

Report To: Environment & Regeneration Committee **Date:** 2 May 2013

Report By: Corporate Director – Environment, Regeneration & Resources **Report No:** RC/13/05/06/SJ/JH

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Subject: Delivery of Regeneration in Scotland Inquiry – Call for Written Evidence

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval of Officers response to the Scottish Parliament Local Government and Regeneration Committee.

2.0 SUMMARY

- 2.1 The Scottish Government's regeneration strategy 'Achieving a Sustainable Future' was published on 12 December 2011.
- 2.2 The Local Government and Regeneration Committee, following its consideration of regeneration aspects of the Scottish Government Draft Budget 2013-14, have agreed to build on this scrutiny and undertake a detailed inquiry on the area of regeneration policy, with a focus upon community empowerment.
- 2.3 The remit for the inquiry is:
- 'To identify and examine best practice and limitations in relation to the delivery of regeneration in Scotland'.
- 2.4 The response to these questions is attached at Appendix 1.

3.0 RECOMMENDATION

- 3.1 That Committee agrees to the consultation response submitted to the Scottish Parliament Local Government and Regeneration Committee.

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Corporate Director – Environment, Regeneration & Resources

4.0 BACKGROUND

4.1 The Local Government and Regeneration Committee is seeking evidence from interested parties on the Scottish Government's Regeneration Strategy.

4.2 Views are sought on the following themes:

- 'Strategy and Policy Issues'
- 'Partnership Working'
- 'Practical Issues'

4.3 Under these themes, the consultation poses 10 questions in total in an open information gathering exercise.

4.4 Case studies are included in the response to support comments made and to illustrate what is happening 'on the ground' in terms of regeneration in Inverclyde.

5.0 FINANCE

5.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

6.0 CONSULTATIONS

6.1 Not Applicable.

SCOTTISH PARLIAMENT - LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Delivery of Regeneration in Scotland inquiry – Call for Written Evidence

Themes of interest

Set out below are themes on which the Committee is seeking your views. This is intended to be an open information gathering exercise. The questions set out below are intended to be a guide only. Please feel free to give us your views on any of these themes.

Strategy and Policy Issues

1. How can the linkage between the various strategies and policies related to regeneration be improved?

Inverclyde Council believes that synergy can be improved by focusing towards integration, decentralisation and localism. The aim is to achieve benefits from such synergy where we can gain several advantages from one intervention. We believe that the various funding streams that support regeneration require to be integrated with less funding driven through 'challenge' funds and more localisation of resources to meet local needs and improve connectivity.

Regeneration works effectively within a strategic framework which is best offered via economic regeneration strategies and employment strategies. Further, we would emphasise the need to ensure sustainable procurement policies which include community benefits.

A key element of any proposal in developing a strategic Framework is the intention to strengthen the commitment to an outcomes-focused approach to the operational activity. The focus of this approach will be on improving the quality, quantity and sustainability of outcomes achieved by placing results ahead of process; drawing on a sound empirical base; responding to the evidenced priority needs of the community; and improving the co-ordination and integration of public services in order to achieve shared outcomes.

2. Can physical, social and economic regeneration really be separate entities? The Committee would find it useful to hear about projects distinctly focussed on one or more aspects, and the direct and indirect outcomes of such activity.

Successful regeneration requires an integrated approach to address complex, interconnected issues. As an example, housing providers cannot do it alone and need to work in partnership with a range of other stakeholders.

It is important that partners (including the community) work towards a shared vision. There are a number of examples of strong partnership working in regeneration, including: clear regeneration strategies and master plans developed with local people.

Regeneration is much broader than just physical regeneration. To be effective and to create sustainable, inclusive communities, regeneration should complement social, economic and environmental regeneration. Inverclyde Council are of the opinion that place-based approaches need to support people-based approaches giving equal standing for people and place that will complement one another.

The deep rooted issues that remain within disadvantaged communities require a holistic approach focusing on a range of inter-related outcomes with funds and actions directed through local services to bring about improvements in employment, health, education and the environment.

A project that brings these entities together can be illustrated through the following case study.

Case Study: Community Benefit Clauses

From 2007 and to complement physical investment projects planned to cost around £1bn in the ensuing ten years, public sector agencies in Inverclyde including Inverclyde Council, River Clyde Homes and Riverside Inverclyde developed community benefit clauses for inclusion in all their contracts.

The rationale for creating these clauses is to ensure local people benefit from this level of investment in their community and they have been designed to ensure that employment opportunities are created on all appropriate capital projects of at least three months' duration.

A second strand of this project is the inclusion of goodwill clauses in contracts which encourage the provision of opportunities for local sub-contractors, reflecting the fact that local companies are often too small to tender successfully for multi-million pound projects but ensuring that they may still benefit from major investment in the area.

Background

This project was established in recognition that effective regeneration of an area is multi-faceted. Previous attempts to drive economic development have been perceived as weak as they have focused on one specific aspect of this agenda and have subsequently failed to deliver sustainable change.

The project recognises the imperative to tackle the high levels of unemployment in Inverclyde and the low skills base of some residents. It also acknowledges that local people should benefit from physical investment in their area in both the immediate and longer term and has facilitated the creation of training, apprenticeships and work experience opportunities.

Through effective partnership working agencies have been alerted early on in the process, on all relevant tenders, of the opportunities which are likely to arise and have been in a position to provide some basic training and skills to allow local people to compete for these.

Similarly local companies and public sector partners have formed Inverclyde Construction Forum (ICF) which runs seminars, training sessions and quarterly business meetings for its members. ICF seeks to increase the competitiveness of its membership, encourage company development and enhance members' potential in winning new contracts. The activities of this forum contribute to the Community Plan aim of creating an Inverclyde which has "a thriving business community, with better support, and a good small to medium enterprise start up and sustainability rate".

This project contributes to Inverclyde's SOA Outcome 3 – the area's economic regeneration is secured; and to the Community Plan aspiration that "everyone who is able to work can access job opportunities, developing skills to progress while in work, and support is available for those furthest from the labour market".

A by-product of providing these opportunities is a greater awareness amongst local people of the work being undertaken by the public sector to transform the area and a greater understanding of what is involved in developing sustainable communities.

Results / Impact

Community Benefits Clauses since their initial use in contracts at 2008, have created posts and training positions for Inverclyde residents:-

- 48 Apprenticeships for young people
- 600 posts for skilled and semi skilled, unemployed residents
- Establishment of a Single Point of Contact
- Positive employer feedback on the process
- Community benefits inserted in eligible tendering processes for the construction of schools, housing, leisure facilities and waterfront regeneration sites.
- Inverclyde Council and partners have adopted Community Benefits as ongoing policy commitment

3. Are we achieving the best value from investment in this area? If not, how could funding achieve the maximum impact? Could the funding available be used in different ways to support regeneration?

Successful regeneration is dependent on a wide range of organisations and individuals working together. It relies on coordinated action which encompasses economic, physical and social aspects, along with input from the public, private and third sectors, alongside communities themselves.

To maximise the impact on the ground, partnership working with strong community involvement (through the CPPs) is required in order to consider new, sustainable ways of maximising resources to fund regeneration. If we do not have effective economic regeneration we can expect to see a rise in social exclusion and the problems associated with this.

Regeneration funding has traditionally come from Europe and Inverclyde has benefited from European Structural Funds however, the new 2014 – 2020 Structural Funds Programme will have significantly less funds available. The use of Structural Funds as a means of resourcing aspects of the Scottish Government's Regeneration Strategy should be explored in the context of declining capital budgets.

Inverclyde Council wish to see a continuation of regeneration funding for local areas of need in order to reduce disadvantage and inequalities. The JESSICA (Scotland) Trust is one such fund. In order to gain maximum benefit we need to increase labour market participation, encourage businesses to invest in workforce development and develop employment opportunities for local people.

Partnership Working

4. What delivery mechanisms, co-ordination of, and information on the funding that supports regeneration are required, to facilitate access by all sections of the community?

Inverclyde Council believe that adequate resources need to be available to develop and co-ordinate a local approach and this means maximising all available resources for economic regeneration. The CPPs are an effective delivery mechanism for co-ordinating the funding that supports regeneration and they support a multi-disciplinary approach.

We are well placed to coordinate economic development and regeneration activity. We are also the lead statutory partners in community planning, the key process through which positive local outcomes for communities are planned and delivered through the Single Outcome Agreement.

However, the Scottish Government also has a role in facilitating more effective joint working.

Inequality is bad for the economy as it impacts on tax contributions and entrepreneurialism. Regeneration funding therefore can assist with facilitating access by all sections of the community by investing in jobs growth and helping local people to develop their full potential. This will help reduce socio-economic inequalities such as income, poverty, crime, ill-health.

5. Should funding be focussed on start up or running costs? What is the correct balance between revenue and capital funding? Please indicate reasons for your views.

It is often the case that local authorities have **limited** access to capital funding but not the revenue funding to support this expenditure. A lack of revenue funding is a key barrier to the implementation and maintenance of infrastructure projects. Because revenue and capital funding from Government are not currently closely linked and because there has generally been a shortage of revenue compared to capital, it is easier to build new infrastructure than it is to maintain existing services and assets. Whilst public infrastructure projects are funded from capital budgets, services need to be paid for from local authority revenue budgets.

Inverclyde Council **is** of the opinion that the balance between capital and revenue funding should reflect the synergy between them. Ideally, we would wish to see more flexibility in relation to both capital and revenue.

6. How can it be ensured that regeneration projects are sustainable in the long term?

As there are varying degrees of sustainability there needs to be agreement on what is meant by sustainability. Projects will fail if there are insufficient linkages between environmental, physical, social and economic regeneration which benefits the socially excluded.

Indicator based approaches are often used to assess sustainability and which cover economic, social and environmental aspects. They can provide a useful assessment tool and help to ensure projects are sustainable in the long term.

An example of a social sustainability project would be how individuals, communities and societies live with each other and set out to achieve the objectives of development models which they have chosen for themselves, also taking into account the physical boundaries of their places.

At a more operational level, social sustainability stems from actions in key thematic areas, encompassing the social realm of individuals and societies, which ranges from capacity building and skills development to environmental and spatial inequalities. In this sense, social sustainability blends traditional social policy areas and principles, such as equity and health, with emerging issues concerning participation, needs, social capital, the economy, the environment, and more recently, with the notions of happiness, well being and quality of life.

Practical Issues

7. What actions could the Scottish Governments forthcoming community capacity building programme include to best support communities to “do regeneration” themselves?

Inverclyde Council **is** of the opinion that actions could include:

- Providing a better and shared understanding of what constitutes 'regeneration';
- Sharing good practice in regeneration albeit what works in one locality may not be appropriate elsewhere;
- Empowering CPP's to deliver long term regeneration.
- Enabling communities to attract private sector investment to ensure long term sustainability.
- Encourage greater participation by local residents.
- Develop socio-economic profiles of communities so that communities gain an understanding of local needs and follow up with consultation.
- Training in developing funding applications and tender bids;

The JESSICA (Scotland) Trust is to help disadvantaged urban communities to become stronger through their own efforts. The aim is to invest in projects that will create opportunities for local people community-led organisations to develop locally owned, led and controlled assets that will lead to local regeneration. Take up, however, seems to be rather slow therefore Scottish Government actions should include actively promoting this fund but also making the funding more accessible through grant rather than loans.

8. What role should CPPs play in supporting the community in regenerating their communities?

Inverclyde Council **is** of the opinion that, in order to be effective and inclusive, initiatives are required which deliberately target the most deprived and excluded communities. Community participation can be difficult but it is essential.

Inverclyde Council supports place-based targeted interventions that are co-ordinated through the Community Planning Partnership. As a local authority, we cannot tackle regeneration alone and we acknowledge that an effective, co-ordinated partnership approach is the only way to address such issues.

Community regeneration is not simply about physical improvements to an area. It is about ensuring that regeneration reflects the needs and aspirations of the local community and addresses the barriers that prevent people leading full and rewarding lives. Our Community Planning Partnership brings a range of partner agencies together which can help facilitate and support communities as well as ensure that value for money is being achieved.

The Community Planning Partnership is the link between the Local Authority and other agencies in aligning national with local priorities. They have a mechanism for identifying priorities for each locality and areas of work where collaboration between partners will have a greater impact than an agency working alone. The breaking down of barriers between organisations and the requirement to achieve more with the resources available fosters innovation and new ways of working in partnerships in Inverclyde.

9. How can CPPs best empower local communities to deliver regeneration?

Empowering local communities signals a significant milestone on a journey. In some cases there will need to be a process of culture change, in communities and the public agencies that support them, to make sure that local people have opportunities and the ability to play their full part in helping Inverclyde to flourish.

Community capacity building is required so that local communities can be empowered through more informed decision making and empowered through the combined use of different funds. CPP's can assist with ensuring that there is community input to action plans for community regeneration activities. Responsibility should be devolved to the lowest practical organisational level.

Working at the local level enables Inverclyde Council to strengthen our communities, to help build their social capital and their capacity to respond to local challenges. We recognise that many of these groups have the willingness and passion to undertake projects nevertheless it is likely they will continue to require support to do so.

Please provide any examples of best practice or limitations experienced that you think the Committee would find useful in its scrutiny.

Inverclyde Council has supported a range of local community and voluntary groups to build their capacity so that they are in a strong position to tender for contracts and deliver projects that contribute to the regeneration agenda – Community Engagement; Employability; Health Inequalities and Tackling Addictions.

Community Planning Partnerships generally have demonstrated through European Employability initiatives that they are a successful model for delivering local regeneration activities and this strong partnership approach will continue to be encouraged within Inverclyde.

Employability Case Study: Comet Rebuilt

Executive Summary

- This ship building project was a refurbishment of the PS Comet.
- Agencies from the public, private and voluntary sectors worked in partnership.
- Future Jobs Fund participants worked on the project learning a range of skills.
- Considerable community engagement activity supported the Project.
- The refurbished PS Comet was restored to Port Glasgow Town Centre in June 2011.

Background

The PS Comet is a vital part of Port Glasgow's rich ship building heritage, a replica of which has been sited in Port Glasgow Town Centre since 1962. However, despite some interim repairs, by 2010 the replica was in a poor condition and needed a complete refurbishment. Recognising the importance of the vessel, Inverclyde Council awarded £180,000 from the Common Good Fund to ensure the improvements were made.

It was only with the emergence of the Future Jobs Fund programme that the project came to fruition.

Inverclyde Council and Inverclyde Community Development Trust secured the support of Fergusons Shipyard and on 14 February 2010 the boat was lifted and transported to the yard to commence the refurbishment.

With the support of Jobcentre Plus, FJF participants were identified for the available jobs and in the lifetime of the project a total of 14 young people worked on the Project, learning traditional construction and boat-building skills. Some have gone on to obtain positive outcomes including four moving into jobs and one has obtained a full time apprenticeship.

Results/Impact

There were additional community benefits arising from the Comet Rebuilt Project which commenced with a community arts project for Port Glasgow Primary Schools who prepared images which were fixed around the Comet site whilst it was being refurbished.

- An additional FJF worker had the role of filming all of associated works and has made a film "History of the Comet" – which was premiered in September 2011 at Port Glasgow Town Hall.
- Fergusons Shipyard participated in Doors Open Day 2010 and a total of 270 people visited the yard to see progress on the refurbishment.
- Staff from the Trust visited every school in Port Glasgow to deliver a session for the pupils on the history of the Comet and the rich heritage of the area. Follow up visits on site were arranged with every school sending a delegation to witness the work being completed.

On 5th June 2011, the newly refurbished Comet was returned to her base in Port Glasgow Town Centre, as scheduled. The improvements are notable and there has been a considerable legacy not just for the vessel but for all those who worked on her. A vital and long lasting element has been the development of strong partnership working, with a range of agencies from the private, public and voluntary sector working together to engage the local community and reinstate a considerable asset for the town of Port Glasgow.

10. How can the outcomes of regeneration truly be captured and measured? What are the barriers to capturing outcomes and how should the success of regeneration investment be determined?

Regeneration is a complex process and it can be difficult to demonstrate how effective our interventions have been, particularly when the benefits of regeneration may take place over long periods of time.

Key to capturing outcomes is a simplified funding and monitoring process. The provision of funding linked to delivery of specific outcomes is one suggestion, although this may vary depending on the requirements of the funding body. Progress should be monitored against agreed outcomes rather than specific projects or tasks. The following may be useful for monitoring and capturing the benefits of regeneration initiatives:

- Number of permanent/temporary jobs safeguarded/created;
- Levels of increased business, for example, percentage increase in turnover;
- Number of training and apprenticeship places safeguarded/created and which lead to permanent employment;
- Range of retail provision to enhance the vitality of town centres;
- Ensure use of local labour through community benefit clauses;
- Improvements in health – physical and mental health;
- Reduction in crime;
- Improvements in education;
- Less people experiencing poverty.

The barriers to capturing these outcomes are that they are not always realised in the short term but are more likely to occur in the long term. Moreover, the scope of economic regeneration is wide with linkages and cross-over between a range of services.

There are wider consequences if we do not invest in regeneration. There will continue to be pressure on public resources in terms of not only welfare benefits, but extra spending on crime prevention and health care, for example.

The success of regeneration investment can be determined by seeking feedback on performance and adapting practice accordingly.