



‘Regeneration: Sustaining development through the recession’

A *Holyrood* and SURF one day event
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Conference report by:
Jennifer McConnachie, Lead Researcher, Holyrood Events

In May, The Royal Society of Edinburgh was filled with almost 100 professionals involved in regeneration projects across Scotland as *Holyrood* magazine and SURF- Scotland's Independent Regeneration Network, hosted an event looking at how to sustain developments in the current economic climate.

The Conference Chair was Dr. Branka Dimitrijevic, Director of the Centre of the Built Environment.

Session One: Overview and Introduction

A successful regeneration strategy for any area must sit within a wider context of job creation, wealth creation and the tackling of wider social problems was one of the key messages delivered in the opening keynote address by **Alex Neil MSP, Scottish Government Minister for Housing and Communities**. Referencing regeneration projects based in the East End of Glasgow, the Minister stressed the importance of synergy between economic, physical and social regeneration in order to achieve long term change and a self sustaining development. Urging a holistic view incorporating housing, health, education and leisure in regeneration projects and community development, the Minister identified specifically the link between poor housing and the resulting effects on poor health, education and employment opportunities, calling for a move back to quality, not just quantity, in the housing market. Referencing funds distributed by the Scottish Government designed to drive development, such as the Town Centre Regeneration Fund and the Derelict and Vacant Land Fund, the Minister also identified the drive to engage with housing associations in recognition of their position within communities as effective local regeneration companies. The Minister advised a number of housing related initiatives were to be announced by the Scottish Government in coming weeks and months which would focus on utilising existing

stock; the creation of new affordable homes through incentivised developments; freeing up land supply; and the investment of European money into the Scottish market.

During a Q&A session with delegates the minister identified the importance of ensuring the Scottish Government, and local Governments, have a shared goal and speak with one voice. Mr Neil referenced Community Planning Partnerships (CPPs) as key at local level in agreeing and delivering promises and plans with the assistance of the redistributed Fairer Scotland Fund. He referenced the Dundee Waterfront development as a good example of city regeneration projects and the possible success of public private partnerships. When queried about the closure of public services (schools) in Glasgow Mr Neil denied this was due to a lack of investment but instead identified the problem as poor spending of public money with more need to spend on projects with long term effects.

Andy Milne, Chief Executive of SURF continued to address the intrinsic link between physical, economic and social regeneration. Using findings from the GoWell project in Glasgow, which revealed substantial links between physical regeneration and community and individual health and wellbeing, alongside SURF's own findings, he advised health and wellbeing within communities was not just a factor, but the point of regeneration. Recognising the impact of the changed economic context since the Scottish Government promises made in 2007, Milne warned the loss of capacity and capability by industries was widespread having a particularly detrimental effect on disadvantaged communities which could face further decline without a commitment to regeneration strategies. Continued commitment through Government structures and strategies, such as the Scottish Futures Trust, CPPs and Urban Regeneration Companies, assist in creating an environment which allows development to flourish, but, Milne advised, local structures, strategies and delivery are key with real success measured in terms of effective partnerships and sustainability. Milne concluded that local successes can be found across Scotland, as well as in the Hammarby Sjostad district of Sweden which operates a successful eco-cycle. Ultimately, we must learn to use available and natural resources to the best advantage for the good of our Scottish communities in order to continue development through the current climate.

Speaking on behalf of **the City of Edinburgh Council, Councillor Tom Buchanan (Head of Economic Development)** provided a local government voice committed to continued development. Identifying a lack of confidence, lack of funding and a lack of money movement as key impacting factors of the current economic crisis, Councillor Buchanan reasoned these were pivotal factors in the halting of key city developments. In order to overcome, Buchanan advised council must; demonstrate clear leadership; try new approaches and develop effective and strong partnerships. Delegates were introduced to the Council Economic Resilience Action Plan (ERAP), constructed to support and attract investment; increase visitors spend, strengthen productivity of the region and encourage education, employment and training amongst residents. In recognition of the need to be proactive as well as reactive, the Economic Action Resilience Network is designed to co-ordinate services in order to work together to work through current challenges. Councillor Buchanan called for banks to recognise and help re-establish continued community development and identified confidence and credibility as key to the City's success following the recession. Councillor Buchanan advised the Council were looking into opportunities for the use of the Tax Increment Financing (TIF) model with details to be announced shortly.

In a discussion on the need for more partnership working, community engagement and community empowerment, Cllr Buchanan again identified support for partnership working whilst delegates responded with calls for communities to be more involved. Milne identified the misconstrued role of CPPs whose position is merely to organise public services, not act as a forum for community engagement. When asked if political cultures are an obstruction to community involvement, Milne identified the responsibility for communities to present viable, robust and sustainable plans, urging communities to adopt a more business minded approach and government and local authorities to be open to more creative solutions.

Session Two: Funding Regeneration in Times of Economic Instability

Opening the second session of the day, **Kenneth Ross OBE**, Chairman and Chief Executive of Elphinstone Holding Ltd, speaking in his position as **Chair of the Scottish Property Federation**, identified 5 key recommendations for providing a solution to the market crisis. Recommendations to remove unnecessary and misconceived constraints surrounding procurement were followed by suggestions for the publication of authoritative tendering guidance with the process not pursued if one or more credible partners already exist. In support of the creation of Tax Increment Finance districts in the UK, Ross advised this option, already widely used in the USA, could help plug the funding gap but warned they should be operational only for regeneration projects. More jobs, affordable homes and better public spaces were cited as measurable benefits. Amongst recommendations on how best to promote the use of public sector powers Ross advised the maximisation of regeneration input of government programmes, and recommended the wider use of the JESSICA model and the adoption of RDF funding for regeneration programmes to use public sector equities. Ross also suggested the creation of local authority teams to support and develop partnerships in a bid to attract more private finance. Ross' final recommendation identified the need to promote and harness the role of the private rental sector.

Looking specifically at European funding, **Gordon McLaren, Chief Executive of the East of Scotland European Partnership**, an organisation contracted by the Scottish Government to manage structural funds for the lowlands and uplands of Scotland, revealed structural funding for Scotland has reduced to £570m (a reduction of almost 50%) for 2007-2013. With economic developments inevitably impacting the allocations of funds, McLaren highlighted the need to ensure assistance to a full economic recovery and the continuation or development of the Lisbon strategy – a 10 year EU strategy for reform launched in 2000. With most projects underway before the current situation developed, McLaren advised early investment has meant projects have been started before the impact of the recession could really be felt however future provisions must be made. Citing the Barca Report, which outlines the future of EU cohesion policy, the report identifies the need to adopt a 'place based development strategy', reducing inefficiency and persistent social exclusion and a key funding focus on innovation; climate change; skills and demographic change. For Scotland specifically McLaren suggests a closer look at funding post 2013, the development of sustainable investment vehicles and future funding of a revised JESSICA model – the current EU investment fund for large scale regeneration activity – which takes into account investments returns, target objectives, financing and a revised structure.

Moving back to locally focused work, the **Big Lottery Fund** in Scotland presented the Growing Community Assets (GCA) Fund designed to aide community investment and growth. Introduced by **Eric Samuel, Senior Policy Officer** for the Fund, the GCA funds community led regeneration using assets already in the area, empowering communities through their involvement and control of a project, as well as generating an income stream. Since its launch, 85 projects have been funded to the tune of £29.3m, and noticeable positive developments at local level have been recognised – Glasgow City Council specifically was named as a local authority showing high levels of support.

Speaking on behalf of a the **Milnbank Community Enterprise**, recently awarded a large grant through the GCA to create a sustainable nursery, **George Chalmers, Project Leader**, outlined the project plans. Identifying a need, the Enterprise, with funding from the GCA, will provide much needed nursery places and affordable childcare, assisting the return to work of parents, creating jobs within the business itself, and creating an economic and environmentally sustainable business. Identifying a veritable minefield of partners with differing priorities, Chalmers called for more joined up funding, support for community groups and measured investment in current buildings and facilities along with new approaches to construction and development.

Discussing the approaches to funding, construction and development speakers agreed modern methods of building can prove beneficial but traditional methods should not be abandoned and in

order to encourage more investment and growth, advantageous tax deals should be considered with the wide aim of stimulating the market place. The Big Lottery fund in Scotland were unable to release information of the future of the GCA fund but advised of plans to re-open the application process in summer 2010.

Session Three: Adapting to Change

Session three examined the changing nature of regeneration companies looking at the wider role of housing associations and the position of current Urban Regeneration Companies (URCs).

Examining the wider role for housing associations, alluded to by the Minister in an earlier session and widely acknowledged by HAs themselves, **Craig Sanderson, Chief Executive of LINK Housing** introduced a list of services provided by the Link Group. These covered a range of topics with key areas including employment and training; environmental works; community art and culture; youth services and community facilities. Referencing a number of successful projects completed or in progress by Link and other HA's, Sanderson expressed concern that HAs are being encouraged to use their own reserves to further their wider role work and asked if perhaps they should be acknowledged in a now more advanced form, as social enterprises. In this form, he advised, income would be earned, allowing for development such as the support or purchase of others providing core activities. Social Enterprise suppliers could be used to achieve efficiencies and accountability would be met through social reporting. Sanderson called for more recognition of HAs in CPPs and local authority Single Outcome Agreements in recognition of their capabilities and achievements.

As an organisation already recognised as contributing to social and physical change, **Bill Nicol, Chief Executive of the Riverside Inverclyde Urban Regeneration Company** identified the core purpose of his and other URCs to provide a single vision and strategic focus; encourage private investment, maximise public assets and provide a strategic approach to tackling infrastructure issues. With a number of successful projects, Nicol advised success of a regeneration company comes with being embedded into the community, recognising need and delivering. By adopting an area based approach, the URC model creates a successful model for fast and effective delivery, innovation and creativity.

Under the context 'Adapting to Change and Meeting Challenges', both speakers were joined on a panel by **Malcolm Fraser, Director of Malcolm Fraser Architects; Jonathan Fair, Chief Executive of Homes for Scotland** and **Douglas Duff, Head of Economic Development at Falkirk Council** who opened discussions by identifying concerns and advising of the need to adapt models and move away from the housing 'bubble'; the importance of re-use of land; and the need to look at alternate financing models which, although perhaps longer to secure and deliver, focus wholly on community needs.

In a lively discussion one delegate queried if parts of budgets, such as health, should be rerouted to help fund regeneration, to which Sanderson advised regeneration companies and housing associations must do more to prove their benefits and their worth as a significant tool for delivery at local level. Discussing the proposals that stronger leadership was required in the changed economy, panellists agreed there was more need to ensure needs – both community and wider market – are being met.

Looking specifically at the need to create buildings and space which are fit for purpose, there was also a re-examination of the approach to projects with calls to be more long term focused, considering what can be re-used in future generations. An animated exchange ensued between Malcolm Fraser and delegates from the floor on the confusion around need and perception of need with Fraser called for less 'pandering' to the young professionals and a new breed of modern buildings but more consideration of the sites currently in place. He called for better Government leadership in this area and a stop to the 'worst of both worlds', where public money is controlled but no say is given by the public on how distributed. Challenged on the rhetoric of community consultation, and referencing the new Scottish Ballet Tramway Building in Pollock

shields – a building designed by Malcolm Fraser Architects - Fraser responded that communities should be involved with housing, green space, etc but not necessarily in the architectural design of a building.

The panel discussion was brought to a close by Andy Milne who suggested local regeneration should be led and managed on a local level. National bodies, such as the Government, need to recognise the importance of creating a climate and opportunities for this to happen, not necessarily delivering the projects themselves.

Session Four: The Future of Regeneration in Scotland

Speaking on the future of regeneration in Scotland, the final session of the day heard from **Andrew Bruce, Director of the Hub Initiative** operated by the **Scottish Futures Trust**. Introducing this new, partnership working, development and shared services approach, Bruce identified clear benefits to using this approach for regeneration including practical support, increased efficiency and financial support to meet mutual objectives. Revealing 5 planned 'Hub' territories to cover Scotland, Bruce revealed the pathfinder territories of the South East of Scotland was to begin procurement within the next few weeks with the North East to follow shortly. 2010 was provided as the date for projects to begin on the ground and when the real effectiveness could be measured.

Closing the conference for the day, **Alison Newton, Head of Regeneration for McGrigors LLP** provided an overview of the challenges facing regeneration in Scotland. Identifying the 'regeneration time clock' delegates were advised the current funding for regeneration projects would end in approximately 670 days (from the date of the conference). In order to succeed past this looming deadline, Newton warned Scotland must look to develop and improve procurement and funding. Business Improvement District and professional services must identify what works in the procurement process in order to ensure Scotland is gold class when it comes to procurement. In terms of funding, Newton controversially advised banks are currently grossly misrepresented not looking to 'dump' toxic assets but instead are merely weathering the current storm, suggesting funding applications and discussions around funding models should be discussed in the future as a separate model. Referencing earlier regeneration models, Newton advised that models were intended to generate sales but now, there is disinclination to invest in such a format – the model must be re-examined for current climes.

In the final Q&A session of the day, speakers were again asked to consider the gap between need and supply with reference to the public private partnership model. Bruce advised in the Hub model the decision was left locally with regards to how to proceed in terms of financing and partnerships whilst Newton urged that the outcome and measurable results should be of the utmost importance not necessarily the financing.

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