



SURF

Scotland's Independent Regeneration Network

A Vision for Regeneration in Scotland

A view from the top

This publication is a transcript of the 2010 SURF Annual Lecture, delivered by Sir Peter Housden, Permanent Secretary to the Scottish Government.

The lecture took place in Dundee City Chambers on Thursday 11th November 2010.



Supported by:



A Vision for Regeneration in Scotland

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As Scotland's independent regeneration network, SURF operates a busy programme of events and publications. One of our most high profile and influential activities is the SURF Annual Lecture.

Each year, we invite a prestigious figure to deliver a stimulating and thought-provoking discourse on a relevant theme. Previous speakers include Will Hutton, Geoff Mulgan, Prof. Kate Pickett, Dr. Harry Burns, Malcolm Rifkind and the late Donald Dewar.

SURF was delighted that Sir Peter Housden, the Permanent Secretary to the Scottish Government, accepted our invitation to deliver the lecture for 2010 on the broad theme of the future prospects of community regeneration in Scotland. Prior to taking up the post in July 2010, Sir Peter was Permanent Secretary in the UK Department of Communities and Local Government.

Over 100 SURF members and contacts took the opportunity to hear Sir Peter's lecture in November 2010 in Dundee City Chambers, and to participate in a question and discussion session. This publication presents a full transcript of the lecture and debate for their interest, and for SURF members who were unable to attend.

SURF is grateful to Dundee City Council for hosting this event.



The City of Dundee

Introduction and Official Welcome

The 2010 SURF Annual Lecture

Introduction: SURF Vice Chair, Ian Wall

Welcome, everybody. My name is Ian Wall, I am the Vice Chair of SURF. First of all, I'd like to extend Stephen Maxwell's, our Chair's, apologies to you. Unfortunately, he is not so well today, and is unable to join us but he wishes you well and I'm sure you all wish him well too.

SURF plays a really key political, professional community role in Scotland. It is exceptional in its range of cross-disciplinary, cross-organisational membership. From communities to government, from private sector to public sector, from small groups to very large organisations, we are all drawn together by a keen concern for making a better Scotland.

The current period, as most people realise, is not one in which those sort of aspirations are as easy to achieve as they might have been in the last few years; which makes the sort of events like this all the more important. It's part of that process of us collectively learning and exploring and beginning to, or continuing to, contribute to making a better Scotland.

We're very fortunate to be in Dundee. Just at lunch today, we were hearing from community activists in Dundee – not from Dundee City Council, although they were quite proud of themselves as well – but from community activists to say what a good job Dundee City Council had done, particularly in engaging with the people of Dundee and we should be really grateful. It is, of course, a much-changed, lively and vigorous city.

So I'd like now to call upon the Lord Provost of Dundee to welcome us to our Annual Lecture.

Welcome: Lord Provost John R. Letford

Sir Peter Housden, delegates, distinguished guests, ladies and gentlemen. Welcome to the City Cham-

bers this afternoon and to the 2010 SURF Annual Lecture.

I am pleased to welcome you on behalf of Dundee City Council, which, through its Community Planning Partnership, is a long-standing member of SURF, and takes, as it has always done, a positive role in community regeneration, improving housing and the quality of life in neighbourhoods throughout the city.

As one who started working life in engineering, I experienced the demise of our shipyards, our engineering trades, and, of course, our jute industry. The city embraced change and experienced a hugely impressive transformation over the years through our Universities, life sciences, medical research, digital media, and let's not forget our own various council departments, notably Leisure and Communities, who drive forward the cultural and community life of our city.

As a city, we have experienced financial challenges in recent times, and without doubt we will continue to do so in future years. Peter will discuss and address the strategic challenges facing the Scottish Government, which will of course affect all of us in local government – but through SURF and our Community Planning Partnership, we will meet those challenges and I'm sure proceed to a brighter future.

The people who will make that happen are here today and I thank them all for their efforts on behalf of the city and its inhabitants. Peter's lecture today will, I'm sure, be of great benefit to all of us.

He is better-placed than most to explain and examine the situation we find ourselves in, as a teacher, a Director of Education, a Director of General Schools, and, most importantly, with an understanding of local government at the very highest level.

A 'man for all seasons', as they say, and a man who I'm sure will captivate us with his lecture. Thank you very much.

The Lecture

Sir Peter Housden, Permanent Secretary to the Scottish Government

I was really delighted to accept this invitation. It's an opportunity to get my first sight of Dundee, a fine city. About which, there is a buzz in the wider world about all of the things that are happening in the city across a very wide range of activity. And it was a delight, with Ian over lunch, to meet a number of colleagues to explore that in some more depth and detail. So it's a delight to be here.

This is also, I'm told, the home of William McGonagall, a world famous poet. I understand, after particularly poor readings and receptions of his poetry, he was chased around the town by various Dundonians. So I think I know what's coming to me if this lecture doesn't pass muster!

Role of Permanent Secretary

The opportunity to get to grips with some of the regeneration challenges and issues in Scotland was a precious moment for me, and it might just be worth pausing here just to remind you what I'm doing, what sort of work I'm engaged with day-by-day.

The words underneath the job title are that I'm the Principal Policy Adviser to the First Minister and the Scottish Cabinet and Head of the Civil Service in Scotland.

Now what that means is that I get involved in things as they come together, as different strands of public policy and budgeting and challenges start to merge. So if there's an issue, particularly about transport or the economy or education, those things get in my sphere when they start to blend and challenge and reinforce each other. It's an excellent job to have.

The point here, of course, is the regeneration business is about that at its heart, it is about the whole experience of communities, economies and individuals in a town, in a city, in a rural area. So I have a very strong affinity with this set of issues and I wanted very much to come and work here in Scotland because of the important sense in which you have, as a nation, as a group of communities and individuals, led the way in thinking about a range of public policy issues.

English and Scottish Contexts

Because I grew up professionally, in the UK, in England, in a climate in which central government in England has the worst of both worlds. It is highly centralised, highly convinced that it knows best – better than local communities – and deeply divided. There are nineteen Government departments politely at war with each other, politely; because usually they don't look at what the other one is doing, which isn't a sort of wilful hostility, it's just simple ignorance. They just plough a particular furrow and then try and clear up afterwards.

Now, all of that, of course, produces a very fragmented and unhappy set of public policy consequences and the political dynamic down there produces an incredible churn. You get a succession of Ministers, you get successions of policy documents, trees are repeatedly cut down in order to announce a new strategy, a new outcome.



Sir Peter Housden at the 2010 SURF Annual Lecture with SURF Vice Chair Ian Wall (left) and SURF Chief Executive Andy Milne (right)

The most powerful piece of writing I've seen about this was produced by a voluntary organisation, Action for Children, which took a twenty year look at children's policy in the UK. It asked, at the end, how could any practitioner on the ground, a social worker, possibly understand this set of spinning plates that they were being offered as a view of professional practice and a set of procedures?

Now Scotland, it seems to me, decided a long time ago not to go down that road, and in recent years started to think in new ways about how – framed in terms of this idea about outcomes – you can develop public policy from how people live their lives. Because people do not have fragmented, departmentalised experiences. They live in a community, so the education their children receive is a function, not just of the school, but of the broader community and a whole range of other influences, including their children's health. All those things are blended in families and communities, whereas in public policy they tend to get offered in sealed compartments. Scotland says, "not that way". And it has moved

towards a more integrated approach, hopefully within central government, both in its relationships with local government and in its relationships with communities. Now that seems to me to be powerful and effective – I wanted to be a part of all that.

My questions this afternoon here really are about: what's been the impact of all that in the field of regeneration? What positive benefits have been secured in Scotland from that more integrated approach, and from the intimacy and set of relationships that exist in this nation? And secondly, what are the prospects for the future, given the quite difficult circumstances and different circumstances we now find ourselves in?

It's the Economy, Stupid

I want to begin with some prejudices. You'll find out very quickly that I'm no expert in regeneration. And like all Permanent Secretaries of my generation, I was properly brought up as a Marxist. So I think about regeneration fundamentally in terms of the economy.



Sir Peter delivered his SURF Annual Lecture in Dundee City Chambers

And the first dimension of that is to say that patterns of growth and investment in the economy, in the UK and globally, will always be shifting. It is an inherently dynamic environment, a capitalist economy, and the ebb and flow of an increasingly globalised economy will have its impact on landscapes, on neighbourhoods, on countries.

Capitalists have historically been very poor at clearing up after themselves. So the legacy left behind from particular periods of industrialisation and growth tends to be a challenge for the succeeding generation. And that physical environmental legacy, of course, is often itself a barrier to the regeneration of those sort of areas.

The actual physical business of land reclamation is an extraordinary science and practise. Just to see the amount of toxic materials that apparently the most innocent industrial activities leave in the ground, and the complexities of taking those out and cleansing them and sealing them and making them safe for future development, is but one hidden aspect of the regeneration business. And interestingly and sadly, of course, those physical and environmental legacies often blight the experience of people, usually the poorest, who find themselves living in those areas.

So there is something about changing patterns of growth and investment. The second issue, I think, is a more modern phenomenon. And that's about how, in a market society like ours, where there are significant and in many ways growing disparities in personal wealth, the interaction of the labour market and the housing market is leading to a progressively more defined 'sorting' of communities. There is more polarisation in many urban areas, more demarcation of rich people living here, poor people living there, sometimes, of course, symbolised by gated communities.

More often, with the poorest families, there is apparently a quite significant sorting going on in that way. What you find, through that process, is that those communities and the barriers between them can become institutionalised over generations and you can have, in the jargon, 'area effects'.

I spent quite a lot of time living in Nottinghamshire, a place with many mining communities, where you

could see that the levels of aspiration for young people, particularly, in those communities were low. There was no tradition of doing anything other than following in father's footsteps into a mining job, or in the mother's case into a textile role, and it was difficult to get people to recognise that there was a much bigger world outside, difficult indeed to get people to travel and experience and interact. So those types of issues are at the heart of the regeneration task.

Jock Tamson's Bairns

Now, why does any of this matter?

Well, there is something basically, fundamentally moral about all this; about our duty to our fellow citizens, about providing opportunities for individuals and families to have a decent home, a decent community, and decent life chances. But also – and I think we've never quite won this argument – there's an enormous economic argument for making proper use of all of our material and human assets in society. So this notion about 'wasted lives' is actually a very accurate description of people who do not have the opportunity to contribute to the productive economy, to grow their material circumstances, to have a proper aspiration, to have confidence in themselves and in their communities.

There's waste, which you can actually measure in material terms. And there's been some very powerful work, hasn't there? *The Spirit Level* would be one piece of writing around actually asking ourselves, "which are the most successful societies and economies?", and actually pointing towards those that have greater degrees of equality, i.e. less pronounced disparities of personal wealth. So there are some really important economic issues around all of this.

Actually, for me, this goes back one stage further. And it asks the question, for me, about whether we really believe that people should be able to advance as far as their capabilities and energy will take them. Or whether we prefer a society that is actually more closed, where life chances are unequally distributed, and we're quite happy about that – implicitly – and make only token efforts to provide equality of opportunity?

So your phrase up here, about this being a country of Jock Tamson's bairns, strikes a chord with me.

The 'Sorting' Process in Action

Because I grew up in England, you wouldn't guess that would you? But I grew up in a time, and in a society, that was very clearly divided on class lines. I went to a little primary school in Bristol where it was quite interesting, there was a sort of owner-occupied set of houses and there was a council estate, adjoining. And we lived in the last owner-occupied house. Next door was a council house. My father was a member of the downwardly mobile middle class, if you can imagine it like this, whose traditions would not let my mother go out to work, there were five children, so we were quite poor in relative terms.

The people next door, the Mr and Mrs, both worked, they had two sons, and they both worked too, so they had four incomes going into this council house. My father went apoplectic every weekend, because these two boys would be outside cleaning an Austin Healey Sprite. They had a sports car, we had an old banger. These two lived in a council house, "at the state's expense" – you can imagine all the rhetoric used at home looking out at these boys next door polishing the sides of an Austin Healey.

At school too it was very interesting, because there were 40-odd of us in a class in those days, and the eleven-plus came along to decide where we were supposed to go. 35 of us in the class passed, and six didn't. Now, you tell me where the six kids who didn't pass lived. Of course, they lived in social housing. They lived on that side of the road. And what's interesting, I went for a while to Bristol Grammar School, and there, a number of kids from working class homes, of course, got in, and a number of them did very well. But if you looked at the bottom class, because it was very rigorously streamed in the fifth year, as people were getting ready to leave school. You had disaffected pupils, who weren't going to achieve anything, they weren't going to sit the exams. Guess where they lived?

So the class system was actually setting up barriers for people, it was reinforced by prejudices that you

could see in your own home, and it was sorting people out in terms of life chances at school.

I don't think that's right, and I never did, and I still don't to this day really. And it's been a very important part for me, what's kept me interested and motivated in all this.

Little Steps

I've tried to do my bit, in school-teaching and a range of other things, to find ways to redress those imbalances and recognise that a lot it is about connection and inspiration. It is about finding ways to show people opportunity and folk who can help them along the way.

The most powerful example I've seen of this recently is in education and in health. There have been movements in the last ten years to connect the basic-entry lowest paid workers with a ladder of opportunity to enable them to acquire qualifications to move up the income scale, to become professionally qualified and basically to come into middle class occupations.

Often, you've seen schools in poorer areas with the staff wholly comprised of people who live outside there coming in and going home at night. Those reforms are enabling people who live locally, who start to work part-time, who start to study and collect qualifications, to become a teacher and then actually to have a professional career.

Those are the little steps, the same is true in health. You can see a straight ladder to becoming medically qualified and beyond. Those little steps are creating, enabling, funding, driving people forward. I think is a great thing, a noble thing to do for a living, and you can multiply those types of steps by

"Do we prefer a society... where life chances are unequally distributed, and we're quite happy about that – implicitly – and make only token efforts to provide equality of opportunity?"

lots of different opportunities, lots of different places. It does seem, to me, to be work worth doing.

Understanding Community Engagement

I have put some slides on the chairs. The first set of these addresses the question about how well we've been doing on all of this in Scotland.

I've read plenty of stuff about what's happening here, but I don't rely on that. I actually asked some folk to tell me what they thought was the balance sheet of what's worked and what's been tougher in Scotland. And I'm interested to share that with you and in the discussion afterwards to hear if that's your view, if that's a fair reflection of where we are.

The first one of these slides would be this very important question. It is a relatively straightforward thing to do things physically to a community. It is much tougher to actually engage, and develop and mobilise people within those communities to have a sense of shaping their own lives.

And there are some important successes here, exemplified on this slide through a particular example from Dundee about community regeneration forums.

I recognise this as, in England, I'm not sure that we know quite enough about the mechanics and dynamics of community engagement, and how you can support community activists and emerging community leaders in key ways. But I think this is a recognisable success.

Successes

Improved understanding of importance of community engagement

- effective approaches to suit local circumstances
- housing associations and Co-ops developed as community anchor organisations, helped by the SG'S Wider Role Fund
- Dundee Community Regeneration Forums where community activists allocate resources to support physical improvements, youth activity and youth work provision

 The Scottish Government

The second of them, goes back particularly to the Scottish philosophy about public policy and finding ways to bring together local and national government agencies with community bodies in partnership activity. These take all forms and shapes and sizes.

And it does strike me one of the real successes of regeneration has been to find ways to support, enable, develop, create serious joint ventures with private sector organisations so the rising land and property market of recent years has been connected with community aspirations and ambitions I think in ever-more imaginative, creative and flexible ways.

And there are a whole series of very skilled people working in different levels of the regeneration business in communities, in enterprises, in councils, whose skills in all of this are often taken for granted. I'm not sure how often they look in the mirror and recognise just how much they know and how skilful and flexible they are.

So I think this is a recognisable success. And the way in which, the whole Scottish Government's commitment to Single Outcomes Agreements, is in some important way intellectually rooted here. It was born in the regeneration space, was created by the activity of people active in regeneration.

Thirdly, the question about local decision making, the historic accord between the government and local government, and recognising that social partnership approach for public, private, voluntary and community sectors. This seems to me to be a strength in Scotland.

I guess, as Scots, you would be the first people to tell me that you do not recognise these strengths, and feel that in each of them, there is further to go.

Sharing Best Practice

But perhaps occasions like these are ones to take that step back, and realise the journey that's been travelled here, and recognise some important successes. The other side of the coin, of course, on global approaches, is that you do not create the situation that every area, every neighbourhood,

every community has to learn these things for itself. So a sharing of best practice, a sharing of a library of success, seems to me to be important, and there are a whole series of examples in Scotland.

Some of them, in the cradle now, are being developed, like Tax Incremental Finance, in ways in which local authorities can use their revenue and their assets to incentivise development. All of that is a very lively moveable feast going forward, of course given a new urgency by the current turn in the economy. A tremendous level of innovation and best practice.

And this important question about sustainable design. I was at Inverness, at the Housing Expo there, and heard and talked to some people about some fascinating examples of how design, in this case master-planning and sustainable housing design, was evolving and developing. And how it can best fit in the unique landscapes that the Highlands offers for that type of development.

I must say that, south of the border, this has been extraordinarily difficult. Through CABE [*Commission for Architecture and Built Environment*] particularly, there were all sorts of attempts to get more imagination into housing design, particularly in private housing developments. Often, I think, they were desperate. I'm looking forward to seeing more success in Scotland than I saw south of the border.

It seems as if somewhere along the way there has been a complete design bypass, you can find extraordinarily expensive houses that have no visible – I've always been fascinated by that phrase 'architect-designed'; I mean, who else might do it?

Anyway, so, sustainable design is hugely important.
Routes to Success

What's been tougher, if those are successes? Well, social regeneration, the connection of physical improvements to the dynamics of resilience and the energy of communities, I think, is a qualitatively different exercise. And there have been many important successes in Scotland, as there have been elsewhere. I think the difficulty about those, for all

of us, is how you multiply those into the sort of scale that is required to make a substantive difference across all of our disadvantaged communities.

Localised success is really important. Are they really making the connection to the way that the mainstream government work, local and national, the mainstream agency work, local and national, actually happens? Plenty of good practice, but one of the things we are thinking a lot about in the Scottish Government is about how that whole work goes forward, and how you increase the pace of change of sharing best practice and innovation.

And what's interesting, is if you listen to Crawford Gillies, the Chair of Scottish Enterprise, talking to business audiences, he says exactly the same thing to them; that the route to success for the Scottish economy is through internationalisation; that the key to that is about innovation and the commercial exploitation of knowledge; and saying Scotland's got to get those cycles of innovation moving more quickly and more deeply.

It's as true of the economy as it is within our society. And interestingly, over lunch we were talking about mediation. And I think mediation is a very interesting example of what this might mean, because you can find in certain communities, particularly in the field of social regeneration, you can get a nil-nil draw emerging, can't you? Whether driven by personalities or historic enmities, or real issues on this piece of land and the history of that, nothing much is actually happening. It can be quite difficult, it can be quite hostile.

Well, actually, mediation is a really interesting example of saying: "we are not going to put up with that, we are more ambitious than this, we will find way to unblock that difficulty of moving forward". There are lots of ways in which you can speed up cycles of innovation and creativity. That is but one of them.

Down The Pits

This question here about the connection of neighbourhoods first came to me very strongly in mining communities in Nottinghamshire, which, of course, were laid waste in the early 1980s by the speed of the coal closure programmes. And there

were areas in isolated, broadly rural, communities, which would have a pit town of two, three, four thousand people.

And when the pit closed the natural reaction of people living there was to ask for an industrial estate, feeling that unless their pit head was regenerated, that unless there was employment in the town, in the village, then this didn't really count. And the idea that there were employment opportunities further afield really didn't cut any ice.

We see now more and more the importance of just how diffuse the labour market is, how far people now travel to work, all of those connections become very important. So actually understanding that the future success of a particular community will be about not simply its own dynamic, but increasingly about its relationship and connectedness to broader labour markets; again, not simply about how you physically get somebody there, but how do you get them in their mind to be willing to take these opportunities.

Interestingly, in Nottinghamshire, there's a former mining-engineering town in the north of Nottinghamshire called Worksop. If you looked at the small businesses in Worksop, the sort of electricians and plumbers and people like that, if you drew a map of where their business was, where their customers were, they were incredibly localised. And we did some work with the Training and Enterprise Council to try and connect those people to wider markets in the richer, bigger part of Nottinghamshire, which was in the south. It was as much about cultural resistance and imagination as it was about technical ability or commercial skills. So, actually, those questions of connectivity are hugely important.

Bending Mainstream Resources

This question here, the first one is a question that's been on the board for 25 years, perhaps more, about local place programmes.

How do you get them to 'bend' – bend is the verb that's often used – mainstream funding programmes? I'm not sure that is today's question, I think the issue is the one I alluded to earlier, about how you move from a myriad of successful pilot

programmes – because every area can tell you about success – to actually system-wide change across the whole of the public sector.

So it isn't simply a question about this channel of mainstream funding and that one. It's about the whole process of public policy, and I think Community Planning Partnerships and outcome-focussed agreements are starting to create a basis where we have the right answers to those questions.

Long-Term Challenges

Moving on now, let me just say, for me, what strikes me are the big challenges around. The recovery in the UK is apparent, the economy is growing but slowly. There are plenty of downside risks associated with our major trading partners. I think it's extraordinary that, if you add up our British exports to Brazil, Russia, India and China, they just about equal those to Ireland.

Now that shows you how far we've got to go in our performance as an exporting nation. I'm afraid, also, it shows you how vulnerable we are to the downturn in the Irish economy. And so the challenges that they have now on sovereign debt, which are going to get worse before they get better, will have significant consequences for the UK economy. So there are plenty of downside risks, notwithstanding the slow recovery that is now apparent.

Many of those risks are manifesting in the labour market, so after a very encouraging and impressive performance in the early period of the recession in Scotland, in terms of the labour market and its buoyancy, those figures have started to decline.

And there are many people who think that this is going to be a continuing, deepening problem, particularly for young people.

The research shows very clearly, that the consequences of a spell of unemployment for a young person are significant and lasting. So it is possible that at age 45 or 50, that a spell of unemployment will have relatively little long-term effect on your health, income, general view of the world. If, however, that occurs as you are entering the labour market, or you're in your early to late teens, early

twenties, the evidence shows that it may well have a significant lasting effect.

Now there is a very big challenge for all of us, particularly those folk like me who run large organisations, there seems to be a duty on us to explore every way we can to make sure we're providing a set of opportunities for people, both who come in to our organisation as paid employees, but also to be connected with through work placements, through shadowing, all of those sort of things that can help people understand what work is about and make the sort of networks that enable people to get jobs. Because that's actually how people move into employment, they tend to know somebody who's got a job, and that's how it works.

So all of those things, I think, will be a huge challenge for us going forward, and we're doing some serious work at the moment to understand research and evidence, and what we think works in terms of tackling worklessness.

I was talking yesterday with the people in London who are introducing the Universal Credit, Iain Duncan Smith's new single credit for people of working age and the significance of that and the set of changes in its conditionality.

One, its relationship to JobCentre Plus will be a massive issue for us here in Scotland. Two, will be this question about engaging, empowering communities, if you like, that is the place we have seen lasting and sustainable success appear in front of us in regeneration, to continue to invest in every way we can in that, both materially and in terms of knowledge and understanding.

I'm particularly interested in the whole notion of community activism and community leaders, and how you can use public policy and public resources to identify and support those types of individuals, because they are so powerful in a variety of different contexts.

Providing Genuine Opportunities

I've spent quite a bit of my time in a learning environment, in schools and what have you, and the idea that there are mentors, people in the community, peers, who can make a connection with young

What has been tougher?

Mainstream services and concentrated deprivation

- How can local area-based programmes influence the spending priorities of mainstream funding to address concentrated deprivation?
- Is this the right question for today?
- How to move from a myriad of pilot projects to fundamental change?

 The Scottish Government

people who haven't got aspirations and find ways of keeping them on track and moving them forward is hugely effective. And its becoming a principle of educational practise. And those type of long term strategies and education and training, I think, relate to all of this.

I recently had the experience of being in a couple of secondary schools in Scotland who were introducing the Curriculum for Excellence, and was delighted to hear young people and teachers tell me how what they're trying to do here is provide a richer range of opportunities for people to learn to express themselves, to be confident in that expression, to be resilient, to be able to work in teams, and to show leadership. So this is not about, you know, "Do you know what happened at the Battle of Bannockburn? Who was Queen Mary married to in 1425" It's actually about, "do you stand a chance of having a decent life?"

That's the sort of skills that these programmes are bringing through. And smarter forms of public-private partnership will clearly be required, in a more challenging economic climate, where banks are more adverse to risk, where the organisations they are funding similarly are husbanding their resources and thinking very carefully about returns.

The use of public assets and public revenue streams in those situations is hugely important, and we were hearing over lunch how Dundee has been imaginative in thinking its assets to sustain its ambitious programme of investment and regeneration,

well more of that across the piece, I think, will be important.

Concluding with 4 Scottish Government Priorities

Let me just close by saying a few things about the Scottish Government. Because we're quite serious, as a group of civil servants, in wanting to be behind this drive for outcomes and we've been talking to ourselves about what this means.

There are four things that we think we want to do and become over this period:

1) Choices

The first is caught in this phrase, 'Choices for Scotland'. So choices, Lord Provost, are made by you and your colleagues, democratically elected here in Dundee and in my neck of the woods, in Holyrood for Scotland as a whole. The basis on which those choices are made depend critically on the quality of analysis of strategic options that we are able to bring to the table. So we want to get better at that and to recognise that a lot of this is about the interaction of human beings and communities, not about the behaviour of inanimate objects.

So this is not physics, it is something more complicated than that. And clearly, the Calman Commission, the Scotland Bill that is about to be introduced, will offer Scotland more powers and a huge controversy about whether they are the right powers and the right measure, but the ratchet of devolution will continue. The important thing is that Scotland takes proper opportunity and moves to take full advantage of the powers that it gets. So that's the first thing about choices for us as a nation.

2) A Scotland That Works

The second one is more basic, but to say each of the organisations that we are responsible for in the Scottish Government, and there are dozens of them in different fields of endeavour, need to demonstrate their value.

If they work, if they sufficiently offer value for money, if they do what it says on the tin and they are aligned with the government's purpose, they

have a focus on outcomes – we need to be quite relentless about that.

They need to be transparent about their performance, so if it's a school or social work agency or an enterprise body, they need to be quite clear about what its objectives are and to be public and accountable for its performance against them. So all that drive for openness seems to me to be important, and to recognise this is the time for 'more for less' as public resources shrink.

And I mentioned this thing about driving progress and overcoming blockages. It really is not enough for people these days to say, "well this is quite difficult. The important thing is to show some energy and ambition to get you there using all the techniques you can to move it forward."

3) Encouraging Creativity

And, thirdly, this notion about creativity, because I absolutely believe that if Scotland is to fulfil its ambitions, then this will be about creating a nation in which every single little boy and little girl growing up learns to express themselves and to communicate and to play and to explore and to imagine and to act and has the joy of a rounded education – which are taken for granted so often in more advantaged households – but denied quite systematically in homes where people are under a lot of pressure and where parenting is tougher.

We place those right at the heart of our purpose as a nation. And so you see investment in cultural activity, not something we do if we can afford it as a luxury in good times, but the very basis of what we want to be as a nation. I was in East Renfrewshire last Friday, and was introduced in a nursery to heuristic play. Basically, you know those expensive toys we all buy our kids, which they ignore and they go over here and play with a top or a cardboard box, something like that? Well, this heuristic play takes that and elevates it to principle.

It actually gives kids the opportunity to explore – there are bags, material bags full of cubes and interesting things for little toddlers to touch and to play with. And they just do it, there's no adult interference, and they talk and they explore and they engage with those sorts of materials. They have

that as the heart of the learning experience for young people.

It seems to me, that that type of stuff is the basis on which people will get the ability to concentrate, to collaborate, to gain success at school. But when they pick up a pen, or when they start to engage in written text and learn to read, they have the raw materials to make progress.

So that type of issue is at the heart of creativity, and it then becomes a set of activities, which are applicable right across the fields of endeavour. So when you move into a new situation, whether it's about technology, whether it's about community regeneration, or an economic problem, or a scientific issue, you've got that confidence and ability to engage.

We want to find ways to simulate that, to make our organisations genuinely creative. This will go a lot into what the basic relationships are like at work, and what happens in our teams when somebody says, "Well, I've got an idea". How do we react to that?

And we want to get cleverer at how we engage in local areas, how we simulate local innovation, and understand that there will never be one right solution to these issues, it will be about simulating different approaches in different areas, and then learning from them.

4) Being The Scotland We Want To See

And then, lastly, we want to actually do what we believe in. So, if we are ambitious in Scotland in the way that we describe, when you meet a civil servant, when you engage with a civil service organisation, you see those values, you see that style, you see that approach being reflected back to you, and all those notions about nurturing talent, treating people with dignity and respect. This is something that's against hierarchy, that's about integrity and a dynamic, stimulated environment.

So that's the type of organisation we would like to be. We'd like you to measure us against those sorts of standards as time goes forward. We're going to try and do our bit.

My final sentence would be that, in the regeneration space, all of the assets, the skills, the organisations, the success, and the spirit of the last decade is a huge, huge asset that needs to be prized, built on and recognised.

Of course, there will be many challenges in the period going ahead.

But I think what's been achieved in Scotland should give everybody great confidence that we can continue to move forward.

Thank you very much. [Applause]

“In regeneration... the skills, the organisations, the success and the spirit of the last decade is a huge, huge asset that needs to be prized, built on and recognised.”

Questions and Comments

Questions and Comments

Ian Wall (session chair): Thank you very much Peter. We're very honoured to have Sir Peter. This, of course, was his first public outing since he was appointed. I think that reinforces the points he made at the end, which were very good for us to hear. It makes them much more real, in the sense this is the first time he is speaking in public and it's to talk to a regeneration audience.

Sir Peter's not here just to talk to us, he's here to engage in the discussion, and the floor is now open for people to make contributions, and ask questions. We have a microphone passing around amongst you. I'd like you to say who you are please. Try to be brief, because we want to try and engage as many people as we can in the discussion.

Ian Smith: My name is Ian Smith; I am the Chair of Coalfields Communities Federation, which is based in Ayrshire. A miner all my life. You mentioned Nottingham, it's not my favourite place, I can tell you that just now. No sympathy at all. My concern is, when it comes to the movements and the housing markets, you're talking about a lot of our children out there, and they're not getting opportunities.

Many of them in our area, down in Ayrshire, have made the commitments and got a better education. My daughter, for an example, got a BA in Fine Art at Glasgow School. She tried to start a business, didn't work. She went back, retrained to become a teacher. Her first job was in Shetland. She came back to Scotland, couldn't get a job here. She's then had two years away in Bangkok, she came back to work in Bratislava, and now she's away back in Bangkok. How far do you want people to travel to get a job in this country?

Harvey Duke: It's just a couple of quick points, and again I'll try and be as brief as the last speaker. I've got a couple of things in common with you, I was also at a comprehensive school and I was also brought up as a Marxist – but then I didn't really change from my political views. I think your introduction was very interesting, I think you covered the whole range of questions, which community

organisations are discussing.

But I don't think I'll be the only person in this room that found it absolutely incredible that when we're discussing something as vital, to the whole of Scotland's population, as urban regeneration, that not once did you mention the fact that there are £83 billion worth of cuts about to fall on all of our communities heads. Now I think that's a vital point, and I don't make it to try to make a cheap jibe at yourself. I think it's vital and you need to take it up, perhaps you were told not to, but I'm giving you the option of doing it through a question.

Just briefly, just to finish, you did touch upon the fact that physical regeneration, for instance it's on one of your slides, is easier to do than social regeneration and I would certainly agree with that and I think it touches on the last point. The problem is that if you want to regenerate areas in terms of people and their lives and making their lives better, we both know that it costs money. Now what are the plans within Scottish Government, for instance, to try to deal with the fact that so much money will be withdrawn from our communities? That will result in an increase in all the problems that we see of poverty and everything that comes from that.

Keith Anderson: Hello, I'm Keith Anderson from Port of Leith Housing Association. The last thirty-odd years of regeneration in Scotland have shown very many different ways of delivering it. In Scotland, we introduced a whole new integrated approach to that and everybody, when it was written up ten years ago, said that's the way to do it. What we've been disappointed by, though, is the integrated sort of transport, economic development and employment sectors genuinely coming together in this and its actually in the last ten years being increasingly fragmented.

Part of it, I think, is to do with the way in which Scottish Enterprise is being kicked about as a bit of a political football, and I think, to feel that there's more confidence in the government structure of urban regeneration, we need to take a long hard look at just how fragmented we've become. The most dysfunctional player in all this, I believe, is the

transport planning, and the way that they do not integrate into local regeneration activities.

Ian Wall: Peter would like to come back on those, and then we'll open the floor up again.

Sir Peter Housden: I didn't catch the colleague's name here who shared his upbringing with me ...

Harvey Duke: Sorry, Harvey Duke, I'm here from the Brooksbank Centre.

Sir Peter Housden: Thank you. Your point about the budget, of course, is exactly well made. The number of times I referred to challenging circumstances in the economy, and more broadly, was a reflection of that. We are, of course, less than a week away now from the introduction of the government's budget into parliament.

So I'm just not in a position that I can talk specifics about budget issues at the moment. But you're absolutely right, and one of the things that struck me very starkly coming to Scotland is the simple, clear, brutal way in which the Scottish budget is decided down south. Because it is – you'll know this – it is simply the consequence of decisions that are made in the UK Parliament.

So a number of commentators have suggested that the shift in capital expenditure out of delegated areas like health and education and into reserved areas of the budget down south had a significant impact on the settlement that we had in Scotland.

It did, it depressed it. So we simply get other people's decisions, the consequences. They are very challenging here, as they are down south, and you're quite right, they will expose individuals in communities to significant risks. I think my sense of that is that we have got to face that squarely and honestly, and the independent budget review the government commissioned and published, I think, is an honourable and clear move to get those numbers, to get those figures, in the public debate.

“What are the plans within Scottish Government to try to deal with the fact that so much money will be withdrawn from our communities?”

I think your point, Ian, about jobs in Scotland, is also well made. Even in the last ten years of relative economic prosperity, it has been hard to generate enough higher-skilled jobs in education and elsewhere to satisfy what has been a very effective further and higher education system in Scotland. People had to go all over to gain those sorts of opportunities. For some, that's what they want, for others, it is absolutely not. There are too many stories like that of people having to go further. Again, I'm not in a position to talk about measures the government has in mind for all of that, but there are a number of schemes in local government currently to make sure that, for example, probationary teachers in training get jobs, that remains absolutely important.

Lastly, I absolutely accept your point about integration, particularly in more complex, capital-intensive systems like transport. The last thing I would want to be is in any way complacent; there is a long way to go. Your point about churn, I think, is a real worry. I mentioned it in relation to south of the border, the amount of time that public bodies are changed, altered, refocused, all of that.

We've really just got to steady that balance, a lot of this stuff, in the regeneration fields of course, is for the long haul – you've got to be in it for decades before you get the real returns. I think that type of issue is important for us in government.

Stewart Fill: Thank you, my name's Stewart Fill, I'm a community regeneration worker in Dundee. Like Harvey, I'm a wee bit intrigued about where you learnt the Marxism, but that's maybe another question. You suggested, or alluded, that we need to be creative, aspirational and innovative. But what advice are civil servants and the civil service going to give to Scottish Government about the Tartan Tax, and about Council Tax, and those tools that might support regeneration? Is there going to be a creative approach to taxation as well?

Peter Gabbitas: Hi, I'm Peter Gabbitas, I'm the Director of Health and Social Care for Edinburgh. I'm no expert on regeneration, so I bow to lots of other people in the audience. I found the presentation very interesting and I really appreciated your honesty in the kinds of things you shared with us at the beginning. My own particular interest is in reducing health inequalities, and it's a kind of microcosm of regeneration in many ways, and it's a microcosm in

“Regeneration... is for the long haul – you’ve got to be in it for decades before you get the real returns.”

the sense that there are no easy answers, there are no silver bullets. It’s a whole range of things that actually make for success. Certainly in the past, a bit like regeneration, the funding has been very short-term, very chaotic, very inconsistent.

But I’m not particularly looking to the Scottish Government and blaming them for that, it is as much around what local partnerships has been doing. I think one of the things I picked up in your presentation was that one of the keys to success is mainstreaming it, not making it some kind of peripheral activity, but mainstreaming it to what the council does and what the NHS does. I think you gave one or two nice examples of how those big public bodies can make contributions to it. I guess I’m just declaring my own personal preference to try and mainstream it in my own role in health and social care in Edinburgh.

Eddie Holmes: My name is Eddie Holmes. I volunteer with an organisation in Dundee called Signpost International. I’m currently concerned about one particular thing that involves regeneration. I would like to know what those of us in what is loosely described as the third sector can do to access the emerging assistance coming out of David Cameron’s ‘big society’ idea, in particular the Big Society Bank and the former administration’s fund that was set up by Peter Mandelson. In essence, what I’m trying to say is, how do organisations that are in the third sector, who are very much part of the regeneration landscape, where can they come to you? What can you do for them to allow us, as a non-statutory body of people, to do – after your ability and your funds and your support – to do things that we want to do to cheer up Christmas time?

Sarah Glynn: My name’s Sarah Glynn, I’m an academic and I also work as a housing activist. I was pleased to see that you mentioned ‘The Spirit Level’, but I was wondering if you can explain to us how the sort of regeneration that we’ve been seeing can actually make things more equal for people? Because you yourself said that, actually, society is getting less equal, and it’s very difficult to see

how the sort of regeneration that we’ve been having, and the sort of partnership arrangements, which are very much done on a business model and done to promote private sector investment, to close the rent gap, things that are based on property prices going up, how does that help poorer people. And certainly when I look at the people I’ve been working with, the housing tenants that are facing demolition up in the hill-town of Dundee, you know, I don’t think they see much benefit from those sorts of regeneration patterns.

Sir Peter Housden: Stewart, I want to come on to this taxation question, the thing about where we all grew up. The point I was trying to make, earlier on, was that I grew up in a time and in a place where inequality was regarded as the natural order of things. There was nothing much that could and should be done about it. My point simply was to say that I never believed that, and I don’t believe that now.

I don’t either believe that you can approach these things sensibly from a Pollyanna-ish type of view to say that we can make this the best of all possible worlds. There are some very powerful economic forces, we’ve seen their actions significantly in the last few years on our shores and indeed right across the world in terms of the financial crisis, the deficit that was created, and the clearing up that has to go on. That, however, for me and I’m sure for all of us here, does not shift in any sense our commitment to see through good things and move them forward.

I think, on your point about taxation, the Scotland Bill that is about to be introduced is likely to include some more taxation powers for Scotland. When the Bill is published, we’ll see what they are like. Politicians in Holyrood will have to decide whether they agree with the things in the Bill, and whether they want to accept them and move them forward. So that’s a ball that’s in play at the moment.

I think that the ‘big society’ issue is not one that I’m answerable for in Scotland. That’s a UK coalition policy around community engagement. I think your deeper point, about funds for third sector organisations, is a real challenge. And what’s clear, if you look at them, is that they get their funds from a huge variety of sources. You’ll know this better than anyone. And actually, all of those sources for funding will be under pressure. The government

will not be able to step in and replace those sets of funding, there will be a lot of very specific conversations in each of the agencies that are involved in funding voluntary sector organisations in different areas of activity with councils, with commercial sponsors, whatever they might be. But there is no doubt that voluntary sector organisations will face the same chilled wind as other bodies, more broadly, in the public sector.

I think the important thing for me, however, is to recognise that where you've got a group of people in a public agency, who are not in the voluntary sector, who are paid by the state; seems to me that it is important that the way they do their job needs to be to engage with organisations in the third sector and the community. So it's not an option that you do when times are good, but it's actually the basic way you work.

I met an outstanding woman in Cardiff, for example, a woman police officer who works on Tiger Bay, and runs their anti-prostitution strategy a basic grade police officer. And to watch the way that she orchestrates a range of interventions from public, private and voluntary organisations to deliver that structure is quite inspirational.

She sees it as part of her role, the way that she's trying to protect these vulnerable women, particularly on the waterfront of Tiger Bay. She's only able to reach some of them through voluntary organisations. So that's a core part of the way they find and the way they work, and I think those lessons will be really important for us going forward.

Sarah, your point about whether people benefit from these interventions; of course, the forces that generate inequalities in our society remain active and strong and impact closely. I think that all of the things that happen in regeneration are important, but the most powerful ones are the ones that change people's lives, and give them, through education, skills, confidence – whatever it might be – the ability to lift themselves out of those bottom rungs of the labour market. Because that's the place where poverty traps people in benefit dependency, and/or in low-wage, high-risk work. And the transition from one to the other is often painfully difficult, and incentives are so weak for people to make that move out of those situations, that's the area that I think we have to work on, and that's

why I'm stressing that there is an issue.

Peter Allan: Good afternoon, my name's Peter Allan and I'm Community Planning Manager in Dundee. I'd like to start by thanking you for saying those nice things about Dundee and I hope you also say them when you're not in Dundee! Can I ask a question about early intervention, because I know it's a principle that the government's very keen on; the notion of prevention rather than crisis management.

It's a really difficult thing to achieve; keeping people healthy rather than treating them, or keeping them safe rather than tackling crime when it happens. But I think it's a very challenging political agenda, it's often difficult to help the population to see why it's important to move resources in this way. Do you think there continues to be an appetite to do this? And will see an ongoing national government political leadership to support this?

Ian Wall: And a question from the man at the back.

Les Huckfield: Thank you for not calling me a gentleman. Can I say, Peter, I'm Les Huckfield, I work in community and social planning. Peter, the difficulty that a lot of us always used to have with the Marxist analysis, we used to find it sounded a bit too much like democratic centralism, and I know that that will find an echo in one or two places in the room. By the sounds of things, by the way, you got out of your previous department just in time, because if you have a look at the centralisation and localisation of it all, which is going to be introduced to the House of Commons next week, we've now got a Secretary of State who is saying, very, very definitively, that the government role is not to do certain things.

He's also saying at a regional level there isn't a public sector role anymore. Even more than that, he's saying at a local level there isn't a public sector role anymore. In fact the 'big society,' certainly in the terms of the decentralisation and localism of it all, really does mean, and sounds like, a very genuine

“The financial crisis... does not shift in any sense our commitment to see through good things”

devolution of power to the local communities. Whether it will work out like that is a different issue. Don't you think that alongside that, and alongside what the decentralisation and localism the government will introduce, don't you think that Scotland is going to look a bit over-centralised?

Andrew Dixon: Hi, Andrew Dixon, Creative Scotland. Peter, you talked about things being done to us, and the UK Government's taken certain decisions here. One of the observations I've made in the last few weeks has been that if you're playing a large game of poker, the English Government has just played its cards, and Scotland has had a month to decide where it puts its finances, and where it can gain competitive advantage. And I'd be interested if you think there are areas where Scotland does have a competitive advantage?

Sir Peter Housden: I always say nice things about Dundee, I promise! Early intervention, I mean, it's an absolute mantra isn't it? And it is an interesting fact that in a decade of steadily rising budgets until, say, 2007, we made so little progress.

I haven't measured the progress that we've made in Scotland, but where I was working in England, it was desperately difficult. Because when new money became available, it went into the front end. Whatever the opposite verb is to early intervention – late intervention? – it went into police numbers, and it went into secondary school teachers, and, critically, a lot of it went into pay. We go back to the questions about equality here. Huge amounts of the additional money that went into health in England went into the pay packets of health professionals.

What I do think, on the upside of all this, is that the techniques and strategies of early intervention are now really well understood in most areas. And you see some very impressive work here, and certainly, I think, intellectually the argument has been won. And the real challenge, I think, for budget makers in local and national government, will be about having the certainty across a long horizon to make the right sorts of investments. And the drive for efficiency here is really important, this is not fashionable or exciting sort of stuff, but actually the pattern of organisations that you sustain, what's called in Scotland the 'simplification agenda' of taking public bodies off the board, re-

ducing the amount of complexity, each of those is a very important thing in terms of reducing cost and complexity in the system. So I hope that if you can keep chipping away at that, you can start to invest differently and more intelligently towards those early intervention things.

Your over-centralisation challenge, I think, is a good one. But I find it doesn't boil down to a simplistic 'local is best'. Because – you see this with neighbourhoods and communities – there is not simply a local solution to questions about the labour market. So people are going to have to travel, transport will be developed on sub-regional or regional levels, train travel between cities will always be a national, and, indeed, now an international, thing within the EU.

The trick, I think, for national governments like Scotland, for local governments like Dundee, is to be able to play at all of those levels. So you've got really strong community leadership and community engagement, but actually you're very powerful in Brussels, you're very effective in the UK Government at actually arguing the case for what you need, forming alliances, making partnerships to make it happen. I think you see that amongst the best public servants, in all senses, in all sectors.

Andrew, your point about competitive advantage, well I actually think this question of renewables is clearly one where Scotland's got all sorts of natural advantages. And the government is working really hard to secure a range of investments at the moment to promote that in Scotland. I think, actually, of the health service here, and its deep roots in technology, and in scientific advance in medicine, and in universities, and its relationship with pharmaceuticals. That is a huge and internationally recognised asset Scotland's universities themselves. I think there are a number of excellent universities in Scotland, a very powerful sector.

So there are a number of aspects of our society, and indeed the area in which you particularly work, in creative industries, in culture, you know, the Edinburgh Festival, what happens in Glasgow, what happens here. I think there is a huge upsurge of all of that, which is critical, and we talked about that before. Not only in terms of its own direct economic benefit, that people come here and spend money and so forth, but also what it does for the

people and communities of Scotland, the skills, the confidence the view of the world develops from those sort of things.

So I think there are some real creative advantages and opportunities for us here. The challenge for me, however, will be to seize them more quickly and more boldly. I think, in this challenging climate, we're going to have to speed up those cycles of innovation and change.

Ian Wall: Thank you very much, Peter. I think that last sentence, to take the challenges and to seize them more quickly and more boldly, is probably a good one for all of us and not just for Peter and the Scottish Government.

I think we've been very fortunate having Peter with us here today, the speaker earlier mentioned Kate Pickett, who was the co-author of 'The Spirit Level',

and of course she was our lecturer last year for the SURF Annual Lecture*. You stand in a very honourable place in terms of people who genuinely think and want to challenge and to contribute, and I think we've been very fortunate to have Peter.

I would make a special plea to say that at our awards dinner next month, we are going to see a whole range of very successful projects independently judged, which will desperately need to be rolled out across the country as you talked about earlier. So that's a ready-made challenge for you to grasp and quickly and boldly drive forward.

But, again, I would like you please to show your appreciation and thanks to Sir Peter. [Applause]

* Prof. Pickett's 2009 SURF Annual Lecture Transcript Publication is available from the SURF website at: <http://tinyurl.com/pickett2009>

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As Scotland's independent regeneration network, SURF uses its extensive cross-sector membership, which includes over 250 organisations, to explore current practice, experience and knowledge in community regeneration.

SURF provides a neutral space to facilitate this sharing of information through a programme of activities that includes seminars, conferences, international policy exchanges, annual awards for best practice and the distribution of the regeneration policy journal, *Scotregen*.

Constructive feedback from the SURF membership is used to positively influence the development of more successful regeneration policy and practice through SURF's links with key policy-makers in the Scottish Government and elsewhere.

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