committee.
THE EVOLUTION OF REGENERATION POLICY IN SCOTLAND

What does regeneration mean to you?

20. In its regeneration strategy, the Scottish Government defines regeneration as “the holistic process of reversing the economic, physical and social decline of places where market forces alone won’t suffice.”

21. With this in mind, our call for evidence sought to identify the different aspects of regeneration by posing the question “Can physical, social and economic regeneration really be separate entities?”

22. From the evidence received it is clear that many stakeholders and communities across Scotland share our clear understanding that physical, social and economic considerations are integral to, and interdependent with, the policy of regeneration as defined today.

23. This has not always been the case however. Indeed for most of the last 60 to 70 years, the concept of regeneration was often identified in most people’s minds as relating to just the physical development, or redevelopment, of the communities in which they lived. That development could be as small as the development of a local play area for children in a given community, to as large as the construction of whole new towns in the post-war development years in the 50s and 60s.

24. The concept of regeneration in the Scottish experience has evolved greatly over the last 70 years, and has been influenced as much by Scotland’s economic, social and political experience during the 20th century, as by developments in international policies on social and physical regeneration.

25. Today public policy on regeneration is interlinked with issues such as economic development, health inequalities, social integration and educational development as much as it is with the construction of new houses, schools and roads. In order to understand this development, we must look back at the roots of modern regeneration policy in Scotland.

The planned community

26. Defining what a community consists of is not as easy or straightforward as it might first appear. In order to consider how effective Scottish Government policy is in regenerating communities across Scotland, we need to understand what we mean by ‘community’. Oxford Dictionaries Online defines a community as “a group of people living in the same place or having a particular characteristic in

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common". When we think of communities, in terms of regeneration policy, that is often the definition that most readily comes to mind.

27. It may be a common belief that the concept of a planned community, such as a new town or village, is a relatively recent innovation from the mid-19th century onwards. The reality is, however, Scotland has been building planned settlements for centuries. The earliest concept of building a planned, integrated urban settlement on what today would be referred to as a ‘green field site’ was introduced into Britain by the Romans in the 2nd century AD. The idea that the state could plan and build entire integrated communities, complete with all the structures and facilities that they might need, originated from this legacy. This built legacy forms the basis for what today is referred to as ‘urban planning’.

28. The concept of the planned community is in sharp contrast to the alternative pattern of piecemeal community development, which sees settlements growing up over time, often adjacent to a major political, economic, ecclesiastical or trading centre such as a castle; cathedral; market place; river crossing or coastal harbours. Such generational communities evolve over long periods in what may often seem to the modern eye as a rather haphazard way. Nevertheless, many of Scotland’s communities began life in this manner.

29. In Scotland, the concept of the planned town is nothing new. For centuries successive monarchs initiated the construction of towns via royal charter, such as Falkland in 1458 and Pittenweem in 1541. The influence of major social and scientific developments such as the renaissance, the enlightenment and the Industrial Revolution, all saw major advances in urban design in Scotland.

30. From the development of landed estate villages by the aristocracy, such as the construction of Inverary by the Duke of Argyll in the late 18th century, to the construction of Edinburgh’s New Town, the industrial settlements of New Lanark and the post-war new towns, all of which were successful, Scotland has been at the forefront of urban regeneration in western Europe for centuries.

**Urban regeneration in Scotland**

**Housing in modern Scotland**

31. The development of regeneration policy in Scotland over the last 100 years has been intrinsically linked to the provision of sufficient housing stock for the needs of the population. Consequently, the 20th century saw an ever increasing role for the state in the provision of housing.

32. Rapid urban growth in Scotland during the industrial revolution saw huge problems with overcrowding in very poor quality housing (the population of Glasgow grew from 77,000 in 1800 to 275,000 by 1841). Despite social reform in the late 19th century (such as the end of windowless homes by 1881), overcrowding remained a serious problem. The 1911 census showed that, although the number of people in Scotland living in one-room homes declined to 13% of the total population, the number of those living in two-roomed homes was

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still high at 41%. Thus, over half the population of Scotland in 1911 lived in one or two roomed homes; in England the comparable figure was only 7%.5

A country fit for heroes to live in

33. Modern social housing policy in Britain grew out of the aftermath of World War I. In the general election of 14 December 1918, Prime Minister David Lloyd George promised the creation of a social system which would see the development of “a country fit for heroes to live in”. As a result, local authority housing stock in Britain grew by over 2 million units between 1919 and 1939. Over 212,000 council houses were built in Scotland in this period.6

34. World War I saw the disruption to global trading routes which impacted on the supply of raw materials for the British construction industry. This was coupled with issues such as the need to house hundreds of thousands of returning demobilised ex-servicemen from overseas; major industrial and social unrest in the post-war British economy; political instability across Europe; and a global flu pandemic which led to the deaths of an estimated 40 million to 50 million people worldwide in 1918-19.7 In fact Glasgow was the first UK city to be impacted by the flu pandemic (known as Spanish flu) in the spring of 1918.8,9 By the summer of 1919, over 228,000 people in Britain had died of the flu. Most of them were between the ages of 18 and 30.

35. Set against this politically, socially and economically unstable backdrop, much of the public housing stock that was constructed in the first half of the 1920s was built in a relatively unplanned manner. The Wall Street stock market crash of October 1929, and the global depression which followed, also had a major impact on the quality of public housing build across the UK in the 1930s, due to the severe prolonged economic downturn. The legacy of this period was that many people were housed in substandard accommodation in terms of heating, insulation, sanitation and maintenance, for example.

36. Today in Scotland the social rented sector, which comprises housing stock that is owned by local authorities and registered social landlords, accounts for about 24% of Scotland’s housing stock. There are around 595,000 such properties.10

6 Spicker P. *An Introduction to Social Policy, Housing and Urban Policy*. Robert Gordon University. Available at: [http://www2.rgu.ac.uk/publicpolicy/introduction/housing.htm](http://www2.rgu.ac.uk/publicpolicy/introduction/housing.htm) [Accessed 11 February 2014].
7 Commonly referred to as Spanish Flu, this was a variant of the H1N1 Avian (Bird) Flu virus. By the end of 1919 the flu had resulted in three times the number of deaths worldwide as had been killed in the four years of World War I (1914-18).
8 Letter from Professor Roy Grist (Glasgow) to the British Medical Journal dated 29 September 1918.
The garden city movement
37. The early decades of the 20th century saw a new movement in urban design. The concept of the garden city was born out of the social and economic concerns about the legacy of Victorian urban development, which saw large numbers of poor working-class people living in inner-city slum conditions. The garden city movement was driven by the idea of creating an urban utopia, in which people would live in large, low level planned towns surrounded by trees, parks and open spaces, and would commute to work in the cities via the rail network.

38. This resulted in the building of new towns across the south of the UK, such as Letchworth and Welwyn Garden City. The movement was as much inspired by the perceived need to see the ‘moral’ regeneration of society as its physical regeneration following the massive social change brought about by the industrial revolution and World War I. This garden city movement reached its height in England in the inter-war period between 1920 and 1935.

39. Scotland, too, had planned settlements in the first decades of the 20th century, which were influenced by the garden city movement. These often remained linked to the need for workers to live close to their place of employment, which was often in industrial centres. One such example was the development of Rosyth in Fife in 1915 to provide housing for workers at the Royal Navy base following the start of World War I.

40. During the economic crisis of the 1930s, which had a disproportionately heavy impact on Scotland, the Scottish Development Council was established as a civic body to encourage and support economic development. The Council had a particular focus on industrial development. Working with the Scottish Office, it established the Hillington Industrial and Trading Estate at Hillington Park in Glasgow in 1938. At over 417 acres in size, Hillington Park remains Scotland’s largest industrial estate and business park.

World War II and post-war development
41. Without doubt, however, the driving force behind regeneration policy in Scotland in the second half of the 20th century was the impact of World War II and its social and cultural aftermath. The development of the welfare state by the UK Government of Prime Minister Clement Attlee between 1945 and 1951 saw the establishment of the New Towns Committee under the chairmanship of a Scotsman, Lord Reith (the first Chairman of the BBC). This led to the New Towns Act 1946 which paved the way for the mass clearance of communities from poverty stricken inner-city slums, which had been further decimated by wartime aerial bombing campaigns, to newly built towns in the green belt suburbs of major UK cities. These, and other policies saw a further four million local authority homes built in Britain in the post-war period.

42. In Scotland, five new towns were built in the post-war era: East Kilbride (1947), Glenrothes (1948), Cumbernauld (1955), Livingston (1962) and Irvine (1966). One major difference in the post-war development of new towns, compared with pre-war garden city examples, was the replacement of the train by the car as the major form of transport for people between where they lived and worked. This heavily influenced the design of post-war new towns in both Scotland and England. Scotland’s major cities also saw a massive expansion of public
housing stock between 1945 and 1970. By the end of the 1960s, 63% of housing in Glasgow, 57% in Dundee and 48% in Aberdeen were in the public sector.\textsuperscript{11}

43. After World War II, the Scottish Development Council merged with the Scottish Council on Industry, which was established by the wartime Coalition Government of Prime Minister Winston Churchill, to form the Scottish Council for Development and Industry (SCDI). The focus of the SCDI was on promoting the economic development of Scotland by attracting inward investment and growing the country’s research and industrial bases in the high-tech development sector.

**The policy of regeneration**

44. By the early 1970s changes to Scotland’s local government system were under way. That culminated in the local government reforms introduced by the Government of Prime Minister Edward Heath which saw the replacement of the old county councils in Scotland with the creation of the regional councils in 1976.

45. The regional councils played a major role in shaping the delivery of regeneration in Scotland in the 1970s and 1980s. In his written evidence to the inquiry Dr Peter Matthews of Heriot Watt University stated—

> “Regeneration has been typified as an “alphabet soup” of initiatives. Numerous initiatives have been implemented over the decades, many of them running concurrently. Place-based regeneration policies have been used in the UK since the Urban Programme was launched in 1968 although antecedents can be found in previous slum clearance and comprehensive development policies.”\textsuperscript{12}

46. Outlining the problems of social deprivation which faced Scotland in the 1970s, Dr Matthews stated—

> “The main concentrations of unemployment and the associated social problems of multiple deprivation in Scotland have tended to be in large peripheral social housing estates. Policies such as population dispersal from Glasgow had delivered these new residential suburbs from the 1950s onwards. By the 1970s their peripherality, localised and general deindustrialisation, often combined with poor quality housing and services, led to specific concentrations of deprivation. This was recognised from the 1970s and urban regeneration funding, delivered by the Regional Councils, was increasingly focused on these neighbourhoods.”

47. During the 1970s regeneration policy in Scotland was driven by UK Government funding from the urban programme (as “UrbanAid”) along with funding from the then European Economic Community.\textsuperscript{13} While UrbanAid in England focused mainly on inner-city regeneration, in Scotland many regional

\textsuperscript{11} Knox WW. *A History of the Scottish People, Urban Housing in Scotland 1840-1940*. SCRN. Available at: [http://www.scran.ac.uk/scotland/pdf/SP2_4Housing.pdf](http://www.scran.ac.uk/scotland/pdf/SP2_4Housing.pdf) [Accessed 11 February 2014].

\textsuperscript{12} P Matthews. Written submission.

\textsuperscript{13} The European Economic Community (EEC), founded in 1957, became the European Union in 1992 following the approval of the Maastricht Treaty.
councils focused spending on the peripheral social housing estates where levels of deprivation were concentrated.

**Housing policy in Glasgow post-1945**

48. One exception to this policy was the establishment of the Glasgow East Area Renewal project (GEAR). The comprehensive development of central Glasgow from the end of World War II up to the late 1970s was the largest of any city in the UK. Thousands of slum tenements were demolished, principally in the 1950s, and up to half a million people were rehoused (equivalent to 45% of the city’s post-war population).\(^{14}\) This had major implications for urban development and regeneration policy across all central Scotland, the legacy of which carries on into the present day.

49. By 1979 Glasgow had more than 300 multi-storey tower blocks, which was by far the largest stock in Europe. Much of this housing stock suffered from a variety of issues, from the widespread use of asbestos as a fire-proofing and cladding element, to anti-social behaviour and social isolation.

50. GEAR was established in 1976 by the Scottish Office and existed until 1987. It focused on the regeneration of the inner-city east end of Glasgow, by redeveloping 3,500 acres of land.\(^{15}\) GEAR was one of the most determined attempts at inner-city renewal in the UK in the 1970s and 1980s, and received major national and international attention.

51. GEAR reflected a major shift in strategic planning for the west of Scotland from the new towns strategy of the 1950s and 1960s, to a policy of urban renewal. GEAR was collectively governed by the relevant local authorities and various Government agencies,\(^{16}\) under the chairmanship of a Scottish Office minister supported by the Scottish Development Agency.

52. From the late 1980s, through the 1990s and into the early 2000s Glasgow saw widespread redevelopment of much of its housing stock, and many high-rise tower blocks were earmarked for demolition. In 2003, Glasgow City Council transferred its stock of 84,000 homes to a newly-established not-for-profit social landlord, Glasgow Housing Association.

**The 1980s and New Life for Urban Scotland**

53. During the 1980s regeneration policy across the UK was dominated by large-scale support for subsidy of private-sector led revitalisation. This was typified by creation of the urban development corporations (UDCs), the most high profile of which was the London docklands regeneration project. UDCs were designed to encourage the private sector to lead in the delivery of urban regeneration.

54. During the 1980s the Scottish Office continued to target Urban Aid funding at physical improvements and opted not to set up UDCs in Scotland. Instead the Scottish Office used legislation to create enterprise zones (EZ).

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\(^{14}\) The population of Glasgow City by 1945 stood at just over 1.1 million people.


\(^{16}\) The governing bodies of GEAR comprised Glasgow City Council, Strathclyde Regional Council and six government agencies.
55. Introduced in the Local Government Planning and Land Act 1980, the EZ were originally developed as a tool for regeneration and redevelopment. EZ focused on built environment issues and utilised tax allowances and rates exemptions to drive development. Thirty eight EZ were designated across the UK between 1981 and 1996. Their set up included tax subsidies, with 100% capital allowances on investment in property in the zones; exemptions from local business rates; a simplified planning framework; and some reduction in bureaucracy.

56. The most high profile EZ in Scotland was established on the site of the former Singer sewing machine factory in Clydebank in 1981. The others were established in Invergordon/Alness in 1983; the Tayside area, which had six sites in Dundee city and one in Arbroath in 1984; Inverclyde in 1989; and Lanarkshire in 1993. EZ were primarily focused on commercial and economic regeneration rather than social regeneration.

57. In 1988 the Scottish Office launched a new pilot initiative called the New Life for Urban Scotland programme, which focused on the establishment of new urban regeneration partnerships in four communities which suffered from some of the most difficult and challenging social and economic issues in Scotland. They were Castlemilk in Glasgow, Ferguslie Park in Paisley, Wester Hailes in Edinburgh and Whitfield in Dundee.

58. Led by civil servants from the Scottish Office, the four partnerships were intended to drive forward efforts to tackle urban regeneration, thus setting a pattern for future regeneration. The partnerships delivered major improvements on the ground for each community, especially in improving the quality of the housing stock, but the Scottish Office withdrew from its role in this work over the period from 1995 to 1999.

59. Another achievement of the New Life for Urban Scotland partnerships was the delivery of tenure diversification. For example, 1000 Glasgow City Council owned housing units in Castlemilk were transferred to the ownership of what would eventually become Scottish Homes, which was formed from the merger of the Scottish Special Housing Association and the Housing Corporation in Scotland in 1989.17

60. New Life for Urban Scotland partnerships provided a model for other similar multi-agency place based regeneration projects, such as the priority partnership area scheme, and the small urban regeneration initiatives run by Scottish Homes with investment in physical regeneration by Scottish Enterprise.

61. New Life for Urban Scotland was the first attempt at a more holistic form of regeneration which sought to address major social and educational problems lying at the heart of poverty and deprivation. That model of regeneration policy, established in Scotland in the 1990s, continued after the establishment of devolution and the Scottish Parliament in July 1999.

62. The newly established Scottish Executive\textsuperscript{18} inherited this model, and continued the work of the existing partnership areas, as well as establishing 48 new social inclusion partnerships (SIPs) over the term of the first session of the Scottish Parliament from 1999 to 2003.

63. In 2002 the Scottish Executive launched a new regeneration policy called \textit{Better Communities in Scotland: Closing the Gap}. This saw the ending of SIPs and the transfer of their functions into the newly established community planning partnerships (CPPs). Between 2006 and 2008 CPPs were supported in delivering regeneration through the £350 million per annum Community Regeneration Fund, which was targeted at the most deprived 15\% of neighbourhoods as identified in the Scottish Index of Multiple Deprivation.

64. Since 2007 Scottish Government policy has seen regeneration being delivered as part of the national outcomes via local authorities and CPPs. This has seen single outcome agreements designed to play a central role in describing targets for physical, social and economic regeneration.

65. The legacy of GEAR and the EZs also lived on in the work of the urban regeneration companies which became the successors to those initiatives in those communities continuing to suffer from high levels of multiple deprivation.

66. In 2011 the Scottish Government launched its current strategy, \textit{Achieving Our Potential}, designed to deliver community-led regeneration as part of the wider public sector reforms in the wake of the Christie Commission.\textsuperscript{19} This also focuses on the need for preventative spending as a result of decreasing levels of public spending in the wake of the economic recession since 2008.

\textit{Enterprise agencies}

67. From 1975 national responsibility for regeneration policy in Scotland lay with the Scottish Development Agency (SDA). In 1991 the SDA was merged with the Scottish Training Agency to form Scottish Enterprise. This saw the development of enterprise networks, with a strong regional emphasis. Scottish Enterprise delivers economic development within geographic areas in Lowland Scotland, from Grampian to the Borders.

68. Highlands and Islands Enterprise (HIE) was also established in 1991; it succeeded the previous Highlands and Islands Development Board. HIE mirrors the role of Scottish Enterprise throughout the rest of Scotland in developing sustainable economic growth. However, unlike Scottish Enterprise, HIE has a unique role in strengthening communities, particularly in remote and peripheral

\textsuperscript{18} The \textit{Scottish Executive} was the legal name of the newly devolved government in Scotland and succeeded the old Scottish Office in 1999. In 2007 the Scottish Executive was rebranded as the Scottish Government, however its legal name remained the \textit{Scottish Executive}. This legal name was formally changed to the \textit{Scottish Government} by the Scotland Act 2012.

\textsuperscript{19} Formally called the \textit{Commission on the Future Delivery of Public Services}, the Commission was set up by the Scottish Government in November 2010 and was chaired by the former General Secretary of the Scottish Trade Union Congress, Mr Campbell Christie. The Commission published its report in June 2011. Available at: \url{http://www.scotland.gov.uk/About/Review/publicservicescommission} [Accessed 11 February 2014].
areas with a fragile economic base. This role includes supporting communities in
the Highlands and Islands to acquire and develop land and other assets.20

69. HIE’s geographical remit covers more than 52% of the land area of
Scotland. This includes the local authority areas of Argyll and Bute Council,
Comhairle nan Eilean Siar (Western Isles Council), Highland Council, Orkney
Islands Council and Shetland Islands Council. This area has a population of
approximately 450,000 people, which accounts for 8.5% of Scotland’s population.21

70. In 2001 the Scottish Enterprise networks were re-centralised and national
responsibility for regeneration was passed to the newly established Communities
Scotland. Communities Scotland was, in turn, disbanded in 2008 when
responsibility for regeneration was transferred to Scotland’s 32 local authorities. In
order to support this process the Scottish Centre for Regeneration was established
in 2007 as part of the Scottish Government’s Housing and Regeneration
Directorate. Its remit was to help achieve the Scottish Government's purpose,
targets and national outcomes for regeneration through supporting public, private
and voluntary sector delivery partners. The Centre was wound up in 2011.22

The real impact of regeneration policy?
71. One element which is clear from the examination of the development of
regeneration policy in Scotland over the last 70 years is the numerous changes in
policy and emphasis, whether at national level or local council level, irrespective of
which political party has been in power in London, and latterly in Edinburgh.

72. This trend in policy change is interesting as a relatively small level of public
expenditure (some several hundreds of millions of pounds each year), as a
proportion of overall public spending in Scotland, supports regeneration.

20 Highlands and Islands Enterprise. Community Support. Available at:
http://www.hie.co.uk/community-support/strengthening-communities-and-fragile-areas.html
[Accessed 11 February 2014].
21 Highlands and Islands Enterprise. (2011) Area Profile for Highlands and Islands. Available at:
https://www.google.com/url?q=http://www.hie.co.uk/common/handlers/download-
document.ashx%3Fid%3D6e4ca483-1954-4858-9ec9-40cc96b6e5bc&sa=U&ei=oVz6UsrBlaaS4ATKn4GwBA&ved=0CAYQFjAB&client=internal-uds-
cse&usg=AFQjCNHzB06QmqWOPuYvB0N3Lbndw37Rtg [Accessed 11 February 2014].
22 Scottish Government, Housing and Regeneration Partners. Available at:
WHAT DOES THE SCOTTISH GOVERNMENT’S REGENERATION STRATEGY SAY?

73. The Scottish Government’s “Achieving a Sustainable Future: Regeneration Strategy” (the regeneration strategy) was published in December 2011. It defines regeneration as ‘the holistic process of reversing the economic, physical and social decline of places where market forces alone will not suffice’. The strategy outlines a Scottish Government vision of—

“A Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote well-being. This can only be delivered if regeneration is approached in a holistic way, by addressing the economic, physical and social needs of our communities.”

74. In order to achieve a holistic approach, the regeneration strategy has a fairly strong focus on ‘place’. It suggests the key to achievement is investing in the sustainability of communities as a preventative measure. This investment takes the form of a necessarily varied range of cross-cutting ‘regeneration’ interventions, with physical renewal of a place underperforming economically e.g. revitalisation of town centres, or revenue support to communities where there are significant issues across a range of social and economic indicators. These indicators can include poor health and education outcomes, high levels of poverty/deprivation and worklessness.

75. Preventative action, by targeting mainstream budgets to tackle negative outcomes in areas of deprivation, alongside other public services reform activity, is also intended to produce a correlated reduction in spend on mainstream services. Given the known future pressures on the public finances, this will be a necessity.

76. The Scottish Government states that a co-ordinated approach to delivering regeneration activity in Scotland is required across public, private and third sectors, alongside communities, with a concerted effort across Government and all mainstream services to deliver these results.

77. The regeneration strategy highlights the links between numerous related public policies and strategies, which clearly demonstrates the complex and cross-cutting nature of delivering regeneration activity. A list of these policies is provided below (this list is not exhaustive)—

- The overarching Scottish Government Economic Strategy;
- Policies focused on infrastructure and capital investment (including the Infrastructure Investment Plan, the National Planning Framework and the Cities Strategy);

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• Support for rural communities through ‘Speak Up for Rural Scotland’, 37 the Land Reform Agenda;

• Transport and digital strategies;

• Public services reform – Cabinet Sub Committee created; and,

• Mitigation of the impact of welfare reform in Scotland.

78. The regeneration strategy identifies the roles and responsibilities of the various partners involved in delivering the various aspects of these policies. The following actions are needed in order to support delivery of the strategy—

• A sustained and co-ordinated approach across all partners involved in delivering regeneration, across a wide range of outcomes and utilising resources from across mainstream budgets, such as housing, health, justice and education (amongst others);

• An increased focus on community-led regeneration;

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• Local authorities have to be well placed to co-ordinate economic development and regeneration activity. Local authorities, CPPs and other partners are responsible, and best placed, to ensure that the right collaborations and effective working are in place.

79. The Scottish Government however has a role to play and the strategy outlines the following specific Scottish Government actions, based around three main strands—

• Public service reform, taking an assets-based approach, improving joint working and supporting local delivery;
• Support for community-led regeneration;
• Realising the economic potential of Scotland's communities through focused funding and other support mechanisms.

| **Public Service Reform, taking an assets-based approach, improving joint working and supporting local delivery** |
| Work with the Improvement Service and the Scottish Local Authorities Economic Development Group (SLAED) on the effective implementation of the improvement guide for local authority economic development services. |
| Work with the public, private and third sectors, alongside communities, to share knowledge and improve delivery |
| Lead engagement with the private sector at a national level to fund, inform and deliver regeneration |
| Identify opportunities to coordinate engagement between private sector and key public sector partners, including local authorities, to support the development of productive partnerships at a local level |
| Improve internal Scottish Government and cross-agency collaboration and ensure that regeneration outcomes are embedded within mainstream policies. A high-level working group, to be led by the Cabinet Secretary for Infrastructure and Capital Investment, will be established to support this work. |
| Develop and deliver the 'Achieving Change Programme' - in partnership with key stakeholders during 2012. |

| **Support for Community Led Regeneration** |
| Work with stakeholders to develop and deliver the People and Communities Fund to provide support to communities |
| Introduce the Community Empowerment and Renewal Bill |
| Ensure renewable projects developed on the public land are leaders in the provision of community benefit. |
| Continue to provide funding to communities through the Climate Challenge Fund |
| Develop a Dormant Bank Accounts grant scheme |
• Investigate the feasibility of a Scottish Charitable Bond
• Introduce a £500k Community Ownership Fund to help communities to explore taking ownership of their local sports facilities.
• Continue to work with key external partners, including BIG in Scotland, to share learning and to align funds where appropriate around a set of shared outcomes.

**Realising the economic potential of Scotland's communities through focused funding and other support mechanisms.**

• Continue to provide key funding to regeneration projects through the Regeneration Investment Fund.
• Use the lessons from SPRUCE, Scotland’s JESSICA Fund, to inform future development of innovative funding models.
• Work with stakeholders to establish the scope of the Regeneration Capital Grant Fund to determine how, where and to who it should be allocated in the future.
• Engage with COSLA and local authorities to ensure that maximum benefit is derived from the VDLF. This will include reviewing the types of activity supported.
• Ensure that the remaining funds in the 2007-13 ERDF programme are prioritised to support the delivery of key regeneration outcomes, particularly where there is an opportunity to tackle market failure and generate economic growth.
• Work with the European Commission to shape the future Structural Funds programme (2014-2020) to offer support for regeneration capital projects and to complement the activities underway through the Regeneration Investment Fund.
• Continue to provide support for heritage related projects through Historic Scotland’s capital grant programme and pursue alignment between the aims of this programme and other regeneration funding streams.
• Depending on progress with TIF pilots, the Scottish Government will consider bringing forward primary legislation to roll out TIF more widely across Scotland.
• Deliver the Next Generation Digital Fund to accelerate the roll-out of next generation broadband across Scotland.
• Establish four Enterprise Areas which, by focusing on manufacturing opportunities in growth sectors, will help create a supportive business environment, encourage faster economic growth and generate new employment opportunities.
• Work with public and private sector partners, including organisations such as the Scottish Futures Trust, to develop new and innovative funding models which will provide a direct benefit to local authorities and their partners.
• Support local authorities to develop local innovative funding solutions where appropriate.
• Ensure alignment of funding streams where possible to support the delivery of shared outcomes.
• Undertake a national review of town centres in 2012 in partnership with local authorities and other key stakeholders.
• Align funding streams where possible, including aspects of the Regeneration Investment Fund, in order to provide appropriate support for town centres as identified within the national review.
• Introduce Reform of Empty Property Relief from April 2013.
• Continue to provide funding to support and encourage the development of BIDS across Scotland.
• Work with all housing providers to seek creative, innovative approaches to deliver the target of 30,000 affordable homes across Scotland over the next five years.
• Bring forward legislation to the Scottish Parliament to tackle issues with long-term empty homes.
• Continue to support social landlords to help target spending on housing improvements and to raise awareness of the SHQS amongst tenants.
• Help kick-start house-building through the £10m House Building Infrastructure Loan Fund.
• Ensure that Scotland’s planning system is effective and proportionate and that it supports sustainable economic growth and regeneration outcomes.
• Work with stakeholders to continue to improve the Compulsory Purchase Order (CPO) process.
• Continue to work with planning authorities to ensure that quality design features at the heart of placemaking.
• Continue to support A+DS as Scotland’s placemaking champion.
• Continue to provide support to the Scottish Sustainable Communities Initiative (SSCI) and the SSCI Charrette Mainstreaming Programme.
• Provide continuing support to the Central Scotland Green Network (CSGN) and provide funding through the CSGN development fund for projects that improve the environment in regeneration areas.
• Continue to support local authorities to deliver change through Creative Scotland’s Place Partnerships Programme.
• Encourage those responsible for delivering regeneration to incorporate creative and cultural projects within regeneration schemes.
• Work with the Scottish Futures Trust and other key stakeholders to develop a Scotland-wide implementation programme for asset management activity which will apply at both national and local level.
80. Intended outcomes are also identified in the regeneration strategy and will be used by the Scottish Government (and others) to monitor whether the strategy is achieving its overarching vision. The outcomes were developed by the Scottish Government in consultation with the public, private and third sectors alongside community groups. The overarching focus of the outcomes in the regeneration strategy is upon communities and they are categorised into three areas: ‘economically sustainable communities’ ‘physically sustainable communities’ and ‘socially sustainable communities’.

REGENERATION IN SCOTLAND - WHAT’S THE ASSOCIATED RESOURCE?

81. This section of our report notes the resources available to support regeneration activity in Scotland. Later we look more closely at how it is distributed and spent.

Scottish Government direct funding

82. Scottish Government direct capital and revenue resources for supporting delivery of the regeneration strategy were outlined in a letter to us from the Minister for Housing and Welfare.\(^{38}\) In addition, the Government’s 2012 progress report on its 2011 Infrastructure Investment Plan (IIP) contained a section on Regeneration, which stated that from 2008-2012, “over £216 million was directly invested in regeneration activity.”\(^{39}\)

Capital investment fund

83. The Government states that its “Capital Investment Fund” is made up of four elements, which are each discussed in more detail below—

- The SPRUCE (Scottish Partnership for Regeneration in Urban Centres) Fund – this is a £50m JESSICA (Joint European Support for Sustainable Investment in City Areas) loan fund managed by Amber Fund Management (so all money must be paid back). SPRUCE has been established with funding from the Scottish Government and the European Regional Development Fund. Eligible projects must be located within the 13 local authority areas in the Lowlands and the Uplands of Scotland as determined by the Scottish Index of Multiple Deprivation; and eligible and investible projects include the development of office and commercial space, key transport projects and investment in energy efficient projects.\(^{40}\)

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\(^{38}\) Minister for Housing and Welfare. Written submission, 29 August 2013.


SPRUCE is designed to lever significant co-investment from the public and private sectors in supporting urban renewal and employment growth through revenue generating projects. Set up in December 2011, three investments have now been made.41

- **The Regeneration Capital Grant Fund (RCGF)** – this £25 million per annum fund, “which has been developed in partnership with COSLA and local authorities, will provide financial support from 2014/15 to projects that will help to deliver large-scale improvements to deprived areas. It will focus on projects that engage and involve local communities and those that can demonstrate the ability to deliver sustainable regeneration outcomes.”42 The resources from the fund have been redirected from Urban Regeneration Companies (URCs), although £4.5m and £3.5m in 2014/15 and 2015/16 has been top-sliced from the £25m to provide support to Clyde Gateway, Riverside Inverclyde and Irvine Bay URCs to transition away from direct grant funding. The remaining resources are open to all local authorities, the URCs and other regeneration special purpose vehicles, and the first 22 applications have now been recommended by the RCGF Investment Panel and agreed by COSLA and Scottish Ministers.43

- **The Vacant and Derelict Land Fund** – this fund is available to five local authorities to tackle issues with long standing vacant and derelict land. No figures are given in the Minister’s letter44 which suggests a review of the fund in 2013 to ascertain whether a wider range of projects would be supported and expansion beyond the existing local authorities. The Infrastructure Investment Plan Progress report states that “over £26m” is being provided over the three-year spending review, which lasts to 2014-15.

- **Town Centre Regeneration** – funding of £2.75 million has been allocated to seven projects through the Town Centre Housing Fund to bring empty town centres back into use for affordable housing. Support for other town centre capital projects is available through RCGF. In addition, Scottish Government is proposing to support delivery of the Town Centre Action Plan with an outline budget of £1.5 million in 2014/15 and 2015/16.

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44 Minister for Housing and Welfare. Written submission, 29 August 2013.
In 2009-10 the Scottish Government provided one-off funding of £60 million to a town centre regeneration fund.

Re revenue funding
84. In terms of revenue funding, the Government’s People and Communities Fund (PCF) provides £7.9 million per year, from 2012-2015 to support community-led regeneration. The fund is open to Registered Social Landlords, Community Development Trusts and other “community anchor organisations”.

Other Scottish Government funding
85. As well as those funding streams identified by the Government as explicitly supporting delivery of its regeneration strategy, there are a range of other areas of spending that are related to regeneration.

Funding the URCs
86. Urban Regeneration Companies (URCs) are special purpose vehicles set up to deliver complex regeneration projects – attracting and co-ordinating public and private sector investment around a shared plan with the aim of achieving the sustainable transformation of their areas. There are six URCs in Scotland, which have received different levels of funding from the Scottish Government/Scottish Enterprise. In the IIP report, the Government states that, from 2008-2012, £121.9 million was invested in URCs, and that—

“the following outputs have been delivered: over 85,000 sqm of business space; over 2000 jobs and 900+ training places; 211 hectares of vacant and derelict land remediated or developed; over 800 houses and 2 primary schools built. In addition, over £144 million of private sector investment has been generated on the back of public sector investment.”

The Fairer Scotland Fund
87. The Fairer Scotland Fund (FSF) was announced by the Scottish Government in January 2008 and was worth £145 million per annum over 2008-11. It merged the following seven previous funding streams: Community Regeneration Fund; Working for Families; Changing Children’s Services Fund (“social inclusion” element); Community Voices Fund; Financial Inclusion Fund; Workforce Plus (including the New Futures Fund); and More Choices, More Chances. The purpose of the fund was to enable local authorities and Community Planning Partnerships (CPPs) to tackle area-based disadvantage; individual poverty; and help more people to access and sustain employment opportunities. From 2010-11 the ring-fence on the fund was removed and it was “rolled-up” into the local government settlement.

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47 Scottish Parliament Local Government and Regeneration Committee. (2013) Regeneration Funding Streams. Available at:
88. But, following the roll-up of the funding into the Local Government settlement, there is no process to identify and monitor this expenditure. We were unable to determine how much, if any, of the funding continues to be used for its original purpose.

**Enterprise agencies**

89. Scottish Enterprise and Highlands and Islands Enterprise both fund regeneration-related activity directly and indirectly, although total figures for this activity are not readily available.

**Coalfields Regeneration Trust**

90. The Coalfields Regeneration Trust (CRT) is an independent regeneration organisation that was established in 1999 to improve the quality of life in Britain’s coalfield communities. It is a registered charity and a company limited by guarantee, governed by a board of voluntary trustees. The CRT in Scotland target wards containing data zones that have been categorised as being within the 20% most deprived within the Scottish Coalfields in the SIMD. From 2007-08 to 2011-12, around £1.5m per annum was allocated through this fund, with that figure dropping to £0.5m in 2012-13.48

**Other funding for regeneration**

**EU funding**

91. Aside from Scottish Government-related funding, the other major source of regeneration funding is the European Union. Over the period (2007-2013), the Scottish Government has stated that “over £493 million of European Structural Funds have been more than matched by partners under the current programmes. These funds have been used to support projects that provide training and support for individuals to enter employment, provide advice to businesses, boost capital expenditure and improve access to finance.”

92. According to the Scottish Government there have been a number of audit and compliance issues in the current programmes, often the result of over complicated programmes and policies. Funds have been dispersed to a number of small organisations who, as a result of the economic downturn, have been unable to allocate the resources required to manage the funds accordingly. Furthermore, there has been mixed performance of projects with some reporting significant underspends. Not all projects have found it easy to deliver the outcomes they initially projected, and taken together, the projects have perhaps not achieved as big an impact on the economic situation in Scotland as the Government might have hoped.49

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48 Ibid.

http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Inquiries/Regeneration_budget_information_20130508.pdf [Accessed 20 February 2014].
93. Looking to the 2014-2020 period, although decisions are not yet finalised, it is expected that Scotland will (like the other parts of the UK) take around a 5% reduction in its structural funds allocation.

**Lottery**

94. Another source for regeneration funding is the BIG Lottery and Heritage Lottery Fund. The BIG Lottery fund stated that—

“we fund in rounds...we spent £160 million in the first round of what we call investing in communities, which ran from 2006 until 2010. Our current funding round runs from 2010 until 2015. Over that period, we have an indicative budget of £242.5 million, but I probably cannot specify how much of it is for regeneration because of the variety of the programmes. Some of the programmes, such as the growing community assets programme, are very much aimed at that, but a lot of the programmes are revenue programmes that may do some regeneration, although that is not their point.”

95. The **Heritage Lottery Fund** stated that—

“In the past five years, we have committed £105 million to heritage projects in Scotland. On a generous estimate, we would say that because there are people benefits from all of them, they have all had some impact on regeneration. If we take the tightest definition, through our specific town centre regeneration programme—the townscape heritage initiative—we have committed roughly £15 million in that period. That is the range, and the true figure will lie somewhere in between.”

**Other funds**

96. A range of other minor, related, funding streams/loan funds have been identified during our inquiry. These are set out below—

- **Enterprise ready fund** – will distribute £6m during 2013 to 2015 to help maintain, develop and grow Scotland’s enterprising third sector.

- **Allia Charitable bond** – the Scottish Government has used a charitable bond through Allia to create £10 million investment in regeneration and affordable housing, designed to benefit disadvantaged communities. This fund provides (an extra) £1.4 million for the over-subscribed Peoples and Communities Fund and £8.6 towards building 150 affordable homes.

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Difficulties in determining the size of the Regeneration “pot”

97. As was made clear to us in scrutiny of regeneration funding during our consideration of the 2013-14 Budget, there is a high degree of complexity in determining the resource associated with regeneration, and therefore what that funding is achieving.

98. We acknowledge that due to the cross-cutting nature of regeneration activity, resources to support it can derive from a variety of direct and indirect sources, dependent on what is deemed to be ‘regeneration’. As we have discovered, the full scale of investment and activity related to regeneration activity across Scotland is therefore not clear, coming back to the difficulty in a common definition of regeneration.

99. Given the complex map of funding (and the related differing priorities involved) it is very difficult for all partners involved to collectively plan, prioritise and monitor regeneration activity and outcomes.

100. We have endeavoured to “map” the various sources of funding available and our chart is provided in Annexe F. Under theme 1 we look at issues around the size, balance and spread of investment in regeneration and our recommendations can be found at paragraphs 205 onwards.
OUR FINDINGS AND CONCLUSIONS

101. This section of the report presents our findings under the three inquiry themes of ‘Strategy and Policy’, ‘Partnership Working’ and ‘Practical Issues’, as well as a short additional section that examines EU funding aspects of regeneration activity.

102. Each inquiry theme examines actions in the regeneration strategy and summarises evidence received on related issues. Our resulting findings are then outlined for each inquiry theme.

THEME 1: STRATEGY AND POLICY

103. This theme of inquiry considers how the Scottish Government’s regeneration strategy supports the co-ordination of national and local strategies and policies to deliver best practice in regeneration in Scotland.

104. We acknowledge several factors from the outset. Policy and strategy related to the delivery of regeneration in Scotland is necessarily cross-cutting and broad in scope. It inevitably involves a complex map of actions, long term programmes and short term interventions, and capital and revenue support, delivered by both individual agencies and through multi-agency programmes.

105. Bearing this in mind, we were interested to examine whether any improvements could be made at a strategic and policy level. In particular covering joined up planning and delivery of activity that supports regeneration for deprived communities. We also considered the balance in policy and associated funding between physical, social and economic regeneration.

106. The following three related questions were set out under this theme in our call for evidence and our findings are set out below—

1. How can the linkage between the various strategies and policies related to regeneration be improved?
2. Can physical, social and economic regeneration really be separate entities?
3. Are we achieving the best value from investment in this area? If not, how could funding achieve the maximum impact? Could the funding available be used in different ways to support regeneration?

The strategic link between regeneration and public services reform

107. Over the last two years, we have undertaken two major inquiries; our three-strand public services reform inquiry which we completed in the summer of 2013, and this inquiry, into the delivery of regeneration in Scotland. It is clear, through the vast amount of evidence we have considered, that the vision of the regeneration strategy is strongly linked to the recommendations of the Christie Commission and can be only be achieved through effective public service reform, by—
• Improving alignment and co-ordination of mainstream public policy and public service delivery that together, through better partnership working, contribute to achieving the regeneration vision;

• Taking a long term and outcomes based approach, focussing on preventative activity;

• Reducing inequality, deprivation and long term decline through clear strategic identification and targeting of public service activity towards improving outcomes for those most in need; and

• Empowering people to be part of the decision making process in determining desired outcomes, and the design and delivery of public services.

108. The evidence we received about each of these strategic aspects of public service reform and regeneration is presented and discussed below

Holistic, joined-up and long term approach required

109. Regeneration is not an activity as such and cannot easily be defined, but is an overarching Scottish Government vision or aim to ‘reduce inequality, deprivation and long term decline’. From the evidence, there is general consensus on the holistic nature of regeneration, with the various aspects of delivery, through physical, economic and social activity and their resulting outcomes, being inextricably linked.52

110. The vision of the Scottish Government’s regeneration strategy can in our view only truly be achieved and sustained through successful co-ordination and joined-up delivery of many other national and local strategies and policies: economic development, infrastructure, planning, transport,53 housing,54 employment, education/skills,55 tourism,56 culture57 and the environment. COSLA highlighted for example the link to ‘the Agenda for Cities, NPF3, Infrastructure Investment Plan, Enterprise Areas, Community Planning and the Community Empowerment and Renewal Bill’.58

111. Although the regeneration strategy provides details of these various policies and partners involved in delivering regeneration, it does not appear clear to all of those stakeholders whether or how the vision of the regeneration strategy at a strategic level is being co-ordinated, delivered and built into mainstream and local policies.

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53 Scottish Partnership for Transport. Written submission.
55 Ibid
57 Creative Scotland. Written submission.
58 COSLA. Written submission.
112. For example, the Scottish Urban Regeneration Forum (SURF) gave a positive example of the strategic link between education policy and regeneration. It stated that the curriculum for excellence is ‘opening up interesting avenues of how young people think of themselves as citizens and about their participation and creativity’, but commented that the regeneration strategy itself does not provide sufficient focus on significant strategic tools for achieving its desired outcomes of real and sustained community regeneration—

“These outcomes will come through the £9 billion procurement budget and the £17 billion infrastructure investment plan over five years. How those resources are used, targeted and allocated - how public services are directed - will achieve community regeneration.”

113. The Carnegie UK Trust highlighted in its written evidence the significant challenges to Government associated with achieving a holistic approach of the kind needed to achieve an effective approach to regeneration. The Trust supports the outcomes based approach of the Scottish Government’s National Performance Framework, but warned of the danger of focusing on regeneration in isolation and highlighted the need for a systems wide approach—

“We would suggest that regeneration strategies are more explicitly linked to improving the wellbeing of citizens in Scotland, and are clearly linked to the National Performance Framework...We see this as part of a wider movement towards understanding, measuring and improving the wellbeing of individuals and communities. Taking a system-wide approach to the overall impact of Government activity can encourage joined up working and help services consider their unintended impacts, as well as those they pro-actively seek, including regeneration. Whilst it is important that sectors, such as regeneration, have specific strategies, it is also important that they understand how they contribute to the overall purpose of the Scottish Government.”

114. The Trust gave us evidence of where it felt that strategic linkages between priority areas identified by the Government’s strategy could be more effectively joined up, areas such as the link between ‘support for rural communities’ and ‘connectivity strategies’ to achieve regeneration; the link between ‘towns and cities strategies and education policy’; or ‘tackling environmental problems and community cohesion’. Children in Scotland also noted that the strategy does not, for example, explicitly link community to schools, colleges and education.

115. We agree whole-heartedly with North Lanarkshire Council’s statement in this regard—

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61 Carnegie UK Trust. Written submission.
“Whenever a new strategy is produced that is linked to regeneration, it should present its own position with regard to the current policy context and how it complements or is influenced by other strategies and policies.”

116. However, we heard of great examples of linkages between policy areas at a local level from all over the country. We have been told about projects on the ground that involved various organisations, communities and schools delivering local regeneration. For example there is the work by Irvine Bay Urban Regeneration Company (URC) in engaging with 5000 school children through the curriculum for excellence and its creation of a youth regeneration forum with senior students from secondary schools. Another example is the work of the Scottish Wildlife Trust, Scottish Water, and Abronhill High School in Cumbernauld, providing environmental and regeneration outcomes for the local community, through a sustainable urban drainage system and a mountain bike track.

117. The evidence here echoes the messages heard in our public services reform (PSR) inquiry of the need for further integrated/joined up strategies, plans and services to support public service delivery. We repeatedly heard very similar messages from a variety of stakeholders involved in various aspects of regeneration activity, such as the Glasgow and West of Scotland Forum of Housing Associations (GWSFHA) and Shelter Scotland, that in the current economic climate and with the current pressure on public services, we need to think innovatively about delivering regeneration services.

118. We acknowledge that significant work is underway by various partners, and we have seen and heard of many good examples of this. For example, there are the integrated services provided by the Life Centre in Whitfield, Dundee and the partnership approach that is taken in Renfrewshire with strong involvement of the third sector interface (TSI) Engage Renfrewshire. However, there is agreement among stakeholders that activity that is related to delivering regeneration in Scotland could still be more effectively linked. Highlands and Islands Enterprise suggested that the various strategies and interventions be mapped to support joined up delivery and help to reduce replication of effort.

119. There was also general agreement among stakeholder groups that key to successful regeneration strategy is a long term and consistent approach to provide stability, allow for certainty and planning, let policies bed in and long term outcomes be determined. We heard from academics and regeneration experts that, regardless of electoral cycles and political change, long term stability in institutions, aims and governance is needed to support sustainable community

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64 North Lanarkshire Council. Written submission, page 1.
66 Annexe E.
67 Glasgow and West of Scotland Forum of Housing Associations. Written submission.
70 Ibid.
We felt that Dundee City Council summarised this issue quite simply and eloquently in stating—

"Regeneration cannot be achieved overnight"

**A focus on outcomes**

120. Many stakeholder groups pointed to the need for regeneration strategies and policies to be outcome focused, with the link to single outcome agreements (SOAs) explicitly highlighted by a number of organisations, such as Angus Council and Inverclyde Council. We heard of many examples of projects with different regeneration focus, such as the Tea in the Pot project in Glasgow for women, with its focus on community/social regeneration, and the regeneration that is being undertaken in the east end of Glasgow through the development of physical infrastructure (for example, by the Clyde Gateway URC). We believe that all such projects potentially have positive outcomes for aspects of physical, economic, and community and social regeneration, even if focused on one aspect of regeneration activity. We fully agree with Strathclyde Partnership for Transport (SPT) which stated in its written evidence—

="the primary function [of regeneration activity] might be economic, social or physical, but the outcome almost certainly will and should be an amalgam of these.""

121. The issue of outcomes is revisited in theme 3 of our findings. We wholeheartedly agree with the Strategy’s focus on outcomes. However we have been unable to clearly identify the activities being taken to monitor and measure outcomes contributing to delivery of the regeneration vision, in particular to determine whether there has been a reduction in inequality and deprivation, or a reversal in the long term decline of areas across Scotland.

**Sustainable Regeneration – Meeting Environmental Outcomes**

122. Given the cross-cutting nature of regeneration, some activity inevitably results in environmental benefit and assists in meeting climate change targets. We observed some good examples of regeneration activity with environmental benefits, or improvements in the environment that lead to other positive outcomes, such as health. On our fact finding visit to Cumbernauld we visited a sustainable urban drainage system (SUDS), which was a joint project between Scottish Water and the Scottish Wildlife Trust. Clyde Gateway explained how it is contributing to...
environmental outcomes by reducing energy usage, building sustainable homes and creating green jobs.\textsuperscript{79}

123. The Transition University of St Andrews and Dr Rehena Whitey explained that the concept of sustainability was about environment and social aspects,\textsuperscript{80} and identified that there can be a mismatch between these. By way of an example, they highlighted the closure of small rural village halls or schools to reduce carbon emissions, which can overlook the vital roles they play in permitting and enhancing community resilience.

Community regeneration – a focus on people

124. It was felt by some stakeholders, particularly community representatives and regeneration academics and experts, that the focus of public regeneration policy (and resource) to date has been weighted too heavily towards physical and economic regeneration, to the detriment of community and social regeneration.

125. In order for the Scottish Governments regeneration strategy to succeed in its aims and deliver the improved outcomes it sets out to achieve, we agree with the spectrum of stakeholders, including community representatives, local authorities, academics and regeneration experts, on the need to—

\begin{quote}
“place communities at the core”\textsuperscript{81}
\end{quote}

126. We believe there are two key mechanisms to achieve this, which are co-dependent. Firstly, given the Scottish Government’s definition of regeneration, there needs to be effective strategic identification, prioritisation and co-ordination of mainstream public service regeneration activity by delivery agents. They need to specifically improve outcome for those people and communities facing deprivation, disadvantage, inequality and long term decline across Scotland.

127. Secondly, targeted and co-ordinated public service activity needs to be truly effective in reducing deprivation, inequality and decline. To achieve that, there is a need for real participation and engagement of communities in decision making processes about delivery of those public services, regeneration activity and outcomes at a more local level. This mirrors the approach advised by the Christie Commission who said—

\begin{quote}
“Reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use.”\textsuperscript{82}
\end{quote}


Targeting Communities facing deprivation and inequality

128. Achieving the regeneration strategy’s vision involves focusing a broad spectrum of activity on supporting areas and, more importantly, people suffering from longer term disadvantage, to reduce inequality, poverty and decline for individuals and areas across Scotland. The Minister stated—

“I start by emphasising the Scottish Government’s commitment to ensuring equality of opportunity and support for the places and people who need it.”

129. We were made aware by various partners that deliver regeneration support their focus of activity is often aimed at reducing inequality and long term decline. For example, resources for projects allocated by organisations such as the Heritage Lottery Fund and the BIG Lottery fund are prioritised on areas of deprivation, or ‘cold spots.’ We heard about the BIG Lottery ‘our place’ initiative, which runs in five places with high levels of deprivation and need; another seven places are to be announced soon. The initiative is not aimed at achieving a certain ‘type’ of regeneration, but is about asking communities to set their own priorities and help them achieve an agreed vision for their area.

130. Clyde Gateway URC highlighted it is serving some of Scotland’s most deprived communities, and provided us with detail of the community support it provides through development trusts. For example, we were told of the work of the Healthy ‘n’ Happy Community Development Trust in the Burnhill area of Rutherglen, which is South Lanarkshire’s second most deprived area. The community trust, which is one of three trusts supported by Clyde Gateway (both in terms of financial and staff support), has received over £275,000 to undertake activities in outreach, financial inclusion and jobs. This funding from the URC allowing the Healthy ‘n’ Happy Community Development Trust to lever in over £0.5 million of additional support.

131. It was felt by many groups we heard from representing communities and experts in the field of regeneration policy that there still needs to be a stronger prioritisation of effort on areas of deprivation and on reducing inequality.

132. A fundamental truth of disadvantaged areas across Scotland is that a large number of their residents are poor even though the majority are in employment. We heard from those working with community representatives, such as the Scottish Community Development Centre (SCDC) and Community Health Exchange that—

“Regeneration is about poverty, at the end of the day.”

85 As at January 2014, no announcement has been forthcoming.
88 Annexe E.
133. We believe that trying to strategically target regeneration activity upon ‘reducing deprivation and inequality’ is appropriate but complex in practice. For example, Angus Council raised a pertinent point about a focus on ‘place’, where the geography involved using the Scottish Index of Multiple Deprivation (SIMD) to strategically target activity and resource can skew identification. It stated—

"Traditionally, regeneration activity has been focussed towards those in the worst 10-15% areas of deprivation, as determined by the SIMD. In an Angus context, this measure is not always helpful in determining where to best target regeneration activity as poverty and disadvantage in a towns and rural context does not necessarily aggregate in sufficient numbers within a designated geographic area. However, we know that poverty and disadvantage does exist in Angus, and wish to collectively tackle the inequalities that can arise as a result."\textsuperscript{90}

134. One suggestion that could address some of these issues was a call from Oxfam Scotland for a ‘Poverty Commissioner’ to oversee new socio-economic duties aimed at reducing poverty and inequality.\textsuperscript{91,92}

135. The impacts of welfare reform were also briefly discussed in this context.\textsuperscript{93,94} It was suggested by stakeholders that welfare reforms could place even further disadvantage on those communities the strategy is trying to address, resulting in more pressure on local government to mitigate the impacts. Whilst the Welfare Reform Committee is looking at the new arrangements in detail, we will soon be looking into the impacts of welfare reform upon local government.

Real Community Participation and Ownership in Public Service Delivery

136. There was a sense from all stakeholders that the strategy has rightly placed a new focus upon community participation and ownership. Equally, there was a sense from many of the community representatives whom we heard from that this new focus was not yet being felt at a very local level; people still feel regeneration is being ‘done to them’.

137. In its written submission to us, the Development Trust Association Scotland, which represents just under 200 development trusts in Scotland, welcomed our inquiry and stated—

‘As an organisation which has been advocating community-led regeneration for ten years in Scotland, we were heartened by this shift in emphasis, which chimes with the experience of our member development trusts.

\textsuperscript{90} Angus Council. Written submission.
However, the period since the launch of the Scottish Government’s new Regeneration Strategy has been characterised by a lack of clarity, mixed messages and a distinct lack of resource to deliver community led regeneration.95

138. Angus Hardie from the Scottish Communities Alliance in discussing the allocation of the strategy’s People and Communities Fund (PCF), stated—

“Although the strategy was published 18 months ago and it is all about shifting the landscape towards community led regeneration, we have not seen much evidence on the ground of how it will be delivered. Quite big question marks hang over the strategy because we have yet to see evidence of delivery.”96

139. Furthermore, we were provided with evidence from academics and community professionals that an inequality exists in the balance of resource/support to areas of deprivation97 due to the influence that different groups of society have upon local decision making.98

140. Oxfam raised the issue of the stigma that is associated with poverty and inequality and the impact that this has on ‘disengagement’ of disadvantaged communities.99 It highlighted its own research in its written evidence, which—

“has found that local residents are under-represented on bodies that make decisions about regeneration, and that local decision making structures are insufficiently open to substantial community involvement and shared agenda setting. More than half the people living in Scotland’s most deprived 20% of areas report difficulties in improving local circumstances, compared to less than one-third of people in the least deprived areas.”100

141. This suggests that it may be difficult for partnerships to effectively deliver the activity these communities may wish to see. A particular focus is required by partnerships upon engaging disadvantaged communities to participate in local decision making and regeneration of their communities.

142. This argument was backed by some community representatives. For example, Karen McGregor from Kirkcaldy East Regeneration Forum stated—

“Certain parts of Kirkcaldy have three community centres, we have absolutely none. We get overlooked. The people in the area that has three community centres all vote and they will go and annoy their councillor. The people in our community do not annoy their councillor, they probably do not even know what a councillor’s role is, because nobody has ever explained it

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95 DTAS. Written submission, page 1.
97 Oxfam Scotland. Written submission.
98 Annette Hastings, Written submission.
100 Oxfam Scotland, written submission.
to them, but that should not make a difference. It is about equality…What is good for one area should be good for another area.”

143. These issues are inevitably magnified when it comes to any role communities have in setting strategic direction, particularly those in areas of deprivation and poverty. Dr Peter Mathews, who is a lecturer in urban management at Heriot-Watt University, stated—

“When we are talking about regenerating communities, it is quite a big ask to expect people who might be struggling to think where their next meal is coming from to vision where their neighbourhood will be in 20 years. We must understand the capability of a community to carry out these visioning exercises.”

144. When we discussed the definition of ‘sustainable community led regeneration’ with the Minister, she agreed that meant—

“power will be as close as possible to those who will be affected by decisions”

145. Noting the strategy’s focus on community led regeneration, we questioned the Minister on the definition of regeneration in the strategy and its focus upon place and place-making, and suggested that the emphasis should be on ‘people’. The Minister fully agreed that regeneration is all about people and ‘active participation’. She committed to looking at the holistic definition of regeneration to ensure that a strong emphasis was placed upon ‘people’.

146. We have also heard recently from members of the Commission on Strengthening Local Democracy in Scotland about the broader debate in relation to true community participation and the appropriate level for decision making processes. Although we were disappointed and surprised that the commission had no community or community council representation, we were pleased to hear its convener state—

“We understand that there is a difference between local democracy and local government. Our focus is on stronger local democracy, not about grabbing powers for local government. We are open to change. I doubt that the way in which things are done now will always be right for post referendum Scotland, and doing things more locally involves looking at community representation and participative democracy as well as a representative democracy. The commission is concerned with working through those issues.

For us, it is not good enough to say that democracy means someone coming out to vote every four or five years—that is not participative democracy. Democracy has to be about much more than that. It must involve engaging with people in our communities so that they have a real say in what happens. That would go a long way towards improving the ownership of local democracy and local services, and would hopefully help to drive up participation”.105

147. When we took evidence from the Minister for Housing and Welfare, she could not ‘pre-empt’ the Community Empowerment (CE) Bill.106 The Draft Community Empowerment Bill and consultation have now been published and it is clear from initial examination of its proposals that, the Scottish Government intends to support the National Community Planning Group (NCPG) in a step change in partnership approach and community participation/ownership, through a legislative framework.

The HIE and SE model
148. Regeneration and economic development activity are strongly linked. Whatever activity is undertaken by whichever public agency, the emphasis of it all should be on the outcomes ‘flowing through to communities’. That is the fundamental purpose of regeneration, outcomes for people and communities need to be at the heart of all public sector ‘intervention’ activity.

149. In both written and oral evidence, comment was made on the HIE model for regeneration delivery and how it places people and communities at the heart of its approach to regeneration.107 In the Highlands and Islands there has been a strong emphasis on community ownership and empowerment, leading to sustainable regeneration. Although we recognise the approach of SE has historically differed from that of HIE, we compared their respective approaches.

150. We noted that Scottish Enterprise’s remit has changed fairly substantially in recent years, and that, in 2008, local regeneration and URCs were removed from its responsibilities. We are fully aware of and content with SE’s agreed focus on economic growth and do not expect its activity to focus on community led regeneration. We also acknowledge that SE is represented on CPPs and agree that this is probably the right ‘level’ at which SE should be involved in community planning.

151. SE told us it had ‘not completely’ moved away from regeneration, and discussed numerous activities that it is still involved in, that directly support the regeneration of Scotland’s communities, such as involvement with Strathleven Regeneration Community Interest Company, in West Dunbartonshire; work with URCs; and economic activity in Hunterston, North Ayrshire.108 SE provided us with

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details of its investment in regeneration, and we acknowledge its limited financial investment and involvement in community regeneration—

“The moneys that we put into regeneration activity are for physical regeneration. We are a business development agency, so only a very limited amount of our money would flow through to the community, as that is not part of our remit.”

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152. From its evidence, we are clear that Scottish Enterprise do not appear to be in sync with the Scottish Government’s holistic approach to regeneration. Although its funding is for physical regeneration, it is closely involved with the community as partners on CPPs. Given the emphasis on CPPs to deliver the holistic national regeneration vision, in undertaking that role it is incumbent upon all partners to promote the link between communities and economic development. SE’s written evidence suggests a lack of engagement with the community aspect of this role.

Community Planning – The delivery vehicle for regeneration

153. The aspects of public service reform outlined above are crucial to successful delivery of the regeneration strategy vision. Community Planning Partnerships are the key public services decision making and delivery mechanism at a local level. They are therefore responsible for determining and delivering many of the outcomes required at a local level, to achieve the national vision of the Scottish Government’s regeneration strategy (along with public services reform). We have heard much positive evidence of local authorities aligning their activities to support a step change in the approach to community planning, with a clear and real focus on better partnership working, joined-up integrated services, community ownership, empowerment and participation.

154. Indeed, throughout this inquiry, and our public services reform inquiry, we were given many individual examples of steps that local authorities and other partners have been taking to provide more joined up service delivery, better partnership working, and to build community participation and ownership into their planning and decision making processes at a local level. The Chief Executive of Renfrewshire Council, in giving evidence to us on our Public Services Reform (PSR) Inquiry, detailed his council’s approach to involving the community—

“In Renfrewshire, we are working to have local community plans that reflect the priorities in the county-wide community plan. Communities want to talk about that. We are developing a Renfrewshire community forum that builds on the work that has gone before to ensure that, as a community planning board, the collective public sector voices in Renfrewshire are listening to the community’s views. That is not just about representative democracy, although that is important; it is about participative democracy—it is people who want to get involved. In the past year, for example, we have held

110 Scottish Enterprise. Written submission, page 3.
community planning conferences that have been attended by more than 500 people.

My sense is that that is commonplace throughout Scotland. We are now trying to raise the bar and get more involved in co-production, which involves talking to people about policy choices, service standards and their involvement, and how that might be shaped. That will be done as business as usual, on a day-to-day basis, and not as set-piece events. That is how community planning at the local level will begin to grow and be more effective than it is at present.”

155. After concluding our initial evidence on this inquiry we determined to hear directly from chief executives of local authorities to gain a more strategic perspective. Accordingly, on 27 November, the chief executives of Glasgow City Council, South Lanarkshire Council and Inverclyde Council all gave oral and written evidence.

156. When discussing regeneration, they all pointed to the leading role of community planning in ensuring an alignment of local policy with the national vision. In addition, their SOAs were highlighted as being key to this alignment. Inverclyde Council explained their processes for ensuring activity is aligned to desired physical, economic and social outcomes—

“The SOA seeks to make Inverclyde a better place for all its children, citizens and communities and in order to facilitate this a number of key outcomes have to be achieved. These outcomes include economic, social and physical regeneration, but also ensure that an early intervention approach is taken from birth, supporting parents and children to achieve the best outcomes.

Any activity which relates to the Economic Regeneration and Employability, Successful Communities and Environment outcomes are referenced to these outcomes, allowing the Council and its CPP partners to assess how action, which they are providing, supports the delivery of these.

If activity cannot be referenced to one of the SOA outcomes or to the Wellbeing outcomes, adopted as part of the Nurturing Inverclyde approach, then questions would be asked as to why a Service or Outcome Delivery Group are pursuing that action. In practice this has not occurred yet, as most activity is clearly linked to the delivery of the outcomes agreed. The CPP has a very clear vision of what it wants to deliver, and using the contextual information gathered across the outcomes, has planned and aligned actions to the needs of the communities of Inverclyde.

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If we found activity was not aligned with outcomes then this would be referred to the SOA Programme Board and Alliance Board for negotiation, with final agreement officially through the Alliance Board.”

157. During our public services reform inquiry, we took evidence from the National Community Planning Group, who supported the view of local authorities about the crucial co-ordination role of community planning in delivering public services, and suggested other partners needed to do more—

“Councils alone cannot deliver the scale of change that we aspire to. The reform that we are talking about would mean all parts of the public sector focusing on the priorities of local areas and using the totality of the resource to address them, regardless of organisational boundaries. That is why the whole of local government has committed to a step change in community planning.

We want to be clear that the community planning process that we are talking about and towards which we are working is not the one that we have had in the past. For a long time, councils have led the process locally but, frankly, some others have perhaps seen it more as a Saturday job. The result has been that, although lots of individual projects have been delivered in partnership, that is certainly not the default way in which services have been planned and resourced. That needs to be turned around.

There is now consensus that working together locally must be at the heart of public service reform, but we are not there yet. That is one reason why we welcomed the recent work by the Accounts Commission for Scotland and the Auditor General for Scotland, which highlighted some barriers that we in local government have been concerned about for some time.

There is a big leadership challenge in all this for local government as well as for national Government and its agencies. There is also a major job to do to ensure that all this is done with and not to local people and that it is done in ways that put staff in the driving seat for change.

Councils have driven forward change and improvement. All that activity has driven up quality and efficiency, which helps to protect front-line services and deliver a shift towards prevention and early intervention. We are certainly not complacent about the scope to do even more but, if we take any council in Scotland, we will see examples of services being joined up with other partners, smarter commissioning, better personalisation and, when they make sense, shared services.

The reality is that none of us in the public sector can fix by ourselves the complex issues that communities face. Effective reform means putting community planning centre stage in the way in which all services are planned and resourced, not making it an afterthought.”

113 Inverclyde Council. Written submission, page 1.
158. We have little doubt that at a senior level, the public sector can ‘talk the talk’. In theme 3 of this report, we consider if this is translated through CPPs and SOAs ‘walking the walk’.

**Associated regeneration resource**

**Maximum Impact?**

159. It can be seen from the history of regeneration policy that regeneration funding has not always been spent in the right direction. Stuart Hashagen, from the Scottish Community Development Centre and Community Health Exchange (SCDC), stated—

“The emphasis has been on physical and economic funding, and there has been a gap in the amount of funding coming to social developments and social regeneration. That is the starting point of any kind of community renewal or regeneration—people must have the confidence, skills, networks and engagement to allow them to get to a point where they can consider setting up a development trust or getting funding. It can be a long-term process. The GoWell study in Glasgow, which is interesting, is saying that we can almost draw a direct comparison between the level of cohesion and support in communities and the quality of life that people in those communities have. The missing link has largely been in social development funding.”

160. The outcomes and added value from large scale physical investment projects have not always been clear, and it has since been questioned whether some of these resources were targeted appropriately. For example, we cover the New Life for Urban Scotland Initiative in our section on the Evolution of Key Policy in Scotland. In relation to Ferguslie Park Dr Peter Matthews, of Heriot-Watt University provided us with research, which concluded that—

“Despite the successive attempts to ‘turn around’ or ‘regenerate’ Ferguslie Park… it was still a community struggling to cope with concentrated socio-economic deprivation and a widespread stigma.”

161. In September 2013, we undertook fact finding visits to Ferguslie Park in Paisley and Whitfield in Dundee to investigate how these areas now approach regeneration (full details are at Annexe E). It is clear things are now being tackled quite differently. We highlight the community led approach that is being taken in Whitfield, where community groups are given a budget and decide themselves how best to spend this in their area, supported by a local officer (a similar approach takes place in Glasgow); and the partnership approach taken by Renfrewshire Council with Engage Renfrewshire, the third sector interface (TSI) for the area. We consider these to be examples of best practice in empowering the community to take ownership of decisions for their area, and that they are more likely to result in sustainable regeneration. We examine participation in more...
detail in theme 3 of this report (see paragraph 391 for detail of the approach taken in Dundee City).

162. A recent example of large scale physical investment in regeneration is that by the URCs. The outcomes and value for money of such investment have been questioned. This is covered in more detail at paragraph 438.

Current Regeneration Funding

163. A number of issues were raised around the current size, balance and spread of capital and revenue investment in regeneration. In a period of fiscal instability, many budgets have had to be reduced over the last few years. In consequence, it is all the more important to ensure that spending is directed and aligned to those most in need in a straightforward, sustained manner.

164. As with the complexities of trying to define strategy and activity that deliver regeneration outcomes, the landscape for regeneration resource also appears unclear to stakeholders. COSLA highlighted the need to identify and map the various resources available to support all forms of activity resulting in regeneration, in order to support an integrated, joined-up approach to delivery. It stated, in its written evidence—

“Another important dimension is understanding the resources available for regeneration activities. COSLA is currently in on-going dialogue with the Scottish Government in relation to various streams of funding referred to in the Scottish Government’s Regeneration Strategy, in order that regeneration funding has the biggest impact possible on local areas and local communities. COSLA have also previously requested that the 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 highlight possible alternative means of funding if an initial bid is unsuccessful.

COSLA would reiterate the need for a mapping of the entire regeneration funding landscape to be undertaken at this time, not just solely in terms of funding for the community sector.”117

165. Many who provided evidence to us, across a range of stakeholder groups, felt the Government has the right focus in a ‘community led’ regeneration strategy, but this now needs to be applied to regeneration funding, by redistributing public sector spend accordingly—

“The Scottish Government’s community-led regeneration strategy is fabulous and the policy intent is magic but, unfortunately, the money and resources are not necessarily coming through. If we bend the spend and redistribute current public sector spending towards community-led organisations, I have no doubt that we will see sustained success.”118

117 COSLA. Written submission, page 2.
166. Those direct funds that are available for community-led regeneration, from the Scottish Government and others (for example, the Heritage Lottery Fund, Big Lottery Fund and EU funds) do not meet the levels of demand.\textsuperscript{119} For example, we were told by the Minister for Housing and Welfare that the Scottish Government’s primary fund to support community led regeneration, the PCF, has been so successful that it has been significantly oversubscribed.\textsuperscript{120}

167. The Minister advised that officials had been asked to look for ways to increase this fund and announced that there will be a one-off rise in the PCF, from £7.9 million to £9.3 million in financial year 2013-14, through the use of a charitable bond, to support community-led regeneration (as detailed earlier in paragraph 96).

168. We were surprised to learn about the qualification of certain recipients of this grant. Most of the money goes to housing associations for ‘employability work’, and not all are locally based.\textsuperscript{121} Some argued that the PCF is criteria driven, which is at odds with the aim of being ‘community-led’.

169. The Scottish Council for Voluntary Organisations (SCVO) stated—

“The view of many in the third sector is that the fund is not providing the flexibility required for community led regeneration […] it is missing the fundamental principle of community led regeneration which allows communities to set their priorities and outcomes.”\textsuperscript{122}

170. This view was echoed by groups such as the Scottish Communities Alliance\textsuperscript{123}. North Ayrshire Council went further in stating that the shift in market based funding delivery mechanisms for regeneration (such as tax increment financing, business improvement districts and SPRUCE) could be inappropriate for local organisations in disadvantaged communities. It stated—

“the rhetoric in the Scottish Government Regeneration Strategy for more ‘community led’ regeneration is in conflict with the lower resources available from the People and Communities Fund when compared to those previously available from the Fairer Scotland Fund….The shift towards market-based delivery mechanisms such as Tax Incremental Finance, National Housing Trust, Business Improvement Districts and SPRUCE, part of Scotland’s Joint European Support for Sustainable Investment in City Areas (JESSICA) raises concerns that these loan based or speculative business models may not be viable for development projects within marginal areas where market failure is most evident, or for local organisations in disadvantaged communities. As an example, the SPRUCE fund will have a minimum £1m loan threshold, which is unlikely to be

\textsuperscript{122} SCVO. Written submission.
\textsuperscript{123} Scottish Communities Alliance. Written submission.
suitable for most small to medium community enterprises. Government funding should be flexible to reflect the differing market circumstances throughout Scotland.\(^{124}\)

**A longer term approach**

171. Many stakeholders were in agreement that alongside the need for a longer term approach to regeneration strategy and policy, a longer term approach to investment in regeneration is required.\(^{125}\)

172. A historical basis for taking a longer term approach to funding was encapsulated by Dr Matthews who stated—

> "The history of regeneration shows that we put in for five to 10 years people-focused initiatives that make an enormous difference, then we stop and, five years down the line, the neighbourhood is back to where it was. That is often because neighbourhoods are dynamic and the people who have benefited fantastically well have moved on. New residents often move into social housing, so they are in housing need and there is basically a like-for-like replacement of tenants.

Many of the people-based interventions must therefore be on-going. We cannot just presume that 10 years will provide enough of the medicine to fix a neighbourhood; to really transform people’s lives requires on-going effort.\(^{126}\)

173. Similar views were put forward by other stakeholders, such as West Lothian Council which stated in its written evidence—

> "There is a lengthy history of time limited funding for both people and place based regeneration activity in Scotland, which has not best supported the long term interventions required to successfully address entrenched disadvantage....A longer time frame and funding commitment for community and social regeneration initiatives would be welcomed as this would better support long term change arising from an asset based approach.\(^{127}\)

174. At the local and community level, the desire for a longer term approach to regeneration investment was expressed by many representatives of communities. We heard from community groups, and the likes of SLAED\(^{128}\) that short term community funding results in uncertainty and inability to plan in the longer term. A lack of sustained core revenue funding streams for community groups causes difficulties for community organisations.\(^{129}\)

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\(^{124}\) North Ayrshire Council. Written submission.

\(^{125}\) RICS. Written submission.


\(^{127}\) West Lothian Council. Written submission, page 1.

\(^{128}\) SLAED. Written submission.

175. For example, the Healthy n Happy Community Development Trust told us—

“There is a lack of consistent funding to support community groups and organisations in their core activities, such as for covering their overheads and running costs. The year-to-year element—on occasions, it may be month to month—of hand-to-mouth financial support is not good enough. There needs to be a far more consistent approach over a programme of perhaps three to five years to allow community-led groups to develop capacity and experience. That would allow them to generate probably another £3 or £4 for every £1 that is invested by the public purse.”

176. We also heard of community volunteers being ‘engaged’ to spend most of their time chasing funding to the detriment of delivering activities on the ground. Bronagh Gallagher, representing the West and Central Area Voluntary Network, stated—

“As someone who deals with a network of about 100 organisations in our area, my observation is that organisations are being required to adapt what they do to meet the criteria for the available funding rather than accessing funding for what they evolved to do or would like to do.”

177. This view was shared by community development professionals. The Scottish Community Development Centre and Community Health Exchange stated—

“It is an issue for community organisations to maintain the revenue to keep the services that they offer going. As we have heard, most of the funding programmes are short term and time limited. Given that most situations in disadvantaged communities are not going to go away overnight, the community organisations that deal with those situations would do much better if they had a longer-term and continued funding stream, provided that they are doing the kind of work that is important in communities, such as alleviating poverty, addressing disadvantage and improving health. Because funding criteria change, because funding is unpredictable—often a lot of staff time is spent on applying for funding, rather than delivering services—and, as was mentioned earlier, because funding bodies like to invest in new ideas that may carry some risk, community organisations have to be innovative to achieve funding. There are many barriers to achieving the situation that, for most communities, would be ideal—namely, a longer-term stream of funding that they could use in the best possible way.”

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178. When discussing our fact-finding visit to GalGael\textsuperscript{133} in Govan, Oxfam Scotland made the same point, suggesting that this situation applies across Scotland—

“GalGael staggers from funding crisis to funding crisis. Most of its senior management—which is really only one person—spend all their time looking for the next client or the next source of income. That is madness.”\textsuperscript{134}

179. Rory Dutton, from the Development Trusts Association Scotland, agreed that core funding is critical in disadvantaged areas, which tend to lack community anchor organisations. They need not only core funding, but support and structures put in place to make regeneration happen. He gave us a positive example of where LEADER funding is used to support the Highlands and Islands community account management programme, which provides some security to community programmes through revenue funding—\textsuperscript{135}

“…the issue is not just about revenue funding; it is about funding to create and establish the community vehicles that will take forward regeneration. In the more disadvantaged areas, where community anchor organisations or groups are not established, we find that more than just revenue funding is needed. Support and funding are needed to get those organisations up and running in the first place.”

“I certainly agree that core funding is critical. It takes a lot of time to develop income streams and many anchor organisations are working hard to do so. Any business takes a long time to develop; there is a long period when core funding is absolutely essential while an organisation is trying to deliver for the community and also trying to develop income streams. We have seen that, when a voluntary group that is struggling gets core funding, it makes a big difference. A good example of that is Highlands and Islands Enterprise’s community account management programme, which involves LEADER funding. We are told that the recent evaluation of that has been extremely positive.”\textsuperscript{136}

180. We agree with the views on regeneration resources above, and our recommendations in this regard are at paragraphs 175 to 193.

181. We look further at the role of “community anchors” in theme 2 of our findings (see from paragraphs 336), as well as the balance between capital and revenue funding for regeneration. LEADER funding is examined further in our section on EU issues at paragraph 493.


\textsuperscript{135} Scottish Parliament Local Government and Regeneration Committee. Official Report, 26 June 2013, Col 2440.

Rebadging regeneration resource - emphasis on local authorities

182. Current Scottish Government policy is for local authorities, through their CPPs, to lead on support/funding of community regeneration. Following the removal of ring-fencing of regeneration funds, local authorities have an almost unfettered discretion in spending moneys that may previously have been directed specifically at regeneration projects.

183. During recent evidence on the 2014-15 Scottish Government Budget, we heard from the chair of the Society of Local Authority Chief Executives and Senior Managers (SOLACE) about the pressures on local government budgets and how these pressures are impacting upon community resources, necessitating changes to the ways in which ‘community regeneration’ is delivered. When asked for examples of how local authorities are responding to these pressures, the chair said—

“Local authorities have provided a lot of support in communities for community halls and centres, but maintaining that support will become increasingly difficult for us. We are actively encouraging communities to take on the operation and running of community centres as well as the associated on-going costs. Authorities take different approaches to that. There might be up-front money to help communities, and there is also a lot of people support to help communities to get the right skills to run community centres.”

184. SLAED acknowledged in oral and written evidence to us that—

“With the further reductions that we expect in council budgets over the next three to five years, every pound will be a prisoner. As a result, community engagement must be viewed as a priority in the range of activities that we are undertaking and how it takes place and plays its part in meeting the other pressures that we face must be made clear and simple.”

185. We heard numerous examples of local authorities and other partners using, in the current financial environment, what was formally dedicated regeneration funding to subsidise other budgets. We were given examples of where planned or programmed maintenance and replacement of assets had not taken place and when repair or replacement was undertaken this was labelled as ‘regeneration’. Examples that were cited included play parks, schools and a health centre.

186. We also heard examples of essential infrastructure in expanding areas, which previously local authorities would have funded under general expenditure being provided using specific regeneration funding. For example, Eric Adair of PARC Craigmillar agreed that ‘their organisation’s ability to get money from other bodies has saved the City of Edinburgh Council from using mainstream monies’.

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STRATEGY AND POLICY: OUR CONCLUSIONS AND RECOMMENDATIONS

187. Our conclusions and recommendations on the strategy and policy themes are set out in this section.

Conclusions

188. We share the Minister’s view that regeneration is about people, and the strategy is aimed at reducing poverty, inequality, and decline with a clear focus on people in the most disadvantaged areas. We note the current definition of regeneration included in the strategy refers to place rather than people. It also refers to market failure. But even in a booming economy, issues of deprivation and inequality have remained and reference needs to be made to the necessity of sustained social action.

189. We see regeneration not as a discrete ‘strategy’ or policy as such, but more a vision delivered through a focus of effort and strategic approach across all public policy areas to reducing deprivation, inequality and long term decline.

190. We acknowledge there are a number of ‘regeneration strategy specific’ activities outlined in the strategy, and we address these throughout the report, approving of their general intentions. However, on their own they cannot achieve the vision the strategy sets out to achieve.

191. The successful delivery of the regeneration strategy is therefore completely dependent on implementation of Christie Commission principles and effective public services reform, at a national and local level, notably: better partnerships and joined up working, a focus on prevention and reducing long term social and economic inequalities, alongside greater community participation in public service design and delivery.

192. Whilst the Scottish Government’s regeneration strategy focuses upon these principles, we believe the document must provide further ‘added value’ for partners at a strategic or local level, in linking the contribution of various cross cutting policies to the outcomes that demonstrate successful regeneration in Scotland i.e. reductions in deprivation and inequality. The strategy must also provide leadership or guidance on how community empowerment and sustainable community-led approaches could be built into all related mainstream Government policies. The strategy document simply lists contributing policies and states their importance to regeneration. We agree whole-heartedly with North Lanarkshire Council’s statement—

“Whenever a new strategy is produced that is linked to regeneration, it should present its own position with regard to the current policy context and how it complements or is influenced by other strategies and policies.”

139 North Lanarkshire Council. Written submission.

193. We understand the strategy document simply sets out the vision. However, we believe there is still progress to be made in embedding or ‘mainstreaming’ this community-led regeneration vision at both a national and local level.
194. We are not convinced strategic co-ordination to embed this vision, across Scottish Government policy and guidance, has yet been fully established.

195. Regeneration is not a defined activity, there is not a ‘one size fits all’ approach to tackling deprivation and inequality. We acknowledge that the regeneration strategy states it provides a ‘flexible framework’ for regeneration, and places the emphasis on local partners to determine and deliver the most appropriate models of co-operation and collaboration in regeneration.

196. Indeed, we have seen many good examples of co-ordinated collaborative and innovative activity amongst partners, delivering regeneration at a local level. However, we believe further progress can also be made at this local level, and leadership is required in this regard.

197. We see the ‘sustainability’ challenge for all those partners involved in delivering regeneration as a need to continue to find ways to deliver further joined up improvements to their public service delivery (including their support of regeneration activities). This is particularly important given the existing and growing pressures on public finances and mainstream budgets. This will help further reform delivery over the longer term, reducing reliance on public finance and fully empowering communities (with the appropriate support).

198. The strategy rightly states there needs to be a strong focus on community led regeneration and community participation. We are clear that communities do not yet feel that they are being placed at the heart of decision making, or that they are involved in the process timeously when it comes to regeneration activity, whatever activity that may be.

199. For regeneration to be truly community led, particularly when it is being delivered by mainstream budgets of local authorities and other partners, communities need to be able to actively contribute to the decision making process on public services at an early stage. It is clear that all partners are not yet placing enough emphasis on true community participation in their approaches to regeneration, or are doing so too late in their decision making process. We heard the same message during our public services reform inquiry.

200. We fully endorse the pro-active approach that some individual local authorities in general appear to be taking towards community empowerment and regeneration. Although there is consensus that much more requires to be done to truly achieve the Scottish Government’s vision of the level of community ownership and participation required for real ‘sustainable regeneration’ to be delivered across Scotland.

201. True community ownership and participation in public service delivery and regeneration activity rely heavily on building community capacity, through sharing of best practice, good ideas, knowledge, information and expertise, as well as sufficient resources- that is effective partnership working across all relevant stakeholders, with communities playing a pivotal role. We revisit many of these aspects of partnership working and community empowerment in themes 2 and 3 of this report.
Due to the broad nature of regeneration policy, we agree many of the decisions about how and what to do to ‘support the delivery of regeneration’ are best made locally, by those most closely engaged with their communities.

However, nobody seems responsible for general oversight and co-ordination of activity, sharing of best practice and determination of impact across Scotland. A strategic overview and leadership needs to be provided to all local authorities and CPPs, to further support joined up, integrated approaches, and to ensure community ownership and participation is at the heart of local policy, so that opportunities are grasped and long term change is delivered.

Due to the complex, holistic nature of delivering regeneration, the funding landscape is also unclear to many stakeholders. Changes to small scale Scottish Government funded initiatives are not helpful and an improvement in linkages between funding of economic, physical and community/social activities that together deliver regeneration in Scotland would be helpful.

Recommendations

We welcome the Minister’s recognition of the need to change the definition of regeneration in the strategy, in respect of making the focus not on ‘place’, but more importantly on the people within it.

We would welcome an update from the Minister/Cabinet Secretary on what actions the Scottish Government has undertaken in support of the regeneration strategy to improve internal Scottish Government and cross-agency collaboration and ensure that regeneration outcomes are embedded within mainstream policies.

We are interested in how the Minister’s Regeneration High Level Working group, the National Community Planning Group and Cabinet Sub Committee on Public Services Reform are working together to improve national co-ordination (and monitoring) of activity supporting regeneration in Scotland, and look forward to receiving details of how this is working successfully.

As community planning is key to local alignment and delivery of the national regeneration vision, and to local implementation of public services reform, we believe the National Community Planning Group should play a significant leadership role in ensuring the vision of the regeneration strategy is delivered across Scotland, that associated outcomes are embedded into mainstream local delivery and a joined up approach is developed to oversee implementation of the strategy’s vision.

We believe that strengthening communities’ role in the determination, design and delivery of public services can significantly contribute to public services reform and delivering regeneration in Scotland. In terms of its aims to enshrine community empowerment in legislation and strengthen the community’s role in decision making, we welcome the general thrust of proposals set out in the Scottish Government’s Draft CE Bill and consultation.
210. We also look forward to examining the Commission on Local Democracy's findings and how they will support community empowerment.

211. In terms of resource, we invite the Scottish Government to give further consideration to the balance of funds supporting regeneration, and the models used to deliver that funding, across physical, economic and social regeneration activities, to ensure that they are aligned and designed to best support community led regeneration. We also recommend that the Scottish Government reviews how public expenditure is allocated to strategically direct more of it to disadvantaged areas.

212. We agree with COSLA that the Scottish Government, with support of the National Community Planning Group, undertake a mapping exercise of all resource across policy areas contributing to regeneration, not just community led regeneration. The Scottish Government should make this mapping exercise widely available so that all stakeholders involved in the delivery of regeneration understand the funding landscape they have access to, and how these funds are contributing to the regeneration vision.

213. We recommend that the resources the Scottish Government allocates directly to regeneration should remain available for periods long enough to allow stability and planning for the organisations that carry out the work and for their objectives to be met. Longer term funding provides much greater stability to community projects, and is essential in allowing them in some cases, to establish sustainable income streams, making success much more likely in the long term.

214. We welcome the introduction of the Scottish Government's People and Communities Fund (PCF), as it is a signal of a greater focus of resource on community led regeneration. We believe that oversubscription of the PCF within three months is a sign of its success, but we also see this as a potential opportunity lost and it is clear that more revenue funding is required.

215. We acknowledge that action has been taken to increase the PCF in 2013-14. This is welcome, although the additional sum of £1.4 million is small compared with the tasks set. In consequence, we encourage the Scottish Government to invest further effort in identifying ways to further expand this important funding stream for communities, and note how important it will become too successful delivery of aspects within the forthcoming CE Bill.

216. We recommend the Scottish Government review the eligibility criteria for the PCF to ensure it does not encourage a ‘top down’ approach and provides as much flexibility for communities to determine and deliver their own regeneration outcomes and activities as they see fit.

217. We understand that for regulatory and accountability purposes, there requires to be an ‘audit’ trail for public funds. However, we suggest that criteria for the People and Communities Fund could be less prescriptive and more focused around the way a project is being carried out i.e. building
community capacity by supporting: community empowerment, participation and community ownership, rather than criteria like 'employability'.

218. We recommend that housing associations, of whatever kind, should not be eligible to receive grants from the PCF, and that the fund should be specifically aimed at ‘grass roots’ community groups.
THEME 2: PARTNERSHIP WORKING

219. This theme of inquiry considers how partnership working and co-ordinated use of the various ‘regeneration’ funds could best support the delivery of sustainable regeneration in Scotland. We were particularly interested to examine the ways in which community partners could be supported to effectively participate in, determine and deliver regeneration activity in their areas – in other words ‘to do regeneration themselves’.

220. Three related questions were set out in our call for evidence—

| What delivery mechanisms, co-ordination of, and information on the funding that supports regeneration are required, to facilitate access by all sections of the community? |
| Should funding be focused on start up or running costs? What is the correct balance between revenue and capital funding? |
| How can it be ensured that regeneration projects are sustainable in the long term? |

221. Our findings on this area, incorporating these questions, are presented below.

Capital and revenue funding

222. There were calls by a few stakeholders whom we heard from for greater flexibility between the use of capital and revenue funding\(^{140}\) and the balance between capital and revenue funding needs to be project specific.\(^{141}\) Most stakeholders who commented on the balance between capital and revenue funding suggested that what is important is where capital is invested, to ensure that investment will be sustainable in the longer term. Highlands and Islands Enterprise stated it considered that the majority of regeneration funding is capital investment. This does not necessarily optimise regeneration outcomes, as it fails to shift ownership progressively away from the state and public agencies towards empowered communities, thus perpetuating the lead role of the public sector in regeneration. HIE therefore suggested—

> “Shifting a modest proportion of the overall available funding to revenue which supports the development of capacity and structures at community level, in turn supports credible empowered community led contributions into Community Planning Partnerships, and to the identification, planning and delivery of community led development projects. This approach is more

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\(^{140}\) Dundee City Council and West Dunbartonshire Council. Written submissions.

\(^{141}\) North Lanarkshire Council. Written submission.
likely to deliver a broad basket of strategic outcomes including importantly, enhanced community resilience.\textsuperscript{142}

223. Highlighting transport impacts and requirements is an area often overlooked in regeneration initiatives, Strathclyde Partnership for Transport (SPT) raised the valid point that significant on-going revenue costs can be underestimated or not taken account of when planning regeneration projects, and that effective business case development and project appraisal are required to help predict these revenue costs effectively and ensure sustainability.\textsuperscript{143} North Lanarkshire Council made a similar point, suggesting that for projects that will not generate income, regular sustainability reviews should be built in to justify on-going support requirements.\textsuperscript{144}

224. The sustainability of regeneration funding was raised as an issue by a disparate group of organisations during our scrutiny of the Scottish Government Draft Budget 2013-14.\textsuperscript{145} We committed to revisiting this during this inquiry, and focusing specifically on funding for community-led regeneration.

225. We earlier outlined community group’s concerns about the lack of security of revenue funding streams, and the serious problems that this causes in being able to plan beyond the short term to deliver a sustainable project. This led us to question further whether the balance of revenue funding available to communities for regeneration projects across the various regeneration funding streams, is appropriate to deliver real sustainable regeneration.

226. We heard from some of the key grant providers to community led regeneration projects, such as the Heritage Lottery Fund (HLF) and the BIG Lottery Fund (BIG). We investigated with representatives from these bodies this ‘sustainability’ issue, which had also been raised by community groups specifically in relation to lottery funding; quite often lottery funding is available for capital works, but then groups find it difficult to cope with on-going revenue costs.\textsuperscript{146}

227. Colin McLean, from the HLF, acknowledged that this may be a fair criticism as its funds, which are allocated via 15 individually managed grant programmes, are for capital projects or time-limited activities only.\textsuperscript{147} He explained, however, that all the HLF funded projects require community participation, expect people benefits and, importantly, involve a plan for long-term sustainability. He was confident that none of the 3000+ projects that the HLF has funded have failed as a result.\textsuperscript{148}

\textsuperscript{142} HIE. Written submission.
\textsuperscript{143} SPT. Written submission, page 4.
\textsuperscript{144} North Lanarkshire Council. Written submission, page 2.
\textsuperscript{147} Scottish Parliament Local Government and Regeneration Committee. Official Report, 26 June 2013, Cols 2409 and 2415.
228. In comparison, Eric Samuel from BIG told us that BIG Lottery funding is mainly revenue and community based. It operates a wide range of grant programmes ranging from the very small, which offer £300 to £2,000, to the very large, which deal with millions of pounds.\(^\text{149}\)

229. Although capital funding is a small element of BIG Lottery Funding, it does have a major capital programme, the ‘Growing Community Assets’ programme. As the name suggests, that programme is designed to enable communities to become stronger by acquiring a wide range of assets, including physical assets such as land or buildings.\(^\text{150}\) Mr Samuel confirmed how vital revenue funding is to the sustainability of community led regeneration projects that involve capital investment, using this programme as an example.

230. The current economic climate impacts upon community led projects, and has affected the sustainability plan of some projects. In relation to HLF and BIG, one focuses on capital and the other on revenue funding. However both funds expect some degree of buy-in or contribution from the community to support sustainability. Both have made transitional funds available to communities, to support them through the current difficult and unpredictable financial times.\(^\text{151}\)

231. Alongside the Scottish Government’s PCF (and EU funding, which is addressed in our final theme), both these organisations confirmed that their funds are also significantly over-subscribed.\(^\text{152}\) This reinforces our belief that the desire by the community is there, and that revenue support, at least in the initial stages of a long term project, is just as essential as the capital asset, and is in short supply.

The role of community anchor organisations

232. Throughout evidence taking, the important role of ‘community anchor organisations’ in community led regeneration was discussed at length. James Henderson, who is a PHD student at Heriot-Watt University investigating the ‘community anchor model’, stated there are a wide range of community anchor organisations working in Scotland, such as community housing associations and development trusts. He suggested the role of community anchor organisations needs to be considered from a long-term perspective, in order to develop community capacity and sustainable community-led regeneration.\(^\text{153}\)

233. We took evidence from a number of ‘community anchors’ throughout the inquiry and heard many examples of the positive work these organisations are undertaking. We heard how crucial they are in building successful community partnerships, community involvement and resilience, particularly in deprived areas. Rory Dutton from Development Trusts Association Scotland (DTAS) highlighted the successful role of community anchor organisations in the Highlands—


\(^\text{150}\) BIG Lottery. Written submission, page 1.


\(^\text{153}\) James Henderson. Written submission.
“The artificial separation of enterprise development from social and community development is not helpful. Where it has succeeded in the Highlands, it is because the development of confidence among the people in the community is considered part and parcel of getting more business and economic activity to come along. There is now a huge sector of community-run enterprises, but the anchor organisations are also involved in promoting opportunities for private businesses. HIE has got it right in as much as it understands that it is no good only to support businesses and infrastructure; it has to support businesses, infrastructure and community groups and initiatives. The latter play a vital role and are an important part of the mix.”

234. When we gave consideration to defining a ‘community anchor’, we heard conflicting views on the value of any such definition. Dr Colleen Rowan, of the Glasgow and West of Scotland Forum of Housing Associations (GWSFHA), suggested that a definition of community anchors could be put into legislation in order to ensure that their role in partnerships is recognised and given sufficient weight—

“We were delighted to see community anchors referred to in the document ‘Achieving A Sustainable Future: Regeneration Strategy’. We feel that not only community-controlled housing associations but other agencies such as local community development trusts have carried out the community anchor role over the past 30 years. That reflects that our organisations are very much rooted in their communities: they have trust relationships with communities; they have assets in communities; and they are self-funded.

I think that the definition of community anchor speaks to all that and to the roots of the community-based housing movement. Calling an organisation an anchor shows that it is rooted in its community and that members of the community come to it not just about housing but about health issues and welfare issues, for example. It would be good if the Government backed or acknowledged the community anchor role by stating explicitly that our organisations are community anchors and that the Government can work with us and that we can be a kind of host for other organisations or can initiate partnership working. We are keen to see that kind of recognition from the Government.

I do not know how the Government would go about it, but perhaps the recognition could be enshrined in the proposed community empowerment and renewal bill.”

235. However, although he supported the broader role of Housing Associations, David Fletcher of Glasgow Housing Association, had a word of caution about attempting to define a community anchor—

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“It is also about finding a way of supporting organisations such as ours, which operate at the neighbourhood level, or other community-based organisations. There is no single answer. There needs to be a flexible approach to the definition of community anchors. However, housing associations can play a key role in helping to engage more people across the cities and beyond.”\textsuperscript{156}

236. Oxfam suggested there needs to be financial support/core funding for community anchor organisations.\textsuperscript{157} In doing so, it was echoing sentiments that were made by a number of witnesses in relation to the lack of core funding for community groups and the lack of communities involved in setting the agenda for policies and programmes—

“One way to do this could be to top slice some of the funding CPPs and other public bodies are responsible for and redirect this funding to community groups through participatory budgeting.”\textsuperscript{158}

**Role of Housing Associations**

237. We received substantial evidence of the positive impact of housing associations playing a wider role in the community, particularly localised community led associations as opposed to large city-wide organisations.

238. A housing association is a not-for-profit organisation that owns, lets and manages rental housing. As not-for-profit organisations, their revenue acquired through rent is ploughed back into the acquisition and maintenance of property. Housing associations provide a wide range of housing. Some manage large estates of housing for families; the smallest may perhaps manage a single scheme of housing for older people. Much of the supported accommodation in the UK is provided by housing associations, with specialist projects for people with mental health or learning disabilities and substance misuse problems (alcohol or illegal drugs), the formerly homeless, young people, ex-offenders and women fleeing domestic violence.

239. Housing associations increased in importance over the last decades of the 20th century due to changes to council housing brought in by the Conservative Government led by Mrs Thatcher. Rules were introduced that prevented councils from subsidising their housing from local taxes, channelled grants for construction of new social housing to housing associations and allowed council tenants to buy their homes at a large discount. This, combined with cost-cutting initiatives in local government and a housing benefit scheme that was more generous to housing associations than local authorities, led to many councils transferring their housing stock to housing associations. These organisations are often referred to as ‘large-scale voluntary transfer organisations’ or ‘local housing companies’.

240. We saw the valuable role of housing associations in practice when we visited Ferguslie Park, in Paisley. Ferguslie Park Housing Association play a


\textsuperscript{157} DTAS. Written submission.

\textsuperscript{158} Oxfam Scotland. Written submission.
local CPP partners.\textsuperscript{159}

241. We heard from Stuart Hashagen of the Scottish Community Development Centre and Health Exchange, who suggested the deprivation statistics for a specific area appear to have improved where a housing association had taken a more active role in community led regeneration.\textsuperscript{160} A housing association had for example provided a community group with organisational and administrative support to help it use lottery funding to create a community centre, of which the community and the housing association have joint ownership.\textsuperscript{161}

242. Isabel Dunsmuir, from DRC Generations, used Glasgow Housing Association (GHA) as a key example of the involvement that housing associations have in sustaining communities. She stated—

“If there is a housing association or co-operative in an area, it will be responsible for regeneration. People will go to it—as housing officers, the staff indirectly become social workers. They see people day to day and make referrals to the different organisations out there in the community. They try to bring in those organisations...It is more than just bricks and mortar and maintenance. GHA and other housing associations are key players in whatever is going on to sustain communities.”\textsuperscript{162}

243. We also heard how GHA has provided in excess of £1 million per annum to each of four area committees made up of elected tenants to spend as they see fit,\textsuperscript{163} which is a prime example of true community empowerment in local decision making.

244. Other good examples of housing associations working in partnership were provided to us, such as the work of Easthall Park Housing Co-operative, which is linking up with a local college to provide opportunities for apprenticeships and jobs, and working with local contractors on procurement issues.\textsuperscript{164} The Link Group has worked with partners such as NHS North Lanarkshire, the Scottish Government, the Big Lottery Fund and others, to provide a dental surgery in Kirkshaws, Coatbridge, which has resulted in a significant improvement in oral health in the area.\textsuperscript{165}

\textsuperscript{159} Annexe E.
245. The written evidence submitted by Employers in Voluntary Housing (EVH), itself the outcome of a major review of housing associations and regeneration, puts the position well—

“The housing sector can be a key contributor to many of the outcome targets set by the Scottish Government. Its actions relate especially well to the national performance framework objectives for well-designed sustainable places, strong communities, good quality built environments, health and wellbeing, neighbourhood satisfaction and, most visibly, to the number of new houses built. Within a changing institutional and policy environment, the Scottish housing sector can position itself as a significant agent of regeneration.”

246. Dr Peter Matthews made the point that the role of housing associations as community anchors should be enhanced, using their assets including staff and stable revenue streams to carry out community development in their neighbourhoods. Bronagh Gallagher, from the West and Central Area Voluntary Sector Network, however warned that although housing associations are extremely important—

“We need to avoid the danger that all the attention is focused on the housing association in an area as the sole community anchor organisation. If other organisations are in the area, the culture should encourage them to collaborate and work together, rather than preferring one over the other, particularly when it comes to funding or resources.”

247. In this context, the role of the Scottish Housing Regulator was raised by Link Housing Association, suggesting it had a risk averse attitude to housing associations using their reserves to invest in broader community regeneration work—

“Traditionally, there has perhaps been too great a focus on the numbers of houses that have been built and on the finances of an association. We are experiencing a wee bit of tension—that is perhaps too strong a word—because the Scottish Government is encouraging us to embark on innovative projects and do good things with the money but the regulator is saying that we should not do so much of the wider-action stuff and should focus on keeping our nose clean and building more houses. There is a bit of a dilemma there.”

248. The Minister was asked about this and stated that the Scottish Housing Regulator is answerable to Parliament. We received a communication from the

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166 Employers in Voluntary Housing. Written submission, page 7.
167 Dr Peter Matthews, Written submission.
Scottish Housing Regulator in response to the suggestion made by Link about “risk aversion”. He advised—

“It is absolutely the case that we are urging each landlord to consider what constitutes a sensible and sustainable financial headroom as mitigation of the many and increasingly acute risks in the operating environment, particularly the impacts of Welfare Reform, pension liabilities and increasing costs of borrowing. It is entirely legitimate, and indeed laudable, for a landlord to decide to support an activity that it feels improves the quality of life for their tenants, residents and the wider community, but it has to make that decision in the context of the overall business. It is essential that landlords, and particularly governing bodies, ensure that they understand the risks involved and the capacity of their organisation to handle these risks before they agree to any new venture. Where a landlord has done this, we are likely to have few concerns…this is all about good risk management, business planning and due diligence.”

249. We welcome the housing regulator’s statement supporting housing association’s involvement in regeneration activity. We note further a recent speech the regulator made at the Scottish Federation of Housing Associations annual conference in January of this year, which addressed the role of housing associations as ‘anchor organisations’—

“Landlords have always been involved in a wider role than simply providing housing. In many cases your organisations are the only institutional presence in local communities, and local people will look to your RSL to provide services well beyond those of the traditional landlord. It seems to me that the role as community anchor and a hub for a wider range of services is an entirely desirable and legitimate ambition for landlords. Wider regeneration and community capacity building are undoubtedly in local tenants’ interests. We also know that diversification brings its own risks and can involve complex arrangements for delivery. And in some cases will involve quite significant resources from the RSL.”

250. We consider the role of housing associations as partners on CPPs in theme 3 of this report.

Role of the private sector

251. Many local authorities, SE and others pointed to the role that the private sector can play in supporting regeneration. The balance between public and

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171 LINK. Written submission. Available at: http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Inquiries/Supplementary_evidence_from_LINK_20130704.pdf [Accessed 20 February 2014].

private sector investment was commented on by a number of witnesses.\textsuperscript{173} We heard it can be extremely costly to address area issues around infrastructures, cities, towns and landscapes, decontamination of land and so on, and that there is no incentive for the private sector to fill that role.

252. Regeneration activity by public bodies should therefore seek to correct market failure.\textsuperscript{174} The Unicorn Property Group outlined its view of the role of the public and private sectors in regeneration—

“Regeneration is not by any means solely the physical improvement and upgrading of a neglected urban realm. Place making through coherent civic planning and co-ordinated civil society, hand in hand with an informed and resourced community utilising their own natural assets to create healthier, safer and happier communities is what regeneration is. Wealth creation, new employment, stake building are all keys to regenerating communities and localities that are low in self-confidence and low in attainment. But the task of actually renovating the wider physical environment is often broadly the role of the private investor, seeking to create value from a low base. The role of Government, local and national, is to create in turn a positive atmosphere from the perspectives of physical infrastructure, investment and fiscal policy so that private enterprise can flourish in our local communities.”\textsuperscript{175}

253. Various agencies play a role in seeking to address market failure and adjusting the market by making areas attractive to private investors. Falkirk Council used the example of the Townscape Heritage Initiative in which Falkirk Council is working with partners across the town to attract external funds.\textsuperscript{176}

254. URCs made the case for ‘pump-priming’ and front loading public resource in order to ‘make things happen’. Falkirk Council/SLAED explained the importance of the recent National Review of Town Centres, the planning process and good use of council assets, to attract private investment.

255. SLAED described a fairly recent innovative funding model designed to attract private investment: the TIF (Tax Increment Financing) initiative, which works by using future additional revenue gains from taxes to finance the borrowing required to fund public infrastructure improvements that will in turn create those gains. When a public project such as a new road system is constructed within a specific area, increases in the value of the land as well as new property and business investment can occur. These increased tax revenues (whether domestic

\begin{footnotesize}
\textsuperscript{175} Unicorn Property Group. Written submission.
\end{footnotesize}
or business property) are the ‘tax increment’. In Scotland, extra public revenues would come from non-domestic rates (NDR) raised.177

256. To date, TIF has been approved for three schemes, the Edinburgh Leith waterfront at £84 million, Falkirk (Grangemouth) at £67 million and Glasgow Buchanan Quarter at £80 million. A further three potential TIF projects at Ravenscraig, Argyll and Bute, and Fife were chosen from 16 applicants. These are currently being considered with the total value likely to exceed £100 million.178

257. It is unclear to us why large public sector investment in these projects should be prioritised over others, particularly as their payback, if any, is a long way off and uncertain in respect of delivery.

258. Although large sums of public money have been spent by local authorities, SE and URCs to make locations attractive to private capital it remains unclear how much private investment has been attracted in totality by such public investment. We are aware that directly attributing increases in private investment as a result of varied public spend and activity is extremely complex, but nevertheless we are interested in the amount of private investment estimated, as generated by these large scale publicly financed works. We consider it vital this information is collated, in order that the key objective of publicly funded market intervention i.e. to attract private investment, can be monitored.

259. The key objective of the private sector is to generate profit and the pursuit of profit can have unfortunate outcomes as well as positive ones for communities, as a number of high profile cases have demonstrated in recent years.

260. We did however hear some good examples of the private sector supporting the local community. For example Von Jackson from the Coalfield Communities Federation and New Cumnock Liaison Group explained that his organisation has been able to use the railway station, owned by Network Rail and ScotRail, without charge. And, in addition, it has recently secured funding from Scotrail stations community regeneration fund and the Railway Heritage Trust to turn the station into a café and youth hub, which was desperately needed by the local area.179

261. On our fact-finding visit to Ferguslie Park, we visited St Mirren Football Club, which support its local neighbourhoods by opening its doors, and encouraging the community to use its facilities. For example, it holds belly dancing classes for the local elderly community, encourages use of its information technology suite, and has held cookery classes for dads while their children came along to participate in fitness activities.180 It has invested in an all-weather five a side pitch, which allows football to be played all year round, and encourages

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180 Annexe E.
youngsters to keep active and fit. These activities will no doubt contribute to local health outcomes.

262. Boots UK provided us with information on its involvement in Business Improvement Districts (BIDs) and town and city centre partnerships. It also highlighted its recently launched community engagement guide to support local managers engaging with local partnerships.\(^{181}\) Asda highlighted its Community Life Initiative—

> “Following the Committee’s discussion around community facilities, I would like to make mention of our Community Life initiative, which has seen every one of our stores and depots appoint a Community Life Champion with responsibility for supporting their local areas, including volunteering, fundraising and working with local schools and charities. As part of Community Life we have opened our stores up, free of charge, to local groups and good causes – using our foyer space, training rooms, cafes and car parks to provide space for the community to come together. We would be delighted for the organisations represented at the Committee’s evidence session to make contact with their nearest Asda store to see whether we are able to support them locally.”

263. We believe that building community capacity can support the community in further attracting private sector investment for sustainable regeneration. During our fact-finding visit to Aberdeen, we heard from members of the Seaton Backies project, in which a community group works to revamp the Backies areas of Seaton in Aberdeen, and to encourage the community to spend more time outdoors safely. They have managed to attract private sector funding for various initiatives. This is a shining example of the community working together to attract support from the private sector to help maintain and develop their local project/services.

**Public Utilities**

264. One specific area of difficulty that arose in evidence was engagement with the utility providers and timely delivery of the necessary infrastructure to support new developments. We were advised that in relation to works to support the Commonwealth Games utility providers had been proactive in ensuring their work is co-ordinated with other work.

265. However for general construction projects we learnt there are constant issues with utilities, the timescales of water and electricity companies and others do not always align themselves to regeneration works. We were told by one local authority chief executive that—

> “…it is frustrating that the timescales of water and electricity companies and so on do not always complement our own. They have a separate agenda and, although we try to do as much pre-planning as possible, it is not always possible to get the deadlines to match”…“If you take sewerage as

\(^{181}\) Boots. Written submission, page 1.
Building community capacity - access to funding streams and support

266. A diverse range of stakeholders agreed the funding streams available for regeneration are too complex and inaccessible for communities.\textsuperscript{183}

267. A number of organisations indicated a need for a single information bank on funding streams/accessible funding streams.\textsuperscript{184} In order to alleviate this problem, BIG for example tries to operate a ‘single front door’ i.e. one point of access for its numerous programmes.\textsuperscript{185} Another good example of partnership working in its simplest form was given by Alan Robertson of Clydebank Rebuilt URC, who explained the URC ensures it shares information on the services of its partner agencies to increase support and help the sustainability of projects.\textsuperscript{186}

268. During evidence taking on the 2013-14 Draft Budget, the Minister for Housing and Welfare committed to investigating how access to information on funding could be improved for communities. We asked the Minister for an update on action the Scottish Government has since taken on this issue. The Minister told us of the new Scottish Government website designed to provide more accessible information on all funds that communities can apply for\textsuperscript{187} to complement the ‘recent work of SCVO’, which has helped simplify the funding landscape through its online funding portal.

269. Language used within the community planning environment and public service delivery also limits access by the community if it appears too formal and full of jargon.\textsuperscript{188} To achieve true community participation and engagement in community planning processes and public services, the language used by all partners in these processes needs to be understood by, and relate to, communities. To be effective, communication needs to be at the level of the receiver.

270. Jackie Brock, of Children in Scotland, used the example of parents’ engagement with schools to demonstrate how the community could better participate in improving educational outcomes, through improved communication and understanding—


\textsuperscript{183} DTAS, SCVO, SCA, SURF, West Lothian Council, North Ayrshire Council, SLAED, Dr Peter Matthews. Written submissions.

\textsuperscript{184} DTAS and SURF. Written submissions.


“One small point is the language used with parents when they attend school meetings about their children’s learning. For many parents, some of the language used seems to come from another world when they try to relate their child’s ability and development to what they are hearing from teachers. Schools have a huge role in educating parents about learning, but parents can also help schools to understand what is relevant to their child’s learning. Empowering parents to open up that quite closed shop of education could help them to realise that many of the opportunities given to our children in schools are not good enough, but they must also recognise that they have a role in helping to turn that round.”189

271. We looked for potential solutions to improve accessibility with community representatives. There was strong agreement that appointing or seconding dedicated local officers to community groups could really help them to build partnerships and achieve their own goals, through accessing support and funding in an often unfamiliar environment using unfamiliar processes.

272. Brendan Rooney of the Healthy ‘n’ Happy Community Development Trust, Robert Young, of Community Links South Lanarkshire, and Karen McGregor, from the Kirkcaldy East Regeneration Forum gave different examples of how dedicated local officers support community-led regeneration—

“The council officer has been the gatekeeper of access to council services to which we never would have had access. The most difficult experience is getting to the right person: once you get to them, they are always very helpful. The community officer played that facilitator role, so there is a parent cafe, an employment group and two youth groups, one for eight to 12-year-olds and one for 12 to 18-year-olds. No such activity had existed in the area for an awfully long time. To give credit to the statutory agencies, they have been fully supportive of the process.”190

“A good funding officer can approach groups and help them to apply for those funds. The organisation that I work for was originally set up by local volunteers, so it has always been volunteer led. We have a new project, on which we did research by asking people in the community what they thought they might need after the forthcoming changes to the benefits system. They said that they needed information technology training, so we set up a hub based on what the community said. We showed that project to the council, which thought that it was a good idea to provide extra money on top of what we already had so that the project could be expanded to other areas, but the ultimate aim is to hand it back over to the community.

Another thing that I have often seen with the community groups that I have worked with is that it is difficult to do anything without a good funding officer. A lot of groups do not know how to get a funding officer, whereas

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organisations that are set up as Brendan Rooney’s is have people whom we can approach for funding.”

“Why do we have to go to meetings where most committee members do not understand the language that is being used? Most people do not understand what community planning is. We have the ideas, we just want somebody from the community to work alongside an educated community worker. That would work.”

273. This concept was backed by other organisations such as the SCDC and SLAED. We heard good examples of stakeholders who are involved in delivering regeneration supporting the use of community officers. Eric Adair, from the Parc Craigimillar URC, explained how it funds a full-time community liaison officer (at a cost of £20,000 per annum).

274. The Seaton Backies project, which we visited during our fact-finding visit to Aberdeen, was supported by a local officer funded by the local authority. The work of Engage Renfrewshire in Ferguslie Park is being supported by a dedicated full-time community liaison officer seconded to the TSI by the local authority.

Better use of assets

Use of schools and other local assets

275. We are aware of attempts to utilise the schools estate to increase community activity. The New Community School Prospectus (NCS) was set up in April 1999 and received considerable investment from the Scottish Executive Education Department over three years, as well as significant additional funding from other agencies in a variety of localities across Scotland. Part of the project aimed to provide an opportunity to build the capacity of the local community.

276. In year 1, the majority of schools in the NCS pilot reported only ‘minimal’ or ‘limited’ activities involving the wider community. By year 3, there was evidence of some progress, particularly by secondary schools, with over half reporting they were now moderately or considerably involved in community activities. The case studies found few instances of systematic consultation with communities. The extent of general community awareness of NCS activities is hard to gauge, and less than one third of the pilot projects reported producing newsletters for the wider community. The pilots were unable to demonstrate substantial impacts and were discontinued.

277. A good deal of powerful evidence was given regarding using schools as community hubs/community assets, which suggested that schools are a hugely...
underused resource for communities.\textsuperscript{197} Children in Scotland made the point, as did others\textsuperscript{198} that the underuse of school assets is often related to schools charging costs that are too expensive for community groups to access. Children in Scotland suggested that the Scottish Government support a pilot scheme to explore maximising the use of schools as valuable assets, not only for communities’ own use but as local centres for the delivery of, for example, health and sport.\textsuperscript{199}

278. When we investigated the underuse of schools with community representatives, George Roberts from Whitfield Development Group explained some of the practical issues related to communities using school buildings—

“The new school that has been opened in Whitfield—Ballumbie primary school—is not, to our good fortune, a PPP school, and the community is going to be allowed to use the school gym and assembly hall as a community facility; it will also have rooms in the new life services centre. The scheme has other primary schools and a secondary school, and one of the headmasters has said that he would be delighted for the community to use the school’s facilities because after 4 o’clock and at the weekend everything is closed up. Again, however, it all comes down to finance. Who is going to open up and close the school? Who will be responsible for maintenance? The headmaster himself has said that it is ridiculous that councils do not let communities use facilities that are just standing there vacant.”\textsuperscript{200}

279. Isabel Dunsmuir of DRC Generations gave another example—

“I have three after-school projects that run between 3 o’clock and 5 o’clock, and I get the facilities for free until 5 o’clock. After that, I have to pay for the janitor or whoever it is who closes the hall. It is the same with every primary or secondary school in Glasgow: after 5 o’clock and at the weekend, the facilities are not free. A lot goes on in the schools, but they are just too expensive.”\textsuperscript{201}

280. This was a general point that was made about communities having to pay to access other local authority and public assets.\textsuperscript{202} One issue in this respect is councils switching to trusts, which then have to charge for community use of assets.\textsuperscript{203} It was suggested that councils that effect such transfers should attach a
condition that community group charges should be nominal or severely discounted.\(^\text{204}\)

281. But we have heard of very positive examples - education and leisure chiefs at City of Edinburgh Council recently announced a new pilot initiative to open Edinburgh's secondary school facilities to communities by launching an online booking and payment system, thereby ensuring that price structure affordability is maximised for the most disadvantaged districts.\(^\text{205}\)

282. The transferring of local ‘capital/assets’ to communities was raised but the outright ownership of public assets was not considered necessarily the critical issue. The degree of community control, together with the revenue/resource required to support the community activity within the asset both in establishing it and in the long run, to make community regeneration projects sustainable were seen as essential.

283. We heard good examples of local authorities transferring assets, or maintaining ownership of assets but giving the community control and management of those assets.\(^\text{206}\) South Lanarkshire Council for example has a community asset transfer scheme to support the community in taking over assets.\(^\text{207}\) Angus Council has vacant buildings that are being used by communities free of charge.\(^\text{208}\) It commented—

“it is important for us that any assets transferred are indeed assets and not liabilities which would only set communities up to fail.”\(^\text{209}\)

284. This point was echoed by some of the community representatives whom we heard from. For example, when discussing BIG lottery funding, Von Jackson, from the Coalfields Communities Federation and New Cumnock Liaison Group stated—

“Quite a few buildings in New Cumnock are up for asset transfer, but they are all big buildings for a small community group to take on and it would take quite a bit to make them sustainable. That is what puts off a lot of wee community groups—especially just now, when funding is getting cut…At the end of the day, buildings are moving from the local authority to the community group. If it does not go right, the community group gets the blame for the building sitting there empty or for things not working out. It is a


\(^{209}\) Angus Council. Written submission, page 4.
big responsibility for the community to take on some of the asset transfers that are going on in different communities.\textsuperscript{210}

285. BIG suggested disposal of public sector assets to the community at the lowest purchase price possible (with support to ensure sustainability).\textsuperscript{211} The HLF gave us the example of ‘lease over ownership’—

“For example, with Maryhill burgh halls in Glasgow, although the community trust ultimately took ownership of the project, we would have been completely happy for Glasgow City Council, which owned the building, to grant a very long lease, as that would have provided some security not only for the building—the heritage asset—but, as we have heard, for the trust, as it would not have had that ownership headache to worry about.

We would be happy for public service bodies to take a tenancy in one of our projects and provide those running it with some secure income. A very good example of that is Garrison house in Millport, where the local health service established a health centre and pharmacy in what started out as a heritage project, providing a sustainable use that secures some income”.\textsuperscript{212}

286. The specific issue of disposal of NHS assets was raised. Angus Council indicated it understood that health trusts were circumscribed by national rules on disposal of NHS assets. Communication was received from the Scottish Government health directorate indicating that individual trusts were free to make judgments as to what is best for the communities that they serve, following the guidance outlined in the Scottish Public Finance Manual and NHS national guidance.\textsuperscript{213}

Use of Vacant and Derelict Land

287. The Scottish Allotments and Gardens Society (SAGS) suggested that vacant and derelict land should be used to provide more community allotments, to achieve more community benefit from public assets. It is clear that benefits can be achieved (at a low cost) from a greater provision of community allotments (such as environmental improvements, health benefits and raising horticultural skills). It suggested a number of actions that the Scottish Government could undertake to support the use of vacant and derelict land for community allotments, to aid community regeneration.\textsuperscript{214}

288. We are currently considering a related public petition PE1433, from Mr John Hancox, which calls on the Parliament to urge the Scottish Government

\textsuperscript{213} Scottish Government. Written submission. Available at: http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Inquiries/Response_on_NHS_property_disposal_strategy_20130918.pdf [Accessed 20 February 2014].
\textsuperscript{214} Scottish Allotments and Gardens Society. Written submission.
to encourage public agencies such as the Forestry Commission Scotland, the Crown Estate, health boards, public trusts and landowners, public and private, rural and urban, to make land available for people to plant, grow and harvest their own food. This petition was sent to us, given our likely involvement in the CE Bill. We wrote to the Scottish Government’s Land Reform Group in June 2013, and it confirmed that the subject of land for allotments will be taken forward under the CE Bill.215

289. We note the consultation on the draft CE Bill contains proposals that relate to allotments (part 4.3). We look forward to considering the legislation, and will look closely at duties on local authorities regarding future allotment provision.

290. The Scottish Government’s Vacant and Derelict Land Fund (VDLF) is currently allocated to five local authorities (Dundee, Glasgow, Highland, North Lanarkshire and South Lanarkshire), and supports tackling issues with long standing vacant and derelict land. The Infrastructure Investment Plan progress report states that “over £26m” is being provided over the three-year spending review period, which lasts to 2014-15.

291. We explored anecdotal evidence with the Minister, that local authorities are a barrier to communities accessing the VDLF. The Minister explained that this fund is direct Scottish Government funding and is under review, and that the Scottish Government is currently working with COSLA to establish how best to distribute it.216

292. We look forward to the outcomes of such discussions, especially in regard to community access to the fund. We will follow these discussions with interest and anticipate returning to this subject at the end of 2014 to satisfy ourselves that funds are being used to support community empowerment and ownership.

Regeneration ‘delivery tools and mechanisms’

Procurement

293. Procurement could play a vital strategic role in achieving regeneration outcomes and changing the way that public services are delivered. It can act as a strategic mechanism to support community regeneration. It was suggested the £9 billion public budget for procurement annually could be targeted differently through the design of public contracts. Oxfam raised the importance of paying the living wage and building this into public sector contracts. It stated that 60% of the poor are in work, and that paying the living wage in public procurements is critical to addressing this problem.217

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294. Some community regeneration is progressed through the use of community benefit clauses in contracts. We heard from Falkirk Council, which builds community benefit clauses and ‘localised benefits’ into procurement policy for capital investments. These clauses include the building in of the provision of training agreements, or growth of the local supply chain.\textsuperscript{218} North Lanarkshire Council highlighted the use of community benefit clauses in its house building programme, which requires contractors to employ local unemployed residents.\textsuperscript{219} All four west coast URCs have community benefit clauses in their contracts.\textsuperscript{220}

295. We also heard about the HubCo initiative, which is designed to ‘maximise the use of the public sector asset base and reduce procurement costs for community infrastructure projects’.\textsuperscript{221} However, we heard concerns the model could negatively impact upon communities’ participation, as it supports ‘bulk purchase’ and larger scale procurements, and potentially places communities at a disadvantage.

296. During his evidence to us on the Procurement Reform (Scotland) Bill, Andy Milne of SURF outlined his concerns about the suitability of the HubCo procurement model for use by local community-based regeneration schemes. Although he acknowledged the benefits of the HubCo model for use by large organisations or local authorities, he stated—

“There has to be a fundamental challenge of whether the hubco model works in the interests of regeneration at local level. A separate analysis is carried out of what the Scottish Futures Trust is doing and the outputs in terms of overall cost savings at national level, and there are questions about that”.\textsuperscript{222}

“The hubco model comes out of a much broader direction of travel towards larger multinational organisations delivering services not just on a very large scale but right down to local level through homogenised models. As far as community empowerment is concerned, I suggest that such models are likely to miss the opportunity to connect with local resources, talents, skills and trades that have been built up...My concern about the hubco model is that it seems to be driven solely on the basis of achieving economies of scale and evening out supply lines with a view to saving money in the shorter term. There has been a lack of consideration in and around hubco of the impact of that short-term saving on the longer-term sustainability of


\textsuperscript{219} North Lanarkshire Council. Written submission, page 1.


local companies, local jobs, short supply lines, vibrant high streets and successful town centres.\textsuperscript{223}

297. We also heard throughout this inquiry, and our inquiry into public services reform, that procurement processes are barriers to communities accessing public funds. They are therefore prevented from being fully empowered to deliver procured public projects/services, due to the complexity and administration involved.

298. Several witnesses suggested that, for audit purposes, the complexity and length of procurement processes are generally justified.\textsuperscript{224} However, many bodies are making moves to improve access to bidding for their contracts, by improving knowledge about their processes to assist local, community-led organisations. For example, Falkirk Council, Renfrewshire Council and South Lanarkshire Council explained their supplier development programmes\textsuperscript{225} which help access to public contracts. SLAED is in discussion with the Scottish Government about promoting this and rolling it out.\textsuperscript{226}

299. As we were only able to touch upon issues raised in relation to procurement during our evidence taking for the regeneration and public services reform inquiries, in November 2013 we took evidence on the Procurement Reform (Scotland) Bill. This allowed us to revisit these procurement issues in more detail, examine how the Bill might affect them and report our findings to the Infrastructure and Capital Investment Committee, who are scrutinising the Bill at Stage 1.\textsuperscript{227} Our findings are summarised below—

- The public procurement mechanism is a key ‘enabler’ in achieving public policy objectives and can be used as a tool to ‘lever change’.

- Some stakeholders whom we took evidence from (SURF, CCPS and Oxfam Scotland) felt that the emphasis of public procurement legislation and policy, and the current framing of the Bill, weigh too heavily on the driver of economic development, value for money and being business friendly, as opposed to aligning with the national objectives of sustainable communities or increased wellbeing and equality.

- There was wide agreement among former and current chief executives, procurement and legal officers whom we heard from, and Audit Scotland that the use of procurement as a strategic tool to achieve these outcomes [broader national social outcomes desired] has already


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developed significantly over time and that a lot of ‘best practice’ by contracting authorities already takes place under existing regulations, and delivers cost effectiveness.

- Given the evidence that we have heard during our recent inquiries, we fully agree that strategic commissioning and strategic procurement are the same thing. What is important is ensuring stronger community participation and engagement in the design and planned delivery (and assessment of outcomes) of public services before the determination and award/delivery of public services contracts, whichever delivery mechanism is used.

- We commend the aim of the Bill to build further engagement with communities and service users into the procurement process.

- We would like to see more explicit links to how the procurement mechanism as enabled by the legislation will contribute to overarching national objectives of public service reform, sustainable communities and regeneration, and reducing poverty and inequality in Scotland’s disadvantaged communities.

- Given concerns that we have heard about whether current procurement guidance is fully followed, we are not convinced that the sustainable procurement duty, as currently drafted in the Bill, is necessarily robust enough to enable delivery of the step change that is required in aligning procurement activity with delivering national social outcomes.

Special regeneration vehicles
300. Six urban regeneration companies (URCs) were established in 2006, following recommendations that were made in the Cities Review 2002, to lead the physical, economic, social and community regeneration of some of the most deprived areas of the country. URCs are formal partnerships of key representatives from the public and private sectors, which operate at arms' length from partner organisations.

301. 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. The then Scottish Executive made it clear that it expected the URC to deliver outcomes across economic, social and environmental as well as physical regeneration.\footnote{Scottish Government. (2007) \textit{Best Practice in Establishing Urban Regeneration Companies in Scotland}. Available at: http://www.scotland.gov.uk/Publications/2007/09/20103240/3 [Accessed 17 February 2014].}

302. The six that were established are: Irvine Bay Regeneration Company, Clydebank Rebuilt, PARC Craigmillar, Raploch Urban Regeneration Company, Riverside Inverclyde and Clyde Gateway.

303. Over their lifetimes to date the URCs have received the following funding from the Scottish Government and Scottish Enterprise—
<table>
<thead>
<tr>
<th></th>
<th>04/05</th>
<th>05/06</th>
<th>06/07</th>
<th>07/08</th>
<th>08/09</th>
<th>09/10</th>
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<th>11/12</th>
<th>12/13</th>
<th>13/14</th>
<th>Total (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clydebank Re-built</td>
<td></td>
<td></td>
<td></td>
<td>30.98</td>
<td></td>
<td>0.35</td>
<td>0.547</td>
<td></td>
<td></td>
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<td>31.877</td>
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<tr>
<td>PARC Craigmillar</td>
<td>21.2</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>21.2</td>
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<tr>
<td>Raploch</td>
<td>15.300</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>15.300</td>
</tr>
<tr>
<td>Irvine Bay</td>
<td>1.150</td>
<td>2.230</td>
<td>3.520</td>
<td>6.73</td>
<td>3.23</td>
<td>4.0</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
<td></td>
<td>23.86</td>
</tr>
<tr>
<td>Riverside Inverclyde</td>
<td>0.3</td>
<td>4.64</td>
<td>13.04</td>
<td>7.15</td>
<td>9.5</td>
<td>4.0</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
<td></td>
<td>41.63</td>
</tr>
<tr>
<td>Clyde Gateway</td>
<td>5.0</td>
<td>62.0</td>
<td></td>
<td>18.3</td>
<td>19.25</td>
<td>20.0</td>
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<td>124.55</td>
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</tbody>
</table>

304. Other than SE’s physical investment programme the URCs have historically been the main Scottish Government vehicle for major sustained area regeneration. Two were aimed at community regeneration (Raploch and Craigmillar) one at both community and economic regeneration (Clyde Gateway) and three mainly at economic regeneration (Riverside, Clydebank and Irvine). Their common theme was the need for long term investment working with the property market.\(^{229}\)

305. The level of market failure in regeneration areas is of such scope and scale that there is a need for commitment from the public purse. Addressing market failure in respective URC areas is a long-term process that aims to build interest from the private sector.

306. Physical regeneration has been undertaken to remove environmental blight, address contaminated land and deliver modern commercial and residential units. This has had a degree of positive impacts in improving the perception of places among both local people and external visitors and investors. The aim of creating attractive places for investment improves the long-term sustainability of communities and is designed to lead to the attraction and retention of jobs, businesses, homes and residents.\(^{230}\)

307. In the recent economic climate, with a sharp reduction in the availability of private sector investment it has become apparent that the cost of clearing contaminated land to make it ready for development is one that can realistically only be borne by the public purse.

308. With the banking crisis this strategy, albeit still credible, is inevitably slowed and delayed, although the social and economic needs remain. It is inevitable that, over such long programme lives, there were always going to be substantial and unpredictable economic changes. We are disappointed that the response of some of the URCs was inflexible when they were unable to run the original ambitious plans that were established for them.

\(^{229}\) Remit of URCs are available online at their respective websites.

\(^{230}\) West of Scotland URC. Written submission, page 5.
309. We received evidence that demonstrated different degrees of success but no evidence that the original objectives were being achieved, nor that their social and economic needs, were being met.

310. The targets set and the indicators used by URCs are examined in greater detail in the next section of this report, when we also look at governance arrangements.

**Arms-length external organisations (ALEOs)**

311. Audit Scotland defines arm’s-length external organisations (ALEOs) as companies, trusts and other bodies that are separate from the local authority but are subject to local authority control or influence. Control or influence can be through the council having representation on the board of the organisation, and/or through the council being a main funder or shareholder of the organisation.

312. ALEOs take many forms including companies limited by guarantee or shares, community enterprises, such as industrial and provident societies, trusts and Scottish charitable incorporated organisations. Examples of the services they deliver include leisure, transportation, property development and, more recently, care services. ALEOs are often set up as non-profit making organisations such as charities to promote public benefit.

313. They are ‘arm’s-length’ because the council retains a degree of control or influence, usually through a funding agreement, and ‘external’ because they have a separate identity from the council. ALEOs by their nature are one step removed from council control and, as a result, governance and financial arrangements can be complex. There is a risk that service users and citizens will have less input into and influence over how services are provided. There is also potential for conflicts between the interests of the council and the ALEO.231

314. During a visit to Glasgow, we heard much community funding that used to come directly to community groups is now channelled via CPPs and ALEOs and this has resulted in a major loss of actual funding to community groups. An example given was the Fairer Scotland Fund when it was amalgamated with the integrated grant funds, thereby being lost for the most part to community groups.232

315. We also had concerns about whether ALEOs, particularly those with charitable status, were able to access regeneration funding to in effect deliver services that used to be mainstream public services delivered by a local authority. We took an opportunity in oral evidence to investigate how widespread this might have become.

316. We were advised by the Big Lottery Fund that such bodies would probably be eligible for funding—

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232 Annexe E.
“The biggest risk probably comes from the sports and leisure arms that have been set up, which will probably be eligible to apply to us for funding. However, as far as the Big Lottery Fund is concerned, Sportscotland funds sports so, fortunately—if that is the right expression to use—it is highly unlikely that we would have a programme that such bodies could apply to. They could come to the growing community assets programme for funding, but sports facilities have not been a high priority for that investment area.

The issue has not been a big problem for us so far, but…such bodies will probably be eligible, so we will have to be alert to that.”

317. The Heritage Lottery Fund indicated that—

“In the culture and heritage world, arm’s-length bodies are common—virtually every authority has one or is in the process of establishing one. They are most certainly eligible to apply to us. Every local authority can also apply, but that makes no difference to the eligibility status of arm’s-length organisations as far as we are concerned…We have funded a number of projects with culture and leisure trusts that have been entirely successful. However, we need to bear it in mind that we do not provide core revenue funding so, in that sense, we are not substituting for the local authority’s day-to-day activities.”

318. As far as accessing Government grants are concerned we were advised there was—

“no reason why arm’s-length organisations would be ineligible. However, in looking at the organisations that have been set up, I see no fit with current or future programmes. That might change as the trend develops, but the activity in which they are engaged would not be eligible for ERDF or ESF funding.”

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PARTNERSHIP WORKING: OUR CONCLUSIONS AND RECOMMENDATIONS

319. This section sets out our conclusions and recommendations on the Partnership Working issues covered under this theme of the inquiry.

Conclusions

320. We expect capital investment to either show some direct, immediate social benefits, or, be necessary to facilitate private sector involvement; for example reclamation of contaminated land. In all cases we expect there to be credible proposals in place to meet running or future development costs. In the absence of any monitoring of measurable outcomes, it is difficult to reach sound conclusions on the benefits of funding being focused on start up or running costs.

321. The crucial role that community anchor organisations play in delivering ‘grass roots’ regeneration requires sufficient revenue support.

322. In our view any organisation that works in and with the community should be considered as an ‘anchor’. We have a concern that it is possible that in some local authority areas only those organisations that are officially recognised as a “community anchor” are receiving support and/or funding. We trust that, if such a practice does exist, it can only be to the exclusion or detriment of groups working with the community. We consider that any such approach is self-serving and that all groups should be considered equally.

323. It is clear housing associations have substantial capital and revenue resources together with a large workforce. Evidence indicated some valuable roles are carried out, particularly around people, rather than solely property together with an appetite for more involvement of this nature.

324. Clearly, for regeneration projects to result in sustainable positive outcomes, communities need to be able to take forward some projects that are able to generate income – a clear link to the private market. The regeneration strategy states the Scottish Government would provide a co-ordination role with the private sector—

- “Lead engagement with the private sector at a national level to fund, inform and deliver regeneration
- Identify opportunities to coordinate engagement between private sector and key public sector partners, including local authorities, to support the development of productive partnerships at a local level.”

325. We believe that the role of the private sector is fully embedded in approaches to physical and economic development, and we have heard some very good examples of communities working with private companies, with mutual benefit. However, we believe the opportunities available from the linkage of the private sector to community/social development are yet to be fully realised. We believe this is in part due to the missing strategic connections between the three
aspects of delivering a truly holistic approach to regeneration: physical, economic and community/social development.

326. The newly established Scottish Government website that identifies funds available for community groups is a welcome mechanism for communities to access information on funding available to support their regeneration work. However, this website covers only funds provided directly by the Scottish Government. We acknowledge there are tools out there that are designed to improve access to information, such as the SCVO’s online funding information. Nevertheless, frustration still exists amongst communities about the complexity of regeneration funds. Firstly, in terms of the broad landscape of funds available. Secondly, the varied, and (as communities experience it) rigid criteria, lengthy time periods, and often bureaucratic processes that require to be followed in order for funds to be awarded. The language used in the funding environment is not seen to be community friendly.

327. We were impressed by the evidence that we received on the benefits dedicated community officers bring and we are also convinced of the dual benefits that can accrue from secondments to support community groups. This type of direct support was cited time and time again as being hugely helpful to community groups trying to access ‘the funding system’ and we believe the long term benefits of what is a short to medium term intervention cannot be overstated.

328. Not only does this support communities in accessing public funds, we believe this type of activity, when concentrated on transferring knowledge and building communication between communities and those involved in strategic community planning, will further strengthen the linkage between local and strategic community planning/development. It will enable and empower communities to participate independently. We believe this is a perfect example of preventative action.

329. We note the transfer of public assets to a community group, either by way of outright ownership, or a long lease, can bring about benefits. But we note also that more important than control of and responsibility for physical assets are the resources necessary to establish and then sustain the activity within them.

330. We are disappointed to learn of difficulties in co-ordinating activity between local authorities and utility providers. We expect greater flexibility from utility companies when given adequate notice of developments designed to provide public benefit and encourage the NCPG to bring to bear the necessary pressure to improve the situation as described to us.

331. Buildings for community groups’ use are in short supply but all communities have schools. They are an under-used asset and we believe there is merit in considering a strategic approach to maximising the use of school assets. We have heard of many good examples of local authorities improving community access to public assets, but we still believe more could be done, across all partners, to maximise use of existing public assets, be it through community ownership, lease or discounted cost.
332. We understand the necessity of ‘following the public pound’ and having thorough procurement processes in place. However, from the evidence we heard, we are convinced more could be done to support/spread best practice in terms of a ‘community focus’ in procurement processes.

333. We understand that some procurement and audit processes are necessarily burdensome, but we believe that local communities need more support to be able to compete for public contracts through the public procurement system.

334. We too share the concern expressed by communities that ALEOs, though delivering local government services, are seeking separate charitable funds and thus reducing the direct availability of these funds to communities. We consider this to be contradictory to the community led regeneration vision, and it reinforces our belief of the need for more direct community funding.

Recommendations

335. We recommend that the PCF focus funding on grass roots community organisations. We also recommend that at a local level, partners consider finding ways to transfer more core revenue funding to directly support community organisations, with as much flexibility as possible for communities to use this funding as they see fit.

336. We do not consider that it is particularly useful or helpful to define a “community anchor”.

337. We recommend that the Scottish Government discuss and agree with the housing association movement, a definition of wider roles and responsibilities that would be appropriate for individual housing associations to take up.

338. We encourage the private sector to get involved with their local communities. We suggest public partners find ways of supporting the community to build links with private companies, to create a stronger and more cohesive link between physical, economic and social, community-led regeneration, hence leading to a more sustainable model of delivery.

339. We would welcome an update from the Scottish Government on the activities it has been undertaking, as detailed in the strategy, on its co-ordination role with the private sector, including what it is doing to lead on building partnerships between the private sector and communities, to support sustainable community led regeneration.

340. We recommend that following a regeneration funding mapping exercise, the funding information portal be extended to cover all sources of regeneration funding, and act as a ‘one stop shop’ on regeneration resource. Arrangements should be made to ensure the website is regularly updated.

341. We consider that all local authorities, if they do not already have them, should have dedicated community officer posts to support community led projects.
342. We recommend the Scottish Government encourage local authorities, health trusts, housing associations and other organisations to second staff, full or part time, to provide direct support and assistance to community projects.

343. We welcome steps to empower communities to own their public assets, as we believe community ownership leads to more sustainable positive long term outcomes. We note the draft Community Empowerment Bill is to make provision for community groups and others taking over assets. We look forward to considering the detailed arrangements around asset transfer and anticipate that the Bill will allow flexibility to local authorities in setting sale prices at other than open market value in appropriate cases.

344. We recommend that the Scottish Government works with COSLA and the National Community Planning Group to establish a system that allows community groups to use schools at an affordable cost.

345. We recommend that the Scottish Government review NHS guidance to ensure it provides the greatest flexibility in allowing the transfer of NHS assets to the community. We expect that, following the Community Empowerment Bill, the guidance will facilitate consistent and universal application of this flexibility across all NHS areas.

346. We recommend the Scottish Government review its allocation of the £9 billion procurement budget, to ensure the process maximises support at a strategic level to the most disadvantaged areas.

347. We recommend the Scottish Government ensures guidance on procurement processes encourages rules to be applied according to requirements, but in a proportionate, less risk averse way that best supports more flexible public service delivery, and allows communities to access public contracts.

348. We welcome SLAED and the Improvement Service's Supplier Development Programme, and encourage its quick roll-out.
THEME 3: PRACTICAL ISSUES

349. Strongly linked to the previous ‘partnership working’ theme, this theme of our inquiry considers what training and capacity building could be provided to communities. In addition, the theme considers what role CPPs need to play, in supporting and empowering communities to participate in the commissioning, planning and delivery of regeneration activity to ‘do regeneration themselves’. Finally, we were interested in how outcomes of regeneration activity are being and can be both measured and demonstrated, to enable progress and success to be identified, allowing best practice to be shared.

350. Four related questions were set out under this theme in our call for evidence—

- What actions could the Scottish Government’s forthcoming community capacity building programme include to best support communities to ‘do regeneration’ themselves?
- What role should CPPs play in supporting the community in regenerating their communities?
- How can CPPs best empower local communities to deliver regeneration? Please provide any examples of best practice or limitations experienced that you think the Committee would find useful in its scrutiny.
- How can the outcomes of regeneration truly be captured and measured? What are the barriers to capturing outcomes and how should the success of regeneration investment be determined?

351. Our findings in this area, incorporating those questions, are presented below.

Community capacity building

What do we mean by community capacity?

352. Before we could establish how best the Scottish Government and partners could support community capacity building, we gave consideration to what was meant by the term. Stuart Hashagen from the SCDC and Health Exchange offered a comprehensive definition of community capacity—

“We say that there are four broad headings. First, communities need the understanding, knowledge, skills and confidence—the learning or education side of things—to be able to act in the first place in the situations that they deal with. Secondly, they need a level of organisation, whether that consists of informal networks, bigger organisations or entities as large as community-based housing associations. Thirdly, they need some political influence so

that what they want to see happen can be explained and justified to decision makers. Finally, equalities are very important, so that we are not just advantaging people who already have power at the expense of others. The equalities debate underpins all this”.

353. Capacity is not an abstract quality; rather, it develops in response to its exercise. Judith Robertson of OXFAM commented on some of the significant and major gaps for community organisations trying to relate to, or influence, community planning—

“From our perspective, it seems that we are expecting community organisations to tackle problems that as professionals we often fail to tackle, and to engage in community planning processes when they have no individual resources to do that. Community organisations often have very few staff and work with volunteers, who often do not have much time, as the committee heard from the woman from Kirkcaldy. In my experience, that is a very common instance. We expect some of the most vulnerable people in our communities to take care of some of the most vulnerable people, which is not okay”.

Methods of community engagement

354. A barrier to building community involvement in regeneration is a lack of knowledge of how to get involved. This can, in part, be overcome through successful community consultation exercises by all regeneration partners. However, it is not only public bodies that need to consult. BIG explained that it looks to community groups to explain how they have consulted.237

355. It is important that the results from such consultation processes truly represent community views. However, community representatives explained the difficulty in engaging people in successful community consultations, with a general apathy felt by the community towards such processes. For example, Von Jackson stated—

“There is a community consultation going on in New Cumnock about our goals for 2020. We have had to offer an incentive to people to get the papers back to us—the local hotel owner is offering a night’s stay. People are even going door to door to collect the papers.

I did a survey myself a couple of years ago for the liaison group at our fun day. People were just not interested. There was apathy. East Ayrshire Council gets the blame for the be-all and end-all, whether it is the council’s problem or not, and people are just not interested in filling in forms. I hope that the incentive of the hotel break will make all the difference this time, but that is yet to be seen.”238

356. Karen McGregor, from Kirkcaldy East Regeneration Forum, highlighted the inaccessibility of some consultation exercises—

“A lot of people in the community are the third generation in families in which no one has ever worked...Most of the people have low self-esteem. Nobody has ever come to their door and spoken to them or done a community consultation to ask, “What would you like done?” It is all right to send out questionnaires, but does everybody know how to read and write? It is all right if a questionnaire is online, but does everybody have a computer? We live in a different world now.”

357. We investigated whether community consultations could become more accessible, and therefore representative and reliable, if they were led by the community. Robert Young, of Community Links South Lanarkshire, explained that his organisation has a service delivery agreement with South Lanarkshire Council and does consultation work in its area. He stated—

“The work is door to door, as that is the only way to do it. You have to keep going round and round until you get all the answers...It is the only way that you get a true picture of an area.”

358. Brendan Rooney agreed there were benefits to community led groups running consultation exercises, including their ability to better reflect the language used in the community planning environment. We raised that issue in theme two of this report—

“Community-led groups have become adept at translation. For example, if the council wants to know something, community-led groups can adapt the council’s lingo into language that local people can understand. The community-led group can say to the council, the NHS or the statutory agency, “That approach will not work in this area. Here is a better methodology”—such as the door-to-door approach—“Why don’t you do it this way?” They have the local knowledge and the local language.”

359. As part of our scrutiny of the Scottish Government’s third draft National Planning Framework on 29 January 2014, we heard from Planning Aid Scotland about the Charetteplus model of community engagement they have developed to assist planning authorities when drawing up local development plans. This is a more holistic community engagement exercise, based on the Charette model of engaging with respect to place-making and development plans. However Charetteplus extends this model to include community planning more widely. Planning Aid Scotland pointed to its recent Charetteplus pilot exercise undertaken in Levenmouth in Fife in May 2013. This was carried out in co-operation with Fife

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242 Planning Aid Scotland: http://www.planningaidscotland.org.uk/charretteplus/
244 Planning Aid Scotland. (2013) Charrette plus – An Innovative Technique Promoted by Planning Aid Scotland. Available at:
Council and supported by COSLA and the Scottish Government. This is another example of innovation in terms of community engagement in decision making.

360. Participatory budgeting is another tool used to engage communities in decision making, highlighted by organisations such as North Lanarkshire Council and Oxfam—

“Participatory Budgeting...is very effective as an engagement tool and directly involves local people in making decisions on the spending and priorities for a defined public budget in their area. This also promotes wellbeing, empowerment and a sense of ownership.”

“If we are to engage people that will involve a transfer of power, which can be done in all sorts of ways. One way that we advocate in our submission is participatory budgeting, which is well used in Brazil, although clearly not to the extent that people got to say whether they wanted to host the world cup. In many cities and at high levels, chunks of the budget are allocated to participatory budgeting. There is a large community engagement process and the community says, “This is how we want the money to be spent.” How the money is spent is determined not by a finance committee, the Parliament or a local authority committee but by the people.”

361. Oxfam’s written evidence highlighted Govanhill as an example of best practice with regard to participatory budgeting—

“In addition to facing a range of social, economic and health inequalities, Govanhill in Glasgow is a diverse neighbourhood where over 50 languages are spoken. In 2010 the Govanhill Community Action group (GoCA) – comprising representatives from local community groups – was allocated £200,000 from the Scottish Government and tasked with deciding how it should be spent locally. Oxfam supported the group and facilitated the participatory budgeting process. GoCA embraced the responsibility – they discussed strategic priorities and then invited wider community groups to participate. Funded projects were innovative, diverse and ambitious, emphasising people, rather than place: the Govanhill Family Support Group; Govanhill Community Justice Partnership; and the Govanhill Baths Trust. This selection demonstrates a strong understanding of local issues. The process was a positive and beneficial experience for all concerned; it enabled structured and purposeful dialogue between community members as well as the public and third sectors. It also reflects a welcome cultural shift towards devolving decision making power to the Govanhill community and, as a result, trust and respect has increased. The community demonstrated strategic prioritisation of wider community interests – they


knew the issues and directed money in the direction of practical, efficient and effective solutions.\(^\text{247}\)

362. We also heard an example of participatory budgeting from the Linwood Community Development Trust,\(^\text{248}\) which undertook a wide ranging consultation throughout the community that included all organisations that operated there. Its record of people’s priorities from this consultation was distilled into categories that then fed into creation of the Linwood community plan. Linwood now aims to take an asset based approach to regeneration and is looking to utilise powers that are expected to be given in the Community Empowerment Bill to ensure local ownership of community assets.

363. A continuing theme was the need to share best practice and show how other community groups have successfully developed local regeneration projects, in order to improve knowledge and information sharing.\(^\text{249}\) Here we note specifically the annual ‘SURF awards’ as a method of sharing best practice amongst practitioners and the community—

> “With regard to specific examples of strong projects that are focused on multiple aspects, SURF can draw on a substantial body of independently assessed successful initiatives. Each year, SURF organises an annual awards scheme to highlight best practice in community regeneration. The annual SURF Awards are delivered in partnership with the Scottish Government and independently assessed by judging teams composed of national regeneration agency professionals and experienced community activists. Since 2006, SURF has been annually producing an accessible and widely distributed publication summarising up to 20 shortlisted SURF Awards regeneration initiatives from across Scotland. These publications are freely available from the SURF website and provide a valuable resource to regeneration practitioners, policy advisers and academics.”\(^\text{250}\)

364. Sharing of best practice is an important role for community based organisations, as SFHA pointed out—

> “Organisations such as Link Group and NG Homes are doing exceptional work and engaging in innovative approaches that could be passed on for other organisations to learn from and use in their own ways for their own areas”\(^\text{251}\)…“Of course replicating successful community led and managed projects elsewhere requires funding to support the transfer process and to provide kick start funding for the project.”\(^\text{252}\)

365. North Lanarkshire Council suggested that the creation of a forum to share best practice and knowledge of regeneration projects would be an improvement.

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\(^{247}\) Oxfam Scotland. Written submission, page 10.

\(^{248}\) Linwood Community Development Trust. Written submission.


\(^{250}\) SURF. Written submission, page 3-4.


\(^{252}\) Ibid.
366. We asked the Scottish Government what actions it was taking to support sharing of best practice in community led regeneration. In response, the Minister for Housing and Regeneration wrote to us stating—

“The Scottish Government recognises the need to share best practice on successful community regeneration across Scotland. I chair the Regeneration High Level Working Group that is focussed on improving collaborative working in order to support the delivery of regeneration outcomes. By working in partnership with a range of stakeholders from across the public, private and community sectors we are able to share best practice on successful regeneration initiatives”.

367. We note here also the Scottish Government’s ‘Achieving change’ programme, which we understand is designed to support the sharing of best practice in relation to tacking multiple disadvantage.

368. We note here the work of 17 staff of the Scottish Community Development Centre and Health Exchange (SCDC) in that regard. Stuart Hashagen, of the SCDC, explained that the role is to promote and support community development through a number of activities—

“We have been established for about 20 years in two different organisational forms. We are here to promote and support community development across Scotland, and we see that as involving advising on policy areas, practice development and working directly with communities up and down Scotland.

The things with which we have been associated include the training programme for the social inclusion partnerships, when we had them. We worked to co-ordinate the development of the national standards for community engagement and the VOICE—visioning outcomes in community engagement—programme, which is an online version of much the same thing. The community health exchange, which supports the network of community health organisations across Scotland, is based with us, as is the Scottish co-production network, which tries to encourage co-produced solutions to community problems with the national health service and other bodies.

We also run two or three programmes directly in communities, one of which, health issues in the community, is a training programme for local community activists. Another programme, which is funded by the Big Lottery Fund, is called ACE—achieving community empowerment—and is a capacity building programme for a number of smaller community organisations. The other thing that I should mention is that we developed and have spent a lot of time with LEAP—learning, evaluation and planning—which is an outcome-focused planning and evaluation framework for all forms of participatory community activities.”

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253 Minister for Housing and Welfare. Written submission, 24 January 2013.
369. When discussing different approaches local authorities take to engage the community, SLAED stated—

“Diverse approaches are adopted. The tools are all there in the box for regeneration, for community engagement, for the delivery of physical projects and employability and for community benefits, which I mentioned. People know how to do those things. Our officers are equipped to use the tools and they use them. There are many examples across the country of economic development officers being engaged and bringing forward projects, whether that is in cities or towns or out in rural areas...we recognise that the tools are there. The resources that allow us to use them are pretty stretched, and officers have to make judgments on what it is appropriate to use in which circumstances. Ultimately, how the resources are secured concerns our political processes.”

Resources for community engagement and capacity building

370. Oxfam recommended giving the community skills, resources and support from experts to engage in community planning and suggested ‘top-slicing’ CPP funding for community groups to implement their own ideas - which many stakeholders indicated may generate revenue towards community future needs and ownership.

371. HIE and RICS made similar suggestions, recommending the need for good leadership, specialist advice, guidance and capacity building support to manage projects and unlock the talent and aspirations of communities. Carnegie’s research indicated that inspirational community leaders are needed and public agencies have a partnership role to play in capacity building. Furthermore, community led initiatives need broad community level support, projects should not be expected to achieve too much and should be flexible in nature.

372. Community representatives made similar comments, recommending not only that community capacity building was needed, but that the funding should be ring-fenced. DTAS and the SCA called for funding to be invested directly in community organisations so

“capacity can be built from within communities.”

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258 Ibid.


373. We heard different examples of funding capacity building for community ownership directed at community groups, such as that provided by the Heritage Lottery Fund—

“Start-up grants will be available to support changes in stewardship of heritage - helping communities take on the management of heritage assets and undertake initial options appraisals. Transition funding will help those previously supported by HLF to develop their business plans. A Catalyst capacity building grants programme will help organisations acquire the skills they need to fund raise and attract private investment and donations. A further round of HLF’s Skills for the Future programme will build on the success of our first scheme, offering work-based training opportunities across the sector.”

374. In this regard, all CPP partners need to be willing to trust and avoid any risk-averse attitude towards investing support in community capacity and enabling truly community-led projects. It is important that, at least initially, they do not expect too much and thus can ensure or at least recognise less tangible, but equally important benefits from such investment; benefits such as building community confidence and cohesion.

375. Brendan Rooney, from the Happy ‘n’ Healthy Community Development Trust explained that there is often a lack of trust displayed in community organisations—

“Community planning partnerships seem to have a fundamental lack of trust in community groups and organisations having the skills, commitment and capacity to manage resources and make effective decisions. The good experience that I cited took a lot of brokering, discussion and reassurance from us. Over the past 10 years, we have, thankfully, managed to develop a reputation as an organisation that can take on resource, spend it wisely and make a difference to people’s lives. Ultimately, that is what regeneration is all about. It is a complex situation, but there is a cultural issue in the fundamental lack of trust among community planning partners generally throughout Scotland.”

376. We heard that regulation and audit impacts on people’s willingness to take risk with investment. When we investigated risk and attitude to potential failure and the impact this may have on community capacity building, Eric Samuel from BIG stated—

“Years ago, a boss in my department said that if we do not fund some failures, we have failed, because it is all about trying new stuff [emphasis added]. I would imagine that Colin McLean - of HLF - thinks the same. We are so tightly controlled by our financial regulations and by audit

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nowadays that we have to be very careful about what we put money into, so we operate a risk-based approach.”

377. Funding decisions may be more challenging during tough economic times, but a ‘never fail’ attitude stifles investment in community capacity building and innovative ways of communities delivering projects. The Transition University of St Andrews and Dr Rehema Whitey suggested that a culture change is required in local authorities as enablers of community resilience, a message we have heard repeatedly over the course of this inquiry and our inquiry into public services reform.

378. Both SURF and South Lanarkshire Council agreed with other stakeholders that the Government needs to fund community capacity building appropriately for ‘community led regeneration’, pointing out it will be crucial to delivering the key expected components of the forthcoming Community Empowerment Bill.

379. The Minister for Housing and Welfare wrote to us with further information in January of this year, outlining the actions the Scottish Government was taking to support community capacity building. Much of the information re-iterated various existing Scottish Government funds related to regeneration, such as the PCF and Regeneration Capital Grant Fund.

380. However, the Minister highlighted a new programme for community capacity building—

“We have recently developed a Strengthening Communities Programme to help expedite community anchor organisations to achieve greater sustainability and longer term resilience.

This community capacity building programme aims to develop more resilient and sustainable community anchor organisations, committed to community regeneration objectives. It will also deliver a pipeline of organisations with their capacity enhanced and ready to advance into more ambitious initiatives.”

381. It is our understanding this programme is being funded as part of the existing People and Communities Fund.

The role of CPPs

382. Returning to the SCDCs four key elements of community capacity building, we consider CPPs have a duty to support community capacity building by—

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265 Ibid.
266 Minister for Housing and Welfare. Written submission, 23 January 2014.
• ensuring appropriate co-ordination and prioritisation of CPP resource to build community capacity, with funding following the objectives of building the knowledge, skills and confidence of communities. This includes funding communities to organise themselves and establish appropriate infrastructures and networks;

• enabling broad community engagement activity in the community planning process, using varied methods to interact with different groups;

• ensuring appropriate strategic co-ordination and prioritisation of CPP activity to support outcomes of reductions in poverty, equality and deprivation; and

• ensuring appropriate linkages in local structures and partnerships are in place, so that it is clear to communities and all other partners, how they truly contribute to and influence the strategic community planning process.

Communities and CPPs
383. There was significant consensus among those whom we took evidence from that CPPS need to be focused on people; with communities being key players in decision making processes and regeneration activity.267

384. In line with the findings from our public services reform inquiry268 and our findings in theme 1 on ‘true community-led regeneration’, evidence on the performance of CPPs engaging and empowering local communities in decision making is mixed. We heard mixed messages about whether CPPs involve the right partnerships at the right level. Some representatives suggested the strategic level at which CPPs operate often excludes the community.

385. The recent Audit Scotland report and recommendations on CPPs269 were commended by Judith Robertson from Oxfam Scotland, who suggested that CPPs are not doing enough to pro-actively engage communities in the right ways—

“Audit Scotland has done a fairly thorough report and made some quite good recommendations. Participation is a juggling act. Some CPPs do not have the word “community” in their name, and they become planning partnerships for public sector delivery. We are honest about that; that is what they achieve, and there are other complementary processes to engage the community, which we resource…We have to go and talk to people, we have to resource that and we have to do that in such a way that

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people are prepared to engage with us, so we have to go to where they are. We cannot expect people to come to us. When the committee went to Govan, that was great. I know that lots of people do that all the time, and that is positive. Bringing people from communities into the Parliament is obviously good, but it is much better to go to where they are to get engagement, and that is resource intensive. It is clear from the Audit Scotland report that community planning partnerships are not predominantly doing that, so practice has to change”.

386. The view that there is a lack of community engagement and empowerment by CPPs was also backed by Dr Peter Matthews, of Heriot Watt University, Professor Carol Tannahill, from GoWell (Glasgow University) and Annette Hastings, of Glasgow University—

“The intention was that CPPs at a local authority level would have a strong focus on neighbourhood change. However, in practice many CPPs have struggled to balance their strategic role with the local focus, with local communities often feeling excluded from participatory arrangements, especially when they were involved in previous regeneration partnerships.”

“If community planning partnerships did not exist, we would all want to invent something like them. The principle is therefore very good, but there have been concerns and tensions about the two different roles that community planning partnerships often look to fulfil. The first role is about co-ordinating the resources, strategies and services of players at the level of the local authority. The second role is about the community bit of community planning: community involvement and reflecting the needs and priorities of the different communities that sit within a local authority area.”

“With regard to today’s discussion, we need to recognise that community planning partnerships are often not in a position to have the detailed local knowledge that is required to inform local regeneration decisions. I like to think of it as a chain, with community planning partnerships being one part of that chain and also having a role in keeping the chain well oiled. They have a responsibility for ensuring that there is the necessary community infrastructure for local decisions, but they often do not have that localised knowledge of what is needed in some areas.”

“At a city-wide or local authority-wide level, and at a more local level, community planning is a useful instrument for understanding the different levels of need for particular services. As a strategic body, the community planning partnership can bring services together, think about the multidimensionality of needs, and assess whether there are different levels of need in different parts of an area for particular services. They are useful

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271 Dr Peter Matthews. Written submission, page 4.

as a strategic instrument, and that is at the heart of my submission. They are also a good instrument for tailoring provision appropriately to meet those needs.”

“The other aspect of community planning—keeping communities at the heart of community planning—is harder to deliver, but in an era when we are thinking about more community-led regeneration, it is helpful to have more detailed intelligence about the potential for communities to take the lead and do things for themselves in particular areas.”

387. Jackie Brock described the role of CPPs engaging with schools, suggesting much more could be done in that regard—

“Children in Scotland’s experience, just a handful of head teachers or other school leaders understand the role of CPPs and their contribution to single outcome agreements and know how to influence discussions on CPP investment decisions. I suspect that the vast majority of the school community has even less understanding.

I suppose that the upside of that is that it is a great opportunity for CPPs to describe the line of sight between what a school community is saying, influencing and wants to change and how that links in with the CPP’s investment decisions and outcomes. Those opportunities are certainly not being exploited and there is considerable scope, to put it mildly, to raise the profile of the benefits.”

388. Community support groups such as DTAS questioned the term CPP and whether CPPs as constructed can provide the interface needed to empower communities. The SCA went further suggesting that CPPs have failed to engage successfully with communities and that they have in fact encroached on the ‘space’ where locally led regeneration might flourish.

389. Brendan Rooney, from the Healthy ‘n’ Happy Community Development Trust stated—

“I urge members of the Scottish Parliament to rename the process. ...community planning does not involve the community. There is an urgent need for agencies to plan together, which is what community planning is. There is no community involvement in community planning at the moment, so I urge members to acknowledge that by changing the name. We need to look to incorporate community involvement in the planning process, but communities are currently not involved.”

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275 DTAS. Written submission.
276 SCA. Written submission.
390. However, we heard numerous examples of good partnership working between local authorities and community groups, with communities playing an active role in partnerships and decision making. We heard good examples of CPPs working and transforming local areas. For example, when we visited Whitfield in Dundee, the approach adopted by Dundee Council was praised by community representatives. We heard how the city council divides £750,000 of funding each year among six local regeneration forum areas that cover the city. Each area is given £125,000 to determine how it is spent. £50,000 must be spent on environmental projects and £50,000 must be spent on youth diversionary schemes, leaving £25,000 for provision as a discretionary grants fund. This approach was well received by the communities who attended our event.

391. In Dundee, local area regeneration committees have been established and have representatives on the CPP, providing direct and accountable involvement. A similar approach has been adopted by Glasgow City Council, who use community councils and local area partnerships to gain community views.

392. Irvine Bay URC felt that the CPP in North Ayrshire is crucial to focusing on key deliverables in partnership. Inverclyde Council made similar points about the CPP model, stating that it is an effective delivery mechanism for co-ordinating the funding that supports regeneration and a multi-disciplinary approach. South Lanarkshire Council stated that CPPs have a role in identifying appropriate community anchor organisations and building capacity.

393. Robert Young, from Community Links, South Lanarkshire, explained that all the board members of his organisation (who are members of the community) sit on committees that are run by South Lanarkshire Council, and as a result, they have their say. He praised the support that is provided by the local authority to organisations in South Lanarkshire and stated—

“In areas where we have done consultations, the planning partnership has put in place things that have completely changed those areas. One of the areas that I worked in when I started 10 years ago is completely different now. It has worked, and there are other areas in which you can see huge differences.”

394. Councillor Mairi Evans, from Angus Council, stated—

“The work of the local partnership, the community council and the retailers group, with support from local community planning, has completely changed

278 Annexe E.
279 Glasgow City Council. Written submission.
281 Inverclyde Council. Written submission.
282 South Lanarkshire Council. Written submission, page 22.
Brechin. We hope to build on the experience and spread the approach across Angus.  

395. Stuart Hashagen explained that the National Standards for Community Engagement (NSCE) had been prepared, with the support of the Scottish Government, to provide the approach for CPPs to engage communities in a partnership manner.  

396. A critical role for CPPs was identified by Dr Peter Mathews in ensuring that, as discussed in theme 1 of our findings, mainstream services are targeted and tailored for more deprived neighbourhoods. That approach was backed up by the evidence from Dr Annette Hastings, of the University of Glasgow, and SURF.  

397. We investigated that matter with the Minister for Housing and Welfare. A Scottish Government official confirmed that—

"it is up to community planning partnerships to decide, but certainly all the messaging is that community planning partnerships should be taking steps to improve areas of multiple deprivation."  

Housing associations and CPPs  

398. Many who gave evidence described housing associations, particularly locally-based housing associations, as key partners in delivering regeneration. We emphasise in theme 2 of our findings the powerful partnership role that housing associations, well-resourced in both staff and funds, can play in community engagement and community led regeneration.  

399. Representatives from housing associations made similar suggestions to other stakeholders about CPPs and how they engage with local communities. For example, Craig Sanderson of Link Group LTD stated—

"We work across about 24 local authority areas. The performance of CPPs is mixed around the country, but we always get comments and feedback from local community members who do not feel that they are a strong enough part of the partnerships. The CPPs seem to be dominated by local authorities and by the other agencies; health agencies and the police tend to have a right to be on CPPs, but there appears to be scope for others to have a place at the top table."  

400. Concern was expressed at the lack of senior formal engagement of housing associations in CPPs. Pauline Barbour, from the Scottish Federation of Housing Associations (SFHA) stated—

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287 Dr Annette Hastings. Written submission, page 1.
“we have found that the community planning partnerships do not often include housing as standard in their membership, and we would really like to see housing at the table because of our involvement with health and social work. Everything has to be there, and housing is an integral part of community planning.”

401. Craig Sanderson, of the Link Group LTD and Dr Colleen Rowan of the GWSFHA, agreed—

“Since the demise of Communities Scotland, there has not been a high enough representation of housing interests at community planning partnership level. Communities Scotland used to have a place on all the partnerships, but the housing contribution to the debate is now sometimes missing...housing has to be seen to have a place at the top table, as it is strategically important. There must also be community representation at that level”.

“I echo the previous comments. The issue of representation and having a seat at the table has been a problem for our members. However, the community planning partnership structure in Glasgow is in the process of changing, and we hope to get a seat above the sub-group level. Our members want that representation, and we feel that it is an arena where we need to be represented.”

402. We asked the Minister whether she thought housing associations should have a statutory role in CPPs. She responded that—

“My instinct at the moment would be to say that I do not think that housing associations should have a statutory role because it would force housing associations and charities to be involved in something that they may not feel a need for within their strategy.

However, I would be concerned if a member told me that a housing association that wanted to participate fully in community planning partnership had been excluded. If they want to be involved, they should be, and there is a role for them. I believe that that is appropriate.”

403. This captures some of the difficulty. HAs vary considerably, but it should be possible for HAs within an area and CPPs to establish formal strategic relationships to ensure the full benefit of HAs can be brought to play in community regeneration. An approach clearly supported by the Minister.
Links between CPPs and neighbourhood planning

404. On CPPs’ engagement with local area and communities several witnesses indicated that there was often a gap between strategic and localised planning—

“I also reiterate the point about the geographical level at which CPPs operate. Decisions taken at that level often bear no relationship to what people at the micro or neighbourhood level want or feel is needed in their local communities.”294

“At neighbourhood level, there is a big gap between what people regard as neighbourhoods and how neighbourhoods typically are characterised in partnerships. I am thinking about where I stay in Edinburgh. In the community planning partnership that I am part of, there are at least 10 or 11 communities at neighbourhood level. That begs the question of how we reinforce the ability of those neighbourhoods, as people understand them, to play a meaningful part in community planning partnerships. We are a long way from getting that right yet.”295

“I think that we have a way to go to crack neighbourhood engagement and to connect better with that strategic way of working across the city. I mentioned that in the context of community planning and the strategic structures, below city level but still involving large geographies, in which senior officers often operate. It is about finding a way of engaging at a neighbourhood level.”296

405. West Lothian Council recommended better links between strategic community planning and local teams who deliver services—

“Community Planning Partnerships must support local structures, and ensure that local regeneration work is valued and encouraged.”297

Community Empowerment (Scotland) Bill

406. We received evidence from COSLA which urged that the role of CPP partners be put on a statutory basis—

“It is important that CPPs are empowered to focus on these activities, planning and resourcing strategic priorities facing communities, including a statutory requirement being placed across all relevant agencies, and not simply local government. CPPs also need to be able to rely on effective relationships and participation across a range of local partners. Although there is some excellent work going on, this is not always clearly linked to

overall community planning priorities, and there is a need to ensure that all partners understand their role and remits in relation to regeneration”.

407. In evidence to us the Minister indicated—

“The forthcoming community empowerment and renewal bill gives us an opportunity to consider how community planning partnerships can be upscaled and whether statutory obligations should be placed on them.”

Regeneration outcomes

408. From the evidence we received, it appears monitoring the success of a community led regeneration strategy is a complex process and there are different benefits from using different measurements. Due to the holistic nature of regeneration activity, some outcomes frameworks and indicators may be of more importance and relevance to some communities and partners than others.

409. There was consensus among different stakeholders that the outcomes of regeneration work can be long term, especially with regard to physical investment, although investment in people produced much quicker returns.

410. North Lanarkshire Council pointed to the need for robust monitoring and evaluation of outcomes. However some stakeholders, such as West Lothian Council, highlighted the challenges in measuring outcomes around community engagement, capacity, regeneration and social capital. Aberdeenshire Council highlighted its use of social accounting and use of performance indicators. It commented—

“Positive attitudes and strong cohesion are difficult to measure but are key indicators of success.”

411. Gavin Corbett, from Shelter, stated that there is often a difference of opinion on outcomes between those paying for the project and those in the community.

412. Several suggestions were made on the most appropriate way to define outcome measurements for successful community and social regeneration—

- The Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS) used by the GoWell project.
• Boots cited those used by the Welsh Government; these are already used in Scotland.\(^{307}\)

• Oxfam’s humankind index is impressive in its range and appears to have considerable merit.\(^{308}\)

413. HLF has an outcome framework for its grant programmes; BIG also evaluates at programme level.\(^{309}\) It encourages a model of self-evaluation by communities, an approach to outcomes endorsed by the Minister for Housing and Regeneration. Eric Samuel, from BIG, explained—

“We expect projects to self-evaluate, and we will include money in the grant that we give to them to pay the costs of that, but we also provide them with support from a contractor to learn how to evaluate, because we think that it is important for projects to know whether they are succeeding and to have evidence with which they can prove that the project has been successful when it comes to looking for future funding and making a case for it.”\(^{310}\)

The Scottish Government’s regeneration strategy - outcomes framework

414. We wrote to the Minister for Housing and Welfare to request further information on how the Scottish Government was planning to monitor outcomes related to its community led regeneration strategy in order to determine whether the strategy is achieving its vision.

415. In August 2013, we received a letter from the Minister for Housing and Welfare, which included an options paper for measuring the outcomes associated with regeneration. The Minister confirmed with us that “all strategies are looking for social outcomes.”\(^{311}\)

416. The options paper outlines three levels of performance measurement for the regeneration strategy at a national, local and strategy specific level. The regeneration strategy is related to many of the Scottish Government’s 16 national outcomes included in ‘Scotland Performs’.\(^{312}\)

417. Housing also plays a significant role in feeding into these national outcomes, and this is monitored by the Scottish Government through its outcomes framework for housing and regeneration\(^{313}\) which is aligned with national outcomes. Within this framework, one of the outcomes is ‘sustainable communities’ and there are a number of related indicators for physically, economically and socially sustainable communities that can be monitored.

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\(^{307}\) Boots. Written evidence, page 5.

\(^{308}\) Oxfam Scotland. Written submission, page 14.


\(^{311}\) Minister for Housing and Welfare. Written submission, 25 September 2013.


418. The options paper suggests the Scottish Government’s analytical services could monitor these outcomes and indicators from the regeneration strategy, using the various indicators and that it could identify areas where there have been ‘reductions in performance’.

419. Further correspondence from the Minister has confirmed that the outcomes framework and monitoring arrangements included in the options paper are now being implemented—

“We are currently developing a monitoring report looking at the indicators most relevant to the Regeneration Strategy. This will enable us to track national and local trends in data relevant to regeneration over a period of time. It is important to note that regeneration programmes, such as the people and communities fund and regeneration capital grant fund are relatively new funds with recent investments being made. Outcomes associated with this investment are currently being embedded and will be monitored once projects are further established.”

SOAs— the link to local delivery of the strategy

420. Ultimately, the delivery of the regeneration strategy locally is delivered mainly through CPPs, and the key monitoring tool for outcomes through the CPP delivery mechanism is Single Outcome Agreements.

421. In considering outcomes it is necessary first to consider how objectives and targets are set. Not surprisingly, many witnesses considered that communities should have a major role in setting and developing priorities for SOAs and that capacity should be built for communities to take on more responsibility and ownership of outcomes.

422. Judith Robertson, from Oxfam Scotland, explained that for true community empowerment, communities should determine the agenda in community planning processes—

“SOAs provide an opportunity for genuine participation and for asking what a local authority’s objectives should be, but they are not used in that way.”

423. This view was supported by GWSFHA, which considered that communities should be involved in determining outcomes of regeneration and their evaluation.

424. The Scottish Government’s regeneration outcomes framework highlights a number of local and national indicators and data that can be analysed and monitored at local authority level. Examples include Scottish Government Neighbourhood Statistics, the Scottish Household Survey, the Scottish Crime and

314 Minister for Housing and Welfare. Written submission, 28 September 2013.
317 Glasgow West of Scotland Forum of Housing Associations. Written submission, page 31.
Justice Survey and the Scottish Health Survey. In addition to these national statistics, local authorities will also use their own data collections, such as neighbourhood satisfaction surveys, citizens surveys and local panels to evidence progress towards SOAs.  

425. The Minister stated it was for CPPs to determine the most appropriate indicators to monitor their performance, but commented—

“If community planning partnerships are strong and working well, they should be looking very closely at what indicators they want to use to ensure that people are actually benefiting.”

426. To improve their engagement with communities and to share best practice it was suggested that in monitoring outcomes and performance—

“CPPs should describe the amount of community participation and engagement that is taking place and what the impact has been.”

**CE Bill – Outcome Improvement Processes**

427. Part 2 of the consultation on the proposed CE Bill contains detail of a community body’s right to request to participate in processes to improve outcomes of service delivery. This part would allow such bodies to request to participate in an outcome improvement process.

428. An “outcome improvement process”, “in relation to a public service authority, means a process established or to be established by the authority with a view to improving an outcome that results from, or is contributed to by virtue of, the provision of a public service.” (section 13(5) draft bill) Bodies covered include local authorities, health boards and others set out in schedule 2.

429. Where a body requests involvement and meets the requirements of the Bill, the public service body has a duty to establish and maintain an improvement process. In other words to involve the community body.

430. We also note here that the draft CE Bill and consultation seeks views on including provision within the Bill that places a duty on Scottish Ministers to develop, consult on and publish a set of outcomes that describe the government’s long term, strategic objectives for Scotland, as well as a complementary duty to report regularly and publicly progress towards these outcomes. This would be in support of improving the link between local outcomes defined in each CPP’s SOA and national outcomes defined by a national outcome framework.

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Governance and accountability

431. Our interest in governance arrangements surrounding regeneration activity was sparked for two main reasons—

- Interest in the role, if any, that communities and community representatives have at board level, in order to play a key role in determining priorities and outcomes; and

- Concern arising as a result of the summary report we received of the “Review of Riverside Inverclyde and Delivery of Regeneration Services within Inverclyde”.322

Community involvement at board level

432. We sought evidence on this aspect at every opportunity but received little evidence of real involvement from those at community level. This was contradicted at council level, with many local authorities indicating they had processes in place to hear views from the community. Inverclyde Council gave us substantial evidence of involvement “on a range of fronts in terms of community planning”.323 Involved runs through into the main CPP board with community councils having two representatives and the voluntary sector one.

433. Similarly Glasgow City provided evidence referring to its “21 multimember wards” and the role that they play, although not, as far as we are aware, at board level.324 South Lanarkshire has a voluntary sector representative at board level and a community representative.325

434. At the strategic level in local authorities we heard that governance sits at board level within CPPs with scrutiny increasingly linked to the terms of single outcome agreements, as discussed above. At times, this sees through-flow of information from council plans and engagement on the ground.

435. There was general agreement from all evidence that CPPs “should be working alongside communities as critical partners in delivery of the priority outcomes for the area and be providing leadership.”326 Some emphasised the representative role and thus local accountability played by councillor members of boards. We of course recognise and accept that, provided this is not the exclusive route in for the community.

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322 Inverclyde. Written submission.
324 Further evidence from Glasgow remains outstanding.
326 West Dunbartonshire Council. Written submission, part 8, page 22.
436. The Minister said “I fundamentally agree that people are at the heart of regeneration”\(^{327}\) and, as we have highlighted, agreed with the important statement that—

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\text{“In the future, power will be as close as possible to those who will be affected by the decisions”}^{328}\]

437. The chief executive of Clyde Gateway reminded us about a key purpose of regeneration when attempting to put governance into perspective—

“The any future regeneration policy, with reference to communities, must go beyond the issues around empowerment, leadership and governance and identify what practical steps can be taken to ensure that jobs are targeted at those living in the communities where the regeneration activity is underway.”\(^{329}\)

**Governance, targets and outcomes of URC’s**

The voice of the people is integral to good governance.

438. Under theme 2 we looked at the background to URCs and considered how they can be used as a tool or mechanism for delivering regeneration. In this section, we will look specifically at their governance arrangements.

439. In September 2013 an independent mid-term review of, one of the URCs, Riverside Inverclyde, and the delivery of regeneration services within Inverclyde prepared for Inverclyde Council and Scottish Enterprise by New Skills Consulting was published.\(^{330}\) Prior to publication aspects of the report were leaked through the press, and to facilitate evidence we were provided with a then confidential summary report.

440. On governance, the summary report\(^{331}\) stated—

“The review has found that there are a range of strategies and plans in place in Inverclyde impacting on regeneration and economic development. While there is an overarching economic regeneration strategy, there is no single operating plan which would enable all partners to work together towards common delivery outcomes. Other areas, such as North Ayrshire and Lancashire have adopted a single regeneration plan, and a similar approach in Inverclyde could help to create a clearer focus on shared goals, improve partnership working between RI and the Council, avoid duplication


\(^{329}\) Clyde Gateway. Written submission, page 12.

\(^{330}\) Ibid

\(^{331}\) Ibid
in service delivery, and enable more efficient allocation of scarce resources.\(^{332}\)

441. On 11 September 2013, we took evidence from Inverclyde Council and Scottish Enterprise and, on 25 September, evidence from other URCs. On 11 September we inquired whether, in light of the report, witnesses felt governance arrangements within Riverside Inverclyde were satisfactory. We were advised that apart from a lack of regular board meetings they were. We note changes to board membership quickly followed for various reasons.

442. Other governance aspects of interest at the meeting related to the scrutiny of operations by partners, as well as business planning, including in particular target setting. We were surprised to learn that targets for the company had neither been revised in light of the economic downturn nor had there been any changes to funding arrangements from Scottish Enterprise. We were advised that revisions were now under consideration.

443. It was clear to us that governance was lax and arrangements would benefit from improvement. Furthermore, those funding Riverside Inverclyde were not scrutinising adequately its targets and work. We were reassured when told that action was being taken in this regard.

444. On 25 September we considered governance and accountability aspects more generally in relation to the other URCs, supported by supplementary written submissions. Three of the four west coast URCs – Clyde Gateway, Clydebank Rebuilt, Irvine Bay Regeneration Company and Riverside Inverclyde – have community board members, which gives direct input to local people on governance and decision making.\(^{333}\) On its governance and approach to community involvement, Raploch URC indicated that—

> “Community involvement has been key to the regeneration of the Raploch area and over the years there have been many consultation exercises and public meetings, working in partnership with Stirling Council, the Community Council, the Raploch Community Partnership and other public sector agencies and local businesses.”\(^{334}\)

445. That was achieved with the following governance approach—

> “The URC Company was initially set up with a number of directors from a range of public sector bodies. This reflected the breadth of the organisation that it was hoped would be able to engage in the project and encompassed the Local Authority, Health Service, Scottish Enterprise, and the Raploch Community Partnership. Forth Valley College were also represented on the Board at a later date and a variety of individuals have sat on the Board in recent times...the number of bodies represented on the board has

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\(^{333}\) West Coast URCs. Written Submission.

\(^{334}\) Raploch. Written submission, paragraph 5.1.
diminished, with the Board now consisting of three directors, two of whom are Stirling Councillors.\textsuperscript{335}

446. Clyde Gateway advised us that its Boards has—

“12 directors comprising 11 non-executives and the Chief Executive. The 11 non-executive posts are made up as follows—

1 independent chair;

6 “partner” directors (2 appointed by each of the three members);

4 “co-opted” directors;

2 business representatives from Glasgow and South Lanarkshire; and

2 community representatives from Glasgow and South Lanarkshire.”\textsuperscript{336}

447. We asked about targets for the companies and whether they had been adjusted to take account of the recession. Although the need for targets and evaluation of outcomes was accepted by all, the manner in which that should be done, and views on what were considered appropriate forms of measurement, varied enormously.

448. Clydebank Rebuilt and Irvine Bay regeneration had adjusted targets while PARC Craigmillar and Clyde Gateway had not, the latter observing the 20 year timescale in which they were operating.

449. We acknowledge that understandably, URCs have had different objectives and undertake different activity, and that they are not directly comparable due to differing geographies, populations, land issues and market failures. Targets and outcomes by URC will therefore differ, targets and measurements have in some cases changed over the period of their existence. This, due to the economic circumstances in which they operate, is to be expected to a degree. However, we are disappointed that although the purpose of regeneration is social improvement there was little in the targets to show how this would be achieved.

450. More generally, we would have expected any prudent organisation to react and adapt to the changing economic environment and change tack and approach accordingly. The indicators and outcomes that are available, including job creation and value for money, suggest that this either has not happened or happened much later than expected.

451. We considered how outcomes from URC regeneration activity could be monitored, and found the expected outcomes from public sector investment in URCs unclear. Furthermore we heard mixed messages about the success of these investments. When discussing the performance of URCs\textsuperscript{337} Scottish

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\textsuperscript{335} Raploch. Written submission, paragraph 4.3.

\textsuperscript{336} Clyde Gateway. Written submission, page 2.

Enterprise explained that “it is a long-term process and we must give considerable
time for the outcomes”.\textsuperscript{338} We agree this is obviously the case. However, our
concern is that these long term objectives and outcomes appear not to have been
established and monitored properly at the outset.

452. The approach to appraising and monitoring URC spend and activity level
also appears inconsistent and perhaps has not been monitored as closely as it
should have been. We examined with the URCs and the Minister whether common
definitions and the collective setting of targets and indicators should be applied to
URCs, and whether they benchmark against each other. Clyde Gateway stated it
would be happy to have additional scrutiny, and update indicators as appropriate\textsuperscript{339}
and gave the example of benchmarking against English Urban Development
Companies and regeneration activity in East London. It explained that it reports
against nine key performance indicators (KPIs) to its various stakeholders.

453. In their joint written submission the west of Scotland URCs wrote—

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

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

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

We believe that it is important to recognise that while physical outcomes
can be relatively easily measured, social and economic outcomes will
manifest over a longer period and that it is therefore important to adopt a
long-term approach and not to measure too soon. We also recognise the
importance of not trying to measure everything and of including some
qualitative perception indicators. For example, taking SIMD data zones,
while some places have continued to feature toward the bottom of the
rankings, this does not mean that there has been no improvement for local
people and communities.”\textsuperscript{340}

September 2013, Col 2654.
September 2013, Col 2640.
\textsuperscript{340} West of Scotland URCs. Written submission, page 7.
454. It should also be noted here that URCs have charitable status. We discussed with the URCs how their assets will ultimately be transferred when their work is complete. Ian Manson from Clyde Gateway suggested that there needs to be a community benefit from the assets that URCs currently own and manage, and that consideration needed to be given to how these assets will be transferred to the community. He gave as an example of best practice for community ownership and transfer of URC assets, the Dalmarnock community hub—

“When I talk about community ownership, I mean the real thing. The best example that I can give is the Dalmarnock community hub, which is in our operating plan to be funded. It is undergoing scrutiny by a number of bodies and will, we hope, get additional funding from the European regional development fund and regeneration funding. That asset will be owned and managed by the People’s Development Trust. I am clear that, when I talk about community ownership of assets, it is the real deal.”

PRACTICAL ISSUES: OUR CONCLUSIONS AND RECOMMENDATIONS

455. This section sets out our conclusions and recommendations on the practical issues covered under this theme of the inquiry.

Conclusions

456. We received much evidence of successful, often very successful, projects run by community groups but no real strategic approach to sharing best practice on community led regeneration. We would have found it helpful to receive any examples of the work the Regeneration high level working group has done to improve the sharing and implementation of best practice amongst communities, or indeed any records of its meetings. We are unconvinced that the aim of the group is not duplicating the role of the National Community Planning Group, and this is reflected in our earlier findings.

457. We recognise the direct support and resource needed to build community capacity, particularly in communities facing poverty, inequality and deprivation. We believe direct support is a hugely beneficial preventative action and we welcome any strengthening of financial support for community capacity building.

458. We believe community capacity building is a concept that is yet to be ‘mainstreamed’ throughout delivery of public policy. This is required in order to truly empower the community to participate in decision making processes and delivery across economic, physical and community/social activity, supporting the public services reform agenda and delivering a more sustainable model of regeneration.

459. As the successful delivery of regeneration depends upon a holistic response successful partnership working is essential. That partnership working needs to be in support of communities if regeneration is to be community led. The main vehicle for providing that support is the CPPs.

460. We commend CPPs as the main vehicle for delivering regeneration and recognise the significant moves being made by public partners to deliver the public services reform required for sustainable positive outcomes for all. However, we note the need for further improvement in CPP performance and we believe this improvement can be supported by a stronger legislative framework for all CPP partners.

461. We note that if regeneration is to be community led then local authorities, CPPs and others need to give their confidence and resources to community groups, support risk taking and accept its sometimes concomitant failure.

462. All partners in regeneration are interested not only in financial activity but in wider economic and social benefit. Evidence indicates that although figures purporting to represent this were widely presented there are no established standards of collection, analysis and presentation as there are with financial accounts. It is not good enough for the measurement of outcomes to be haphazard. Nor should it be inconsistent if progress is to be measured and councils (and CPPs) are to learn from each other.

463. We welcome the introduction of the Scottish Government’s regeneration outcomes framework and we acknowledge the monitoring arrangements outlined by the Minister. However, we are not convinced that the framework is fully embedded at a local level.

464. Regeneration delivered by CPPs is demonstrated through single outcome agreements and evidence was received that indicated that there could be measurable and damaging disparities in the delivery of local government services to communities in disadvantaged areas. As it is a community led regeneration strategy, we believe more could be done to link the Scottish Government outcomes framework to SOAs, to build a wider understanding and clearer linkage of how different mainstream activities contribute to the national regeneration outcomes of reducing inequality, deprivation and poverty across Scotland. In this regard, we support the general proposal in the draft CE Bill to embed a national outcomes framework in legislation.

465. We remain unclear how URCs share best practice effectively and learn from each other, as they are working towards common national goals even if the activities they undertake to achieve these goals rightly differ. Given the amount of public money that has been invested in these companies we consider it essential that a degree of consistent central monitoring takes place.

466. In this regard, we welcome the suggestion made by the west coast URCs to introduce common indicators for national assessment. Such indicators should allow outcome measurement for physical and social regeneration as is the case in other areas of regeneration work.

467. We agree with the ultimate holistic aims of URCs to create jobs and build a better physical and economic environment for the community, seeking to attract private investment and correct market failure. We also commend the URCs.

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342 Dr Annette Hastings. Written submission, pages 1-9.
involvement in community/social development activities. However, we are not convinced that they have fully embedded this community led approach in their own governance arrangements, or targets set.

468. We neither heard nor received any evidence which suggests that the governance issues relating to Riverside Inverclyde could not or do not arise with other URCs.

469. We acknowledge that a number of the URCs have community representation on their boards, but we believe more could be done by the URCs to embed the community in their decision making structures, improving the accountability of such large public investment.

470. More generally, we note that at both national and local levels, there have been consistent rearrangements of governance, and we consider that such changes are not helpful at any level. A sustained period of stability, particularly for community organisations, is essential.

471. We are clear that it does not matter whether the reality on the ground is as described to us by communities, or local authorities and other partners. Regardless of what public partners might suggest, the message at community level is that they do not feel truly part of the decision making process, and that regeneration is ‘done to them’.

472. We believe the strategic governance arrangements for CPPs and public services cannot fully embed a community led approach without communities understanding how those arrangements work, how they can participate and how they can hold public delivery partners to account. Communities must be given opportunities and crucially feel fully involved at all aspects of regeneration activity from initial ideas, identification of priorities and projects, through to implementation and completion and must feel they have a voice which is listened to at all times.

473. We note that while the consultation on the CE Bill[343] does not contain draft provision on CPPs, it does seek views on the creation of a legislative framework for effective community planning to—

- Put CPPs and their key roles and responsibilities on a statutory basis;
- Place new duties on partner bodies so that the CPP can fulfil its responsibilities, and so that each partner’s role in community planning is fully reflected in its own governance and accountability arrangements.

474. The CE Bill consultation considers that to make progress towards meeting the key tasks for CPPs set out in the Statement of Ambition[344] will require CPPs to

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be put on a statutory basis and for their core duties in planning and delivery of outcomes to be defined more clearly.345

**Recommendations**

475. *We welcome the introduction of the ‘Strengthening Communities’ Programme by the Scottish Government, although it is our understanding this programme is being funded from the existing People and Communities Fund. We look forward to details of the programme and will seek to revisit the progress made.*

476. *We would welcome an update from the Minister on the progress and implementation of the Scottish Governments ‘Achieving change’ programme, as detailed in the regeneration strategy.*

477. *We recommend that the NCPG take the lead to require the establishment of processes to mainline and roll out the best practice of successful community-led projects to similar communities, so that success is spread across the country.*

478. *We welcome the National Standards for Community Engagement and expect local authorities and CPPs to embed these standards in their decision making structures and processes. We believe the NCPG could play a leadership role in this regard.*

479. *We recommend that the Scottish Government, reports bi-annually on its regeneration outcomes framework in respect of progress in delivering its regeneration strategy.*

480. *We recommend that the National Community Planning Group (NCPG) is the appropriate body to provide leadership and support to CPPs in setting objectives and overseeing progress on implementation of the regeneration strategy. We expect annual collecting and collating of the results of local authorities’ and CPPs actions, through their SOAs, in line with the Scottish Government’s regeneration outcomes framework.*

481. *We recommend that the Scottish Government and NCPG work with the Accounts Commission and Audit Scotland to ensure that appropriate levels of scrutiny and accountability are in place for CPPs, in monitoring their cumulative and individual contribution to the outcomes of the Scottish Government’s regeneration strategy.*

482. *We find the suggestion made by URCs, to introduce some common indicators for national assessment, helpful. We encourage the Scottish Government, notwithstanding its comment on the status of the URCs, to consider the introduction of common targets so that progress can be monitored and benchmarking can take place. URCs input to the outcomes framework for the regeneration strategy should also be clearly linked*

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483. We recommend that the Scottish Government reviews URCs’ progress to date, including their governance arrangements, and reviews the aims of the URCs in light of the economic climate to ensure that they are appropriately placed to deliver on their objectives. The review should re-establish a strategy and funding appropriate for the tasks in the current (now improving) economic climate, to ensure full benefit from the public investment.

484. Although there is considerable time until URCs work is successfully completed, consideration needs to be given to the ultimate beneficial owners of their assets. This should be built into the reviews referred to above, particularly in respect of asset transfers to community groups.

485. It is our intention towards the end of 2014 to revisit in depth the performance of the URCs and whether they are both adding value and delivering value for money. We explicitly expect to see strong community representation and participation on the boards of URCs, along with appropriate targets and ways in which progress is being measured and monitored.

486. We support the general thrust of the aims of the draft CE Bill. We agree with the principle that a legislative framework for CPPs is required and believe duties placed on all CPP statutory partners is absolutely essential to ensure roles and responsibilities of the partners in Community planning partnerships are clear. We also note the proposals in the Draft CE Bill consultation to embed the Scottish Government’s National Performance Framework in legislation to strengthen the accountability of public services.

487. However, we are unclear about how governance and accountability arrangements of CPPs will work in practice – and how partners hold each other to account.

488. In support of better community participation and empowerment in the governance and accountability of public services, we note the draft section in the Draft CE Bill of giving communities ‘a right to request to participate in outcome improvement processes’, designed to give the community a voice.

489. We look forward to considering the finer points when the Bill is introduced later this year. We support the general intention, but will consider further whether true community participation in decision making processes would be better served by requiring local authorities/CPPs to involve or seek to involve such community bodies, rather than the onus placed on communities to have to apply. We are minded to support an ‘opt-out’ rather than ‘opt-in’ approach. It will be for the Scottish Government to consider the practicalities of such an approach before introducing the Bill.

490. We believe there is merit in the suggestion that as part of statutory duties, CPPs should demonstrate the amount of community participation and engagement that is taking place and what the impact has been.
491. We also recommend that the Scottish Government place a specific responsibility on CPPs to co-ordinate their resources in support of community-led regeneration.

492. We agree with the Minister that due to the diverse nature of housing associations, they should not be made statutory CPP partners. However, as we have already outlined in our findings for theme 2, we recommend that the Scottish Government investigate with housing associations what can be done to enhance and strengthen their role in supporting the delivery of regeneration.
THE ROLE OF EUROPEAN FUNDING IN REGENERATION

Background to EU funding

Introduction

493. Over the past 40 years funding from the institutions of the European Union ("EU funding") has played a major role in supporting regeneration policy in Scotland. Throughout most of the period from 1973 to 2003, large parts of Scotland qualified for the highest level of EU funding support to tackle areas of deprivation, market inequalities and the skills and educational attainment deficit caused by the deindustrialisation of the Scottish economy.

494. These factors, coupled with high levels of poverty, social exclusion, health inequalities and a large number of peripheral and remote communities has resulted in Scotland receiving one of the highest per-capita levels of EU funding over the last 30 to 40 years.

Scale of EU funding

495. In October 2013, the European Commission cleared the way for the approval of the EU’s budget for 2014 to 2020 (having already been approved by the European Parliament).

496. David Souter of the Scottish Government set out the scale of EU-funded work underway when he told us that the Scottish Government is monitoring 500 EU-funded projects.347 On the level of EU funding delivered to Scotland for regeneration projects during the current EU budget period, he stated—

“We have delivered £84 million in grants in 13 local authority areas that are targeted under our urban regeneration priority, and that has unlocked expenditure of about £200 million. [....] Scotland will receive something in the order of €700 million over the next six or seven years. There is no thematic criterion of urban regeneration in the new programmes; the European Commission has set out what the 11 themes will be and urban regeneration is not one of them, although some of the activity indicators would lend themselves to a wider, more holistic definition of regeneration that would include low-carbon interventions at local level and skills development. The best guess is that about €200 million will be available in the social inclusion and employability envelope, but we do not have precise figures for how that will play out for what could be termed as regeneration.”348

346 The accession of ten new EU Member States in 2004, many of which were former Warsaw Pact countries in Eastern Europe with deindustrialising economies, saw a major shift in the focus of EU funding support for deprivation and inequality away from Western European regions to Eastern Europe.


EU funds in supporting regeneration

Outcomes to date

497. As part of our examination of the use of EU funding, we questioned witnesses on whether projects were successful in delivering outcomes that support regeneration. The Minister for Housing and Welfare, Margaret Burgess MSP, pointed to the strong focus in Scotland on utilising EU funding to tackle issues of social deprivation. 349

498. David Souter acknowledged that EU funds could have been better used had a more strategic approach been adopted in the delivery arrangements and a more effective alignment between funding streams achieved. However, he informed us that is “a lesson learned from the current programme period that is informing [the Scottish Government] for the new one”. 350

499. SLAED suggested that local authorities had successfully used EU structural funds in flexible ways to benefit communities, but they acknowledged an increased rigidity in access to EU funds in recent years. SLAED expressed the hope that new arrangements, once finalised, will improve the situation—

“Local authorities have been central to the success of the various structural fund programmes that have operated across Scotland and have used these funds effectively to support regeneration activity. The use of EU funds is targeted and adds to the complement of funds directed towards regeneration from local authority, other Government, private and other sources. Regeneration officers across local authorities have adopted creative means of channelling these funds to secure maximum benefit for their communities and there are many examples across the country where successful use of EU funds can be witnessed.

There has been increased concern in recent years over the increased rigidity in the access to EU funds and a fragmenting of effort that has arisen as a result. EU funds added to the complexity of the funding environment and a fragmenting of effort that resulted. It is hoped that the new EU programmes currently in preparation will be able to adopt a more strategic, longer term and more flexible approach, aligning themselves more fully with the mainstream resources available from Government. The arrangements for the targeting and access to these funds has not yet been finalised and will be an important consideration in the direction of future regeneration activity”. 351

JESSICA and SPRUCE

500. In 2010, the Scottish Government launched the JESSICA fund. JESSICA is part of the Joint European Support for Sustainable Investment in City Areas. It is a £50 million fund, supported by the European Investment Bank, with £24 million

351 SLAED. Written submission, 25 September 2013.
Local Government and Regeneration Committee, 1st Report, 2014 (Session 4)

being provided from European Regional Development funding (ERDF) Priority 3, and a further £26 million provided by the Scottish Government.

501. JESSICA supports a range of regeneration projects offering loans and equity investment to revenue generating projects in 13 local authority areas that are eligible for ERDF priority 3 funding.  

502. The Scottish Partnership for Regeneration in Urban Centres (SPRUCE) is supported by the JESSICA fund. SPRUCE provides funding for regeneration and energy efficiency projects within those targeted areas of Scotland.  

503. The Minister for Housing and Welfare set out the aim of SPRUCE in helping to deliver private sector investment for regeneration projects—

“We have been working to put in place the right conditions to implement our vision and to focus our funding on where it can make the most difference. The Scottish partnership for regeneration in urban centres—SPRUCE—is a loan fund that will leverage private sector investment into regeneration projects.”  

504. The Minister went on to highlight other benefits of SPRUCE funding. She pointed to SPRUCE’s role as a potential future income source for urban regeneration companies. The Minister also highlighted the community benefit that SPRUCE funded projects could deliver, and referred to two projects—

“….at Dundyvan, Coatbridge and Queen Street, Glasgow. The first is funding workshop space and the second a high end office complex. Strong community benefits clauses are included in each contract with a number of outcomes envisaged, including creation and sustaining of jobs, and training and development of young people.”

505. Other witnesses however highlighted the difficulties that had arisen with JESSICA/SPRUCE funded projects. David Souter set out the difficulties experienced with JESSICA projects owing to the economic downturn and the dramatic changes resulting in private sector markets—

“When we designed the JESSICA fund, the intention was that it would fund projects that were happening in areas that needed regeneration. The shift in the market over the past four or five years has meant that those projects are simply not happening, and we have had to shift the focus of the investment to projects that, five years ago, would have been considered for bank finance. That is not necessarily a criticism of the JESSICA instrument, because it demonstrates that it is flexible enough to deal with different


356 Minister for Housing and Regeneration. Written submission, 29 August 2013.
market conditions, but a frustration of mine is that it is not doing what I thought it was going to do at the start and unlocking investments in communities. I hope that, by the time the money starts to be repaid and comes back in, the market will have picked up and we will be able to have a revolving line of credit that can go out. That is probably the project in which I am most disappointed.357

506. Questions about the suitability of the JESSICA/SPRUCE funding model in delivering a community benefit were also reflected in the evidence we received from North Ayrshire Council. Pointing to the lack of delivery which market-based funding structures could achieve for small-scale community projects, the Council stated—

“The shift towards market-based delivery mechanisms such as Tax Incremental Finance, National Housing Trust, Business Improvement Districts and SPRUCE, part of Scotland’s Joint European Support for Sustainable Investment in City Areas (JESSICA) raises concerns that these loan based or speculative business models may not be viable for development projects within marginal areas where market failure is most evident, or for local organisations in disadvantaged communities. As an example, the SPRUCE fund will have a minimum £1m loan threshold, which is unlikely to be suitable for most small to medium community enterprises. Government funding should be flexible to reflect the differing market circumstances throughout Scotland.”358

LEADER funding
507. Another issue which arose in the inquiry was the impediments placed on accessing regeneration funding, especially for small-scale projects, with regard to administrative burdens. Reference was made to the operation of the LEADER programme.

508. LEADER (links between activities developing the rural economy) is a bottom-up method of delivering support for rural development through the implementation of local development strategies. Its aim is to increase the capacity of rural community and business networks to build knowledge and skills, and encourage innovation and co-operation in order to tackle local development objectives. LEADER accounts for a minimum of 5% of the total Scottish Rural Development Programme (SRDP) allocation.359

509. Several local authorities highlighted the importance of LEADER funding to delivering community capacity building in their areas. South Lanarkshire Council cited the ability of LEADER-funded projects to maximise return on investment—

“In our rural communities too the Council has worked in partnership with communities and other stakeholders to plan, implement and monitor...
regeneration activity through its EU funded LEADER programme. Managed by a Local Advisory Group, the majority of which are community representatives, a major element of spend under this grass roots programme has been in supporting local capacity building activity. This has allowed the capacity of groups and organisations within the rural area to grow, with the scale and complexity of projects now increasing, including the development of social economy enterprises to progress training and employment initiatives e.g. the Clydesdale Community Initiative which through an initial investment of £20k from LEADER has gone on to secure £1.9m funding for a new training and social economy facility.  

510. Highland Council highlighted that it operates a £16.5 million LEADER programme to which it contributed £5 million-worth of funding. The programme has supported 350 projects throughout the Highland area.

511. While the benefits of the LEADER programme to community-based regeneration are clear, it is also apparent that a significant level of administrative resource was required to access funding from, and comply with, the LEADER programme’s requirements. Concern over the potential inability of community-based groups to cope with this was pointed out by Rory Dutton of the Development Trusts Association Scotland. He spoke of the administrative burden placed on local community groups by the requirements of the LEADER programme—

“... there is a big demand on community groups that are involved in LEADER-funded projects. The biggest issue with LEADER is to do with cash flow, because groups have to spend money and then seek reimbursement. That is a huge issue for organisations that have no capital reserves or regular incoming cash flow.”

Community access to EU funds to support community-led regeneration

512. The obstacles to community-based groups gaining access to EU sources of funding was a recurring theme of the inquiry. Various witnesses expressed concerns about the ability of such groups to meet the administrative and resource burdens that come with EU-funded projects. This was especially true of the level of resources required to bid for EU funding, as well as the audit requirements for those groups in receipt of EU funding.

513. David Souter of the Scottish Government acknowledged the challenges faced by small-scale community groups when confronted with the realities of accessing EU-funded projects—

“I fully recognise the difficulties that small community groups in particular face in building sometimes very complicated funding packages to draw down ERDF and ESF. Since I moved into looking at the European social

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360 South Lanarkshire Council. Written submission, paragraph 3.10.
fund, which involves more local organisations, one of the things that has frustrated me is that we require organisations to spend a disproportionate amount of time building funding packages and drawing funding from the strategic agencies that are responsible for delivering the policy. Part of the thinking for the new programme is that we should try to declutter things, remove that requirement, and lift the audit burden that currently sits with community groups and put it at a level of groups that are better resourced to deal with.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 26 June 2013, Col 2420.}

514. A consequence of this situation is the requirement for community groups generally to engage with EU sources of funding through public bodies such as local authorities.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report (David Souter, Scottish Government)}, 26 June 2013, Col 2414.} Despite the best efforts of many local authorities and public bodies to make this as painless a process as possible, the resource-heavy nature of applying and administrating EU-funded schemes often acts as a disincentive to small-scale groups in seeking funds in this way.

515. Surprisingly however, such disincentives are not restricted to small community-based groups. The difficulties of the administrative burden associated with EU funding also acted as a disincentive to organisations as large as Scottish Enterprise. It stated—

“We would look to maximise the available European money. Although this happens only rarely, there can come a point below which there is little benefit, because of the staff resources and input that are required to achieve what can be quite a small outcome.”\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 25 September 2013, Col 2657.}

516. The level of administrative burdens posed by EU-funded projects in Scotland was contrasted with the experience elsewhere in Europe. In its evidence to the inquiry the Royal Institute of Chartered Surveyors (RICS) commented that—

“Best practice of empowerment can be found in continental Europe where the municipality fully collaborates with community organisations. The operational structures provide a balance of community and municipal input which is geared to achieving the right outcomes.”\footnote{RICS Scotland, written submission paragraph 9.}

517. When asked what might prevent the Scottish Government from taking a more proactive role in assisting groups and organisations to determine how best to access EU-funded schemes, David Souter stated—

“I suppose that there is nothing to prevent that. I could say that it is resources or that it is not really our role, but there is nothing to prevent our going out and talking to a community group to evaluate a project.”\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 26 June 2013, Col 2419.}
518. Referring to the actions the Scottish Government could undertake to address the disincentive caused by the burdens associated with EU-funded schemes, David Souter accepted that—

“The trick for us over the next year between now and the start of the new programme will be to identify the niche for structural funds instead of trying, as at the moment, to spread them across a lot of different activities. By identifying that, we can decide whether the funds are more appropriate to certain activities and less appropriate to others and we can start to declutter the landscape.”

519. He went on to acknowledge that achieving this, along with getting EU funds aligned correctly, would provide long-term assurance to many community groups that funding would be available for three or four years. He considered that Community Planning Partnerships have a role to play in achieve this as—

“…one of the advantages of working or levering funds through community planning partnerships is that community groups can directly access that funding instead of being required to build funding packages and then come to us.”

520. There appears to be a top-down approach to prioritising the use of EU funding in Scotland. This may be largely as a result of what could be seen as the heavy bureaucratic audit burden that securing funding involves. We are not convinced, having heard the potential barriers this represents, that the right balance has been struck. Regardless of opinion on whether the audit trail for EU funds is always proportionate and appropriate, we see no great evidence that the Scottish Government, local authorities, CPPs or other public agencies are engaging effectively with communities on how best to access and utilise EU funds to support their needs.

State aid regulations

521. Another recurring theme with regard to EU funding for regeneration was the operation of state aid rules. These concerns were best summarised by the Scottish Community Alliance (SCA)—

“State aid rules were designed to protect the operation of the free market across member states of the European Union. State aid is defined as being financial support from Government or other publicly funded bodies that distorts competition or gives an unfair commercial advantage to the recipient. These rules were put in place to facilitate a level playing field for major commercial interests with the capacity to trade across member states. It is highly unlikely however, that it was ever imagined that these same rules could seriously hamper the regeneration of some of the most disadvantaged communities and restrict the growth of locally based, not for profit social enterprises. But yet that is what is happening and as a result,

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state aid rules are impacting negatively across a raft of Scottish Government policy areas e.g. public service reform and the implementation of Christie Review recommendations, regeneration and community empowerment, land reform, rural transport networks, food and energy security and the localised reduction, reuse and recycling of waste.  

522. SCA went on to outline several examples of where they consider that the strict and disproportionate interpretation of state aid rules have impacted negatively on community-led regeneration projects. It summarised those impacts as follows—

- Hinder the development of community transport projects which are required to address ‘market failure’ in the provision of commercially-based transport. This is not a ‘distortion’ of the market, which state aid rules seeks to prevent, but rather a response to address the failure of the market.

- The misconception that public sector investment falls within state aid rules if one or more of the state aid criteria are met, when in fact all the criteria must be met. Some public funding streams automatically apply state aid rules, restricting access. An example is the Mull and Iona Community Trust (MICT), which has nine community projects underway in receipt of public funds.

- Although all MICT’s projects are unrelated to each other, for the purposes of state aid de minimus calculation, their cumulative total is greater than the €200,000 limit. Therefore MICT is being forced to consider whether it can continue to take on new projects or wait until the three-year qualifying period has lapsed. The definition of de minimis level is stifling ambition and preventing progress on the very project that the Scottish Government is actively encouraging development trusts to take on.

- State aid rules are applied on projects with thresholds lower than the €200,000 euro de minimis threshold (e.g. Aberfeldy Town Hall project).

- The appraisal of state aid limits is calculated at organisational level. For community anchor organisations (CAOs) that have numerous strands of activity, this approach has a cumulative effective that limits their access to EU funds.

- The application of state aid rules in Scotland is also inhibiting the operation of community land ownership, especially in relation to the Scottish Land Fund. An example was cited of the purchase of a forest as a community forest where HIE funding was not available because of a determination that the purchase constituted the development of a new asset for state aid rules (namely the standing timber), as opposed to the transfer of assets to a community organisation. This is not the case with

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370 Scottish Community Alliance. Written supplementary submission.
371 Ibid.
the applications of state aid rules in England and has led to the loss of EU-funding offers as a result of the inability to draw down matched funding.

- There is no independent appeals within the UK for state aid decisions. Obtaining an opinion from the European Commission is practically impossible for small projects, and in any case the national state aid teams that made the decision in the first place would have to be involved.

523. Several of the concerns raised by the SCA were supported by the evidence we received from the BIG Lottery. BIG Lottery highlighted sustainability, in the context of state aid regulations—

“In order to achieve sustainability, many of the community-owned assets we support through GCA require to generate income, sometimes by establishing themselves as social enterprises and carrying out very low key, small scale, limited and localised ‘trading’ in goods and services. In assessing such applications, BIG has to carefully check that any public funding we supply through our grants will not contravene European Union competition law (or state aid). … BIG does not believe that the state aid regulations were put in place to stifle the small scale community ‘enterprises’ that many community asset ownership projects so badly need to help them be sustainable.”372

524. Eric Samuel of the BIG Lottery clarified in his evidence to how state aid rules are applied in Scotland—

“The issue seems to be arising more and more nowadays. In our case, it stems from when we try to get projects to think about how they will become financially viable towards the end of their grant, as I explained earlier. One obvious way in which they can do that is by engaging in fairly low-level, low-key trading activity. However, the word “trading” triggers all sorts of problems as far as state aid is concerned. It can also cause us problems when funding also comes from another organisation. We might take one view of state aid and another funder could take an opposite view of state aid—that happens and creates problems. It has been a particular issue for the Scottish land fund as far as forestry projects are concerned.”373

525. SCA suggested the Scottish Government take the following action to address state aid issues—

- Improve the appraisal process, training/guidance for officials – empower them to interpret the rules flexibly and proportionately whilst complying with rules;

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• Develop some community development schemes that fall within general block exemptions (similar to schemes already supporting commercial business), and

• Introduce an appeals process and/or an ombudsman for state aid rule decisions.

526. Angus Hardie of the SCA made a plea for the Scottish Government and other public authorities to address the significant impediments caused to regeneration by state aid rules—

“We need to try to get a grip of state aid and put the issue to bed one way or another, either by getting an exemption certificate for the regeneration industry or by drilling through the issue and sorting it out. State aid trips us up all over the place—in renewable energy, in forestry and in asset transfer. The issue is constantly present. As we have heard from lottery colleagues, state aid is often the big barrier to so much that they could do, so we need just to sort it out. I think that the threat often does not exist, but is used as a kind of bogeyman that nobody is prepared to lay to one side. That is my big plea to the committee.”

527. HIE drew our attention to a practice in relation to state aid rules which it describes as ‘duck and cover’. This approach sees the sponsoring organisation focus principally on the problems - real or perceived - weighing most heavily on the decision with a view to safety as opposed to seeking a solution that allows projects to proceed that are primarily for the community.

528. As is the case with accessing EU funds, there is considered to be an administrative burden associated with compliance with state aid rules and ‘spiralling due diligence costs’ from commercial lenders.

529. We put our concerns on the impediments of state aid rules to the Minister. She responded—

“We are considering setting up a group that will include the Scottish Government state aid department, Highlands and Islands Enterprise and the Scottish Community Alliance to examine ways in which we can best advise community groups on state aid. It is a complex matter, and not only for community groups. We are looking at ways to ensure that the regulations do not inhibit community groups, and that they are not just turned down with the words “state aid”, which puts them off. I would not

375 Highlands and Islands Enterprise. Written submission, 11 September 2013.
want to see that happening. We are aware that there is an issue and we are trying to see what we can do to assist.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 25 September 2013, Col 2672.}

**EU ISSUES: OUR RECOMMENDATIONS**

530. This section sets out our recommendations on the issues covered under the EU issues theme.

531. In the light of the evidence from Scottish Enterprise and others of the difficulty of obtaining European funding that, we recommend in the short term, that the Scottish Government identifies and implements intermediary activity to aid delivery of these funds to community groups and, for the longer term, makes representations to the EU.

**JESSICA**

532. We note the proposed benefits of the JESSICA fund and recommend that the Scottish Government report annually on outcomes, both economic and social, from the previous financial year, and identifying its targets for the coming financial year.

**State Aid Rules**

533. We are concerned to learn of the difficulties raised in respect of the state aid regulations in some cases leading to the abandonment of regeneration schemes. We consider the approach to date has been overly risk adverse. Much of it appeared to be driven by a ‘safety first’ approach by the supporting organisations. In the short term, we recommend the Scottish Government issue robust advice indicating that the regulations are not aimed at community-led regeneration.

534. Particularly, if a sponsoring organisation does require to take a view on state aid rules, it should consider whether there is a likelihood of a breach of state aid rule occurring in respect of an application for funding. If so, it should seek to determine what the outcome might be in terms of granting funding. Following this a judgement should be made at senior level of the sponsoring organisation.

535. In the medium term we encourage HIE to publish the material it holds in respect of state aid rules so that it can be accessed and shared with those groups who require advice on state aid rules.

536. The Committee urges the Scottish Government to quickly establish a state aid advisory committee with representatives of Highland and Islands Enterprise and the Scottish Community Alliance. One role of such a committee would be to issue advice to sponsoring organisations in terms of applications for funding by community groups and organisations.

537. However, we urge the Scottish Government to build on this proposal and inquiry to develop a and comprehensive and coordinated response to
the difficulties experienced in the regeneration sector by the state aid rules regime.

538. We recommend the Scottish Government implement the actions proposed by Scottish Community Alliance, which we have outlined in paragraph 521 of this report.

539. We urge the Scottish Government to consider expanding the membership of the proposed state aid advisory committee to include SLAED and/or representatives of local authorities from outside the HIE area. It is clear from the evidence we have received that impediments to maximising the regeneration potential of communities across the country is a Scotland-wide problem.
ANNEXE A: INITIAL CALL FOR WRITTEN EVIDENCE

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Delivery of Regeneration in Scotland inquiry – Call for Written Evidence

The Committee is currently seeking evidence from interested parties on the Scottish Government’s Regeneration Strategy.

Regeneration

The Scottish Government’s regeneration strategy ‘Achieving a Sustainable Future” was published on 12 December 2011. The Local Government and Regeneration Committee, following its consideration of regeneration aspects of the Scottish Government Draft Budget 2013-14, have agreed to build on this scrutiny and undertake a detailed inquiry on the area of regeneration policy, with a focus upon community empowerment. The remit for the inquiry is:

‘To identify and examine best practice and limitations in relation to the delivery of regeneration in Scotland’.

Themes of interest

Set out below are themes on which the Committee is seeking your views. This is intended to be an open information gathering exercise. The questions set out below are intended to be a guide only. Please feel free to give us your views on any of these themes.

Strategy and Policy Issues

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

2. Can physical, social and economic regeneration really be separate entities? The Committee would find it useful to hear about projects distinctly focussed on one or more aspects, and the direct and indirect outcomes of such activity.

3. Are we achieving the best value from investment in this area? If not, how could funding achieve the maximum impact? Could the funding available be used in different ways to support regeneration?

Partnership Working

4. What delivery mechanisms, co-ordination of, and information on the funding that supports regeneration are required, to facilitate access by all sections of the community?

5. Should funding be focussed on start up or running costs? What is the correct balance between revenue and capital funding? Please indicate reasons for your views
6. How can it be ensured that regeneration projects are sustainable in the long term?

Practical Issues

7. What actions could the Scottish Government's forthcoming community capacity building programme include to best support communities to „do regeneration“ themselves?

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

9. How can CPPs best empower local communities to deliver regeneration? Please provide any examples of best practice or limitations experienced that you think the Committee would find useful in its scrutiny.

10. How can the outcomes of regeneration truly be captured and measured? What are the barriers to capturing outcomes and how should the success of regeneration investment be determined?

How to submit written evidence

You may wish to respond to some or all of the specific questions set out above. Alternatively, you may wish to highlight issues that you consider to be of concern in relation to local Government and Regeneration. Evidence should be reasonably brief and typewritten (normally no more than six to eight sides of A4 in total).

The deadline for receipt of written submissions is 6pm on Friday 15 March 2013.

The Committee prefers to receive written submissions electronically. These should be sent to lgr.committee@scottish.parliament.uk

You may also make hard copy written submissions to:

Clerk to the Local Government and Regeneration Committee
Room T3.60
Scottish Parliament
EH99 1SP
Policy on treatment of written evidence by subject and mandatory committees

This information lets you know how committees of the Scottish Parliament will deal with any information sent in response to calls for evidence and any subsequent correspondence.

Most people who submit evidence want it to be put in the public domain. In addition, the committees of the Scottish Parliament are committed to being open in their dealings in accordance with the Scottish Parliament’s founding principles.

Our normal practice is to publish relevant evidence that is sent to us on our website and we may also include it in the hard copy of any committee report. Therefore, if you wish your evidence to be treated as confidential, or for your evidence to be published anonymously, please contact the Clerk to the Committee before you submit your evidence.

You should be aware that it is for the relevant Committee to decide whether the evidence can be accepted on the basis that it will be seen in full by the Committee but will not be published, or will be published in edited form or anonymously. See section on “Freedom of Information (Scotland) Act 2002” below.

There are a few situations where we do not publish all the evidence sent to us. This may be for practical reasons or for legal reasons. Examples of practical reasons are where the number of submissions we received does not make this possible or where we receive a large number of submissions in very similar terms. In that case, we would normally publish only a list of the names of people who have submitted evidence.

In addition, there may be a few situations where may not choose to publish your evidence or have to edit it before publication for legal reasons.

Data Protection Act 1998
The Parliament must comply with the Data Protection Act 1998. This affects what information about living people we can make public.

When we publish your evidence, we will not publish your signature or your personal contact information (like your home telephone number or your home address).

We may also have to edit information which can identify another living person who has not specifically given their consent to have their information about them made public.

In these situations, committee members will have access to the full text of your evidence, even though it has not been published in full.

If you consider that evidence that you plan to submit may raise issues concerning the Data Protection Act, please contact the Clerk to the Committee before you submit your evidence.
Potentially defamatory material
Typically, the Parliament will not publish defamatory statements or material. If we think your submission contains potentially defamatory material, typically we will return it to you with an invitation to substantiate the comments or remove them. In these circumstances, if the evidence is returned to us and it still contains material which we consider may be defamatory, it may not be considered by the Committee and it may have to be destroyed.

Freedom of Information (Scotland) Act 2002
The Parliament is covered by the Freedom of Information (Scotland) Act 2002. This also affects the way that we deal with your evidence.

As stated above, if you wish your evidence to be treated as confidential, or for your evidence to be published anonymously, please contact the Clerk to the Committee, before you submit your evidence.

In particular, you should be aware that if we receive a request for information under the Freedom of Information (Scotland) Act 2002, we may be legally required to release the information to the person who has made the request – even where the Committee has agreed to treat all or part of the information in confidence.

So, in the circumstances outlined above, while we can assure you that your document/name will not be circulated to the general public in the context of the Committee’s current work, we are unable to give you a guarantee that the document will never be released.
ANNEXE B: EXTRACT FROM THE MINUTES OF THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

1st Meeting, 2013 (Session 4), Wednesday 16 January 2013

Delivery of regeneration in Scotland (in private): The Committee agreed to consider a draft remit and person-specification for the post of adviser in connection with its forthcoming inquiry on the delivery of regeneration in Scotland, in private session, at its next meeting.

2nd Meeting, 2013 (Session 4), Wednesday 23 January 2013

Delivery of regeneration in Scotland (in private): The Committee considered and agreed a draft remit and person-specification for the post of adviser in connection with its forthcoming inquiry on the delivery of regeneration in Scotland.

3rd Meeting, 2013 (Session 4), Wednesday 30 January 2013

Delivery of regeneration in Scotland (in private): The Committee agreed to consider a list of candidates for the post of adviser in connection with its forthcoming inquiry on the delivery of regeneration in Scotland, in private session, at its next meeting.

4th Meeting, 2013 (Session 4), Wednesday 6 February 2013

Delivery of regeneration in Scotland (in private): The Committee considered a list of candidates and agreed its ranking of preferred candidates for appointment to the post of adviser in connection with its forthcoming inquiry on the delivery of regeneration in Scotland.

The Committee also agreed its approach to proposed fact-finding visits as part of the inquiry.

12th Meeting, 2013 (Session 4), Wednesday 24 April 2013

Delivery of regeneration in Scotland (in private): The Committee considered its approach to the inquiry, and agreed the supplementary briefing material required in order to support the inquiry. The Committee also agreed to undertake an introductory briefing session with its Adviser and SPICe officials, in private, in advance of oral evidence taking on the inquiry. As part of that briefing session, the Committee agreed to determine a detailed approach to oral evidence taking for the inquiry. Furthermore, the Committee agreed a revised timetable for the inquiry (subject to any further necessary change, dependent upon its agreed approach to oral evidence taking). As a result of the revised inquiry timetable, the Committee also agreed consequence changes to the timetable for its 2013 work programme. Finally, the Committee agreed to undertake any further consideration of its approach to the inquiry, in private, at future meetings.
14th Meeting, 2013 (Session 4), Wednesday 8 May 2013

**Delivery of Regeneration in Scotland (in private):** The Committee received a briefing from—

Ian Wall, Committee Adviser, Scottish Parliament.

**Delivery of Regeneration in Scotland (in private):** The Committee considered and agreed its approach to oral evidence taking for the inquiry.

19th Meeting, 2013 (Session 4), Wednesday 12 June 2013

**Delivery of Regeneration in Scotland:** The Committee took evidence from—

David Fletcher, Assistant Director of Regeneration, Glasgow Housing Association;

Dr Colleen Rowan, Membership and Policy Officer, Glasgow and West of Scotland Forum of Housing Associations;

Craig Sanderson, Chief Executive, Link Group Ltd;

Pauline Barbour, Policy Consultant, Scottish Federation of Housing Associations;

Gavin Corbett, Policy Adviser, Shelter Scotland;

Professor Carol Tannahill, Director, Glasgow Centre for Population Health, GoWell;

Dr Peter Matthews, Lecturer in School of the Built Environment, Heriot Watt University;

Annette Hastings, Senior Lecturer in Urban Studies, University of Glasgow.

**Delivery of Regeneration in Scotland (in private):** The Committee considered the evidence received.

20th Meeting, 2013 (Session 4), Wednesday 19 June 2013

**Delivery of Regeneration in Scotland:** The Committee took evidence from—

Von Jackson, Secretary, Coalfield Community Federation and Member of New Cumnock Liaison Group;

Karen McGregor, Member, Kirkcaldy East Regeneration Forum;

Margaret Logan, Member, Gallatown East Tenants and Residents Association;

Isabel Dunsmuir, Community Development Co-ordinator, DRC Generations;
Local Government and Regeneration Committee, 1st Report, 2014 (Session 4) —
Annexe B

Bronagh Gallagher, Network Development Officer, West and Central Scotland Voluntary Sector Network;

George Roberts, Chair, Whitfield Development Group;

Brendan Rooney, Executive Director, Healthy 'n' Happy Community Development Trust;

Robert Young, ICT Support Officer, Community Links South Lanarkshire;

Jackie Brock, Chief Executive, Children in Scotland;

Judith Robertson, Head of Oxfam Scotland, Oxfam Scotland.

Delivery of Regeneration in Scotland (in private): The Committee considered the evidence received.

21st Meeting, 2013 (Session 4), Wednesday 26 June 2013

Delivery of Regeneration in Scotland: The Committee took evidence from—

Eric Samuel, Senior Policy and Learning Manager, BIG Lottery Fund;

Colin McLean, Head of the Heritage Lottery Fund, Scotland, Heritage Lottery Fund;

David Souter, Team Leader, European Structural Funds Programme Delivery, Scottish Government;

Rory Dutton, Development Officer (North), Development Trusts Association Scotland;

Angus Hardie, Chief Executive, Scottish Community Alliance;

Stuart Hashagen, Senior Community Development Advisor, Scottish Community Development Centre and Community Health Exchange;

Andy Milne, Chief Executive, Scotland's Urban Regeneration Forum (SURF).

Delivery of Regeneration in Scotland (in private): The Committee considered the evidence received.

22nd Meeting, 2013 (Session 4), Wednesday 4 September 2013

Delivery of Regeneration in Scotland (in private): The Committee considered and agreed its approach to oral evidence taking on the inquiry. In accordance with Standing Order Rule 12.4.1 (power to call for witnesses and documents), the Committee agreed to request that Inverclyde Council, and Scottish Enterprise, provide to the Committee, a copy of the independent review on the performance of...
Riverside Inverclyde and the delivery of regeneration services within Inverclyde, recently commissioned by them.

23rd Meeting, 2013 (Session 4), Wednesday 11 September 2013

Delivery of Regeneration in Scotland: The Committee took evidence from—

Councillor Mairi Evans, Convener of the Infrastructure Committee, and Alan McKeown, Strategic Director for Communities, Angus Council;

Councillor Chris Thomson, Chair of the Enterprise Services Committee, and Jim McCaffer, Head of Regeneration Services, South Lanarkshire Council;

Councillor Lawrence O’Neil, Vice Convener of the Housing, Environment & Economic Development Committee, and Jim McAloon, Head of Regeneration and Economic Development, West Dunbartonshire Council;

Rachael McCormack, Director of Strengthening Communities, Highlands and Islands Enterprise;

Councillor Thomas Prag, Chair of the Planning, Environment and Development Committee, and Andy McCann, Economy & Regeneration Manager, Highland Council;

Aubrey Fawcett, Corporate Director Environment, Regeneration and Resources, and Stuart Jamieson, Head of Regeneration and Planning, Inverclyde Council;

Allan McQuade, Business Infrastructure Director, Scottish Enterprise.

Delivery of Regeneration in Scotland (in private): The Committee considered the evidence received.

Delivery of Regeneration in Scotland (in private): The Committee agreed to revisit and report separately on the planning aspect of regeneration at a later date.

24th Meeting, 2013 (Session 4), Wednesday 25 September 2013

Delivery of Regeneration in Scotland: The Committee took evidence from—

Ian Manson, Chief Executive, Clyde Gateway;

Alan Robertson, Projects Director, Clydebank Rebuilt;

Patrick Wiggins, Chief Executive, Irvine Bay Regeneration Company;

Eric Adair, Director, PARC Craigmillar;

Allan McQuade, Business Infrastructure Director, Scottish Enterprise;
Douglas Duff, Member of Scottish Local Authorities Economic Development Group and Head of Economic Development and Environmental Services, Falkirk Council, Scottish Local Authority Economic Development Group (SLAED);

Margaret Burgess, Minister for Housing and Welfare, and David Cowan, Head of Regeneration Unit, Scottish Government.

Delivery of Regeneration in Scotland (in private): The Committee agreed to defer this item to its next meeting.

25th Meeting, 2013 (Session 4), Wednesday 2 October 2013

Delivery of Regeneration in Scotland (in private): The Committee considered the evidence received at its meeting on 25 September 2013, as well as its approach to the evidence gathered by the inquiry to date. The Committee agreed that it now had sufficient evidence relating to regeneration from a community perspective and wished to consider the strategic approach taken by local authorities, and other bodies involved in regeneration. The Committee also agreed to consider an approach to this work, in private, at a future meeting. It was agreed to write to Scottish Enterprise seeking information on governance arrangements around their role in regeneration. The Committee also agreed to write to the Minister for Local Government and Planning in relation to various matters pertaining to regeneration.

27th Meeting, 2013 (Session 4), Wednesday 30 October 2013

Delivery of Regeneration in Scotland (in private): The Committee agreed the terms of a letter to the Minister for Local Government and Planning, on issues concerning planning and regeneration, in order to support the Committee's scrutiny of the National Planning Framework (NPF3) and the Scottish Planning Policy (SPP) in early 2014. The Committee also agreed its approach, structure and the witnesses required for their final evidence session on strategy, governance and leadership in relation to the delivery of regeneration in Scotland.

30th Meeting, 2013 (Session 4), Wednesday 27 November 2013

Delivery of Regeneration in Scotland: The Committee took evidence on the Delivery of Regeneration in Scotland from—

George Black, Chief Executive, Glasgow City Council;

John Mundell, Chief Executive, Inverclyde Council;

Lindsay Freeland, Chief Executive, South Lanarkshire Council;

Adrian Gillespie, Managing Director, Scottish Enterprise.

Delivery of Regeneration in Scotland (in private): The Committee considered the evidence received.
ANNEXE C: WRITTEN AND ORAL EVIDENCE RECEIVED BY THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

19th Meeting, 2013 (Session 4), Wednesday 12 June 2013

ORAL EVIDENCE

David Fletcher, Assistant Director of Regeneration, Glasgow Housing Association;
Dr Colleen Rowan, Membership and Policy Officer, Glasgow and West of Scotland Forum of Housing Associations;
Craig Sanderson, Chief Executive, Link Group Ltd;
Pauline Barbour, Policy Consultant, Scottish Federation of Housing Associations;
Gavin Corbett, Policy Adviser, Shelter Scotland;
Professor Carol Tannahill, Director, Glasgow Centre for Population Health, GoWell;
Dr Peter Matthews, Lecturer in School of the Built Environment, Heriot Watt University;
Annette Hastings, Senior Lecturer in Urban Studies, University of Glasgow.

Written Evidence

Glasgow Housing Association (178KB pdf)
Glasgow Housing Association (2885KB pdf)
Glasgow and West of Scotland Forum of Housing Association (277KB pdf)
Link Group Ltd (263KB pdf)
Scottish Federation of Housing Associations (226KB pdf)
Shelter Scotland (28KB pdf)
GoWell (7549KB pdf)
Dr Peter Matthews (1900KB pdf)
Annette Hastings (314KB pdf)

Supplementary Written Evidence

Scottish Federation of Housing Associations (10KB pdf)

20th Meeting, 2013 (Session 4), Wednesday 19 June 2013

ORAL EVIDENCE

Von Jackson, Secretary, Coalfield Community Federation and Member of New Cumnock Liaison Group;
Karen McGregor, Member, Kirkcaldy East Regeneration Forum;
Margaret Logan, Member, Gallatown East Tenants and Residents Association;
Isabel Dunsmuir, Community Development Co-ordinator, DRC Generations;
Bronagh Gallagher, Network Development Officer, West and Central Scotland Voluntary Sector Network;
George Roberts, Chair, Whitfield Development Group;
Brendan Rooney, Executive Director, Healthy 'n' Happy Community Development Trust;
Robert Young, ICT Support Officer, Community Links South Lanarkshire; Jackie Brock, Chief Executive, Children in Scotland; Judith Robertson, Head of Oxfam Scotland, Oxfam Scotland

Written Evidence

Children in Scotland (238KB pdf)
Oxfam Scotland (655KB pdf)

21st Meeting, 2013 (Session 4), Wednesday 26 June 2013

ORAL EVIDENCE

Eric Samuel, Senior Policy and Learning Manager, BIG Lottery Fund; Colin McLean, Head of the Heritage Lottery Fund, Scotland, Heritage Lottery Fund; David Souter, Team Leader, European Structural Funds Programme Delivery, Scottish Government; Rory Dutton, Development Officer (North), Development Trusts Association Scotland; Angus Hardie, Chief Executive, Scottish Community Alliance; Stuart Hashagen, Senior Community Development Advisor, Scottish Community Development Centre and Community Health Exchange; Andy Milne, Chief Executive, Scotland's Urban Regeneration Forum (SURF).

Written Evidence

Big Lottery (244KB pdf)
Heritage Lottery (321KB pdf)
Development Trusts Association Scotland (190KB pdf)
Scottish Community Alliance (205KB pdf)
Scottish Community Development Centre (285KB pdf)
SURF (3242KB pdf)

23rd Meeting, 2013 (Session 4), Wednesday 11 September 2013

ORAL EVIDENCE

Councillor Mairi Evans, Convener of the Infrastructure Committee; Alan McKeown, Strategic Director for Communities, Angus Council; Councillor Chris Thomson, Chair of the Enterprise Services Committee; Jim McCaffer, Head of Regeneration Services, South Lanarkshire Council; Councillor Lawrence O'Neil, Vice Convenor of the Housing, Environment & Economic Development Committee; Jim McAloon, Head of Regeneration and Economic Development, West Dunbartonshire Council; Rachael McCormack, Director of Strengthening Communities, Highlands and Islands Enterprise; Councillor Thomas Prag, Chair of the Planning, Environment and Development Committee;
Andy McCann, Economy & Regeneration Manager, Highland Council; Aubrey Fawcett, Corporate Director Environment, Regeneration and Resources; Stuart Jamieson, Head of Regeneration and Planning, Inverclyde Council; Allan McQuade, Business Infrastructure Director, Scottish Enterprise.

Written Evidence

Angus Council (146KB pdf)
South Lanarkshire Council (150KB pdf)
West Dunbartonshire Council (226KB pdf)
Highlands and Islands Enterprise (150KB pdf)
Highland Council (129KB pdf)
Inverclyde Council (158KB pdf)
Scottish Enterprise (79KB pdf)

24th Meeting, 2013 (Session 4), Wednesday 25 September 2013

ORAL EVIDENCE

Ian Manson, Chief Executive, Clyde Gateway;
Alan Robertson, Projects Director, Clydebank Rebuilt;
Patrick Wiggins, Chief Executive, Irvine Bay Regeneration Company;
Eric Adair, Director, PARC Craigmillar;
Allan McQuade, Business Infrastructure Director, Scottish Enterprise;
Douglas Duff, Member of Scottish Local Authorities Economic Development Group and Head of Economic Development and Environmental Services, Falkirk Council, Scottish Local Authority Economic Development Group (SLAED);
Margaret Burgess, Minister for Housing and Welfare;
David Cowan, Head of Regeneration Unit, Scottish Government.

Written Evidence

West of Scotland Urban Regeneration Companies (68KB)
Clyde Gateway (14KB pdf)
Clyde Gateway Additional Submission (135KB pdf)
Clydesbank Rebuilt (2178KB pdf)
Irvine Bay Regeneration Company (125KB pdf)
PARC Craigmillar (1672KB pdf)
Scottish Enterprise (79KB pdf)
Scottish Enterprise (539KB pdf)
Raploch Urban Regeneration Company (31KB pdf)
Blue Sea Consulting (59KB pdf)
Scottish Allotments and Garden Society (29KB pdf)
Orkney Islands Council (22KB pdf)

Supplementary Evidence

Clyde Gateway (165KB pdf)
Clydesbank Rebuilt (65KB pdf)
SLAED (88KB pdf)
30th Meeting, 2013 (Session 4), Wednesday 27 November 2013

ORAL EVIDENCE

George Black, Chief Executive, Glasgow City Council;
John Mundell, Chief Executive, Inverclyde Council;
Lindsay Freeland, Chief Executive, South Lanarkshire Council;
Adrian Gillespie, Managing Director, Scottish Enterprise.

Written Evidence

Glasgow City Council (869KB pdf)
South Lanarkshire Council (182KB pdf)
Scottish Enterprise (637KB pdf)
Inverclyde Council (4366KB pdf)

Supplementary Written Evidence

Glasgow City Council (158KB pdf)
South Lanarkshire Council (173KB pdf)
South Lanarkshire Council – Evaluation of Intensive Intervention Schemes in Scotland (1361KB pdf)
South Lanarkshire Council – NEST Evaluation Report (229KB pdf)
Scottish Enterprise (112KB pdf)
Inverclyde Council (3936KB pdf)
ANNEXE D: WRITTEN EVIDENCE RECEIVED BY THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

- Carnegie UK Trust (250KB pdf)
- Chartered Institute of Housing in Scotland Survey Report February 2013 (139KB pdf)
- Community Land Scotland - Regeneration in Scotland inquiry (79KB pdf)
- Conrad Aldridge (144KB pdf)
- COSLA (137KB pdf)
- Dundee City Council (160KB pdf)
- EKOS Consultants (79KB pdf)
- Fountainbridge Canalside Initiative (351KB pdf)
- Linwood - Whose Regeneration (740KB pdf)
- Scottish Allotments and Garden Society Regeneration (397KB pdf)
- Scottish Land and Estates (106KB pdf)
- SCVO (125KB pdf)
- Unicorn Property Group (133KB pdf)
- West Lothian Council (162KB pdf)
- BEFS - Built Environment Forum Scotland (413KB pdf)
- Boots (326KB pdf)
- Creative Scotland (415KB pdf)
- North Lanarkshire Council (121KB pdf)
- Planning Aid for Scotland (159KB pdf)
- Transition University of St Andrews (146KB pdf)
- Work Place Chaplaincy Scotland (127KB pdf)
- James Henderson (200KB pdf)
- Aberdeenshire Council (124KB pdf)
- City Design Section of GCC Development and Regeneration Services Department (144KB pdf)
- Glasgow City Council (278KB pdf)
- North Ayrshire Council (236KB pdf)
- RICS Scotland (114KB pdf)
- RTPI Scotland (165KB pdf)
- Scottish Building Federation (201KB pdf)
- Scottish Property Federation (83KB pdf)
- SPT (266KB pdf)
- Strathleven Regeneration CIC (223KB pdf)
- ASDA Stores Ltd (105KB pdf)
ANNEXE E: FACT FINDING VISITS

Introduction

During the course of the Delivery of Regeneration in Scotland Inquiry the Local Government and Regeneration Committee conducted several fact finding visits which included open discussions with local community representatives, visits to community led projects, and presentations on local authority regeneration initiatives. Over the course of eight months the Committee paid a visit to Cumbernauld, Glasgow, Aberdeen, Dundee and Paisley.

Aim

The aim of this annex is to collate the thoughts and impressions gathered at round table discussions with community organisations and individuals during these visits. The following issues were noted by the committee; this is not intended to be a verbatim transcript, or minute of the discussions, but rather a note to capture the main points raised by those who attended the meetings.

Cumbernauld – 14 January 2013

Introduction

The Local Government and Regeneration Committee members paid a fact finding visit to Cumbernauld on 14 January 2013. The visit comprised three key elements; a series of presentations (on the regeneration work being conducted in North Lanarkshire, a history of Scottish Wildlife Trust’s involvement in Cumbernauld, and the Cumbernauld living landscapes project); a site visit to the Cumbernauld Glen regeneration site; and community workshop seminars.

Community Visit

The Cumbernauld Glen regeneration site visit provided the opportunity for Committee members to meet with Scottish Water and visit a Sustainable Urban Drainage System (SUDS) and discuss asset transfer and community empowerment. In addition the members met with woodland management with regards to tree and boundary issues as well as teachers and pupils from Abronhill High School with regards to the benefits of a mountain bike trail.

Remit

The round table discussions focussed on factors included within the remit of the Committee’s regeneration inquiry, and aimed at supporting the Committee’s forthcoming scrutiny of the forthcoming consultation and draft Community Empowerment (Scotland) Bill.
Attendees
The following individuals and organisations attended—

- Irene Watters (Cumbernauld & Kilsyth Nursery & Out of School Care LTD);
- Esther Bradley (Cumbernauld & Kilsyth Nursery & Out of School Care LTD);
- Keith Johnston (Westerwood Community Council);
- Linda McConaghy (Central Scotland Forest Trust);
- Stewart McCrae (Cumbernauld YMCA / YWCA);
- Francis Fallan MBE (Voluntary Action North Lanarkshire (VANL));
- Gerry Burke (ENABLE Scotland);
- Carol Stark (ENABLE Scotland);
- Lesley Arkison (Get Hooked on Fishing);
- Gillian Green (Student studying for degree in community development);
- Gillian Yardley (Pather Action Group);
- Morag Thomson (Voluntary Action North Lanarkshire (VANL));
- Judith Bremner (Voluntary Action North Lanarkshire (VANL));
- Michelle Thomson (Voluntary Action North Lanarkshire (VANL));
- Jan Wilson (Upperton Residents Committee);
- Jenny Burgon (Abronhill Housing Association);
- Margaret Devlin (Abronhill Regeneration Forum);
- Lisa Smith (JHP Training);
- Paul Holmes (Kilsyth Community Market Garden & Kelvin Valley Honey);
- Rose Caden (Westfield Community Council);
- Susan Flannigan (Central Coatbridge Community Council);
- William McLachlan (Kilsyth & District Elderly Explorers);
- Liz McCutcheon (Business Gateway Lanarkshire);
- Tom Porter;
- Audrey Cuthbertson (Motherwell & Wishaw CAB);
- Adam Smith (Cumbernauld House Trust);
- Tom Reilly (Seafar and Ravenswood Community Council);
- Chris Lebessis (Lanarkshire Enterprise Services Ltd.);
- Billy Lees (Cumbernauld Forum);
- John King (Condorrat Community Council);
- Zoë Clelland (Inner Forth Landscape Initiative);
- Kate Studd (Inner Forth Landscape Initiative);
- Marcelle Pearson (Voluntary Action North Lanarkshire/Scottish Children’s Panel);
- Alastair Moodie (Auchinloch Community Council);
- Jacqueline Ferguson (Resident - Craigmarloch in Cumbernauld);
- Jim Waddell (Gartcosh Community Council);
- Bryan Johnston (Gartcosh Community Council);
- Roberta McLaughlin (St Andrews High Church Guild);
- Sheila Robertson (St Andrews High Church Guild);
- Craig Sanderson (Link Housing Association);
- Leah Webb (Link Housing Association);
- Jack Banks (Cumbernauld Gardening Club);
- Lindsey Wright (Cumbernauld YMCA/YWCA);
Key Issues
The key issues brought up at the group discussions were as follows—

Communication:

- Links between the Government’s Strategy, the North Lanarkshire Council’s various strategies and community groups on the ground are unclear, and there is a real disconnect between high level strategy and the situation “on the ground”. Many community groups are unsure where they sit within the structure and where they can/should input.

- As such none of the groups present had fed their thoughts into the last iteration of the Single Outcome Agreement.

- It was recognised that there are potential structures in place to allow communities to engage, but that communication from the top down could definitely be improved.

- Some groups were concerned that there was no community representation on the Local Area Teams (LATs), although they recognised that there was representation on the Local Area Partnerships, as they identified the LATs as where decisions were really being made.

- North Lanarkshire Council’s (NLC) approach to public consultation was criticised; there was a general feeling that decisions were made prior to any public consultation, with the consultation being a tick-box exercise. However, the group praised NLC’s work in assisting community groups to access funding – and that NLC’s funding officers were approachable and helpful.

- The creation of a ‘community hub’ where local groups could get advice on issues to do with the practicalities of taking forward a regeneration project would be a positive step. This would also help different communities groups to get together and discuss what is happening and what is being planned.

- Communication was a key issue for all groups. There seemed to be very little communication from local authorities, nor from CPPs. There was no opportunity for the ‘bottom’ (ie those in a community) to influence the ‘top’ (ie those sitting on CPPs).

- It was felt that much of the consultation which took place was just a ‘box ticking’ exercise. There did not seem to be any evidence that community members were listened to. There was no follow up. Indeed there was experience within the group of responding to a local authority consultation and receiving no response.
Funding:

- The majority of participants stressed the need for sustainability in funding, while recognising the current, constrained, spending environment.

- Lack of communication extended into funding issues. When funding was available, this is tended to be compartmentalised into areas like set-up and planning. The effect of this meant that you had to apply several times for funding and there did not seem to be any recognition from one area that you had already done the work.

- On the wider issue of access to funding, all of the groups felt that this was complex and extremely daunting. As, in the main, volunteers, the process was felt to be difficult. There could also be confusion about which funding stream should be accessed. There was experience amongst the group of taking forward a funding application only to be told very late on in the process that the funding wasn’t applicable to their particular project.

- There was agreement that local authorities had this knowledge and that they should be doing more to share this. The ‘community hub’ would provide a vehicle for this knowledge to be shared.
CPP Engagement:

- It was highlighted that the CPP offered minimal support to community organisations to help them to engage, and also that the system should be geared towards making projects happen.

- NLC’s “The Way Ahead” consultation sets out options for dealing with the Council’s reduced budget. It was generally felt that it was good that the Council was consulting, but were concerned as to what would happen with the data produced by those submitting comments, which they thought would be useful for community planning.

- The multitude of community groups in Cumbernauld was discussed, and it was stressed that a better working relationship and communication was required. Some had come up against problems of certain groups not sharing their work or influence with others. One interpretation of why there are so many “vociferous” community groups in Cumbernauld was that there is a perception in the town that Motherwell benefits disproportionately from NLC funding, and that community groups in Cumbernauld are offered little support from NLC.

- In talking about interaction with the CPP, it was clear that most of the groups represented had no dealings with the CPP itself, although some had fed into the Local Area Partnerships. There was also a lot of confusion about the different levels of the CPP, and who was responsible for what within the structure. Again the group felt that this could be a communication issue for NLC.

- CPPs don’t seem to have a big impact on most of the work members of the group undertook. There was a general lack of understanding of their work and role and, in some cases, a complete lack of knowledge about their existence. But it was felt that rather than be on the side of the community, CPPs added another layer to the bureaucracy which already exists and were a management tool.

- The experience of CPPs in general was very poor. There seemed to be very little community involved and it could be difficult to find out who was responsible for them and how to interact with them.

Regeneration:

- In looking at physical, social and economic regeneration, it was noted that there was a large amount of derelict land in the area, and that the proposed Community Empowerment Bill could assist in transferring assets, community right to buy etc.

- There was discussion about what regeneration meant and the group was clear that it can mean different things to different people. It clearly covers derelict builds and the physical environment – all of those round the table had experience of how this could impact on a community. However, it was
felt that equally important was the impact on communities and the change which regeneration can bring in improving lives of people living in these communities. People have to be at the heart of every regeneration project.

Community Empowerment:

- The unanimous response was that getting young people into work would make the biggest difference. The group stressed the work already ongoing, and noted that there was a lot of funding available for businesses to take on young people (community jobs fund, modern apprenticeships etc) but that businesses (especially small businesses) were unaware of the funding and/or how to access it.

- In terms of involvement in community groups, many in the group were keen that younger people (and more of a cross-section of society) become involved, and they talked about the possible barriers to this. It was suggested that groups approach their work on more of a single issue basis as this could encourage younger people to be involved, who were possibly daunted by the time commitment.

Glasgow – 18 February 2013

Introduction
Four members of the Local Government and Regeneration Committee paid a fact finding visit to Glasgow on 18 January 2013. The visit opened with an overview of regeneration and community empowerment in the area. This was presented by Glasgow City Council officials, and representatives from the Glasgow housing Association and the Glasgow Regeneration Agency. The Committee members conducted a site visit before conducting round table engagement seminars with community representatives.

Community Visit
The site visit was co-ordinated by Oxfam Scotland and provided the Committee with an opportunity to look specifically at the gender impact of regeneration funding/policies on women, especially those in vulnerable/ethnic groups and communities. The site visit encompassed the ‘Tea in the Pot’, a drop-in and support service for women in Glasgow, ‘Amina’, a Muslim Women's Resource Centre and meeting with representatives from Sunny Govan radio.

Remit
The workshop seminars were conducted with community representatives and focused on practical experiences of regeneration policy and how best to empower communities.

Attendees
The following individuals and organisations attended—

- Ann Armstrong (Love Milton);
- Karen Coyle (Love Milton);
Key Issues
The main points from the group’s discussion were as follows—

CPPs:

- **The need for genuine consultation, particularly in CPP’s**: There was a palpable sense of frustration on behalf of participants when it came to engaging with large partners. Consultations were seen as top down approaches where decisions had been pre made and then "rubber stamped" by the community who lacked appropriate power to refuse proposals or change them.

- Both in general consultations with communities for local regeneration or in partnerships (CPP’s, HCP’s etc.) it was felt that clarification was needed on what the authorities “part of the bargain” was, both in setting up funding streams and making them accessible, as well as the need to clarify to what extent the partnership was really "equal".

- A story was raised about the area of Milton in Glasgow and the consultation process that took place there to regenerate land that had previously been housing stock. It was decided, having consulted with a small section of the
community that overlooked the area (rather than the area in full) that trees would be planted. But upon deeper consideration by a local social enterprise, it was found that many people were unaware of the consultation, and that the overwhelming wishes of a large majority were to have a local community centre erected instead.

- Participants felt that “community” concerns were in fact a “side-line” issue in comparison to an apparent pursuit of largely economic goals and indicators that could be quantified tangibly and that this represented a lack of trust on the part of large public or private stakeholders in projects. Overall, they thought that there had to be a culture shift towards trusting communities and adjusting values from economic indicators to social ones. “Community is the future. Yet community has been seen as a barrier to progress”.

- CPPs do not engage with communities. This can lead to major delays in the delivery of services and facilities. One speaker cited the example for it taking six years to get a community centre through the financing, planning and building phases to getting it open;

- There is no real fact-to-face relationship between the voluntary sector and many local authorities/CPPs. One speaker highlighted the fact that while voluntary sector organisations in Central Scotland were consulted on where council spending cuts might be directed to as to cause the least impact to the 3rd sector, so such consultation took place in Glasgow;

- There is a lack of respect and trust by those in local authorities/CPPs for the role of the voluntary sector, what it can deliver; and what it can “bring to the table” in terms of resources, expertise and ability. The general feeling is that the relationship under the CPP structure has deteriorated from that under the old social inclusion partnerships (SIPs). Representatives from a disability group expressed a view that CPP in Glasgow is hostile to the 3rd sector and that community engagement has fallen away from that under the old SIP system.

- There is also a lack of appreciation that community groups delivers frontline service, mopping up a lot of the ‘overspill’ caused by resource deficits/bad policy decisions as they are the ones who respond to community-based needs.

- There is a democratic deficit under the CPP system. Under SIPs the majority of decisions on funding/projects was taken in Council Committee, via elected members. Today most CPP decisions are based on council officer recommendation only. In Glasgow the CPP is unaccountable, however the reorganisation of the representative system into three areas across the city, and the amalgamation of local community planning boards and area committees presents an opportunity. But, the Glasgow Council neglected to ensure the voluntary sector were included in the initial restructuring plan.
There is no general appreciation of the level of return on investment which the voluntary sector can deliver. CPPs don’t undertake needs assessments or impact assessments. Most voluntary groups can tell you exactly what rate of return they can expect on finances spent by them (MSPs quoted the example from Galgale that for every £1 they spend the generate £14 in return for the community).

The landscape of engagement with local authorities/CPPs/ALEOs is complex, with both a silo structure, and a silo mentality prevailing. Funding is consumed by each tier of bureaucracy so that less is actually available by frontline services. Much community finding which used to come directly to community groups is now channelled via CPPs and ALEOs and this has resulted in a major loss of actual funding to community groups. An example of this is what has happened to the Fairer Scotland Fund when it became amalgamated with the integrated grant funds, thereby being lost for the most part to community groups.

Local authority structures and administration often gives rise to inter-departmental conflict and empire building by senior/middle management. This, in turn, frustrates 3rd sector participation in decision-making. While many councils followed a trends in recent to amalgamate departments and offices so as to deliver on economies of scale (reducing staffing numbers), and so achieve savings. But, the outcome has been that decision-making has been pushed to the upper tiers of council administration, more remote from the facts on the ground and the needs of communities, where spending decisions are subject to greater pressures to conform to wider policy targets, or objectives, or to be funnelled into favoured projects/areas for political/bureaucratic reasons.

Feeling that CPPs are “terrified of equalities” and it does not feature as an outcome for CPPs, probably because it wasn’t a named outcome under the old SIPs system. The Local Government (Scotland) Act 2003 names equalities as an objective for community planning, and Single Outcome Agreements (SOAs) need to be strengthened to deliver on equalities.

Needs to be a change in mind-set and culture in terms of 3rd involvement at executive team and board level of CPPs and decision making skills. Some representatives also raised a major gender factor in terms of 3rd sector engagement in Glasgow in that ‘officialdom’ in the city tends to be very patriarchal, macho, intimidating, adversarial - even hostile to women, who constitute the bulk of 3rd sector members. One female representative at the table, who has a disability stated that of all the barriers she has to overcome when dealing with Council/CPP/ALEO management in Glasgow - even at the most senior level – the greatest barrier was by far and away her gender, much more so than her disability.

Need to be able to show the level of additional funding, top-up funding and funding-in-kind the 3rd sector brings to the table, as local authorities and CPPs don’t often appreciate how much the 3rd sector can contribute
financially. Across an area like Glasgow this can amount to hundreds of millions of pounds per annum.

- CPPs are very poor as assisting community engagement to understand and engage properly with the decision-making process, because there is never a serious examination of process to see how the executive board of the CPP is structured.

- The power relationship can be influenced by participatory budgeting and how the democratic system operates this. There is a real need to hear directly from front-line groups, rather than having to conform to the hierarchical structures local government designs for engagement.

- It was pointed out that this issue of who is ‘statutorily required’ to deliver services is often a stumbling block to mind-set change to the Council/CPP delivery of services with the 3rd sector. Many councils view is that as it is directly elected, therefore, it must be directly responsible for delivery of services. However the NHS is not directly elected and delivers more public funded services that any other sector of society. There was a feeling that the cloak of statutory duties is used as an impediment to looking are changing mind sets.

- A possible solution would be to give 3rd sector organisations ‘sing-off’ rights on local plans and community plans with CPPs, in much the same way as has happened in the redesign of care services. This would level the playing field and force councils/CPPs to come to negotiate and an agreement with the 3rd sector on dedicated funding for delivery of service models etc. as 3rd sector would be in a properly empowered relationship with CPP partners, as opposed to a good will hope based on engagement etc.

Community Empowerment:

- Major concern that the proposed Community Empowerment and Renewal Bill has too much stress on community assets and the transfer of community assets. This assumes a level of community empowerment which is far above where many communities are when the 3rd sector begins to engage with them. While communities can achieve the level of empowerment/expertise to successfully take control of community assets, it must be done properly.

- Another concern about the Bill is in relation to the suggestions that Community Councils being the default position/structure for community engagement. In Glasgow there is a real concern that elected councillors would champion such a proposal as a means of re-establishing a “power base” through control of area committees, whose influence in community engagement which were seen to be watered-down by the SIPs and CPP system. While come community councils may be empowered enough to undertake genuine community engagement, the feeling was that most are nowhere near that level.
To empower 3rd sector we need to develop genuine participatory budgeting and giving communities ownership of their own budgets. Currently very little willingness to move toward this in the case of Glasgow. In order to strengthen accountability some representatives recommended that

Any community empowerment strategy has to be supported with a dedicated funding package to underpin the genuine empowerment of communities. Community empowerment has a function in itself; it is not just about engagement, or engagement plus capacity building, or engaging with communities to gauge their views on eh delivery of services. It must be about empowering communities to take on their own issues and respond to their own needs. This will be hugely to the delivery of a successful development of the preventative spending/policy agenda.

Communication:

Continuing divisions between public officials and third sector practitioners: Participants felt that there were considerable differences in working practice between public officials and third/voluntary/community practitioners. It was thought that whilst there were many understanding and impassioned public officials who had genuinely high hopes for helping communities, they were constrained by a “system” that had them spend their days repeatedly doing “tick boxing” exercises that were essential for allowing projects or funding to continue; but which was felt were sometimes divorced from the real needs of the community at hand. This meant that public bodies were sometimes unable to respond quickly to changing needs and priorities.

In addition, these concerns led to a general feeling that public officials sometimes were unable to recognise the backlog of experience and deep knowledge that community representatives had about their local area, and the skills they had to help implement new programmes. It was also mentioned that third sector officials had a lot of trust on behalf of local communities and this was especially beneficial for their credibility as opposed to public sector officials, who some felt intimidated them. A few participants also expressed an interest in regeneration officers spending time working in their communities in order to see the problems that were currently being faced and a need to cut down on bureaucracy by letting groups establish themselves without outside help if it is not invited i.e. one group asked for outside help and were told they needed to establish a constitution which was not what they felt was their main goal at the time.

Funding:

Funding problems: Funding problems were discussed briefly in the context of a continuation of problems faced when interacting with the public or private sector. Participants felt processes for funding were over bureaucratised, box ticking took precedence and there was an overzealous “grant culture” and lack of understanding of the problems faced when filling out funding applications that were particularly long, in depth and which had very strict conditions. Above all, funding applications needed to be made...
accessible to laypersons in this area. Particular problems also arose with the integrated grants fund, where it was felt decisions were pre made and there was absolutely no room for movement.

- Questions were also raised about partners involvement over long periods of time – i.e. who keeps up with the continuing regeneration process? And this concerned participants when thinking of long term planning in their area.

Community Ownership:

- **Community ownership & Assets:** There was discussion surrounding the prospect of communities increasingly taking over small properties or pieces of land for communal use and social purposes in their areas and it was overwhelmingly felt that this was a very positive step. One story was put forward of a project based in Govan that took over a plot of land and began to hold arts activities, grow healthy food, as well as providing a play room for children. The project costs for this scheme came in at £1000 annually and it was noted that with the right people and assistance, small schemes were remarkably resourceful.

- It was however remarked that there was a great need for help regarding leases, and potential “gifts” of land for community use, as not everyone was familiar with the process of community ownership. Participants felt that these assets were sometimes hampered by lengthy acquisition procedures. With the right help, there was a sense amongst participants that more communities could create welcoming “hubs” of activity, perhaps even social enterprises where regeneration projects could really flourish and increase cohesiveness throughout the overall regeneration process.

- **Communities facing new problems:** A good stock of housing that encourages all types of families and individuals to stay and contribute to an area was acknowledged to be very important by participants.

- There was particular discussion, at the suggestion Stuart MacMillan, surrounding recent national debates on “the bedroom tax” and Housing benefit changes currently being put into place. There was concern from all participants about the importance of locally available housing stock across all local authorities and a desire to see more one bedroom properties being built in order to deal with the problems arising from people having to downsize or pay “tax” where other properties were no longer available to them.

- There was a general dismay surrounding the apparent loss of good work on the part of Scottish local authorities where medium to large houses have featured in future local planning initiatives, which may now no longer fit with the new lexicon of rules for housing smaller families. Concern was also voiced for those who were carers of small children who did not stay in properties full time who would now have to pay the tax. There was similar concern that, particularly in Glasgow, councils were worried about rent arrears in this context for those already on a low income.
These issues contributed to a more general worry that the fabric of communities would be further eroded by people being moved out of areas that have long been their homes in order to fulfil particular quotas and avoid the bedroom tax, which would remove them from care and social networks.

Regeneration:

- **Stigma surrounding “regeneration communities”:** Participants noted that there was a general sense of perceived stigmatisation of their communities and the individuals comprising them. There was reference to the term “three generations unemployed” and it was felt that there was an on-going demonization of those on out of work benefits, leading to mistrust and hopelessness. As an antidote to these considerations, representatives actually felt that good regeneration projects considerably helped this sense of hopelessness by providing good projects that increased access to local jobs and activities and that these life affirming ethos’ and activities filtered out to social networks locally, ultimately bringing the community closer together.

- Community engagement with the regeneration process in Glasgow - evidence was mixed as to the level and usefulness of engagement. Some good examples were given of community-based housing associations (CBHAs), which appeared to be a genuine partnership between people and communities and the local authority. CBHAs could provide a focal point for the community, as they had premises which could bring people together. Similar to this, the potential positive role of community anchor organisations, and the benefits of “transformational funding” (funding to help local people run projects) was also highlighted.

- On the SG’s regeneration strategy, there was some positive comment on the general thrust of the strategy, but groups were less clear how it tied together and related to various other pieces of work. Concerns were also raised about a perceived lack of resources to support the strategy.

- On access to regeneration funding, the group’s general view was that well-resourced organisations could access funding, but that people/smaller community groups found it very challenging, especially in terms of the amount and complexity of paperwork involved and the fact that personnel in relevant bodies often changed regularly, meaning useful contacts were lost. In a similar vein, some general comments were made on Glasgow City Council – it was so large that it was called a “monster” – and that there was little evidence of joined-up working, even within the Council.

- The group was very critical of national funding for regeneration, particularly the People and Communities Fund. This, according to the group, was not new money, but simply a renaming of funding that had been around for a decade. However, there was now less money and it was focussed on employability. While recognising the importance of employability, the group questioned why regeneration funding should be used for this, when so
much other funding was already focussed on it – eg the Jobcentre, Glasgow Regeneration Agency etc. The group also questioned whether this employability funding was all “joined-up”, and whether the current focus on youth unemployment etc was to the detriment of older people.

- **Lack of awareness surrounding the Scottish Government’s regeneration strategy:** Initially, the group were presented with an outline of the Government’s Regeneration strategy published in December of 2011 and participants were asked to indicate whether they were aware of the overall strategy and the Government’s future plans for this policy area. Participants however indicated they lacked a fuller awareness of overarching policy goals for the future and indicated that this information had not “filtered down” to a community level for localities to engage with in a meaningful way.

**Local Networks:**

- Local Networks were mentioned as a good way of bringing a range of organisations together, which could then represent the wider community interest effectively. While CPPs had initially engaged well with local networks, apparently in the last 3-4 years the CPP had become much more part of the local authority, and links had become less effective.

- The group also mentioned Social Inclusion Partnerships (SIPs), which, although they had problems, were better than CPPs in some respects as they involved much more face to face interaction.

**Thoughts on Changes to Current System:**

- More money to build capacity, especially in disadvantaged communities;
- Access to funding to enable bottom-up, rather than top-down regeneration and more use/recognition of the role of community anchor organisations;
- More long term funding;
- Better use of resources, especially in communities with long term issues;
- A culture change is needed to allow different ways of empowering communities;
- Resources to allow people to support organisations with funding applications;
- Make the Regeneration Agency and CPP accountable to communities;
- More creative thinking at public bodies, councils and the parliament, and for those bodies to be brave enough to be open in their decision making.
- A need for genuine engagement, not tokenism.

**Aberdeen – 18 February 2013**

*Introduction*

Three members of the Local Government and Regeneration Committee paid a fact finding visit to Aberdeen on 18 February 2013. The visit comprised three key
elements; a presentation of the regeneration work being conducted by Aberdeen City and Aberdeenshire Councils, a site visit to a community group project (Seaton Backies), and community workshop seminars.

Community Visits
The Seaton Backies site visit demonstrated to the Committee Members a representation of the work being conducted by Community Groups in the area. In this instance the project aimed to revamp the ‘Backies’ area of Seaton in Aberdeen, and to encourage the community to spend more time outdoors safely.

Remit
The remit of the community workshop seminar was ‘to identify and examine best practice and limitations in relation to the delivery of regeneration in Scotland’. Two broad themes encompassed the focus of the meetings; regeneration and community empowerment. Specific themes within this included, for regeneration, strategy and policy issues, partnership working, and practical issues. Specific themes for community empowerment included strengthening participation, unlocking enterprising community development, and renewing our communities.

Attendees
The Committee used Parliamentary contacts with the third sector interface in Aberdeen to identify local community representatives to attend the community workshops. The following attended—

- Patsy Telford (Turning Point Scotland - Rosie’s Social Enterprise);
- Zara Strange (CAB Aberdeen);
- Nick Pilbeam (Westhill Men’s Shed);
- Alister Clunas (Aberdeen Greenspace);
- Cherie Morgan (Aberdeen Play Forum);
- Alexander Mess (local resident);
- Murdoch Macleod (Regeneration Matters);
- Alexander Grant (Disabled Veterans (NE Scotland));
- David Fryer (Torry Community Council);
- David Fyffe (Corsindale and Fetternear Farms);
- Alastair Minto (Inspire);
- Teresa Lamb (WEA);
- Emma Cameron (local resident);
- Jennie Biggs (Friends of Inch);
- Brian Allan (local resident);
- David Hekelar (local resident);
- David Henderson (local resident);
- Aileen Davidson (Civic Scotland - M26 Group), and
- Phil Mills-Bishop (Community Councillor).
Key Issues
The key issues brought up at the group discussions were as follows—

Volunteering:

- Increased expectations of added responsibilities resulting in less inclination to do voluntary work;
- All levels of government need to provide the resources, training, support and capacity for volunteering to work effectively;
- Greater recognition that volunteering makes big savings for local authorities.
- What stops volunteers running a Community Centre – red tape and bureaucracy. There needs to be a simpler solution for small communities. If they have a vision and a long-term plan they must also have ownership of a budget.

Community:

- Difficulty in getting marginalised people involved in the community;
- Concern over the impact of welfare reforms on third sector bodies;
- To empower people. Barriers to achieving that empowerment must be removed;
- Engagement should leave the community more capable by giving them a helping hand and leading towards local ownership. The community needs a common purpose, a focus, something tangible people can achieve. Successful regeneration will come initially on a small-scale and on a time scale allowing people to see a return on their input. Also need regular “wins” alongside a longer term vision.

Strategies:

- Lack of coordination of funding streams;
- Lack of awareness of local and national regeneration strategies;
- Concern over timing of tendering in relation to bidding for funding;
- Rather than seeking a co-ordinated master plan for regeneration, organisations should aim to do something successful (eg Seaton Backies) and then try to apply it elsewhere;
- It was noted that it is hard to measure social regeneration as it is more intangible, although it is just as valuable as physical regeneration;
• Something akin to self-directed support is wanted. Small improvement grants to community councils to spend locally have been discontinued. Better if local representatives have the ideas and make it happen, chasing departments and accounting for money adds no value, whereas support and enabling is required. Simple direction and instructions are required to assist. Local offices or officers to assist with suggestions, facilitation leaving the community to make decisions (and get on with it).

• When there are short-term funding streams, tightly focussed things get created to meet the funding stream not necessarily the needs. Yet small organisations are often excluded because of the time required to apply.

Public v Private Sector:

• Public Sector and large organisations are poor at doing things locally. They don’t like letting go and tend to micro-manage. They are poor at talking across departments and engaging with local communities in a suitable timescale and language. Third sector organisations are over-regulated, subject to too much bureaucracy;

• By contrast private sector will leave you to get on with it albeit subject to reporting requirements.

Participant Sound bites:

• Who owns a project in the community, it’s a community project.
• Our challenge is to get people involved, is there a community (out there)?
• Nothing has been done except housing, too much regeneration focusses on housing.
• Commuting does not work for a community
• Time banks have enabled people to contribute to a community
• Our job is to come up with the ideas
• Can have strong voices which dominate and ignore the rest of the community
• Are we being ambitious enough?
• Learning to fail at a local level, take time to get it right but give it a go and avoid being too risk averse.
• About letting it go to get it done locally
• If no money and no focus, what is the point, folk don’t want to participate it it won’t make a difference.
• Extremists create change.

Dundee – 16 September 2013

Introduction
Four members of the Local Government and Regeneration Committee paid a fact finding visit to Dundee on 16 September 2013. The visit included a scene setting
presentation by local authority officials, followed by a visit to sites under development by Whitfield Development Framework (housing and social centres).

**Community Visits**
The Whitfield Development Framework visit demonstrated the thought process and planning behind current projects under construction, with the focus on housing and social centres as well as council and NHS centres.

**Community Workshop Remit**
The remit of the community workshop seminar was ‘to identify and examine best practice and limitations in relation to the delivery of regeneration in Scotland’. It was specifically targeted at those with an interest in community participation and delivery of regeneration activity in their area. The round table discussions focussed on factors included within the remit of the regeneration inquiry, and aimed at supporting the Committee’s pre-legislative scrutiny of the forthcoming Community Empowerment and Renewal Bill.

**Attendees**
The following persons and organisations attended—

- Caroline Bairner (Dundee City Council Learning);
- Around Project;
- Christine Dallas (Dundee Healthy Living Initiative);
- Yvonne Tosh (Douglas Community Centre);
- Garvie Jamieson (Douglas Community Centre);
- Kim Wilder (Link-Up, Whitfield);
- Scott Ferguson (Timetree Timebank);
- Mary Millar (WDG);
- Mary Adamson (C.A.N (Celebrate Age Network) and O.P.E.N (Older People Engaging Needs));
- Alice Bovill (Strathmartin Regeneration Forum);
- Agnes Campbell (Whitfield Community Panel);
- John Gilruth (North East Forum/Fintry Community Council);
- Tracie MacMillan (Manager of the Finmill Community Centre);
- Jess Morrison (Mill O’ Mains Tenants and Residents Association);
- Barbara Mycoff (North West Regeneration Forum);
- Ron Neave (North East Forum/Fintry Community Council (Finmill Centre));
- Patricia Phinn (Lochee Regeneration Forum);
- Ryann Smart (Finmill Community Centre);
- Larry Todd (Whitfield Community Centre Management Group);
- Bob Wallace (Whitfield Development Group);
- Mike Welsh (Dundee City Council staff officer).

**Key Issues**
The key issues brought up at the group discussions were as follows—

**How to get involved:**
• Communication is poor, with individuals having to actively seek out information.

• Both Timeshare and Link-up try to get beyond the ‘usual suspects’, but the same people appear to be on all the committees. Many think “I am not needed others will do it”.

• Meetings are not the best way. More creative solutions are required such as children’s clubs, cooking forums etc. Better on a casual basis to engage people and get input/contributions.

• Lots of people now think it is easy to access Regeneration money (locally). Information is accessible in a short, easy to read, booklet.

• Will it make any difference anyway – we are used to being let down in the past.

• There is a need to get others involved in volunteer work as it tends to be the same people. New volunteers are put off by an apparent lack of structure in the system.

• Encouraging participation by local people was another issue which was discussed. Obstacles such as public apathy; motivated self-interest and disappointment and scepticism generated from past commitments which have failed to be delivered on, makes engaging local people a particular challenge. Representatives from North East Dundee pointed to the success of local Gala Days as a means of engaging with the local community.

• Communities in North East Dundee have had success in using gala days to engage with up to 1000 people from the local community. This has involved the use of stalls set up by various local community groups or CPP agencies to reach out and engage with local people. Also the use of questionnaires, handed out to the public with the use of a prize/raffle for filling it in and returning it at the Gala, as proved a very effective of getting feedback from local people on issues of importance to them.

• Gala days are also a means of generating much needed income for community groups, as well as a way of fostering community spirit in an area. Also the informality of the engagement process with local people in an event like a gala day can often make for a better.

• Another major barrier in fostering community engagement is the lack of crèche/childcare facilities which would allow people to attend community meeting and take part in community activities.

• Transport is another impediment to community engagement. Post war communities whose development and structure was often based on the use of car travel means it can be very difficult for people to be able to access facilities or be able to attend local meetings etc.
• Other issues such as fear in having to navigate poorly lit urban areas, or areas with high levels of antisocial behaviour, and the lack of funding to provide facilities like community minibus services also make trying to reach out to people in communities challenging.

The Effectiveness of Scottish Government Policies:

• There is a lot of money being put into physical initiatives, but social infrastructure gets less attention; both is needed.

• You can see physical regeneration but it does not address the underlying issues.

• The Crescent facility will lead to a loss of meeting space. The school will only be available out of hours (issues include safety, darkness and late hours) as well as time. This centralisation may reduce accessibility.

• The Community would not be interested in running the centre if they had to meet all costs.

• Need for more open spaces, grass for people to play on. The Douglas area envy Whitfield for this reason.

Funding:

• It takes time to build capacity in the community. Short term funding for initiatives are a problem as organisations come and go as funding is changed; they just get set up and then disappear as the funding dries up.

• Community sector jobs are predominantly temporary. The impact of this is that when staff move on new working relationships need to be established, and there is no continuity of effort.

• Repeat funding would assist if the period was known and there was an opportunity to re-apply. Mention was made of the old urban aid funding which lasted 4 years with a 3 year renewal possible.

• Cost of child care prevents younger people getting involved. A crèche would be useful and beneficial and it could also encourage people to try tasks which could lead to employment.

• It was noted that schools run reasonably priced breakfast clubs, although there is pressure on spaces in some areas. These clubs enable parents to better access learning portals and return to work.

• Insurance costs are an issue (and prohibitive) and the question was raised whether the council could provide it under their central policy rather than requiring all local projects to provide their own?
• Maintenance costs were raised as an issue, with questions raised as to who would be responsible for a community asset and whether there should be a single person who retains responsibility in each locality and is accountable and accessible, even if such a (council) post is part funded?

• For the unemployed and deprived communities funding is critical, paying anything extra (from benefits) is difficult and invariably breaches poverty levels.

• Ability to seek and access sources of funding was also discussed. Representatives from Whitfield pointed out that the community has recently received a £250,000 grant from the Big Lottery for the redevelopment of Whitfield Green, a local park, to provide a multi-purpose green space for the community.

• Dundee City Council and NHS Tayside are currently developing the Crescent Centre in Whitfield. This will be a co-located, community facility providing both Council and NHS services (such as a library, pharmacy, GP practice), along with private commercial space (retail outlets etc.). This building is also being examined for the provision of a community-based cinema.

• Changes to funding streams for regeneration have resulted in a lot of small community projects in the Whitfield area coming to an end. This reflected a wider discussion on the problems of both short term funding and of the restrictions of ring-fenced funding. The representative from St Martin’s Regeneration Forum pointed out that they (along with other regeneration forums in Dundee) receive £125,000 per annum from Dundee City Council. Along with other funding sources, this provides them with the flexibility to address their own priorities, as opposed to delivering on the priorities set out to by various funding agencies. St Martin’s Regeneration Forum has used its own funding to develop and run their own community centre for their area.

• Despite this, criticisms were expressed in the way this £125,000 was delivered. Currently, £50,000 is earmarked by the Council for the delivery of environmental projects by regeneration forums; £50,000 for set aside for youth diversionary schemes, and the remaining £25,000 is provided as a discretionary small grants fund. The view was expressed by the regeneration forum representative that this entire sum should be provided in a lump sum payment to regeneration forums, and the forums should have discretion as to how the entire fund is spent.

• In relation to general day-to-day spending by the Council on mainstream budgets (e.g. street cleaning, education provision etc.), there was general agreement that communities in receipt of regeneration funding do not get their fair share of spending on such services in comparison to other parts of the City. The perception that more affluent communities get a disproportionally larger share of both the Council’s resources and attention
was expressed in an anecdotal example by one of the community representatives.

What would be a measure of success in 5 years?

- A happier, connected, thriving and more equal community run by local people with doors open to all ages.

CPPs and LCPPs:

- Participation in the CPP system allowed community representatives to have access to someone “who can make a decision” about various issues. This was very helpful.

- There was a view, however, that the quarterly meeting patterns on LCPPs was a hindrance to finding speedy resolutions to local issues which may occur at short notice, or shortly after a LCPP meeting has taken place, and this leads to a lack of responsiveness to issues.

- A major restriction to community groups who wanted to purchase land, or other major community assets, was the need for legal support from solicitors. This was also true for issues around leasing facilities/assets from public ownership.

- If community groups had access to dedicated free legal aid support, as part of a community empowerment structure, this would provide great assistance as well as reduce some of the financial costs involved in taking over assets.

- As example of where a statutory community right to buy facilities was given when the representative from Lochee pointed out that there is currently a vacant school building in their community which could be used as a much-needed community centre for the people of Lochee. The community should have a right to take over these premises.

- Some representatives stressed the difficulty community groups who acquire assets, such as buildings and land, could face in trying to fund their upkeep/operation in the long term. Concern was expressed as to the capacity of community groups to manage such burdens over the long term, especially if the public sector across Scotland (such as local authorities) were finding this issue a challenge.

- Sustainability of assets and resources is a major concern for local community groups. In terms of the day-to-day running of community facilities, such as community halls, centres etc. particular emphasis was made in terms of the cost of water bills as being a major cost sustainability issue. Reference was made to the fact that community-owned assets which were built/acquired before 1997 were exempted from water rates. This is a significant advantage to certain facilities which have been in operation since before 1997, whereas community assets/facilities in the last 15 years have
to carry the full burden of water rates. Any statutory structure and/or support package which is put in place to underpin community empowerment, ownership of assets and land purchase should look to exempt such assets from water bills, and this would be a major financial benefit to the sustainability of such assets in community ownership.

Training issues:

- Representatives from North East Dundee stated that they didn’t get enough opportunities to undertake training to support their community role, however they did have access to facilities. They commented that training such as how the Scottish planning system operated, would be of benefit to them.

- Another representative made the point that working as a community volunteer necessitates engaging with a lot of official acronyms and jargon, in areas like planning, legal issues etc. Training to assist people in “deciphering and decoding” these would be very useful and help to demystify a lot of the issues local people have to engage with through regeneration and other community work.

- The Chair of the St Martin’s Regeneration Forum made reference to the fact that they have adopted a practice of attaching a glossary of official terms/jargon to the published minutes of Forum meetings, so local people can make more sense of issues under discussion and learn about official terms.

- Another participant made reference to the fact that some training in understanding the legal system would also be of great benefit in supporting the work of local people in community engagement.

Are community groups being listened to?

- Some attendees expressed the view that they do not feel they are getting their fair share of access/allocation of regeneration funding in comparison to other communities in Dundee. The representative from the Lochee Regeneration Forum highlighted what she saw as the disparity between the levels of regeneration funding provided to communities such as Whitfield as opposed to those provided to Lochee.

- Members of the groups felt that the public and residents in their communities were not really consulted on the development of their local regeneration plans.

- Comment was made in relation to communities, such as Fintry, that were planned and developed in such a way as that they didn’t have the needs of people at the centre of their design.

- A point was made that community facilities, such as the Finmill Centre, helps to communicate to the local community what is going on around them.
- Some local community groups have had good levels of contact and communications with agencies such as the Police, SEPA, universities etc.

- Frustration was expressed that local businesses do not engage with, or get involved in, Local Community Planning Partnerships (‘LCPPs’).

- Frustration was also expressed at the way LCPPs operate. Quarterly meetings of LCPPs are often too infrequent to allow them to react quickly to short-term issues which develop in the community which local residents may need to have addressed quickly. The agenda for LCPP meetings are often overcrowded with items of business, leaving very little time for any real quality discussed on important issues, such as levels of drug taking in the community etc.

- It was also commented that LCPP meetings often consist of representatives from ‘official’ agencies (such as the local authority, NHS, police) who present to community members on the progress of various initiatives.

- St Martin’s Regeneration Forum, pointed out that local regeneration forums are far more effective at targeting money where it is really needed in the Community as opposed to LCPPs, local authorities, or national government or its agencies. One participant stated that the biggest problem with LCPPs is that they are “official loaded”.

- Frustration was expressed with difficulties in engaging with official agencies in terms of the needs of local communities. Representatives from Mill O’Mains highlighted particular issues with Homes Scotland, and their lack of responsiveness to local needs.

- There is a demoralising community effect in delays to delivering basic community facilities. For example, the people of Lochee have been campaigning for over 20 years for the provision of a community centre in their area.

Drug Strategies:

- One representative stated that the issue of drug abuse was the single biggest challenge facing her local community and that there was “a tremendous level of apathy in working class area” as a result. Another point to come from this discussion was the ever-changing nature of drugs strategies by local and national government and agencies. This, it was felt, greatly undermines local efforts to address the situation on the ground as there is no certainty of approach and so no meaningful progress is ever made.

- Concern was also expressed to the practice of some pharmacists in Dundee of dispensing methadone to patients in plain sight of other customers, especially in the presence young children. Also a practice of giving priority to serving methadone users in a pharmacy so as to avoid problems which might arise if methadone patients are required to wait while
other patients are served before them. This leads to a situation locally where other customers often witness the process of dispensing methadone to patients.

Social Deprivation:

- Social issues in older more established communities may be as serious and entrenched as in the ‘newer’ communities, however there was a feeling from some people that their concerns did not receive the same level of focus or attention from policy makers and agencies because they didn’t live in developments dating from the 60s onwards.

- This view was summed up in a housing development, known as Skarne housing units. These housing units were built on a large scale across Dundee from the 60s. They often consisted of three to four storey concrete pre-fabricated housing developments (flats), arranged in a hexagonal configuration around a green space or common area. Owing to sub-standard construction and design, by the 80s and early 90s it was recognised that much of this housing stock has developed numerous problems (poor insulation, ventilation, heating etc.) which made them unsuitable for occupation. As a result of the work carried out in newer green-field developed communities, such as Whitfield, under programmes such as the New Life for Urban Scotland initiative in the 80s and 90s, these Skarne units were deemed unfit for human habitation. Most have now been replaced with new higher quality housing units. However, in older more established communities in Dundee where Skarne units were also developed, they have been retained to the present day.

- This led to a very palpable sense of anger and confusion in the discussion group as to why people living in one community were classed as needing newer housing because such units were considered unfit, while in other communities just two or three miles away, these very same units were still classed as fit for habitation.

- Irrespective of the actual conditions such units may be in any given community, comment was made on the negative message this policy communicated to people across different communities, about where they ranked in the order of importance for officialdom. The result is a very real sense of confusion, anger, grievance and disillusionment by those communities who feel they are losing out in comparison to their neighbours. This, in turn, fosters greater distrust in the commitments made by government and various agencies to deliver on regeneration in those longer established communities.

Paisley – 16 September 2013

*Introduction*

Three members of the Local Government and Regeneration Committee paid a fact finding visit to Paisley on 16 September 2013. The visit comprised three key
elements; a presentation of the regeneration work being conducted by Renfrewshire Council, a site visit tour (including Ferguslie Pre-5 Nursery, Recovery Across Mental Health, Active Communities and St Mirren FC), and community workshop seminars.

Community Visit
The Committee members paid a visit to the award winning environmental project, Ferguslie Park Pre-5 Nursery as well as Recovery Across Mental Health, Active Communities and St Mirren FC and met those involved in the projects to see first-hand the positive impact community action has made.

Remit
The workshop seminars were conducted with community representatives and focused on practical experiences of regeneration policy and how best to empower communities.

Attendees
The following individuals and organisations attended—

- Stephen Cruickshank (Renfrewshire Access Panel);
- Iain Cunningham (Engage Renfrewshire);
- Ian Findlay (Renfrewshire Witch hunt 1697);
- Iain Reynolds (Johnstone Community Sports Complex);
- Ian Williams (Environment Training Team);
- David Woodrow (Chair of the Bishopton Community Council);
- Kay Taylor;
- Gavin Kenny;
- Stuart Miller;
- C Graham;
- B Crawford;
- Mark Waters;
- Ali Whitty.

Key Issues
The main points from the group’s discussion were as follows—

Local Area Committees:

- Local area committees (LACs) in Renfrewshire are “a waste of time”. The idea that they would bring democracy closer to people at the local level is viewed as “not working”.

- LACs look like a propaganda exercise. They should be more community based.

- Party politics should have nothing to do with local government. Communities should be represented by people who live in them. There is too much scoring of party-political points and backbiting in local government.
The basic idea behind LACs (to get decision makers around the table) is sound, but only councillors are allowed to vote. This is wrong. If the purpose of LACs was to give the community easier access to the democratic process, then this is not happening. There should be more monitoring of LACs. It was claimed that all funding decisions in LACs are pre-arranged.

The importance of LACs prioritising and being more focused and responsive was discussed. Often it is a matter of who shouts loudest. LACs need to publicise funding more

People do not know how community planning partnerships work. They do not know enough about them.

Regeneration:

Nothing seems to happen about west end regeneration in Paisley.

Regeneration is “all talk, smoke and mirrors”. It is important to do things with communities.

There is a proposal to change a pedestrian area in Paisley, which has been pedestrian for 16 years. People do not seem to be heard in that process.

No thought is given to sustainability in some regeneration projects. McMaster Sports Centre in Johnstone was closed and is now “an absolute mess”. In another park there is no security. Sustainability of projects should be considered at the outset.

Access to information about regeneration is important, but the council website, as a prime site for this, is “challenging”.

A Paisley bus route for 40 years was suddenly changed without any warning, with consequences for the area it covered.

Blind and visually impaired people have difficulty getting information from the council in audio form. The importance of information formats was discussed.

There was also a lengthy discussion on the lack of provision of local bus transport, and that the “dial a bus” service was not delivering the level of desired service. The group noted that various organisations had minibuses which were not in use for most of the time, as public assets these could be turned into income generating tools. Also on buses, the group later talked about general provision in the area and the detrimental impact on the community of, generally, there being no public transport after 6pm.
CPPs:

- CPPs have been in existence for 10 years, but there is a lack of knowledge and understanding of them.

Funding:

- Funding should be looked at in the round. For example, the council gave £5,000 for Erskine music festival, but £2,000 had to go back to it for hiring facilities.

- Too much work goes into applying for funding.

- The difficulties of obtaining funding was discussed, especially for more than one year. It was said that funders do not want to fund the same event year on year, but that if enough changes could be made to projects and programmes then funding could possibly be obtained for multiple years, but rarely more than three.

- The Johnstone Community Sports Centre then spoke about its funding issues, particularly with BIG lottery, who “changed the goalposts” significantly recently in requiring groups to own, not lease, assets. This means that, in practice, groups must have funding available for demolition if the project does not work out. The group felt that this and other asset transfer issues were something that could be addressed in the Community Empowerment Bill.

- This led on to a discussion on community trusts, looking at the example of Bishopton, which was in the process of developing its trust. It was felt that the community trust model could serve as a useful “buffer” and take on risks/liabilities which individual community organisations would find too great.

Community Networking:

- The group began by discussing the work of the Environment Training Team, whose work in cleaning up and working on the local area had both environmental and employability benefits – as well as improving the local environment, the group had supported 14 people into work.

- The group then talked about the work of Engage Renfrewshire, stressed the importance of the networks that it can bring together, and the opportunities for networking and making connections that it provides. This helps groups support each other, often from different areas who might not have thought about working together before. Groups can also discuss things that work, and things that don’t, helping each other avoid pitfalls that they have experienced.

- While Engage has limited capacity and resources to assist community groups, it tries to ensure that its support is focussed and targeted where it is
needed most. Another main area of its work is to help community groups build in an enterprise element to their work so that they do not have to continue to bid for funding.

- As a cultural group, the Renfrewshire Witch Hunt 1697 had a different, but comparable, set of experiences to the other groups represented. The group discussed the benefits to the wider community that cultural events can bring (especially in terms of footfall in the town) but also particular challenges faced by cultural groups. Licensing applications were an issue, and the council's licensing department could do more to help.

Communication

- The group then moved on to discuss the perceived lack of help and assistance that community groups (especially those involved in contributing to health and wellbeing outcomes) receive from the local health board, NHS Greater Glasgow and Clyde. However, this was in contrast to the Community Health Partnership, who engaged much more positively.

- Linked to this, the group discussed communications with the council in general, and found that certain departments were very difficult to contact/hold meaningful meetings with. This could be very frustrating, especially when no feedback was given/emails were never answered, although some departments were improving.

- Finally, there was a discussion about how neighbourhoods that were not necessarily in areas of deprivation still faced similar problems of a lack of facilities/transport etc and that they should not be forgotten.

Single Outcome Agreements:

- The group moved on to discuss how the Single Outcome Agreement affected their groups and how their groups contributed to the outcomes for Renfrewshire. Often groups did not know or thought that they weren't relevant. But, in reality much of the work of community groups contributed directly to the achievement of SOA outcomes. It was felt that “plain English” versions of SOAs would be very useful in getting this message across.
ANNEXE F: MAP OF REGENERATION FUNDING IN SCOTLAND

The following is our attempt to map all of the various sources of funding which support regeneration policy in Scotland:

[Diagram of funding sources]

HLF – Heritage Lottery Fund
PCF – People and Communities Fund
RCGF - Regeneration Capital Grant Fund
SPRUCE - Scottish Partnership for Regeneration in Urban Centres
URCs – Urban Regeneration Companies
VDLF – Vacant and Derelict Land Fund

European Union

Local Authority Areas

Structural Fund: 2007-2013

Structural Fund: 2014-2020

Big Lottery Fund

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