



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 24 October 2012

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LOCAL GOVERNMENT AND REGENERATION COMMITTEE
22nd Meeting 2012, Session 4

CONVENER

*Kevin Stewart (Aberdeen Central) (SNP)

DEPUTY CONVENER

*John Wilson (Central Scotland) (SNP)

COMMITTEE MEMBERS

*Stuart McMillan (West Scotland) (SNP)

*Anne McTaggart (Glasgow) (Lab)

*Margaret Mitchell (Central Scotland) (Con)

*John Pentland (Motherwell and Wishaw) (Lab)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Margaret Burgess (Minister for Housing and Welfare)

David Cowan (Scottish Government)

Mike Finlayson (Forth Sector)

Calum Graham (Glasgow's Regeneration Agency)

Bill Nicol (Riverside Inverclyde)

Patrick Wiggins (Irvine Bay Regeneration Company)

CLERK TO THE COMMITTEE

David Cullum

LOCATION

Committee Room 6

Scottish Parliament

Local Government and Regeneration Committee

Wednesday 24 October 2012

[The Convener opened the meeting at 10:02]

Subordinate Legislation

Town and Country Planning (Prescribed Data) (Scotland) Regulations 2012 (SSI 2012/260)

The Convener (Kevin Stewart): Good morning and welcome to the 22nd meeting in 2012 of the Local Government and Regeneration Committee. As usual, I ask everyone to switch off mobile phones and other electronic equipment.

Item 1 is consideration of a negative Scottish statutory instrument. The Subordinate Legislation Committee has not drawn any issues to the committee's attention on the regulations. If members have no comments to make, is the committee content not to make any recommendations on the regulations?

Members indicated agreement.

Draft Budget Scrutiny 2013-14

10:03

The Convener: Item 2 is the continuation of the committee's draft budget scrutiny 2013-14. This will be our final day of oral evidence taking. This year, the committee agreed to focus its scrutiny of the 2013-14 budget on regeneration policy and set out a number of themes that it wished to consider as part of its call for written evidence on regeneration and the draft budget.

Given the breadth of matters encapsulated within our scrutiny of the regeneration budget, specific committee members will continue to focus on key issues in their questioning. My colleagues Margaret Mitchell and Stewart Stevenson will examine the strategic and policy issues surrounding regeneration; John Wilson and John Pentland will explore partnership working among the key players; and Anne McTaggart and Stuart McMillan will examine the practical issues of delivering a successful regeneration policy.

We start with evidence on regeneration from a panel comprising representatives from a social enterprise company, two urban regeneration companies and a skills agency. We will then conclude this year's budget scrutiny by taking evidence from the Minister for Housing and Welfare, who will be accompanied by David Cowan, head of the regeneration unit at the Scottish Government. The committee will then move into private session to give further consideration to the budget evidence that it has received.

I welcome to the meeting Mike Finlayson, chief executive of Forth Sector; Calum Graham, chief executive of Glasgow's Regeneration Agency; Patrick Wiggins, chief executive of Irvine Bay Regeneration Company; and Bill Nicol, chief executive of Riverside Inverclyde. Thank you for attending this morning.

My first question is this: what does regeneration mean to you?

Mike Finlayson (Forth Sector): The term is literally redundant now; to me, it has connotations of the phoenix rising from the ashes. Although some communities might well be rising from the ashes, perhaps we need to change the term or find a different one—but preferably not today.

Reading some of the submissions, I think that there are some good definitions around. I will not quote any today, but I quite liked Fife Council's fairly clear, simple and straightforward definition and the definition set out by the Scottish Council of Voluntary Organisations, which I thought was okay. In short, we need to find another word.

Regeneration was about taking something that was bad and making it good, and I do not think that that is the picture any more.

Calum Graham (Glasgow's Regeneration Agency): For me, it is all about the three legs of the stool: people, place and business. Confusion often arises over where regeneration overlaps with economic development and how one contributes to the other. Although I agree with Mike Finlayson's comment about the use of the term "regeneration", we need to take cognisance of the relationship between economic development and regeneration.

Patrick Wiggins (Irvine Bay Regeneration Company): The term "regeneration" is perhaps overused and can mean all things to all people. For me, it is very much about place, communities and the creation of economic opportunities in those communities; it is also about equity, sustainable economic growth and how disadvantaged communities in particular can link into areas of economic growth where such opportunities exist. Regeneration covers a broad span of social, economic and physical issues, but we must be clear about what we are trying to achieve through it.

Bill Nicol (Riverside Inverclyde): I tend to think of things in pretty simple terms. In Inverclyde, we are essentially trying to transform and revitalise the area, which includes looking at visual aspects and raising the aspirations and meeting the expectations of the business community as well as the local community. We are using multiple means to do that; instead of throwing everything at one element, we are looking at skills, business and physical development. We are trying to do all of that. For us, it is all about stabilising the area, stopping depopulation, investing in people and—as much as anything else—respecting what Inverclyde is and what it is likely to be and providing the right kind of facilities for business and the local community at the right time.

Margaret Mitchell (Central Scotland) (Con): Good morning, gentlemen. I note that the Fife definition, which was mentioned by Mr Finlayson, refers to

"the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice".

To what extent is "the holistic process" of regeneration and its relationship not just with physical but with social and economic aspects being explained effectively to the local community and how is it being involved?

Mike Finlayson: I am not an expert in community development, but my perception from working in a community is that there is physical development on the one hand and social

development on the other. As several submissions have pointed out, the two elements need to go together. There has been a lot of talk that too much attention has been paid to physical development and not enough to social development.

We have just engaged in what one might loosely term regeneration by creating an employability-cum-enterprise hub in Craigmillar in Edinburgh. As well as doing the physical development side of that and all that it entails in terms of getting the funding together and so on, we are doing the social development side. Some of that is geographic, because we are in Craigmillar, but some of it is about a community of interest, which, in our case, is made up, particularly, of people with mental health conditions who need access to employment. Inevitably, the two things go hand in hand.

The Fife definition sums things up pretty well. You definitely need to take an holistic view of development. If you ignore one side of development, the other side of it will not happen. In the middle of that is a lot of discussion—again, I am not an expert—that suggests that communities should take over the physical development of the community. I do not know whether that is appropriate but, looking at the scale of development, I think that it is clear that some of it needs to be done on a much bigger scale by larger agencies. The question is to what extent local communities could take control and carry out development themselves.

There is another factor—people such as us, who sit in the middle. Our development has not really involved the community, nor has it involved large organisations; we have done it ourselves. There are three things going on, but the essence of regeneration is that, however you do it, you have to take an holistic view.

Margaret Mitchell: Would the other witnesses like to comment on the holistic approach to regeneration, on how we can involve the community and on the extent to which that has been successful?

The Convener: I would like to add to Margaret Mitchell's question. It would be useful for the committee to know what level of community involvement there is at the upper level of your organisations. Are there community board members?

Calum Graham: As far as community involvement is concerned, we have just merged five local charities—for the past year, my role has been to merge five independent charities into a single body. That process was undertaken as a result of a cut in turnover from £44 million to £28 million in one year. We have had to streamline all

the governance arrangements. We engage with the community through service users who use our services. Our governance structure is that we have five locally elected members, five independent members, who are drawn from the private sector because of their expertise, and me on the board. The community involvement comes through the locally elected members.

On the need for a holistic response, I would have to say, as someone who has worked in this area for about 20 years, that the trickle-down effect has not happened naturally in the way in which one would have expected for the residents who live in the shadows of the physical developments in and around Glasgow that I work in. I do not know whether the picture across the country is consistent, but the situation in Glasgow has certainly been disappointing. To some extent, we need to look at the social contribution to economic gain and how we make those communities much more resilient and give them access to the benefits of such investment.

There are fantastic models for community-led developments in the housing association movement but, dropping down to the social economy and social enterprises, there is a disappointing lack of leadership and—almost as important—governance to build that capacity. The registered social landlord movement could certainly take on an awful lot more as an infrastructure. I think that huge opportunities exist but when we look underneath, the situation is highly fragmented and is not as strong as we would need it to be for the model that you describe.

10:15

Patrick Wiggins: I have a couple of responses. First, it is worth restating that one organisation cannot do this on its own. It is a holistic approach. We concentrate primarily on physical interventions and creating business infrastructure, which means that we have to work closely with our local authority partners in particular on how we pick up some of the third sector issues. We have to work closely with Scottish Enterprise on business growth issues and with Skills Development Scotland on skills, training and other issues. One organisation cannot solve all those issues. We are a pretty small organisation, so there is a capacity issue.

On community engagement, our main formal link with the community is through the local authority. We have local authority representation on our board. All our board members have connections with the area, a lot of which are business related. Others are on the board because, although they have a senior position in

their field throughout Scotland, they have links back in to the community.

We have a process of engagement on all the individual projects and plans that we take forward. The ethos of the company is not to do regeneration to people but to do regeneration with people and communities.

We set out our stall to achieve that through a range of communications and community participation events, consultation on individual projects and things such as education programmes. We ensure that we work with young people in particular to engage them in the projects that we deliver. We can do a raft of things to ensure that the community is aware of what we are doing, that it is participating and that it can feel actively involved and engaged in that process.

Bill Nicol: I agree with many of Patrick Wiggins's points. We are the same type of organisation. At Riverside Inverclyde, we recognised pretty early on that we could learn from the way in which others delivered projects. The agenda tends to be polarised—one end is about looking at exploiting opportunity and going for growth, and the other end is more about spreading the benefits.

We consciously set up an agenda in which we would take a holistic approach. We would exploit opportunity when it was there and drive it down into the local community and local businesses through a range of training opportunities and employment places, and by securing the local supply chain.

On being holistic when it comes to projects, one of the challenges that we had when I started at Inverclyde—I had been there for about a year—was that there were about 126 priorities. You may wonder how we could have 126 priorities, but many of them were developed in response to meeting community needs. We condensed that down to seven priorities, which made more sense because it meant that we could do something meaningful.

At the early stage of Riverside Inverclyde—and pre-Riverside Inverclyde—there was probably too much engagement. The philosophy was that, when people have heard it all before and many other initiatives have not achieved much, you have just got to get your head down and get on with it, and prove that you can deliver integrated regeneration. Then you can engage more with the community. We have evolved since then. There was a period of about two years in which we got our heads down, got on with it and proved our worth on the ground. Over about the past three years, there has been more community engagement.

On representation, local authorities sit on the board of Riverside Inverclyde and all our sub-groups. We have one community representative who feeds back, although I am not sure whether one is enough for an area the size of Inverclyde.

The Convener: Mr Finlayson, did you want to comment on the last points that were made by me and Mrs Mitchell?

Mike Finlayson: I have nothing to add.

The Convener: On community representation?

Mike Finlayson: Sorry. Our board is probably weak on community representation because we represent a kind of community of interest rather than the local community. We are engaged with the local community, but that is perhaps a feature of what we do. Our clients come from all over Edinburgh and from outside Edinburgh, so we perhaps take a slightly different view of things.

The Convener: It would be fair to say that out of the four organisations, only one community rep sits on a board, which is at Riverside Inverclyde.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I have to say that I found what I have just heard very interesting but completely baffling. We had a pointer to the SCVO submission to the committee. That certainly captures some of it, although the SCVO expresses the view that the approach based on physical regeneration has been largely unsuccessful.

I hear that many good things are happening, but I have absolutely no sense of what this regeneration thing is. I am reminded of the old saying, "If you don't know where you're going, how will you know when you've arrived?" Therefore, my questions are these: why are you doing what you are doing; what are you doing; how are you doing it; and, fundamentally, what causes you to choose the things that you do and how does that relate to what regeneration is?

You guys do regeneration work every day and kind of get it. I do not do it every day and am just not getting it. I do not think that anybody who listened to the committee meeting would get it either. We must understand what you are trying to do. Who is your customer? Who decides that you have done it the way that it should be done? Should we do less of it or more of it? What is it and how does it relate to national priorities?

Bill Nicol: On what it is, let us consider Inverclyde, which suffers from depopulation and high levels of dependency—it is a dependency culture.

Riverside Inverclyde is one organisation. When it was established, it was thought that it would resolve everything, but clearly it will not. To return to the point that Patrick Wiggins made, Riverside

Inverclyde is a bit player in something wider. Therefore, we are keen to work with the community planning partnership and with its lead officer for economic development. There is still scope for the partnership to improve in certain areas, but there is a fit into the wider community. However, we need to distil the measures down.

We considered 127 or 129 projects, but I was keen to distil that number down, because it is not possible to have 129 priorities. When we went through them, we used a robust scoring matrix that considered outputs such as jobs and contribution to gross value added. We considered about 25 aspects to try to distil the big aspiration that we could certainly not deliver single-handedly down to a handful of projects that we were capable of doing.

We used that scoring matrix in conjunction with economists and our board, and we held workshops with representations from various interests within Inverclyde, to ensure that the projects that we advanced were the priorities for the area. That allowed us to get a bit of firm focus.

Stewart Stevenson: You started your answer, which was interesting—you are obviously doing lots of good things—with, "In Inverclyde, we ..." I paraphrase, but that is essentially how you started. What you do relates to Inverclyde, but how does it relate to any national view of what regeneration is?

In his opening remarks, Mike Finlayson said that any definition of regeneration is redundant. Is that the case? Are all four of you simply people who have grown up within your communities to do things that matter to those communities and, therefore, is it fantasy for us to imagine that there is any cohesive thread that runs through what you and others do?

Bill Nicol: My patch is Inverclyde. That is the area for which I am responsible.

One of the challenges that we faced in the early days was that each geographical area simply looks to its own. However, we specifically ensured that regeneration in Inverclyde relates to the west metropolitan region so that what we do in Inverclyde is not solely for Inverclyde. We recognise that it ties into the wider economic and social community in the west coast of Scotland in particular.

We have identified projects that have a wider reach. Our priorities include renewable energy and we try to get into the various renewables plans. We consider tourism, leisure and the contribution that all the liner traffic that comes through Greenock ocean terminal—80,000 people come through there—can make to Scotland. We are improving the economic benefits for Inverclyde, but we spin them out to a wider area.

Stewart Stevenson: So you pick up national objectives and look for the local applications.

Bill Nicol: Yes.

Stewart Stevenson: I saw some nodding heads. Is that, perhaps, what regeneration is about as much as anything else?

Patrick Wiggins: Picking up on much of what Bill Nicol said, I think that all the urban regeneration company areas suffer from long-term market failure. In our case, there has been a long-term decline in the local economy probably over the past 50 years. That means that there has been a lack of investment, job opportunities and aspiration—a whole range of issues fall off the back of that. We are trying to address that market failure to give people in those communities the best chance to participate in Scotland's sustainable economic growth. We do that by affecting the conditions in those communities. In our case, we focus largely on physical conditions, by looking at town centres, at business infrastructure and at the opportunities that are provided by the new enterprise areas that the Scottish Government has announced—our area is fortunate enough to have the biggest new enterprise area in Scotland.

Of course, we are mindful of the need to tie in closely with the strategy of the Scottish Government and its agencies. For example, Scottish Enterprise is a key partner for us, so we need to ensure that we understand its growth agenda. We look at how we can get our communities to participate in that agenda as far as possible, because we believe that to be the best long-term solution to provide our local community with opportunities to participate in Scotland's growth and wealth. In the long term, the only way that we will be able to achieve that is by plugging our communities into those long-term opportunities. Therefore, we work closely with the grain of national policy to find those opportunities and build the confidence and infrastructure to support our communities to participate in that economic growth.

There is a danger that we have a two-speed economy. Even in this prolonged period of economic decline or recession, there are some growth areas; the danger is that, because of their history and long-term infrastructural problems, our communities do not participate in any of that growth. I think that our challenge is to find ways to get them to participate in those growth spots in the economy and to position them so that, when the economy picks up—we all have to be confident that that will happen at some point—our communities are in the best possible place to benefit from that.

A phrase that is often used is that our communities in North Ayrshire are first into the recession and last out, and that means that they will continually be left behind. To close that gap, we need to work with national policy, put the infrastructure in place and create the business opportunities so that, when there is growth in the economy, it can be targeted at our area.

Stewart Stevenson: Can I just play that back to the panel? You are suggesting that the key thing in national policy that you address is supporting sustainable economic growth by identifying local opportunities to contribute to that and to create benefits for the local community. Presumably, that also contributes to all the other factors in the national performance framework, which essentially sit underneath that. Is that a thread that runs through all four areas?

Patrick Wiggins: Let me come back on that. I am an economist—

Stewart Stevenson: I am a mathematician.

Patrick Wiggins: Well, as an economist, I tend to think that the economy is at the heart of all this. It is probably worth saying that not all our opportunities fit neatly into national Government priorities or, indeed, Scottish Enterprise priorities—

Stewart Stevenson: Nor should they.

Patrick Wiggins: —so we have to mix and match and go with the opportunities where we can. We also need to recognise that, even in the current circumstances, there is some local demand. Demand is very weak, but it might be in sectors that are not necessarily national priorities. Again, part of the confidence that we need to try to build in our communities is about seeing some physical change that provides opportunities for small businesses and new starts in a range of different sectors. Where possible, we need to plug into that national growth agenda because, in the long term, that is where we are going to be successful.

The Convener: I want to follow up on Mr Wiggins's comment about market failure and some areas being first into the recession and probably last out. I come from Aberdeen, which is doing pretty well. I am not an economist or a mathematician—I am just a mere punter—but I stay in what was the 35th poorest data zone in the country. Nobody can say that Aberdeen is suffering economically, as it is difficult to see very much difference in Aberdeen during the course of the current downturn. Certainly, there is no real market failure, if you like, in the city of Aberdeen, so why is it that we have areas of multiple deprivation where we have not got it right even in areas where the market, as you term it, is doing well?

10:30

Patrick Wiggins: I think that there are a number of reasons for that. If you look at the data from the Improvement Service—quite a lot of work has been done on this in North Ayrshire over the past 12 months—you can see how life chances relate to the polarisation of wealth within communities. All the statistics show that those areas with the highest unemployment have the highest incidence of hospital admissions, the worst educational attainment and the highest rates of crime and so on. A combination of different factors creates pockets of communities, which in some constituencies can be very large pockets, where people are disconnected from economic activity. Where there is some growth, a challenge is how you plug people into that opportunity.

We are very supportive of the step change that North Ayrshire is making through the community planning partnership. That approach to neighbourhood planning allows different interventions to be applied in different parts of North Ayrshire that are tailored to the particular needs and issues facing those communities. It is early days yet, but we think that such an approach is important because we think that concentrating activity in those areas of greatest need provides the best chance of helping people to engage in economic activity, which is critical to changing the fortunes of those communities.

In the long term, that provides some hope that public sector intervention costs can be reduced, given that those pockets of communities are the most expensive to serve and have a combination of different needs and requirements. We are very keen to find out and work with all our community planning partnership partners to see how we can engage in that process to build the links between creating employment opportunities and giving the most disadvantaged groups the best chance to participate in those opportunities at whatever level they can.

Margaret Mitchell: What seems to be coming over is a very top-heavy approach, whereby you decide what is going to be done and then engage with the community, whereas all the evidence that we have heard suggests that you should start with the community, get people on board and then know where you are going. I appreciate entirely Mr Nicol's point that you can engage too much and do nothing but engage without ever having a strategic plan, but I think that somewhere there is a balance to be struck.

The greatest hope that I heard was about the community of interest, which can look at health issues and then perhaps work up something from there. However, it seems to me that CPPs are full of representatives from statutory bodies and public authorities, which is not really community

engagement in any meaningful form. Would Mr Wiggins like to reply to that? I am also conscious that Mr Graham has not said anything about this yet.

Patrick Wiggins: In North Ayrshire, we are working towards a neighbourhood action planning process. The key is how you begin to implement that and what engagement you have. Once you have decided that you want to adopt a particular approach and flex your services and intervene in different areas in different ways, the key question is how you engage with the community to do that—

Margaret Mitchell: Can I stop you there? If you are going to intervene, do you not first get people on board, explain what you are trying to do and develop things from there?

The Convener: I will come in at this point. This is an extremely relevant issue to pursue. In other places, community engagement has come first, through initiatives such as planning for real, and neighbourhood action plans have been built based on what the community said. You will not always be able to deliver everything that the community wants, but surely before you can get to the stage of coming up with a neighbourhood action plan, you need to know what the neighbourhood wants. Let us hear from Mr Graham.

Calum Graham: There are a number of threads. I understand the aspiration for community-led regeneration projects in particular, but there is a challenge in that regard. Employment is central to regenerating and sustaining resilient communities, and the employers are king. That, to some extent, determines the behaviour of many organisations in relation to the work that we do.

Over the past year, we have found ourselves with 35 per cent fewer resources—in staffing and monetary terms, because there is a direct correlation—than we have previously had. We decided to try to answer the questions that you have asked, such as why we are doing what we are doing, what we should be doing, who our key customers are and who they should be.

We did that by carrying out a review of strategies. There are seven regeneration strategies, 20 economic, business, employment, youth employment, skills and learning strategies, and 27 related strategies that are currently running either with a United Kingdom and Westminster perspective or—in my case—a Glasgow perspective.

We did a summary of all those strategies to synthesise the key messages and ensure that we were aligned with the national and UK policies. Having done that, we looked at the needs of the city, where 100,000 people are on benefits, 51,000

are on a health-related benefit and 25,000 are on jobseekers allowance. When the welfare reforms kick in, more than 40,000 will be on jobseekers allowance and actively seeking employment. Those people are all drawn from the communities on which we in Glasgow want to focus our attention.

There are 1.08 jobs in the labour market in Glasgow for every resident of the city who is of working age, but 48 per cent of those jobs are filled by commuters. It comes down to what we do about that. The residents in our city are not competitive, which describes what we need to do: make our residents competitive.

The Convener: I will come back on that. You said that you have had to scale back because the money is not there any more. When there was a lot of money going around, why were there no major developments to make your citizens—as you put it—more competitive?

I have seen some shaking of heads on this side of the table, and I will bring in those folk in a minute.

Why is it that, when times were good and a lot of money was there, we did not see any significant change?

Calum Graham: I think that we did see significant change. The number of people claiming jobseekers allowance in the city of Glasgow dropped to 13,000—

The Convener: But was that down to you, or a buoyant economy?

Calum Graham: A buoyant economy is a big driver. Regeneration is supported by the agencies in and around it, but there is no doubt in my mind that, while the public agencies can give a leg-up, the economy is the biggest single driver in determining how successful our economic development and regeneration aspirations will be.

The Convener: I will bring in Margaret Mitchell very briefly.

Margaret Mitchell: On that point, Mr Graham, it concerns me that you seem automatically to assume that community-led regeneration cannot lead to job creation. You also said that 48 per cent of the available jobs are filled by commuters. That suggests to me that you have done the work and created the jobs, but that you have not got the community to buy into that.

I appreciate that that is very hard to do. When we were out at Clyde Gateway, we realised just how hard it is and how often the organisation has to keep going back and encouraging people. However, it seems that those things are not mutually exclusive, and there was a disconnect there.

The Convener: Absolutely. I will bring in John Wilson, and then Stewart Stevenson.

John Wilson (Central Scotland) (SNP): I think that the shaking head to which the convener referred was mine. I also had a good laugh at Mr Graham's comments about it being all the commuters' fault because people who commute into Glasgow take the jobs from Glaswegians.

I have been involved in regeneration. I worked in Castlemilk for seven years and worked in Glasgow-wide projects for more than seven years. I know some of the issues that communities face. What do the witnesses interpret as being the community? In Glasgow, five charities have been merged into one organisation because of a £14 million cut in the budget, but the community representation on that process was five elected members. Mr Nicol referred to the 129 priorities that initially existed in Inverclyde and mentioned that Riverside Inverclyde was trying to whittle that down. When do we get the communities on board with deciding the community priorities?

Community regeneration is not new. We have been trying to do it for more than 50 years. To be honest, we have been unsuccessful for 50 years. We do not seem to learn any of the lessons or target the existing resources to ensure that the communities—however we define them—are actively engaged in setting out the community priorities.

I ask the witnesses to comment on what they identify as their communities and why we have failed to address the issues in some areas in Scotland for more than 50 years.

The Convener: I ask Mr Finlayson to answer first. I also ask the witnesses to take account of Margaret Mitchell's question and wrap that up.

Mike Finlayson: I will also take account of Stewart Stevenson's comments. I will pursue the notion of a community of interest and take it a little further.

We are dealing with individuals, not necessarily organised groups. Fife Council, I think, made the point that, often, the voices that come from the community are not wholly representative of it. The group of people with whom I deal every day are people with mental health issues who do not have employment. I do not like to talk about regeneration because that group of people has always been disadvantaged and continues to be disadvantaged—John Wilson is right that the system has failed them for years and years.

Our clients invariably do not see themselves as a community; they see themselves as individuals. We try to create a sense of community within that group but, fundamentally, they are primarily interested in their individual conditions.

You ask how we identify their needs. They identify their needs; we respond to those needs and design our services to meet them. The better we do that, the better our outcomes. Those outcomes are discernible. Ultimately, the outcome is a job. How we get there is academic.

Regeneration has failed, particularly on employment, because we have been doing the wrong things. All the evidence is pretty clear that, if we simply take people and train them for employment—which is where the bulk of the billions of pounds that we have spent on regeneration over the past 20 or 30 years has gone—we will not necessarily bring them into employment. In fact, in general, we will not bring them into employment; we will create a pool of labour. What makes the difference is real work experience in real businesses. That is fairly well evidenced, but money continuously goes primarily to training—often, to colleges and other educational institutions. I share the views of the other witnesses that we must create enterprise. That is what we do in a very practical way. In Edinburgh, we are creating an employment and enterprise centre where we bring those things together. However, the businesses must be real and must work.

I argue that we should do several things. First, we must look at not just communities but individuals and recognise that communities are made up of individuals. Secondly, we must recognise communities of interest, because there are many and they are equally valid. Thirdly, we must recognise that for a long time we have done the wrong things. Particularly for our client group, we cannot get away from the fact that because people have no employment history, they do not get into jobs. We have to give them an employment history. I argue that that applies to not just our client group, but people in general, particularly those who have been unemployed for long periods of time.

10:45

Bill Nicol: I have been jotting down some notes. We have not just one community in Inverclyde, but a wider community that the council deals with. We have priority areas over seven geographical areas, so there is a community there and we engage with them. We also engage with specific individuals. However, we are about both economic and social regeneration, so we try to create jobs, and I think that we are doing that.

We work closely with the business community, the local chamber of commerce and the Scottish Chambers of Commerce. We have set up a renewables alliance, which has representatives from renewables companies in Inverclyde but has a national context as well, so that is a wider

community. We have set up a construction forum with the business community. About 120 local business people come along to that community group and we engage with them and tell them when projects are coming along, not just Riverside Inverclyde projects but projects by the council, River Clyde Homes and other housing associations. The group is therefore aware of the contracts that are coming forward. We give them advice about VAT, procurement, tendering—the whole gambit—so that the local business community in Inverclyde can benefit from the vast amount of investment, particularly public sector investment, that is taking place.

On the point about why things do not work, I will say that when I worked in Stirling, we had a business park next door to the Raploch, but there were still high levels of unemployment. It was like the situation in Aberdeen where, although there is a buoyant economy, there is still unemployment. There is a disconnect in that regard, but there should be no real connect anyway, given that we are dealing with different types of jobs. To sort out the problems and the disadvantages we are trying to create the right types of jobs in vast quantities. We need to ensure that we truly link opportunity with need. That goes back to our agenda whereby we exploit opportunity. The main thing that we are doing just now is creating appropriate jobs, so they are not all high-end, high-value jobs. We are looking at bulk jobs at the lower end and then we can work with individuals.

John Wilson: What do you define as “bulk jobs”? Is that about creating a supermarket next to a deprived area and saying, “We created 700 part-time jobs for people to stack shelves and serve on tills”? One of the biggest problems for the economic sustainability of many communities is not that the right jobs are not there, but that the jobs that are offered to individuals are minimum wage, part-time jobs with unsocial hours. To get to the root of what we are doing in community planning and regeneration, we need to ask whether we are creating the right infrastructure and economic drivers for the communities that we are supposed to be working for in order to get them out of deprivation. We need to ensure that the right types of jobs are available to them at the right wages and conditions.

To be quite frank, Mr Nicol, you made a distinction between certain jobs being available for certain individuals and “bulk jobs” being available for the people who live in deprived areas. I am concerned about that analogy.

The Convener: I have a question to add to Mr Wilson's. Have you carried out a survey in the area of folks who are without jobs to see what kind of jobs they would want?

Bill Nicol: I will answer Mr Wilson's question, then come back to the audit that we are about to kick off with Skills Development Scotland.

About 10 years ago, Government officials undertook an initiative that I thought was pretty interesting—I was probably one of the few people who picked up on it—which was called PESP: the property employment support programme. It recognised two things: on one side there was property and the property ladder; and on the other side there was an individual ladder, which was capability.

To answer Mr Wilson's question, we are not looking to concentrate on one type of job but to look at both high-value jobs and what I would call bulk jobs. I did a project through in Alloa that was an initiative with Tesco. At that time, about 900 people there were unemployed. Tesco came along and created about 350 jobs, which was a godsend really.

Those might not have been the best jobs for some of the individuals, but we worked with the local communities of Alloa south and east at a micro level. Rather than just throwing a generic programme at them, we went straight into the areas and identified individuals who did not have a job and wanted one, and considered their aspirations and where they were on the training ladder. We worked with them at a one-to-one level in a hand-holding exercise between the individual and the job opportunity.

Such an approach works only when it is tailored. There are a lot of initiatives out there such as routes to work and new opportunities that act as intermediaries, because those things do not just happen. Employment does not just naturally occur in a deprived area; a major hand-holding exercise is needed to ensure that individuals are suited and booted, up to the job, energised and enthusiastic. It is about getting them on to the first rung of the opportunity ladder. We then work with them and get them as far up the ladder—to the best of their ability—as humanly possible.

The PESP was quite a good initiative, and it is perhaps time that we revisited some of those projects. I am not being derogatory about those bulk jobs—there is a place for both bulk and higher-value jobs.

The Convener: Would Mr Graham like to come in on my earlier question?

Calum Graham: Sure. I do not blame commuters for occupying 48 per cent of jobs. Glasgow's residents are not sufficiently competitive, and employers pick the very best people that they can. It is our job—my job in part—to make Glasgow's residents more competitive.

On how we analyse the city's labour market, I will say that we have had a piece of research carried out on what the labour market in Glasgow is likely to look like over the next five years.

The Convener: How much of that research involved talking to folk who are without jobs at present, and who may have come from families who have been workless for quite a while?

Calum Graham: The research focused purely on what the labour market will look like. We are countering that with other pieces of research by working with Glasgow Housing Association and health professionals in the health service. We try to influence any surveys that they carry out to ensure that those include employability questions.

As I said, employability is key to regenerating communities. We work alongside GHA and we are looking at various opportunities. The GoWell project, which is a longitudinal study over seven years, is starting to highlight the opportunity points for residents. It is only when their circumstances are stable and they are perhaps being relocated to a new home that it is appropriate for them to start to engage with employability services.

Prior to that work, there was a broad-brush approach that involved leafleting, targeting people and using word-of-mouth referrals. We are now looking at the research from health and housing professionals, and linking much more closely with housing associations and RSLs in the city and trying to influence their thinking.

The Convener: Is this the first labour survey that has been carried out?

Calum Graham: It is certainly the first that I am aware of. It was carried out very recently by Oxford Economics on behalf of the council, but we were a partner.

The Convener: In all the past decades of trying to deal with these difficulties, that was the first labour survey.

Calum Graham: I could not say that for definite, but it is certainly the first that I am aware of in the city for five years or more.

The Convener: In all your partnership working, dealing with employability issues and getting surveys carried out by various bodies, is this really the first time that such a survey has been carried out?

Calum Graham: We have been trying to build our work up over the past three to four years through bridging services, health service professionals and Glasgow Housing Association. The big push now will unquestionably be on welfare reform. The housing professionals are looking at welfare reform in a completely different light.

The Convener: I understand all that. Some areas are doing much better than others are at preparing for the onslaught of welfare reform. However, it is surprising that a number of things are happening only now and have not happened before.

Stuart McMillan (West Scotland) (SNP): I stay in Inverclyde, so I have met Bill Nicol a number of times and I am very aware of what Riverside Inverclyde is doing. As I represent West Scotland, I have also met Patrick Wiggins.

A key point—jobs—has been touched on, but nothing has come from that so far. Calum Graham said that employment is the key. We have heard this morning about economic growth, the recession, economic activity, the upturn and optimism. It would be useful for the committee to have information on the numbers of jobs that have been safeguarded and created; on the number of construction jobs created, which are—obviously—temporary; and on the number of training opportunities that have been created for local people in your communities since your organisations started to operate. I am not sure whether that information is available today, but it would certainly be useful for the committee.

The Convener: Responding to those points today would be kind of difficult for folks, but if we got a written response from all the panel members' organisations after the meeting, that would be immensely useful.

Patrick Wiggins: Bill Nicol and I submit annual returns to the Scottish Government. We have an annual return to the end of March, which sets out the numbers of jobs created and supported, the amount of floor space created and all the economic indicators that people would expect to see. Our annual return was submitted to the Scottish Government last month, so we can readily provide all that information to the committee.

Stuart McMillan: That would be helpful.

I will follow on from the previous point. What additional jobs are expected to be created by the projects that are under way in the four areas that the witnesses cover? Do your organisations have shovel-ready projects in which you could invest if additional funding became available, which we hope would create additional jobs?

Patrick Wiggins: We have shovel-ready projects. Scottish Government officials asked us to furnish them with a list of projects, which we did this week.

A number of projects are ready to go. One challenge for us all is the difficulties in public sector expenditure. A lot of projects that we want to take forward are ready to go. The issue for us is

sticking together the funding to get them over the line and into completion.

The Convener: A number of witnesses have talked this morning about projects. Normally, we hear what such projects are. I find it interesting that nobody has said much about the individual projects that they are dealing with. What are the shovel-ready projects?

Patrick Wiggins: I will give two or three examples. In Ardrossan, we have assembled a site, we have a design and planning approval and we are ready to procure a development partner for a new office facility that will overlook the marina. The facility will have retail and leisure units at the bottom, together with 15,000 square feet of space.

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

We need to patch all that together. A risk is that one or more of those funding streams will not come to pass, so we have proposed to the Scottish Government additional support through grant funding, to allow the project to proceed. That is an example of a project that is ready to go.

11:00

The Convener: What does the business case for that project say? If you find the cash and it is built, how likely is it to be filled?

Patrick Wiggins: We have indications of demand. We have local demand and some regional demand, but to solidify that, we need a commitment that the thing is actually going to happen. We can talk to lots of people and they will say, "Yes, we are interested," but in the current market, it is difficult to translate that into firm heads of terms agreements or pre-lets until we have the funding bottomed out and people know that a build programme is in place.

We are confident that there is a business case. We have been successful in filling the buildings that we have refurbished in places such as Ardrossan. There is latent demand. It is quite weak from an institutional point of view. One of the risks of working in such communities is that, for the private sector, some of the demand is not seen as a good risk because it does not have a good covenant. However, there is demand and we are

creating jobs and filling space. We have some early interest in the project from businesses that would like to move in and take part of the space. It is quite difficult to assemble that, but the project is ready to go.

The Convener: Okay. I think that you will find that that line of questioning will continue later, gentlemen.

John Pentland has been waiting for quite a while.

John Pentland (Motherwell and Wishaw) (Lab): Thank you, convener. Good morning, panel.

Much of what the committee has heard this morning is about what has happened in the past. There have been some tremendous successes and some small failures. Looking to the future, to what extent do you have secure funding? My reason for asking that question is that, at present, many of our regeneration partners are focusing on balancing their budgets rather than on generating opportunities to spend more. How would you encourage regeneration with those partners?

The Convener: I ask the witnesses to respond briefly, starting with Mike Finlayson.

Mike Finlayson: Our position is different from that of the other members of the panel because of what we do and the way in which we do it. I will answer your question by talking about what we have done as an organisation and where we are going, if that is helpful.

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

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

We have had to manage that process on our own. It has been tough, to say the least, but we have transformed the organisation. At the same time, we have had to come up with a sustainable business plan that we could believe in and, more critically, that could be believed in by those who invest in the organisation, by which I mean the Big Lottery Fund, the Scottish investment fund, banks and others. We had to come up with a fiscally

sound business plan that would work, that stacked up, and that both we and they believed in.

We also had to transform our performance in terms of support and our client group. Three years ago, we were supporting about 100 people. We will support 400 people this year, and the figure will be well over double that within three or four years. We have come up with investment—which is desperately needed—to develop the organisation and make it sustainable.

I am not in the same position as the other members of the panel. Basically, we wanted to get away from relying on grant funding. Just to be clear, I repeat that contracts have been substituted for grants. That means that, whereas we used to get grant funding from the City of Edinburgh Council, there is now a contract. We consider that to be trading and we consider it to be a commercial contract. We will be paid to deliver what the City of Edinburgh Council wants. That is only a small part of our overall income, but it is obviously relevant.

We take the view that we get money from trading and from supporting people. We add the two together, take off our expenditure and, with a bit of luck, we should end up with a profit. If we do not, we are in trouble, because no one will bail us out.

We have taken a difficult situation and decided to trade our way out of it. However, not all organisations can do that and some organisations are in a different position from ours. Therefore, I do not necessarily suggest that the approach is wholly transferable. The ethos is that we will deliver services effectively on behalf of the public sector, and we expect to be paid for those services.

One big issue for organisations such as ours is capitalisation. If we are to exist in future, we need a strong balance sheet. We have been helped enormously by the Scottish investment fund and the Big Lottery Fund to develop that asset base. That is the engine of future growth and development.

That is our case study.

The Convener: Gentlemen, I ask for brief comments, because we have the minister coming after you and we have a number of questions to ask.

Calum Graham: We are on annualised funding. About 35 per cent of it is grant funding and the remaining 65 per cent comes from some of our childcare establishments and our business centres across Glasgow. That is similar to the situation that Mike Finlayson mentioned—it is outcome-based funding. On an annual basis, we have a

real challenge as we move towards the new financial year, and this year is no different.

The Convener: What are you doing to try to stop the reliance on grant funding?

Calum Graham: In the past two years, we have moved from something in the order of 50 per cent grant funding to 35 per cent. However, the services that we provide are for the most marginalised and are resource intensive. The reality is that it is difficult to get anything other than grant funding to support that activity.

The Convener: So you receive grant funding—it is not contractual.

Calum Graham: The grant funding element is the 35 per cent. The 65 per cent comes from contracts with bodies such as the Department for Work and Pensions and Skills Development Scotland—that type of regime of outcome-based funding.

Patrick Wiggins: We are a different type of organisation. We tend to deliver capital projects that require capital spend, which means that we are heavily dependent on grant income. Our grant support from North Ayrshire Council is long term. The council has expressed a desire to continue to fund us. Our support from the Scottish Government is for this year and next, after which we will be into the next budget round. We have submitted a five-year plan to the Scottish Government setting out our objectives and priorities.

One issue is that Scottish Enterprise no longer gives us core funding, so we have to go to it for one-off project support. That is why the enterprise area is key for us. We have put in place a five-year plan to deliver the enterprise area, working closely with Scottish Enterprise and the local authority. In a sense, we want to put ourselves in a position in which we deliver, on behalf of Scottish Enterprise and the local authority, the enterprise area and the targets that were set for it, and we will draw down cash to support the plan.

Bill Nicol: Our story is similar. Security of funding is an issue. We have two years of funding and we have submitted a five-year business plan. Scottish Enterprise withdrew funding in March this year. For the key industries that I mentioned—tourism, leisure, energy and renewables, and the creative industries—we are looking to align our projects with Scottish Enterprise's funding, but that does not necessarily mean that Scottish Enterprise will put money through Riverside Inverclyde. In any case, that is not important because, at the end of the day, the important thing is bringing investment to the area.

The lack of security has penalised us a wee bit in our discussions with private sector partners,

which will not enter into a relationship with an organisation that might not exist in a couple of years. Likewise, with SPRUCE funding, the covenant strength and the ability to borrow are important.

Early on in Riverside Inverclyde, I was keen to come up with minimum-cost public sector spend projects in which, basically, we invest and create something that generates social and economic benefit at minimum cost to the public purse. I am certainly keen to have a discussion on that.

Along that vein, we have entered into partnership with Peel Clydeport, which will bring significant returns to the public purse when the market picks up and, in the meantime, provides regenerative benefits.

We have been quite good in the past on the question of direct provision. All of the properties that we have built are fully let. Again, I think that there is an interesting story there. The final property that is onsite is an office development of 27,000 square feet that will be finished in March. We are at heads of terms on that. In an area where there is doom and gloom and the economy is really depressed, there is active interest from the market, which I find encouraging.

The Convener: We are seriously running out of time and the minister has gone back to her office. I will take questions—very briefly, everyone—from John Pentland, Stuart McMillan, Anne McTaggart and John Wilson at the end.

John Pentland: The Convention of Scottish Local Authorities has asked for a mapping exercise on regeneration funding. Do you think that regeneration funding should be focused?

The Convener: I think that a quick yes or no would be best, if you can possibly give that, or a very brief one or two-sentence answer.

Mike Finlayson: In a way, I am probably not qualified to answer that, but the short answer is yes.

The Convener: You show a degree of honesty there, Mr Finlayson. Mr Graham?

Calum Graham: I agree.

The Convener: Mr Wiggins?

Patrick Wiggins: Yes.

The Convener: Mr Nicol?

Bill Nicol: Yes, provided that prior commitments are maintained.

Stuart McMillan: I note that the urban regeneration companies have been set up with 10-year lifespans. What will happen to the assets after the 10 years?

My second point is about the two URC areas and Glasgow. There is a wonderful opportunity to use the River Clyde to regenerate even more marine leisure activity on the river, particularly when we bear in mind that the west of Scotland is the best part of Scotland for sailing and the second most popular part of the UK for sailing. There are some opportunities, particularly on the west coast and certainly with the creative industries in Inverclyde. I think that even more can be done, and I welcome how activities have been undertaken by Riverside Inverclyde.

Bill Nicol: What should happen at the end of 10 years really depends on what is in the memorandum and articles. By that point in time, I would imagine, we will have amassed a fair amount of money, invested a lot into capital generation, bought sites and secured revenue streams. Our current revenue stream, out of the properties that we have, is probably sitting at about £400,000 net and will go up to close on £1 million by the end of the year. A fair amount of assets is sitting out there. What should happen at the end of the period—although it could be changed at a board meeting vote—is that the assets go to a son or daughter organisation with the same objectives as those that the original organisation had when it was set up.

In relation to sailing on the Clyde, we have managed to get Ocean Youth Trust involved. It takes 900 people out on the water every year, as Stuart McMillan will know because he is a patron. We also have the Spirit of Fairbridge. We have built a marina, which—in a recession—is fully let. We have expanded the marina three times and now have 159 boats in the James Watt dock marina. That has happened over a very short period of time, and it is the top end of the market—the boats are not inexpensive. A lot of spending power is coming into the area, and I totally agree that the activity could be expanded down the west coast.

Patrick Wiggins: In a similar way to that in the legal structure of Riverside Inverclyde, our assets will go to a similar type of organisation that will be the next company to follow us. Of course, our local authority and Scottish Enterprise are two members of our organisation so again, if there is a vote to change that approach, the assets will remain within the public sector or a similar community organisation.

I agree with Stuart McMillan on west coast marinas and sailing. Something like £7,000 per boat annual spend is associated with marina activity. We are working with Clydeport, with which we jointly own land in Ardrossan, to build a new marina extension. We have a marina partner who wants to build and we need to assemble the cash for the marina wall. That links to the office

development I talked about, and we are also working with the national health service to take its covenant to create a new medical centre.

That means that there will be a medical centre, new offices, new leisure facilities and new marina space. That is linked to the work that we have already done in the town centre to bring some derelict buildings back into use and make a transformational, long-term change for Ardrossan.

Calum Graham: Likewise, I think that sailing is a fantastic opportunity, and colleagues in development and regeneration services in Glasgow City Council are actively looking at it. Additionally, they are looking at a paddle sports facility in the north of the city, so that they get tangible benefits from the spin-out and successes from the Olympics. It is a fantastic opportunity and it has been developed through DRS in the council.

11:15

Anne McTaggart (Glasgow) (Lab): How much emphasis is there on preventative spend in your organisations and what initiatives have you created?

Mike Finlayson: Arguably everything that we do is preventative in a way because we are trying to take people who are unemployed and bring them into employment, and according to Lord Freud the saving to the public purse is potentially about £100,000 a year.

Our client group is heavily dependent on other forms of support, and it is mainly the local authority and the NHS that pick up those costs, so by not working with that group the potential down-the-line costs and on-going costs to the public purse are high.

Bill Nicol: We do a lot of work on preventative spend and again it is about dealing with disadvantaged and disengaged people. We work with Ocean Youth Trust, Caledonia Youth and Spirit of Fairbridge, and we look at route maps to link opportunity and need. We create training and job opportunities, and again we drive them down into the community. We have set up local labour market intermediaries.

Coming back to a point I made earlier, the other side of the equation is that our work is for minimum spend by the public purse. To give just one example, we built a private sector nursery that cost just under £1 million. It created 21 nursery nurse places—we take them through the local college—and it created 65 nursery places. We built the nursery. We had 21 companies that were interested in running it, and the one that won the tender has been very successful. The deal is that it has an option to purchase in about two years, and we will get the bulk of our money back.

We have applied that pattern—in which we use public sector money, create an asset, get the regenerative benefits and get the bulk of the cash back—in quite a lot of projects. Is that preventative spend? It is about minimising the use of public sector money and getting the cash back.

Likewise, the funding agreements that we have with Clydeport are not for free. It is not getting a free ride—we are investing a substantial amount of money in a joint partnership and expecting the proceeds back. We are carrying out brownfield remediation and creating sustainable business and residential environments, but at some point we will get the bulk of the money back, which minimises the use of public sector funds. In an ideal world, we should be aiming towards cost-neutral economic development.

Patrick Wiggins: I will not reiterate many of Bill Nicol's points but we are involved in similar projects. The community planning partnership is key for us in terms of direct preventative spend and how we can participate in it. Ultimately, the end result of what we do, or what we are trying to achieve by getting more economic activity, is the best way of having preventative spend, because all the evidence is that, without economic activity, we have communities that are the most dependent on the public sector and require the most intervention. Therefore, whatever we can do to focus on that is key. *[Interruption.]*

The Convener: May I stop you there? Someone has a mobile phone that is ringing. Could they switch it off, please, or leave the room?

Patrick Wiggins: We do some very direct stuff, such as working with the NHS on the medical centre in Ardrossan—a badly needed new medical facility that targets an area that has particular health problems and health issues. The work is about creating a first-class facility in a key part of Ardrossan, bringing a derelict building back into use, and achieving better health outcomes, which will, we hope, reduce cost. The project should also create some employment opportunities on the back of it and help to regenerate the town, which will have its own benefits as a result.

Calum Graham: We have eight childcare facilities and three after-school care facilities, so we have 550 places across the city and we are the second biggest provider. That is a direct legacy of the former local regeneration agencies. We have 12 business centres, again as a legacy of the former LRAs.

Those are two points of support for lone parents—those most disadvantaged. To get jobs to keep them in the labour market, they need affordable, quality, wraparound childcare. The business centres also give people flexibility. If they start their own business, they are able to take on

leases that are not onerous in any way. They sign up for a month, there are no deposits and they can leave after a month, so the set-up is completely flexible.

In relation to preventative spend, our efforts will be entirely focused on improving the competitiveness of the business base in the city, particularly for microbusinesses of fewer than 10 people, and on working with city residents to make them more competitive in the labour market in and outwith Glasgow.

John Wilson: Convener, you asked for brief questions and brief answers. As a result of what I have heard, I have four questions. I do not expect them all to be answered in detail here, but if the witnesses cannot respond today they might respond later in writing.

What is the annual budget for your organisations? What capital assets do your organisations hold? What was the funding stream to create those capital assets? What is the main achievement of your organisations to date?

Mike Finlayson: In response to the first two questions, £2 million and £2 million. I think that your third question was about how we got it. We built the asset in part through trading and in part through funding from the Big Lottery Fund and the Scottish investment fund, with the balance funded through borrowings.

Our biggest achievement to date has been to move away from grant funding to trading. I add another one: supporting far more people and getting much better outcomes—that is our real achievement.

The Convener: I am immensely impressed by your brief answer to four questions.

Calum Graham: Our annual turnover is £28 million and we have £17 million in capital assets. The funding streams that supported the capital assets came in the main from Europe—the ERDF, in its day. I think that our greatest achievements are the legacies of nursery provision, business centres and an infrastructure that engages with the most marginalised people in the city, although there is no doubt that that needs to be refocused.

Patrick Wiggins: Our annual budget is £4 to £6 million—

The Convener: Did you mean £4 million to £6 million or £46 million?

Patrick Wiggins: I meant £4 million to £6 million. I wish it was £46 million. The budget varies, depending on the funding streams that we can pull in. The capital assets that we have built up are somewhere between £6 million and £7 million.

Our key achievements fall into two categories, the first of which is town centres. Our significant intervention has transformed Kilwinning town centre and the operation of the town. We have made big improvements in Ardrossan—we are part of the way through that work—and we are on site in Irvine, where we are working with the local authority. Something like £30 million of public investment is going into Irvine town centre to create new public space, refurbish buildings and bring a new leisure centre into the town, which will have a big impact on regeneration.

Secondly, we have opened up business space. The enterprise area is a key opportunity for us and we have begun to acquire land and property in the area, which we are beginning to open up. We think that, if we can get that to work, it will be a legacy for the future.

John Wilson: You did not say who your main funder has been.

Patrick Wiggins: Sorry. Our main funders are the Scottish Government and North Ayrshire Council—previously, Scottish Enterprise was a main funder.

Bill Nicol: This year, the budget is £10.6 million—it fluctuates and there is a bit of carry forward. I can send you a report on capital assets and revenue; the figure to date is roughly £50 million or £52 million.

On our outputs, I would say: jobs, GVA, profile, turnaround, sense of pride and confidence. Anyone who comes down to Inverclyde will have noticed a vast difference. We benefit from being on a linear strip, so our activity is visible to people who come into the area.

We managed to secure three tranches of the town centre regeneration fund, which has had a fantastic impact on distressed, failing town centres. That has made a difference to the local area.

John Wilson: Where did the resources come from for your capital assets?

Bill Nicol: It is a mixture of sources, with roughly £100 million from the public sector. The figures are £36 million, £33 million and £24 million—£36 million from the Government and £24 million from Scottish Enterprise—but that has not been honoured, so we have got a reprofile. That was certainly the original—

The Convener: You are confusing matters by saying that things have not been honoured and all the rest of it.

John Wilson: Mr Nicol, you said that you had capital assets worth £52 million—

Bill Nicol: No, no. The £52 million is what has been spent to generate the capital assets.

John Wilson: What is the current value of your capital assets?

Bill Nicol: As I said, I will give you a report on the capital value and the revenue stream.

The Convener: It would be good if you could write to the clerks with the figures, because I think that your answers generated some confusion.

Gentlemen, I could probably ask another couple of hundred questions, and other committee members probably feel the same, but the session has overrun. Some of you talked a lot about the strategies of the Scottish Government and the UK Government and you talked about your priorities—in one case, priorities have been reduced from 127 to seven. Will you provide written evidence on your priorities and how they fit with the strategies? I would be grateful if you could do that as soon as possible, because we must write our report shortly. Thank you very much for giving your time today.

11:26

Meeting suspended.

11:31

On resuming—

The Convener: We move to our final evidence session on regeneration in the draft 2013-14 budget, for which I welcome Margaret Burgess MSP, who is the Minister for Housing and Welfare, and David Cowan, who is head of the Scottish Government regeneration unit. I thank you both for appearing. Minister, I believe that this is your first time giving evidence to a committee. I cannot guarantee that you will be given an easy time, but I know that you will handle it well. I thank you both very much for your time.

Minister, do you want to make an opening statement?

The Minister for Housing and Welfare (Margaret Burgess): Yes. I apologise if I have to refer to my notes, but as this is my first time I will stick to a script.

The regeneration of Scotland's most disadvantaged areas and the strengthening of our communities are key priorities for this Scottish Government. We are committed to ensuring equality of opportunity and support for the places and people that need it. Across Scotland, there has been a significant amount of investment in regeneration over many years. There has been some success, but it has not been enough. Too many of Scotland's people still live in communities that suffer from deprivation and disadvantage. The current economic climate, set against a backdrop

of welfare reform, poses an even greater challenge for many areas.

Last December, Alex Neil launched our “Achieving a Sustainable Future: Regeneration Strategy”, which sets out our vision of a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote wellbeing. That strategy does not exist in isolation—I must make that clear—but fits within the context of a number of other Government policies and underpins the overarching Government economic strategy. The strategy also complements the Government’s social policy frameworks, including “Equally Well”, “Achieving our Potential” and “The Early Years Framework”, and it complements our infrastructure investment plan and cities strategy.

Our regeneration vision is ambitious. We want all our communities to be socially, economically and physically sustainable communities. Only by delivering regeneration in a holistic way will we secure success. The strategy has three strands: public service reform and improving partnership working; a stronger focus on community-led regeneration; and funding and other support to deliver change in Scotland’s communities.

I should say that the regeneration strategy does not contain any overnight solutions. Regeneration is a long-term process that relies on a wide range of partners working together at all levels, and it needs the energy and commitment of partners to get things done. There is a lot of good work being undertaken across Scotland, but delivery of our vision will require a long-term and sustained commitment from all partners.

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

The Convener: Thank you very much, minister. I am glad that your opening statement emphasised community-led regeneration. We have just heard from witnesses from four regeneration companies, only one of which has a community member on its board. How does the Government intend to promote more community-led regeneration, rather than some of the top-down situations that we seem to have at the moment, which do not seem to be generating a huge amount of success?

Margaret Burgess: On community-led regeneration, we are looking at the community planning partnerships, which we are aware have not worked as well in some areas as they should have worked. The Christie commission said that CPPs are the right approach and should be strengthened, and that is what the Government will be looking at. In getting all the agencies within

a local authority area working together in the community planning partnership, we will be looking at how we can build capacity, because I think that there is recognition that, in some areas, sections of the community are by default excluded from community planning partnerships and other community-led projects.

We need to build the capacity of individuals and we need to recognise the skills in the community. The stakeholder group and the high-level strategy group will be dealing with different aspects of that to ensure that the community planning partnerships involve the people in the community who should be involved and to ensure that there is true community involvement.

The Convener: I am glad to hear that, minister. Some community planning partnerships are better than others at community involvement, as we have heard in previous evidence. In the case of the regeneration companies, only one of the four has a community member on its board. The regeneration companies say that they take some cognisance of community planning partnerships and others, but is there a need to ensure that there is more community involvement at the higher levels of those organisations?

Margaret Burgess: In my view, from knowing some of them, I think that there should be community involvement in anything that the regeneration companies do. Everything has to start at the bottom, and there should be involvement, consultation and consideration. David Cowan may know more about the boards of other regeneration companies.

David Cowan (Scottish Government): I cannot speak for all of them, but I have certainly had conversations with two of those that the committee heard from today on exactly this point about how they get the community more involved and how they engage with the community better. I do not think that there was such an emphasis on community-led regeneration when the boards of the urban regeneration companies were set up, which was some time ago. They were set up for a purpose, which was—as the members of the previous panel said—broadly about physical regeneration.

I am not going to say that this has been done perfectly, but the key thing is that the URCs do not work in isolation but should be firmly linked into the local authorities’ regeneration and economic development plans. Certainly in speaking to Patrick Wiggins, I have stressed to him that he needs to be involved in community planning partnerships, understand what his role is and understand how the needs of the community are being addressed in the first instance. At this point in time, whether URCs should have members of the community on their boards is largely up to

them, but there needs to be better understanding of the community in the work that they do.

The Convener: I do not want to spend a huge amount of time hogging all the questions—a huge number of hands are being shown—but I urge you to read the *Official Report* of today's evidence, which will give some insight into what is going on. I found the lack of involvement to be astonishing in some regards. Although they talk a lot about engagement, I do not think that regeneration companies necessarily take on board what communities have to say. I urge you to read that evidence.

Stewart Stevenson: I welcome the minister to our committee. The previous panel seemed to be quite uncertain as to what regeneration is. Indeed, one panel member said that any definition is now redundant. David Cowan has just said that the URCs should not work in isolation. In the earlier discussion, we established that all the panel members think that they are working to deliver sustainable economic growth, which is the national objective, but are looking for local opportunities to do that. We established that there is some commonality at that level. Do you have a definition that you would like those involved in regeneration activity across Scotland to hear to ensure that there is a shared view as well as locally chosen delivery? Your response would also be helpful to the committee.

Margaret Burgess: I will begin with and then elaborate on the definition that is set out in the strategy, which refers to

“the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice”.

For me, that is as much about people as it is about buildings. Perhaps a simpler way of putting it is to say that it is about improving where we live, helping to tackle deprivation, extending support to disadvantaged areas and bringing members of the community closer together through the provision of ideas and innovation and devising ways of improving the local economy. That is where it all ties in with the national strategy but, as I have said, it is very much about people, just as it is about places. The definition in the strategy makes it clear that regeneration needs to focus on economic development, the physical environment and social circumstances.

Stewart Stevenson: In its submission, the SCVO said:

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

Given that that evidence chimes and accords with what you have just said and with your desire for a focus on people, what specific steps might the Government take to make it easier for regeneration companies and everyone else involved in this agenda to move towards putting people at the centre of what they do? After all, it is very easy to point to a building that has been built and is substantially more difficult to point to changes that might have happened to people and communities.

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

I also note that not only the high-level strategy group but a group comprising stakeholders was involved in the strategy. The strategy itself was not plucked out of thin air; those stakeholders have been involved throughout the process. We are very aware of all that, but I will ask David Cowan, who has been involved in this for a lot longer than I have, whether he wishes to make any further comment.

David Cowan: I have not been involved for much longer, I should say.

Margaret Burgess: It is still longer than I have been involved.

David Cowan: In the strategy, which is 10 months old now, we have set out the direction of travel that we want, which is all about taking a holistic approach to the issue. We do not disagree that there has, in the past, been a fairly heavy focus on physical regeneration. The question is whether the thinking has been done behind all that. We have simply assumed that social regeneration will occur on the back of physical regeneration, but I do not think that the assumption has been tested or explored fully. We want to ensure that it has been and that, when we are presented with Scottish Government or local community aspects of regeneration, those issues have been thought through in order to get the best value out of whatever project or scheme is being run. I also point out that the SCVO is represented on the high-level regeneration group and our stakeholder group.

Margaret Mitchell: How much funding is being directed to regeneration in this and the next budget period?

Margaret Burgess: In this budget period, £175 million is being spent specifically on regeneration activity. The funding for the next budget period has not been agreed yet, but we hope to have a similar amount. I imagine that we are talking about the three-year period, David.

David Cowan: I assume so.

Margaret Burgess: Are you talking about funding after 2015?

11:45

Margaret Mitchell: I am talking about this financial year and the next financial year. If there are any projections for the years after that—

Margaret Burgess: Right. I am sorry. In the next three financial years, we have set aside £175 million specifically for regeneration. For the previous financial year—2010-11—the ring fencing came off the fairer Scotland fund, but it is still being paid to local authorities through the block grant, so that money is still within the local authority budgets. There are also other pockets of funding that are being used in deprived areas to assist regeneration, and we have on-going housing projects. Those moneys are not specifically in the regeneration budget, but all contribute to regeneration purposes.

Margaret Mitchell: Are you concerned that there is often a disconnect between funding criteria and outcomes?

Margaret Burgess: That is a concern. Outcomes are important and should fit with the national strategy. We are devising ways of making that happen better and we are measuring what is happening on the ground in order to get a proper measurement not just at local level, but at national level.

Margaret Mitchell: Would you be surprised to learn that very few of those who have contributed written evidence could give any examples of outcomes? A holistic approach is being taken to regeneration and we are talking about community—I would be interested to know your definition of “community”—but how do we pinpoint whether regeneration is doing what it says on the tin as we try to achieve the outcomes that are implicit in the term “regeneration”?

Margaret Burgess: We are working at the moment on how we can get a better picture of what is happening with the money that is being spent. The regeneration companies and projects that receive money just now have to report back on outcomes and what they have done with the

money, but I accept that we need to be able to measure that better.

Margaret Mitchell: Can I be more specific? You mentioned that equality is key to regeneration. Have you carried out equality impact assessments? In your opening statement, you talked about ensuring equality of opportunity.

Margaret Burgess: No. I think that my opening statement said that that is another strategy that complements the regeneration strategy.

Margaret Mitchell: Right. In terms of outcomes, have equality impact assessments been done? Have you looked at how you are spending the money against what you hope to achieve through preventative spend or in any other way, particularly through equality impact assessments?

Margaret Burgess: I will pass that question to David Cowan.

David Cowan: We conducted an equality impact assessment of the regeneration strategy before it was published.

Margaret Mitchell: What did that EqlA find out?

David Cowan: It said that there were no issues with the strategy in so far as the intent was that it should not disadvantage any one group.

Margaret Mitchell: Forgive me, but that sounds very like a box-ticking exercise. Can you give an example of what you mean?

David Cowan: I am happy to submit the equality impact assessment to the committee.

The Convener: When you do that, it would be interesting if you could provide an example as well.

Margaret Mitchell: What is your definition of “community”, minister? That is something that we have struggled with.

Margaret Burgess: Do you mean in terms of regeneration?

Margaret Mitchell: Yes.

Margaret Burgess: We are looking at not just community of interest, but community of place. It is very much about people and places and community. In some instances, community of interest and community of place may be the same thing, but that is how I would define it for regeneration.

Margaret Mitchell: Thank you.

Anne McTaggart: Welcome, minister. What is the Scottish Government doing to encourage a preventative spend approach in regeneration initiatives?

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

Anne McTaggart: That ties in nicely with my next question. We heard from the earlier panel that community involvement is big. We have heard from you that community involvement is best and that regeneration is part of other strategies. I ask for your advice. I am concerned about the importance that we place on community involvement in regeneration and planning partnerships, given the reduction in courses in community development at universities and community colleges. In what way are we encouraging the community to become involved, given that local government—

The Convener: Are you asking how we encourage community capacity building?

Anne McTaggart: Yes. If we are slashing local government funding, how do we encourage local people to become involved?

Margaret Burgess: We are looking very much at community capacity building. I believe that there is a fund for that.

David Cowan: We are developing a community capacity building programme.

Margaret Burgess: The communities that are deprived and which require regeneration—all the issues that you have talked about—are often the communities that do not participate. That happens for a number of reasons. Sometimes people are just so downtrodden by getting by with daily life that they cannot get involved. We must involve people, though—which we can do through community planning partnerships and the third sector. I believe that the skills are out there in communities. We have to develop them a bit, but we are aware of that, and it is what we mean by community-led regeneration. We want communities to get involved in what is happening in their area and we want to give them some ownership.

The Convener: Could Mr Cowan say where we are at with the community capacity building strategy? Thus far, not only in the evidence that we have taken on this subject but in other areas,

the committee has found that where there is a lot of community involvement, there seem to be better outcomes. As Ms McTaggart said, the community capacity building aspect is extremely important. Where are we at with the strategy?

David Cowan: First, there is a lot of work already out there on community capacity building. It is, for example, a big part of the role that community learning and development plays. Organisations such as the SCVO, the Big Lottery Fund, the Development Trusts Association Scotland and many others do some of that work, too. We are trying to talk to those organisations and to others in the Scottish Government who are working with communities. There is already investment—for example, there is cashback for communities money.

How do we look at the bigger picture, get a sense of what is there and then add value? The next step in the process is to make proposals—a working document, if you like—to the Big Lottery, the Scottish Community Development Centre, and others, and to ask their views. We are hoping to sit down and talk to them in the next few weeks and to roll something out next year.

The Convener: It would be very interesting for the committee to be kept updated on what is happening in that regard.

John Pentland: Given that local government and RSL budgets are under pressure and that Scottish Government subsidy has been reduced, the focus of many of our regeneration partners is on balancing budgets, rather than on generating opportunities to spend more. Can you give examples of how budgets are being aligned to support regeneration priorities?

Margaret Burgess: Are you asking about regeneration budgets or about budgets across the Scottish Government?

John Pentland: Let me clarify. Local authority and RSL budgets are obviously under extreme pressure and Scottish Government subsidies are being reduced. If budgets are being aligned, can you give any examples of how those support regeneration priorities?

Margaret Burgess: I can only give the example of the regeneration budget that I am here to talk about. That is a priority, and that money has been set aside.

The priority for the housing budget is to build social housing, which is aligned to regeneration. At its previous meeting, the committee heard from Frank Sweeney of Cunninghame Housing Association, who talked about the housing regeneration project in Irvine, which is in my constituency.

Budgets are prioritised. When you receive a block grant you must prioritise, and the priorities are regeneration and getting the economy and the construction industry going—and both of those are part of regeneration.

John Pentland: Are you saying that the budgets are being aligned to meet regeneration priorities?

Margaret Burgess: I cannot say that for a fact. I am not part of the Finance Committee. My portfolio covers housing, welfare and regeneration and we are looking at how all those budgets are working to achieve the Government's priorities.

John Pentland: Do you have any examples of that?

Margaret Burgess: I have given examples of housing regeneration projects, and RSLs have a number of projects on the go. Community projects are starting in local areas, and urban regeneration is still a priority—you have heard about what is happening in some deprived areas in that regard.

I do not know whether I am answering your question because I am unsure whether I have grasped it.

John Pentland: That is fine.

John Wilson: Welcome to your first evidence session with the committee, minister. I hope that we will see you at future sessions.

Who sits on the stakeholder or high-level groups that Mr Cowan mentioned? He referred to SCVO sitting on those groups, but how many representatives sit on them from, as you described them, communities of place?

Margaret Burgess: Do you want the names of everyone who sits on the high-level group? I can list the organisations, if that would help.

John Wilson: I want to know whether there are any individuals on those groups who represent communities of place. We are interested in regeneration and we are looking at how communities of interest and of place are engaged either in the community planning process or in discussions with the high-level or stakeholder groups, as that would indicate whether we are listening to, or engaging with, representatives of communities of place to ensure that their voices are being heard.

Margaret Burgess: I am looking at the information, and the third sector, the private or business sector, the health sector and, through COSLA, the local government sector are covered. There are no individuals—the group is a high-level group for Scotland. We may want to look at that again to see whether someone else should be represented on it. With high-level groups, it is difficult to get someone along from a community of

place—although that may depend on the particular place. Communities of interest might be represented because there are organisations that act as umbrella organisations.

Is there anybody that you specifically think should be on the high-level group who is not currently represented?

12:00

John Wilson: One of the main issues that the committee has considered in evidence-taking sessions to date is that of the regeneration of deprived communities. We have heard this morning and in previous meetings that there seems to be little engagement with individuals and communities that have regeneration programmes in place. We seem to have community planning partnerships that decide, discuss and implement what they see as being the regeneration priorities for communities, and things are being done to communities rather than communities engaging in that process. I am trying to draw out how we can get more community engagement so that we can ensure that the priorities that are set for community engagement are the priorities that best suit the needs of the communities themselves.

Margaret Burgess: I do not disagree with what you are saying on that, particularly in relation to the local level. As I think that I said earlier, I do not think that all the community planning partnerships engage appropriately with all their sectors. That has to be dealt with, because the system will not work otherwise. As has already been said, the outcomes are better when the community is involved. The Government recognises that. I am certainly willing to ask officials to consider the membership both of the high-level committee and the stakeholders working group to see whether there is any way in which we can get other people on them so that we can address the issue that you raise. I do not know whether that would work, but I am willing to consider the issue.

I assure you that we are determined that the whole community should be involved in community planning partnerships and should be aware of what the partnerships are doing. We support people's right to get involved in them.

John Wilson: I welcome that commitment. The point that I am trying to get at is that the Government clearly has its regeneration priorities and the community planning partnerships have their regeneration priorities, which hopefully match the Government's regeneration priorities, and that, below that, there are the priorities of the people who live in the communities.

In the area that I live in, and elsewhere, there is an issue about community ownership and community asset transfers. Can we, through

regeneration work, encourage community asset transfers to ensure that local communities get real, tangible assets that they can use to generate jobs and other benefits that they see as priorities in their areas?

David Cowan: That is certainly the intention in the strategy. We already fund the Development Trust Association Scotland—we have given it £300,000 this year and have indicated the same for next year—to run the community ownership support service, which exists specifically to advise community organisations on how they can go about getting an asset of the type that you are talking about. It also works with local authorities and other public sector agencies that have properties to see how it can facilitate that process.

More broadly, a key aim of the community empowerment and renewal bill, which has been consulted on and will be introduced in due course, is facilitating and making easier the transfer of public assets to communities. There are plenty of examples already of where that has happened. Certainly, there are examples of communities benefiting from the town centre regeneration fund and gaining enterprising assets that they operate for the benefit of the local area.

Stuart McMillan: On the regeneration capital fund, £25 million was set aside to fund the URCs and £2 million is still to be allocated. When will that money be allocated, and what specific projects will it be spent on?

Margaret Burgess: I do not know that at this point I can say when the money will be allocated, as I think that how it will be allocated is still being discussed. I ask David Cowan whether it has been signed off.

David Cowan: It has not been signed off. As Stuart McMillan says, we have that £2 million. We are in discussion about how it will be spent. One aspect that we would like to look at is how the spending can be used to support the town centre review, which was kicked off recently and is being chaired by Malcolm Fraser.

Stuart McMillan: Some of the written evidence that we have received centres around the regeneration funding focusing on areas of deprivation. Should it be focused on those areas? If so, should there be greater emphasis on social and economic regeneration?

Margaret Burgess: I think that the regeneration strategy applies to all Scotland's communities. However, some communities need additional support to become economically, physically and socially sustainable. As I said previously, in those places there is often more need of physical renewal.

The nature and scale of regeneration interventions will be different in different areas, and the type of intervention will vary. I have said all the way through that it is critical that we tackle the social and economic aspects, as well as the physical aspects, of regeneration. We cannot do things in isolation; we have to tackle all three. In some cases, the funding will be used in areas where there are higher levels of deprivation. The regeneration fund helps to reduce deprivation; it also helps with regard to mainstream budgets, because we are sorting an underlying problem.

Stuart McMillan: That is helpful. Thank you.

John Pentland: The committee has received evidence that suggests that the multiplicity of funding streams is an obstacle to the ability of groups to access funding. Concerns have been raised in evidence about the criteria for getting access to funding and the timescales involved. Will the Government do anything to address those concerns?

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

Stuart McMillan: We heard evidence from Bill Nicol of Riverside Inverclyde that, when RI came into being in 2006, it had 127 priorities. RI looked at things and took the number down to—I think—seven.

It will be difficult for you to answer this question, so it may be unfair to ask it, but I will ask it nonetheless. That is what has happened in Inverclyde. Going back to 2006 or earlier, are you aware of any other local authorities that lacked the focus, strategy or capacity to whittle down their priorities to establish the key priorities?

Margaret Burgess: I definitely cannot answer that question this morning, but if we have any information on that we will feed it back to the committee.

John Wilson: I have a final question about outcomes. Concern has been expressed that outcomes might be an example of a tick-box exercise—community planning partners and others may just tick the box to say that they are doing something. How are outcomes measured? Has there been any discussion about reviewing

how we measure outcomes and performance to establish that we get value for money for the public pound—as some would say—from regeneration projects? Can you give any examples?

Margaret Burgess: I think that I said earlier that that is being looked at. We recognise that we need to look more at how we can measure the outcomes that result from the money that is spent and the interventions that we make. Officials are looking at that and we recognise that we can do better.

The Convener: I thank the minister and Mr Cowan for giving evidence this morning. We now move into private session.

12:10

Meeting continued in private until 12:44.

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e-format first available
ISBN 978-1-4061-9770-9

Revised e-format available
ISBN 978-1-4061-9787-7

Printed in Scotland by APS Group Scotland
