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 and the balance between capital and revenue funding needs to be project specific. 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. 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. 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. 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. 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. 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. 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. 148

142 HIE. Written submission.
143 SPT. Written submission, page 4.
144 North Lanarkshire Council. Written submission, page 2.
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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report, 26 June 2013}, Col 2408.}

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.\footnote{BIG Lottery. Written submission, page 1.} 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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report, 26 June 2013}, Col 2411.}

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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report, 26 June 2013}, Col 2340.} 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.\footnote{James Henderson. Written submission.}

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—
"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—

“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.”

236. Oxfam suggested there needs to be financial support/core funding for community anchor organisations. 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.”

**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

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157 DTAS. Written submission.
158 Oxfam Scotland. Written submission.
pivotal role in linking local communities to the local bodies; TSI, Engage Renfrewshire and, respectively through Engage Renfrewshire’s relationships, the local CPP partners.\footnote{Annexe E.}

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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 26 June 2013, Col 2445.} 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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 26 June 2013, Col 2456.}

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.”\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 19 June 2013, Col 2362.}

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,\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 12 June 2013, Col 2301.} 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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 12 June 2013, Col 2300.} 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.\footnote{Scottish Parliament Local Government and Regeneration Committee. \textit{Official Report}, 12 June 2013, Col 2301.
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

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


\[\textsuperscript{175}\] Unicorn Property Group. Written submission.

or business property) are the 'tax increment'. In Scotland, extra public revenues would come from non-domestic rates (NDR) raised.  

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.  

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.  

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. 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. 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.
The Local Government and Regeneration Committee, 1st Report, 2014 (Session 4)

An example, there is sometimes a difficulty in getting a commitment to do the job. 182

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. 183

267. A number of organisations indicated a need for a single information bank on funding streams/accessible funding streams. 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. 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. 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 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. 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—

183 DTAS, SCVO, SCA, SURF, West Lothian Council, North Ayrshire Council, SLAED, Dr Peter Matthews. Written submissions.
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.”

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.”

“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

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194 Ibid
195 Ibid
underused resource for communities. Children in Scotland made the point, as did others 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.

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.”

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.”

280. This was a general point that was made about communities having to pay to access other local authority and public assets. One issue in this respect is councils switching to trusts, which then have to charge for community use of assets. It was suggested that councils that effect such transfers should attach a
condition that community group charges should be nominal or severely discounted.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.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.206 South Lanarkshire Council for example has a community asset transfer scheme to support the community in taking over assets.207 Angus Council has vacant buildings that are being used by communities free of charge.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.”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

big responsibility for the community to take on some of the asset transfers that are going on in different communities. 210

285. BIG suggested disposal of public sector assets to the community at the lowest purchase price possible (with support to ensure sustainability). 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”. 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. 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. 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

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


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.\(^{218}\) North Lanarkshire Council highlighted the use of community benefit clauses in its house building programme, which requires contractors to employ local unemployed residents.\(^{219}\) All four west coast URCs have community benefit clauses in their contracts.\(^{220}\)

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’.\(^{221}\) 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”.\(^{222}\)

“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


\(^{219}\) North Lanarkshire Council. Written submission, page 1.


local companies, local jobs, short supply lines, vibrant high streets and successful town centres.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.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,225 which help access to public contracts. SLAED is in discussion with the Scottish Government about promoting this and rolling it out.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 1.227 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

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.228

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—

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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.  

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.

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.

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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.