

Submission to the Local Government and Regeneration Committee Inquiry into the Delivery of Regeneration in Scotland

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Key messages

How can the linkage between the various strategies and policies related to regeneration be improved?

- Since 1968 there has been a steady stream of different regeneration programmes and partnerships with various objectives. Long term stability in institutions, aims and governance is needed.

Can physical, social and economic regeneration really be separate entities? The Committee would find it useful to hear about projects distinctly focussed on one or more aspects, and the direct and indirect outcomes of such activity.

- It is important that policy is clear on what the different approaches to regeneration can deliver. Physical regeneration is important in delivering new housing and environmental improvements. It can also improve health and wellbeing. People-focused outcomes, such as educational achievement and employability, are much harder to improve.
- Good progress on people-based outcomes has been made by a non-area based approach delivered through strategic community planning.

Are we achieving the best value from investment in this area? If not, how could funding achieve the maximum impact? Could the funding available be used in different ways to support regeneration?

- Given how relatively small a portion of overall budgets regeneration expenditure is, it is most important to get value for money from expenditure on mainstream services in less affluent neighbourhoods.

What delivery mechanisms, co-ordination of, and information on the funding that supports regeneration are required, to facilitate access by all sections of the community?

- Community development resources and support to organisations such as Tenants' and Residents' Associations is important to enable access to the wide range of funding available.
- The role of housing associations as community anchors should be enhanced, using their assets, including staff, and stable revenue stream to offer community development in neighbourhoods.

Should funding be focussed on start up or running costs? What is the correct balance between revenue and capital funding?

- A very large qualitative impact on quality of life can be delivered through small amounts of revenue funding for community development. Whereas affluent neighbourhoods can deliver these activities themselves, less affluent neighbourhoods and communities often need support for small projects.

How can it be ensured that regeneration projects are sustainable in the long term?

- Tailored, mainstream expenditure from local authorities and CPPs has a key role in ensuring financial sustainability.
- We cannot expect neighbourhoods that have specific concentrations of poverty and associated challenges to suddenly be able to make projects sustainable using their own limited resources.

What role should CPPs play in supporting the community in regenerating their communities?

- CPPs have to deliver targeted and tailored mainstream services in less affluent neighbourhoods. Targets to close the gap in outcomes between neighbourhoods need to be part of Single Outcome Agreements.

How can CPPs best empower local communities to deliver regeneration? Please provide any examples of best practice or limitations experienced that you think the Committee would find useful in its scrutiny.

- Excellent mainstream services that meet neighbourhood need will allow communities the space to be empowered to tackle more entrenched problems. While communities are fighting to make their neighbourhoods liveable they cannot be expected to engage in more strategic issues.

A brief history of regeneration

Regeneration has been typified as an “alphabet soup” of initiatives. Numerous initiatives have been implemented over the decades, many of them running concurrently. Place-based regeneration policies have been used in the UK since the Urban Programme was launched in 1968 although antecedents can be found in previous slum clearance and comprehensive development policies.¹ The overall trend has been a move from short-term area-based programmes, to longer term strategic approaches; and a shift away from purely physical initiatives, to sophisticated joined-up programmes offering a more holistic approach. However, the regular changes to the policy environment leave a great deal of uncertainty and disengagement among communities and practitioners.² Further, while regeneration has historically been a relatively small part of government expenditure at all levels, it has been subject to almost overwhelming policy change and evaluation far beyond that which much larger expenditure streams are subject to.

¹ Atkinson, R. and G. Moon (1994). *Urban Policy in Britain: The City, the State and the Market*. Basingstoke, Macmillan. Edwards, J. (1997). "Urban policy: the victory of form over substance?" *Urban Studies* **34**(5-6): 825-843.

² Carley, M. and K. Kirk (1998). *Sustainable By 2020? A Strategic Approach to Regeneration in Britain's Cities*. Bristol, Policy Press. Hastings, A. (2003). Strategic, multilevel neighbourhood regeneration: an outward looking approach at last? *Urban Renaissance? New Labour, Community and Urban Policy*. Imrie, R. and Raco, M. Bristol, Polity Press: 85-100. Matthews, P. (2012). "From area-based initiatives to strategic partnerships: have we lost the meaning of regeneration?" *Environment and Planning C: Government and Policy* **30**(1): 147-161.

Early projects were predominantly funded by the UK Home Office. Two of the earliest were the Urban Programme and the Community Development Projects. The Community Development Project running in Ferguslie Park, Paisley, between 1969 and 1977 was the only Scottish example of this particular area-based policy and the only one in the UK focusing on an area of socially rented housing. Scotland received substantial amounts of Urban Programme funding (as UrbanAid) and funding from the EU and precursor bodies.³ The Paisley CDP typified a long-term difference between place-based policies in Scotland and England. Whereas much policy in England was focused at the inner-city, characterised by dereliction and failed housing markets, from the mid-1980s policy in Scotland has tended to focus on peripheral social housing estates around major cities. However, one of the major early place-based policies in Scotland – Glasgow East Area Renewal – was targeted at the inner city East End of Glasgow. This led to many successes and lessons learnt were included in the UK Government inner cities policies in the late 1970s.⁴

During the 1980s regeneration policy was dominated by large-scale support and subsidy of private-sector led revitalisation typified by the Urban Development Corporations (UDCs) – most famously London Docklands, but also in areas such as Tyneside, Don Valley Sheffield and Liverpool docklands. During this period the Scottish Office targeted Urban Aid funding at physical improvements. No UDCs were set up in Scotland but five enterprise zones were created – most famously the former Singer factory site in Clydebank.⁵

The main concentrations of unemployment and the associated social problems of multiple deprivation in Scotland have tended to be in large peripheral social housing estates. Policies such as population dispersal from Glasgow had delivered these new residential suburbs from the 1950s onwards. By the 1970s their peripherality, localised and general deindustrialisation, often combined with poor quality housing and services, led to specific concentrations of deprivation.⁶ This was recognised from the 1970s and urban regeneration funding, delivered by the Regional Councils, was increasingly focused on these neighbourhoods.

New Life for Urban Scotland, launched in 1988 and focusing on four neighbourhoods, aimed to make the targeting of regeneration funding more strategic and “turn-around” these neighbourhoods. The initial success of the programme in delivering rapid housing renewal led to the partnership approach being rolled out through the Priority Partnership Area scheme. This used a process of competitive bidding similar to that which had been used in the City Challenge and Single Regeneration Budget programmes in England. As well as the prioritised neighbourhoods that won increased funding, the policy also created partnerships without additional funding. This policy also recognised that partnerships could be more

³ McCrone, G. (1991). "Urban renewal: the Scottish experience." *Urban Studies* **28**(6): 919-938. Paisley CDP (1978). A Profile of Ferguslie Park. Paisley, Paisley CDP.

⁴ Atkinson, R. and G. Moon (1994). *Urban Policy in Britain: The City, the State and the Market*. Basingstoke, Macmillan. McCrone, G. (1991). Ibid. Taylor, P. (1988). "The urban programme in Scotland." *Local Economy* **3**(3): 205-218.

⁵ See the SPICE Briefing on Enterprise Areas here:

http://www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/Factsheets/SB_12-16.pdf

⁶ Turok, I. and N. Bailey (2004). "Twin track cities: Competitiveness and cohesion in Glasgow and Edinburgh." *Progress in Planning* **62**(3): 135-204.

effective covering an archipelago of neighbourhoods rather than just one small area.⁷ These were complemented by smaller programmes, such as the Scottish Homes run Small Urban Regeneration Initiatives and investment in physical regeneration by Scottish Enterprise.

This approach to spatial targeting was largely continued after devolution. The 1999 Scottish Office policy *Social Inclusion: Opening the Door to a Better Scotland* proposed keeping the existing network of partnerships, creating additional Social Inclusion Partnerships (SIPs) and focusing expenditure based on need (levels of deprivation measured by an index of multiple deprivation and population) as well as competition.⁸ It also introduced a network of 14 thematic SIPs covering a whole local authority area and focusing on a specific population, for example women in prostitution.⁹ In all 48, SIPs were created by the Scottish Executive, running until 2003.

The 2002 Scottish Executive policy *Better Communities in Scotland: Closing the Gap* proposed ending the SIPs and merging their functions into Community Planning Partnerships (CPPs) that were to become a statutory function of local authorities under the Local Government in Scotland Act 2003. This moved regeneration towards a mainstreamed, strategic, local authority-led approach to delivering sustainable change. Between 2006 and 2008 CPPs were supported in delivering regeneration through the £350 millions Community Regeneration Fund targeted at the most deprived 15% of neighbourhoods as identified in the Scottish Index of Multiple Deprivation.

The statutory provision for community planning placed a duty on local authorities and their CPPs to deliver local partnerships as well as central strategic partnerships. Some local authorities, for example Aberdeen and Dundee, based their partnership arrangements around existing SIP areas and other neighbourhoods. Most of CPPs have used the boundaries of multi-member wards as the geographical basis for delivering community planning at a local level. The intention was that CPPs at a local authority and neighbourhood level would have a strong focus on delivering neighbourhood change. However, in practice many CPPs have struggled to balance their strategic role with the local focus, with local communities often feeling excluded from participatory arrangements especially when they were involved in previous regeneration partnerships.¹⁰

⁷ Taylor, P., I. Turok, et al. (2001). "Competitive bidding in urban regeneration: stimulus or disillusionment for the losers?" *Environment and Planning C: Government and Policy* **19**(1): 45-63. Turok, I. and N. Hopkins (1998). "Competition and area selection in Scotland's new urban policy." *Urban Studies* **35**(11): 2021-2061.

⁸ Johnstone, C. and C. McWilliams (2005). Urban policy and the city in the 'new' Scotland. *Exploring Social Policy in the 'New' Scotland*. Mooney, G. and Scott, G. Bristol, Polity Press: 157-176. Lloyd, M. G. and J. McCarthy (1999). "Urban regeneration policy in Scotland - programmes for change." *European Planning Studies* **7**(6): 809-813. McCarthy, J. (1999). "Urban regeneration in Scotland: An agenda for the Scottish Parliament." *Regional Studies* **33**(6): 559.

⁹ Macpherson, S., R. Goodlad, et al. (2007). *Learning the Lessons from Thematic Social Inclusion Partnerships*. Edinburgh, Communities Scotland.

¹⁰ Audit Scotland (2013). *Improving Community Planning in Scotland*. Edinburgh, Audit Scotland. Carley, M. (2006). *Bringing Neighbourhood Centre Stage in Scotland*. York, Joseph Rowntree Foundation. Cowell, R. (2004). "Community planning: fostering participation in the congested state?" *Local Government Studies* **30**(4): 497-518. Lloyd, G. and B. M. Illsley (2001). "A community leadership initiative for Scotland?" *Politics* **21**(2): 124-129. Matthews, P. (2012). "From area-based initiatives to strategic partnerships: have we lost the meaning of regeneration?" *Environment and Planning C: Government and Policy* **30**(1): 147-161.

Community planning has taken on the role community regeneration focused on improving socio-economic outcomes: poor health and wellbeing; unemployment and worklessness and low educational attainment. Physical regeneration, similar to that delivered by programmes such as GEAR and New Life, has also continued through the network of six Urban Regeneration Companies across Scotland producing transformational physical change and tenure mix, replacing poor quality housing and improving environmental quality. This split between community regeneration being delivered through community planning and physical regeneration delivered by URCs continued after 2007, embedded with the *Achieving Our Potential* anti-poverty framework (along with *Equally Well* and *The Early Years Framework*) which loosened further the focus on places in tackling many of the problems encompassed in the previous community regeneration strategy.

The policy proposals contained in the Christie Commission report and the 2011 Scottish Government regeneration strategy do begin to signal a return to approaches to regeneration and place-based socio-economic policies last seen in the SIP programme. The focus on early-intervention in policy, and the understanding of the problems of multiple deprivation as being spatially concentrated is producing a renewed focus on places and neighbourhoods.

This is a complex story. For individual communities and neighbourhoods it has meant a large amount of change to the governance of regeneration and how mainstream services are delivered. Long-term residents activists maintain a memory of initiatives that have long since ceased, while the institutional memory of government has long-forgotten the lessons learnt as partnerships and projects have closed and staff have moved on.

The area-focus

The above history highlights that there has been a focus on particular places – less affluent neighbourhoods – in Scottish regeneration policy as being deprived in some way. This focus on place has recently gained renewed traction with the outcomes focus in the public services, with the Improvement Service finding that:

‘[a]ll these negatives [outcomes] in peoples [sic] lives in these areas are statistically inter-related but, more importantly, practically interact in the daily lives of these communities creating ‘cycles’ of deprivation and affluence.’¹¹

This, and similar policy statements, presume that the neighbourhood is some sort of undifferentiated “black box” of social systems that have an impact on an individual’s outcomes, above and beyond the impact of personal circumstances such as ill-health, poverty, disability etc. The evidence for the existence of such neighbourhood effects in Scotland is contradictory and marginal.¹² While it is easy to presume that neighbourhoods must have an impact on people’s life chances and outcomes because many less affluent neighbourhoods look so poor, and the collocation of many people with individual problems makes them more obvious, the conclusive statistical evidence that the neighbourhood *itself*

¹¹ Mair, C., K. Zdeb, et al. (2010). Making Better Places: Making Places Better - The Distribution of Positive and Negative Outcomes in Scotland. Broxburn, The Improvement Service, p. 8.

¹² Atkinson, R. and K. Kintrea (2001). "Disentangling area effects: evidence from deprived and non-deprived neighbourhoods." Urban Studies 38(12): 2277-2298. van Ham, M. and D. Manley (2010). "The effect of neighbourhood housing tenure mix on labour market outcomes: a longitudinal investigation of neighbourhood effects." Journal of Economic Geography 10(2): 257-282.

results in poorer outcomes does not exist. For many people, less affluent neighbourhoods are elevators for temporary residence after personal problems and misfortune, enabling them to settle and then move on.¹³

It is important to recognise that the concentration of poor outcomes in less affluent neighbourhoods exists predominantly because of housing choice – over two-thirds of all Scottish socially rented housing is in the most deprived 15% of neighbourhoods. With the increasing marginalisation of social renting as housing tenure of choice, it has increasingly become an option for those who have no housing choice because of characteristics the SIMD is measuring: low income; low skills and levels of educational attainment; poor health and wellbeing. It is also important to note that the majority of people experiencing poverty do not live in less affluent neighbourhoods.¹⁴

The Scottish Government in their regeneration strategy define regeneration thus:

“Regeneration is the holistic process of reversing the economic, physical and social decline of places where market forces alone won’t suffice”

This ties regeneration closely to correcting market failure, intervening where market forces alone are insufficient. Often it is not the market that has failed in Scotland. Historic policy decisions mean we have put our socially rented housing in estates, often physically and visually separate with no or very poor local facilities, and subsequently created areas where individuals and households experiencing poverty and social exclusion are spatially concentrated. This has coincided with a restructuring of labour markets towards part-time, low-skilled, low-paid work.

The same is equally true of why we have particular concentrations of very affluent households in some neighbourhoods. If we are to produce truly mixed communities then we have to move people experiencing poverty to affluent neighbourhoods, as well as changing less affluent neighbourhoods.¹⁵

The impact of housing markets and housing choice in the emergence of areas of concentrated deprivation has rarely been fully recognised in regeneration policy, particularly many area-based initiatives such as those discussed above. Rather, these presumed a neighbourhood had entered a cycle of decline and that some funding and policy attention would be sufficient to lift the neighbourhood from this temporary state. Subsequently, while policies such as New Life for Urban Scotland, that targeted its selected neighbourhoods for a decade, can improve socio-economic outcomes over the period funding is in place, neighbourhoods will often return to previous levels of socio-economic deprivation as newly employed residents move in and those in housing need move into socially rented housing.¹⁶

¹³ Robson, B., K. Lympelopoulou, et al. (2008). "People on the move: exploring the functional roles of deprived neighbourhoods." *Environment and Planning A* **40**(11): 2693-2714.

¹⁴ Kintrea, K. (2007). "Policies and programmes for disadvantaged neighbourhoods: recent English experience." *Housing Studies* **22**(2): 261.

Matthews, P., K. Besemer, et al. (2012). 'Hard-to-Reach' or 'Easy-to-Ignore'? A rapid review of place-based policies and equality Glasgow, Equalities and Human Rights Commission Scotland.

¹⁵ Rae, A. (2011). "Learning from the Past? A Review of Approaches to Spatial Targeting in Urban Policy." *Planning Theory & Practice* **12**(3): 331-348. Rae, A. (2012). "Spatial patterns of labour market deprivation in Scotland: Concentration, isolation and persistence." *Local Economy* **27**(5-6): 593-609.

¹⁶ Kintrea (2007) *Ibid.* Tunstall, R. and A. Coulter (2006). *Twenty-Five Years on Twenty Estates: Turning the Tide?* York, Joseph Rowntree Foundation.

This is not to say that policies that target specific neighbourhoods will not be successful, but they are going to have more lasting success at targeting problems of the neighbourhood (housing, environmental improvements etc.) rather than problems that just happen to be in the neighbourhood (unemployed people, people experiencing poor health etc.). The Committee are to hear from the GoWell project in Glasgow. The evaluation of the New Deal for Communities (NDC) programme in England has provided similar results and demonstrates what impact neighbourhood focused regeneration policies can have:¹⁷

- NDC partnerships often prioritised physical improvements, particularly to housing, as this is what community partners wanted;
- Mental health and wellbeing, feelings of being satisfied with the neighbourhood, and feelings of being safe in the neighbourhood all increased substantially due to this investment;
- Social outcomes – health, educational attainment, employment – did not increase as much;
- In many of these social outcomes comparator neighbourhoods – in the same towns and cities with similar levels of deprivation but not part of the NDC programme – also saw improvements, with the NDC neighbourhoods only doing marginally better.

The final report of the evaluation of the NDC, which the above list of bullets very briefly summarises, can be strongly commended to the committee as a source of evidence on “what works” in neighbourhood regeneration in less affluent communities.

If sustained change in neighbourhood quality and outcomes is to be achieved it requires a tailoring of mainstream services rather than time-limited initiatives. While the prioritisation of early intervention and prevention by the Scottish Government and public service more generally is to be welcomed, it also has to be recognised that there is still “fire-fighting” to be carried out in less-affluent neighbourhoods. Services such as environmental services (street cleaning etc.), housing maintenance and management, education and community safety need to be enhanced and tailored. This can only be delivered through CPPs and may require long-term service capture by more affluent and able groups to be tackled.¹⁸

The community

Some of the most interesting findings that have emerged from the NDC are around community empowerment. Although community engagement in the partnerships was difficult, it was a central part of the NDC approach and communities were heavily engaged and often empowered to make important decisions. However, as mentioned above, they prioritised obvious material changes that could make immediate improvement, rather than longer-term less tangible projects – to tackle worklessness, or public health interventions for example. In analysing the evaluation outcomes the NDC evaluation team question whether

¹⁷ Batty, E., C. Beatty, et al. (2010). Improving Outcomes for People in Deprived Neighbourhoods: Evidence from the New Deal for Communities Programme. London, Communities and Local Government. Batty, E., C. Beatty, et al. (2010). The New Deal for Communities Experience: A final assessment. London, Communities and Local Government. Beatty, C., M. Foden, et al. (2010). Exploring and Explaining Change in Regeneration Schemes: Evidence from the New Deal for Communities Programme London, Communities and Local Government.

¹⁸ Hastings, A., N. Bailey, et al. (2009). Street Cleanliness in Deprived and Better-Off Neighbourhoods: A Clean Sweep. York, Joseph Rowntree Foundation. Matthews, P. and A. Hastings (2012). "Sharp Elbows": Do the Middle-Classes have Advantages in Public Service Provision and if so how? - Policy Briefing. Glasgow, University of Glasgow <http://eprints.gla.ac.uk/57021/>.

the priorities of an empowered community should come before policy interventions that are proven to improve outcomes.¹⁹

It is not surprising that community activists prioritised environmental and housing improvements that would make immediate positive changes. For similar reasons, physical regeneration through place-based policies is often politically popular. Research looking at the experience of two of the four neighbourhoods targeted by the New Life for Urban Scotland programme found similar results. The partnerships were controversial, both within the neighbourhoods and in broader public policy debates in Scotland. But for community activists it was clear that regeneration was happening in the neighbourhood and the partnerships were delivering change, even though this was often controversial. Since the responsibility for delivering community regeneration has passed to CPPs these communities have struggled to understand or keep up with changes to policy and governance. They also do not see positive changes happening and feel detached and ignored by policy makers in local and national government.²⁰

The Scottish Government replaced the former Community Regeneration Fund (£345 million over three years) with the Fairer Scotland Fund for the years 2008/9 – 2009/10 (£145 million a year) and then rolled this into the local authority grant. This had provided sustained funding to many small projects tailored to neighbourhood needs that had received successive grants, often dating back to UrbanAid. CPPs were instructed to ensure a separate stream of funding targeting the most deprived neighbourhoods was maintained through their Single Outcome Agreements. There has been no systematic analysis of whether this has been achieved.

With pressure on expenditure many local authorities have cut back on funding to the voluntary and third sector and resources such as community centres. This protects mainstream public services and is easy to justify as many of the projects do not produce “big-ticket” outcomes such as tackling worklessness. The social capital – the friendship and trust networks that help people get by – produced and nurtured by these projects can be vital for making qualitative improvements to neighbourhood life, the material alleviation of poverty, and improving health and wellbeing. Tenants’ and residents’ associations can have a key role here and the wider role of housing associations should also be developed. Evidence is increasingly demonstrating that with their secure revenue stream and capital assets, community-based housing associations are in an excellent position to sustain the regeneration of communities.²¹

While affluent neighbourhoods often have the resources to develop similar projects and opportunities, it is important to recognise that less affluent communities often need relatively very small amounts of revenue expenditure for workers and other resources to make a considerable impact on the quality of life in neighbourhoods.

Future directions

Without substantial structural change to our cities, or reductions in socio-economic inequality in Scottish society, the “problem” of less affluent neighbourhoods is likely to persist. To deliver more sustainable places, key areas for policy improvement are:

¹⁹ Lawless, P. (2013). "Reconciling "Bottom-Up" Perspectives with "Top-Down" Change Data in Evaluating Area Regeneration Schemes." *European Planning Studies*: 1-16.

²⁰ Matthews, P. (2012). "From area-based initiatives to strategic partnerships: have we lost the meaning of regeneration?" *Environment and Planning C: Government and Policy* **30**(1): 147-161.

²¹ McKee, K. (2012). *Housing Associations and the Big Society: lessons from Scotland’s community housing sector*. Saint Andrews, Centre for Housing Research.

- Stabilise governance and institutional arrangements – responding to cuts, many CPPs are yet again changing local community planning arrangement, further alienating local communities;
- Develop better targeted, tailored mainstream services in less affluent neighbourhoods – this should include enhanced “fire-fighting” services such as street cleaning and maintenance as well as intensive support in schools to complement early-intervention measures;
- Support housing associations in developing a much greater range of wider role activities, using their assets and stable revenue stream to fund community development activities as anchor organisations;

Above all it is important to reimagine less affluent neighbourhoods as “elevators” – places that offer support for people who need it for a period of their lives before they move to other neighbourhoods. As such they should be excellent places both for these people and for those who do not have the resources to move from the neighbourhood. As the Scottish Social Inclusion Network stated in evidence for the Scottish Executive in 1999:

‘...community participation should not be seen as a pre-requisite for the delivery of decent services. People living either in poor or more affluent areas are entitled to both quality services and an acceptable living environment. We should not accept a situation where people living in more deprived communities have to go to countless meetings or engage in endless arguments with decision makers simply to receive a level of service that other people take for granted.’