

TRIBAL

What Works - The Lessons from First Generation URCs in Scotland

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Services for life

- Our brief
- The six key policy lessons
 - Vision and focus
 - Raising investor confidence
 - Brand marketing and PR
 - Speed of delivery
 - Procurement and cost effectiveness
 - Design quality
- Where does the URC model work best?



- Focusing on first generation Scottish URCs
- First phase of evaluation process.....but not an evaluation
- Review of what early stage experience suggests for future policy development
 - What works well
 - What not so well
 - Proposals for monitoring and evaluation
- Appointed September 2006
- Report published September 2007

- URCs signal a serious intent to:
 - Achieve change
 - Create a vision for the future
- Board and a dedicated executive important in:
 - Achieving delivery
 - Maintaining the separate responsibilities and identity of the URC
- Leadership is **the** key factor
- Private sector and external members on board can play a key role in:
 - Maintaining focus on delivery
 - Increasing accountability
 - Ensuring conflicts between the URC and stakeholders do not persist

- Many of the URCs have achieved a high profile for their areas and their activities
- Some have been particularly transparent.....the Clydebank website tells a very clear story
- All have recognised the need for public consultation, and have worked hard to engage with local residents and stakeholders
- Some of the experience points to a need for consultation approaches which establish the views of the community as a whole.....

- Some signs that confidence has been boosted – for example, private finance for speculative business space secured against existing business space assets – but lenders are cautious
- Conventional loan finance has been important – several of the URCs act as developers and rely on development finance
- No use of innovative financing - eg TIF – but should be considered in future

- URCs are – perhaps understandably – more focussed on doing regeneration well, than doing it quickly
- Speeding delivery has not been a major feature of practice to date
- This matters more in some places than others:
 - In areas where there has been a long history of regeneration projects which have not succeeded.....
 - Where the business model depends on raising land values to fund later development

- The choice of developer partner may be the biggest decision
- Other procurement issues include the selection of designers and advisors
- Procurement is a major task and can become very time consuming
- The European procedures cannot be avoided for the major contracts

- Strong focus on design quality and innovative design – a key differentiator of the URC approach
- Design ambitions have been high and awards have been won for early projects
- Acid test will be the quality of the finished schemes
- Land ownership makes a focus on design quality easier
- Planning system – major role in delivering the masterplan aspirations on privately owned sites



- Where roles well defined – e.g. responsibilities for the social aspect of placemaking:
 - Community Safety
 - Employability
- URCs not ideally suited to taking responsibility for **mainstream** employability programmes
- Need for effective linkages between construction and other employment opportunities and mainstream employability programmes
- Range of models possible – **clarity about roles key**



- Critics point to costs of the URC model
 - Running costs of £400,000 - £500,000 per annum
- Not the only delivery model.....
- Other models more cost effective for smaller scale housing renewal projects
 - Partnership agreements with a lead developer
 - Can even be wholly privately funded if tenure mix is right e.g. Oatlands
 - But can they work in current market conditions ?



- Longer term projects with more complex ambitions benefit from a dedicated delivery team
- URCs are a good model
 - But non URC models have succeeded in the past
 - Where partners and resources are strongly committed
 - e.g. Crown Street

- 6th URC designated – Clyde Gateway
- One of Scotland's most significant regeneration projects
 - Former industrial area – east end of Glasgow, extending into South Lanarkshire
 - Extensive areas of concentrated deprivation
 - New M74 motorway link/EERR opportunities
 - Incorporates some key 2014 Commonwealth Games sites
 - Successful delivery vital if Glasgow to secure tangible regeneration legacy from 2014
- Scottish Government signal of intent - £62 million funding package to URC

- For many of the Scottish URCs, a key challenge will be the robustness of their business model in the face of a much weaker housing market.
- While the Scottish housing market has historically been more resilient and less volatile in periods of housing market weakness, a serious downturn could impact on phasing and returns.
- URCs which are relying on large scale housing for sale projects to deliver receipts and changed perceptions may have to be patient.