
Achieving A Sustainable Future

Regeneration Strategy



The Scottish
Government

Achieving A Sustainable Future

Regeneration Strategy

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Foreword

This Strategy responds to the challenges faced by our most disadvantaged communities to help create a Scotland where all places are sustainable, and where people want to live, work and invest.

Regeneration of Scotland's most disadvantaged areas and strengthening of local communities are key priorities for the Scottish Government. Our commitment to ensuring equality of opportunity and support for the places and people that need it underpins our approach to regeneration. This is not a new commitment. But the time is right to reaffirm it.



Across Scotland there has been a significant amount of investment in regeneration over many years. There has been some notable success in supporting and transforming our communities for the better. But it hasn't been enough. Too many of Scotland's people still live in communities suffering the effects of deprivation and disadvantage. Where too many people are not in work and have low educational attainment, where crime and fear of crime is too high, where the physical environment is still poor, and where people still die far younger than their fellow Scots. This Regeneration Strategy will reinvigorate efforts to change that.

Achieving regeneration outcomes is made even more challenging in the current economic climate. The economic downturn and constraints on public sector resources pose an even greater challenge, with Scotland's most disadvantaged communities facing issues of worklessness and reduced economic opportunities. Our response across Scotland must take account of this.

This Strategy does not seek to radically change viable development models, but instead looks to build on previous success and encourage innovative ways of working where this can support progress. Key to our success will be:

- a focus on reforming the way in which mainstream resources are used to support vulnerable communities
- a stronger focus on community-led regeneration
- realising the economic potential of Scotland's communities through focussed funding and other support mechanisms.

This Strategy makes no assumptions about the future economic circumstances of Scotland. What it does is provide a flexible framework through which collectively we can identify the assets and needs of communities – whatever the economic circumstance – in order to tailor our responses accordingly.

I am committed to the successful implementation of this Strategy and to working with partners to review progress and make amendments to the approach as required.

Together we must ensure that all of Scotland's communities are sustainable and promote well-being and that, in the pursuit of sustainable economic growth for Scotland, no-one is left behind.

Alex Neil

Cabinet Secretary for Infrastructure and Capital Investment

December 2011

Introduction

1. This Strategy follows the publication of the Regeneration Discussion Paper, *Building a Sustainable Future*¹, in February 2011 and the updated *Government Economic Strategy*² in September 2011. The Strategy does not revisit all the information contained within *Building a Sustainable Future*, instead it responds to the questions that were posed and the responses that were submitted as part of the discussion. The Discussion Paper and the Strategy should be viewed as partner documents.
2. 71 Written responses were submitted to *Building a Sustainable Future*, alongside responses received as part of a series of events and seminars which took place during February and March 2011.
3. A number of key themes emerged from the Discussion Paper. In summary these were:
 - The need for the Scottish Government to set a clear direction and vision for regeneration policy
 - Clarification on the roles and responsibilities that different organisations have in delivering regeneration
 - Recognition that a coordinated approach is needed at a local level and across public services to tackle area-based disadvantage
 - The importance of community led regeneration
 - Recognition of the constraints on public sector finances alongside a continued need for appropriate grant support and innovative funding solutions
 - The importance of placemaking in supporting successful communities
 - Support for town centres as a central part of community life
4. The responses to *Building a Sustainable Future* and the key themes above have shaped the development of this Regeneration Strategy and are reflected in the structure outlined below.

Structure of the Strategy

5. *Strategic Context*: this section places the Regeneration Strategy within the context of other Government policies, including those focussed on infrastructure and capital investment, alongside social policies.
6. *Vision and Outcomes*: this section provides the Scottish Government's vision for regeneration and outlines the economic, physical and social outcomes that

¹ <http://www.scotland.gov.uk/Publications/2011/02/07095554/0>

² <http://www.scotland.gov.uk/Topics/Economy/EconomicStrategy>

are required in order to deliver sustainable communities. This section is supplemented by a summary of supporting outcomes provided at *Annex A*.

7. *Focussing our Interventions*: this section considers the characteristics of sustainable communities, recognising that some places need additional support and interventions in order to become sustainable. This section recognises that local partners and communities themselves are best placed to identify local assets and needs.
8. *Delivering the Vision*: this section outlines a number of key actions which the Scottish Government will undertake to deliver regeneration and support sustainable communities. This includes: improving local delivery; outlining a new approach to tackling area-based disadvantage; support for community led regeneration; details of grant and other financial support; and taking forward regeneration of Scotland's town centres.

What is Regeneration?

9. Regeneration is the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice. This holistic theme runs throughout this Strategy and forms the basis for the propositions and conclusions.

Strategic Context

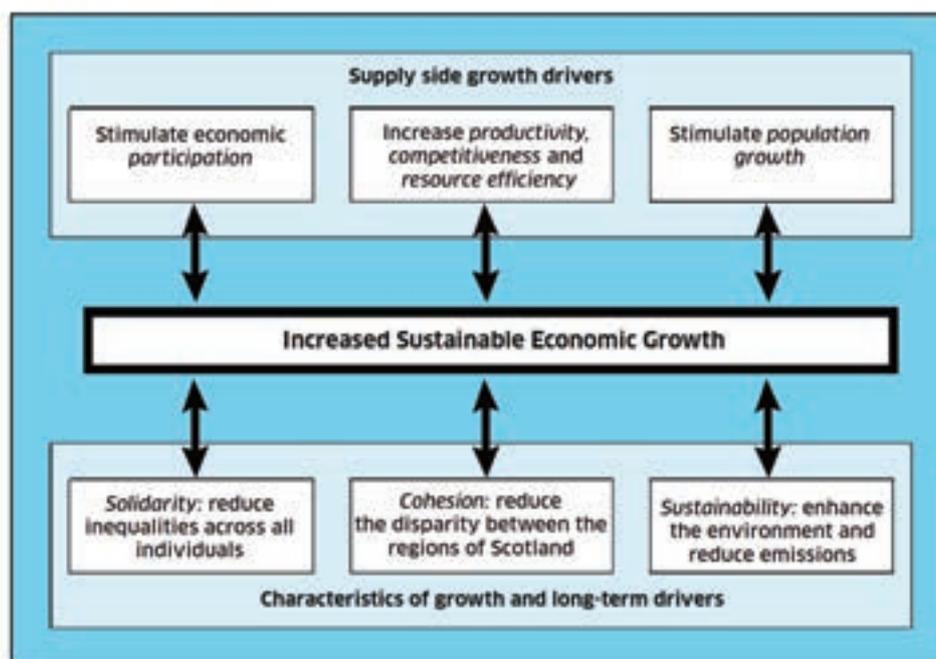
“There is a role for future national policy direction on regeneration to draw together the various strategies, frameworks, statements, guidance, and rationalise these into an overall framework” Discussion Paper Response

10. Respondents to *Building a Sustainable Future* indicated that it can be difficult to determine where regeneration policy ‘fits’ strategically within other Scottish Government strategies and policies. Other Government policies make a key contribution to regeneration as outlined below. The Regeneration Strategy does not seek to duplicate the content of these strategies and policies but to maximise their collective impact.
11. The list below is not exhaustive. It presents a snapshot of the priority areas where there is a close interaction with regeneration policy.

Government Economic Strategy

12. The Government Economic Strategy (GES) reaffirms the Scottish Government’s commitment to the overarching purpose: to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

Figure 1: The Purpose Framework



13. Regeneration has an important contribution to make to the delivery of the Purpose. In particular, it supports the Purpose targets of cohesion (to reduce the disparity between the regions of Scotland) and solidarity (to reduce income

inequalities), by tackling area inequality, addressing market failure, and increasing opportunities for areas of need to attract investment and jobs and to enhance the well-being of communities.

14. Regeneration will also contribute to the drivers of growth: Productivity, Competitiveness and Resource Efficiency; Participation in the Labour Market and Population Growth, by helping to realise the potential of our most disadvantaged communities.

Infrastructure Development and Place

15. The *Government Economic Strategy* focuses the action of government and the entire public sector on six Strategic Priorities. This includes a focus on Infrastructure Development and Place in order to drive sustainable economic growth and develop a more resilient and adaptable economy.
16. As set out in the *Government Economic Strategy* our approach to place is built upon a strategy that recognises the unique contribution – based on their own distinct characteristics and strengths – that every part of Scotland can make. This will ensure that all of Scotland can maximise its potential and that we can reduce disparities in economic performance.
17. Capital investment, including investment in infrastructure, transport and housing is important in driving forward development, delivering opportunities for sustainable economic growth, job creation, and connectivity. The Scottish Government is committed to ensuring that all of Scotland’s communities, including our most disadvantaged areas, benefit from a range of investment opportunities as set out within the *Government Economic Strategy*, the Scottish Government’s *Infrastructure Investment Plan*³ and the *National Planning Framework*⁴. These strategies have a key role in supporting regeneration outcomes.
18. The relationship between economic development and regeneration is co-dependent – equitable economic growth cannot be delivered without improving our under-performing areas, and successful regeneration cannot be delivered without investing in development, growing local economies and delivering sustainable employment.
19. Scotland’s towns and cities are the backbone of Scotland’s economy. In particular, our cities play a vital role in driving forward economic growth. The more successful our cities and their city-regions are, the more successful Scotland will become. The Scottish Government’s *Cities Strategy*⁵ sets out how

³ <http://www.scotland.gov.uk/Publications/2011/12/05141922/0>

⁴ <http://www.scotland.gov.uk/Topics/Built-Environment/planning/National-Planning-Policy/npf>

⁵ Published December 2011

we work with our cities and city regions to support more effective collaboration and optimise their contribution to Scotland. The challenges facing our most disadvantaged areas, particularly in relation to physical and economic issues, are often more concentrated in urban areas, particularly in cities. Regeneration must be tackled alongside wider economic development activity in order to secure the success of our cities and to ensure that Scotland's most disadvantaged areas are supported so that, in turn, they contribute to and benefit from economic growth.

Connectivity

20. Ensuring that people and places are well connected both physically and digitally can play an important role in delivering regeneration outcomes and sustainable communities.

21. The *Strategic Transport Projects Review*⁶ sets out recommendations based on a robust evidence-based assessment of our strategic road and rail networks over the next twenty years. Four recommendations were prioritised following its publication in 2008, including the Forth Replacement Crossing, Edinburgh to Glasgow Rail improvements, improvements to the Highland Main Line and to the railway between Aberdeen and Inverness. These and the remaining recommendations seek to ensure the strategic network fulfils the following functions:
 - Providing competitive inter-urban journey times
 - Facilitating strategic freight movements
 - Promoting rail freight
 - Providing access to ports, airports and borders
 - Maximising labour catchment for areas of economic activity
 - Ensuring that Scotland remains an attractive place to live and visit
 - Accessibility for remoter communities
 - Promoting transfer to public transport

22. As set out in *Scotland's Digital Future: A Strategy for Scotland*⁷, we want to see all of Scotland, including our most rural and remote communities, equipped to take advantage of the digital revolution. Improving connectivity across Scotland will support future innovation in the digital economy and ensure Scotland's business base can remain competitive in the global digital environment. It will also play a critical role in driving rural economic growth and competitiveness, creating more and better jobs and opening up new opportunities for a different way of living and working that encourages strong and growing rural towns and villages and respects and protects our environment.

⁶ <http://www.transportscotland.gov.uk/strategy/strategic-transport-projects-review>

⁷ <http://www.scotland.gov.uk/Publications/2011/03/04162416/0>

23. Encouraging greater digital participation and use of the internet in both rural and urban areas has the capacity not only to open up new economic opportunities but to achieve richer, more rewarding lives, from the greater consumer choice and keener pricing that can be obtained for purchasing, to the ability to make and maintain social connections.

Support for Rural Communities

24. Although concentrations of deprivation tend to be located in urban areas, the Scottish Government recognises that the problems facing some of our most vulnerable rural communities can also be significant. It is recognised that living in rural areas can present its own particular problems. These include remoteness, high fuel costs and access to public and private services. In 2011, the Scottish Government produced a paper entitled *Our Rural Future*⁸ which sets out the Government's response to the consultation, *Speak Up for Rural Scotland*.
25. The consultation asked for views on how best rural Scotland could contribute to the nation's sustainable economic growth set against a backdrop of reduced government expenditure, climate change and economic downturn. The paper identified the key priorities arising from the views of consultees, highlighting where action needs to be taken and commitments shared.
26. The Scottish Government is committed to the Land Reform agenda and to providing opportunities for rural communities to acquire land. It is important that the legislation underpinning this is fit for purpose and that communities are not unnecessarily put through red tape. The Scottish Government is committed to review the Land Reform Legislation, and in 2012 will appoint a Land Reform Review Group.
27. The Scottish Government has made provision for the allocation of funding for the Scottish Land Fund in the next three financial years (2012-15). Further details will be announced in due course.
28. Education plays an important part in building communities and in maximising the attainment and life changes of young people. This can be particularly important in rural areas in order to preserve, support and develop rural communities. This is being explored within the remit of *the Commission on the Delivery of Rural Education*⁹.

Public Service Reform

29. Public services are part of the bedrock on which our society and future prosperity depends and they have a vital role to play in supporting economic

⁸ <http://www.scotland.gov.uk/Topics/farmingrural/Rural/speak>

⁹ <http://www.scotland.gov.uk/About/CommissionRuralEducation>

development and regeneration. In June 2011, the *Commission on the Future Delivery of Public Services* (the 'Christie Commission') recommended actions to improve the quality of public services provided in Scotland and ensure their future financial sustainability.

30. In response to the Christie Commission's recommendations, the Government is committed to an ambitious programme of reform in public services built on four pillars:
- a decisive shift towards prevention
 - greater integration of public services at a local level driven by better partnership, collaboration and effective local delivery
 - greater investment in the people who deliver services through enhanced workforce development and effective leadership
 - a sharp focus on improving performance, through greater transparency, innovation and use of digital technology.
31. A Cabinet sub-committee on public service reform has been convened to shape and co-ordinate progress across the Government's programme of improvement and reform.

Social Policies

32. The three Scottish Government social policy frameworks (*Equally Well*¹⁰, *Achieving Our Potential*¹¹ and the *Early Years Framework*¹²), and *Getting It Right For Every Child* (GIRFEC), which provides the delivery framework for all services and agencies working with children and families, alongside *Equal Communities in a Fairer Scotland*¹³, provide the strategic framework for tackling the long-standing inequalities that exist in Scotland. The Frameworks cover key actions being undertaken by the Scottish Government and its partners to tackle significant social problems experienced by some individuals and communities in Scotland. The *Child Poverty Strategy for Scotland*¹⁴ builds on the principles of these frameworks and sets out how the Scottish Government and its partners are focussing on maximising families' resources, improving child wellbeing and reducing the impact of poverty in children. *More Choices More Chances*, the Scottish Government's strategy for reducing the number of young people not in education, employment or training, sits alongside these frameworks and includes a focus on prevention, intervention and sustainability. Successful delivery of these Frameworks and policies has a significant impact

¹⁰ <http://www.scotland.gov.uk/Topics/Health/health/Inequalities/inequalitiestaskforce>

¹¹ <http://www.scotland.gov.uk/Publications/2008/11/20103815/0>

¹² <http://www.scotland.gov.uk/Publications/2009/01/13095148/0>

¹³ <http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/fairer-scotland-fund/equalcomms>

¹⁴ <http://www.scotland.gov.uk/Publications/2011/03/14094421/6>

on delivering regeneration activity and directly influences the success of this Regeneration Strategy.

33. In addition, the UK Government's reform of the welfare benefits system is being introduced against a backdrop of cuts to welfare benefits and, whilst streamlining processes, this is likely to have a negative effect on the most vulnerable. It is important that national strategies and local action plans are managed to take account of these changes and to mitigate their negative impact.

Community Cohesion and Diversity/Equality

34. Scotland's communities should be vibrant and inclusive – a place where everyone feels they belong and can achieve their potential. Evidence suggests that there are high numbers of people in disadvantaged areas who are unable to work through ill-health or disability, alongside those who are either underemployed or employed in poor quality employment which does not offer prospects of progression. The economic downturn clearly presents greater risks for disadvantaged groups, and many of the UK Government's ongoing changes to the welfare system are likely to magnify these risks. This makes it even more important for policy makers and delivery partners to take account of the needs of diverse groups when designing and delivering policies. It is important that people are placed at the heart of delivery and that they have a voice so that their needs – and assets – are taken account of by decision makers.
35. The Scottish Government's *Skills Strategy*¹⁵ and the approach outlined in *Achieving Our Potential* focus efforts on improving the capacity of individuals to move into better quality work, and on measures to boost the supply of jobs and growth in particular geographical areas. In addition, the Scottish Government's Opportunities For All programme will guarantee all 16-19 year olds a place in post 16 education and training. This will help give young people the strongest start in working life and mitigate the risk and harm of youth unemployment.

¹⁵ <http://www.scotland.gov.uk/Topics/Education/skills-strategy/overview>

Vision And Outcomes

“The Scottish Government’s leadership role in setting out a clear shared vision for a fairer and more sustainable future is increasingly important in the context of devolved responsibility for local regeneration”

Discussion paper response

Regeneration Vision

36. Our vision is a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote well-being.
37. This vision can only be delivered if regeneration is approached in an holistic way by addressing the economic, physical and social needs of our communities. These key elements cannot be delivered in isolation – each is connected and vital to success.
38. Delivery of the regeneration vision relies on a wide range of supporting outcomes being achieved (*see Annex A*). The supporting outcomes are not unique to regeneration and many cross over into wider government policy, including economic development, planning and placemaking, public health, justice, safety, housing, business support, education and skills. These outcomes apply to the sustainability of all of Scotland’s communities – not just those that are disadvantaged or deprived. It is where there is a persistent and concentrated absence of these outcomes being achieved that additional intervention – or regeneration – might be required.
39. This points to a need for a coordinated approach across the public, private and third sectors, alongside community led action. In particular, to achieve these outcomes in vulnerable and fragile communities a concerted effort is needed across government and all mainstream services to deliver the required results. Successful and sustainable communities should therefore be at the heart of delivery of services at national and local level.
40. The regeneration vision underpins the range of activities and interventions that the Scottish Government has committed to within this Strategy. Public, private and third sector partners are encouraged to use the vision and the supporting outcomes to shape their own delivery plans.

Delivering Success

41. Experience shows that a number of key elements need to be in place to deliver successful regeneration. Drawing on evidence¹⁶ the key success factors for designing and delivering regeneration interventions, are detailed below. Public, private and third sector partners should consider these key elements when delivering regeneration locally.
42. Our future regeneration activity must focus on outcomes and take account of lessons learned, so that it:
 - puts **communities first**, effectively involving local residents in the regeneration process and empowering communities
 - is **holistic**, making connections between the physical, social and economic dimensions
 - adopts a long-term vision for a places and focuses the on the safety and **quality of places**
 - takes account of the specific function of neighbourhoods and integrates regeneration initiatives into wider **economic strategies**
 - makes tailored interventions to link economic opportunity and need to **address worklessness** and deliver sustainable quality employment
 - is supported by simple and aligned **funding streams** and maximises the impact from **mainstream resource** by better integration with place-based interventions
 - Has **strong leadership** with clear accountability and makes effective use of **partnership working**, involving the private sector, both in investment and in shaping ideas and development.

¹⁶ An evidence review of what we have learned from past regeneration practice can be found at: <http://scotland.gov.uk/Topics/Built-Environment/regeneration/discussion/resources/regenpracticereview>. Further detail on critical success factors can be found in 'Delivering Better Places: A guide to learning from broader experience': <http://www.scotland.gov.uk/Publications/2010/12/31110906/0>

Focusing Our Interventions

“Much of the regional/economic regeneration policy in the past has been applied to depressed and marginalised areas. What is required now is the need for a balance of investment in all areas – both weak and strong – aimed at promoting overall sustainable economic growth”

Discussion paper response

43. The regeneration vision and the associated supporting outcomes apply to all of Scotland’s communities. However, some communities and people need additional support in order to become economically, physically and socially sustainable. Often this is in places in need of physical renewal and which underperform economically; in town centres in need of revitalisation; and in communities where there are significant issues across a range of social and economic indicators, including poor health and education outcomes, and high levels of crime, poverty and worklessness.
44. The nature and scale of regeneration interventions will be different in different areas. The type of intervention needed will vary depending on local circumstances. As set out in the Government Economic Strategy, the Scottish Government will continue to support sustainable economic growth and sustainable communities across Scotland through a wide range of interventions, ranging from large scale development focussed on economic opportunity to more localised activity intended to address needs, by tackling ingrained issues.
45. We need to maximise the potential from opportunity whilst also addressing local need. It is important that this approach is also adopted at a local level in order for all of Scotland’s communities to realise their potential and to benefit from and contribute to sustainable economic growth.
46. It is generally recognised that applying a label to a community as ‘deprived/disadvantaged/fragile’ can have a negative and stigmatising effect. However, it is still necessary to understand the varying needs of communities in order for an appropriate response to be developed. A number of tools can help with this, including the Scottish Index of Multiple Deprivation (SIMD), levels of vacant and derelict land and property, and worklessness statistics.
47. At a national level, the Scottish Government will continue to use a range of evidence to shape decisions about where future funding and interventions will be focussed. Local authorities and Community Planning Partnerships (CPPs) should also use the evidence available to understand the different needs of local communities and to determine what additional support is required to be

put in place to address those needs through local economic development and regeneration activities. They should also consult and involve local people themselves to better understand the dynamics of how communities work.

Asset-based approach

48. It is important that, whilst understanding where additional support needs exist, our collective focus is not on the deficits of an area but rather the assets that communities have. To support communities to be sustainable we must identify the assets that exist – economic, physical and social – and use these assets to deliver sustainable, positive change. An asset-based approach will also help to overcome stigmatisation and will support communities to have a positive identity in the future.
49. In simple terms we should ask ‘what makes this place good and where do the opportunities lie’ and ‘what expertise and skills do local people have’ instead of labelling particular areas and people as ‘a problem’.

Preventative Spend

“The deep seated social problems in the most disadvantaged areas need to be extended beyond those identified by SIMD. It is considered that a prevention and early intervention model needs to be developed within every local authority in Scotland focusing on individuals, families and households and places at risk.”

Discussion paper response

50. Focusing national and local resources on securing the sustainability of Scotland’s communities not only helps to tackle deprivation and reverse decline, but also plays a key part in ensuring that communities are resilient. In turn this can reduce the need for regeneration in the future and helps support sustainable economic growth for the whole of Scotland.
51. Investing in the sustainability of communities and in early years support can also reduce pressures on associated budgets such as health, crime and other social issues. Spend from such mainstream budgets tends to be much higher in disadvantaged areas as they deal with the effects of deprivation across a wide range of negative outcomes. Effectively reducing or tackling these negative outcomes should correlate with a reduction in spend on mainstream services. It is right that mainstream budgets should include a focus on tackling disadvantage as they will benefit in the long term.

Health Outcomes

52. The relationship between the physical environment and effects on the health of Scotland's people is currently being considered as part of the Scottish Government's Good Places Better Health (GPBH) initiative. This initiative takes a new approach to the traditional environment and health agenda and critically focuses on health promoting environments and links to the health inequalities agenda.
53. The complex, interlinking and multi faceted set of influences on health are now accepted: people's social, economic, cultural and environmental circumstances all conspire to raise or lower their chances of good health. Therefore, solving the intractable health problems that Scotland faces requires a package of preventative measures within which actions on environment and place are key components. The prototype phase of GPBH has enabled the identification of aspects of place that are particularly important to children and which will support the development of healthy, happy resilient people. Although GPBH cannot in isolation solve children's health issues its outputs and outcomes are potentially a crucial part of a wider preventative strategy with a focus on improving early years experience.
54. **The Glasgow Community Health and Wellbeing Research and Learning Programme (GoWell)¹⁷** is investigating the impact of investment in housing, regeneration and neighbourhood renewal on the health and wellbeing of individuals, families and communities over a ten-year period. The programme aims to establish the nature and extent of these impacts, to learn about the relative effectiveness of different approaches, and to inform policy and practice in Scotland and beyond.
55. An important aspect of creating health-nurturing environments is ensuring that everyone has access to high quality greenspace for health and recreation. Research has shown that access to good quality natural environments can have a strong positive influence on health and health inequalities. The **Central Scotland Green Network (CSGN)** aims to transform the environment of the central belt, in particular our most deprived communities, and one of the CSGN ambitions is to ensure that everyone has access to attractive, well maintained greenspace within walking distance of their home.

Justice Outcomes

56. By tackling crime we improve the lives of victims, their families and the communities in which they live. By working with offenders we can turn lives around to make a positive contribution. And by reducing the fear of crime and

¹⁷ <http://www.gowellonline.com/>

antisocial behaviour we help build and sustain strong, resilient communities, in which people can thrive and reach their potential.

57. Tackling the underlying causes of crime calls for a broader and longer term approach - addressing the challenges of drink, drugs, violence and deprivation that blight parts of Scotland. We know that some children are at greater risk of becoming offenders because of the circumstances into which they are born. These risks can be reduced by effective intervention, equipping parents and young people to make good choices and offering positive alternatives to offending. These need to be alternatives which will create a sustainable, more cohesive society where everyone can take advantage of the opportunities available and enjoy a better quality of life.
58. The Scottish Government is taking forward a range of measures in partnership with stakeholders including through our antisocial behaviour strategy **Promoting Positive Outcomes** and the £32 million investment to support the delivery of the national drugs recovery strategy **A Road to Recovery**.
59. Supporting a broad range of outcomes, the **CashBack for Communities** programme takes the ill-gotten gains of crime, recovered through the Proceeds of Crime Act 2002 and invests them into community programmes, facilities and activities. Over £44 million has been invested in this way, allowing more than 600,000 young Scots to participate in a wide range of activities. CashBack invests in young people and the communities they live in to help them prosper, flourish and contribute positively to society.

Delivering The Vision

60. The following sections outline the actions that the Scottish Government will undertake in support of the regeneration vision. All the actions identified within these sections take account of the responses to *Building a Sustainable Future*.
61. This section is not definitive in identifying the full range of interventions that support regeneration. A range of support is in place at local level to deliver regeneration outcomes and different support will be needed depending on local assets and need.
62. The actions within this section are based around three main strands:
 - Public service reform, taking an assets based approach, improving joint working and supporting local delivery
 - Support for community-led regeneration
 - Realising the economic potential of Scotland's communities through focussed funding and other support mechanisms.

Breaking the Cycle - Transforming the Future of Our Poorest Places

63. Respondents to *Building a Sustainable Future* recognised that to address the deeply ingrained economic, physical and social issues faced by some of Scotland's most disadvantaged communities, a sustained and coordinated approach across the public sector and its partners is required, alongside an increased focus on community led regeneration.
64. In some communities the scale of disadvantage is so significant that it can only be tackled by public sector agencies working together and across mainstream service delivery, and in partnership with communities, to understand the full spectrum of need and to identify and deliver on a range of solutions.
65. These solutions must deliver across a wide range of economic, physical and social outcomes and will involve utilising available resources from across mainstream budgets, including housing, health, justice and education.
66. The Scottish Government is committed to supporting this agenda. The following sections outline how we will do this.

Improving Local Delivery

67. Ensuring that local delivery is effective is crucial to achieving the outcomes that are required to support Scotland's communities and tackle disadvantage.
68. Local authorities are well placed to coordinate economic development and regeneration activity. They 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, respondents to *Building a Sustainable Future* suggested that there is sometimes disparity in performance amongst local areas and potential to improve coordination of economic development and regeneration activity.

69. In partnership with the Improvement Service and SLAED (the Scottish Local Authorities Economic Development group), the Scottish Government has jointly funded the production of an improvement guide for local authority economic development services. Developed in partnership, this guide will support local authorities in delivering economic development and regeneration (including tackling market failure); exchanging good practice; assessing overall performance in delivering economic development; benchmarking performance; and identifying practice improvements to strengthen their performance and impact.
70. The Scottish Government is committed to implementing this guide alongside the Improvement Service and SLAED.

Working Together

“There is a need for the Scottish Government to provide strategic leadership...” Discussion paper response

71. 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.
72. Respondents to *Building a Sustainable Future* called for the Scottish Government to set out clearly defined roles and responsibilities for delivery of regeneration. A summary of these roles and responsibilities is provided at *Annex B*.
73. The delivery landscape for regeneration is often complex, with different layers of government and partners involved depending on the circumstances, processes (e.g. planning) and levels and types of intervention required. It is vital that the right working relationships are in place to deliver effective results.

The Contribution of the Public Sector

74. The public sector has a clear role to play in identifying assets and need and focusing resources on delivering the outcomes that are required to deliver positive, sustained change.

75. At a national level the Scottish Government has a key role in setting the vision and strategic direction for regeneration in Scotland, providing an overarching framework for delivery and putting in place the right conditions to implement that vision, evaluating and driving forward change to make a lasting difference. The development and implementation of this Regeneration Strategy is the primary vehicle for doing this.
76. Local authorities are best placed to ensure local regeneration is delivered alongside other critical functions including housing, planning and education. In partnership with CPPs they can ensure that the resources they have available are directed by the genuine needs of local people and that the right working relationships are in place to deliver regeneration in partnership.
77. The third sector and communities, alongside others, play a vital role in supporting the local delivery of regeneration and often underpin the success of local authority/CPP approaches.
78. Other public sector organisations including the Enterprise Networks, Scottish Water, Creative Scotland and other cultural bodies, Transport Scotland and the Scottish Environment Protection Agency (SEPA) can also play a key role in supporting regeneration outcomes, both in relation to their investment in infrastructure and development, and in the delivery of their core functions. For example, physical regeneration is often dependent on the effective provision of roads and drainage infrastructure, alongside efficient consideration of wider economic, environmental and cultural issues.

Supporting Partnership Working

79. Respondents to *Building a Sustainable Future* indicated that effective collaboration between public, private and third sector partners does not always work in practice. Many of the levers for effective partnership working lie at a local level and it is for local authorities, CPPs and others to ensure that the right collaborations are in place. However, the Scottish Government also has a role in facilitating more effective joint working. The actions identified below reflect this role and commit the Scottish Government to strengthening partnerships as appropriate to deliver the regeneration vision. In particular, this applies to joint working across the public and private sectors.
80. The Scottish Government recognises the influence that private sector partners can have, not only in delivering local development but also in shaping national outcomes and developing innovative funding solutions. We are committed to engaging with the private sector and to facilitating engagement between the private sector and other public sector partners (such as local authorities) where appropriate.

Scottish Government Coordination

81. At a national level, the Scottish Government will work in partnership across government departments and public sector agencies to ensure that regeneration outcomes and support for communities feature strongly as part of government policies, including health, education and justice.
82. The Scottish Government is also committed to improving collaboration across public sector agencies and will share the outputs from this collaboration with local partners as appropriate. To support this work, a high-level group will be established, led by the Cabinet Secretary for Infrastructure and Capital Investment, to identify and overcome barriers to collaborative working and to place communities at the heart of the public sector approach.

The Achieving Change Programme - Local Public Service Reform

83. To help break the cycle of area-based deprivation and to help transform the future of Scotland's poorest places we will launch the Achieving Change Programme.
84. The Achieving Change Programme will be developed over the course of 2012 in partnership with key stakeholders including public sector partners.
85. The aims of this programme are to see the public sector:
 - increasingly recognise and build on areas' and people's strengths and potential - seeing the positive assets that people have and working with these, rather than seeing people as a mix of problems
 - working even better together and with key voluntary sector organisations to target mainstream resources focussed on identified local need
 - involving people even more deeply in developing solutions
 - being even smarter with data to help properly understand the dynamics in areas and help drive continuous improvement.
86. This fits clearly with one of the pillars of this Government's response to the Christie Commission, greater integration of public services at local level.
87. The Achieving Change Programme will be used to raise the profile of efforts across the country to tackle area-based disadvantage and to promote and encourage culture change in the public sector to ensure even more joined-up approaches are taken to tackling the long-standing problems faced by too many of Scotland's communities.
88. Public sector agencies will be invited to submit proposals during the course of 2012 to the Scottish Government to take part in the Achieving Change Programme. The Government will commit to supporting the programme by:

- providing investment to help participants in the programme to learn from each other and from wider good practice
- providing participants with a national profile to recognise their efforts
- providing support from Scottish Government staff (for example, from analysts responsible for SIMD to help some local partners better understand the full potential of the data available)
- listening to local experience in order to help shape future Scottish Government policy which impacts on disadvantaged areas.

Actions

The Scottish Government will:

- ◆ Work with the Improvement Service and SLAED on the effective implementation of the improvement guide for local authority economic development services.
- ◆ Work with the public, private and third sectors, alongside communities, to share knowledge and improve delivery
- ◆ Lead engagement with the private sector at a national level to fund, inform and deliver regeneration
- ◆ Identify opportunities to coordinate engagement between private sector and key public sector partners, including local authorities, to support the development of productive partnerships at a local level
- ◆ Improve internal Scottish Government and cross-agency collaboration and ensure that regeneration outcomes are embedded within mainstream policies. A high-level working group, to be led by the Cabinet Secretary for Infrastructure and Capital Investment, will be established to support this work.
- ◆ Develop and deliver the 'Achieving Change Programme' – in partnership with key stakeholders during 2012.

Community Led Regeneration – Local People Delivering Local Change

89. As already stated, the public sector working together and with the voluntary sector and local people has a critical role to play in regenerating our most disadvantaged and fragile communities. However, the Scottish Government is clear that the involvement of local people in public sector led activity is not community led regeneration.
90. Community led regeneration is about local people identifying for themselves the issues and opportunities in their areas, deciding what to do about them, and being responsible for delivering the economic, social and environmental action that will make a difference. It is dependent on the energy and commitment of local people themselves and has a wide range of benefits.
91. This Regeneration Strategy places support for community led regeneration at the heart of its approach, recognising that the changes required to make all communities sustainable will only be achieved when communities themselves play a part in delivering change.
92. The Scottish Government is committed to supporting community led regeneration in order to:
 - grow the numbers and strength of locally controlled, enterprising community organisations which can anchor long term sustainable change in disadvantaged communities
 - support locally based organisations to take on ownership of viable assets
 - help people to organise and respond to challenges in areas where capacity is currently low
93. Community led regeneration covers a spectrum of activity from committed volunteers coming together informally to campaign or act, to the work of enterprising local community anchor organisations like Development Trusts and community based housing associations.
94. The Scottish Government is clear that this community led activity is part of the rich and diverse picture of the third sector in Scotland. Our commitment to that sector is not in doubt. The Scottish Government is committed to supporting its development, strengthening its role in decisions around the design and delivery of public services and increasing its economic contribution.
95. We are starting from a strong position in Scotland. There is already an impressive range of activity taking place across urban and rural communities. This is led by hundreds of committed local anchor organisations that drive change across a broad spectrum including: environmental issues; promoting

local economic growth; tackling unemployment; supporting vulnerable people; challenging health inequalities; working with young people; and arts and cultural activity. Crucially, they deliver what local people themselves know will make a difference.

96. However, it is not enough to focus only on those places where strong community led organisations already exist. Some communities need support to help organise, plan action and start to form their own anchor organisations. It was a strong message from *Building a Sustainable Future* that it is important to recognise the need for this community capacity building support to maximise the potential that exists in all of Scotland's communities.
97. The actions below demonstrate how the Scottish Government will support community led action through a range of new and existing support, actions being taken by other organisations are included as appropriate.

People and Communities Fund

98. Building on the success of the Wider Role fund and recognising the important role that Registered Social Landlords (RSLs) and other community groups like Development Trusts play in delivering change at a local level, we have developed the People and Communities Fund. This fund forms part of the overarching Regeneration Investment Fund (see below).
99. The Scottish Government will provide £7.9m per annum from 2012 to 2015 to support the People and Communities Fund, specifically to promote and support community led regeneration. The details of this fund will be announced in 2012, however, activity will include:
 - Building on the Wider Role fund, funding to support and strengthen local community anchor organisations across Scotland, including RSLs and Development Trusts. These will be organisations that deliver local regeneration activity and promote change in our most deprived urban areas, our fragile town centres and ex-coalfield communities.
 - Support for community asset ownership through the Community Ownership Support Service. This service, provided through the Development Trusts Association Scotland (DTAS), provides help and advice to community organisations interested in asset ownership.
 - Investment in a new community capacity building programme. This will focus on areas where there are currently few local organisations, weak networks amongst local people and where local people's skills and confidence need to be nurtured. It will have a focus on helping people to decide how budgets in their areas are spent.
 - Continuing to provide dedicated support to the Coalfields Regeneration Trust to help it develop as a self sufficient social enterprise. This will enable

it to build on its strong profile in ex-coalfield communities and to develop its capacity building role further.

- Support for the Achieving Change Programme.

The Community Empowerment and Renewal Bill

100. This Bill is expected to be introduced to the Scottish Parliament in 2013/14. This legislation will help support local people to unlock their potential for driving change on their own terms. In developing the Bill the Scottish Government will examine how to make it easier for communities to take on ownership of unused and underused publicly owned assets and how they can do more about vacant and derelict property in their neighbourhoods. The Bill will also take account of the Christie Commission recommendation to explore how participation of local people in the planning and delivery of services can be strengthened and how the capacity of those in our most disadvantaged areas can be built to help them to do that.

Community Renewables

101. The Scottish Government will maximise the benefits for communities from renewables and to transform the level of opportunity for local ownership of energy. Our ambition is for all Scottish communities to share in the rich rewards of our renewable energy revolution. Scotland is already leading the way across the UK in how it supports local ownership of renewable energy projects which provide wider community benefits. This local ownership can play an increasingly important role in helping communities to resource and develop their own futures.

102. The Scottish Government has worked extensively over the past year with industry, Ofgem, the Department of Energy and Climate Change (DECC) and other stakeholders to present a strong Scottish voice for change to Project Transmit, Ofgem's review of transmission charging. We are clear that the current charging regime, which penalises renewable generation for locating in areas of best resource, must change - and as Ofgem prepares to publish its recommendations we will continue to work for a fairer regime that will encourage renewable projects, not hinder them.

Climate Challenge Fund

103. The Scottish Government will continue to provide support for community led action on climate change through the Climate Challenge Fund. The fund will have an increasing focus on encouraging community enterprise and will have a new strand, a Junior Climate Challenge Fund, to support specific actions by young people in their communities.

Dormant Bank Accounts Grant Scheme

104. This fund is currently being developed through a consultation process by the BIG Lottery in Scotland. The scheme will cover priorities agreed by the Scottish Parliament:

- opportunities for Young People
- addressing health inequalities through increased activity
- strengthening inter-generational activities
- creating community-based employment opportunities

Charitable Bonds

105. The Scottish Government is working jointly with a leading housing association to explore the feasibility of a Scottish Charitable Bond. This will assess potential themes for investment, including employability, early intervention and tackling poverty, and identifying investor support. The introduction of charitable bonds would offer a funding stream for RSL house-building programmes and would also provide a funding stream for charities that deliver on a range of regeneration social outcomes, without the need for public sector resource.

Support for the Third Sector

106. The Scottish Government is undertaking a range of activity to help strengthen and support the third sector in Scotland. This includes:

- strategic support for and engagement with key national intermediaries and the local network of interfaces that enable local engagement between third sector and community planning partnerships
- organisational support that delivers third sector growth through the development of skills
- direct investment in enterprising third sector organisations and the development of new finance models
- identification of opportunities for an increased role of the third sector in the transformation of public service delivery

107. **A £500k Community Ownership Fund** will be created to help communities to explore taking ownership of their local sports facilities.

Other Support for Community Led Regeneration

108. **The BIG Lottery in Scotland** plans to continue its significant amount of community led activity covering a wide range of issues in Scotland. Some of BIG's grant schemes have been at the forefront of encouraging communities to be enterprising and develop their asset base in order to become sustainable in the long term. Significant programmes include Growing Community Assets; the development of a new independent JESSICA (Joint European Support for

Sustainable Investment in City Areas) trust; the neighbourhood-focussed Our Place; and Community Spaces Scotland.

109. **Chance to Thrive** is a pilot project being promoted by the Church of Scotland in some of the poorest neighbourhoods in Scotland. Building places where we all want to live requires the widest partnership and genuine local ownership of initiatives. Those who live in an area are the experts in their neighbourhood; involving them in a 'bottom up, people centred' regeneration that focuses and builds on the local aspirations and expertise could be more successful than 'top down' regeneration that focuses primarily on infrastructure. The project involves long term mentoring & support given by a volunteer group of experienced people, and develops the connections and commitment faith groups can bring to regeneration.
110. **Inspiring Scotland's Link Up programme** is a new assets based programme funded by the Scottish Government's CashBack for Communities which will look at how strengthening social networks, and facilitating opportunities for people to help each other, builds trust. The programme will work in ten areas and will have a strong focus on learning lessons.

Actions

The Scottish Government will:

- ◆ Work with stakeholders to develop and deliver the People and Communities Fund to provide support to communities
- ◆ Introduce the Community Empowerment and Renewal Bill
- ◆ Ensure renewable projects developed on the public land are leaders in the provision of community benefit.
- ◆ Continue to provide funding to communities through the Climate Challenge Fund
- ◆ Develop a Dormant Bank Accounts grant scheme
- ◆ Investigate the feasibility of a Scottish Charitable Bond
- ◆ Introduce a £500k Community Ownership Fund to help communities to explore taking ownership of their local sports facilities.
- ◆ Continue to work with key external partners, including BIG in Scotland, to share learning and to align funds where appropriate around a set of shared outcomes.

Investing in the Economic Potential of Our Communities

“Regeneration in the current context of developing policy must reflect a model of financing and not of funding as previously expected”

Discussion paper response

111. *Building a Sustainable Future* set out the challenges facing regeneration in the current economic climate. In particular, there are significant challenges in supporting economic and physical change in Scotland’s communities with limited availability of public sector grant and private sector resources.
112. Respondents to *Building a Sustainable Future* recognised that funding models need to change with greater emphasis on financing (for example, through provision of loans) as opposed to grant where this is appropriate. The re-configuring of resources into the **Regeneration Investment Fund** reflects this shift.
113. Mainstream resources and services at both national and local level, including health, justice, housing and transport can also have a significant impact on regeneration outcomes. It is vital that these resources take account of the needs of communities and work together to address economic, physical and social issues in a joined up and effective manner.
114. The list of interventions below is not exhaustive. Other key actions are being carried out across government including: significant infrastructure investment through the *Infrastructure Investment Plan*; funding and other support to ensure that all people in Scotland live in high-quality, sustainable homes that they can afford and which meet their needs (as set out in *Homes Fit for the 21st Century*¹⁸); support for small businesses through the Small Business Bonus Scheme; and work to support CPPs and local authorities to deliver employability support through *Achieving Our Potential*.

Regeneration Investment Fund – Capital Investment

115. The Regeneration Investment Fund is an overarching fund that draws together key funding streams to focus activity on the priority outcomes required to deliver successful regeneration. This fund has two distinct but interrelated parts: a Capital Investment Fund and the People and Communities Fund.
116. **The Capital Investment Fund** provides support for physical development and will focus on a number of key interventions: land remediation, enabling infrastructure, and support for town centres. Past capital regeneration funding has tended to focus on a small number of areas or organisations, and in

¹⁸ <http://www.scotland.gov.uk/Publications/2011/02/03132933/0>

particular pump-prime funding for the Urban Regeneration Companies (URCs) who have delivered some important outcomes in the communities in which they operate. The new capital investment fund will provide flexibility and support to the areas that need it most and to the organisations that can best deliver results – be they URCs, CPPs or communities (amongst others). Funding will no longer be ring-fenced for a limited number of organisations or areas, recognising the breadth of need across Scotland.

117. The Capital Investment Fund encompasses three elements.

- *SPRUCE, Scotland's JESSICA Fund*: This will provide loan support to revenue-generating regeneration projects within the 13 eligible areas. Currently totalling £50m, it is anticipated that the fund will be recycled up to 3 times within 10 years, providing a significant resource to support successful regeneration in key areas.
- *A £25m per annum Regeneration Capital Grant Fund*: This will be used in the short-term to continue to provide direct grant support for URCs. Scope for future activity will be developed in consultation with key stakeholders, including COSLA.
- *The Vacant and Derelict Land Fund (VDLF)*: This fund is available to selected local authorities to tackle issues with long-standing vacant and derelict land. It will be made available as £8.1m in 2012/13, £7.5m in 2013/14 and £11m in 2014/15. The Scottish Government will work with COSLA to revisit the focus of the VDLF in the future, to provide more flexibility to local authorities to respond to issues with vacant and derelict land and property.

Actions

The Scottish Government will:

- ◆ Continue to provide key funding to regeneration projects through the Regeneration Investment Fund.
- ◆ Use the lessons from SPRUCE, Scotland's JESSICA Fund, to inform future development of innovative funding models.
- ◆ Work with stakeholders to establish the scope of the Regeneration Capital Grant Fund to determine how, where and to who it should be allocated in the future.
- ◆ Engage with COSLA and local authorities to ensure that maximum benefit is derived from the VDLF. This will include reviewing the types of activity supported.

Additional Funding and Support

118. A number of other key Scottish Government funding streams and initiatives also include a focus on investing in the physical and economic infrastructure of our communities and play in a key role in delivering regeneration outcomes. Some of these are outlined below.

119. **European Structural Funds** provides significant investment for regeneration and economic development, alongside funding to address social inequalities, through the European Regional Development Fund (ERDF) and European Social Fund (ESF) programmes. £24m from the 2007-13 ERDF programme has been committed to support SPRUCE, Scotland's JESSICA, Fund; with in excess of £38m grant funding already committed from ERDF Priority 3 (Urban Regeneration) to projects across Lowlands and Uplands Scotland.
120. **Historic Scotland (HS)** provides £12m annually through its grant programmes to support heritage related projects; including three specific funding streams which aim to help deliver regeneration outcomes - the Conservative Area Regeneration Scheme (CARS), the City Heritage Trusts and the Building Repair Grant. Together these represent direct investment into heritage led regeneration of some £9m annually. Additionally HS fulfils a broader role within regeneration as it supports local employment at its sites and monuments, and has also developed a strategy for sustaining and developing traditional building skills in Scotland – a key driver in local sustainability.
121. Many of the HS grant programmes complement, and work in partnership with, equivalent streams from the Heritage Lottery Fund; enabling significant levels of match funding to be levered into projects.
122. **Tax Incremental Financing (TIF)** is a means of funding public sector investment in infrastructure judged to be necessary to unlock regeneration in an area, and which may otherwise be unaffordable to local authorities or undeliverable through the private sector. The Scottish Futures Trust (SFT) on behalf of the Scottish Government is playing active role in the development of TIF as funding mechanism for major regeneration schemes. The Scottish Government is supportive of a limited number of pilot projects to test applicability of TIF to Scottish circumstances.
123. Depending on progress with TIF pilots, the Scottish Government will consider bringing forward primary legislation to roll out TIF more widely across Scotland.
124. A **Next Generation Digital Fund** has been established to accelerate the roll out of superfast broadband across Scotland, with a particular focus on rural areas. In total up to £144.3 million of Government funding will be available to 2015/16. The fund will also seek to optimise public sector investment in broadband infrastructure and leverage maximum levels of private sector investment to improve broadband coverage in Scotland.
125. The establishment of four **Enterprise Areas** across Scotland will contribute towards creating a more supportive business environment. Enterprise Areas aim to reduce barriers to private investment in the short to medium term and help stimulate new economic activity, including in locations with a need for

improved economic performance. The Scottish Government is currently working with its enterprise agencies to assess potential Enterprise Area sites against a rigorous set of criteria including the need to improve local economic performance.

126. By focusing on manufacturing opportunities in growth sectors and seeking to optimise the use of Scotland's natural resources and knowledge, Scotland can develop an international competitive advantage in sectors like renewables manufacturing thus generating additional value for the Scottish economy, creating new jobs and minimising the impact of displacement.
127. **The Central Scotland Green Network Development Fund** provides support for projects that enhance the natural environment and improve access to high quality greenspace in Central Scotland. Projects targeting communities suffering from multiple deprivation are afforded priority. Around £2.1m has been provided to projects in the central belt in the two years from 2010-12 and further investment will be announced shortly.
128. The Scottish Government is committed to continuing to promote the use of **Community Benefits in Procurement** to ensure that maximum economic benefit – for example, jobs and training – are secured for local communities through physical development¹⁹.

Actions

The Scottish Government will:

- ◆ Ensure that the remaining funds in the 2007-13 ERDF programme are prioritised to support the delivery of key regeneration outcomes, particularly where there is an opportunity to tackle market failure and generate economic growth.
- ◆ Work with the European Commission to shape the future Structural Funds programme (2014-2020) to offer support for regeneration capital projects and to complement the activities underway through the Regeneration Investment Fund.
- ◆ Continue to provide support for heritage related projects through Historic Scotland's capital grant programme and pursue alignment between the aims of this programme and other regeneration funding streams.
- ◆ Depending on progress with TIF pilots, the Scottish Government will consider bringing forward primary legislation to roll out TIF more widely across Scotland.
- ◆ Deliver the Next Generation Digital Fund to accelerate the roll-out of next generation broadband across Scotland.
- ◆ Establish four Enterprise Areas which, by focusing on manufacturing opportunities in growth sectors, will help create a supportive business environment, encourage faster economic growth and generate new employment opportunities.

¹⁹ <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/procurecombenefits>

Innovative Funding

“One key aspect on making progress is finding funding mechanisms that respond to a change from grant funding to investment loans. Clearly this change is necessary as Government no longer has the capital resources to sustain many of its grant programmes”.

Discussion paper response

129. The current economic climate coupled with reduced availability of public sector funding means that innovative solutions are required to support change. The Scottish Government has already developed a range of innovative funding solutions, including SPRUCE, Scotland’s JESSICA fund, and the National Housing Trust.

Actions

The Scottish Government will:

- ◆ Work with public and private sector partners, including organisations such as the Scottish Futures Trust, to develop new and innovative funding models which will provide a direct benefit to local authorities and their partners.
- ◆ Support local authorities to develop local innovative funding solutions where appropriate.
- ◆ Ensure alignment of funding streams where possible to support the delivery of shared outcomes.

Support for Town Centres

“Fundamental questions regarding the role and function of place need asking, rather than seeking to regenerate...a town centre by returning or restoring it to a rose tinted view of its past. ‘What kind of place can this be?’ is a question that all communities should be asking themselves”.

Discussion paper response

130. Town centres are a key element of the economic and social fabric of Scotland. Support for town centres forms a key part of the regeneration vision and supporting outcomes. Town centres can be a central component of successful local economies and offer a base for small businesses and jobs. Town centres

are often at the core of community life, offering spaces to meet and interact and access to facilities and services that people require.

131. It is important that town centres are functioning, well-maintained assets that develop to support the needs of their residents, businesses and visitors.
132. There are a number of well-documented issues faced by Scotland's town centres and local high streets. This is not just the result of the impact of the economic downturn. The loss of big name anchor stores from the high street accelerated and threw into sharp relief issues which have been developing in towns over the past two decades. These issues include outmoded shops and lack of diversity; accessibility; rents and rates; competition from supermarkets and out of town retail; and the problems associated with empty properties. For Scotland's town centres to be successful, these issues need to be addressed. The role of planning is also important in this context, in relation to the positive impact it can have in supporting town centres.
133. Scottish Government research²⁰ into town centre regeneration highlighted the need for town centre regeneration to have clear vision and strategy. The research also found that as well as physical intervention, social and economic activity was also necessary in helping to regenerate Scotland's town centres.
134. The Scottish Government will undertake a **national review of town centres** in 2012 to scope out potential solutions to the issues faced by Scotland's town centres and to enable a measured, long-term approach to town centre regeneration by targeting these issues. The review will be developed and implemented in partnership with local authorities, community groups and other key stakeholders
135. Although many of the issues identified do not necessarily require a financial response, funding support can sometimes help to kick-start recovery. Whilst a number of the required financial and support levers lie at local level, the Scottish Government will **focus resources on supporting town centres** where this is practicable. The national review will be used to identify where additional funding support is required and this will form part of the future focus for the Regeneration Investment Fund.
136. **Business Improvement Districts (BIDs)** are one potential mechanism for encouraging continuous investment in town centres and for mustering efforts to market and promote them. BIDs deliver a sustainable financial model to local businesses who have voted to invest collectively in local improvements. The Scottish Government supports the BID model and provides grant funding to

²⁰ <http://www.scotland.gov.uk/Publications/2011/09/21082703/0>

Improvement Districts Scotland Ltd (to support and encourage developing BIDs) and to business groups and associations to develop their BID proposals.

137. Alternative models offering support include 'Start-up Street' in Stirling which is being developed in partnership between Stirling Council and Architecture + Design Scotland, and Retail Rocks! in Aberdeen. Local authorities and their partners are encouraged to consider models that are appropriate to local circumstances and develop these as appropriate. This issue will be considered as part of the national review of town centres.
138. **Reform of Empty Property Relief from April 2013** will introduce incentives to bring vacant premises back into use and reduce the prevalence of empty properties in town centres and support urban regeneration.

Actions

The Scottish Government will:

- ◆ Undertake a national review of town centres in 2012 in partnership with local authorities and other key stakeholders
- ◆ Align funding streams where possible, including aspects of the Regeneration Investment Fund, in order to provide appropriate support for town centres as identified within the national review.
- ◆ Introduce Reform of Empty Property Relief from April 2013.
- ◆ Continue to provide funding to support and encourage the development of BIDS across Scotland.

Housing

139. Housing is a key part of our physical, economic, and social fabric. It is also critical to the wider development of our ambitions in Place. Whilst housing quality is a key factor in the quality of individual and family life it also has important economic impacts. In the short term, government funded house construction can provide valuable support to industry in times of economic downturn. The Scottish Government has expanded housing supply programmes, accelerated funding where appropriate, and over the period 2008-11, invested a record £1.7 billion in affordable housing; achieving our target to approve around 21,500 new/improved affordable homes. Over the longer term, a well functioning housing system is a key component of a society's infrastructure. A large stock of good quality, appropriate housing will help us achieve the country's full potential through better employment opportunities, healthier lives and a more prosperous and equal society.
140. Our vision is for a housing system by 2020 which provides an affordable home for all. To achieve this we will need a strong recovery in the construction sector

and a substantial increase in the number of homes of all types, including housing to meet the needs of disabled people and older people for independent living. We also need to see improvements in the quality of our homes, so that everyone has a warm and comfortable home, whether they own it, part own it, rent it privately, or rent from a social landlord. Equally, the system must cater for the variety of needs and demands, offering different tenures and flexible transitions between tenures, helping to enhance economic growth and social mobility, as well as strengthening our communities.

141. Housing is and will remain a priority for the Scottish Government and we have pledged to deliver 30,000 affordable homes over the next five years . We will work with all housing providers to seek creative, innovative approaches to help us meet our targets for affordable homes, which will include support for local developments by Registered Social Landlords and others as part of planned local regeneration programmes. We recognise the vital role of social housing in providing people with an affordable home and a platform for getting on in life and so at least two-thirds of the 30,000 will be for social rent. We will also support intermediate products such as shared equity and homes for intermediate rent.
142. The Scottish Government's Strategy for Housing, Homes Fit for the 21st Century, outlines a series of action intended to support housing quality and supply across Scotland. Provision of housing can make a significant contribution to the creation of sustainable places and improving the physical environment.
143. **Tackling long-term empty homes** helps support the regeneration of communities by ensuring that buildings are functional and fully utilised. Long-term empty properties are a wasted resource and can often contribute to the physical decline of Scotland's neighbourhoods. The Scottish Government is funding the Scottish Empty Homes Partnership which is managed by Shelter Scotland to build capacity of local authorities and partners to bring long-term empty homes back into use. In addition, the Scottish Government will bring forward legislation which will give local authorities the extra flexibility to increase the amount of Council Tax charged on long-term empty homes.
144. **The Scottish Housing Quality Standard (SHQS)** sets out the minimum standard expected for Scottish homes. SHQS includes the tolerable standard, disrepair, energy efficiency, modern facilities and a safe and secure place to live. All social landlords (local authorities and housing associations) are required to meet SHQS for all their rented homes by April 2015. The Scottish Government has published guidance to support social landlords to do this.

145. **Up to £10m will be provided through the House building infrastructure loan fund (HILF)** to support the provision of on-site enabling physical infrastructure and other work genuinely required to commence house-building projects and thereby accelerate house-building in the current economic climate.
146. Working in partnership with Glasgow City Council and Glasgow Housing Association in Glasgow's eight **Transformational Regeneration Areas (TRAs)** the Scottish Government will seek to maximise the value that can be realised through an integrated and long-term approach to development and regeneration, and will aim to deliver high quality neighbourhoods together with opportunities for economic and community development. Scottish Ministers will nominate Board members to the Special Purpose Vehicle which will drive this forward. This process is already underway with the initiation of housing development at the first three activated TRAs at Laurieston, Maryhill and Gallowgate and the Scottish Government is working with partners towards activating a further two TRAs at North Torglen and Shawbridge.

Actions

The Scottish Government will:

- ◆ Work with all housing providers to seek creative, innovative approaches to deliver the target of 30,000 affordable homes across Scotland over the next five years.
- ◆ Bring forward legislation to the Scottish Parliament to tackle issues with long-term empty homes
- ◆ Continue to support social landlords to help target spending on housing improvements and to raise awareness of the SHQS amongst tenants.
- ◆ Help kick-start house-building through the £10m House Building Infrastructure Loan Fund.

Placemaking

“Priority needs to be the development of real places where people want to live, work, visit and spend time”.

Discussion paper response

147. Successful placemaking can pull together key community, social and economic issues essential to successful regeneration and is at the heart of building sustainable communities. Because it brings many different influences together, placemaking can have an important impact on long-term sustainability and on the quality of the communities created. The Scottish Government will continue to support quality placemaking in Scotland's communities through a range of policies and tools.

148. **An efficient planning system** is crucial in ensuring that developments can be delivered effectively at local and national level. Scottish Government measures to increase the effectiveness of the planning system include; increasing co-operation, being more proportionate in processes, decision making and enabling planning authorities to be properly resourced. Such modernisation is designed to ensure that planning can assist in delivering good development. The Government is continuing to take action to sharpen the planning system's focus on performance and delivering a high-quality service that supports development and economic growth
149. **Compulsory Purchase Orders (CPOs)** are a valuable tool that local authorities can use to free-up 'blocked' land and assemble sites which can attract investment. CPOs can help facilitate regeneration and wider economic development projects that would otherwise not have been possible. The Scottish Government is committed to making the CPO process more efficient and enabling CPO powers to be more widely used in future, as appropriate, to drive forward development where it is needed.
150. **Quality design** is crucial in supporting the creation of successful places. Designing Streets²¹ and Designing Places²² are Scottish Government policies that we expect to be taken into account and form the basis of any proposals for regeneration initiatives.
151. The Scottish Government is committed to promoting good practice in the design and delivery of our new and regenerated places and an **online resource** is being produced to showcase examples of good new development across Scotland. This will be a 'live' resource database and will be expanded over time as new projects are built that will showcase the best of Scottish development. The website will be used to showcase good practice in regeneration and to inspire built environment professionals, as well as the general public, about good design and what it is possible to achieve in the future.
152. **Architecture + Design Scotland (A+DS)** is Scotland's national champion for architecture and placemaking. A+DS play a crucial role in the promotion of good design and placemaking through a number of programmes and practice initiatives. This includes working with Scotland's URCs to promote good design practice, in particular through the production of design case studies.²³

²¹ <http://www.scotland.gov.uk/Publications/2010/03/22120652/0>

²² <http://scotland.gov.uk/Topics/Built-Environment/planning/National-Planning-Policy/Designing>

²³ <http://www.ads.org.uk/news/celebrating-scottish-design-talent>

153. **The Scottish Sustainable Communities Initiative (SSCI)**²⁴ works with projects across Scotland, including two URCs, which are dedicated to embedding the benefits of good place-making and high quality design at the heart of new and regenerated communities. The Scottish Government is committed to the success of the SSCI, alongside the SSCI Charrette Mainstreaming Programme, and to ensuring that the lessons from the SSCI are disseminated widely to inform placemaking activity across Scotland.
154. **The Central Scotland Green Network (CSGN)** is a national development within the Scottish Government's National Planning Framework which aims to transform the natural environment of Central Scotland, making it a more attractive place to live, invest and do business and improving quality of life for residents. The initiative aims to tackle environmental dereliction and ensure everyone has access to high quality greenspace within walking distance of their home. We know that our most disadvantaged communities commonly suffer from the poorest quality environments and they are therefore a priority for the initiative, working with local authorities and regeneration agencies.
155. **Cultural and creative projects** have the capacity to deliver against a number of environmental, economic and social objectives making them a potential force for regeneration. The Scottish Government recognises that as well as contributing to the economic development of an area, cultural and creative activities can help to foster new skills, build confidence and support community cohesion. We encourage those responsible for delivering regeneration locally to consider how cultural and creative projects can be integrated into schemes.
156. There is significant potential for the benefits from **major events** to be felt across Scotland both culturally and economically. For example, through the funded and partner programmes associated with the Year of Creative Scotland in 2012 there is likely to be a boost to deprived areas and to wider community regeneration and social inclusion. In addition, 2013's Year of Natural Scotland, Homecoming 2014 and the Ryder Cup also have significant potential to boost regeneration.
157. The Scottish Government is working closely with Glasgow City Council and Clyde Gateway URC to maximise the opportunities that the Glasgow 2014 Commonwealth Games provide to revitalise parts of the city. Infrastructure is being put in place that will help to ensure the Games are successful in 2014 and will leave a permanent legacy from the event. In addition to the physical regeneration, the Games will support people moving in to and towards employment through Games-related job, volunteering and training opportunities. The Scottish Government is providing substantial public funding to support the staging of the Commonwealth Games. In addition to delivering a

²⁴ <http://www.scotland.gov.uk/Topics/Built-Environment/AandP/Projects/SSCI>

sporting spectacle, it is intended that this funding will stimulate a lasting legacy from which the people of Glasgow and Scotland will benefit.

Actions

The Scottish Government will:

- ◆ Ensure that Scotland's planning system is effective and proportionate and that it supports sustainable economic growth and regeneration outcomes.
- ◆ Work with stakeholders to continue to improve the Compulsory Purchase Order (CPO) process
- ◆ Continue to work with planning authorities to ensure that quality design features at the heart of placemaking.
- ◆ Continue to support A+DS as Scotland's placemaking champion
- ◆ Continue to provide support to the Scottish Sustainable Communities Initiative (SSCI) and the SSCI Charrette Mainstreaming Programme
- ◆ Provide continuing support to the Central Scotland Green Network (CSGN) and provide funding through the CSGN development fund for projects that improve the environment in regeneration areas.
- ◆ Continue to support local authorities to deliver change through Creative Scotland's Place Partnerships Programme.
- ◆ Encourage those responsible for delivering regeneration to incorporate creative and cultural projects within regeneration schemes.

Making the Most of Public Sector Assets

158. Local authorities and other public sector partners often have significant tranches of land available which could return dividends if treated as a working asset rather than as part of the estate. They also have revenue funding streams which can be utilised to kick start the purchase / regeneration or new build of assets (for example, through local asset backed vehicles).

159. The public sector should make the most of the assets and resources that are available in order to support local regeneration activity, and should take account of the needs of communities when making investment decisions in relation to physical and economic development.

160. Maximising the use of the public-sector asset base and reducing procurement costs for community infrastructure projects is at the heart of the hub initiative. **The hub initiative** is led by the Scottish Futures Trust on behalf of the Scottish Government. It brings community planning partners, including health boards, local authorities, police, and fire and rescue services together with a private sector development partner to increase joint working and deliver best value through the shared delivery of sustainable community buildings - from small GP practices to large combined community, health and sports centres.

Actions

The Scottish Government will:

- ◆ work with the Scottish Futures Trust and other key stakeholders to develop a Scotland-wide implementation programme for asset management activity which will apply at both national and local level.
- ◆ work with the Scottish Futures Trust to develop the hub initiative and secure roll-out throughout Scotland, across the five designated hub territories.

Measuring Progress

161. Delivering the regeneration vision will take a long-term and sustained effort across government and in partnership across public, private and third sectors, alongside communities themselves.
162. To support delivery of the actions identified within the Strategy an external advisory group will be established, made up of stakeholders from across a range of sectors. This group will help to identify the short, medium and long term success factors required to achieve outcomes that are needed.

Annex A

Supporting Outcomes

These supporting outcomes have been developed in consultation with key external stakeholders, including representatives from the public, private and third sector, alongside community groups. We are grateful for the input received from all contributors.

The categories of economically, physically and socially sustainable communities are not mutually exclusive. Many of the outcomes listed below will fall under each heading, although each outcome has only been included once for the purposes of this list.

Economically Sustainable Communities

- Strong local economies, providing access to jobs and support for business
- A well trained workforce whose skills meet economic needs
- People have access to the learning and development opportunities that they need and the right support is in place to help people to work
- A thriving private sector and social enterprise
- Effective strategies in place to link economic opportunity and demand
- The right affordable housing options with sufficient availability and quality of housing across all tenures
- Places encourage positive and appropriate private sector investment and social enterprise which provides opportunities for business and jobs
- Infrastructure fosters the right conditions for growth and community cohesion, including good transport and digital connectivity
- Thriving towns and high streets
- Sustainable employment and reducing welfare dependency

Physically Sustainable Communities

- People have access to quality public space and appropriate greenspace
- Well planned neighbourhoods and local areas, with accessible facilities and amenities
- Communities have a positive appearance and are places where people want to live, work and invest
- Quality design and upkeep of buildings and spaces
- Address vacant and derelict land and property and preserve heritage/built environment for productive use
- Use resources efficiently and respect the natural environment

Socially Sustainable Communities

- Communities and people are protected and feel safe
- Delivery is focussed on the needs of people

ACHIEVING A SUSTAINABLE FUTURE

- Communities are involved in designing and delivering the services that affect them
- Strong and effective community networks are in place
- People have access to appropriate community facilities and places to meet
- Communities have a positive identity and future aspirations
- People are empowered to improve their area and maximise local assets
- People have good physical and mental health
- People have access to effective local services and facilities, including health, education and early years support
- Towns and high streets act as a focal point for social and economic interactions
- Communities are fair and inclusive, where all have a voice and can participate
- Sustainable employment to tackle worklessness.

Annex B

Roles and Responsibilities

The following sections outline the different organisations that are responsible for delivering regeneration outcomes. This list is not exhaustive and is likely to shift depending on local circumstances and the nature and scale of the regeneration activity being undertaken.

In addition to the organisations outlined below, organisations such as SEPA, Scottish Water, Health Boards, and Transport Scotland will also have a key influencing effect on the success of regeneration.

Scottish Government

Key roles:

- Creating a vision and setting strategic direction
- Enabler and funder
- Supporting successful delivery
- Facilitating learning
- Coordinating policy

The Scottish Government has a key role in setting the vision and strategic direction for regeneration in Scotland, providing an overarching framework for delivery and putting in place the right conditions to implement our vision, evaluating and driving forward change to make a lasting difference.

It is important to learn lessons from the past, in order to inform future delivery. Whilst learning lessons from experience and sharing practice should be part of delivery at all levels, the Scottish Government will also facilitate knowledge transfer where this can help improve the delivery of services. This role includes ensuring that local delivery organisations are putting the right solutions in place and that they have the right skills, capacity and knowledge to deliver.

The Scottish Government also has responsibility for ensuring that national Government policies are coordinated, pulling together the different strands of related policies at national level so that regeneration does not stand alone but is instead an integral consideration across a wider range of connected strategies and policies.

Local Authorities

Key roles:

- The lead statutory role in Community Planning, ensuring relevant local partners are engaged in delivering joint priorities at a local level and that communities are actively engaged with the Community Planning process
- In the context of Community Planning, playing a key role in the preparation, delivery and monitoring of the Single Outcome Agreement for their locality
- Delivering coordinated and effective local services in line with priority local outcomes and needs
- Taking account of economic opportunity and need in design and delivery of policies
- Drawing together the right partnerships at local level and ensuring that communities are engaged and involved.
- Taking account of national policies and strategies and implementing these at a local level.

Local authorities have responsibility for delivering local economic development and local regeneration. In addition to their role as major employers and procurers of services, local authorities lead on the delivery of critical functions, such as housing, planning, licensing, education, and local transportation infrastructure. The effective, joined-up delivery of these services can have a major positive impact on the operation of the local economy.

Local Authorities also play an important role in supporting the local business base through the delivery of Business Gateway with it's emphasis on both helping businesses to start up, remain sustainable and grow. This is complemented by the potential to lead entrepreneurship activity in schools and in partnership with local colleges.

It is for local authorities to develop the right working relationships to deliver regeneration and to ensure that local communities are involved in decision making and delivery. Local authorities are well placed to create relationships at a macro level, for example by working across local authority boundaries in order to develop a regional economic approach and to share practice and learning.

It is for local authorities to ensure that the resources they have available are directed by the genuine needs of local people. Local authorities have a key role in identifying suitable local funding for regeneration activity and in ensuring transparency of funding for other local delivery organisations.

“Regeneration in the current context of developing policy must reflect...a delivery model which connects communities and does not treat deprived neighbourhoods in isolation”.

Discussion paper response

Local authorities are well placed to link economic opportunity and need. It is important that an overall view is taken of the opportunities that exist, where there is room for growth, and how these opportunities can be effectively exploited to respond to local conditions in an effective way.

Local authorities are also best placed to ensure that cultural provision is an integrated part of local regeneration activity.

Health Boards

Key roles:

- Developing strategies which promote health as much as ones which tackle ill health.
- Help people identify and focus on the assets and strengths within themselves and their communities and supporting them to use these assets to make sustainable improvements in their lives
- Undertaking a preventative role, particularly in relation to early years interventions.

The NHS has a role to play with other agencies to help communities take more control of their own affairs including health, rather than what the NHS or other agencies can do to, or for communities to improve their health. The NHS therefore needs to help people find alternatives to seeking healthcare as a solution to social problems as well as providing appropriate service for medical needs. Health Boards also play a key role in undertaking preventative action, particularly in relation to early years support.

Community Planning Partnerships (CPPs)

“The spatial priorities for regeneration should be decided by each local CPP... [they] are in the best position to prioritise regeneration areas and these can then be developed into regeneration outcomes in the Single Outcome Agreements”.

Discussion paper response

Key roles:

- To develop effective local partnership approaches to identify and deliver priority local outcomes, set out in the Single Outcome Agreement

- To ensure that the right organisations and people are involved in shaping decisions and delivery, including community representatives.
- To ensure that regeneration outcomes are embedded in the Single Outcome Agreement approach.

Community Planning Partnerships (CPPs) are central to ensuring that the right people and communities are involved in decisions about the public services that affect them and that the right connections, including regional and national connections, are in place to deliver positive local outcomes. The Scottish Government looks to CPPs work across and disrespect the boundaries between public services to deliver the right positive outcomes for their locality.

It is important that regeneration outcomes are embedded within the CPP approach. CPPs can work with others to share information to help improve the delivery of regeneration outcomes across the whole of Scotland.

Community Anchor Organisations

“Successful regeneration begins at ground level and by empowering communities to make changes for themselves”.

Discussion paper response

There are already a large number of successful locally controlled organisations that play a key role in regeneration. These include:

- the 170+ members of Development Trusts Association Scotland
- Community Councils
- the Community Based Housing Association movement
- Social enterprises
- a growing community food movement
- community health projects

These organisations have strong links to their local communities and usually stimulate high levels of voluntary activity. They are well placed to spot the talent and opportunities in their areas and have the energy and creativity to nurture and exploit those.

Increasingly, these organisations take an enterprising and assets based approach to their work. This is the kind of activity we want to support through this strategy.

Third Sector

Key roles:

- To deliver key projects and services designed to enhance the well-being of our communities
- To strengthen communities resilience and support community engagement in the design and delivery of public services.

The third sector – comprising social enterprises, voluntary organisations and community organisations – makes a direct impact on communities, the wellbeing of citizens and the improvement of public services. As the needs of the disadvantaged are at the heart of the third sector's work, the sector plays a key role in supporting regeneration outcomes. The third sector often reaches individuals and communities that the public and private sectors do not always effectively engage with.

The third sector strengthens community resilience and sense of well being, and supports community engagement in the design and delivery of public services. It is the primary source of volunteering which not only helps deliver services that make communities stronger and supports vulnerable people, but builds skills and self-development that can improve employability prospects.

Registered Social Landlords

"RSLs have a key role to play in both physical and social regeneration and through their wider action role and being based within local communities play a very significant role in delivering successful outcomes."

Discussion paper response

Key roles:

- To act as landlords and housing developers, maintaining stability and quality of both their service and the physical environment locally.
- To use their role in the community to deliver positive economic, social and environmental changes for the people they house.

RSLs make a significant contribution to local regeneration through their wider role activity. RSLs have strong links to the communities they serve. This makes them well placed to identify local opportunities and needs and deliver outcomes for local people. RSLs have a particular ability to reach hard to reach groups and individuals. RSLs possess significant assets in terms of land, building and the skills and experience of their management committee members and staff.

Many RSLs also undertake a broader role as a community anchor, working to build capacity within other community groups and third sector organisations involved in local regeneration activity.

Scottish Enterprise

Key roles:

- Driving forward economic growth
- Developing key sectors and stimulating growth opportunities
- Working in partnership to link areas of need with economic opportunities

Scottish Enterprise (SE) works with businesses across Scotland to stimulate economic growth. The right conditions need to be in place in all of Scotland's communities to achieve this. It is vital that the benefits of growth are shared equitably and that economic opportunity is effectively linked with need.

SE has the potential to make a significant contribution to regeneration through its ability to stimulate and identify growth opportunities. In addition, SE is an active partner in major regeneration initiatives, including Scotland's Urban Regeneration Companies (URCs), providing its expertise and input where appropriate to contribute to success.

Highlands and Islands Enterprise

Key roles:

- Driving forward economic growth
- Strengthening local communities

Highlands and Islands Enterprise's (HIE) purpose is to generate sustainable economic growth in every part of the Highlands and Islands. HIE plays a key role in delivering regeneration in rural areas.

HIE supports the growth of businesses and social enterprises particularly through its account management approach. It contributes to the development of growth sectors, including life sciences, business services marine renewables and financial services in order to support wider economic growth and deliver opportunities for local communities. HIE also supports projects that have a region-wide significance and underpin long-term economic growth such as investment in digital connectivity, the University of the Highlands and Islands, the low-carbon economy and the Digital Highlands and Islands action plan.

These activities complement HIE's work in promoting community-led asset-based development, to help grow stronger, more dynamic and sustainable communities, particularly in fragile areas

Scottish Futures Trust

Key roles:

- Develop and deliver new and innovative funding models for infrastructure
- Deliver improved value for money from investment in public sector infrastructure

The Scottish Futures Trust (SFT) is active in all sectors and has responsibility to deliver value for money across all public infrastructure investment. SFT operates at arms length from the Scottish Government, but works closely with public sector bodies to seek and deliver improved value for taxpayers. SFT's Business Plan for 2011-12 sets out key work to be undertaken by them on a £9 billion portfolio of projects.

A number of the SFT's initiatives, in particular Tax Incremental Financing (TIF) and capital build projects associated with the Non-Profit Distributing (NPD) model, have a direct impact on regeneration, with the potential to deliver regeneration outcomes through wider economic growth.

Other Delivery Agents: Special Purpose Vehicles

Key roles:

- To deliver transformational regeneration
- To work in partnership with the public and private sector to deliver sustainable change.
- To identify and access new and existing sources of funding, being innovative in their approach
- To trail-blaze new approaches to funding and delivery

Urban Regeneration Companies (URCs) and other Special Purpose Vehicles (SPVs) are a valuable tool to deliver sustainable transformational change, often in areas with significant market failure and with deep-seated physical, economic and social problems. URCs and other SPVs play an important role in bringing together public and private sector partners around a shared set of outcomes, to deliver a range of projects.

They also have a key role in developing new approaches to funding and delivery, with a responsibility to share practice with others in order to improve outcomes across Scotland.

Private Sector

"There is a need to adopt a cultural change whereby regeneration is addressed through proper partnerships between the public and private sectors. The skills and experience of the private sector, particularly given the change to an investment approach, should be utilised at an early stage in the process and evaluated. Appropriate risk should be shared and managed between the public and private investors."

Discussion Paper Response

Key roles:

- To invest in development
- To maintain quality of design and development
- To act as role model and leader
- To be a partner in shaping decisions and driving forward solutions

Private sector investment in regeneration projects often holds the key to unlocking developing and delivering change on the scale that is required. Involvement of the private sector in delivering regeneration is crucial, both in relation to provision of finance (through banks and other providers) and in directly delivering projects (including housing and business infrastructure). Private sector partners are also increasingly taking on a key role in developing new and innovative funding models. Private sector partners can bring a high degree of expertise to regeneration projects.



**The Scottish
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