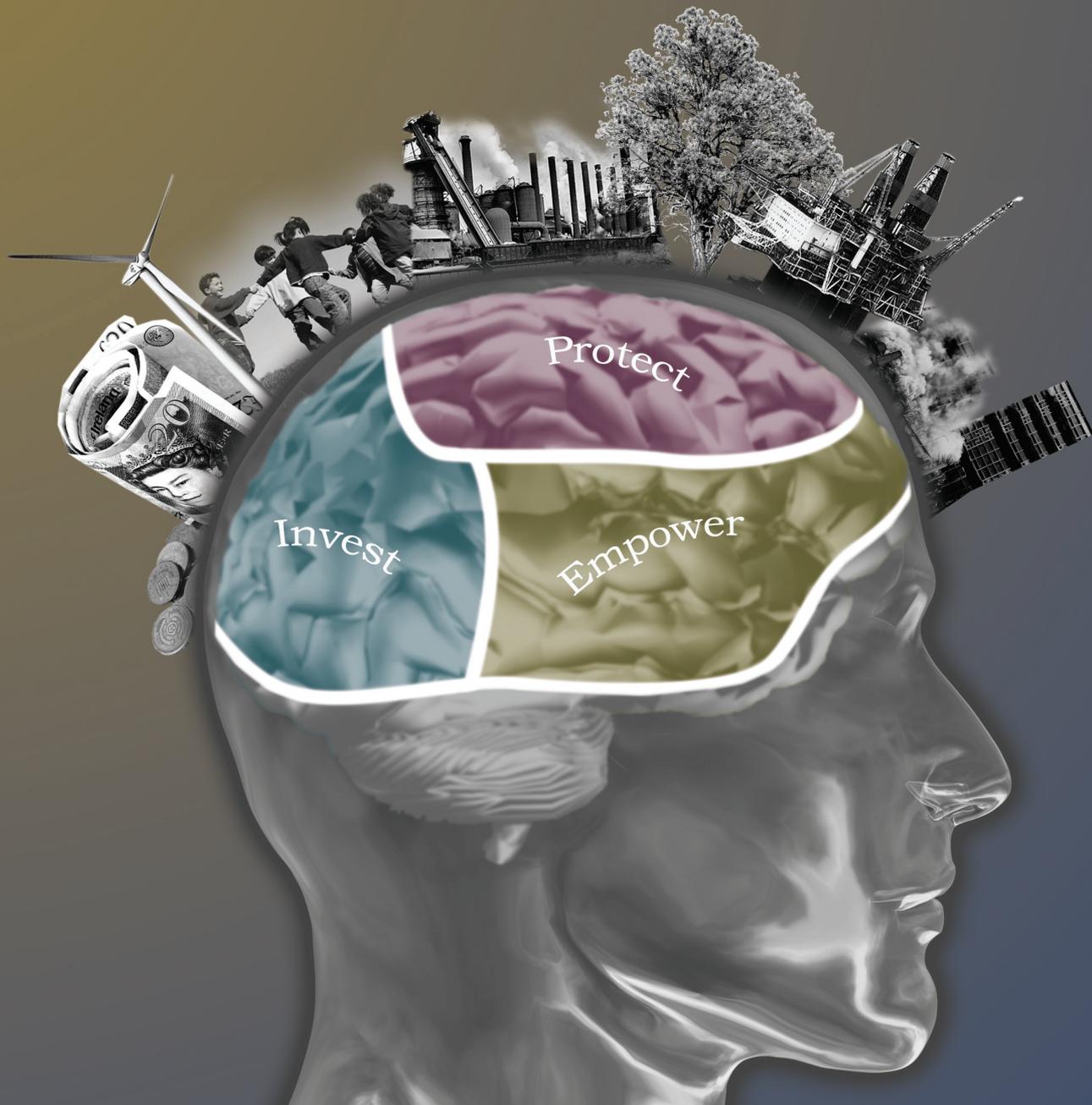




SURF
Scotland's Independent Regeneration Network

SURF : sharing experience : shaping practice

Delivering Community Regeneration in Hard Times



A SURF Manifesto, March 2011

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DELIVERING COMMUNITY REGENERATION IN HARD TIMES

A SURF MANIFESTO - MARCH 2011

As we approach the 2011 Scottish parliament election, the purpose of this manifesto is to propose some key considerations and actions aimed at encouraging a more successful approach to sustainable regeneration in Scotland at a time of great challenge and change. As Scotland's Independent Regeneration Network, SURF calls on Scotland's politicians to:

PROTECT employment

If the UK Government fails to act, the Scottish Government should urgently provide an adequate employment programme for vulnerable young people from its own resources. This should involve utilising the proven capacity of Scotland's voluntary organisations as well as that of the public and private sectors.

EMPOWER community action

Introduce a statutory right for communities to claim a proportion of the public expenditure in their community to spend on local priorities as determined by themselves.

INVEST in local businesses

Review whether the Scottish Futures Trust's bundling of public sector procurement through the HUB initiative, is limiting reasonable opportunities for smaller Scottish businesses to win contracts, survive and thrive as drivers of local economies.



CONTEXT

Regeneration is a collaborative process aimed at redressing the damaging effects of loss and upheaval in the context of change and market failure.

While the UK remains the sixth largest economy in the world¹, and Scotland is still rich in terms of resources, capacity and knowledge, we currently face the most challenging economic recession that any of us have lived through. The future wellbeing of Scottish society as a whole depends on successfully addressing the economic and moral imperatives of supporting the sustainable regeneration of its most disadvantaged communities.

There have been times when Scotland has taken an international lead in community regeneration thinking and practice, but in recent decades its successes have been too few and too isolated. It is generally accepted that the conventional property based model of regeneration has never been sufficient in itself – and is in any event ‘broken’ for the foreseeable future. There is now also greater awareness of the unsustainable, degenerating effects of a hyper consumerist, market driven approach both in regeneration activity and in wider society.

The continuing effects of the recession, arising out of the banking crisis of 2007-09, pose a serious threat to current regeneration efforts and to vulnerable individuals and communities across Scotland communities. To protect them in the short term and strengthen the foundations for their longer-term regeneration, SURF urges a strategy of **Protect, Empower** and **Invest**:

- **Protect** disadvantaged communities from the full weight of current spending cuts and maintain preventative spending
- **Empower** communities by giving them greater control over their own future
- **Invest** to lay the foundations of more sustainable regeneration as the economy recovers



¹ Source: International Monetary Fund World Economic Outlook Database, October 2010

PROTECT

Public services provide a both an essential lifeline and a basis for regeneration efforts in the most deprived communities. SURF calls for the Scottish Government, local Councils and public spending bodies to give the highest priority to maintaining essential public services in disadvantaged communities:

- through an explicit policy of redistributing spending to support communities in greatest need consistent with the aims of *Achieving Our Potential* and the underlying values of existing Equalities commitments made by the Scottish Parliament;
- by maintaining and further developing existing preventative programmes in health, education, social care, energy conservation and other priority areas (Appendix B);
- by recycling the savings earned by preventative programmes to support sustainable community regeneration.

SURF welcomes the Scottish Government's announcement in its budget for 2011/12 of a £70m Community Change Fund to promote preventative care in the community and urges that the Fund's commissioning criteria and processes recognise the capacity of community and third sector organisations to add value to the delivery of community services.

SURF believes that employability and benefit programmes have a crucial role to play in protecting the most disadvantaged communities in an economic downturn. It urges the Scottish Government and CoSLA to press the UK Government to:

- maintain income support for all unemployed people at levels which provide an adequate living income;
- ensure that eligibility tests for benefits acknowledge both the capacities of applicants and the difficulty of finding employment;
- replace the withdrawn Future Jobs Fund with a strengthened job creation programme dedicated to avoiding another “lost generation” of young people in Scotland's disadvantaged communities.

If the UK Government fails to act, the Scottish Government should urgently provide an adequate employment programme for vulnerable young people from its own resources. This should involve utilising the proven capacity of Scotland's voluntary organisations as well as that of the public and private sectors.

The growing financial pressure on Councils and other public bodies to find new ways of providing services should create new opportunities for independent providers including community based organisations. However, there is suspicion amongst the existing public sector workforce and their unions that contracting out would lead to deterioration in terms of employment. SURF believes that the Scottish Government should require purchasers of public services to provide funding to all providers sufficient for them to pay the Living Wage rate and provide terms of employment for their front line workers comparable to those available to their own workforce.

SURF recognises the danger that public sector bodies will respond to the pressure for cuts by centralising employment in their corporate centres to the detriment of local jobs, property values and environments. It recommends that:

- public bodies be required to inform Community Planning Partnerships of any plans for relocation outwith their area and local property disposals;
- CPPs take responsibility for attracting relevant private sector or third sector interest in acquiring the assets consistent with their local regeneration efforts.

EMPOWER

As demonstrated in the Scottish Parliament's regeneration debate of March 2010, there is wide agreement on the need for communities to be full participants in regeneration partnerships as well as having a power to take their own regeneration initiatives.

SURF is aware that there are differing views on the effectiveness of current structures for ensuring that communities are able to speak and act for themselves, particularly in respect of Community Planning Partnerships.

To strengthen the capacity of communities, SURF calls on the Scottish Government to:

- provide clearer guidance on the status and powers of community representatives in Community Planning Partnerships;
- maintain support for a national forum for community representatives;
- give consideration the most effective means of linking the public services focus of its Community Planning policy with that of promoting better community participation in local physical planning processes.
- introduce a statutory right for communities to claim a proportion of the public expenditure in their community to spend on local priorities as determined by themselves;
- provide political and practical support for more creative approaches to local regeneration efforts through people identifying, celebrating and developing the particular physical and cultural assets of their community;
- introduce a strengthened presumption in favour of the transfer to community ownership of publicly owned assets which are being neglected or underutilised and where revenues streams to operate them can be secured by the community and where there is demonstrable whole community support for the transfer;
- maintain spending on the Wider Action programme for housing associations to continue their contribution to developing community self help initiatives;

SURF welcomes the Scottish Government's decision to create an independent Trust fund with a £15m budget via the Big Lottery in Scotland which will provide a recyclable loan fund to support disadvantaged communities to develop their own business and job creation initiatives.

This is intended to be complementary to the £50M Joint European Support for Sustainable Investment in City Areas (JESSICA) fund for urban regeneration established by the Scottish Government and the European Investment Bank. However, in the interests of ensuring the fullest coordination between regeneration partners, SURF recommends that communities and the third sector be represented on JESSICA'S Investment Board and on the Urban Development Funds which will deliver the investment projects.

INVEST

While capital investment is only one of the conditions for achieving sustainable regeneration, the 30% cut in the housing budget as part of the Scottish Government's budget presents a major challenge for Scotland's regeneration communities. In addition to improving the stock, housing investment also supports local jobs and skills.

SURF urges the Scottish Government to:

- continue its funding support for programmes of housing renovation, adaptation for households with special needs and improving fuel efficiency;
- pilot the use of intermediate rent housing in urban areas as a way of exploring its potential to create greater housing choice and more mixed communities including social housing;
- reform the HAG system to create greater flexibility in matching funding to the needs and opportunities of local housing associations and create a HAG recycling fund to allow housing associations to dispose of some of their stock and recycle the proceeds;
- require Community Planning Partnerships to develop and maintain area/town regeneration plans which identify key regeneration targets focused on place;
- identify the key public sector support needed to create joint venture opportunities and exploit potential funding streams including innovations such as Tax Increment Funding (TIF) and Social Bonds.

SURF welcomes the inclusion of renewable energy as an option for investment under the Joint European Support for Sustainable Investment in City Areas (JESSICA). It particularly welcomes and urges the Scottish Government to develop a strategy to encourage urban as well as rural communities to develop the local production of renewable energy (Appendix C).

In order to increase the role of the private sector in the economic revival of disadvantaged communities SURF calls on the Scottish Government to:

- consider how to give small businesses an incentive to establish themselves in and recruit more staff from disadvantaged areas, perhaps by offering a supplement to the small business bonus;
- review whether the Scottish Futures Trust's bundling of public sector procurement through the HUB initiative, is limiting reasonable opportunities for smaller Scottish businesses to win contracts, survive and thrive as drivers of local economies;
- maintain public investment in strategic regeneration areas through dedicated mechanisms such as Urban Regeneration Companies in order to attract and sustain private investment;
- review the URC approach and geographies in terms of scope for better matching of need, opportunity; and to apply this approach more broadly.

There is scope for Scotland's charitable sector to invest more in Scotland's disadvantaged communities alongside public bodies and the Big Lottery. In the current economic downturn, loans in the form of Social Bonds repayable from Government income on the achievement of specified outcomes may be too risky for most charities. The Scottish Government and Social Investment Scotland should examine the possibility of guaranteeing charity lending in support of regeneration.

CONCLUSION – DELIVERING ON A SHARED CHALLENGE

The Scottish Parliament debate on regeneration (March 10th 2010) showed:

- general agreement that regeneration should remain a key Government objective in an economic downturn;
- that partnership between communities, Councils, public agencies, the private sector and voluntary organisations was essential;
- that decisions should always be taken as close to the communities as possible;
- that people's sense of place remained crucial to their well-being and that communities needed both the right to be full participants in shared decisions and the power to act for themselves and own community assets.

SURF believes that this broad consensus provides the foundation for an agreed Scottish response to the challenge of regeneration in hard times. Words must be matched with resources and action if the worst degenerative effects of the current recession are to be avoided in the long term.

Analyses by the Institute of Fiscal Studies show that the lowest income groups will not lose as much income from the impending tax and benefit cuts in absolute or even relative terms as higher income groups. However, there is no doubt that they are the group most exposed to the *combined* effect of the economic downturn, spending cuts, benefit reforms and inflation on their absolute standards of living and welfare.

The 15% most disadvantaged communities in Scotland house one seventh of Scotland's population but nearly a third of all Scots live in income poverty, i.e. 247,000 people. Outside this 'most disadvantaged' group other disadvantaged communities also contribute a disproportionate share of Scotland's poor and deprived population (Appendix A).

SURF believes that success in meeting that challenge will be achieved only when:

- no communities have a disproportionate share of poverty;
- levels of health and education in the most disadvantaged communities approximate to the Scottish average;
- employment is at a level which gives everyone the chance of a job paying a living wage;
- essential facilities are available locally;
- local public services are as good as elsewhere in Scotland;
- residents have equal opportunities to shape their individual and collective futures.

The ultimate measure of success in any strategies for the regeneration of disadvantaged communities is the wellbeing of their residents. The promotion of that wellbeing will depend on coordinated action by the public, private and voluntary sectors and the communities themselves to protect and develop their economic capacities, strengthen their social structure and increase their ability both to determine their own futures and to contribute to a truly flourishing Scotland.

Through the promotion of interactive discussion based on this manifesto and our regular activities in sharing experience and knowledge, SURF will continue to promote collaborative efforts towards that shared goal.

APPENDIX A Economics, poverty and inequality

The economic downturn which followed the credit crunch and the banking crisis 2007-8 has, with some variations, already hit Scotland's disadvantaged communities harder than the rest of society. The *2010 Update* of the Scottish Index of Multiple Deprivation (SIMD) (Scottish Government 2010) reported that across Scotland 'employment deprivation' increased from 11.6% in 2009 to 13.1%. But in West Dunbartonshire it increased from 15.8% to 18.1% while in Glasgow City, which has the highest level in Scotland, it increased from 17.5% to 19.2%..

The path of 'income deprivation' has been slightly different. Across Scotland, income deprivation rose 0.5% to 15.6% but in the most and the least deprived areas the average increase was the same. However, that still leaves the rates of income deprivation in areas of established disadvantage (such as West Dunbartonshire, Dundee, Inverclyde and North Lanarkshire, where the rise in income deprivation at 1.1% was the highest in Scotland) with levels of 19% or more - headed by Glasgow at 26%.

The effects of the economic downturn will be reinforced by tax and benefit changes. While the highest cost of these changes in absolute financial terms will be felt by the richest 2% of the population, the impact on living standards and welfare will be greatest on those on the lowest incomes. (For a discussion of these effects see IFS reports Oct- Dec 2010 on *The distributional impact of tax and benefit reforms Jan. 2010- April 2014* IFS Oct 2010 and *The Impact of Tax and Benefit Reforms in Northern Ireland* IFS Dec 2010).

The JRF Trust's report *Monitoring Poverty and Social Exclusion in Scotland 2010* (Joseph Rowntree Trust/NPI 2010) identifies a lack of focus on the standard of provision for essential services for low income and other disadvantaged households as one of the gaps in the Scottish Government's anti-poverty programme.

The Scottish response should be guided by the Scottish Government's own anti-poverty strategy as summarised in *Achieving Our Potential*. It should also be informed by the accumulating Equalities and Human Rights obligations provided for in UK, Scottish European and wider international law some of which, for example those on disabilities, may provide scope for judicial challenges to spending decisions. The adoption of an 'Equalities Framework' would provide the best context for consideration of the distributional impact of the Government's spending decisions as between universal benefits and spending targeted on particular communities and social groups.

Like other regions of the UK with a relatively high level of dependence on public spending, the 3 -1 bias of the UK's deficit reduction policy on public spending cuts over tax increases presents a particular threat to employment in Scotland. The latest Fraser of Allander Institute report on the Scottish economy (University of Strathclyde November 20210) projects a loss of between 60-71,000 public sector jobs as a result of the public spending cuts over the next five years contributing to a total loss of Scottish jobs of 113,000. Given that the record shows that the most disadvantaged communities tend to suffer most from periods of high unemployment and are least likely to benefit from new private sector jobs SURF believes that there is a strong case for the UK Government to consider job creation programmes for Scotland's most disadvantaged communities as a distinct element of its Work Programme.

APPENDIX B Preventative Spend

SURF believes that preventative spending has a crucial role to play in the regeneration of Scotland's disadvantaged communities. While accepting that some forms of preventative spend will yield savings only in the longer term, it has been claimed that in many of its applications preventative spend can provide large savings in the short term (*The Human Factor* NESTA/nef - Nov 2009).

SURF urges that, in their spending allocations, the Scottish Government, its public spending bodies and local authorities acknowledge that the value of preventative spend stretches well beyond mainstream areas of investment to include:

- anticipatory health care;
- supported living in the community;
- energy efficiency in low income households;
- improvement of homes through renovation and retrofit adaptation;
- community transport initiatives;
- town centre regeneration, by strengthening the sense of place, identity and economic vibrancy through arts and heritage.

APPENDIX C Supporting investment

SURF welcomes the inclusion in JESSICA's remit of the promotion of renewable energy projects in the target urban communities. SURF hopes that the warning in the recent report by SAC Consulting and Community Energy Scotland *Community and Landowner Renewable Energy Loan Fund* (SAC/CES September 2010) that there are "large gapsin urban areas for project development finance, and in particular grant finance for development costs..." will be taken up by JESSICA and by the independent Trust.

It will also be important that JESSICA and the independent Trust co-operate closely with other potential sources of capital investment in disadvantaged communities including Social Investment Scotland and the charity banks.

While there will be less scope for renewable energy projects in urban than in rural communities, where the potential does exist, community ownership offers similar benefits in terms of:

- local employment generation;
- growth of local social capital;
- generation of sustainable, independent income for the community.

SURF is Scotland's Independent Regeneration Network. It provides an interactive forum for organisations in the public, voluntary and private sectors working to promote the regeneration of Scotland's disadvantaged communities. Its objective is to raise awareness of the challenges and opportunities for regeneration, to share experience and ideas and to improve understanding, policy and practice.

For more information on SURF, its work and how to get more involved, visit www.scotregen.co.uk