



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 27 November 2013



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**LOCAL GOVERNMENT AND REGENERATION COMMITTEE**  
**30<sup>th</sup> Meeting 2013, Session 4**

**CONVENER**

\*Kevin Stewart (Aberdeen Central) (SNP)

**DEPUTY CONVENER**

\*John Wilson (Central Scotland) (SNP)

**COMMITTEE MEMBERS**

\*Richard Baker (North East Scotland) (Lab)  
\*Cameron Buchanan (Lothian) (Con)  
\*Mark McDonald (Aberdeen Donside) (SNP)  
\*Stuart McMillan (West Scotland) (SNP)  
\*Anne McTaggart (Glasgow) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

George Black (Glasgow City Council)  
Lindsay Freeland (South Lanarkshire Council)  
Adrian Gillespie (Scottish Enterprise)  
John Mundell (Inverclyde Council)  
John Swinney (Cabinet Secretary for Finance, Employment and Sustainable Growth)

**CLERK TO THE COMMITTEE**

David Cullum

**LOCATION**

Committee Room 6



## Scottish Parliament

### Local Government and Regeneration Committee

*Wednesday 27 November 2013*

[The Convener *opened the meeting in private at 09:30*]

10:00

*Meeting continued in public.*

### Scottish Public Services Ombudsman (Annual Report)

**The Convener (Kevin Stewart):** Good morning and welcome to the 30th meeting in 2013 of the Local Government and Regeneration Committee. I ask everyone to ensure that they have switched off their mobile phones and other electronic equipment.

Before we move to our first item in public, I want to look ahead to a future evidence session. Members agreed a new approach to our forthcoming session with the Scottish Public Services Ombudsman, scheduled for 11 December, which included a call for questions to be sent in. The time for submission of questions has now expired and a reasonable number have been received. I propose that the clerks separate the questions that fall into the criteria that we set from those that relate to individual complaints or exceed the maximum length that we stipulated. We will see all the questions submitted, but work by the clerks should assist us in deciding which, if any, we ask orally and which we can send later for written answers. In addition, I suggest that we ask the clerks to summarise the questions that contain extraneous comment and to remove unnecessary and unhelpful statements.

Are members content for the clerks to pull together all the questions in one document for us and undertake some minor editing of the questions?

**Members** *indicated agreement.*

**The Convener:** Thank you very much. If we can move—

**John Wilson (Central Scotland) (SNP):** Before we move on, convener, I suggest that the clerks notify the individuals who have submitted questions about any proposed changes to ensure that they are clear about why the clerks have decided to make those amendments.

**The Convener:** That is an extremely sensible suggestion. I am sure that the clerks will do so.

## Regeneration

10:01

**The Convener:** Agenda item 2 is an oral evidence session on the delivery of regeneration in Scotland. I welcome to the meeting our panel of witnesses: George Black, chief executive of Glasgow City Council; John Mundell, chief executive of Inverclyde Council; Lindsay Freeland, chief executive of South Lanarkshire Council; and Adrian Gillespie, managing director of Scottish Enterprise.

As our witnesses have no opening remarks, we will move straight to questions. First, how do local authorities and Scottish Enterprise align their activity with Government policy and what difficulties, if any, are they facing in delivering the Scottish Government's vision in the national regeneration strategy? Who wants to kick off on that?

**George Black (Glasgow City Council):** From a Glasgow point of view, alignment takes place through community planning; the strategic board, of which Scottish Enterprise is a member; and the single outcome agreement, which sets out all the joint priorities at a strategic planning level. Moreover, Scottish Enterprise is involved in major projects on the ground such as the newly opened Hydro at the exhibition centre. I would say, therefore, that there is a positive strategic and working relationship between the council, the community planning partners and Scottish Enterprise.

**John Mundell (Inverclyde Council):** Very similar circumstances apply in Inverclyde, where Scottish Enterprise is a main board member of, and plays a proactive role in, our community planning partnership, Inverclyde alliance. The 14 member organisations on Inverclyde alliance's main board cover the public, private and voluntary sectors and quite a wide range of people is involved in the process of developing our plans and objectives for the area. At an operational level, Scottish Enterprise is proactively involved in the work of our programme board, which delivers on a whole range of fronts, particularly regeneration, and is also involved in our urban regeneration company and certain strategic projects.

**Lindsay Freeland (South Lanarkshire Council):** Our position is very similar. As part of our community plan, we have theme-based partnerships covering community regeneration and economic development activities. Each of those regeneration theme-based partnerships has good, constructive proposals on what we see as the priorities, and those proposals are shared with

other partners through the community planning partnership.

We have further developed our approach with partnership improvement plans, in which each partner is required through the community planning partnership to articulate their contribution to those priorities. We regularly monitor those plans; indeed, we are starting to develop a performance management package that goes around that to ensure that partners not only participate but bring their contributions to the community planning partnership for further scrutiny.

**Adrian Gillespie (Scottish Enterprise):** I echo all those comments. We have made quite a big investment in ensuring that our senior staff have much stronger local links and, in particular, links to the local authorities; for example, 30 of our senior staff have location director responsibilities across the country. With that approach, we hope to work very closely on issues such as regeneration, feeding in the information that we are picking up from the companies that we work with in the area and the key sectors that we support such as energy and financial services. We try to bring to those partnerships a national view of, for example, the international opportunities for those sectors and the companies that we are working with and work with the local authorities on understanding those companies and the assets that they can bring to those priorities to allow us to work together on common objectives.

**The Convener:** Many committee members have had the opportunity to visit Clyde Gateway and beyond that the committee's evidence sessions have taken evidence from folks who have worked for Clyde Gateway and indeed members of the public. Given that the URC covers two of the council areas represented this morning—Glasgow and South Lanarkshire—I wonder whether any tensions have emerged as a result of that situation. If so, how have you overcome them? As it can often be difficult when two local authorities deal with one particular body, with one perhaps wanting to go one way and the other another, how have you overcome any such difficulties?

**George Black:** The relationship between Glasgow and South Lanarkshire over the Clyde Gateway project has been positive. The fact is that tensions will emerge in any major regeneration project, but they will be played out primarily at Clyde Gateway board level. No tensions have been raised at a senior level in Glasgow City Council and I am fairly sure that the same is the case in South Lanarkshire. We expect that, with any ambitious programme such as Clyde Gateway's, there will be lively discussions about

priorities, and I see such discussions as a positive rather than a negative sign.

**Lindsay Freeland:** I echo that sentiment. The URC has honoured a commitment with regard to the 2013 to 2016 operating plan and we constantly have meetings and discussions with the company to ensure that things are on track. As George Black has said, tensions will constantly arise about operational activities and various slippages, but the relationships are very good and positive.

**The Convener:** Do you have any comment on Clyde Gateway, Mr Gillespie?

**Adrian Gillespie:** I am not aware of any specific tensions, convener. Obviously we are very involved with Clyde Gateway and have worked with the local authorities and the URC board to find out how it might better contribute to certain key sectors, specifically energy and financial services.

**The Convener:** John Wilson has a wee supplementary.

**John Wilson:** Good morning, gentlemen. As I believe the *Official Report* will show later, George Black said that these particular tensions are not really brought to the council. I wonder whether Mr Freeland and Mr Black can tell us how issues that are discussed by Clyde Gateway are brought back to the council and reported to elected members. Clyde Gateway brings together two local authorities that comprise elected members. How do those members interact with those developments?

**George Black:** Just for clarity, my point was that Clyde Gateway has not raised any issues at a senior level in the council. Tensions will understandably arise at a local level, but they have not risen to a senior level.

The engagement between Clyde Gateway and the council works on two levels. First, at a senior officer level, the chief executive of Clyde Gateway, Ian Manson, sits on what we call the extended council management team, which comprises the council family, including the arm's-length organisations and joint ventures with which the council has a relationship. Ian is a full player at the table and participates in discussions not only about Clyde Gateway but about Glasgow as a whole. If tensions were to arise, I would expect those to be raised in the first instance with me, either by the elected members or by Ian. Any such issues would then be raised with senior elected council members and, ultimately, taken to the council's executive committee. However, there have been no such reports of that nature to date.

I add that the project is going extremely well. If you are looking for tensions in projects, those are

not the type of projects in which tensions tend to arise.

**Lindsay Freeland:** One of our board members is also the chair of the enterprise services committee, so Clyde Gateway progress is reported through the enterprise services committee. We have a senior management team that engages daily with Clyde Gateway on operational matters. As recently as February, we had concerns about progress on the South Lanarkshire side. The plan, although it is articulated and works very well, has seen quite a lot of slippage due to unforeseen circumstances relating to the site, for example. The council leader and I met Neil MacDonald, who is the chair, and Ian Manson, who is the chief executive. Following that meeting, good progress has been made and good updates received, and we agreed to meet the chair every six months to review and monitor progress.

If any specific tensions arise relating to, for example, financial concerns, the matter would go through our enterprise services committee and ultimately, if necessary, to our executive committee.

**The Convener:** Before we move off this general line of questioning, I have another issue to raise. A number of other public bodies are involved in the Clyde Gateway regeneration work. Perhaps the impetus of the Commonwealth games is making things a little bit easier for you guys in that regard. Have there been any difficulties with other public bodies in getting to the place where you want to be? We have seen good examples of co-operation in Clyde Gateway with the various rail bodies in dealing with the stations that are required in the east end for the games. However, we have also heard about difficulties in dealing with other public bodies in trying to reach the goals. Are there strains with other bodies?

**George Black:** The date of the Commonwealth games is immovable. That has had an impact on organisations, such as the utility companies—gas, electricity and water—and they are more proactive in ensuring that their work is co-ordinated with the other work in that area.

If you are looking for lessons from the Commonwealth games, it would be to find a mechanism like that to ensure that all partners are wholly engaged in the timescales that are attached to projects. It is fair to say that a wide range of organisations will have different priorities, but the Commonwealth games are of such a stature that they have influenced their priorities. However, we cannot expect that to happen on every project.

**The Convener:** Being in the public eye makes folk move up a gear.

**Lindsay Freeland:** That is a fair comment. In general construction projects—not just in URC

projects—there are constant issues with the utilities.

**The Convener:** Will you give us examples?

**Lindsay Freeland:** I do not want to name specific utilities, but it is frustrating that the timescales of water and electricity companies and so on do not always complement our own. They have a separate agenda and, although we try to do as much pre-planning as possible, it is not always possible to get the deadlines to match.

**The Convener:** Is it just the timeline that is a difficulty or is it also negotiating the link-up with the electricity companies, for example?

**Lindsay Freeland:** Yes. If you take sewerage as an example, there is sometimes a difficulty in getting a commitment to do the job.

**The Convener:** That you very much for that—that is extremely useful.

**Anne McTaggart (Glasgow) (Lab):** Good morning, panel—welcome to the meeting. My question is on community participation and how you involve communities within the structures of regeneration strategies. What formal structures are in place to ensure that the collective voice of communities is heard and built into all of the activities?

10:15

**John Mundell:** We actively involve the community on a range of fronts in terms of community planning. We have workshops involving the community; we use our citizens panel; and we have specific events to involve the community in guiding and steering the community planning partners in the right direction and to take on the views of the community. Clearly, there are professional views from a strategic perspective that must be fed into the mix to ensure that our plans for an area are the right ones and that they are grounded in the community.

We also involve community groups, community councils and so on in project-specific work—for example, if we are looking to do some area renewal work. The council is working on an area just now with River Clyde Homes, which is a housing association that was established in 2007 and to which the council transferred its housing stock. The renewal work in Broomhill, which is just off the centre of Greenock, involves the council, the community planning partners, the Inverclyde Association for Mental Health and the health service, because we need to replace Greenock health centre as well. There is also a vibrant community group there. We have a number of areas of land, including cleared secondary school sites. We are looking at the process there from a

strategic perspective and the community is hard-wired into the process.

**George Black:** Our situation is similar to that in Inverclyde in that most of the engagement takes place at local level through the local community planning partnerships. How we are organised in Glasgow is that each of the 21 multimember wards has a local community planning partnership. The partnership includes community representation and strong community council representation. We also have a very active community-based housing association sector in Glasgow, as Ian Wall will be aware, which is also involved at the delivery level.

The voluntary sector is also involved. There is a large number of locally based voluntary organisations—rather than national organisations—whose volunteers will be from the local community and who know that community. They feed into the local community planning partnership areas as well. I would say that there is very active community involvement in Glasgow.

**The Convener:** Before we hear from Mr Freeland, I have a question for Mr Black on local community planning partnerships such as the mini-scale ones that are based on wards or communities. We have heard from members of the public that many of the main players often do not come to the table at those fora. What is the experience in Glasgow of the main players? How do they react to the 21 local partnerships?

**George Black:** One of the prime roles of the local community planning partnership is to hold organisations, including the council, to account at a local level. I would be very surprised if any of the organisations in Glasgow were not regular attendees at meetings of the local community planning partnerships. Somebody might occasionally not be able to attend a particular meeting but, as far as I am aware, there is full representation at the meetings. The local community planning partnerships are very active in holding organisations to account, particularly senior officers from the agencies.

**Lindsay Freeland:** Our situation is very similar. It is a requirement for all our programme delivery partners to work in partnership with communities and to demonstrate how they involve them in informing and making decisions on projects. Through the economic strategy, we have a voluntary sector network that brings together about 160 organisations to focus on the thematic of economic development. All the arrangements help to articulate and focus the voice of community groups in South Lanarkshire. We meet them on a regular basis to focus on economic development and regeneration.

**Adrian Gillespie:** Our engagement with communities is through the community planning



partnerships. We rely heavily on the feedback that we get from local authority partners through the partnerships. The impact of our work in communities tends to be on things such as new company investment, which tends to be very well received. We also work with companies in difficulty. If a company is announcing redundancies or closure, we will work very closely with the local authority on handling the initial situation and helping the workforce to find alternative work, or on what we might do to generate new employment from any facilities left behind.

That will tend to be either through direct relationships with the local authority or at a strategic level through the community planning partnerships. We also deal with communities in which some work that we are doing has a direct impact. A recent example of that was when we worked to put the Samsung wind turbine demonstrator into our energy park at Methil and we held roadshows for the community in partnership with the local authority to seek the community's views and to take it with us on that development.

**The Convener:** I was chair of a social inclusion partnership in a past life, and we regularly got frustrated when Scottish Enterprise did not turn up. I imagine that attendance at community planning partnerships is much better, but what is Scottish Enterprise's attendance at the community level that Mr Black was talking about, where a huge amount of the main business is done?

**Adrian Gillespie:** Our involvement is through the community planning partnerships, at the local authority level. We seek to engage with communities through feeding into the community planning partnerships.

**The Convener:** Okay, but if one of the 21 wards in Glasgow thought that Scottish Enterprise had a part to play in something that it was dealing with, would Scottish Enterprise attend that meeting?

**Adrian Gillespie:** We are absolutely committed to playing a full part in community planning partnerships. If that means further engagement around an issue at a more local level, we would be keen to do that.

**Anne McTaggart:** I am curious to know how many community members have a community planning partnership role, but I will ask about that later. How do community groups feed into local authority single outcome agreements?

**The Convener:** It would be useful for us to know how many community members are members of the community planning partnership. If you have that information, please encapsulate it in your answer.

**John Mundell:** Our community groups are represented on the main board of our community planning partnership, Inverclyde alliance, along with the community council and the voluntary sector. The community council is covered by two representatives, and the voluntary sector, which has one representative, has nominated a person to be on our main board, so it contributes in that way.

I make the important point that we decided, as partners, that, rather than going out to consult our organisations, we would align our consultation to try to get information and direction from the community. When we do citizen's panels through the council, the partners supply some of the questions. We try to co-ordinate that activity to give us a comprehensive response from the community. That is how we do it in Inverclyde.

**Anne McTaggart:** So it is not only from community planning partnerships that you receive the information that informs other policies.

**John Mundell:** Our single outcome agreement is absolutely evidence based. We have gone to great lengths to make sure that our plans are aligned with the needs and demands of the community. The process that I have outlined is the method that we mentioned in our earlier answers to some of the committee's questions.

**George Black:** We have about 80 active community councils in Glasgow. Off the top of my head, I believe that there are between four and six community representatives on each community planning partnership. That representation is primarily drawn from community councils, but there is also some representation from local housing associations.

The housing transformational regeneration areas, of which there are eight in Glasgow, are the other main area in which there is community involvement, although that is not done through such formal structures. Local delivery groups have been established that involve people direct from the community. For example, the Sighthill housing development, which is progressing following the unsuccessful bid for the youth Olympics, has a local delivery group in place so that the issues that are raised at the local level can be fed into planning.

**Lindsay Freeland:** Our main board includes a voluntary sector representative and a chamber of commerce representative as partners, and we have a community rep.

On the evidence base for the SOA, as Mr Mundell said, we have local priorities, which come from the council plan. That plan is the subject of extensive consultation. The local priorities flow from the furtherance of the national priorities. We consult on the local priorities; we have citizens

panels, local groups and tenants groups. We have a number of formal and informal structures that feed back into mainstream council work, which is in turn fed back into the community planning partnership.

**The Convener:** You mentioned citizens panels. Are their members self-selecting or do you look for all kinds of folk to be on them?

**John Mundell:** We try to get a representative cross-section of the community. We advertise and invite people to be members. We have a citizens panel of 1,000 people from across the Inverclyde population, and we believe that it is truly representative.

**Lindsay Freeland:** Our position is similar. We advertise for members; we ask people to answer questions at PayPoint facilities in supermarkets and so on. We look for nominations from all sorts of groups. We do not choose the members; they self-select.

**George Black:** The situation is similar in Glasgow, where quite a bit of effort is put in to ensure that we have representation from all the groups, including minority groups, in the city. That is done on a statistical basis.

**The Convener:** My experience has been that many of the folks who volunteer to take part in such panels or juries—whatever we want to call them—are older, which causes a demographic imbalance. Have you tried to resolve anything like that, if it has occurred in your neck of the woods? Everyone is nodding.

**John Mundell:** We try to reflect the demographics as well as the different sections of the community. The levels of response to some of the panel questionnaires vary; that is probably reflected across the country. We sometimes get a response rate of 60 to 70 per cent to our surveys, which is quite representative. I do not think that we have identified particular issues with demographics.

**Lindsay Freeland:** Our approach is similar. We also engage with the youth council, elderly groups and special interest groups, which represent different demographics.

**George Black:** Our situation is similar.

**Cameron Buchanan (Lothian) (Con):** You talk about involving all these people—particularly community councils and so on. There are a lot of purple passages about

“Identifying outcomes by which the ultimate success of the project can be measured”.

How do you measure success when many stakeholders and people are interested? How do you come to a conclusion? I do not quite follow that. Community councils are important and are

involved locally. You say that you have a myriad of stakeholders. How do you come to a decision in the end?

**George Black:** At the strategic level, outcomes are agreed between the council and the Scottish Government, through the single outcome agreement. At the local level, we talk about the local priorities that matter. Budgets are devolved from councils to local partnerships, so that, as a group, they can decide on their priorities and commit resources to those priorities.

Community councils all have elections. Glasgow City Council has supported them in ensuring that elections take place. We feel that the local balance is good between local ambitions and the resources that are available, so that local bodies are not just talking shops and can put money towards local priorities.

**Cameron Buchanan:** You say that community councils have elections. How do you monitor them? If they do not have elections, does that matter? Can the elections be allowed to slide? Do they happen regularly?

**George Black:** Community councils have a constitution, to which rules are attached. Glasgow City Council’s role has been to make available its expertise in running local elections, to ensure that community council elections take place.

10:30

**The Convener:** You talk about elections but in many parts of the country, community council elections have not taken place for many a year because the number of nominations has not been sufficient to require an election. There could be accusations of self-selection. In recent times, how many community councils have been elected rather than just nominated?

**George Black:** Do you mean a sole nominee?

**The Convener:** No. If a community council requires 10 representatives and there are seven, eight, nine or 10 nominations, no election takes place. How often are elections held?

**George Black:** I would have to check the detail. If your question is whether there is real competition at the local level, my answer is that I do not think that there is a surplus of competition.

**John Mundell:** A few months ago, we had an election for one community council, but another community council did not require an election for the reason that the convener just mentioned. It is a mixed picture in reality.

I will return to the previous question, if I may. We have outlined how we are inclusive in our approach to working with all key players in the community to distil the different views. We can

never please all the people all the time, but we reach a conclusion and come up with a plan for the area. Once we have established that plan, performance measures are put in place to ensure that we achieve what we set out to achieve within a certain timeframe.

As far as governance and scrutiny are concerned, single outcome agreement reports come back to the programme board, which I chair at an operational level. All the partners are involved through our different single outcome groups, which deliver on a range of things such as health and regeneration. The programme board measures performance and reports go to the main board of Inverclyde alliance CPP, whose work is scrutinised regularly—it meets every three months. Over and above that, reports come back to the council, and the constituent partners have their own reporting mechanisms to ensure that we stay on target throughout the process.

**Lindsay Freeland:** There are two levels. We translate the national priorities into local priorities and consult on those local priorities through various mechanisms. We then translate that information into what we call the council plan, which is known as the South Lanarkshire connect plan, and we engage with communities on that. Translating that into actions on the ground requires a different level of consultation, as what is needed to further an objective in one community is different from what is needed in another community, so there is local consultation. You will see from our written submission that, as a result, we have got a number of physical projects off the ground that involve increased community facilities. Those facilities give people a place to meet and organise, which leads to further spin-off community benefits.

To enable us to measure those projects and ensure that we stay on track, there is, as Mr Mundell said, regular reporting through various council committees and the community planning partnership right up to the executive committee. There is stuff in our written submission about the fantastic work that has been done through the LEADER programme in rural areas of South Lanarkshire, which has been driven by communities rather than the council. Where we have facilitated that work, it has in turn facilitated bids that have led to employment opportunities and some physical builds as well.

**Mark McDonald (Aberdeen Donside) (SNP):** When dealing with communities across a local authority area feeding in, there is always a challenge in distinguishing between the vocal and the voiceless. Some communities are good at making their case proactively, whereas other communities require a great deal of assistance in putting their views across or articulating their

concerns and what they want councils to do on regeneration. How could local authorities better reflect the needs and concerns of those communities that do not have active community councils or community forums?

**Lindsay Freeland:** South Lanarkshire Council has a tackling poverty programme, part of which is about trying to increase community empowerment. We have people who are actively working with communities to get them skilled, able and confident enough to articulate their views. It is not the case that the people who shout the loudest get the most. Particularly in areas that are identified by the Scottish index of multiple deprivation, we are working hard with the communities on community capacity building to address that issue.

**John Mundell:** Our community planning partnership commissioned a local voluntary organisation, Your Voice, to do a lot of that work. We also provide support with capacity building in a similar way to that just described. We believe that we have our finger on the pulse in that regard.

**George Black:** Our situation is similar. Although there are community councils throughout Glasgow, the people who participate in community planning need support with the way in which they engage with the process. Recently, community representatives have been meeting as a group prior to the local community planning partnership meetings, which I guess is what you guys would recognise as a pre-meeting. That is regarded as positive, because it allows views to be discussed at the local level before they are fed in formally to the local community planning partnership. There is evidence that support arrangements can help local people round the table to participate fully.

**The Convener:** Mr Gillespie, I am not asking you to answer many of the questions because I do not think that they cover your area of responsibility, but if you want to come in, just let me know.

Mr McDonald has another question.

**Mark McDonald:** I hear what is being said. Another challenge is that community organisations and groups often involve the same voices wearing different hats. Is there a way to go beneath some of those groups to try to reach those in the community who perhaps feel that their voice is not being reflected by people in particular positions who speak on behalf of the community?

**Lindsay Freeland:** The way to do that is to increase volunteering levels in the community and to spread volunteers across a wider base. We try to do that. In some areas, we have established new community-run activities in the hope that more people will participate in them, which will build a base for people to give their view. When

people participate in activities, they tend to want to engage more with the council and other bodies.

We need to build from the bottom up. We cannot force people to come to the table to discuss issues, but we try to ensure that we do not just go to the same people all the time. We give people the opportunity to comment on service provision in a variety of ways, including in private, at public meetings or through surveys, which Mr Mundell mentioned. The most successful approach comes when we start to develop communities, perhaps through physical regeneration and improved facilities, which generates more community-run activities. As a result of the greater number of people participating in those activities, we get more feedback and more community cohesion, I suppose, which feeds its way back to the council. Sometimes, priorities change as a result.

**John Mundell:** My experience is that, if there is an issue that communities are interested in, people will come out and express their views. A recent example in my council was the potential introduction of a transit site for Gypsy Travellers. The community certainly came out to all the community events that we held to trawl for views, and those views were taken on board in developing our policy and in the conclusions that we came to. Other than that, our experience is similar to that which has been described already.

**George Black:** I echo John Mundell's comments. In Glasgow, public meetings have been held on initiatives that have been taken forward. I have referred to Sighthill, where there have been various well-attended public meetings at which people have been very vocal and views have been put across clearly. However, such meetings are on single issues, and the challenge is how we can engage those people so that they have a more permanent involvement in the future of the community. That is a challenge that we all have.

**Mark McDonald:** One issue is to do with the delivery of council services in driving regeneration in communities, but another aspect is the presence of physical assets, whether they are operated by the council or other organisations. What importance is attached to ensuring that there are physical assets that the community can use as focal points and for a variety of community-based activities?

**George Black:** Such assets are vital to local communities. People do not want assets to be divorced from the future of the community. When it comes to place, people take a more holistic view—they want to know what the schooling opportunities are and what general practitioner facilities exist, for example.

The council has an active policy of transferring assets to communities, but that should not be forced on communities. It has to be bottom up, rather than driven down.

**The Convener:** As we went round the country we found that certain folk perceive that council services are better in some of the leafy suburbs than they are in areas of deprivation. On one of our visits we heard people say that with street cleaning, for example, more emphasis was put on the leafy suburbs than was put on their patch. Have you done any audit work to see whether such perceptions are right or wrong?

**George Black:** I certainly would not agree with such perceptions. The Society of Local Authority Chief Executives and Senior Managers and Audit Scotland have undertaken a benchmarking exercise on a range of services across the board so that councils can compare performance. In terms of the cleanliness of the city—

**The Convener:** Can I stop you there, Mr Black? We are well aware of the benchmarking process that is going on. As you are probably well aware, we are keeping a close eye on it. I am more interested in performance within council areas, where you might have a well-off leafy suburb with a pretty deprived area next door to it. It was raised more than once with members of the committee that the folk in the leafy suburbs often get better services because they shout louder. I realise that you are talking about benchmarking among councils, but how do you benchmark among your council wards and among areas of deprivation and the leafy suburbs in order to ensure that everybody is getting a fair crack of the whip?

**George Black:** Most pressure would come from local elected members. The council aims to provide a standard level of service for a range of services across the city, whether in a leafy suburb or a deprived area. In my experience, elected members would not stand for a lower level of service in their area than is provided elsewhere. In certain areas, more resource might be required to deliver that level of service, but that is more likely to be in deprived areas than in better-off areas.

**John Mundell:** Our service delivery is designed on the basis of need and demand. As far as I am concerned, that goes without saying.

Our routes for street cleaning and so on are devised on a professional basis. We have an increased number of litter bins and more service provision on the waterfront, for example, where large numbers of people go on a summer's evening. Service provision does vary, but it is designed on the basis of need. From my perspective, there is no difference between the level of service in a leafy suburb and the level in an area that is perhaps less well-off, which I think

is what you are suggesting. We have a consistent level of service, other than in areas where there are large numbers of people, such as town centres, where we have to increase the cleaning frequency.

**The Convener:** You referred to need and demand. I have found during the course of life that people demand things when they do not actually need them.

As well as hearing from folks across the country, we heard from academics including Professor Annette Hastings, who said that in some parts of the country there is a real problem with better services being provided in some areas simply because people there shout louder.

**John Mundell:** I do not believe that to be the case in my council area. That is just my view.

**Lindsay Freeland:** On the point about assets, as Mr Black said, they are vital, but they should not be forced on communities. Infrastructure, such as transport links, is also vital to communities.

In relation to differentiation in service provision, I am not aware that that happens in South Lanarkshire. We try to provide a standardised service, which we sometimes have to enhance because of demand. We check that—we do a quality of life survey every two years, which is sent out to all residents, and the evidence from that does not demonstrate that people feel or report any imbalance in service provision, so I do not believe that that is the case in South Lanarkshire.

10:45

**The Convener:** Mr Mundell, I am aware that you did not address the question about assets that Mr McDonald asked.

**John Mundell:** I apologise.

In this day and age, like any organisation in the public sector or elsewhere, we are focused on optimising the use of our assets. We are trying to reduce our property footprint by being more efficient in our service delivery. That perhaps flies in the face of making more physical assets available to the community. However, in redesigning our services, we try to ensure that all our communities in Inverclyde have access to facilities that are appropriate to their needs. For example, schools are community hubs into which we have built facilities that are fully utilised throughout the day and night, and which can be used at the weekend. Such facilities are extremely important for community cohesion. We are considering a new community facility in Inverkip, and we have provided community facilities in other areas of Inverclyde. We assess need and we ensure that people have access to suitable facilities. I am not talking only about council

facilities—we work with partners to ensure that the assets that are at our disposal are used to full advantage. I think that there is a bit to do in that regard. It is a moveable feast, but we are on the case.

**Mark McDonald:** This is my final question. As well as providing assets, every council goes through a rationalisation of assets, whether that takes the form of school or community centre closures or some other form of asset rationalisation. What cognisance do you take of the regeneration profile of a community when you consider which of the assets across your area you might consider closing or disposing of?

**George Black:** There is a live example in the Dalmarnock area, where the council has a £250 million pre-12 new-build and refurbishment programme in place. Given that the games village and other planned housing will be located there, we are projecting what demand will be from the families. It is a case not just of looking at current demand, but of trying to predict what demand will be further down the line, so that we do not close a facility that is not required now, but which will be required in three, four or five years. I would say that quite a sophisticated approach is taken to ensuring that we look ahead and align ourselves with the plans of other organisations in the city.

**Mark McDonald:** I understand the point that you make but, in general, that is the process that you would go through regardless of the location of an asset. I am asking specifically whether the fact that an asset is based in a regeneration community has any bearing on decisions that the council might take, given the discussion that we have had about the importance of having community-based assets in regeneration communities.

**George Black:** I do not think that it is at odds with the aim of regeneration for a facility in a regeneration area to be closed because it is not fit for purpose, if it is meant to be replaced with something better and that happens. I was trying to make the point that the issue is less about whether the area is a regeneration area and more about what future demand in that area will be.

You mentioned closures, which are a highly emotive issue for communities. By and large, communities want to be reassured that their place has a future. Their concern is not necessarily about the closure of the facility in question; it is about what the future plans for the area are. Therefore, it is important that when any potential closures are considered, we are careful to communicate to the community what its future is. We are all aware that, on such emotive issues, people do not always agree at the time with what is proposed.

**John Mundell:** When we do our asset management planning, we assess community facilities against a set of criteria that we use to ensure that we will not have a negative impact on an area. I am quite confident that we do that properly in Inverclyde Council.

**Lindsay Freeland:** Similarly, South Lanarkshire Council has a quite sophisticated asset management plan. We take cognisance of usage and condition, for example, and of other assets in the area that could be shared. There is a common look at what is going on in an area to determine whether properties can be rationalised while a specific community focus is still provided.

We recently did that through our education programme; we are building new primary schools. The asset management plan considers whether those schools should have community wings that free up other facilities which we can then perhaps close, with the community still being served by a new community wing. We have just agreed two new community wings on two schools in the new schools programme. We look at usage, condition, future investment, cost to the council and community use, and we engage with the community in coming to decisions.

**Stuart McMillan (West Scotland) (SNP):** Good morning, gentlemen. In their written submissions, each local authority has provided details of the total spend on regeneration. What has that expenditure achieved?

**The Convener:** Who will go first on that question? Mr Black?

**George Black:** I am quite happy to start, because I think that there is a success story in Glasgow behind its regeneration over a long period of time, and particularly the past five or 10 years. Glasgow Housing Association and the council have had a big part to play in that, and I am confident that all the information is available if members are looking for outcomes in respect of the number of jobs and improved houses and schools.

It was mentioned earlier that committee members paid a site visit to Clyde Gateway. No one could fail to be impressed by the scale of the regeneration that is taking place there in a positive and joined-up way.

I am happy to provide information at either a city-wide or individual project level, because there are clear successes and there is a good story to tell.

**John Mundell:** We have achieved a huge amount in Inverclyde, which is dramatically different from what it was when I first went there—I joined Inverclyde Council in 2006.

As you go into Inverclyde, there is a whole new developed area on the right-hand side, at the riverside. There are football pitches and a new stadium.

Along the A8 corridor towards Port Glasgow, new industrial units are being built on spec on the left-hand side, and there is a new level of confidence in Port Glasgow. The high-rise flats there have been refurbished by our housing association, and the rope works has been redeveloped into American-style warehouse flats, which are fully occupied. In the centre of Port Glasgow, the municipal buildings have been completely refurbished—offices there are occupied and there is a new library there—and Tesco has a new site there. The A8 corridor has been re-sited, and B & Q is putting in a new building there. The private sector does not invest if it does not have confidence. There is also a new Costa Coffee facility and a new pub and restaurant.

Regeneration extends right the way through Inverclyde, which is dramatically different from what it was before. We have new schools—every one of our secondary schools has been replaced.

Culturally, Port Glasgow is good. A denominational school, a non-denominational school and a special needs school all come together on one campus, which has had a huge positive impact on the community. In the past, the views of people in that community were—dare I say it?—quite polarised, but people are now coming together through young people. What has happened is in that sense quite spectacular.

When I joined the council, I did my due diligence. In 2003, we were 31st out of the 32 councils in respect of our young people moving on to positive destinations, so I thought that we had to do something. In 2007, we moved up to 22nd place and now we are third. Every school leaver is tracked, and we are now trying to ensure that we stay with them beyond their leaving school, going into college and so on.

A huge amount has been achieved in a very positive way. There is still much to do—there is no question about that, and nobody is denying it—but the money that has been invested has been very well spent.

**Lindsay Freeland:** The achievement has been hugely positive. There is still a lot to do, as Mr Mundell said, and the SIMD figures are evidence of that, but the investment has created a lot of confidence in the area. Many jobs are being created and there is much progress on issues around employment for 18 to 24-year-olds. Statistics on improvements across a range of activities are starting to come through and we

have a lot of good activity on job schemes and getting people to work.

I think that I mentioned in my submission that, at the end of last year, we commissioned Cambridge Econometrics to monitor and give us empirical evidence on the impact of the council's programme of capital investment. That assessment suggested that between £55 million and £65 million of value had been added and that it created or sustained between 1,400 and 1,800 jobs. I can share that evidence with the committee. The investment has had a huge physical and economic impact.

**Cameron Buchanan:** Mr Mundell talked about building industrial units on spec; industrial units are often built on spec and never used. How have you identified whether there is a necessity for the units that you have built? Is it just a matter of promoting them so that you can give a wide choice—a bit like promoting shops that stay empty? I am interested in that because many industrial units are not used and, eventually, are pulled down.

**John Mundell:** That is an important point. Obviously, there is risk associated with that approach, but we believe that it is worth while because of the level of confidence that is starting to appear. We have built two new office blocks on spec through our urban regeneration company. One of them was finished only a few months ago and both are now fully occupied. That is not only about creating new jobs but about retaining and sustaining jobs within our area.

Our industrial estate portfolio, which is now managed by our urban regeneration company, is in a much better state than it was previously. Based on the evidence that is available to us, we believe that the industrial units that are being built now will be occupied relatively soon.

**Cameron Buchanan:** How have you identified that? That is what I am trying to get at. You said that you believe it, but how have you identified the need?

**John Mundell:** That was done through our urban regeneration company, which is responsible for that.

**The Convener:** When we visited Cumbernauld, folks there said that a number of industrial units had been built but were never filled and they said rightly that that money should have been spent on something else. The units had been built on spec with no real business case for doing so. Will you outline for us the business reasons for building units on spec?

**John Mundell:** One of the key factors for us is depopulation in the area; we have to do something about that. The trends show our population

declining at an alarming rate over many decades, so part of our repopulation strategy is to try to attract business. We are about to embark on a proactive marketing arrangement to attract people and business to the area.

I have already mentioned our investment in the schools estate; we have also made a huge investment in the leisure offer in the area. We are trying to improve the environment dramatically as well, so we are trying to change the whole place—the feel of it, the culture in it and the confidence in it.

The repopulation strategy is a complex picture that is made up of attracting new business, retaining the existing population and promoting Inverclyde as a tourist and visitor destination. Every one of those approaches is designed to attract people to come and live, work and invest in the area.

**The Convener:** That is all very well, but you have not given us real reasons why you chose to build industrial units on spec.

Mr Gillespie, I imagine that your good advice is often called for on creation of the economic development aspect of regeneration. We have heard in various places that things—mainly industrial units, it must be said—have been built on spec and never filled. Do you have any comments on that? What should be the business case for building such facilities on spec?

11:00

**Adrian Gillespie:** There would be a wide spectrum of input and research before any infrastructure was developed, especially if there were some risk around its occupancy. In some developments over the past few years, there has been much more industrial input at the strategic level through the industry advisory groups; such groups would surface the lack of business infrastructure as an inhibitor to their growth, and that would translate into our local work on fulfilling that demand.

With for example, the inovo building in Glasgow city centre, which opened only in the past couple of months and is a renewable energy focused building that has been developed in partnership with the University of Strathclyde and a number of local businesses, we can predict a strong demand before any money is spent on spec. Of course, as frequently happens, market conditions can change while industrial units are being constructed, but on the basis of very strong industrial input and market demand we have a building that, on its opening day, already had 35 per cent occupancy, which bodes very well for the future. That is the kind of rigour that goes into these kinds of investments.

**The Convener:** I understand that and why there would be demand for a building that attracts folks involved in renewable energy. I also understand the work that has gone on in the Clyde Gateway area, where there was a demand for the units that were constructed and as a result of which oil industry jobs have been attracted to the east end of Glasgow.

However, you have talked about buildings that reflect a certain movement in industry, which means that they are likely to be filled. Should there not be some kind of business planning for building what one might call bog-basic industrial units on spec? Do you not consider it a wasted opportunity if units for which no business case has been made are put up and remain unfilled?

**Adrian Gillespie:** That happens less and less now, because the rigour that I have just described would be applied to any investment in local industrial units and any decision in that respect would be based on strong demand for business space in the community. Indeed, we would feed in that sort of information. If companies that we are working with told us that they want to stay within the locality but need larger or different premises, we would work with the local authority on filling up available business space before we considered building something new.

**The Convener:** Are you co-operating with Inverclyde Council and Riverside Inverclyde on the buildings that they are putting up on spec?

**Adrian Gillespie:** We would look at these matters on a case-by-case basis, taking account of a company's need, and we would work with the local authority on fulfilling that need. Where there is a particular opportunity—such as in Inverclyde, where there are opportunities in renewable energy and the port infrastructure—we will work very closely and strategically to take it.

**John Mundell:** I said earlier that the decision to go forward with the units was taken by the urban regeneration company. The member organisations are the council and Scottish Enterprise; we have accountable officers who are involved with the main board; and the company has gone through the business planning process. I do not have the detail at my fingertips, but I am absolutely convinced that it has gone through due process.

Renewables have been mentioned. Part of the philosophy behind the office accommodation that was built on spec was to attract that industry to the area. As well as the office accommodation that we have provided, we have looked at assembling a large area to be used as an industrial site for renewables. This is all part of a master plan that has been undertaken by the urban regeneration company and which involves the council, the private sector and Scottish Enterprise.

**The Convener:** It would be extremely useful for the committee if you could supply us with information about the governance of and the reasons for taking the decision. If you could provide that in writing to the clerks, I would be grateful.

I am sorry, Mr McMillan—I might have deviated a bit from your original question.

**Stuart McMillan:** No problem, convener.

Following on from my first question, I note that two issues that have been touched on in our discussion are the SIMD, which Mr Freeland mentioned earlier, and the need to build capacity from the bottom up. Can the local authorities represented this morning tell the committee what effect regeneration investment has had in their SIMD areas? Has there been an increase or a decrease?

**George Black:** A number of areas in Glasgow have improved, particularly areas with the most acute deprivation, but it is fair to say that there is a long journey ahead for Glasgow to bring itself to a position that is average or above average for the country. However, if you are asking me whether there has been progress in the past five or 10 years, the answer is that there has definitely been progress.

**John Mundell:** It is a long-term game, and we expect returns on the investments that we are making now to come over an extended period. As far as the SIMD areas in Inverclyde are concerned, that is a moveable feast as well. The investment moves from one analysis period to another. We still have a lot of work to do in that regard.

**Lindsay Freeland:** It is a similar picture in South Lanarkshire. There has been a lot of progress, but we still have a lot to do. I think that we have six areas in the top 5 per cent, so there is still a lot of work to be done.

**Stuart McMillan:** If it is feasible for each of the local authorities on the panel to provide information on that to the committee following today's meeting, that would be useful. I have looked into the Inverclyde situation as I stay in the area, and I know that there has been an increase in some of the areas. There are 110 data zones in Inverclyde and 40 per cent of them are in the 15 per cent most deprived areas in Scotland. However, it would be useful to have information from the other authorities as well.

I have a further question about regeneration and the investment that has gone in. My question is for all the local authorities. I note from the single outcome agreement information that, despite 30 years of local and national Government regeneration initiatives, Inverclyde still has some



of the most deprived areas in Scotland and there are still huge challenges in the area.

I am keen to understand what has happened in your three areas and what lessons have been learned given the huge amounts of money that have been invested in them. We need to ensure that, where things were not successful and areas of investment did not provide returns, the mistakes are not made again.

**Lindsay Freeland:** That is one of the challenges that the community planning ethos is bringing to the table in relation to transformation. It is always difficult to stop doing something and start doing new things. What we have done through the early years collaborative and so on is to demonstrate that the new things are working. The transformation bit is to stop the old things and try to move on with the new things. That is a constant challenge for us because there are entrenched practices and different cultures, but there is evidence that we are starting to change how we do things.

Over the past 10 years in particular, local authorities have been innovative in stopping doing things that did not work and starting new practices. One of the themes in the community planning partnership is tackling poverty. We have a range of initiatives and a different way of working around that, so things are changing. The trick is to try to make sure that the resources are aligned, and that we take money from the things that were not working and realign it. That is a constant challenge for us, but we are getting a lot better at it.

**Stuart McMillan:** Can you give any examples of things that you have stopped doing?

**Lindsay Freeland:** Let me take supporting vulnerable families as an example. In the past, we had a traditional social work service that would go and support vulnerable families; now, the work is much more integrated into council structures. We have specific people within the housing function, rather than the social work function, who are responsible for visiting people regularly, and they take responsibility for co-ordinating the service provision. One person is responsible for the family, rather than the family being passed on to someone in a social work team, who would deal with one small part of the problem.

We now have a much more holistic approach to tackling vulnerable families. That includes everything from money advice to proper, adequate housing and help with heating bills. As I said, somebody takes responsibility for co-ordinating the council and the partnership resources, whether that is health professionals or other things.

**The Convener:** Have you done any analysis of that?

**Lindsay Freeland:** Plenty of analysis was done of the breaking the cycle stuff a few years ago. Other, internal analysis of some of our projects has been done as well.

**The Convener:** We would be interested in that information. If you could provide that analysis, that would be brilliant.

**John Mundell:** Mr McMillan, you referred to the SIMD areas within the single outcome agreement. The statistics that you referred to are there. The community planning partnership is fully aware of the specific examples that you gave.

We, too, are committed to learning from previous experiences, not just within Inverclyde but in other areas. We changed our approach to employment, education and training for young people and applied a different method, whereby rather than dealing with big numbers of people who were leaving school and not going to positive destinations, we broke it right down to individual, named people, in order to bring the issue alive. We tracked those people to make sure that they have proper, bespoke support mechanisms in place so that they have a better, more positive future ahead of them.

That is an example of where we have learned from getting it wrong in the past. We are now doing things differently, which is bearing fruit.

**George Black:** Looking back, I would say that in Glasgow there was a time when there was too much concentration on physical change being the solution. It was thought that, if we improved people's houses, that would improve an area by itself.

There was also a tendency to create organisations that were similar to urban regeneration companies, but the key difference was that they sat separately from the rest of the organisations in the city, so they were almost adrift. We learned the lesson that there has to be a much more holistic approach to regeneration that takes on board social issues, employment and the environment—not just the physical nature of a place—and that there has to be a joined-up approach from all the organisations involved, as we heard today.

Another crucial difference is that in the past there was a tendency for communities to think that things were done to them rather than done with them.

Those three lessons have been learned and taken on board.

**Stuart McMillan:** If it is okay, convener, I will ask Mr Mundell a couple of questions regarding regeneration going forward.

**The Convener:** Okay.

**Stuart McMillan:** They are very brief questions.

I refer to the mid-term review of Riverside Inverclyde, which was published. At the bottom of page 107 it says that two companies—Inverclyde Property Renovation LLP and Inverclyde Development Ltd—have been set up to help take regeneration forward. The review does not mention a company called Inverclyde Renovation Ltd, which is based at the municipal buildings and which was set up in February of this year. How will that company play a part in regeneration going forward?

**John Mundell:** You said that the mid-term review was published. In actual fact, it was leaked before it was published. I think that people are aware of that issue.

The detail of the review is being dealt with by the member organisations and the main board of Riverside Inverclyde. It is appropriate to leave them to deal with it; it is not appropriate for me to go into the detail at this time.

**The Convener:** What about the company aspects, Mr Mundell?

**John Mundell:** I am not familiar with the company referred to.

**Stuart McMillan:** Its registered office is the municipal buildings.

**John Mundell:** As I said, I am not in a position to give you an answer on that at this moment in time.

**The Convener:** Maybe you could delve into that and write to the committee about it.

**Stuart McMillan:** My final question also regards the mid-term review. New Skills Consulting Ltd undertook the review, but it has been around Inverclyde since it was appointed to provide external consultancy support to the Inverclyde alliance on 9 May 2008. Would it be normal practice to have a consultancy firm that is already involved undertake a review, rather than having a separate consultancy firm come in to do it? There could be said to be a potential conflict of interest if a firm was doing a review of work in which it was already involved.

**John Mundell:** I am not sure that what you said is entirely correct. My understanding is that, earlier this year, the two member organisations—the council and Scottish Enterprise—jointly commissioned New Skills Consultancy, which is an English company, to undertake the mid-term review. I am certainly not aware that New Skills had any involvement with the Inverclyde alliance before that time. The first time that I ever heard of the company was a few months ago when I met the consultant who interviewed me as part of the urban regeneration company review.

11:15

**Richard Baker (North East Scotland) (Lab):** My questions build on the previous questions on budgets. The chief executives have talked about significant areas of spending and investment in regeneration and on policy, but we live in a world of reducing budgets and budget pressures.

When you are looking across your budgets each year and making these crucial decisions, to what extent can you clearly focus on making decisions in each area while taking account of the council's general approach to regeneration as a priority? To what extent can you protect the budgets that you feel will most impact on regeneration goals, or is that very difficult to do?

**George Black:** I have mentioned that there are eight transformational regeneration areas in Glasgow. Consequently, there is a focus on developing holistic plans for those areas. That is a big priority for the city.

I also mentioned that Sighthill was one of those areas. On priorities, it is important to have a balance between a strategy and an opportunity. The Sighthill village was at the bottom of the regeneration priority list, but the opportunity presented by the youth Olympic games bid moved it to the top. Strategies are in place, but we must be fleet footed to take advantage of opportunities that come along.

The city does not have a regeneration budget as such that has to compete with education or transport; rather, it takes a place-based approach. If we are refurbishing or building new pre-12 schools, it makes sense that we look for the regeneration opportunities attached to that programme. For example, the building of the M74 was primarily promoted as a road or traffic management scheme, but it also opened up opportunities for regeneration in the east end, such as the building of the Clyde gateway route, which is two-thirds complete.

I guess that I am saying that I do not see a threat to regeneration budgets as such. All budgets are being squeezed, but an impact of that is a greater focus on ensuring that the regeneration potential is looked at as part of every capital spend.

**Richard Baker:** I would be interested to hear about the new spend, too. Education, housing, social work issues and so on could all feed into important regeneration goals.

**George Black:** Absolutely. I do not hide from the fact that there are severe pressures on local authorities' budgets, some of which have been recently played out in the press. I would not underestimate the challenges that those pressures bring, but local authorities have a proven track

record of prioritising and taking a long-term view of revenue and capital expenditure. I am confident that that process will continue, albeit that it will be much more difficult.

**Richard Baker:** Do the other authorities take a similar approach?

**John Mundell:** It comes right back to the vision: the place of choice as the best location to live, work and invest in, and making sure that the people in our communities have the right skills and are educated and that it is an environmentally healthy and safe place. All those aspects impact on the complex web of regeneration.

Our budgets are crafted and developed with that in mind. As you said, the spend on education has a big impact—there is no question about that. Is the education provision in a place good? If it is, people will want to come and live there so that their children and families can be educated there. Are the parks and open spaces clean, tidy and well maintained? Is the appearance of the place right? What is the amenity like? All those aspects have an impact on economic development.

We gathered information on that, and we think that we have invested—or continued to invest—£520 million in economic regeneration, which is made up of investment in, for example, the physical assets for education, parks and open spaces, and renewal in areas that need specific intervention to help them to regenerate. You are right in that regard.

**Lindsay Freeland:** I echo that answer. We do not have a regeneration budget, but some capital moneys go towards supporting the URC and the vacant and derelict land fund. The budgets for social work, education, community and enterprise all contribute to regeneration in some way, and people are having to make pretty severe budget cuts, which at some point will have an impact.

**John Wilson:** I have questions for each panel member. I will start with Mr Gillespie, who has been out on a limb in some of the discussion—

**The Convener:** Just a little bit.

**John Wilson:** Mr Gillespie, you said that Scottish Enterprise invested in the inovo building at the University of Strathclyde, which you said had 35 per cent occupancy on day 1. Was the occupancy all by the university, given the building's location?

**Adrian Gillespie:** No—

**John Wilson:** One or two members have mentioned workspace units that have been created but for which there does not seem to be demand. I know that a number of office buildings in the centre of Glasgow are lying vacant. How does Scottish Enterprise make a judgment about

investing in new office development on the edge of the city centre?

**Adrian Gillespie:** I clarify that I was talking about business occupation. A very small team from the university is based in the inovo building in advance of their building next door opening next year.

On your second question, the issue is not just the availability but the quality, nature and location of space. There are opportunities around the University of Strathclyde's technology and innovation centre, which is bringing together academia and businesses. The approach had an awful lot of business support at the planning stage, which gives us confidence that things will move in the right direction.

We invest in business infrastructure only if a gap exists and investment will bring businesses that would not otherwise come to the location. Occupancy depends very much on the specifications of the inward investors to whom we speak. For example, there might be deal breakers, and much depends on whether the grade of office accommodation that people are looking for is currently available.

Our first approach is usually to bring in the private sector to lead development, with our support, rather than to lead ourselves. There was a specific opportunity around the inovo building, and it was appropriate for us to take the lead on that, but these days that is less and less the case. Often our investment comes at the very early stages of a larger project, such as the Glasgow international financial services district, which has been built up over the past 10 years and employs 20,000 people. We have a much more active role in the seeding of such opportunities, which brings in private investment that grows around the core.

**John Wilson:** Thank you. Mr Black, you mentioned Sighthill a few times and you said that Glasgow has 21 local community planning partnerships. As you are probably aware, there is a unique structure in Sighthill park, and there are local and national demands for it to be retained. How would the community feed its views into the development if the council decided to go ahead and build on the park?

**George Black:** The community is already feeding its views into the process. Negotiations are taking place with the community on how we can find a solution that allows the regeneration of the area to go ahead while still recognising local priorities. That is true of many projects across the city.

We have talked about the Clyde Gateway area and the east end of Glasgow. Not all the work that has taken place there—such as demolitions—has been popular, but the overall impact on the area

has been positive. I do not hide from the issue, which is an example of what arises in an urban environment when a project has the scale of that at Sighthill.

**John Wilson:** I seek clarification on who “we” are, in relation to the community. Is the community involved in regeneration? You referred to the regeneration that we would like to go ahead. The nub of the issue in regeneration concerns the demands of the community that lives and works in the area and wants it to develop and grow around the community’s themes. The comparison is of things being done to communities rather than communities doing things themselves—the convener talked about that.

**George Black:** I think that I referred to that point as a lesson from the past.

**The Convener:** You did.

**George Black:** I will broaden out the discussion a little. In major regeneration projects—Sighthill is one; its scope is wide, not local—we need to grapple with three issues.

One is the vision and the ambition for the place. A lot of the time, a local place is part of a wider place agenda. We must also have in place the right people, who are the politicians with the vision and the courage to take forward regeneration; officers who have the ability to drive regeneration forward; and local people, whose views must play in. Another aspect is timing, which is crucial. People can agree to regeneration plans in principle on the basis that something will happen in 10 or 20 years’ time but, if regeneration is happening now, that tends to be a different issue.

In any regeneration project, the aim is to match those three broad issues and reach a conclusion that is acceptable for the city-wide vision and at the local level.

**John Wilson:** I could ask a number of questions on the basis of what you say, but I know that time is tight and that we need to move on.

Mr Mundell, you referred to the investment strategy of the Riverside Inverclyde URC, and I think that you mentioned speculative investment. Would that speculative investment have been made if large sums of public money had not been made available to allow the buildings to be constructed?

**John Mundell:** Given what has happened in the economy and the circumstances that have prevailed recently, the buildings definitely would not have progressed. If things had been different, the buildings might have gone ahead without the public sector pump-priming money, but we would not be in the position that we are in now if the public sector had not stuck with the main

objectives that we are trying to achieve in the area.

**John Wilson:** Mr Freeland, you said that you feel that utilities sometimes do not come on board with the regeneration strategies that URCs or local authorities pursue. What can we do to ensure that utility companies buy into the objectives of the regeneration strategies of local authorities and others?

**Lindsay Freeland:** Ultimately, utility companies will buy in as a result of persuasion and convincing about the regeneration. They are businesses and they charge for the product that they deliver. My point was that we do not control their timescales. Sometimes, we would like things to be done a lot more quickly than the utility companies can do them. That can become a bit frustrating, but they have a different agenda from us—their priority is not our priority.

Can we be more closely aligned? We try to be through local relationship management but that is not always possible. As for the Scottish Government, I have to say that I do not know what it can do.

11:30

**John Wilson:** I have one final question for the three local government representatives. Given that the URCs were supposed to be short-life bodies created to assist regeneration in particular areas, what should happen to the assets that they have created with public money? After all, with Clyde Gateway and Riverside Inverclyde in particular, relatively large sums of money have been ploughed into developments.

**Lindsay Freeland:** I do not think that Clyde Gateway is all that short term—it has to be a long-term body. Indeed, I think that it will be another 10 years before the investment plan, which has been in place for years now, delivers all its objectives.

The question whether the assets are community, council or Scottish Government assets is a debate that we need to have. They should be generating and stimulating the economy at all times, but I am not quite sure how you achieve that.

**John Mundell:** I agree with that. We in Inverclyde need to keep our options open. We have not yet decided whether to close the URC, which has a significant property portfolio that generates quite a significant revenue stream and which has some high-value items in the mix. We need to take our time and make very careful decisions on the matter.

**George Black:** There is a difference between winding up the URC and stopping its funding from the Scottish Government. Fundamentally, the

URC is a partnership; its job in the east end of Glasgow is far from finished and, indeed, I expect that another partnership will be required to finish it. If there were any change to Clyde Gateway, it would make sense for its assets to be owned by whatever new partnership is created. My starting point, however, is that I see no reason for the URC not to continue in its present form.

**The Convener:** I thank the panel for their evidence, and I suspend the meeting for a few minutes to allow a changeover of witnesses.

11:32

*Meeting suspended.*

11:37

*On resuming—*

## **Model Code of Conduct for Members of Devolved Public Bodies**

**The Convener:** Item 3 relates to a draft model code of conduct for members of devolved public bodies, which the committee will consider under the affirmative procedure rule that is usually applied to statutory instruments. Members have a copy of the code and a cover note from the clerk.

We have one panel of witnesses to discuss this item, and I welcome to the meeting John Swinney, the Cabinet Secretary for Finance, Employment and Sustainable Growth and, from the Scottish Government, Alison Douglas, head of public service reform, and Gordon Quinn, policy officer at the public bodies unit.

Cabinet secretary, do you wish to make any opening remarks?

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** Thank you, convener. I welcome the opportunity to make some opening remarks on this matter.

The Parliament demonstrated its commitment to the promotion of high standards in public life by passing as one of its earliest statutes the Ethical Standards in Public Life etc (Scotland) Act 2000, which introduced a new ethical framework under which the Scottish ministers were required to issue a code of conduct for councillors and a model code of conduct for members of the devolved public bodies listed in schedule 3 to the 2000 act, as amended. Each listed public body is required to develop an individual code based on the model code.

The codes of conduct are based on nine key principles: duty, selflessness, integrity, objectivity, accountability and stewardship, openness, honesty, leadership and respect. Although responsibility for ethical standards policy, including the codes of conduct, rests with the Scottish Government, responsibility for the codes' day-to-day operation rests with the Standards Commission for Scotland and the Commissioner for Ethical Standards in Public Life in Scotland.

The councillors and members' model codes were approved by the Scottish Parliament in December 2001 and brought into effect on 1 May 2003. The period between those two dates allowed the Standards Commission for Scotland to be set up and to establish working systems and a framework for ethical standards.

The “Councillors’ Code of Conduct” was subsequently revised in 2010 following changes to the planning system. The members’ model code was not reviewed at that time because the changes to the planning system did not impact on members of public bodies, with the exception of the two national park authorities. Now that the members’ model code of conduct is some 10 years old, it requires to be updated and, where appropriate, made consistent with the more modern councillors’ code.

If approved, the proposed revised model code of conduct would address points of detail and would be easier to understand, more user-friendly and proportionate. The proposed changes will also bring it into line with the councillors’ code.

A public consultation on the revised model code of conduct was carried out by the Government in February, running through to the end of April. An analysis report of responses has been published and is available on the Government’s website. The consultation sought views on the amendments to the existing model code, with the aim of establishing whether the revised code was clearer and more easily understood and whether the proposals were proportionate. Comments on any aspect of the code were also welcomed.

A total of 37 responses to the consultation were received from a wide range of stakeholders. The overall view of respondents was that they agreed that the model code of conduct required updating and that the proposed changes to the model code would achieve the aim of making it clearer and proportionate. The consultation responses provided feedback that has been taken into consideration and changes have been made that strengthen the model code and provide clearer information for its users.

In connection with this process, I note the evidence that the Commissioner for Ethical Standards in Public Life submitted to the committee in which he raised some substantive points. The commissioner queried whether it is appropriate to include a section on appointments to the boards of public bodies in the code of conduct. It is our view that the code provides an excellent vehicle to highlight the importance of ensuring more diversity in the appointment of board members. That is not simply about fairness and better representation, but because evidence suggests that if a board better reflects the people that it serves it might be better equipped to make decisions affecting them and so improve its performance.

The commissioner highlighted that the categories in the 2003 regulations, which set out the requirements for registers of interest, should mirror the categories in the model code. We accept that there are good arguments for doing

that and we will proceed with an amending instrument once the Parliament has completed its scrutiny of the model code.

In relation to the registration of interests, the commissioner queried the use of a footnote in the code setting out which regulations are being referred to. We included that in order to be helpful and clear, and to avoid any confusion. The commissioner referred to other minor amendments in his evidence, and we are happy to take those on board.

In summary, the ethical basis of the revised model code remains unchanged from that of the original code. The proposed changes have been made to strengthen the model code and to bring it up to date, thus making it easier to use.

I welcome the opportunity to answer any questions that the committee might have.

**The Convener:** Thank you. The first question is from Mr Wilson.

**John Wilson:** I seek clarification on who the code will apply to. You referred to public bodies, and we know that we have the councillors’ code of conduct, which covers the 1,222 councillors. In recent years, however, local authorities have established a number of arm’s-length organisations that include board members who are neither elected members nor officials and who are appointed by the boards of those organisations. How do we make those individuals accountable? Or do we not make them accountable in the same way as we try to make those in other public bodies accountable?

**John Swinney:** There is a difference between accountability arrangements and the exercise of responsibilities in terms of a code of conduct. The accountability of board members of arm’s-length organisations, for example, will be stipulated by the arrangements that surround the establishment of those bodies. That will vary, but in some respects members appointed to arm’s-length organisations will have an accountability arrangement to a local authority and they might have an accountability arrangement to the membership base of a particular service or organisation. Such issues of accountability are the responsibility of whatever arrangements are put in place.

Mr Wilson opens up an area of interest as to whether there is then the proper scrutiny of conduct issues. For example, if a councillor exercises responsibilities, their behaviour and actions are clearly governed by the code of conduct for councillors. If a member of a public body exercises any functions, their conduct is governed by the code that we are considering. However, members of arm’s-length organisations

are in a slightly hybrid situation. They certainly will not be covered by the code that we are considering, nor could I require them to be covered by the code, because it relates to public bodies. Many arm's-length organisations will be extensions of local authorities and will have been established under their governance. There might be a separate issue that we need to consider, which is whether all the due arrangements for managing and monitoring the conduct of individuals in those categories has been properly taken into account.

11:45

**John Wilson:** I welcome your comments. As you said, arm's-length organisations are very much hybrid organisations, and they are appearing in the landscape more frequently. It would be useful, particularly for the public, if we were made aware of the responsibilities and duties that apply to arm's-length organisations' board members, who are not covered by the requirements in respect of public board members or local elected members. After all, such people serve on what are, in effect, public bodies as they carry out their duties in relation to the services that the bodies deliver for local authorities.

**John Swinney:** I am happy to take away the issue that you raised, to determine whether there is a gap in the governance arrangements. We can consider whether it would be appropriate for the Government to address the issue in due course. I am reluctant to intrude into areas that are properly within the governance of local government, but I will explore where the governance arrangements sit, to ensure that we consider the issue that you raised.

**The Convener:** We are grateful, and we would be grateful if you could let us know what you determine.

**John Swinney:** We will reply to you, convener, on the point.

**John Wilson:** Section 2.1 of the revised model code of conduct says:

"The general principles upon which this Model Code of Conduct is based should be used for guidance and interpretation only."

Will you say what you mean by "guidance and interpretation"? We know that when the Scottish Government issues guidance to local authorities there can be up to 32 interpretations of it—and depending on how many public bodies are involved, the number of interpretations can increase exponentially.

**John Swinney:** In essence, I would describe "guidance" as something to which the Government expects due regard to be paid. The word "interpretation" is there to support individuals and public bodies in assessing particular circumstances in which conduct has become the subject of scrutiny, to determine whether an individual's conduct has been compatible with the code. Ultimately, judgments must be made about the conduct of individuals, and the provisions of section 2.1 are designed to provide public bodies and individuals with sufficient context and clarity around the judgment that they must make about whether an individual's conduct has been appropriate.

**John Wilson:** Thank you.

**Richard Baker:** I have a technical question. Our briefing from the Scottish Parliament information centre highlights differences between the 2010 code of conduct for councillors and the proposed new code for members of devolved public bodies. For councillors, the register of interests includes

"interests for the period commencing from 12 months prior to the councillor being elected",

but there is no such requirement in the proposed new code. What is the logic behind that difference? Why is it reasonable to require councillors to register interests for the period prior to their election but not to require, for example, someone who is appointed to a health board, who might over the previous 12 months have been working in a field that bore some relation to their duties as a board member, to register such an interest?

**John Swinney:** I think that the difference was arrived at because of the formality of the decision making process in which a councillor will be involved. Councillors are involved in making judgments about certain statutory functions. Also, individuals who are elected to local authorities are subjected to much greater public scrutiny in relation to activities in which they are involved in public life—I think that that applies to members of the Parliament, too. Therefore, having a period that is subject to further disclosure strikes me as appropriate, given the democratic mandate that elected members have.

**Richard Baker:** Thank you.

**The Convener:** There are no more questions, so we move on to item 4, which is formal consideration of the motion to recommend approval of the draft model code of conduct, on which we have just taken oral evidence. I ask the cabinet secretary to move motion S4M-08382.

*Motion moved,*

11:51

That the Local Government and Regeneration Committee recommends that the Model Code of Conduct for Members of Devolved Public Bodies (SG 2013/250) be approved.—[*John Swinney.*]

*Meeting continued in private until 12:31.*

*Motion agreed to.*



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e-format first available  
ISBN 978-1-78392-202-4

Revised e-format available  
ISBN 978-1-78392-216-1

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Printed in Scotland by APS Group Scotland

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