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,\(^{56}\) culture\(^{57}\) 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—

“Those 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

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.
regeneration.\textsuperscript{71,72} We felt that Dundee City Council summarised this issue quite simply and eloquently in stating—

"Regeneration cannot be achieved overnight"\textsuperscript{73}

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.\textsuperscript{74} We heard of many examples of projects with different regeneration focus, such as the Tea in the Pot project in Glasgow for women,\textsuperscript{75} 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).\textsuperscript{76} 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."\textsuperscript{77}

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.\textsuperscript{78} Clyde Gateway explained how it is contributing to

\textsuperscript{71} Dr Peter Matthews. Written evidence
\textsuperscript{73} Dundee City Council. Written submission page 18.
\textsuperscript{75} Annexe E.
\textsuperscript{76} Tea in the Pot, Oxfam Scotland. Written submission.
\textsuperscript{77} Scottish Partnership for Transport. Written evidence, page 2.
\textsuperscript{78} Annexe E.
environmental outcomes by reducing energy usage, building sustainable homes and creating green jobs.79

123. The Transition University of St Andrews and Dr Rehena Whitey explained that the concept of sustainability was about environment and social aspects,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—

“place communities at the core”81

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—

“Reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use.”82

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."
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."\(^90\)

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.\(^91,92\)

135. The impacts of welfare reform were also briefly discussed in this context.\(^93,94\) 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.


\(^{90}\) 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.\textsuperscript{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.”\textsuperscript{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 deprivation\textsuperscript{97} due to the influence that different groups of society have upon local decision making.\textsuperscript{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.\textsuperscript{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.”\textsuperscript{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

\textsuperscript{95} DTAS. Written submission, page 1.
\textsuperscript{97} Oxfam Scotland. Written submission.
\textsuperscript{98} Annette Hastings, Written submission.
\textsuperscript{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.

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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.”109

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.110

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.111

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.112

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.

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.”113

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

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115 Dr Peter Matthews. Written submission, page 17.
116 Annexe E.
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.”\textsuperscript{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.”\textsuperscript{118}

\textsuperscript{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.\textsuperscript{124}

\textbf{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.\textsuperscript{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."\textsuperscript{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."\textsuperscript{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\textsuperscript{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.\textsuperscript{129}

\textsuperscript{124} North Ayrshire Council. Written submission.
\textsuperscript{125} RICS. Written submission.
\textsuperscript{127} West Lothian Council. Written submission, page 1.
\textsuperscript{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.”


178. When discussing our fact-finding visit to GalGael[^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.”[^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—[^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.”[^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.


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

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.

¹³⁹ North Lanarkshire Council. Written submission.
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.
202. 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.

203. 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.

204. 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

205. 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.

206. 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.

207. 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.

208. 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.

209. 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.