

A Review of Scottish Government Regeneration Funds

Research across the SURF Alliance for Action partners

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for

SURF Scotland's Independent Regeneration Network

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1. Context

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The following report was commissioned by SURF to explore the adequacy, relevance and benefit of Scottish Government regeneration funding for small and medium organisations in the two Alliance for Action case study sites. As such, it compliments and enriches the work of the Alliance for Action programme in Govan, Glasgow and Gallatown, Kirkcaldy.

The findings reflect the views and experience of the participating Alliance for Action project representatives but, given the small size of the sample, may not necessarily reflect a wider Scottish situation. Notwithstanding the limited scale, this report, allied as it is to SURF's Alliance for Action process, identifies potentially valuable areas of interest for further exploration in this field.

2. Introduction

The following report details the findings from a short piece of research, reviewing regeneration funding available from the Scottish Government.

The research was carried out between January and April 2014, by Katey Tabner an independent research consultant.

The purpose of this research was to promote shared understanding of the degree to which the existing Scottish Government funds specifically aimed at enhancing community regeneration are; accessible, relevant, adequate and beneficial.

The report:

- provides an overview of the role, remit, impact and audience of six Scottish Government funds aimed at promoting community based regeneration.
- discusses the two case study sites which provided a base for interviews with representatives from community organizations
- outlines the particular needs of those communities observed during the course of the project.
- provides an overview of the key themes which emerged from interviews with participants
- makes recommendations based upon the evidence of the funding needs of interviewees.

This report will be presented to members of the SURF Academic, Policy and Practice (APP) panel. Members include the Scottish Government which sponsors

the Alliance for Action programme, from which the resources for this research is drawn.

The research will be shared with the interviewed participants and all relevant SURF Alliance contacts in the relevant local authorities and other regeneration agencies.

It is hoped that this report will be useful in exploring the regeneration policy context in Scotland and contrasting it with those in the rest of the UK.

3. Executive Summary

The following report provides an overview of the role, remit, impact and audience of six Scottish Government funds aimed at promoting community based regeneration.

As part of the Alliance for Action programme SURF is working in two case study sites; Gallatown, Kirkcaldy and Govan, Glasgow, which both present active and engaged case studies. Both areas suffer similar high rates of social deprivation, poverty, unemployment and related health issues, but provide an opportunity to compare the impact of the recession and regeneration in a large city and small town.

The research was conducted by interviewing representatives of key community anchor organisations from Govan and Gallatown which would be best served through access to regeneration funding. Through these interviews the research was able to explore:

- What regeneration funds are interviewees aware of?
- Which funds, if any, have been applied for?
- What was the application process like? (any barriers?)
- Which funds are most relevant?
- Any gaps in the funding available?
- How have the funds been used?
- Where do organisations access funds from if unable to access Scottish Government regeneration funds?
- Good practice examples for future?

In reviewing the evidence from the interviews with Alliance partners the following themes emerged:

- There was a sense from the interviews that there was still work to do to ensure that third sector agencies and community groups (especially smaller groups) are taken seriously. Many of the interviewees felt that the funds explored through this piece of research were too large for them to apply for, with many stating a need for funding to cover core operational costs.

- The majority of respondents felt that the Scottish Government research funds listed did not play a large role in their day to day operations. Only one of the interviewees had successfully applied for the funds, while two were unsuccessful and one was waiting to hear about their applications outcome.
- A need was identified by those interviewed (especially smaller groups) for a support role based within the community to help with funding applications or for access to advice, support and assistance in making applications for funding when ready. However, the ability to apply for funding was often compromised by the limited time and resources available to apply, manage, monitor and evaluate successful funding bids. Many voluntary organisations felt that this was a role for a paid member of staff.

In response to the emerging issues the research makes the following recommendations:

- **Funding should be viewed as an investment not a hand out**
- **Allow community organisations to exist in line with their founding principles**
- **Improve access to funds through easier applications**
- **Improve access to sustainable sources of funding**
- **Create support posts within funding organisations**
- **Assistance is needed to help smaller organisations think strategically and long term**
- **Increase awareness of the different typologies of community organisations**

4. Regeneration funding in Scotland

In response to various regeneration consultations SURF has maintained a clear stance on both the definition of regeneration¹ and the role of different stakeholders at both a local and national level within this process.

Central to the work of SURF, has been the enduring emphasis upon any definition of regeneration acknowledging the social, economic and political factors which interplay as part of a process of change. SURF has additionally advocated the need for multi-level engagement in the regeneration process and promoted a process of regeneration which takes into account the impact of national and regional processes upon local economic and social activity.²

The publication of Scotland's national regeneration strategy, Achieving a Sustainable Future (2011) and the Christie Commission report, Commission on the Future Delivery of Public Services (2010) clearly indicated that the future focus of the Scottish Government would be upon promoting holistic service provision, adopting a preventative approach and measuring the success of services based upon tangible outcomes.

In setting out their vision for a sustainable future the Scottish Government defined regeneration as "the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice" (2011:2). This approach placed emphasis upon the role of communities as key drivers in ensuring that regeneration is defined by community members in response to the unique nature and character of individual places. Achieving a Sustainable Future sets out the role of future regeneration activity in Scotland which;

- puts communities first
- is holistic
- promotes long term quality of place
- addresses worklessness through linking economic opportunities locally
- simplifies funding streams, integrating them to place based interventions
- ensures strong leadership and partnership working across all strands of work

Following on from 2011's regeneration strategy, further emphasis was placed upon increasing the engagement and capacity of local communities within the delivery of services and regeneration at a local level. The long awaited Community Empowerment and Renewal Bill (2014) will attempt to address some of the currently

¹ <http://www.scotregen.co.uk/wp-content/uploads/2013/06/SURF-Response-to-Delivery-of-Regeneration-in-Scotland-inquiry.pdf>

² <http://www.jrf.org.uk/sites/files/jrf/scotland-regeneration-communities-full.pdf>

acknowledged difficulties in widespread community engagement. This Bill is expected to be introduced to the Scottish Parliament in 2014³ and will help support local people to unlock their potential for driving change on their own terms. In developing the Bill the Scottish Government will examine how to make it easier for communities to take on ownership of unused and underused publicly owned assets and how they can do more about vacant and derelict property in their neighbourhoods. The Bill will also take account of the Christie Commission recommendation to explore how participation of local people in the planning and delivery of services can be strengthened and how the capacity of those in our most disadvantaged areas can be built to help them to do that.

SURF has worked closely with Community Development Alliance Scotland (CDAS) to submit consultation responses to the bill, emphasising the need for;

- Investment and some challenging debates on the distribution of power and resources, especially in relation to the removal of ring fenced funds at a local level and the impact this has had on preventative services.
- Greater community empowerment to be seen in the current context of unprecedented changes in financial systems as well as demographic and ecological challenges which are yet to be adequately addressed.
- The leadership challenge to be about priorities, connections and commitment. Despite the dominant themes of current debate on the continuing economic recession, Scotland remains a rich nation in terms of resources, structures and ideas. .
- The Scottish Government to identify the roles, responsibilities and resources required to support greater community empowerment and renewal. In doing so it will be important to make effective links to existing and emerging policies on poverty, inequality, health, housing, employment, education, infrastructure, procurement and transport.
- Any legislation to be framed within an honest assessment of the political and economic context within which communities are being encouraged to take on additional responsibilities under the generally desirable banner of greater empowerment.

In response to the pledges of 2011's regeneration strategy a series of grants was made available to groups and organisations working to enable community capacity alongside funds to enhance the economic and physical environment. The following section will explore six Scottish Government funds currently available to promote

³ The Community Empowerment (Scotland) Bill was introduced to the Scottish Parliament in June, 2014 and has now been published.

community regeneration across Scotland through a literature review in partnership with the Scottish Government; a more thorough breakdown of each fund is available in appendix 2.

Climate Challenge Fund

The Climate Challenge Fund currently awards £10.3 million per annum until 2016, and has so far awarded £54 million since its inception in 2008. The fund is available to statutory and voluntary organisations to assist communities to move towards low carbon living through improvements to energy, food, transport and waste.

A review of the fund in 2011 found that while measures to improve energy efficiency within the home, local food production and recycling work to change public perceptions transport had not been as effective.

Conservation Area Regeneration Scheme (CARS)

Since its inception over £27million of Scottish Government money has been invested into the CARS scheme across 5 rounds of funding. An additional £10million has been made available for a further round of funding for which applications close in August 2014. The fund is primarily focused upon the physical regeneration, repair, conservation and reinstatement of historic buildings (both redundant and in use) and enhancement of public space with a historical aspect. It is administered by Historic Scotland and the Heritage Lottery Fund and is available to assist establishing either a Conservation Area Regeneration Scheme (CARS) or Heritage Lottery via Townscape Heritage Initiatives (THI). Once established these schemes can be used to support; repairs to historic buildings/sites, small grants to assist homeowners, community engagement projects and training in historic crafts.

People and Communities Fund

The People and Communities Fund was launched in May 2012, as a key element of the 2011 Scottish Government's Regeneration Strategy, Achieving a Sustainable Future. The fund supports community anchor organisations⁴ to grow and strengthen by delivering outcomes to meet and respond to the aspirations of their communities. There is currently £6m available for allocation in each of the three years from 2012/2013 to 2014/2015. This was augmented by an additional £1.435m in 2014 that

⁴ "Community Anchor Organisations have strong links to their communities and usually stimulate high levels of voluntary activity. They are well placed to spot the talent and opportunities in their areas and have the energy and creativity to nurture and exploit those. Increasingly, these organisations take an enterprising and assets based approach to their work."

was generated to support community-led regeneration projects following the Scottish Government's innovative investment in a £10m charitable bond.

The fund supports community-led regeneration in Scotland's most disadvantaged communities with a focus on employability and preventative action , by recognising that the changes required to make communities resilient and sustainable lie in community involvement. It primarily funds revenue costs associated with delivery, although capital costs are considered if a robust case is made.

Regeneration Capital Grant Fund (RCGF)

The Regeneration Capital Grant Fund (RCGF) is a £25m p/a development fund to support large scale regeneration projects The fund was developed in partnership with COSLA. The fund is open to all 32 Scottish Local Authorities individually or whether they exercise their functions through Urban Regeneration Companies (URC's) or other Special Purpose Vehicles (SPV's). Other organisations can and are encouraged to be partners in projects;

The funds remit is to:

"help to deliver large-scale improvements in communities across Scotland. It focuses on projects that engage and involve local communities and those that can demonstrate the ability to deliver sustainable regeneration outcomes."

Delivered through four key areas of focus;

- Primarily support areas which suffer from high levels of deprivation and disadvantage;
- support large scale regeneration projects which have the potential to demonstrate wider impact
- delivering projects which potentially leverage other funding and investment and programmes which can leverage in private sector investment and address market failure
- delivering projects with clear community involvement

Scottish Partnership for Regeneration in Urban Centres (SPRUCE)

The SPRUCE fund is a £50 million fund established using Scottish Government and European support for regeneration projects in 13 key local authority areas as part of the EU JESSICA (Joint European Support for Sustainable Investment in City Areas)

initiative⁵. The fund was agreed upon in 2010 and established using £24 million of European Regional Development Fund (ERDF) and £26 million of Scottish Government funding.

Vacant and Derelict Land Fund

The Scottish Government Vacant and Derelict Land fund (VDLF) is a fund aimed at utilising long term underused and derelict land across some of Scotland's most deprived areas. The fund was established in 2004 and funding in the 3 year settlement from 2012/13 – 2014/15 amounts to £26 million. The VDLF is one of the few remaining ring-fenced funds in the local government.

The criteria of the fund is to tackle long term vacant/derelict land; stimulate economic growth/job creation; and promote environmental justice and improved quality of life – with a focus on projects which promote innovation in temporary and longer term greening techniques for vacant and derelict land sites.

⁵The JESSICA fund – is an innovative way of using SG/European Structural Funds monies to lever in significant co-investment from public/private sectors; providing financial support in the form of loans, equity investment and other finance, but not grant, to revenue generating projects.

5. Alliance in Action case study sites

As part of the Alliance for Action programme SURF is working in two case study sites; Gallatown, Kirkcaldy and Govan, Glasgow, which both present active and engaged case studies with communities and groups interested in local regeneration participating in the programme. The Alliance for Action programme provides a realistic look at the resources, reliability and resilience for community based regeneration, and explores how SURF can act as a vehicle for connecting organisations with local and national governance.

SURF's work across Gallatown, Kirkcaldy and Govan, Glasgow has included employing two local facilitators to identify and engage with community groups in each area. Over the last year community groups in each of these areas have engaged in a series of consultations and participated in filming for video case studies to highlight the value they bring to their community and identify any cross-learning between communities. As part of the Alliance for Action work, the researcher of this report attended two local events, observing the discussions from each day. The following profiles summarise the key issues present in each area as it impacts upon the research and also highlight the areas that SURF will explore further.

Gallatown, Kirkcaldy, was selected to be part of the Alliance programme as SURF is keen to explore the role that towns can play in the regeneration process. As part of the Alliance programme SURF identified three key areas of focus for future exploration in Gallatown;

1) *Physical investment and community spaces*: There is a consensus that the local area suffers from a lack of community spaces and physical/economic investment in local facilities such as shops and recreational facilities. Investment in existing facilities would be welcomed as much as investment in new projects. It should be noted that the "Gateway to Gallatown" project has been awarded £950,000 from the Scottish Government/COSLA Regeneration Capital Grant Fund as part of the first round of investments. The Gateway project includes plans to renovate and extend three existing community buildings – the Overton Centre, the Bowling Club and an under-used council office.

2) *Creative Community Participation*: There is currently a participatory budgeting scheme under way, supported by Fife Council and Creative Scotland, to help build confidence across the community and explore what communities want locally. Under the scheme local groups and individuals can apply for funds to make change within their community, in the hope of challenging preconceived notions around local service commissioning. It was additionally noted by participants that while this may be the intention, there was significant progress still to be made in making such funds

accessible to small newly formed organisations or individuals as often such funds required a level of administration to be in place which many in need of the fund lacked.

3) *Health and Well-being*: Recent work in Gallatown by NHS Health Scotland and the Cottage Community Centre has focused upon bringing access to health and advice into local communities through a travelling Well on Wheels bus and through running health checks in the local supermarket. The work of NHS Health Scotland raises questions about the extent to which local authorities can use existing powers to encourage healthy communities through, for example, planning and the promotion of a living wage. Children in Scotland have been working with local schools to explore the use of schools as local community hubs, with a view to utilising facilities during non-school hours to run cooking classes, sport clubs and educational evening classes for all community members.

Govan, Glasgow, was chosen to be part of the Alliance programme as it offers a city based community in an area rich with cultural heritage, social capital and informal organisational networks. The Alliance is keen to explore how Govan, as a community with many unique characteristics, be linked to the economy of Glasgow without losing its identity. Creative strategies had been employed within the community to address social issues in a way which Alliance participants felt had helped save money locally through preventative work addressing issues such as crime, drugs, unemployment and poor health. As part of the Alliance programme SURF identified three key areas of focus for future exploration in Govan;

1) *Planning and infrastructure*: Transport and connectivity have emerged as key issues for engagement between Govan residents, Glasgow City residents and trade/tourism into/out of Glasgow City. During discussions at the Alliance event it was acknowledged that there was currently no cheap, easy and affordable way to access Govan from new infrastructure investments in the area such as the Riverside Transport Museum or BBC Scotland. It was also reported that the potential negative impact of planned transport routes risked excluding community members within Govan, especially with transport routes to the new South Glasgow hospital currently in development and bringing 10,000 staff to the local area. There appeared to be a sense that Govan as a place had much to offer those visiting the area, especially in relation to local history and needed a way to draw people into the area or risk being excluded. Representatives from Glasgow City Council highlighted that there had been initial exploratory works and an application to the Capital Grants Fund for a footbridge to link Govan to the North side of the Clyde. It was felt that if granted such a development would allow connectivity for new workers coming into the area for the new South Glasgow hospital but also bring in visitors from the Riverside Transport Museum, bringing Govan's identity to the City and opening up the City of Glasgow to Govan residents.

2) *Creativity and Participation*: Through engaging with the range of projects operating in Govan it was identified that creativity, arts and participation played a large role in ensuring individual well-being and resilience. There had been a range of events across the sector in Govan including The Portal which provided a valuable space for local residents to come together and collaborate in a creative way.

3) *Heritage and Assets*: The importance of ensuring the rich history of Govan was taken forward as part of any future regeneration work was seen to be important with a range of projects currently working to engage the local community with the issue. It was felt that the role of Govan's history could be used to reduce its isolation within the wider city and help Govan to build a unique identity across the city drawing tourism into Govan by highlighting local historic anchor points. A greater emphasis on Govan's recent history could have a positive impact on future developments.

6. Interview Methodology

The research was conducted by interviewing representatives of key community anchor organisations who would be best served through access to regeneration funding. Interviews were open ended, in-depth telephone interviews and questions were tailored to reflect the size, remit and personal knowledge of those taking part in the interviews. Interviews lasted between 30-60 minutes and interviewees were free to discuss a range of issues which they felt related to the questions. Such an approach allowed the researcher to explore any learning points or examples of best practice interviewees could suggest.

The interview schedule (appendix 3) was based upon twenty open ended questions which explored the interview participants' experience of applying for funding to understand perceptions and experience of how accessible, relevant, adequate and beneficial the specified Scottish Government funds were to local community groups within the research case studies.

This was achieved through addressing the following broad research questions:

- What regeneration funds are interviewees aware of?
- Which funds, if any, have been applied for?
- What was the application process like? (any barriers?)
- Which funds are most relevant?
- Any gaps in the funding available?
- How have the funds been used?
- Where do organisations access funds from if unable to access Scottish Government regeneration funds?
- Good practice examples for future?

Interviewees were chosen by SURF, based upon organisational participation in other aspects of the Alliance for Action programme. In total twelve interviews were conducted across the two case study sites. It had been hoped that more interviews would be possible however due to the busy schedules of many it was not possible to gather responses from all intended. The option of providing a written response was not taken up by any of the organisations involved.

Representatives participating in the interviews have been grouped according to the size of their organisation;

- Larger organisations or those organisations which have ties to a national organisation
- Medium organisations with a local/regional remit
- Small organisations or sole traders

7. Research Findings

In total twelve interviews were conducted across the two case study sites, seven interviews were carried out in Govan and five interviews in Gallatown. The following breakdown provides themes as they emerged across the two case study sites collectively. Any local issues which emerged will be noted at the end of this chapter.

What regeneration funds are interviewees aware of?

When asked which, if any, of the six Scottish Government funds participants were aware of, respondents indicated low levels of awareness of most funds (table 1).

	Interviewees Aware of Fund	Interviewees Applied to Fund
Climate Challenge Fund	10	2
Conservation Area Regeneration Scheme	3	0
People and Communities Fund	6	2
Regeneration Capital Grant Fund	3	0
SPRUCE	4	0
Vacant and Derelict Land Fund	2	0

Table 1: Table 1: Awareness of Scottish Government Funds

From the evidence presented in Table 1 the Climate Challenge Fund and People and Communities Fund were the most well-known funds among those interviewed, while the Vacant and Derelict Land Trust was the least well known. In looking across the two case study sites, there was a higher level of awareness into the People and Communities Fund and Conservation Area Regeneration scheme in Govan resulting from a focus upon regeneration based upon the local heritage and history. In Gallatown there was a stronger focus upon the Vacant and Derelict Land fund and the Climate Challenge Fund and participants from these areas identified a need to regenerate vacant land and embed local assets such as community gardens and a local bike scheme.

Which funds, if any, have been applied for?

Across the interviewees a relatively low number of organisations had actually made applications to these funds, with only one participant having been successful in their application but this application not being awarded due to failure to secure match funding. Some interviewees had heard of a fund but did not feel able to apply for funds due to a lack of skills in making applications or due to lack of time to complete applications. There were particular barriers identified in applying for the Climate Challenge fund which required initial investment in commissioning consultants to calculate carbon emission rates before an application could be made.

There were low levels of awareness across particular funds. This was especially the case for larger funds such as CARS, Regeneration Capital Grants Fund and SPRUCE which many third sector/community organisations would not be eligible to apply for.

When asked if they would like more information on available funds just over half of those interviewed felt that they would like more information. Throughout the interviews many interviewees referred to funding which they had received from the local authority or community council. It was not clear where these funds had originated from, with most interviewees unable to say if these were central funds administered by the local authority. This provides some indication that in some instances funds administered by central government may be redistributed and rebranded at a local level and as a result this research is unable to account for the impact of these funds.

What was the application process like? (Any barriers?)

In understanding any barriers to applying for funding there were several recurring issues concerning the skills and resources available to make applications. For some of the organisations, particularly small-medium sized organisations, having access to both the skills and time to complete forms was felt to be increasingly difficult. Several volunteer-run organisations reported difficulties in finding those willing and able to take on complex application forms.

In many cases funding was for specific projects and many voluntary organisations or community groups felt unable to take on the day-to-day responsibility of monitoring, managing and evaluating funding when they themselves were unpaid. Respondents felt that the provision of projects funds without allowing for the cost of a project worker to administer, manage, evaluate and report on funding, was short-sighted. Once allocated. The perception was that there was too strong a reliance on the ability of volunteers to carry the work. It was additionally noted by some medium organisations that SG funding was not focused upon longer term sustainment of projects. There was criticism that only starter funding was available rather than

funding for the delivery of core services. As a result of this many felt it was not worth completing the long applications.

For medium-large scale organisations there were some observed difficulties in making applications to funds, including time taken to complete forms, concerns about the length and complexity of applications and concerns raised about the language and accessibility of forms. It was felt that a failure to 'talk the talk' necessary to fill out application forms was preventing smaller organisations from applying. Two interviewees expressed concerns that regular applicants developed a 'special' relationship with funders, which made it more difficult for new bids from smaller organisations to succeed.

Large organisations reported that they were confident of their skills in applying for SG funding (even if they had not already done so). There were existing skills in-house to deal with the applications process. One of the larger organisations expressed concern at what they saw as a lack of coordination of funds when trying to match fund. They reported losing a multimillion pound funding arrangement as they were unable to source a final half a million. One interviewee also stated that they had previously enquired about making an application to the SPRUCE fund but found that there was a sense that third sector organisations were *“too risky an investment”*.

Which funds are most relevant?

When asked what funds were felt to be most relevant there appeared to be no general consensus. The People and Communities Fund was seen to be quite accessible, while the Vacant and Derelict Land Fund and the Climate Challenge Fund were seen to provide new opportunities to approach regeneration and community engagement. One of the interviewees raised the issue that for a small community group many of the Scottish Government funds were too large to apply for, indicating a need for smaller funds for less established groups.

Any gaps in the funding available?

No interviewees relied solely upon Scottish Government funding, with many applying for a range of funds to support a range of projects. When asked what funds would be useful (or what the gaps in current funding where) almost 40% felt that long term funding to cover core staff time was vital in ensuring the continuation of their work, including covering the costs of employing fund-raisers. This was felt to be something not covered by the Scottish Government funds and indicated the short termism of the available regeneration funds.

There was a split across the interviewees concerning the need for funding to help build organisational capacity for future work (including future funding applications)

with many interviewees feeling that any attempts to build capacity without first acknowledging the need to pay volunteers for their time was unfair. There was a sense across those participating that in many instances the nature of a voluntary post often required paid responsibilities, especially in managing projects, and that due to a lack of income staff were restricted in their ability to work on projects. It was felt this reduced the ability to build organisational capacity. One alternative to building capacity within organisations, and one preferred by many interviewed, was to have access to paid support workers or advisors who could assist organisations in applying for funding and in managing funds. A range of alternative models was suggested but the emphasis was on reducing administrative and managerial responsibilities upon unpaid workers.

An additional point was raised by one interviewee about the need for funds to account for the process of involving communities in the regeneration process. It was felt that this was often left out of funding applications but served a vital role in project success and outcomes. In Gallatown it was additionally identified that there was a need for funding to provide affordable community space which projects could use for a nominal fee.

Where do organisations access funds from if unable to access Scottish Government regeneration funds?

All of the projects interviewed accessed funding from a range of sources. For smaller organisations funding came from local authority funds and community councils and some had previously received national funding for regeneration which had since expired.

Larger organisations often received funds from local authorities and housing associations for service delivery. Other funding sources included Creative Scotland, Big Lottery Fund, Historic Scotland, Heritage Lottery Fund, SCVO and a range of charitable trusts. A small number of organisations interviewed generated their own funds through a social enterprise model.

Good practice examples for future?

When asked how improvements could be made to the funding and support currently available a range of responses were given which included;

- A need for funders to provide key contacts or supports from within their own organisations to assist with the funding process. One interviewee suggested that funders should additionally work closely with local organisations and suggest suitable funds when they arise.

- Provision of sufficient allowance within grant/funding awards to pay a member of staff the time it takes to manage, monitor and evaluate a project. From discussions with interviewees it appeared that this was not accounted for in funding applications and often assumed that those making the applications would have paid members of staff in place. Many of the smaller organisations emphasised that this was often not the case with many small organisations being run by part time volunteers. There was a general sense across interviewees, of an unrealistic expectation about the ability of the third sector to provide services for less than the market value and that this resulted in agencies being more vulnerable to small changes in funding.
- A need to increase the skills and capacity within local communities, encouraging investment back into communities by providing paid posts which reward those with skills. Organisations without access to skills should have an option to hire in consultants to assist with application processes – this had previously happened for one organisation through a Climate Challenge Fund grant.
- Increase in the information available about national funding and how this is distributed at a local level. It appeared on occasion that some regeneration funding may have been allocated to local authorities from the Scottish Government but the branding of these funds was not always consistent.
- Ensure a consistent and holistic approach to funding, several of the interviewees felt that there had been a shift in funding from social enterprise to jobs and business. This had resulted in a feeling that previous investments were being ruined as these projects were laid to waste.
- Several interviewees, especially from small-medium sized organisations, felt that the management of funds by larger organisations served to de-skill local groups. Methods needed to be found to support the skills within local groups to help them manage funds independently if required. One interviewee summarises this process;

“We don’t want more people advising us, we want collaborative working across a range of agencies. This should be what targets are set against (number of third sector agencies engaged with rather than the number of workshops conducted).”

while another stated

“There are applicants out there who can do good applications (and not actually doing as much work) are successful but those actually doing the fire fighting don’t have time for eloquent award winning applications. If grant funders got out into the areas they would be able to see who is doing what on

the ground. There is funding for some middle man agencies but this is not funds well spent for the local community.”

- Work is additionally needed on behalf of funders to address the barriers language can play for many voluntary groups applying for funding. Many of the interviewees felt that the language used within applications was prohibitive and some interviewees mentioned not completing applications because of it. It was felt that it could be made easier to apply for funds by reducing the language and length of applications and the need to refer to lengthy policy documents as part of applications.
- Project management agencies were felt to be useful for helping agencies in applying for funding. Greenspace Scotland approached members of Communion to do a mapping exercise, - initially a daunting process - but as a result they were able to offer help in applying for funding and the follow through management of the funded project.
- There was an identified need for projects to access information on how to become sustainable and self supporting in the long term, one interviewee noted that as managers of projects often worked on a voluntary basis there was a need for awareness across the community to invest funds in keeping projects going e.g. asking club member to pay a little bit to attend so that there is a kitty available for when the project funding expires.
- One of the smaller organisations interviewed identified a need for opportunities to learn from other communities with the same experiences. This was especially relevant for smaller organisations working in areas with few community groups. It was felt that the local community councils represent a minority of community members and not the majority of the community where regeneration takes place. It was additionally felt that there was a role for community workers to go into the community and enthuse the communities *“who have been left to rot for twenty years”* about local life and also help them deal with their own chaotic lives.

8. Conclusion and recommendations

In conclusion the review shows that decisions to apply for funding were less likely to be influenced by the role and remit of funding – than by concerns about small, volunteer-run agencies having the skills, time and experience to complete applications and manage funds. Across the twelve interviews conducted, the majority of respondents felt that the Scottish Government funds explored did not play a large role in their day to day operations. Only one of the interviewees had successfully applied for any of the funds. Two were unsuccessful and one was waiting to hear about their applications outcome.

It is recognised that concerted efforts are being made at a national level to encourage community regeneration by making funds available to certain organisations, but in many instances these funds are not relevant to the needs of community anchor organisations. Instead it emerged that what many of these organisations need is long term sustainable sources of income which acknowledge the vital activities they offer to the wider community, economy and Scottish society. There was evidence across the interviews that the organisations working to ensure community engagement and longer term regeneration were not charities looking for funds, but grass-root service providers play an important role in preventing further disengagement at a local level.

There was also evidence of a distinct disconnect between the dialogue of a holistic and preventative approach to community regeneration, widely publicised in the national regeneration strategy, and the actual reality of empowering the community groups represented in this research. The community groups which act as vital anchor points in some of Scotland's most deprived neighbourhoods are often small, un-managed and run solely by volunteers with little to no income.

In looking towards understanding how future spending can support community anchor agencies there was a clear divide between groups who felt they lacked the skills to manage applications and awarded funds and those who felt able to do so, but were felt funds failed to fairly recompense the time, skills and effort projects required. It was suggested that to help overcome the differences at such a level funders themselves could have a closer relationship with local agencies, helping signpost them onto relevant funds, helping them to apply for funds and also helping overcome the barriers of poor network relationships small isolated organisations often face.

In reviewing funding available to local communities the following recommendations are made:

- ***There is a clear need to view funding as an investment not a hand out:*** Such an approach would require funders and the Scottish Government to

attain a more holistic picture of the value (both social and economic) of smaller organisations and ensure the provision of funded posts to manage, evaluate and monitor projects within each application.

- ***Allow community organisations to exist in line with their founding principles:*** it emerged that the allocation of funding in line with funding applications was damaging for smaller organisations and left them vulnerable to short-termism in relation to national regeneration policy.
- ***Improve access to funds through easier applications:*** the exclusive nature of funding applications for smaller organisations was noted as a major inhibitor in applying. The language, complexity, length and need to refer to external policy frameworks were all noted as being overwhelming for smaller community organisations.
- ***Improve access to sustainable sources of funding:*** Many organisations felt there was limited regular income available to continue their work. This was seen as impacting upon the ability of organisations to make future plans and work to promote their organisation at a local level. There was also a noted need for smaller funds which community organisations could access to help build their capacity. Many of the funds explored in the research were felt to be too large.
- ***Create support posts within funding organisations:*** Applicants would like more support from funders in providing more detailed information about funds and in making applications. Further research is needed into how this could best be achieved as a one-size fits all model would not be suitable due to the varying level of skills across each organisation.
- ***Clear need for assistance to help smaller organisations think strategically and long term:*** Smaller organisations reported a need for support in achieving long term goals could be achieved. Programmes for training and supporting small community anchor organisations would help organisations become more sustainable and also create the skills needed within local communities.
- ***Increased awareness into the typologies of community organisations:*** An important outcome of this research was increased awareness into the relevance of regeneration funds for smaller community organisations. It would be useful to develop a range of suitable funding streams to fit the size, type, remit and audience of organisations which may apply for regeneration funds.

9. Scottish Government additional notes

At SURF's request, the Scottish Government (SG) helpfully provided feedback on an early draft of the report which included the following comments:

- It is expected that current work to improve the alignment of funds and the promotion of the Community Funds Website Gateway will address some of the concerns raised in the report.
- SG is in the process of testing the Strengthening Communities Programme to trial different forms of support over 2014 -2016 and will share findings with stakeholders at the end of the funding period.
- There may be a bigger role that networks could play in supporting the need of smaller organisations to think strategically and more long term and SG suggests that SURF, SCVO, SCDC , and SCA may all be able to play a role in doing so.
- It should be noted that a significant proportion of SG's regeneration funding was transferred to LA/CPP control under the Concordat.
- SG recognises that annuality of funding is a perennial problem and has taken some action to address this. For example, the three year PCF funding is enabling organisations that have applied, to test things out for up to three years and to develop plans for future sustainability in tandem. This will require organisations to be more proactive in developing the financial planning/management skills needed to do this.

Appendix 1:

In response to various regeneration consultations SURF has maintained a clear stance on both the definition of regeneration⁶ and the role of different stakeholders at both a local and national level within this process.

Central to the work of SURF, has been the enduring emphasis upon any definition of regeneration acknowledging the social, economic and political factors which interplay as part of a process of change. SURF has additionally advocated the need for multi-level engagement in the regeneration process and promoted a process of regeneration which takes into account the impact of national and regional processes upon local economic and social activity.⁷

The publication of Scotland's national regeneration strategy, Achieving a Sustainable Future (2011) and the Christie Commission report, Commission on the Future Delivery of Public Services (2010) clearly indicated that the future focus of the Scottish Government would be upon promoting holistic service provision, adopting a preventative approach and measuring the success of services based upon tangible outcomes. One of the key outcomes of both these pieces of work was the development of SLAED (the Scottish Local Authorities Economic Development group) following on from recommendations made by the Christie Commission for a public service which;

increasingly recognises and builds upon areas, people's strengths and potential - seeing the positive assets that people have and working with these, rather than seeing people as a mix of problems working even better together and with key voluntary sector organisations to target mainstream resources focused on identified local need involving people even more deeply in developing solutions being even smarter with data to help properly understand the dynamics in areas and help drive continuous improvement.

In setting out their vision for a sustainable future the Scottish Government defined regeneration as "the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice" (2011:2). This approach placed emphasis upon the role of communities as key drivers in ensuring that regeneration is defined by community members in response to the unique nature and character of individual places. Through adopting a holistic approach the report outlined how a bottom-up approach was key in understanding the importance of place based community led regeneration as part of wider economic growth, and

⁶ <http://www.scotregen.co.uk/wp-content/uploads/2013/06/SURF-Response-to-Delivery-of-Regeneration-in-Scotland-inquiry.pdf>

⁷ <http://www.jrf.org.uk/sites/files/jrf/scotland-regeneration-communities-full.pdf>

without such an approach change would not be possible at a wider level. Achieving a Sustainable Future sets out the role of future regeneration activity in Scotland which;

- puts communities first
- is holistic
- promotes long term quality of place
- addresses worklessness through linking economic opportunities locally
- simplifies funding streams, integrating them to place based interventions
- ensures strong leadership and partnership working across all strands of work

The report additionally promoted an asset based approach supplemented by the suggestion that a shift to preventative services and spending is the answer alongside focused delivery of funding;

“we should ask ‘what makes this place good and where do the opportunities lie’ and ‘what expertise and skills do local people have’ instead of labelling particular areas and people as ‘a problem’. “(2011:12)

This was most clearly demonstrated through the establishment of the People and Communities Fund to promote and support community led regeneration. The envisioned activity of the fund included;

- Building on the Wider Role fund to support and strengthen local community anchor organisations across Scotland, including RSLs and Development Trusts. These organisations would deliver local regeneration activity and promote change in deprived urban areas, fragile town centres and ex-coalfield communities.
- Support for community asset ownership through the Community Ownership Support Service. This service, provided through the Development Trusts Association Scotland (DTAS), provides help and advice to community organisations interested in asset ownership.
- Investment in a new community capacity building programme. This will focus on areas where there are currently few local organisations, weak networks among local people and where local people’s skills and confidence need to be nurtured. It will have a focus on helping people to decide how budgets in their areas are spent.
- Continuing to provide dedicated support to the Coalfields Regeneration Trust to help it develop as a self-sufficient social enterprise. This will enable it to build on its strong profile in ex-coalfield communities and to develop its capacity building role further.
- Support for the Achieving Change Programme.

Following on from 2011's regeneration strategy, further emphasis was placed upon increasing the engagement and capacity of local communities within the delivery of services and regeneration at a local level.

The long awaiting Community Empowerment and Renewal Bill (2014) will attempt to address some of the currently acknowledged difficulties in widespread community engagement. This Bill is expected to be introduced to the Scottish Parliament in 2014 and will help support local people to unlock their potential for driving change on their own terms. In developing the Bill the Scottish Government will examine how to make it easier for communities to take on ownership of unused and underused publicly owned assets and how they can do more about vacant and derelict property in their neighbourhoods. The Bill will also take account of the Christie Commission recommendation to explore how participation of local people in the planning and delivery of services can be strengthened and how the capacity of those in our most disadvantaged areas can be built to help them to do that.

SURF has worked closely with Community Development Alliance Scotland (CDAS) to submit consultation responses to the bill and continues to highlight the need for;

Investment and some challenging debates on the distribution of power and resources, especially in relation to the removal of ring fenced funds at a local level and the impact this has had on preventative services.

Greater community empowerment must be seen in the current context of unprecedented changes in financial systems as well as demographic and ecological challenges which are yet to be adequately addressed.

Despite the dominant themes of current debate on the continuing economic recession, Scotland remains a rich nation in terms of resources, structures and ideas. The leadership challenge is about priorities, connections and commitment.

The Scottish Government has the key leadership remit in identifying the roles, responsibilities and resources required to support greater community empowerment and renewal. In doing so it will be important to make effective links to existing and emerging policies on poverty, inequality, health, housing, employment, education, infrastructure, procurement and transport.

It will also be important to frame any legislation within an honest assessment of the political and economic context within which communities are being encouraged to take on additional responsibilities under the generally desirable banner of greater empowerment.

Appendix 2

Climate Challenge Fund

Fund Size

The fund currently awards £10.3 million per annum until 2016 and has awarded £54 million to 635 projects since its inception in 2008. A proportion of annual funding is also set aside for Junior Climate Challenge fund which focuses upon projects run for and by young people in Scotland.

The fund is open to applicants across the statutory and voluntary sector with streamlining measures in place to support small projects get quick access to funds. Interested groups are invited to apply for a £750 grant to assist in making their application. Applications for funds under £30,000 are reviewed on a monthly to ensure quick access to funds.

Remit of fund

Established in 2008 and managed by the Keep Scotland Beautiful Charity, the Climate Challenge (part of the Sustainable Action Fund) fund set out to assist communities move towards low carbon living through local action.

Focus of fund

The fund focuses upon four key areas;

- Energy
- Food
- Transport
- Waste

Implementation of Fund

A 2011 review of the fund⁸¹ found that while there had been significant uptake in subsidised energy efficiency measures for the home, there had been a much slower change in individual attitudes towards everyday energy behaviours.

- Projects focusing upon food production, sourcing sustainable local food and recycling of waste were found to have had a noticeable impact with many individuals changing attitudes to these issues through small actions such as composting waste. However, projects focusing upon transport issues were found to have had limited impacts with the most noticeable changes being around individual attitudes towards cycling.
- Additional outcomes for participants were observed by the review around improved health and well-being, increased community cohesion and boosts to local economies.
- Projects which had been helped by the fund and found to be successful placed particular value upon utilising existing community networks to build trust in new projects. As a result many of the smaller projects were found to feel that these projects could not be scaled up to a national level and worked best administered to the needs of each local community, projects which felt that their work could be expanded further were those working alongside large organisations such as schools however it was acknowledged that projects would require a level of personalisation at a local level to accommodate individual community characteristics.
- The 2011 review highlighted the following learning points for future best practice in the delivery of the fund, a shortened list of these points is given below;
- Projects should consider what role they play with respect to the Acceleration, Facilitation, Activation, Consolidation or Conversion of participant behaviours.
- Projects need to have a good understanding of their audience, including motivations and barriers, both personal and external and continually review/evolve projects to fit the needs of their audience.
- Tailored and personalised interventions were found to be a key strength of community projects.

8 Brooke Lyndhurst and Ecometrica (2011) Review of the Climate Challenge Fund. Scottish Government Social Research

- Building a local profile for the project can enhance the impact of engagement activities but will take time.
- Participants are often motivated to adopt new behaviours for non-environmental reasons, but projects should be transparent about their own environmental motivations to secure trust- it is crucial that project teams are not judgemental about participants' attitudes to environmental issues and climate change.
- Projects in the review consistently under-estimated set-up and delivery timetables.
- A learning culture – to reflect on what does and doesn't work – and an ability to adapt accordingly was a key strength in project delivery, projects should consider how they will capture lessons as they go.
- To maintain interest and involvement, volunteers need to feel they have a stake in the project. Project managers need to consider what motivates volunteers and how volunteers will be allowed the space to shape their own roles.
- Monitoring and evaluation can be built into project processes (e.g. recording numbers of energy efficiency measures installed; brief surveys as part of home visits). Projects should aim for a balance between robustness and simplicity.
- Community projects can spot barriers to change and emerging demand for services that might not otherwise be evident. Government should develop ways to encourage and respond to feedback from community groups about barriers to low carbon behaviours and identify ways that communities could be supported by, or work with, government and others to remove barriers.
- Better methods are needed for capturing the wider social impacts of community climate change projects. This includes both direct social benefits to individuals and indirect benefits, such as changing social norms for non-mainstream behaviours.
- Longitudinal research is needed to identify the long-term impacts of behaviour change initiatives, including: whether behaviours are sustained over time; whether participants „ratchet up“ pro-environmental behaviour over time; whether and how projects change social norms in their communities. Remaining mindful that community projects can easily be undermined by heavy-handed evaluation.
- The Low Carbon Route Maps and evaluation support offered to projects was useful and should be retained in any future rounds of funding. Projects"

experience and good practice could be shared through CCF networks, a case study bank, and possibly a peer mentoring scheme.

- The Fund managers should use insights from the review about Acceleration, Facilitation, Activation, Consolidation and Conversion to guide projects and monitor their progress.
- Applicants should have to explain why they think their interventions will work, preferably backed up by evidence (e.g. audience research, proven case studies or best practice).
- Assessment panels should play an active role in highlighting risks of delays and over-runs in project plans and play a supportive role in suggesting contingencies, alternatives, or a change in budget for those selected for funding. Panels need to include or have access to relevant expertise.
- The fund managers should consider how they can further encourage and build capability for action learning in funded projects and design better ways to capture key lessons about „what works“ in individual project reports. Further guidance and training in the following areas could be useful: communications (including events), behaviour change theory and practice, project planning, planning applications; monitoring and evaluation.
- To maximise the opportunities for scaling up and replication of CCF approaches, Scottish Government needs to continue its active support of the sharing of good practice. Supporting diffusion could include:

Conservation Area Regeneration Scheme (CARS)

Fund Size

Since its inception over £27million of Scottish Government money has been invested into the CARS scheme across 5 rounds of funding. An additional £10million has been made available for a further round of funding for which applications close in August 2014.

Remit of Fund

The fund is currently administered through Historic Scotland and the Heritage Lottery Fund and is available to assist establishing either a Conservation Area Regeneration Scheme (CARS) or Heritage Lottery via Townscape Heritage Initiatives (THI). Once established these schemes can be used to support:

- A repairs programme for priority projects.
- A small grants scheme (such as to homeowners or retailers).
- Community engagement through providing training opportunities in traditional skills and through education programmes.
- Training opportunities for traditional craftsmen (a minimum of 5% of awards, to be delivered in partnership with Historic Scotland)
- Public realm conservation and restoration (approx 20% of awards)
- Administration costs including the appointment of a dedicated project officer (up to 10% of the total cost)

Focus of Fund

The fund is primarily focused upon the physical regeneration, repair, conservation and reinstatement of historic buildings (both redundant and in use) and enhancement of public space with a historical aspect. This funding is envisioned to sit alongside regeneration work of a wider scope and would primarily be used to focus upon works of historical significance.

Application Process

These funds are currently applied for by local authorities, National Parks, community organisations and third sector organisations (with a constitution and registered bank account) with priority for applications awarded for collaborations across these sectors.

Funds awarded over £25,000 are required to employ professional advisers to conduct architectural surveys, research, archeological investigations, preparatory drawings, and tendering.

The fund does not apply to alterations and improvements of buildings, maintenance or minor repairs and demolitions.

It would appear that in the majority of cases funds are secured through local authority partnership working with local agencies, establishing a CARS with dedicated worker. Small local organisations, property owners and community groups are then invited to apply for the fund via the CARS.

Successful applicants to the fund are required to:

- Secure conservation area approval (including consultation with stakeholders and Historic Scotland)
- Provide SIMD data outlining the sphere of influence for the projected
- Engagement with local development plan policies, local community plans and the Scottish Governments Economic and Regeneration Strategies
- Provide Education and Awareness as part of project delivery
- Embed training and skills within project delivery
- Appoint a dedicated CARS or THI officer to manage project

- Outline indicators for project successful

People and Communities Fund

The People and Communities fund was launched in May 2012, as a key element of the Scottish Government's 2011 Regeneration Strategy, Achieving a Sustainable Future. The fund supports community anchor organisations⁹ to grow and strengthen by delivering outcomes to meet and respond to the aspirations of their communities. For the main grant element of the fund there is currently £6m available for allocation in each of the three years from 2012/2013 to 2014/2015. This was augmented by an additional £1.435m in 2014 that was generated to support community-led regeneration projects following the Scottish Government's innovative investment in a £10m charitable bond.

The fund places support for community-led regeneration in Scotland's most disadvantaged communities at the heart of its approach, thereby recognising that the changes required to make all sections of communities resilient and sustainable lie in community involvement. It primarily funds revenue costs associated with delivery of projects and services, although capital costs are considered if a robust case is made.

There are two priorities are:

- Employability
- Preventative action

The fund is currently closed (2014/15) but an announcement will be made inviting new applications to take projects forward in 2015/2016.

To date, 140 projects have been approved, representing a total funding commitment of £16.721m over 2012-2015. An additional 14 projects have also been supported via the Scottish Government's charitable bond investment, which generated an additional £1.435m million for community led regeneration.

The projects that have been supported are diverse in nature, ranging from support with employability skills development and financial capability, healthy eating initiatives, and diversionary plus activities for young people.

⁹ "Community Anchor Organisations have strong links to their communities and usually stimulate high levels of voluntary activity. They are well placed to spot the talent and opportunities in their areas and have the energy and creativity to nurture and exploit those. Increasingly, these organisations take an enterprising and assets based approach to their work."

Applications are accepted from robust community anchor organisations, including Registered Social Landlords and Community Development Trusts that meet the eligibility criteria. Applicants are required to demonstrate, among other things:

- a proven track record of delivering in the community,
- that they include local people in their decision making structures
- that they are committed to involving all section of the community and
- that they work in partnership with the public, private, voluntary and third sectors

Applicants are also asked to submit locally informed evidence to support their application, and to demonstrate the lasting legacy or sustainability that the funding will provide for the community. Full details can be found on the PCF website at: www.scotland.gov.uk/pcf

Regeneration Capital Grant Fund (RCGF)

The Regeneration Capital Grant Fund (RCGF) is a £25m p/a development fund to support large scale regeneration projects The fund was developed in partnership with COSLA. The fund is open to all 32 Scottish Local Authorities individually or whether they exercise their functions through Urban Regeneration Companies (URC's) or other Special Purpose Vehicles (SPV's). Other organisations can and are encouraged to be partners in projects;

The funds remit is to:

"Help to deliver large-scale improvements in communities across Scotland. It focuses on projects that engage and involve local communities and those that can demonstrate the ability to deliver sustainable regeneration outcomes."

Delivered through four key areas of focus;

- Primarily support areas which suffer from high levels of deprivation and disadvantage
- support large scale regeneration projects which have the potential to demonstrate wider impact
- delivering projects which potentially leverage other funding and investment and programmes which can leverage in private sector investment and address market failure
- delivering projects with clear community involvement

Applications for funding need to demonstrate;

- What physical regeneration the fund will be used for
- Project objectives, target groups, geographical area, partnerships, community involvement and intended outcomes for each application
- The economic, social and physical outcomes of the investment including any jobs created, new services or assets newly available to the community
- Any wider initiatives/funding this application is part of -demonstrating wider impact
- Identify how the fund will benefit disadvantaged communities
- Identify any additional funding a proposal will draw upon

Application to the fund is through a two stage process with applicants required to submit summaries of projects for assessment at stage 1 with recommended projects progressing to full submission at stage 2. All recommendations on funded projects are made by the Regeneration Capital Grant Fund Investment Panel (RCGFIP) with final endorsement by COSLA leaders and SG Ministers required.

Projects that progress to stage 2 assessed according to the following criteria:

Viability	10%
Community Involvement	15%
Physical Regeneration	30%
Economic Regeneration	25%
Social Regeneration	20%

Total grant offers of £27.6m have been recommended across 2014/15 and 2015/16. A variety of projects including commercial, town centre, community function and tourism projects have been recommended across Scotland with grant offers ranging from £200,000 to £5.8m.

The first stage for the second round of applications for projects starting in 2015/16 opened on 31 March 2014 until May 2014 with notification of outcomes set for June 2014.

<http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/investment/capitalgrants/rcgf>

Scottish Partnership for Regeneration in Urban Centres (SPRUCE)

The SPRUCE fund is a £50 million fund established using Scottish Government and European support for regeneration projects in 13 key local authority areas as part of

the EU JESSICA (Joint European Support for Sustainable Investment in City Areas) initiative¹⁰. The fund was agreed upon in 2010 and established using £24 million of European Regional Development Fund (ERDF) and £26 million of Scottish Government funding. The funding criteria for SPRUCE must align with that of Priority 3 of the ERDF programme and funding is available to projects which support community regeneration and urban development.

The Holding Fund is managed by the European Investment Bank (EIB) on behalf of Scottish Ministers. Amber Fund Management were procured to deliver the fund and work under agreements with the EIB. Amber will engage with potential projects and carry out all relevant legal and due diligence processes before agreeing terms of any investment. The overall investment policy is monitored through an Advisory committee and overall strategy overseen by the JESSICA Investment Board. Financial support is generally offered on the basis of a loan; however equity, guarantees etc. are also available. Funding must be repaid within an agreed timescale. Funds can then be reinvested into new projects providing sustainable investment for Scottish infrastructure growth. SPRUCE is geared towards project investment between £1-£10 million

13 local authority areas in which projects are eligible for SPRUCE are:

- Clackmannanshire
- Dundee
- East Ayrshire
- Edinburgh
- Fife
- Glasgow
- Inverclyde
- North Ayrshire
- North Lanarkshire
- Renfrewshire
- South Lanarkshire
- West Dunbartonshire
- West Lothian

The eligible local authority areas were identified as part of the European Regional Development Programme (ERDF) 2007-2013, Priority 3 and based upon Scottish Index of Multiple Deprivation data. In order to be eligible for SPRUCE funding project applicants must lie within the 13 local authorities identified as suffering most disadvantage in the ERDF programme area. All projects are subject to appropriate due diligence in terms of their investment potential, to ensure projects will generate a

¹⁰ The JESSICA fund – is an innovative way of using SG/European Structural Funds monies to lever in significant co-investment from public/private sectors; providing financial support in the form of loans, equity investment and other finance, but not grant, to revenue generating projects.

return which can be reinvested. All projects are also scrutinised for ERDF eligibility.

Applicants can come from any sector; however projects must be able to meet at least one of the following criteria:

1. Property & Infrastructure Investments

- Support for development, refurbishment and enhancement of locally based training/learning and e-skills centres
- Supporting safe transport hubs to link areas of need with those of opportunity
- Support for projects that promote clean and sustainable public transport to link areas of need with areas of opportunity.
- Support for investment in increased local access to ICT facilities within communities with the intention of improving skills of local people seeking to re-enter the labour market and increasing access to web based public services
- Support for development and refurbishment of existing facilities and workspace (especially those that employ “green design” principles) Support for conversion and adaption to industrial sites and business centres/facilities that offer employment or training opportunities to people living in targeted areas (especially those that employ “green design” principles)
- Support for energy production from renewable energy and low carbon technologies in response to local energy needs, such as co-generation and distribution energy systems (e.g. such as district heating and Combined Heat and Power projects).

2. Energy Efficiency & Renewables Investments

- Support for schemes that pilot or demonstrate new or innovative approaches to energy efficiency retrofit measures - in particular targeting the retrofit of existing social housing stock.
- Support for projects that invest in the rehabilitation of the physical environment (specifically work around the decontamination and servicing of brownfield land and gap sites but only if it can be demonstrated that the end use of the land is linked to ERDF eligible activity. This activity excludes development of public realm unless a reasonable and direct physical link is made with ERDF eligible activity).

Four projects have been funded to date, with £30.6m of investment agreed:

- £1.8m to create Business Units at Dundyvan, Coatbridge
- £9.6m to create a substantial Grade “A” office development in Queen Street, Glasgow
- £9.6m for a substantial city centre development £9.6m to remediate a four acre site and undertake works for Haymarket development, Edinburgh

Combined these projects will support over 1000 jobs during construction phase. A pipeline of projects for investments is maintained by Amber and full commitment of the fund is anticipated.

Vacant and Derelict Land Fund

The Scottish Government Vacant and Derelict Land fund (VDLF) is a fund aimed at utilising long term underused and derelict land across some of Scotland's most deprived areas. The fund was established in 2004 and funding in the 3 year settlement from 2012/13 – 2014/15 amounts to £26 million. The VDLF is one of the few remaining ring-fenced funds in the local government.

The criteria of the fund is to tackle long term vacant/derelict land; stimulate economic growth/job creation; and promote environmental justice and improved quality of life – with a focus on projects which promote innovation in temporary and longer term greening techniques for vacant and derelict land sites.

The following Local Authorities receive funding, reflecting the extent of vacant and derelict land in these areas and levels of deprivation:

- Glasgow
- North Lanarkshire
- Highland
- Dundee
- South Lanarkshire

The level of funding allocated to the top 5 authorities is not directly proportionate to the results of the SVDLS, as this would result in one authority receiving the vast majority of the VDLF pot. Instead, allocations have been based on relative need between the top 5 ranked authorities. All these factors influence the distribution of the fund.

The allocation is based on indicators derived from data collected in the 2007 Scottish Vacant and Derelict Land Survey (SVDLS). The indicators (table 1), and how they relate to the aims of the VDLF, are set out below:

Table 1	
Objective of the VDLF	Indicator
Tackle long term vacant and derelict land	Amount of <u>urban</u> vacant & derelict land ¹ out of use since at least

	1995.
Stimulate economic growth and job creation	Amount of <u>urban</u> vacant & derelict land that is within Scotland's 15% most employment deprived data zones.
Promote environmental justice and improved quality of life	Population that lives within 500m of Long Term Derelict Land.

Each year the local authority areas in receipt of VDLF are asked to submit a Local Delivery Plan (LDP) for consideration by the Regeneration Unit. Projects within the LDP must fall within the criteria set out in table 1.

One of the outcomes of the VDLF has been the reclamation of on average 193 hectares of land per year between 2007-2013. Some of the key outcomes and highlights from varied projects funded through VDLF in 2012/13 include;

Glasgow City Council

- 25.75 hectares of vacant and derelict land have been de-risked and/or brought into beneficial use
- 2 sites (Plant Street and Rigby Street) have been removed from the SVDLS Register
- Delivery of quality open space that can be utilised during the 2014 Commonwealth Games
- Up to 73 residential plots provided for showpeople relocated from Dalmarnock

Dundee City Council

- Lochee Access Links project is now complete. Pedestrian crossing installed over the bypass and the closure and infill of the by-pass under-pass and new link road connecting the south end of the High Street back to the by-pass complete. Levered in £180,000 ERDF funding.
- Whitfield and Newfields schools projects complete. Site remediated and trees being planted as a temporary greening measure.

South Lanarkshire Council

- Rutherglen Low Carbon Zone – VDLF used to support on-going pre-development costs for the project focussed on business and industry. Development supports low carbon design.
- National Business District: Shawfield, Rutherglen – VDLF used to support on-going pre-development costs for the Infrastructure and Development

Framework which is focussed on business/industry and infrastructure improvement activities.

- Cuningar Loop, Rutherglen – VDLF uses to support pre-development costs, site investigations and preparatory works.

North Lanarkshire Council

- Projects at Condor Park, Eurocentral; Dunalastair Industrial Estate, York Road, Chapelhall; and Stane Gardens, Shotts were physical complete as of 31 March 2013.
- 3.29ha of business space improved
- 0.72ha of park space improved
- 20.3 temporary FTE Construction jobs created

Highland Council

- Inverness Longman East – Two former municipal landfill sites are currently being remediated for the purpose of providing developable land.
- Inverness Jolly Drover Pub – The 0.27 hectare site is located in an established residential area and now prepared for residential redevelopment.
- Nairn Town Centre – Demolition of former petrol filling station and community centre to create town centre development opportunity.
- Invergordon High Street – Demolition of structures and site preparation works completed.

Appendix 3

GENERAL QUESTIONS

- 1) Could you tell me briefly how your organisation is currently funded?
(PROBE- funder types, amount of funding, remit and timescale of funds)
- 2) Are you aware of any Scottish Government funding available, which supports organisations such as your own, to carry out community regeneration in your area?
- 3) Are you aware of any of the following funds?
 - Climate Challenge Fund
 - Conservation Area Regeneration Scheme (CARS)
 - People and Communities Fund
 - Regeneration Capital Grant Fund
 - Scottish Partnership for Regeneration in Urban Centres (SPRUCE)
 - Vacant and Derelict Land Fund
- 4) Which - if any- of the funds listed is relevant to the work of your organisation?
- 5) Are there any elements of the work you do which you find it difficult to find funding for? *(PROBE- what is not covered?)*
- 6) Do you think that there is adequate funding available from the Scottish Government to promote community regeneration projects in your area?
(PROBE- is the current remit of funding adequate?)
- 7) What areas of community regeneration could be better funded in your area?
- 8) Have you ever applied for any Scottish Government funding for community regeneration projects?
(if so could you detail the name of the fund and the outcome of each application)

FOR THOSE WHO HAVE APPLIED FOR SCOTTISH GOVERNMENT SUPPORT FUNDS

- 9) Were you successful in these applications? (if so for what?)
- 10) Where successful in your application, what have you use these funds for?
- 11) How easy did you find applying to these funds?
- 12) Did you encounter any problems in these applications?

(PROBE- did you understand the process, did you feel able to fulfil necessary criteria for the application?)

- 13) Do you think the process could have been made easier?
(PROBE - why and how)
- 14) What do you feel may be barriers to your organisation (and those like your organisation) in applying for funding for community regeneration?
(PROBE- were these experienced by you own organisation? e.g. resources and time to complete applications/skills within the community to complete applications)
- 15) Did you experience any added benefits to gaining funding through the SG
(e.g. good advice/support)
- 16) If you had not been successful in applying for this funding how would you have continued your work?

FOR THOSE WHO HAVE NOT APPLIED FOR FUNDING

- 17) Would you feel comfortable in applying for SG funding?
- 18) What may be the barriers to you applying for SG funding?
- 19) Where else do you go to access funding for your work?
- 20) Would you welcome additional help or resources to source funding for community regeneration work?