

SURF RECOMMENDATIONS FOR THE 24/25 PROGRAMME FOR GOVERNMENT

INTRODUCTION

This is a submission to the Programme for Government development team on behalf of SURF.

SURF is [Scotland's Regeneration Forum](#), a network of more than 300 cross-sector member bodies that share a concern with the regeneration of Scotland's poorer communities.

SURF's varied work features a place programme, a practitioners' network, an annual awards process, conferences, publications, study visits, and more. SURF's main focus is on understanding and promoting 'what works' in place-based regeneration.

SURF continuously explores: current practice and innovations; the impact of emerging policies on places and communities; and the views and experiences of its diverse network. Feedback and recommendations are regularly shared with policy-makers in local and national government.

The new Programme for Government will set out a 2024/25 workplan for the Scottish Government. SURF and its members appreciate the funding and capacity challenges in the public sector at present. They also feel the Programme for Government presents a valuable opportunity to do more to support our multiply deprived places in a time of pressing need.

SURF asks that the views of its members, and our four recommendations, are considered by the team, and used to inform actions relating to the regeneration of places in need across Scotland.

IN SHORT: SURF'S FOUR RECOMMENDATIONS

- 1 Preventative Spend: Restore Regeneration in the Scottish Budget**
- 2 Community Support: Provide Fairer, Multi-Year Funding**
- 3 Capital Investment: Maintain & Enhance our Built Environment**
- 4 Affordable Housing: Respond to the National Emergency**

SURF'S CONTRIBUTION IN FULL

1 PREVENTATIVE SPEND: RESTORE REGENERATION IN THE BUDGET

SURF members regularly draw attention to the [2011 Christie Commission report](#) on the future delivery of public services in Scotland. More than a decade on, it is still commonly quoted in SURF events and discussions, alongside an expression of disappointment that its central recommendation – “*achieving a radical shift towards preventative public spending*” – was not implemented.

Preventative spend has lost traction at policy level in recent years, which is understandable given the prioritisation of limited public sector resources towards navigating multiple crises: Covid, cost of living, inflation, and excess demand on statutory services. This leaves national and local government with much-reduced discretionary choice around the directing of resources to longer term challenges. Public spending is used to treat symptoms rather than causes.

Nonetheless, the Scottish Government, in its 2024/25 Programme for Government, has the ability to make a series of important choices relating to the future of our poorest communities. Treating the regeneration of places most in need with greater prioritisation, can prevent the exacerbation of local social and economic problems in future.

One simple and achievable action is to reverse a substantial cut to the national regeneration budget. In 2022/23, £95.7m was allocated to regeneration activity in the Scottish Government’s annual budget. As table A2.10 (below) from the [2024/25 budget](#) highlights, this has dropped to £58.5m – a reduction of 39%.

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Regeneration	95.7	59.2	58.5
Planning	11.7	11.7	6.6
Planning and Environmental Appeals	0.6	0.6	0.6
Total Planning	107.9	71.5	65.6
<i>of which</i>			
Fiscal Resource	20.9	19.0	19.8
Non-cash	-	-	-
Capital	87.0	56.5	45.8
Financial Transactions (FTs)	-	(4.0)	-
UK Funded AME	-	-	-

SURF members accept that the room for fiscal manoeuvring is strictly limited by various factors. A requested allocation of £95.7m for regeneration represents, however, just 0.16% of the annual Scottish Government budget of £59.7bn. This is a drop in the ocean.

Restoring 2022/23 investment levels will send a signal that regeneration is not a public policy luxury that can be decreased when times are tough, but an essential ongoing investment in the long-term future of our places and local economies. It will also provide a foundation for further growth of the

budgetary share in future, and follow the thrust of the Christie Commission in supporting a shift away from shorter-term reactive measures and towards preventative spend.

As the Scottish Government's [National Regeneration Strategy](#) makes clear, people and places cannot be left behind if the nation is to achieve sustainable economic growth. The Strategy acknowledges that regeneration requires a high degree of coordination across policy themes and multiple actors. The complex, multi-agency nature of place-based regeneration requires national investment. Given its importance, £95m is not a significant ask.

The Programme for Government could go further in acknowledging that tough choices have to be made when budgets are restricted, and encourage greater prioritisation of regeneration resources to places most in need. SURF members are keen to see more targeting of public sector community regeneration investments towards our most deprived places. This could come in the form of larger, longer-term grant awards to regeneration initiatives, and fewer small, short-term awards.

A change in approach would involve accepting a more limited geographic spread of investments, and a reduced number of grant awards overall. More value can be accrued, however, from a smaller number of large regeneration grants going to the most deprived places, as opposed to a larger set of small awards that reach communities with less pressing social and economic challenges. While [the Scottish Index of Multiple Deprivation](#) is not a perfect tool, it utilises a wide range of metrics and is invaluable in informing deprivation-based targeting of resources.

SURF members also draw attention to cuts in the spatial planning system, which has been reduced by 43% to £6.6m in 2024/25 (also shown in table A2.10 above). SURF [agrees with RTPI Scotland](#) that planning authorities are already overstretched with new duties and responsibilities. Our members are concerned that the speed and quality of planning application processes will be negatively affected by this reduction, with poorer outcomes for communities and places. With planning and regeneration closely intertwined, the Scottish Government should look to reverse this downward trend.

In summary: our first recommendation is to restore regeneration spending to 2022/23 levels in the Scottish budget, giving greater priority to the long-term regeneration of our most deprived places, and supporting a shift towards preventative public spending.

2 COMMUNITY SUPPORT: PROVIDE FAIRER, MULTI-YEAR FUNDING

[First Minister John Swinney has stated](#) that the 2024/25 Programme for Government will focus on four themes:

"Eradicating child poverty, growing the economy and tackling the climate emergency all link together to support my fourth key priority – to improve Scotland's public services – not as a cost, but as a vital investment in our future health, equality and prosperity."

SURF welcomes the framing of these priorities as investments towards improved national wellbeing, instead of costs to be borne with reluctance. The emphasis on their interlinked nature is also helpful.

All four themes are rooted in communities and places, which bring households together with economic activity and public service delivery. Making effective progress towards reducing poverty, growing the economy, mitigating climate change impacts and improving public services, all require greater attention on community level activity in villages, towns and cities across Scotland.

SURF and the Scottish Government have long been promoting the concept and practice of community led regeneration. As a central component of the still-current [2011 National Regeneration Strategy](#) (pictured), SURF members have generally welcomed the legislative and resource changes that have emerged on the back of it, which are helping to empower community groups to shape the future of their places.

[The SURF Awards category for Community Led Regeneration](#) has demonstrated the transformational impacts such activity can have in places with multiple deprivation issues. The three most recent category winners highlighted communities delivering positive socio-economic outcomes in Govan in Glasgow, Bressay in Shetland, and Stranraer in Dumfries & Galloway. The SURF Awards is supported by the Scottish Government and has been running for more than 25 years, providing a large bank of contemporary good practice, inspiration and case studies for general community led regeneration practice in urban and rural Scotland.



The current context, however, is undoing some of the hard-fought achievements in this area. As was made clear in [our Democracy Matters consultations with SURF members](#), community groups in the SURF network report high levels of fragility at present. The main problem is reduced access to stable, long-term funding, typified by excess demand for grant programmes and the winding up, reduction and pausing of some funding schemes. Community organisations that employ staff and support volunteers, deliver projects and services, and/or maintain buildings, are in many cases facing an existential crisis.

SURF wishes to amplify the Scottish Council for Voluntary Organisations' (SCVO's) call to the Scottish Government to implement a fairer funding approach to voluntary bodies, including community groups, charities, and social enterprises. [SCVO's Programme for Government request](#) makes clear that the Scottish Government made a commitment last year, to put a fairer funding system for the community and voluntary sector in place by 2026. SURF strongly backs this request, which will have clear and obvious benefits for community led regeneration.

Longer term funding models for community led regeneration, targeted at places most in need of support and with effective evaluation processes, present a key source of investment in the First Minister's four themes. Community led activity can – and does, as the SURF Awards shows – address poverty, put community wealth building into practice, deliver positive local climate actions

and improve the delivery of public services, including in the spheres of employability and skills, health and wellbeing, and supporting vulnerable people.

At a fundamental level, a community led approach is not *an* approach to regeneration, but *the* approach. One of SURF's founding principles states that:

"The people who are the intended beneficiaries of any regeneration effort must be meaningfully involved in the process if it is to be successful in planning, implementation and maintenance."

The old way of doing regeneration – distant outside agencies doing things *to*, rather than *with*, a community – is an ineffective and poor use of public funding. Sustainable, effectual, long-term regeneration needs active community groups to represent local people in projects and partnerships.

Without funding support, community led regeneration will struggle to survive the present crisis period. Through actions in its new Programme for Government, the Scottish Government can alleviate the crisis and help to make it thrive in the longer term.

In summary: our second recommendation is to implement a commitment to take a fairer funding approach to community and voluntary groups, in order to support effective community led regeneration as a means to help achieve all four central aspirations of the 2024/25 Programme for Government.

3 CAPITAL INVESTMENT: MAINTAIN & ENHANCE OUR BUILT ENVIRONMENT

To many in the general public, regeneration conjures up an association with buildings – especially, in SURF's experience, the demolition of dilapidated vacant buildings, and the construction of shiny new ones. This is not helpful or accurate. SURF works hard to improve general understanding around the multi-faceted nature of place-based regeneration, which is as much about social, economic, environmental and cultural conditions, as it is about buildings and streets.

Nonetheless, the built environment is a key components of regeneration. Many consultations show that local people in places with deprivation challenges, wish to see changes to the physical environment such as improvements to housing quality, provision of community facilities, refurbishment and reuse of vacant and derelict land and buildings, enhanced public realm and transport links, access to greenspaces and waterfronts, and more attractive town centres.

Following up in the delivery of regeneration projects on the back of these aspirations almost always requires complex coordination across multiple sectors and players, such as local authorities, community groups, national agencies, housing associations, private contractors and external funders. They require a major investment of resources, and long-term maintenance plans.

While the costs can be high, the rewards tend to be far higher. Physical regeneration can be visibly transformational in improving pride of place, changing a place's narrative from one of decline to one of growth, raising quality of life, and demonstrating tangible improvements. It can also help reinvigorate local economies, provide new social and cultural opportunities for residents and visitors, and change perceptions regionally and nationally, all to a place's long-term benefit.

[The SURF Awards category for Improving Scotland's Places](#), delivered in partnership with Scotland's Towns Partnership and Architecture and Design Scotland, identifies, celebrates and shares the positive impacts of participative planning and regeneration processes in Scottish places.

Improvements to the built environment play a key role in place-based regeneration, as demonstrated by recent category winners such as Galashiels, Alloa and Fraserburgh, where capital investments in streetscapes, public squares and high street buildings formed the basis for a myriad of positive outcomes (pictured below: a former derelict toilet block in Alloa town centre, which was refurbished by the 'Living Alloa' project into a thriving multi-functional community hub).



The cost of improving land and buildings in places where market forces are unwilling or unable to do so alone, falls mainly on regeneration funding programmes. SURF understands that Scottish Government [capital investment programmes](#), including the Regeneration Capital Grant Fund and the Vacant and Derelict Land Fund, are currently paused. This has the effect of delaying or preventing some much-needed regeneration activity from taking place, and has a knock-on effect for initiatives with most of the resources in place, that require match-funding from Scottish Government programmes to go ahead.

As previously stated, SURF is keenly aware of the pressures on public sector finances, but asks the Scottish Government to consider, in its new Programme for Government, to commit to a reopening of these programmes as soon as possible, to capitalise on opportunities for improving places in need, and arresting decline of the physical environment in places at risk.

Without a provision of capital investment for regeneration projects, more places will feel abandoned and neglected, social and economic decline will rise, and the [Buildings at Risk Register will likely increase](#). These trends will accumulate exponentially higher costs for the public sector in the long run.

There are parallels with our first recommendation, in that capital investment in regeneration presents another opportunity to move towards preventative spend. It also involves restoring previous funding levels, rather than making an increased spend.

In summary: our third recommendation is to reopen capital investment regeneration support programmes as soon as possible, to help local governments and communities in places with strong regeneration demands to maintain and enhance their built environments.

4 AFFORDABLE HOMES: ADDRESS THE NATIONAL HOUSING EMERGENCY

In May, during his first month as First Minister, John Swinney [declared a national housing emergency](#) on behalf of the Scottish Government. Some of Scotland's biggest local authorities, including Edinburgh, Fife and Glasgow, which have legal duties to assist those who become homeless, have also confirmed they are experiencing local housing emergencies.

As SURF stated in our [2021 Manifesto for Community Regeneration](#), insufficient access to secure, affordable housing has been a major problem for Scottish communities for some time:

"Rising house prices and rents have forced an increasing number of people in Scotland into unsuitable or unaffordable accommodation, and into homelessness, adversely impacting living standards and health, and contributing to rising inequalities."

With recent developments around the cost of living crisis and increased pressures on public finances, the situation has worsened. [Shelter Scotland state](#) that there are currently more than 15k households in temporary accommodation, and 1.5m people in Scotland – 28% of the population – live in overcrowded, dangerous, unstable or unaffordable housing. This month, the Herald published an [investigative series into the housing emergency](#), shedding some additional light on the depth of the crisis, and the damage it is inflicting on people and places.

By declaring a national emergency, the Scottish Government has formally acknowledged the scale of the problem. The [Housing to 2040 Strategy](#) demonstrates a long-term commitment towards providing all citizens with a safe, affordable and high-quality home in a thriving community. These are welcome developments. The Programme for Government must now translate these declarations and long-term pledges into priority actions to alleviate the present-day emergency.

As [the Scottish Federation of Housing Associations](#) and others have highlighted, the £200m reduction to the Affordable Housing Supply Programme in 2024/25 should be reversed as a first order of business. The provision of resources into the Programme, [which provides various funding schemes](#) designed to help deliver 110k affordable homes by 2032, is a necessity given that the root cause of the crisis is a shortage in provision. To build towards 2032 and 2040 targets, affordable housing investment should be maintained and increased, and not subjected to the spending reductions demonstrated in Table A3.03 of the 2024/25 Scottish budget (pictured overleaf).

In its 2021 Manifesto, SURF further recommended that retrofitting to improve the energy efficiency of older housing stock in deprived places, should be given more resources and attention than is

currently the case. SURF members with retrofitting programme knowledge, argue that progress is patchy and slow, and point to private rental tenants and residents of deprived places as being the most likely to be left behind by opportunities to retrofit their homes and thereby reduce fuel bills.

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
More Homes	740.1	564.6	375.8
Fuel Poverty and Housing Quality	1.8	21.8	1.7
Housing Support	139.8	150.7	153.3
Building Standards	10.7	1.3	2.4
Total Housing & Building Standards	892.3	738.3	533.2
<i>of which:</i>			
Fiscal Resource	137.5	164.7	149.7
Non-cash	-	-	-
Capital	609.8	489.0	414.4
FTs	145.0	84.6	(30.8)
UK Funded AME	-	-	-

The Affordable Housing Supply Programme comprises of Capital, Transfer of Management of Development Funding and Financial Transactions and totals £555.8m in 2024-25

SURF also argues in favour of creating more affordable housing units by converting vacant buildings, including redundant retail and office premises in town centres, into affordable homes. SURF members would like to see the work of the Scottish Empty Homes Partnership scaled up. The [SURF Award winning refurbishment of Glengate Hall](#), a derelict town hall in Kirriemuir, Angus, into nine affordable homes for town centre living, is one of many partnership examples that are win-win for improving places while reducing affordable housing pressures.

The Scottish Government’s Housing Minister, Paul McLennan, has said that while housing is a devolved issue, [some aspects such as the provision of capital resources](#), require UK level cooperation. The recent change of administration in the UK Government may provide a fresh start for negotiation around investment in affordable housing. The Programme for Government could usefully formalise a commitment to explore mutual Scottish/UK objectives.

Reiterating our preventative spend argument, providing warm, affordable and good-quality homes will reduce pressures on future public sector budgets, given the positive outcomes available for multiple public policy areas, including health, social security and economic development.

As the means to meeting many social, health, environmental and economic outcomes, affordable and good-quality housing is an essential component of the four 2024/25 Programme for Government themes and should be prioritised accordingly.

In summary: our fourth recommendation is for the Scottish Government to respond to the national housing emergency it has declared by reversing the £200m cut to the Affordable Housing Supply Programme and by undertaking additional actions to increase progress towards retrofitting older homes and the reusing of vacant buildings for affordable homes.

CLOSING COMMENT

Regeneration was mentioned only in passing in the 2023/24 iteration of the Programme for Government.

SURF contends that place-based regeneration deserves a prominent status in the new Programme for Government. A heightened regeneration profile will have strong added value for the four thematic priorities, and demonstrate a renewed commitment to supporting all communities in Scotland. In doing so, the Scottish Government's valuable [Place Principle](#) and [Our Place website](#) could be usefully highlighted. SURF was pleased to contribute to the development of both.

SURF network discussions indicate a broad agreement with the First Minister's assessment that [too many strategies](#) are being produced in Scotland. The policy landscape around regeneration is particularly busy and complex, and does not need to be further complicated. We hope our submission will help inform constructive changes around regeneration policy and practice, directed not towards the drawing up of new plans, but to the delivery of much-needed actions that will benefit our poorer communities.

SURF is grateful to the Programme for Government team for reviewing our submission.

FURTHER INFORMATION

General information on SURF and its activities is available on our website: <https://surf.scot/>

SURF produced an in-depth 2021 Manifesto for Community Regeneration following an 18 month consultation process, which sets out SURF network policy recommendations to the Scottish Government for the current 2021-26 term of the Scottish Parliament.

SURF has also produced a range of submissions to relevant policy consultations and inquiries in the current Parliament. These materials, along with the Manifesto, are available in the policy section of our website: <https://surf.scot/policy/>

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