

Inverclyde Economic Development & Regeneration Single Operating Plan



April 2014 to March 2017

FINAL

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Contents

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1. A new approach to Inverclyde's Economic Regeneration

Our ambition is clear - to create, attract and safeguard more and better jobs in Inverclyde with an emphasis on the private sector. This will lead the way to a more prosperous, competitive, balanced and sustainable local economy, delivering economic regeneration for the benefit of all our businesses, residents, and communities. We will achieve this by expanding our business base, supporting the growth of SME's and business start-ups, attracting new firms and investment, building the skills and employability of local people, and regenerating key economic sites and communities.

Inverclyde Alliance's Single Outcome Agreement - Inverclyde Together (2013-17), and Inverclyde's Economic Regeneration Strategy (2011-2014), highlight our aspirations and goals for the future regeneration of the area. This plan sets out the priority projects and investments we will deliver over the three years from April 2014 to March 2017, to progress towards these goals.

Our plans balance ambition with deliverability, focusing on key priorities and opportunities to improve the local economy and build on the recovery, while addressing the challenges posed by reduced levels of public funding and private investment for economic regeneration. As suggested in a recent independent review of regeneration services in Inverclyde¹, the plan re-focuses resources on a narrower set of priorities and actions with the greatest potential to deliver new jobs and wealth. It is a three year rolling plan, which will be reviewed and updated annually and which will respond flexibly to evolving opportunities and challenges.

This Plan is a joint enterprise between Inverclyde Council's Regeneration Team and our local urban regeneration company, Riverside Inverclyde (ri). It marks a new approach to the regeneration of Inverclyde, based on our two key local regeneration agencies working together much more closely towards shared priorities and objectives, pooling our resources and efforts to maximise the economic potential of the area, and achieve better outcomes for our businesses, residents and communities. Through more integrated partnership working, we will improve the effectiveness and impact of our combined activities and investments, at the same time as maximising our efficiency and value for money.

The Plan focuses on the projects, investments and services to be delivered or led directly by the Council's Regeneration Team and ri, building on existing plans and financial commitments, at the same time as establishing some new actions to be taken forward in the next three years.

While the Plan is focused on the actions of Inverclyde Council and ri, we understand and value the very important role played by other partners in the economic regeneration of the area, including the private sector, the Scottish Government, Scottish Enterprise, SDI, Skills Development Scotland, and many more. We will work in close partnership with all of these organisations to secure Inverclyde's economic regeneration. Working together, we will build a stronger, more competitive and prosperous Inverclyde.

¹ Review of Riverside Inverclyde and Delivery of Regeneration Services within Inverclyde (July 2013), New Skills Consulting

2. Context

2.1 The changing economic regeneration environment

The Scottish economy is starting to show signs of recovery, with growth of 2.2% predicted over the next two years², the best rate since 2007, and unemployment predicted to fall to its lowest level since 2008 by 2015. However, despite these positive signs of growth, the global financial crisis, economic recession, and collapse of the property market have had a significant impact on the economic development and regeneration operating environment. For example, reduced levels of private sector investment; rising unemployment, particularly among young people; reduced levels of public funding; and increased competition for limited public resources have all impacted on service delivery, and the ability of organisations to effectively deliver regeneration activities. There have also been institutional and Government changes at a national level, impacting on national policy, including a shift away from investment in place-making regeneration towards more direct interventions to stimulate the creation of new jobs with a particular emphasis on private sector businesses and key growth sectors, and a greater focus on reducing youth unemployment.

Despite indications that the economy is beginning to recover, it is likely that the restrictions on public sector finances will remain for some time. For example, the Scottish Government, in their Economic Strategy³ (2011), state that it could take until 2025/26 for their budget to return to 2009/10 levels, and that the amount available for capital investment will be significantly reduced.

Within this substantially changed operating environment, there is a need to capitalise on emerging opportunities, maximise the use of limited financial resources, and to find new ways of delivering regeneration and economic development activity in future. Some key developments and opportunities for Inverclyde include:

- The Glasgow City Region⁴ will be an engine of economic growth, with Glasgow City as the hub, supported by economic opportunities in the surrounding local authority areas. Greater collaboration and partnership working with City Region partners at a City Region level, particularly in the lead up to the Commonwealth Games in summer 2014, has the potential to generate economic opportunities for businesses and residents in Inverclyde.
- Despite the recession, some sectors have continued to, or are starting to grow presenting a range of economic opportunities, including, for example, supply chain development; provision of work-related training at a range of levels for emerging employment opportunities; or accessing finance to support new product development or diversification.
- Collaboration with key partners to maximise the impact of existing (committed) economic development resources, and focus activity on the delivery of key strategic investments.

² The Centre for Economics and Business Research (November 2013)

³ The Scottish Government Economic Strategy (2011)

⁴ Glasgow City Region is home to more than one in three Scots, has more than 35% of Scotland's jobs and contributes to more than 36% of Scotland's exports. It is also home to nearly 40% of all jobs in the financial services, aerospace, defence and marine sectors in Scotland, and approximately one in three of all jobs in the tourism, food and drink and construction sectors. (A refreshed economic strategy for the Glasgow City Region 2011-16).

- Develop partnership bids for competitive funding, for example from ERDF, ESF, Lottery, Scottish Enterprise investment, The Town Centre Housing Fund, or the Scottish Government Regeneration Capital Grant Fund.
- Focus on creating new employment opportunities with a particular emphasis in the private or third sector to reduce an over-reliance on, and mitigate against the risks of a reduction in public sector employment.
- Focusing employment support and skills initiatives to address the rising rate of unemployment (including youth unemployment).
- Capitalise on national events to promote Inverclyde's tourism offer, support local tourism businesses, and increase the number of tourism visits to the area.

This Plan acknowledges and acts upon these changes, re-focusing current and future investment on a narrower set of priorities and key projects with the greatest potential to deliver jobs and local wealth.

2.2 The wider strategic context

There are a number of key national, city region and local strategies and statutory plans that provide the wider context for the delivery of regeneration and economic development activities in Inverclyde. These documents describe the national policy context, key strategic drivers, and priorities, as well as identifying key local development opportunities and a framework for local delivery. The key documents include:

- **The Scottish Government Economic Strategy (2011)** which sets out six strategic priorities⁵ to drive sustainable economic growth and development at a national level, and develop a more resilient and adaptable economy.
- **Achieving a Sustainable Future: The Scottish Government Regeneration Strategy (2011)** describes the overall approach to regeneration as being a holistic means of addressing the economic, physical and social needs of communities, placing community-led regeneration⁶ at the heart of effective delivery.
- **The Community Engagement and Empowerment Bill**, which is currently out to consultation, aims to fully engage people in communities in a range of ways to get pro-actively involved in the design and delivery of public services and to support public sector organisations to achieve better outcomes for communities.
- **Scottish Enterprise Business Plan (2013 – 16)**. Sets out the strategy for the development and growth of Scotland's economy, and the potential level of public sector resources available to support it.

⁵ Supportive Business Environment; Transition to a Low Carbon Economy; Learning, Skills and Well-being; Infrastructure Development and Place; Effective Government; and Equity.

⁶ CLD is defined as 'local people identifying for themselves the issues and opportunities in their areas, deciding what to do about them, and being responsible for delivering the economic, social and environmental action that will make a difference'.

- **European Structural Funds (2014-20)** sets out the framework for the management and allocation of ERDF, ESF and Rural Development Funds for the period 2014-20. Based on the three themes of Europe 2020 (Smart, Sustainable and Inclusive Growth) it is likely that the strategy will focus on three key priorities⁷.
- **Glasgow and the Clyde Valley Strategic Development Plan (May 2012), and the Inverclyde Local Development Plan (in place May 2014).** Statutory documents focused on the key development opportunities across the City Region, and within Inverclyde for a range of economic activities e.g. industrial, housing, leisure, and town centre developments.
- **A Refreshed Economic Strategy for the Glasgow City Region (2011 – 16)** recognises the changes in economic drivers and context as a result of the recession and updates strategic priorities and objectives.
- **The Inverclyde Alliance Single Outcome Agreement (2013-2017) Inverclyde Together** describes how the key partners working together will contribute to the economic and social regeneration of Inverclyde.
- **Inverclyde Economic Regeneration Strategy and Action Plan (2011-14)** sets out Inverclyde's economic priorities and opportunities, and summarises the economic regeneration activities to be delivered by both the Council and its partners.
- **Riverside Inverclyde Business Plan (2012-17)** describes the key capital investments and other activities that were planned for delivery by ri from 2012 onwards. The Plan was approved by the ri Board in 2012.⁸
- **The Scottish Parliament's Local Government and Regeneration Committee: Delivery of Regeneration in Scotland - 1st report (Feb 14).** This recently published report sets out the future direction for regeneration policy in Scotland with a clear emphasis on the importance of community-led regeneration initiatives.

There are also a number of sector specific strategies and action plans (e.g. for offshore renewables, tourism, cultural and creative industries) which provide a framework to support the growth of these sectors across Scotland.

The key themes emerging from the above documents provide the overall context for regeneration and economic development within Inverclyde. This includes:

- **A focus on growth sectors, markets and companies.** Targeting limited public resources on those companies and sectors with the greatest potential for growth, and supporting businesses to access overseas growth markets. Within this theme is a clear focus on supporting innovation and commercialisation, and encouraging greater collaboration between universities and private business.

⁷ Business competitiveness, innovation and jobs; Low Carbon, resource efficiency and the environment, and Local Development and Social Inclusion.

⁸ ri's investment Plans are being reviewed currently, in light of the mid-term review and other recent developments

- **Building the skills base and improving employability.** There is a particular focus on developing the work-related skills of young people to address rising youth unemployment, and ensure the future workforce has the skills required by employers.
- **City Regions as engines of economic growth.** Infrastructure investments and place development initiatives are focused on major cities and their surrounding regions to maximise their potential as drivers of economic growth.
- **Community-led regeneration.** Involving local residents in the regeneration process and empowering communities to drive forward economic, physical and social change in their areas, working alongside public, private and third sector agencies.
- **The transition to a low carbon economy.** This is a key theme emerging from the Scottish Government and which has informed the focus of other key strategies. This cuts across many sectors and themes and includes, for example, supporting companies to become more resource efficient; building energy efficient housing; promoting the use of new forms of energy generation; developing the supply chain for renewable energy companies; and training and skills development to meet emerging employment opportunities.

3. Economic opportunities and challenges

The wider economic context presents real opportunities for Inverclyde to exploit, although there are also some challenges to overcome in achieving the vision of Inverclyde being a vibrant part of a strong city region, with a thriving, competitive economy and sustainable communities.

The Scottish economy is moving out of the recession and there are signs of recovery, although it is yet to regain pre-recession levels of activity. Unemployment is now falling gradually and private sector investment and confidence is improving, although it remains fragile.

Conditions vary across the country, with core cities recovering more quickly than more peripheral areas. However, whilst growth may be returning, it is likely to remain modest for several years to come and the impact of the continued contraction of the public sector is yet to play out.

In this context there are some key opportunities and challenges for Inverclyde's economy which the Council, ri, industry and other partners should look to address to achieve future economic growth. The key issues include:

3.1 More and better jobs - Jobs in Inverclyde are generally low in volume⁹ and value. The occupational profile is lower value and lower skilled compared to the Scottish average, with fewer 'higher level' jobs. Wages are also lower than the national average. To generate wealth and add value to the economy it is important to attract and develop high value businesses and higher level jobs (although this goes in tandem with developing a skilled workforce) and this will help to attract and retain talented individuals. At the same time there is also an opportunity for supporting more residents to access employment opportunities in the wider City Region economy.

3.2 Strengthening the business base - Inverclyde has a small and relatively narrow business base, with a reliance on a small number of larger employers, a lack of medium sized firms, and an over reliance on the public sector to provide jobs. There is a need to attract private sector businesses and investment, as well as stimulating an entrepreneurial culture and supporting indigenous businesses to grow and to develop more small and medium-sized businesses. There are a number of clear opportunities for Inverclyde to focus on in growing the business base:

Key sectors with potential for growth - Providing specialist support to businesses operating in key sectors, with potential to create employment and wealth in Inverclyde, should be proactively targeted to ensure they reach their potential and exploit growth opportunities. This may involve ensuring businesses are connected to existing programmes (e.g. those provided by SE and SDI) as well delivering local services if gaps exist. There are three sectors with potential for growth, which are of particular importance to Inverclyde's economy:

a) **Marine and Renewable energy** - This sector presents opportunities for growth and wealth creation for Inverclyde:

⁹ There were 33,000 jobs and a jobs density ratio of 0.63 in 2011 based on ONS Jobs density data

- **Marine:** Given Inverclyde's historic and continuing strengths specifically in marine industries, this sector presents job and wealth creation opportunities, particularly in terms of meeting the supply chain needs of larger companies, and in developing and supplying the skilled workforce needed by the industry. Key statistics from the UK Marine Industry Alliance¹⁰ identify over 5,000 companies working in the sector across the UK, including a high concentration in Scotland; and almost 9,000 employees. The Alliance also identifies significant growth opportunities for the sector based on existing technical knowledge and skills e.g. marine engineering, naval architecture, shipbuilding and complex systems navigation.
- **Renewable energy:** This is a key growth sector for the Scottish economy which is estimated to create 35,000 jobs and generate an extra £11 billion GVA by 2020¹¹. Due to its existing strengths in the marine industry, extensive waterfront and existing supply chain companies, Inverclyde is well placed to diversify into this sector and to support businesses to exploit the opportunities for growth. This could include working with James Watt College to develop sector specific training programmes to upskill the workforce. There could be opportunities for Inverclyde's engineering, manufacturing and professional service firms to supply components and services as part of various renewable energy supply chains. There may also be more medium term opportunities, for example, wave and tidal industries. It will be important for the Council and ri to work with industry to clearly define and market its offer for the sector, taking into consideration the timing of any benefits, the likelihood of a return on investment, which firms in Inverclyde could capitalise on the opportunities, and what support they would need. Consideration also needs to be given to the types of port and logistics opportunities that could realistically be generated by the renewables sector.

b) Financial and business services - This sector generates significant wealth for the country and is important for the City Region, with 40% of Scotland's Financial Service jobs based here¹². Inverclyde has a number of strengths in this sector, for example, with its cluster of call centres (e.g. IBM, Cigna, and RBS) and other business services which will be further developed, as well as competitively priced, high quality business premises. There should be a particular emphasis on safeguarding existing jobs and supporting new and existing small and medium sized enterprises in this sector, rather than on larger companies which may leave Inverclyde vulnerable to business decisions to close / move premises to reduce costs, resulting in large scale job losses.

c) Leisure and tourism - Tourism is a growing market nationally¹³ with, for example, an increase in overnight domestic trips to Scotland by GB residents of 1.6% in the year to July 2013, and a 7% increase in average spend per trip at £37.20 by September 2013. Inverclyde could build on its emerging leisure and tourism offer, particularly with the Ocean Terminal, good links to key Scottish tourist destinations, coast and river frontage, spectacular scenery, and local leisure

¹⁰ Strategy for Growth for the UK Marine Industries (2011)

¹¹ Scottish Government Economic Strategy 2011

¹² A Refreshed Economic Strategy for the Glasgow City Region 2011 to 2016

¹³ Visit Scotland Trends and Statistics Snapshot (Nov 13)

facilities, by developing a more clearly defined offer and strategy to attract day visitors to the area and to maximise local spending. This could, for example, capitalise on the growth of sail tourism¹⁴ and / or mountain biking¹⁵ across Scotland to attract additional visitors to the area. An enhanced leisure and tourism offer could also contribute to reversing the de-population of Inverclyde by making the area a more attractive place to live and visit.

Business and enterprise support - There are also opportunities to provide support to businesses across all sectors in Inverclyde to:

- **Address low levels of start-ups** by delivering enterprise support particularly in disadvantaged areas and developing enterprising skills, particularly among young people. The existing Business Gateway¹⁶ service will create a clear focus on start-up's, which recent research has shown to have an important role in creating jobs¹⁷ and encouraging participation in school enterprise programmes, such as YES, PTYBS or Micro Tyco will help develop a pipeline of young people with an interest in enterprise and starting up their own business in the area.
- **Support the growth of existing (and new) small and medium-sized businesses** across all sectors to help better balance the economy, reducing the reliance on a small number of large employers. This should include supporting all businesses to innovate and to trade more outside of the area as these are drivers of economic growth. And as access to finance remains a key challenge and barrier to growth for many businesses, supporting companies with this will help to unlock potential. This should involve connecting local companies to national programmes¹⁸ and working jointly¹⁹ with Scottish Enterprise (SE) and partners (e.g. SDI) to promote the area to inward investors.
- **Make the transition to a low carbon economy** which presents opportunities for businesses in Inverclyde. The low carbon market is expected to grow to around £12.5 billion by 2015-16²⁰. The opportunities stretch well beyond renewable energy (discussed above), cutting across many sectors and activities, such as measures to improve the resource efficiency (and profitability) of SME's, opportunities to supply energy efficient materials for the construction industry, and carbon capture and storage. Supporting business to take advantage of these opportunities will help boost the economy and generate wealth.

¹⁴ The current value of the sailing tourism market in Scotland is £101 million and with development of the market, this could increase to £145 million (with 29% from non-Scots) in 10 years. (<http://www.tourism-intelligence.co.uk/intelligence-guides/08-sailing>)

¹⁵ Research undertaken for Scottish Enterprise (The Economic Value of Mountain Biking) found that mountain biking generates £46.5m pa for the Scottish economy.

¹⁶ Delivered by the Council under contract to Renfrewshire Council

¹⁷ Research undertaken by Nesta found that 69% of businesses creating jobs in the UK between 2007 and 2010 were start-ups (less than 3 years old) and 25% were micro businesses. Together these businesses accounted for more than 55% of all jobs created.

¹⁸ For example: Scottish Enterprises Smart Exporter programme; Winning through Innovation; the Innovation Support Service; Resource Efficient Scotland etc.

¹⁹ For example, using the established Business Gateway (Growth Pipeline) process to link up the relevant partners

²⁰ Scottish Government Economic Strategy 2011

- **Improve access to public sector procurement opportunities** for local companies both in Inverclyde and across Scotland. This will help local businesses to grow, create employment and skills development opportunities for local residents through social benefit clauses, and to create opportunities for smaller businesses or the self-employed to sub-contract work or partner larger companies to deliver large scale contracts.

3.3 Boosting skills - A skilled workforce is a more productive workforce and can help to attract high value businesses. Inverclyde has a relatively lower skilled workforce than the rest of Scotland. There is a need to boost skills and also ensure that these skills are closely aligned with the key growth sectors, with growing businesses within Inverclyde, and emerging employment opportunities. It is also important to ensure that businesses are supported to maximise their contribution to economic growth in terms of offering jobs and work-based training. This could be done, for example, through social benefit clauses as well as developing strong partnerships with industry.

3.4 Reducing worklessness - Compared to Scotland as a whole, Inverclyde suffers high levels of unemployment and worklessness. 19.1% of the working age population are in receipt of an out of work benefit. Unemployment among young people is particularly high. Tackling worklessness and raising participation and developing enterprising skills, particularly among young people, is important for economic growth. Inverclyde does, however, benefit from a strong third sector which can play a key role in delivering services and activities to address this.

3.5 Improving the availability and quality of business premises and economic infrastructure - Continuing the regeneration of key economic sites along the Inverclyde waterfront in the current climate of reduced public sector resources and limited private sector investment is a key challenge for Inverclyde. Partners need to find ways of targeting limited resources to achieve maximum economic impact, improving the commercial and industrial property portfolio, progressing the development of key strategic sites, and creating vibrant town centres. Opportunities for Inverclyde include:

- Completing developments on key sites on the waterfront and A8 corridor, for example, The Customs House, Kelburn, and Carlsdyke.
- Investing in additional industrial and commercial premises, increasing Inverclyde's capacity to attract and accommodate business of all types and sizes and contribute to growing and diversifying the business base.
- Continuing to improve the current industrial and commercial property portfolio to attract and retain businesses and increase occupancy rates.
- A programme of town centre regeneration activities focused on Port Glasgow, Greenock and Gourock, to attract and retain residents and businesses.

3.6 Regenerating disadvantaged areas - Inverclyde has clusters of deprivation, with Greenock East / Central and Port Glasgow being in the most deprived 15% of wards in Scotland²¹. An area-based approach to regeneration, tackling multiple issues (e.g. employment, entrepreneurship, social enterprise, business growth, housing, crime, and environment) in a co-ordinated way, through community engagement and partnership working, will strengthen communities and address issues of deprivation.

3.7 Addressing population decline - De-population is a major concern for Inverclyde, with the Council and partners²² working together to try and stabilise the population to assist the overall economic regeneration of the area. Better quality housing, vibrant town centres, more and better jobs, an improved environment, and stronger communities are all factors which will stabilise and retain population levels.

3.8 Articulating a clear offer and marketing message - A key challenge for Inverclyde is to develop clear messages about the area's offer to businesses, investors and visitors. Further work needs to be undertaken to clarify, define and clearly articulate Inverclyde's offer to different markets including marine and renewable energy, leisure and tourism, and others. This will help to underpin work on infrastructure development, to improve skill levels, and to diversify the business base, while creating a clear message to potential investors and / or visitors.

The SWOT analysis summarises the key economic opportunities and challenges facing Inverclyde.

²¹ Inverclyde Alliance Single Outcome Agreement

²² The Inverclyde Single Outcome Agreement has an objective to stabilise the population to assist economic regeneration and improve the quality of the living environment

Swot analysis

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> Inverclyde is part of the Glasgow City Region – an economic powerhouse which is home to one in three Scots; has more than 35% of Scotland's jobs and contributes to more than 36% of Scotland's exports²³. It has good transport links and good access to air and sea ports. A much improved physical environment through the work of ri Quality business premises and strategic sites ready for development to accommodate a growing business base. Riverside location and deep water access. Industrial heritage, skills and ethos of the workforce. The gap has narrowed (improved) in recent years between Inverclyde and Scotland in terms of average wages and proportion of the working age population claiming any DWP benefit. Competitive wages and business accommodation. | <ul style="list-style-type: none"> High unemployment and worklessness, particularly youth unemployment. A declining and ageing population. Low skilled workforce and low level jobs. Low job and business density. Narrow business base and predominance of public sector. Areas of deprivation Perceived lack of connectivity creating a barrier for some residents to accessing work / training outside of Inverclyde. Poor external perceptions of Inverclyde. |
| Opportunities | Threats |
| <ul style="list-style-type: none"> The port, connectivity to the City Region and airport presents an opportunity to attract business to locate to Inverclyde, building on its export and logistics offer. Some strengths in emerging and growing priority sectors upon which to build (renewables and marine; business services) Some signs of recovery in the construction sector, commercial property and residential market. Potential to support home-working or attract home-based consultants, learning from good practice. | <ul style="list-style-type: none"> Continued population decline Public sector investment may be focused in the City Region core, but impacts / benefits may not filter through to peripheral areas (limited agglomeration effects) Other areas have been identified at a national level as key locations for offshore renewables. Failure to develop a clear renewables offer and USP may leave Inverclyde unable to get a foothold in the market. Recovery from the recession in terms of commercial property markets appears to be stronger in cities such as Edinburgh and Glasgow and therefore may take longer to attract investment to Inverclyde Tourism offer is unlikely to compete with stronger / more attractive products locally (e.g. the Trossachs, Loch Lomond, Glasgow City etc) Lack of a clear USP and offer for companies and new residents could be a barrier to attracting investment to the area. |

²³ A Refreshed Economic Strategy for the Glasgow City Region 2011-16

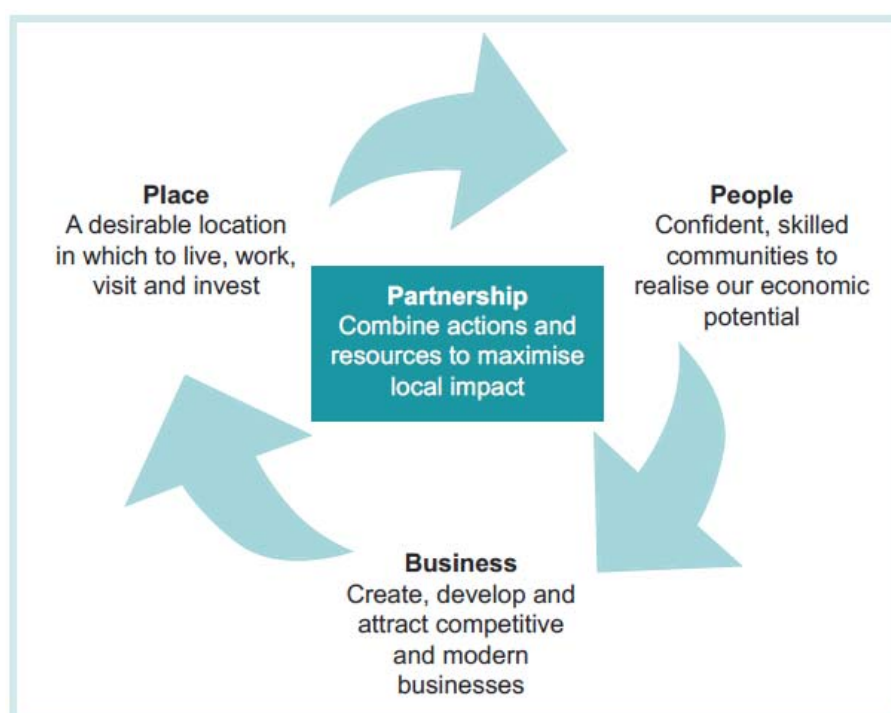
4. Our vision and priorities

4.1 The Inverclyde Economic Regeneration Strategy

This Plan will be delivered within the existing strategic framework provided by the Inverclyde Alliance Single Outcome Agreement (2013-17) and Inverclyde Economic Regeneration Strategy (2011-2014). Through this Plan, the Council and ri will work together to achieve the **Inverclyde Vision** as described in the Economic Strategy.

“Inverclyde is a vibrant part of a strong city region with a competitive and thriving economy, sustainable communities and a flexible and skilled workforce.”

This Plan will make an important contribution to achieving the following target outcomes of the Strategy, across the four main themes of: People; Business; Place; and Partnership.



These four themes are closely aligned with the priorities of Scottish Government’s Economic Strategy²⁴ and sum up the key areas in which action and investment is required to fulfil Inverclyde’s vision and potential. All of the priorities, projects and investments set out in this Plan contribute to one or more of these strategic themes and target outcomes.

²⁴ Scottish Government’s Economic Strategy - 2011

4.2 Our six key priorities

We have identified six key priorities for action and investment. Each one contributes to the achievement of the Inverclyde Vision, by capitalising on the opportunities and tackling the challenges identified previously. They all support the goal of creating a more competitive Inverclyde through supporting business growth, investment, and job creation. Investment by the Council and ri will be targeted on a small number of projects within these six priorities, in line with the key strategic themes of Business, People, Place and Partnership.

Business

- **Priority 1 - *To grow and diversify the business base*** through a concerted programme to attract new SME's, businesses and private sector investment to the area, grow existing firms, and increase the rates of business start-up and self-employment. This will include: realising the economic potential of key economic sectors (marine and renewable energy, business and financial services, and tourism & leisure) through a programme of specialist business advice; supporting businesses to maximise opportunities presented by the transition to a low carbon economy; and a focus on increasing the number of high valued-added businesses in the area, through support to innovate, secure growth finance, and develop a highly skilled workforce.
- **Priority 2 - *To increase Inverclyde's capacity to accommodate jobs particularly in the private sector*** by developing a mixed portfolio of high quality, value for money, regionally competitive business premises, capable of attracting and retaining a broad mix of industrial, commercial and service sector firms, with strong connections to the wider City Region economy.

People

- **Priority 3 - *To boost skill levels and reduce worklessness*** by supporting local residents (including young people), to develop employability and vocational skills and link them with new job opportunities. This will also include supporting local residents of all ages and backgrounds to develop their skills, especially higher level skills.

Place

- **Priority 4 - *To accelerate the regeneration of strategic employment sites and town centres*** as the business, leisure, retail and housing markets return to growth.
- **Priority 5 - *To progress the renewal and economic regeneration of the most disadvantaged areas of Inverclyde*** by working with local communities, alongside private and third sector partners, to design, develop and deliver regeneration activities.

Partnership

- **Priority 6 - *To coordinate action and investment with our partners***, including government, national economic development bodies, City Region partners, communities, and the private sector, maximising joint impact on Inverclyde's economic development and regeneration.

4.3 Our approach

Our approach to the delivery of our six priorities is under-pinned by the following principles:

- ***Inverclyde is 'Open for Business'***. Raising the profile of Inverclyde as a great place to invest and do business, based on high quality, value for money business locations, and excellent connectivity to the wider City Region economy and labour force.
- ***Creating an outward looking Inverclyde***, attracting wealth from outside the area, and contributing to the growth of the wider City Region and Scottish economies, with businesses trading across Scotland, the UK and internationally, residents travelling to work across the City Region, and regeneration bodies developing mutually beneficial joint ventures with neighbouring areas.
- ***Focusing investment on strategic projects*** with the greatest potential to deliver economic and regeneration impacts, generate wealth, and create jobs.
- ***Empowering local communities*** to engage pro-actively in the development, design and delivery of economic regeneration activities, particularly in our town centres and most disadvantaged communities.

4.4 Spatial focus

A number of spatial areas within Inverclyde have been prioritised for support and investment (including strategic employment sites, town centres, and disadvantaged communities) on the basis of greatest opportunity, potential impact and need.

4.4.1 Strategic employment sites

We will focus our investment and resources on the development of the following strategic employment sites and locations:

- **Kelburn (Phases 1 and 2)**. This is a high profile site adjacent to the A8, which has been derelict for a number of years. Phase 1 is currently on-site, and is scheduled for completion within the timescale of this three year plan (April 14-March 17). Phase 2 is expected to start on site during 2014.
- **Cartsburn / Cartsdyke (Phase 1)**. This key site, which is currently in a poor state of repair, will be for new business-related development.
- **Customs House (Phase 3)**. Earlier phases were completed in 2013/14, and are fully let. Phase 3 will complete this high profile development, creating additional business / office space which will bring new jobs or safeguard existing jobs in Inverclyde.
- **The development of our commercial property portfolio**, to increase occupancy rates, and generate a surplus which can be re-invested in additional economic regeneration activities.

There are a number of other key strategic sites which are important for Inverclyde, as they have the potential to attract new investment, create additional jobs, and generate wealth for the area. The development of these sites in future will be driven largely by the private investment and by improving market conditions. ri and Council staff will support and facilitate development as appropriate, but there will be little or no further direct financial investment in these sites by ri or the Council. The key sites in this category are:

- **Victoria and East India Harbours.** This strategically located riverfront site, adjacent to the Custom House development, remains a key priority for the Council and ri, as it is highly visible and in urgent need of investment.
- **James Watt Dock.** This is a medium to long-term priority for the Council and ri. However, due to the size and scale of JWD, there is potential for developments on parts of the site to be taken forward in the next few years subject to private investment and market conditions, for example business premises in the Sugar Sheds, or housing developments.
- **Inchgreen.** This is a key strategic riverfront site, which has potential to support employment in the marine and / or renewable sectors.
- **Ocean Terminal.** The development of the quay wall will create potential for additional cruise ships to dock in Greenock, increasing the number of visitors accessing Scotland's main tourist destinations through Inverclyde, and creating opportunities for local businesses.
- **Inverkip Former Power Station.** The redevelopment of the former power station site will create potential for additional housing and limited commercial accommodation.

4.4.2 Town Centre Regeneration

We will also focus our investment and resources on regenerating our town centres to create new employment opportunities, support business growth, and attract new private investment.

- **Port Glasgow** will be given the highest priority, as it is the most precarious economically and the most in need of regeneration. Activities will include the development of new business units at Scarlow St.
- **Greenock** will be the second priority, focusing investment on some of the most disadvantaged areas of Inverclyde, for example, Broomhill.
- **Gourock** has funding allocated for the completion of the Gourock Pierhead redevelopment project, as well as the development of the Municipal Buildings.

4.4.3. Area Renewal

Finally, in our most disadvantaged communities, we will take a holistic approach to economic and physical regeneration, working in partnership with residents, third sector organisations, registered social landlords, private sector partners, and other public agencies to facilitate business growth, develop skills, improve employability and create a better physical environment. While we recognise the importance of this approach in addressing multiple factors of disadvantage, the resources currently available to the Council and ri are limited. Therefore this will be a long-term approach over a number of years to improve economic opportunities and the physical environment in these communities.

Our priority areas for investment are:

- **Broomhill** in Greenock needs investment for a range of economic, physical and social regeneration issues.
- **Clune Park** within Port Glasgow has been identified by the Council as a priority for investment to address physical and social regeneration needs. This will include the Council's Regeneration Team working with housing officers to develop and implement regeneration proposals.
- **Woodhall**, adjacent to Kelburn, is the second most deprived²⁵ datazone in Inverclyde. Area renewal activity will focus on activities to address skills, employment, housing and amenities.

4.5 Scope of activities

Economic Regeneration

The primary focus of this Operating Plan is the **Economic Regeneration** of Inverclyde. This means focusing support and investment on activities that **will create and sustain jobs** in Inverclyde, enable local residents to take advantage of these job opportunities, and boost wealth and prosperity across the area. Economic Regeneration includes the following activities:

- **Business support** - Encouraging growth and survival among existing local businesses, particularly SME's, alongside the creation of new business start-ups. This could include support targeted at key strategic or growth sectors.
- **Investment attraction, marketing and tourism** - Attracting businesses and developers from outside the area to invest and locate in Inverclyde, as well as attracting day visitors to boost spending in the local economy.
- **Business sites and premises** - Providing the high quality, regionally competitive sites and business premises needed to underpin and attract business growth and investment.
- **Supporting infrastructure** - Offering the essential supporting infrastructure needed by businesses, primarily excellent transport links and broadband connectivity.
- **Skills and employability** - Equipping local residents with the skills and qualifications needed to be employable and to take up new jobs in Inverclyde and the wider City Region economy.

²⁵ Inverclyde Alliance Single Outcome Agreement (2013-17)

- **Procurement** - Enabling local businesses to compete more effectively for public sector contracts, both within Inverclyde and across Scotland; and increased use of social clauses in contracts to create more employment and training opportunities for local people.

Area-based regeneration

Some specific geographic areas of Inverclyde require focused investment and support to maximise their economic potential and improve their physical condition, ensuring they can share in and contribute to future economic prosperity. Area-based regeneration is an important element of this Operating Plan, and officers with an area-based focus will be charged with leading the following activities:

- **Town centre regeneration** - Investing in the improvement of facilities, services, access and the physical appearance of Inverclyde's town centres.
- **Area renewal** - Focusing on Inverclyde's most disadvantaged communities, a multi-faceted, community-led approach to economic regeneration and physical renewal including: environmental improvements, encouraging housing development (working with RSL's), and supporting business growth, skills and employability.

Other aspects of regeneration

Beyond economic regeneration and area renewal, there are other activities that fall within the broader regeneration definition, such as social regeneration (e.g. health improvement, tackling substance misuse, crime reduction) and housing. Neither of these activities are prioritised in this Operating Plan. They will be dealt with as follows:

- **Social Regeneration** - The Council's Regeneration Team currently manages part of the 'Inverclyde Regeneration Fund'. The main focus is on employability, assisting local residents to overcome barriers to employment. This work will continue in future within this Operating Plan, but the Regeneration Team and ri will play no wider role in social regeneration. These activities are described in the Inverclyde Alliance Single Outcome Agreement (2013-17) and will be delivered by members of the Community Planning Partnership / Inverclyde Alliance, as well as the Council's Community Development Team and CHCP.
- **Housing** - The Council's Regeneration Team and ri will become involved in housing developments only where they directly support economic regeneration objectives, or contribute to the regeneration of priority mixed-use sites that also include business-related developments (commercial, retail, industrial, leisure), or they support the renewal of priority disadvantaged communities. Examples could include executive housing developments that will help in attracting businesses and investment to the area, residential schemes on Victoria Harbours and James Watt Dock, or new developments by RSL's in priority disadvantaged areas. The Regeneration Team and ri will play no direct or wider role in housing, which will be led by the Council's housing section and local registered social landlords, including River Clyde Homes.

5. Delivering the Plan

A key objective of this Operating Plan is to improve co-ordination of economic development and regeneration activity between Inverclyde Council's Regeneration Team and Riverside Inverclyde. The 'integration dividend' or benefits generated through this approach will be:

- A more focused, targeted approach to service and project delivery resulting in better outcomes for businesses and local people;
- Co-location on a single site which will improve communication and facilitate models of joint working between the two teams, particularly in areas where there is currently some overlap e.g. property management, and marketing;
- There is also potential for cost savings through co-location, improved co-ordination, and greater streamlining / pooling of resources; and
- Developing a common understanding of, and approach to key issues (e.g. community-led regeneration; area renewal) resulting in more consistent and streamlined delivery.

5.1 Roles and responsibilities

The Council's Regeneration Team and ri will each be responsible for leading and delivering specific elements of the Plan, including specific activity types and projects. The allocation of responsibilities is as follows.

Table 1: Proposed allocation of responsibilities

| Lead organisation | Area | Main activities |
|--|--|---|
| Council Regeneration Team | Business support | <ul style="list-style-type: none"> Business, advice, grants and loans Business Gateway providing support for start-ups, self-employment, enterprise, and social enterprise. Specialist sector advice and support <ul style="list-style-type: none"> A sector management approach, identifying businesses' support needs and brokering in expert support from third parties (innovation, finance, exporting, skills development etc), working in partnership with Scottish Enterprise and SDI. We will focus on businesses that are not currently account managed by Scottish Enterprise. Developing a clear offer for the potential growth sectors of marine and renewable energy, financial and business services, and leisure and tourism |
| | Investment attraction and marketing | <ul style="list-style-type: none"> As part of the Inverclyde Living campaign, marketing Inverclyde as a competitive business location, with a clear focus on attracting businesses, jobs and investment. Promoting business premises, sites and town centres. Leading a co-ordinated approach to generating and managing business and investment enquiries. |
| | Skills and employability | <p>Delivery of employability services and vocational training and skills support to:</p> <ul style="list-style-type: none"> Develop workforce skills (including for potential growth sectors and higher level skills) Increase skill levels to help progression into employment Implement local labour projects and community benefit clauses. <p>Management of the Regeneration Fund, and those organisations contracted to deliver employability services.</p> |
| | Securing external funding and investment | <ul style="list-style-type: none"> Leading all bids and proposals to secure external funding for Council led projects. Leading other investment initiatives (e.g. prudential borrowing, tax incentive schemes, TIF etc). Working with ri as the grant applicant for funds that exclude public bodies, or writing bids on behalf of ri. |
| | Strategy and policy | <ul style="list-style-type: none"> Review of national economic development and regeneration policy and understanding its impact locally Development of local economic development and regeneration strategies that reflect national policy. Integrating national economic development and regeneration policy into local strategies, plans and delivery. |

| Lead organisation | Area | Main activities |
|---------------------------------|--|---|
| Riverside Inverclyde | Physical development of business premises and sites (including infrastructure) | Direct development and refurbishment by riph of new and existing business premises; working with private developers on business premises and site development projects; leading site development and improvement works; leading infrastructure works. |
| | Town centre regeneration (physical development only) | Management of physical development in town centres, such as shop front improvements, public realm works, site clearance etc. |
| | Supporting external funding and investment | Input to all bids and proposals to secure external funding for ri led capital projects. |
| | Facilitating housing development | Liaise with developers and Council planners to secure / facilitate housing developments on key strategic sites and / or executive housing developments, to support economic growth. Housing strategy will remain the responsibility of the Council. |
| | Area renewal | Officers with an area-based focus will be responsible for developing and driving forward multi-faceted area renewal activities. They will be facilitators, working with local communities and drawing in colleagues from the Council (employability, business support, marketing, Community Learning Development etc), ri (capital projects / physical regeneration) and other partner agencies, as necessary to provide appropriate, specialist support. This activity may require additional staff resources. |
| | Property portfolio management | Although both ri and the Council will remain responsible for the management of their respective property portfolios for the time being, ri will take the lead in coordinating activities. The future ownership of both portfolios will be reviewed to determine the appropriateness of transferring control under a single organisation. |

5.2 Ways of working

The Council's Regeneration Team and ri will drive forward each of the activity areas for which they are responsible, directly delivering and managing projects and services within their remit, and for managing relationships with partner organisations working in the field (e.g. the Council will work with SDI and Scottish Enterprise on investment attraction and business support, ri will work with private developers on business premises and sites projects).

Where a given project or investment requires support across multiple activity areas, the lead organisation will be responsible for seeking support from the appropriate Council or ri lead. For example:

- If firms locating in one of ri's business premises require business support or to recruit new staff, ri would broker in the Council's business support and / or employability teams to either provide the support directly, or arrange appropriate support from another provider.
- If the Council identified a new funding opportunity for town centre regeneration, it would ask ri to develop and deliver the project, and to secure the funding.

In this way, the teams will work in tandem on a project-by-project basis to deliver the objectives of this Plan. This will ensure that individual projects are delivered successfully, and that the needs of customers and partners are met, by staff with the most appropriate skills and experience.

For projects where it is clear from the outset that input will be needed over a cross-section of activity areas, time limited, multi-disciplinary project teams will be established involving appropriate staff from the Council and ri (and other partner organisations where required), to ensure the successful delivery of the project. Multi-disciplinary project teams will also be set up to progress and deliver key strategic and large-scale projects identified in this Plan, including area-based project teams to lead activities and investments in the priority spatial areas.

The extent of joint working is expected to be significant. For this reason, to make joint working as practical as possible, the Council's Regeneration Team and the ri team will be co-located from June 2014.

5.3 Management and governance

Effective delivery of the Plan will be supported through the joint project teams referred to previously, as well as co-location of the teams from June 2014. The Council's Regeneration Team and ri will retain their own current, separate internal management structures. A joint 'Operating Plan Management Group' will be established charged with responsibility for the effective delivery of this Plan. The members of the group will be:

- **Inverclyde Council** - Corporate Director Environment, Regeneration & Resources, and Head of Regeneration and Planning;
- **ri** - Chief Executive.

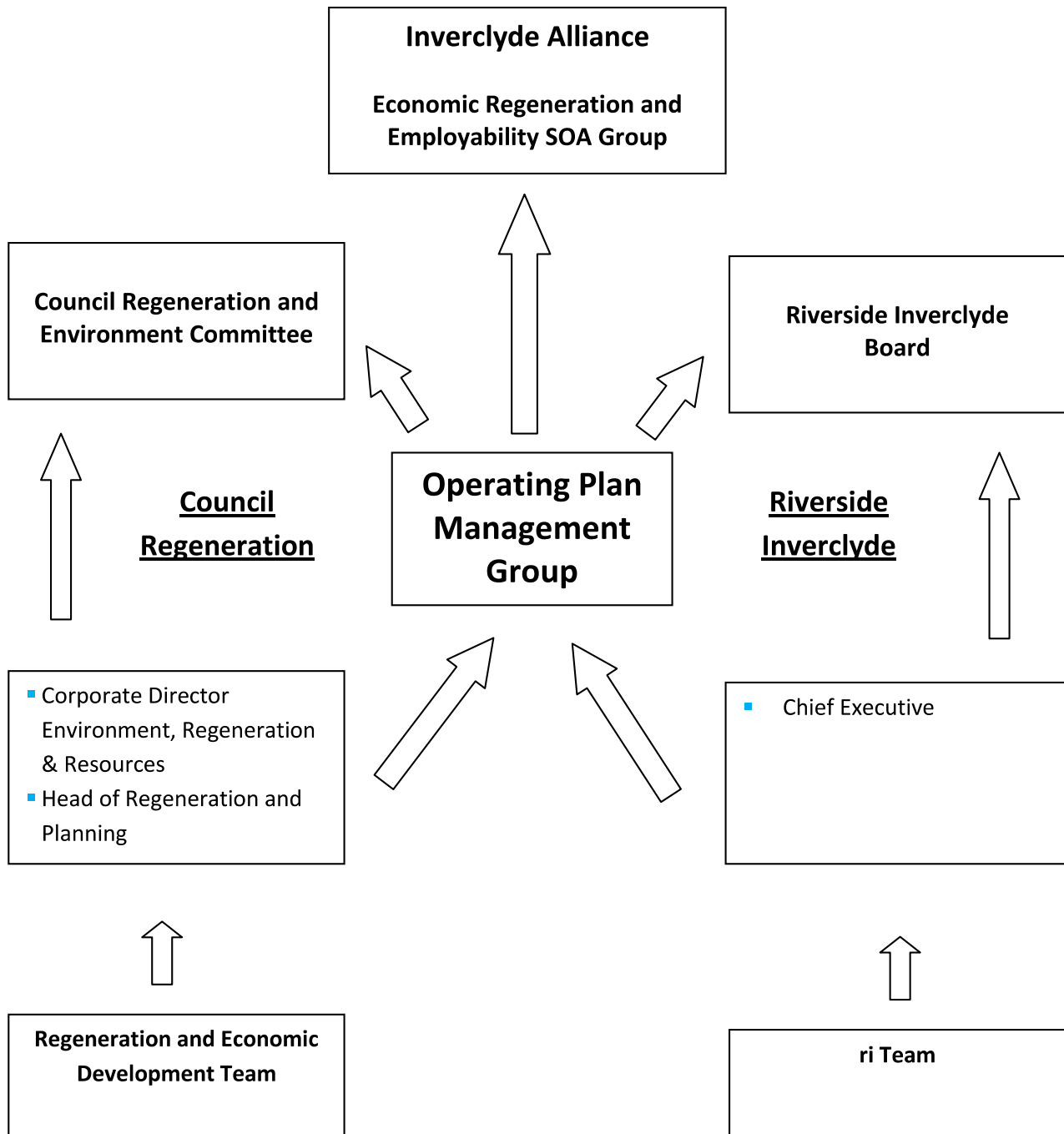
The group will meet on a monthly basis to review overall progress towards the Plan's objectives and targets, consider progress and issues with key projects and investments, and plan ahead for the next period of activity.

ri will also establish a key stakeholders group, involving representation from those organisations on the ri Board, including Inverclyde Council, Scottish Government, and Scottish Enterprise. The purpose of the group, which will meet quarterly prior to meetings of the ri Board, will be to discuss key issues, highlight areas that require a Board decision, and to finalise / agree Board papers. Meetings of both groups will be timed to take place in advance of meetings of the Council's Regeneration and Environment Committee, the ri Board, and Inverclyde Alliance's Economic Regeneration and Employability SOA Group. This will ensure that senior officers are equipped with the information needed to report to these groups on progress with the Plan, key issues arising, and any matters requiring decisions and approvals. Regular progress and performance monitoring reports will be submitted to the Council's Regeneration and Environment Committee, the ri Board, and to Inverclyde Alliance.

The Council's Regeneration and Environment Committee, and the ri Board, will formally adopt this Operating Plan, committing both organisations to work together to deliver the key projects, priorities and outcomes.

The diagram overleaf illustrates how management of the Operating Plan will work in practice.

Figure 1: Management and governance structure



5.4 Engaging with partners

While the Plan is focused on the actions of Inverclyde Council and ri, we recognise and value the very important role played by other agencies and partners in the economic regeneration of the area, including the Scottish Government, Scottish Enterprise and its international arm Scottish Development International (SDI), Skills Development Scotland (SDS), and many more. We will work in close partnership with all of these agencies to secure Inverclyde's economic regeneration.

The lead organisation for each service area will be responsible for developing and maintaining relationships with partners in that field, working to align existing or secure new resources, add value, reduce duplication, and wherever possible achieve greater impact and benefits for Inverclyde. For example, this will include working with:

- Scottish Enterprise's Account Management team to focus activity and support on key sectors with potential for growth and companies in Inverclyde. Scottish Enterprise and the Council will work closely together, holding regular 'knowledge sharing' events to strengthen their networks, share information, and cross refer companies to each other's products and services. This model has been adopted in other local authority areas and has proved to be an effective means of ensuring companies can access the support they need.
- SDI²⁶ will work with Inverclyde Council to co-ordinate inward investment and marketing activity, providing key data and information about appropriate sites and premises, the labour market, financial incentives, or support packages for staff re-locating to the area (e.g. accommodation, schools, transport etc). In some cases, such as offshore renewables projects, Scottish Enterprise will also be a key partner in inward investment activity.
- SDS to align skills and employability resources and activities to provide a co-ordinated programme of support to help key target groups improve their skills levels and / or progress into employment e.g. young people. There could also be scope to work more closely together to enable the provision of training to be more closely aligned with the skills required by employers.
- Scottish Government to ensure key strategic developments are closely aligned with national policy and priorities, and are therefore in a strong position to secure public investment.

²⁶ SDI's new website 'The Source' provides an opportunity for Inverclyde to market its assets to potential investors

5.5 Engaging with communities

We will continue to proactively engage communities in the development, design and delivery of regeneration and economic development activities. We will do this in a number of ways including:

- Community representation on the ri Board.
- Consultation with communities (both geographic communities and communities of interest) to inform the design and delivery of investments in regeneration and economic development activities, and to gather feedback on how we can improve engagement with communities in future.
- Partnership working with Inverclyde Community Development Trust, local Community Councils, and the Community Planning Partnership to develop, design and implement regeneration plans and activities.
- Organising public votes and competitions, for example, to select the preferred design for public art / public realm works.
- Building measures into each regeneration scheme to ensure that there are clear community benefits e.g. planning agreements include community benefit clauses to provide training and / or employment for local residents; training schemes are developed to ensure local residents can benefit from new employment opportunities; support is provided to local businesses to help them bid for and deliver contracts for publicly-funded regeneration services, either on their own or in partnership with others.
- Measuring and reporting on the community impact of regeneration activities in terms of: local people into employment; local businesses securing contracts; improved access to services for residents.

In these ways we will ensure that regeneration and economic development in Inverclyde is community-led, delivering genuine benefits for communities, and consistent with Scottish Government policy²⁷.

²⁷ Achieving a Sustainable Future: The Scottish Government Regeneration Strategy (2011)

6. Our priority projects and investments

6.1 Approach

We will focus our efforts and investment on a small number of key projects and activities with the greatest potential to address Inverclyde's key economic opportunities and needs, delivering the maximum possible impact on job and wealth creation and regeneration. The key projects and services identified in this Plan balance ambition with deliverability, focusing on the areas in which we can make the greatest difference within the finite resources at our disposal. The main sources of finance for the delivery of the key projects and investments are highlighted below. It should be noted that this section deals only with the funding needed to deliver projects and activities. The operating budgets and running costs of ri and the Council's Regeneration Team are presented separately in section 7.

Secured funding - Inverclyde Council, ri and other funders

As the Plan is not starting from a 'blank page', the Council, ri and Scottish Government have previously committed funding to projects that will be delivered between April 2014 and March 2017, some of which are already underway or in development. At the present time, a combined total of £22.1m funding is available to support the delivery of the priority projects and investments within the Plan. £21.5m has been committed already to specific projects and investments, while the remaining £658,970 will be committed during the life of the Plan.

Other sources of finance

In addition to their own committed resources, the Council and ri will work hard to secure and lever in additional, external sources of finance to deliver the six key priorities of the Plan. While it is not possible to quantify this other funding at this stage, key sources are likely to include:

- **Public sector grants** - Including: ERDF and ESF from the new EU Structural Funds Programme (2014-2020); Scottish Government's Regeneration Capital Grant Fund; other funding from Scottish Government and Scottish Enterprise for projects aligned to their priorities; Big Lottery; contracts for the delivery of skills and employability services; and many more.
- **Borrowing and financial instruments** - Riverside Inverclyde Property Holdings Ltd (riph) will consider using any surplus rental income generated by its property portfolio to borrow to finance new capital development projects, through the Council's prudential borrowing arrangements and/or commercial lending. It may also consider selling some of its current assets, using the capital receipts to fund new economic development projects. The Council also has access to new financial instruments (such as the Business Property Renewal Scheme, and the City Deal Infrastructure Plan) which could be used to incentivise private developers to invest in business property and other economic development schemes.

- **Private sector investment** - Due in part to the recession and property market crash, it has been difficult during the past few years to attract private sector investment to support job creation, property development and regeneration. However, private sector business confidence is beginning slowly to return, and there are early signs that the property market may be beginning a gradual recovery (including commercial, industrial, retail and housing). Through this Plan, the Council and ri will work hard to secure private sector investment to support the priority projects, wherever this is a viable option.

Assessment and selection of projects and activities

In identifying our priority projects and investments, the starting point has been to consider the availability of funding / finance. The first stage has been to include in the Plan those projects and activities that are already underway or committed to start in the near future, using funds secured previously from the Council, ri and other sources (e.g. Scottish Government).

The second stage involved creating a list of other potential projects and activities, appraising each one briefly against the following assessment criteria (full details of the assessment criteria are included in appendix A). As well as demonstrating the ability to deliver economic impacts, and to meet the ambitions and priorities of the Plan, a key assessment criterion is the capability of each project to secure finance to enable it to proceed.

Table 2: Project assessment criteria

| Criteria | Summary description |
|--|---|
| Outcomes | The project will help support jobs (i.e. create or safeguard jobs). This may include 'potential jobs accommodated' i.e. where business premises are created but these are given a lower weighting than actual jobs. Where jobs created /safeguarded are higher level occupations these are scored more highly. Where the project does not create /safeguard jobs it must lead to another target outcome detailed in section 8 of the Plan. These outcomes will be considered positively but will not be scored as highly as jobs supported outcomes. |
| Impacts | The project will bring about an increase in GVA and/or help to bring about positive changes in terms of other target impacts i.e. population growth; increase in employment; increase in youth employment; narrowing the gap between Inverclyde's most/least deprived areas etc (as detailed in section 8 of this Plan). |
| Operating Plan priorities | The project makes a very clear contribution to at least one of the priorities set out in this Plan. |
| Outputs | The project will deliver at least one of the target outputs listed in section 8 of the plan. |
| Evidence of need and market failure | There is a clear rationale for investment and the project will tackle market or equity failures. |

| Criteria | Summary description |
|----------------------------------|---|
| Additionality | The project will bring about outputs and impacts that would not otherwise happen at all or would only happen on a smaller scale or over longer timescales. |
| Strategic fit and funding | The project fits with wider strategic objectives, particularly Scottish Government and Scottish Enterprise. It fits with the objectives of other funding programmes and meets their eligibility criteria. |
| Deliverability and risk | The project is low risk as it has all match funding in place, planning consents etc in place and the lead organisation has the skills and capacity to deliver it. |
| Timescales | The project will be delivered quickly and there will be immediate outputs and minimal time lag between the investment and the outcomes and impacts being achieved. |
| Value for money | Value for money is assessed in two ways: <ul style="list-style-type: none"> ▪ Cost effectiveness - The cost per net output is considered an acceptable level based on benchmark data and/or thresholds for the Council/ri. ▪ GVA:Cost ratio -The project generates a positive return on investment as measured by the GVA:cost ratio. |

We have identified our priority projects and investments by combining the results of the assessments with the finance that is already secured, or most likely to become available, to support them.

6.2 Our priority projects and investments

The key projects prioritised for investment and support are presented in two separate groups. They will be the focus of our joint efforts and investments up to March 2017.

- **Group 1** - These are the projects and activities that can be delivered with a high degree of confidence, either because the funding has already been committed to them, or the Council and ri have decided to support them using available funds.
- **Group 2** - These are projects and activities that have been identified as strategic priorities for Inverclyde, but which will be led by the private sector or other partners, with little or no direct financial input from ri or the Council.

As the Plan is delivered and updated on a continual basis each year, a pipeline of additional projects will be developed and added to group 1 or 2, as appropriate. These additional projects will proceed only if the Council and ri are able to secure / lever the extra public funding or private sector investment needed to deliver them.

A summary of the projects and investments included in groups 1 and 2 is provided below, including an indication of which of the six priorities of the Operating Plan they will contribute towards.

The detailed finances for each of the priority projects and investments are presented in appendix B. The projects will be reappraised and updated annually to reflect delivery progress to date, changes in the availability of funding and investment, the prevailing economic and market conditions, and emerging opportunities and challenges.

Group 1 Projects

Table 3: Business

| | Project | Brief description | Priority |
|-------------------|---|---|--------------------|
| Business Premises | Custom House refurbishment phase 2 | 2nd phase refurbishment of Grade A listed building and upgrade of office accommodation and public open space. Project will achieve 300m ² of refurbished office space | Priorities 1 and 2 |
| | Kelburn industrial units (phases 1 and 2) | Construction of light industrial accommodation | Priorities 1 and 2 |
| | Small Business Centre, Scarlow St, Port Glasgow | Development of a new business centre and associated car parking in Port Glasgow | Priorities 2 and 4 |
| | Cartsdylke Phase 1 construction | Site preparation and infrastructure works to make the site ready for a private developer to take forward. | Priorities 2 and 4 |
| | Riverside Business Park | Completion of Phase 2 and associated car parking | Priority 2 |
| Business Support | Maintenance of riph and Council business property portfolio | Management and maintenance of the industrial and commercial property portfolio | Priorities 1 and 2 |
| | Business advice, grant and loan Funds | Provision of advice and support to businesses located in Inverclyde including: <ul style="list-style-type: none"> ■ The small business grant ■ Small business loan fund ■ Property assistance scheme ■ Skills and business growth programme Support for Inverclyde construction forum to help existing companies with trading / contracting opportunities in the wider City Region and across Scotland. | Priority 1 |
| | Business Gateway | Support for business start-ups, self-employment and social enterprise | Priority 1 |

| | Project | Brief description | Priority |
|-------------------------------------|-------------------------------------|--|--------------------|
| Sector development | Business Advice and Engagement | <p>A sector management approach to support the growth of key businesses in Inverclyde's main business sectors involving the direct delivery of support as well as brokering in expert support (e.g. innovation, access to finance etc) from third parties. The key growth potential sectors are:</p> <ul style="list-style-type: none"> ■ Marine and renewable energy - Work will be undertaken to clarify Inverclyde's unique offer and opportunities in this sector, enabling a clear offer to be presented to businesses and investors. ■ Financial and business services: including supporting existing companies to grow, safeguarding jobs, and attracting new businesses. ■ Tourism and leisure: Work will be undertaken to clarify Inverclyde's unique offer and opportunities in this sector, enabling a clear offer to be presented to visitors and businesses. | Priority 1 |
| Marketing and investment attraction | Marketing and investment attraction | <p>A new, joint Council/ri marketing campaign will clarify and promote Inverclyde's unique 'offer' outside of the area. The main focus will be on the attraction of investment, jobs, businesses and development.</p> | Priorities 1 and 4 |

Table 4: People

| Project | Brief description | Priority |
|--|--|-----------------------|
| Employability / Future Jobs Fund | <p>Delivery of employability and job creation schemes to address unemployment. This includes:</p> <ul style="list-style-type: none"> ■ Youth employment initiatives ■ Employability services delivered by the Council ■ Other employability services contracted to third parties to deliver, through the Regeneration Fund ■ Local labour projects / community benefit clauses ■ Youth Employment Fund Contract (previously Get Ready for Work) | Priorities 3, 4 and 5 |
| Vocational training and skills support | Support to develop and improve skill levels to help people progress into employment, and to sustain employment, with a focus on skills for growth sectors and higher level skills. This includes the apprenticeship programme. | Priority 3 |

Table 5: Place

| Project | Brief description | Priority |
|--|--|------------|
| Town Centre Regeneration (Port Glasgow, Greenock and Gourock) including public realm development and maintenance | Support for Town Centre Regeneration and public realm works at Port Glasgow, Greenock and Gourock. | Priority 4 |
| Area renewal programmes in priority disadvantaged areas | A multi-faceted approach to regeneration focused on areas of multiple disadvantage. Dedicated area renewal officers will be responsible for specific areas, brokering in support from Council teams, ri and other partners as appropriate. | Priority 5 |

Group 2 Projects

Table 6: Place

| Project | Brief description | Priority |
|---|---|--------------------|
| Victoria Harbours site regeneration | Mixed-use development of a strategically located site with significant job creation potential, to be led by the private sector. | Priorities 2 and 4 |
| James Watt Dock | Mixed-use development of a strategically important site (including small business units, marina, housing and leisure facilities), will be led by the James Watt Dock LLP, in partnership with the private sector. | Priorities 2 and 4 |
| Ocean Terminal: Quay Wall | Re-location of the Quay Wall to create extra capacity for cruise ships while maintaining the freight facility at the Port. When complete additional cruise ships will be able to dock at Greenock, bringing more visitors into Inverclyde and key tourist sites across Scotland. The development will be led by the private sector. | Priority 1 |
| Expansion and refurbishment of Inch Green | Development of the site to support the renewable and marine sector in Inverclyde. All activity will be private sector led. | Priorities 2 and 4 |
| Redevelopment of Inverkip Power Station | Mixed used development of former brownfield site. | Priorities 2 and 4 |

7. Financial resources

7.1 Costs and funding of key projects and investments

The total amount of funding available to support the delivery of the key projects and investments is £22.1m for the period 2014/15 to 2016/17 inclusive. This is made up of funds from the Council and ri which have already been committed to specific projects (some of which are already underway), funding from the Scottish Government to support regeneration activities, funds from Skills Development Scotland (SDS), and surplus income from the riph property portfolio to fund key projects. Using these funds, we will be able to deliver the Group 1 priority projects and investments identified in section 6 of this Plan. Of the total £22.1m available, £21.5m has already been committed to group 1 projects and investments. The remaining £658,970 will be committed to other projects during the life of the Plan.

Table 8: Total costs and funding committed - Delivery of Group 1 projects and investments

| Category | 2014/15 | 2015/16 | 2016/17 | Total |
|------------------------------|------------------|------------------|------------------|-------------------|
| Costs | | | | |
| Business | 3,758,618 | 1,599,393 | 1,168,645 | 6,526,656 |
| People | 3,130,310 | 2,622,310 | 2,153,930 | 7,906,550 |
| Place | 2,118,986 | 4,282,000 | 685,000 | 7,085,986 |
| Total committed costs | 9,007,914 | 8,503,703 | 4,007,575 | 21,519,192 |
| Uncommitted | 59,000 | 250,000 | 349,970 | 658,970 |
| | | | | |
| Funding | | | | |
| Inverclyde Council | 3,756,710 | 2,918,710 | 2,361,710 | 9,037,130 |
| SDS | 183,380 | 63,380 | 0 | 246,760 |
| Scottish Government | 1,050,000 | 400,000 | 0 | 1,450,000 |
| Riverside Inverclyde * | 4,076,824 | 5,371,613 | 1,995,835 | 11,444,272 |
| | | | | |
| Total funding | 9,066,914 | 8,753,703 | 4,357,545 | 22,178,162 |

*ri's total funding of £11.4m includes £10.4m provided by Inverclyde Council.

A more detailed budget showing costs and funding, broken down for each individual project / investment, is presented in appendix B.

Group 2 projects are those which are identified as a priority to support the economic development and regeneration of Inverclyde, but which will be led by the private sector, with little or no financial input from ri or the Council.

7.2 Operating costs and income

In addition to the costs of delivering the priority projects and investments, the operating and running costs of the Council's Regeneration Team and the ri team must also be covered from the available income.

As ri's focus is mainly on the delivery of capital projects, there is a clear separation between project delivery costs on one hand, and operating costs on the other. The exception to this is the property management service, for which the employment costs of the Property Manager are included in ri's operating costs. The Council's Regeneration Team operating budget is more complicated in the sense that many of its key services and projects (e.g. business support, employability services) are delivered by officers whose employment costs may not be included in project costs. For this reason, the operating budgets of ri and Council's Regeneration Team are presented separately.

Riverside Inverclyde Operating Budget (2014/15 to 2016/17)

ri's operating costs over the three financial years of the Plan will be met entirely by the surplus income generated by the riph property portfolio. This allows all monies from the Council, Scottish Government, and other funders, as well as further surpluses from the property portfolio, to be used to meet the costs of delivering key projects and investments.

Table 9: ri Operating Costs (2014/15 to 2016/17)

| | 2014/15 | 2015/16 | 2016/17 | Total |
|---------------------------------------|-----------------|-----------------|-----------------|-------------------|
| OPERATING COSTS | | | | |
| Staff costs | £298,456 | £294,462 | £296,405 | £889,323 |
| Overheads | £112,409 | £114,431 | £116,491 | £343,331 |
| Other costs | £14,514 | £14,804 | £15,100 | £44,418 |
| Total | £425,379 | £423,697 | £427,996 | £1,277,072 |
| | | | | |
| INCOME/ FUNDING | | | | |
| Total estimated riph surplus income | £575,397 | £823,310 | £873,831 | £2,272,538 |
| Amount needed to meet operating costs | £425,379 | £423,697 | £427,996 | £1,277,072 |
| Residual to invest in projects | £150,018 | £399,613 | £445,835 | £995,466 |

Inverclyde Council Regeneration Team Operating Budget (2014/15 to 2016/17)

The operating costs of the Regeneration Team are presented below. They will be met in full from core Council revenue funding.

Table 10: Regeneration Team Operating Costs (2014/15 to 2016/17)

| | 2014/15 | 2015/16 | 2016/17 | Total |
|------------------------|-----------------|-----------------|-----------------|-------------------|
| OPERATING COSTS | | | | |
| Staff costs | £585,460 | £585,460 | £585,460 | £1,756,380 |
| Overheads | £174,560 | £174,560 | £174,560 | £523,680 |
| Total | £760,020 | £760,020 | £760,020 | £2,280,060 |
| | | | | |
| INCOME/ FUNDING | | | | |
| Inverclyde Council | £760,020 | £760,020 | £760,020 | £2,280,060 |

7.3 Financial management and reporting arrangements

In the short term, the Council's Regeneration Team and ri will retain their own, independent financial management and reporting arrangements.

The budget for each key project will be held either by the Council or by ri, who will be responsible for accounting for all expenditure and income related to each project, as well as for their own operating costs. The finance and project officers will continue to follow their own internal financial reporting systems and cycles, including reporting to senior management, committees and Boards, as required.

In addition, each organisation will produce financial reports for submission to the Operating Plan Management Group, enabling them to review the financial progress of the overall Plan. The financial reports will be submitted on a quarterly basis, alongside the reporting of progress towards output and outcome targets. These reports will be used to inform and consult with key groups on the financial progress of the overall Plan, including the ri Board (and other stakeholders), the Council's Regeneration and Environment Committee, and Inverclyde Alliance.

8. Monitoring progress and outcomes

8.1 Monitoring framework

A common monitoring and reporting framework has been developed to measure progress towards the achievement of the Plan's output and outcome targets. This is different to previous frameworks in that it provides a single performance system for both the Council and ri to monitor and report on performance. It is underpinned by the SOA targets and includes clear and detailed definitions of target outputs, outcomes and impacts. The monitoring framework uses the following definitions:

- **Outputs** are the immediate product of the activity and are typically tangible and countable e.g. the number of businesses assisted; m² of business space developed; number of unemployed residents supported.
- **Outcomes** are the results arising from an activity, which may appear some time following the end of a project activity e.g. the number of jobs supported (i.e. created or safeguarded); the number of people remaining in employment 6 months after the intervention; the number of people gaining a qualification; or increased town centre footfall.
- **Impacts** are the longer term results of an activity e.g. a reduction in unemployment levels, an increase in the area's business base; or increased GVA.

The indicators included in the monitoring framework are already used by the Council and ri. Appendix C provides more detailed information about these indicators, including a definition, and a description of the evidence required to demonstrate that the indicator has been achieved. This will help to ensure greater consistency in the reporting of outputs / outcomes by the Council and ri, and give confidence that the data reported provides an accurate reflection of actual achievements. This will also enable the Council and ri to report on support provided to priority groups e.g. residents of target areas; young people; or new businesses.

In the Plan, targets have been set for the main outputs and outcomes to be delivered by the Group 1 projects / investments only. These are the activities over which the Council and ri will have direct control, and the outputs and outcomes will result directly from the investments and activities of the Council and ri.

The Plan does not include targets for the Group 2 projects, as they will be led by the private sector and, in most cases, the outputs and outcomes arising from them may not be attributable directly to the investments and activities of the Council and ri.

As far as the **impact indicators** are concerned, no specific targets have been set in this Plan. Progress towards these longer term, less direct measures will be assessed through an economic impact study.

8.2 Output and outcome targets

During the process of developing the Group 1 projects and investments, estimates have been made of the outputs and outcomes likely to be delivered by each, based on the level of investment planned. These estimates have been consolidated to create aggregate output and outcome targets for the Plan as a whole.

Table 11 presents the key output and outcome targets for the Plan, focusing on what are considered to be the ten most important indicators of performance.

Table 11: Output and outcome targets (2014/15 to 2016/17)

| Key indicator | TARGETS | | | |
|---|---------|---------|---------|--------------|
| | 2014/15 | 2015/16 | 2016/17 | TOTAL |
| | | | | |
| OUTPUTS | | | | |
| No of businesses supported (new and existing) | 523 | 435 | 439 | 1,397 |
| m ² of new / refurbished office / commercial space | 383 | 315 | 306 | 1,004 |
| m ² of new / refurbished industrial space | 0 | 850 | 1,000 | 1,850 |
| Ha of land developed for economic after-use | 0 | 0 | 1.44 | 1.44 |
| No of individuals supported with employability | 1,829 | 1,759 | 1,690 | 5,278 |
| | | | | |
| OUTCOMES | | | | |
| No of jobs supported (created and safeguarded) | 324.5 | 216.5 | 242.5 | 783.5 |
| No of new business start-ups | 150 | 150 | 150 | 450 |
| No of residents progressing into employment | 804 | 734 | 665 | 2,203 |
| Construction job years | 34.6 | 36.26 | 10.96 | 81.86 |

The outputs and outcomes presented in Table 11 will result directly from ri and Council investments between April 2014 and March 2017. Additional outputs and outcomes which may be achieved during this period as a result of investments prior to April 2014 (e.g. jobs supported, new business starts, or residents progressing into employment) are not included in the above table.

8.3 Monitoring and reporting arrangements

Progress towards the achievement of the output and outcome targets identified in this Plan will be reported quarterly to the Board of ri and the Council's Regeneration and Environment Committee. A short template will be designed to ensure progress on each project is reported in a consistent manner, and can be easily compiled into a single document summarising overall output and outcome achievements.

The lead officer for each project will have overall responsibility for gathering the appropriate output and outcome evidence, and for completing the progress template on a quarterly basis, to feed into the overall progress report. The (interim) Chief Executive of ri, and the Council's Director of Regeneration, Planning and the Environment will be responsible for ensuring the quarterly report is prepared and submitted on time.

The quarterly report to the ri Board and the Council will include an overview of the total outputs and outcomes achieved, as well as total spend to date. It will also include, for each project being delivered:

- A brief summary of progress to date;
- Any key changes to the project or difficulties experienced;
- Outputs / outcomes achieved to date, and any changes to the anticipated total to be achieved;
- Spend to date and total projected spend.

At the end of each financial year an annual report will also be produced, summarising the total output and outcome achievements during the year, along with financial performance, and a summary of key activities and achievements.

After the quarterly and annual reports have been considered and approved by the ri Board and the Council, they will also be submitted to the Regeneration and Employability SOA Group of the Inverclyde Alliance, as well as to Scottish Government and Scottish Enterprise. They will be made available publicly on the Council and ri websites.

Finally, an impact assessment of the economic regeneration investments included in the Plan will be undertaken to assess the extent to which progress has been made towards the achievement of longer term economic and regeneration impacts.

9. Outline marketing strategy

Through our marketing activity we will raise the profile of Inverclyde as a desirable place to invest, do business, work and live in. A high level summary of the marketing strategy that will underpin the successful delivery of this Plan is provided here. A more detailed and comprehensive marketing strategy will be developed separately, which will include specific marketing objectives and target outcomes.

9.1 Strategy overview

We will expand our business base by attracting new firms and investment and creating more and better private sector jobs. Our marketing strategy is based on maximising Inverclyde's core strengths and key assets, which include:

- Our position within Glasgow City Region - an economic powerhouse which is home to one in three Scots, has more than 35% of Scotland's jobs and contributes to more than 36% of Scotland's exports.
- High quality, value for money business premises and strategic sites to accommodate a growing business base.
- Competitive wages and business accommodation costs.
- Strong skills base and work ethos, built on our marine and industrial heritage.
- Excellent transport links and good access to the wider City Region economy, and beyond through air and sea ports.
- A much improved physical environment.

Whilst these strengths and assets are not in themselves exclusive to Inverclyde, we will use them to develop a unique and distinctive identity for the area.

9.2 Objective

The overall objective of the marketing activity is to attract businesses, jobs and investment to Inverclyde.

9.3 Target audiences

Through our marketing and communications activity we will engage with a wide range of businesses and stakeholders. The three key groups of people we need to communicate with are:

- **Businesses** in the West of Scotland and across the whole of the country, with a particular emphasis on medium-sized businesses.
- **Developers** of commercial, industrial and residential property.
- **Economic regeneration agencies** and **funders** across Scotland.

9.4 Brand and positioning

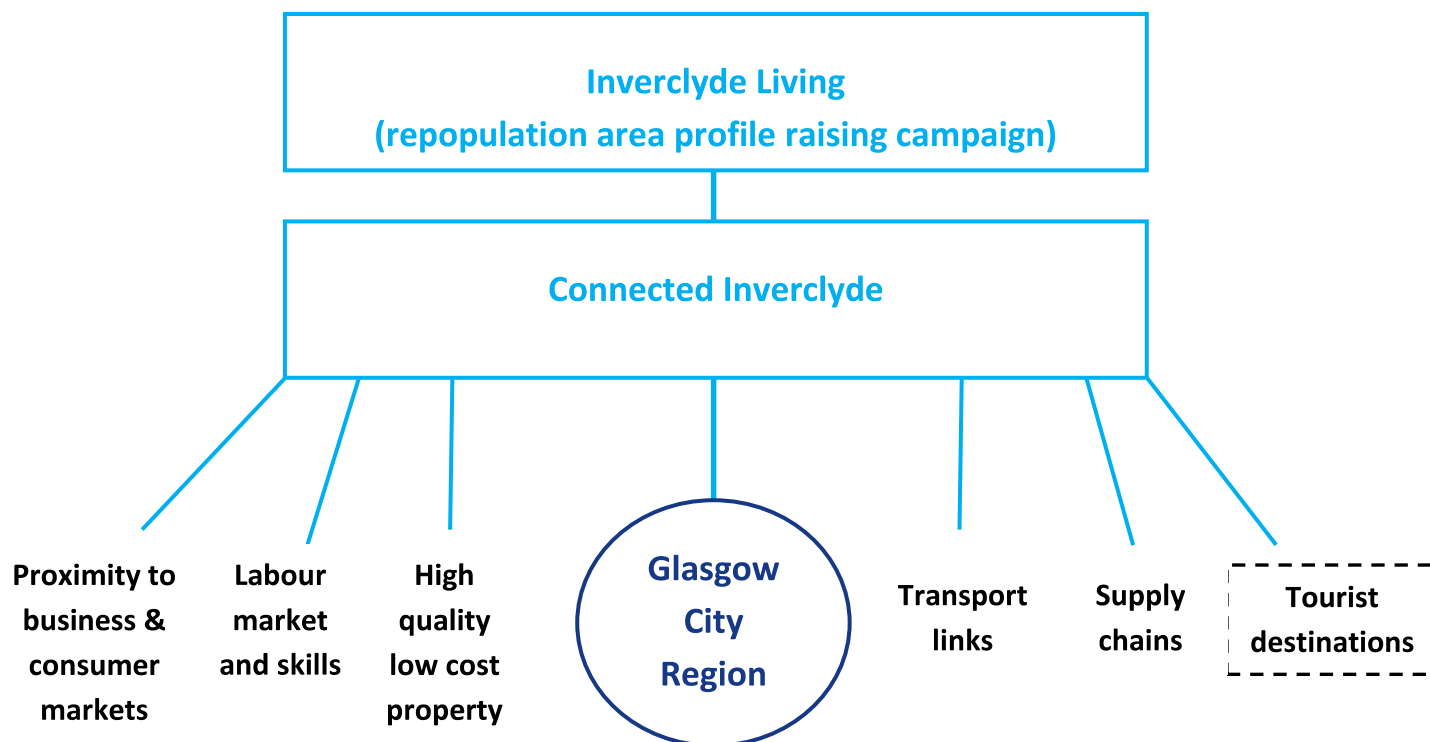
Whilst Inverclyde is a relatively small economic area with a small business base, it has a number of important assets and great potential to attract businesses and investment. Its key strength, above all, is its integration in the wider Glasgow City Region economy. Strengthening and capitalising on these links and connections with the City Region is key to Inverclyde strengthening its own local economy.

For this reason the brand and positioning will focus on Inverclyde's connectivity. We will emphasise Inverclyde's connections with the wider City Region economy and the benefits those connections give to businesses, including access to large business and consumer markets, supply chains and labour markets. The 'Connected Inverclyde' brand will be a business-focused extension of the existing area profile raising activity, in particular the council's Inverclyde Living/repopulation campaign.

Figure 2: Brand and positioning

Connected Inverclyde

Make the right connections for your business



To give Inverclyde a sense of uniqueness and difference from other local areas, it is also important to focus on a small number of key sectors with growth potential, which are:

Marine and renewable energy

Financial and business services

As a gateway to a wide range of Scotland's most popular tourist destinations, Inverclyde also has significant potential to develop a tourism offer based on leisure activities and the attraction of day visitors. This offer, focused on connectivity to major tourist destinations, alongside local leisure facilities and attractions, is currently under development and will further strengthen the Connected Inverclyde brand.

9.5 Key messages

By locating in Inverclyde your business will be connected to large-scale business and consumer markets, supply chains and a pool of skilled labour. With its superb infrastructure and excellent connections to the rest of Scotland and the world, Inverclyde is the ideal business location.

Inverclyde is home to the nationally significant port of Greenock, has easy access to Glasgow and Prestwick airports, excellent road and rail links to the Glasgow City Region and beyond, and well developed logistics services.

Core messages about connectivity will be backed up with facts and statistics. For example, Inverclyde offers:

- Easy access to X number of countries from our air and sea ports.
- X number of businesses within an X mile radius of Inverclyde.
- X number of working age people live within a 30 minute commute of Inverclyde.

These advantages and benefits will be reinforced further in the specific messages about our core sectors.

Marine and renewable energy

With its history, successes, strong skills base and supply chain in marine industries, Inverclyde is perfectly positioned to capitalise on the opportunities in both the marine sector and the emerging renewable energy industry.

Key assets

- Deep water port and river frontage, with available capacity for marine and renewables activities
- R&D assets and support a stone's throw away at ITREZ and the Catapult Centre at Strathclyde
- Active private sector businesses, and supportive public sector, working together through the Inverclyde Renewables Alliance Group
- Excellent value for money premises ranging from industrial units to high quality office accommodation

Business base

Inverclyde is already home to some key businesses operating in the marine and renewable energy supply chain, including 2020 Renewables, Ferguson Shipbuilders, Jenda Energy and Sanmina-SCI. It also offers opportunities for companies locating in the area to serve some of the biggest energy sector players in the wider Glasgow City Region economy (e.g. SSE, Scottish Power, Gamesa, RES, and many more).

Financial and business services

With its strong track record in attracting and retaining blue chip firms and fantastic links to the Glasgow City Region, Inverclyde is the smart option for the location of financial and business services companies.

Key assets

- Access to a wide range of high specification, value for money business accommodation
- Proximity to significant business and customer markets in the wider Glasgow City Region
- A highly skilled and industrious workforce at highly competitive rates

Business base

Some of the sector's key businesses have already made their home in Inverclyde, including The Royal Bank of Scotland Mortgage Centre and IBM call centre operation, as well as global health insurance and health services company, Cigna.

9.6 Communication methods

A mix of different communication methods will be used to raise Inverclyde's profile and to promote the area to businesses, investors, strategic partners, and visitors:

- Develop and maintain strategic relationships with businesses, investors, developers and sector groups through meetings, networking and lobbying.
- Update Council and ri websites to reflect the Connected Inverclyde brand, and potentially create a new, combined website focused on raising Inverclyde's profile and attracting businesses and investment.
- Increased use of social media to raise awareness of Connected Inverclyde, drive traffic to the website, and engage with a wider audience.
- Increase business and investment enquiries through a planned and co-ordinated programme of PR and promotional activity.
- Make use of existing businesses as brand ambassadors for Inverclyde.
- Work closely with the council's corporate communications service to ensure communications and marketing activity is co-ordinated across ri, economic development and regeneration and other council services and partners.
- Work with the Chamber of Commerce, FSB and other representative bodies to raise awareness of the Inverclyde offer to business.

10. Updating and reviewing the Plan

This three year rolling Plan will be reviewed and updated annually to ensure:

- Key projects and investments remain relevant and on track for successful delivery;
- Financial information is updated to reflect changes in costs, spend and the availability of funding and investment;
- Output, outcome and impact targets reflect the achievements to date, and remain realistic and relevant to the planned investments, services and activities.

An annual review of the Plan will take place following the end of quarter 3 (December) each year. This will enable partners to: review performance over the first nine months of delivery, including progress towards output, outcome and financial targets; consider key projects and investments to be prioritised for support in the coming year; identify potential additional sources of funding and investment; and to update the Plan accordingly.

The review will take place each January, with the Plan being updated during February, for consideration and approval by the ri Board and the Council's Regeneration and Planning Committee by mid-March. This will allow time for the delivery team to put plans in place for ongoing implementation from the beginning of the new financial year.

Appendix A: Project assessment criteria

| Criterion | Detailed description |
|--|--|
| Evidence of need and market failure | <p>There must be a clear evidence of need and demand for the project and public sector investment must address specific market or equity failures. Just because the market has not currently invested in something does not mean the public sector should. The Council and ri must be satisfied that projects will address at least one market failure and/or social equity objective.</p> <p>Key market failures include:</p> <ul style="list-style-type: none"> ▪ Imperfect information. Where there is asymmetric information not all parties have the right level of information on which to base decisions. For example, businesses may under invest in projects such as resource efficiency as they do not have sufficient information on the payback periods of their investment. ▪ Public goods. These are goods / services which can be used by one individual without reducing the availability for other, for example, public realm, the environment and street lighting. If left alone, the market will not provide the optimum level of public goods and therefore public investment is required. ▪ Externalities. These are the spill over effects arising from production but which are not factored in to market costs / prices. They can be positive or negative. Pollution is an example of a negative externality and training is an example of a positive externality. Some sites in Inverclyde, for example, have been left contaminated. The result now is that the cost of remediating the land can be greater than the end value of the land and is therefore not viable for the private sector to invest. ▪ Imperfect competition. For example, if there is a sole buyer or supplier the market may not provide the most economically efficient outcome. ▪ Equity. Although not a market failure, the drive for social equity is also a justification for public investment to help redistribute wealth and support more disadvantaged communities. |
| Additionality | <p>Public sector investment must bring about change that would not otherwise happen, would only happen on a smaller scale or take longer to achieve. Key components of additionality are presented below alongside questions the Council / ri should ask of projects:</p> <ul style="list-style-type: none"> ▪ Leakage effects: Will any benefits be lost to outside of Inverclyde, e.g. will individuals or businesses from outside of the area be able to access support or benefit from the investment? ▪ Displacement effects: Will the project displace existing activity e.g. will a business grow at the expense of another in the area? |

| Criterion | Detailed description |
|--|---|
| | <ul style="list-style-type: none"> ▪ Substitution effects: Will businesses substitute one activity for another to take advantage of the project e.g. replace one member of staff with another who would be eligible for a wage subsidy? ▪ Multiplier effects: Will there be any knock-on effects of investment either as spending increases with local supply companies and/or as employees spend more of their wages in the local economy? ▪ Deadweight effects: What would happen in the absence of the project investment? Would any impacts arise anyway? What proportion? |
| Contribution to Inverclyde's strategic priorities | <p>Projects should be assessed in terms of:</p> <ul style="list-style-type: none"> ▪ The number of priorities the project contributes to; and ▪ The extent to which it will contribute to the priorities i.e. if it will have a low, moderate or significant impact on each priority. |
| Other funding/ fit with wider strategies | <ul style="list-style-type: none"> ▪ To what extent does the project fit with wider strategies and objectives, including Scottish Government and EU2020? ▪ To what extent is the project likely to be able to secure other/match funding? Does it fit with the priorities of other funding programmes and does it meet their eligibility criteria? ▪ Does the project have the support of the community e.g. has the relevant community been involved in its development, will they be involved in project design and delivery, and will there be direct community benefits as a result of the project? |
| Outputs | Projects should deliver the outputs identified in section 8 of the report. |
| Outcomes | <p>It is important that Inverclyde creates more and better jobs. Therefore strongest weighting should be given to projects that will support jobs i.e. create new jobs or safeguard existing jobs. However, as not all projects will necessarily create or safeguard jobs consideration may also be given to other outcomes. For example:</p> <p>Jobs: There are a number of ways in which jobs might be supported. Priority should be given to the number of direct jobs created or safeguarded.</p> <ul style="list-style-type: none"> ▪ Direct jobs created / attracted. For example, by supporting a business to locate to Inverclyde it will directly create new jobs in the area. ▪ Direct jobs safeguarded. For example, if a business is considering relocating outside of Inverclyde but stays due to support from the Council/ri or is housed in better quality premises the jobs would be directly safeguarded. |

| Criterion | Detailed description |
|-----------|--|
| | <ul style="list-style-type: none"> ▪ Indirect jobs. By attracting a new business to the area, this may potentially lead to indirect jobs in the local supply chain. ▪ Potential jobs accommodated. By building speculative business premises, it will increase the capacity for businesses and therefore jobs to be accommodated within Inverclyde. Building premises will not in itself create jobs though. Therefore this should be considered but given a lower score than direct jobs created. <p>A higher weighting should also be given to ‘higher level’ jobs e.g. those requiring NVQ Level 4 and above qualifications and/or higher level occupations of ‘associate professional and technical’; ‘professional’; and ‘managers and senior officials’</p> <p>Other outcomes: If projects do not support jobs they must deliver at least one of the other target outcomes identified in section 8 of the Operating Plan, for example, number of businesses created or attracted, number of residents supported into jobs, number of residents achieving a qualification. These should be viewed positively but not be scored as highly as job creation projects.</p> |
| Impacts | <p>The main economic impact arising from projects should really be GVA. However, projects may also be assessed in terms of their contribution to other impacts identified in section 8 of the operating plan. For example:</p> <p>GVA: is a key measure of economic performance. It is likely that projects could contribute to wealth creation in a number of ways. There are three broad methods for measuring GVA:</p> <ul style="list-style-type: none"> ▪ Increasing productivity by increasing workforce skills. BIS guidance recommends that the GVA impact of skills improvements can be measured by applying the following factors:²⁸ <ul style="list-style-type: none"> ▪ For individuals obtaining an NVQ Level 2 qualification or equivalent there is around a 15% wage return to the individual i.e. their wages increase by up to 15%; and ▪ For individuals obtaining an NVQ Level 3 qualification there is a return of around 5%. ▪ Attracting / creating new jobs. By supporting businesses to create new jobs / relocate jobs to Inverclyde this will generate wealth for the local economy. The GVA impact can be measured by applying the average GVA per workforce job in Scotland / Inverclyde to the number of jobs created. |

²⁸ BIS RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework 2009

| Criterion | Detailed description |
|--|---|
| | <ul style="list-style-type: none"> ▪ Supporting new or existing businesses to grow. This will generate additional business turnover. This can then be converted to GVA by applying GVA:turnover ratios to the estimated growth in turnover. <p>Other impacts: Where growth in GVA is not the main impact, projects should contribute to at least one of the other impact measures such as an increase in the (working age) population, increase in employment, particularly youth employment, narrowing the gap between the most / least deprived communities etc. The impacts are presented in section 8 of the operating plan.</p> |
| Deliverability and risk | <p>Investments which are deliverable with low risks in terms of implementation and achieving the outputs and impacts should be prioritised. Key questions to ask of projects include:</p> <ul style="list-style-type: none"> ▪ Is all the funding in place? ▪ Have planning consents been obtained / are they likely to? ▪ Does the business plan make financial sense? ▪ Is the lead organisation the best placed to deliver it? ▪ What is the level of commitment from the private sector? |
| Timescales | <p>The timescales for a project bringing about outputs and outcomes should also be assessed, with those projects that will have a more immediate impact receiving a higher score.</p> |
| Value for money | <p>Value for money can be assessed both in terms of cost per net²⁹ outputs delivered and the GVA:cost ratio.</p> |
| Cost effectiveness (cost per net output) | <p>One approach to measuring value for money is the cost effectiveness of the project i.e. the cost per net output delivered. This must be based on the total public sector investment (including Council funds, Scottish Government / Enterprise funding, European funding and any other public money). This can be benchmarked against other projects or the Council/ri may wish to set a limit for what they think is an acceptable cost per output.</p> |
| GVA:Cost ratio | <p>An alternative approach to measuring value for money is to assess the GVA:cost ratio, taking into account the annual or cumulative GVA arising from an investment (using the measures set out above) and the total public funding invested in the project. Ideally there should be a positive return on investment i.e. the GVA should outweigh the total public sector costs. Again, the GVA:cost ratio could be benchmarked against other programmes and/or the Council and ri may wish to set a limit / minimum return on investment for supporting projects.</p> |

²⁹ This refers to the number of outputs delivered after adjusting gross outputs to take into account what would have happened anyway in the absence of the activity / investment

Appendix B: Project costs and income (Group 1 projects)

| April 2014 - March 2017 | | | | | | | |
|---|---|---|-------------------|-------------|------------|-------------|-------------|
| | | | | TOTAL COSTS | | | |
| Theme | Activity | Project / Service | Lead organisation | 2014/15 | 2015/16 | 2016/17 | Total |
| Business | Business premises | Customs House Phase 3 | ri | £750,000 | £100,000 | £0 | £850,000 |
| | | Kelburn Phase 1 | ri | £200,000 | £0 | £0 | £200,000 |
| | | Kelburn Phase 2 | ri | £640,000 | £100,000 | £0 | £740,000 |
| | | Cartsdyke Phase 1 | ri | £0 | £800,000 | £700,000 | £1,500,000 |
| | | Small Business Centre, Scarlow Street, Port Glasgow | ri | £1,061,820 | £0 | £0 | £1,061,820 |
| | | Riverside Business Park | ri | £85,000 | £0 | £0 | £85,000 |
| | | Maintenance of business property portfolio (ri) | ri | £300,000 | £100,000 | £150,000 | £550,000 |
| | | Feasibility consultancy | ri | £62,018 | £39,613 | £55,869 | £157,500 |
| | Business support | Business advice, grant and loan funds | IC | £241,590 | £115,590 | £115,590 | £472,770 |
| | Sector development | Business advice and engagement | IC | £268,820 | £268,820 | £66,820 | £604,460 |
| | Marketing and investment attraction | Marketing and Inward Investment | IC | £149,370 | £75,370 | £80,366 | £305,106 |
| | SUB-TOTAL: BUSINESS | | | | £3,758,618 | £1,599,393 | £1,168,645 |
| People | Employability / FJF | IC | £2,664,000 | £2,282,000 | £1,964,000 | £6,910,000 | |
| | Vocational training and development support | IC | £466,310 | £340,310 | £189,930 | £996,550 | |
| SUB-TOTAL: PEOPLE | | | | £3,130,310 | £2,622,310 | £2,153,930 | £7,906,550 |
| Place | Town Centre Regeneration and Area Renewal | Port Glasgow | ri | £518,986 | £360,000 | £350,000 | £1,228,986 |
| | | Gourock | ri | £1,100,000 | £3,822,000 | £0 | £4,922,000 |
| | | Broomhill | IC | £500,000 | £100,000 | £335,000 | £935,000 |
| SUB-TOTAL: PLACE | | | | £2,118,986 | £4,282,000 | £685,000 | £7,085,986 |
| UNALLOCATED COSTS | | | | £59,000 | £250,000 | £349,970 | £658,970 |
| TOTAL COSTS | | | | £9,066,914 | £8,753,703 | £4,357,545 | £22,178,162 |
| TOTAL INCOME | | | | | | | |
| Org | Source of Funding / Income | Description | | 2014/15 | 2015/16 | 2016/17 | Total |
| ri | Inverclyde Council | Revenue | | £1,500,000 | £1,300,000 | £1,300,000 | £4,100,000 |
| | Inverclyde Council | Capital (Gourock) | | £1,100,000 | £3,322,000 | £0 | £4,422,000 |
| | Inverclyde Council | Capital (Port Glasgow) | | £268,986 | £100,000 | £0 | £368,986 |
| | Scottish Government | Core Funding | | £500,000 | £400,000 | £0 | £900,000 |
| | Scottish Government | Capital Grant | | £550,000 | £0 | £0 | £550,000 |
| | riph surplus | | | £150,018 | £399,613 | £445,835 | £995,466 |
| | Funding brought forward | Unallocated | | £297,000 | £0 | £0 | £297,000 |
| | Inverclyde Council | Carried forward (unallocated) | | £249,000 | £250,000 | £250,000 | £749,000 |
| | Inverclyde Council | Carried forward (TCRF) | | £511,820 | £0 | £0 | £511,820 |
| SUB TOTAL | | | £5,126,824 | £5,771,613 | £1,995,835 | £12,894,272 | |
| TOTAL INCOME | | | | | | | |
| Org | Source of Funding / Income | Description | | 2014/15 | 2015/16 | 2016/17 | Total |
| Inverclyde Council | Inverclyde Council | Core Budget | | £397,710 | £397,710 | £397,710 | £1,193,130 |
| | Inverclyde Council | Earmarked reserves | | £1,085,000 | £557,000 | £0 | £1,642,000 |
| | Inverclyde Council | Area Renewal | | £250,000 | £0 | £0 | £250,000 |
| | Inverclyde Council | Regeneration Fund | | £2,024,000 | £1,964,000 | £1,964,000 | £5,952,000 |
| | SDS* | Youth Employment Fund | | £120,000 | £0 | £0 | £120,000 |
| | SDS* | Apprenticeships | | £63,380 | £63,380 | £0 | £126,760 |
| SUB TOTAL | | | £3,940,090 | £2,982,090 | £2,361,710 | £9,283,890 | |
| TOTAL INCOME | | | | £9,066,914 | £8,753,703 | £4,357,545 | £22,178,162 |
| * Funding to be bid for competitively on an annual basis. Still to be confirmed for 2014/15 and beyond. | | | | | | | |

Appendix C: Description of output, outcome and impact indicators and evidence requirements

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|----------------|--|--|---|------------------|
| OUTPUTS | | | | |
| 1 | No of Inverclyde residents receiving support to progress into employment | People aged between 16 and 64 living in Inverclyde. Assistance could include: provision of IAG e.g. careers advice, interview training; removing barriers to work, e.g. return to work training or childcare support. | Project registration form which captures key information e.g. name; age / date of birth; post code; ethnicity; duration unemployed etc. The form should be signed by the client and the service provider. | 3,1 |
| 1a | No of young people receiving support to progress into employment | This is a subset of the above but includes residents aged between 16 and 24 only. | As above. | 3,1 |
| 1b | No of people in target communities receiving support to progress into employment | This is a subset of 1 above. | As 1 above. Post code will be essential to establish whether residents are from the target geographic communities. | |
| 2 | No of residents supported with training / skills development | All residents of Inverclyde. Unemployed and those in work can be supported (with career development). It includes the provision of training which will develop of an individual's transferable skills. There does not need to be a formal qualification. | Project registration form capturing key personal information as above, as well as details of the provider and the type of assistance provided. This should be signed by both the client and provider. | 3,1 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|----|--|--|---|------------------|
| 2a | No of young people supported with training. skills development | This is a subset of the above. Residents of Inverclyde up to the age of 24. | As above. | 3,1 |
| 2b | No of people in target communities supported with training/development | This is a subset of 2 above. | As 2 above. The post code will be essential to establish whether residents are from the target geographic communities. | |
| 3 | No of residents starting an Apprenticeship Programme at L2 or L3 | People aged between 16 and 25 living in Inverclyde, starting a formal Apprenticeship (funded by SDS) | Copy of information provided for SDS e.g. registration with a learning provider and confirmation from the employer | 3,1 |
| 4 | No of businesses supported | Businesses/enterprises based in Inverclyde. This can include sole traders, partnerships and companies. It includes provision of consultancy support, workshops, diagnostic, information and advice to businesses, support with new premises, support to become more resource efficient & reduce carbon footprint etc | Form signed by the beneficiary business with relevant details (business name, company number, VAT number of applicable), SIC code, number of employees, details of the support provided and an estimated value of the supported (either financial or time). | 3, 1, 7 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|----|---|---|---|------------------|
| 4a | No of new businesses supported | This is a subset of the above. Businesses located in Inverclyde trading for up to 12 months. | Form signed by the beneficiary business with relevant details (business name, company number, VAT number of applicable, date of registration of date first started trading), SIC code, number of employees, details of the support provided and an estimated value of the supported (either financial or time). | 3 |
| 4b | No of social enterprises supported | Social enterprises (e.g. CIC's, companies ltd by guarantee, co-ops etc) located in Inverclyde | Signed form providing relevant details e.g. enterprise name, post code, legal status, SIC code, no of employees, annual turnover, type of support provided, value of support provided. | 3 |
| 5 | No of businesses supported to access finance from non Council sources | Existing and new businesses in Inverclyde provided with assistance to access grants, loans or other finance from non Council sources, e.g. West of Scotland loan Fund | Form signed by the beneficiary business with relevant details (business name, company number, VAT number of applicable, date of registration of date first started trading), SIC code, number of employees, details of the support provided and the finance being sought | 3 |
| 6 | m ² of new / refurbished business space | The amount of new build or refurbished office floorspace provided. The internal floorspace should be measured. | Compliance with building regulations; Council assessment for business rates | 3 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|----|--|--|---|------------------|
| 7 | m ² of new / refurbished industrial space | The amount of new build or refurbished industrial floorspace provided. The internal floorspace should be measured. | Compliance with building regulations; Council assessment for business rates | 3 |
| 8 | Ha of land developed for economic after-use | The amount of land prepared and ready for a developer to begin on-site construction e.g. land remediated, utilities installed, service and access roads provided etc | QS certification of works carried out. Site marketing materials. | 3 |
| 9 | No of new housing development secured | Agreement with developer to create new housing units in Inverclyde | Signed agreement with developer; Planning permission secured | 1,3,7 |
| 10 | Amount of additional funding secured to deliver regeneration and economic development activities | Additional financial resources including grants or loans, secured to deliver activities identified in the Group 2 list of projects. | Grant offer letters; service delivery contracts; loan agreements | |
| 11 | No of initiatives delivered in target communities | No of economic regeneration projects delivered in the priority areas of Inverclyde | Project description and location details, funding agreement letters (where external funding is secured), Council Committee Reports, minutes from community groups discussing projects | 1 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|---------|--|---|--|------------------|
| 12 | No of initiatives engaging communities in development, design and delivery | No of economic regeneration projects which directly engage the relevant community e.g. via consultation, participation in project steering group, or partnership working | Minutes of consultation events, project steering groups, partnership meetings, or community groups discussing projects. | 1 |
| 13 | No of Public Realm / Environmental improvements | No of improvements to the public realm or environment particularly within the priority town centre or area renewals target areas | Project description and location details, Council Committee Reports or ri Board reports, minutes from community groups discussing projects | 7 |
| 14 | Joint marketing strategy and action plan for Inverclyde prepared | The Council and ri develop a joint marketing strategy building on the 'Connected Inverclyde' brand. This should be built on strong evidence / market research and in consultation with key partners | Marketing strategy signed off by the Council and ri Board | 1,3,7 |
| OUTCOME | | | | |
| 15 | No of residents progressing into employment | People aged between 16 and 64 living in Inverclyde, securing work as a result of the support received. Target groups should be identified (young people and those from target communities) | Project completion / progression form to capture destination information e.g. name of employer, job role, FT or PT, permanent or temporary, which is signed by the client. | 1,3 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|----|--|--|--|------------------|
| 16 | No of residents progressing into further education or training | People aged between 16 and 64 living in Inverclyde, registering with an FE college or training provider. Target groups should be identified (young people and those from target communities) | As above, but with details of training provider and course. | 1,3 |
| 17 | No of residents progressing into voluntary work | People aged between 16 and 64 living in Inverclyde, volunteering with a local voluntary or community group. Target groups should be identified (young people and those from target communities). | As above, but with name of volunteering organisation, role, and hours per week | 1,3 |
| 18 | No of residents gaining a nationally recognised qualification | People aged between 16 and 64 living in Inverclyde, funded to undertake an accredited qualification. Target groups should be identified (young people and those from target communities) | Copy of course registration documentation and qualification certificate | 1,3 |
| 19 | No of residents completing an Apprenticeship Programme at L2 or L3 remaining in employment | People aged between 16 and 25 living in Inverclyde that have completed their Apprenticeship. | Form signed by the employer to confirm the apprentice has been retained in employment. The form should include key details including apprentice name and job role. | 1,3 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|-----|---|--|--|------------------|
| 20 | No of residents remaining in employment 6 months following the intervention | No of Inverclyde residents receiving support to progress into employment, and remaining in employment 6 months following the end of the support. | Follow-up form sent to the client six months following the end of the intervention, to confirm whether they are still in employment. | 1,3 |
| 21 | No of new businesses attracted to Inverclyde | No of VAT registered business locating to Inverclyde from outside the area | Signed form providing relevant details e.g. business name; previous post code / location; current post code; SIC code; type of business, support provided, value of support provided | 3 |
| 22 | No of new business start-ups | No of residents of Inverclyde supported to start-up a business / social enterprise or become self-employed | Signed form providing relevant details e.g. business name, name of business owner/s, post code, SIC code / type of business, support provided, value of support provided | 3 |
| 22a | No of new business start-ups that are lifestyle businesses / sole traders | No of start-up's that create one job for the business owner | As above | |
| 22b | No of new business start-ups that create new jobs | No of start-up's that create more than one job | As above | |
| 23 | No of businesses securing finance from non Council sources | No of businesses based in Inverclyde securing finance (either grant, loan, equity investment etc) | Copy of signed grant offer or loan agreement. | 3 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|-----|------------------------------------|--|---|------------------|
| 24 | No of jobs supported | No of jobs that have been directly created or safeguarded by the Council / ri | Signed form from the employer providing relevant details e.g. business name, post code, SIC code; type of business, support provided, value of support provided; no of FTE jobs created / attracted / safeguarded type of jobs / occupational area; qualification level; type of contract (perm or temp) | |
| 24a | No of new jobs created / attracted | New full-time (37 hours per week), or full-time equivalent (2 x part-time), permanent jobs (i.e. not a temporary contract). | Signed form from the employer providing relevant details e.g. business name, post code, SIC code; type of business, support provided, value of support provided; no of FTE jobs created / attracted, type of jobs / occupational area; qualification level; type of contract (perm or temp) | 1,3 |
| 24b | No of jobs safeguarded | Existing full-time or full-time equivalent jobs at risk of redundancy | Signed form from the employer providing relevant details e.g. business name, post code, SIC code; type of business, support provided, value of support provided; no of FTE jobs safeguarded, type of jobs / occupational area; qualification level; type of contract (perm or temp). Evidence that the jobs were at risk e.g. copy of Board minutes | 1,3 |
| 25 | No of construction job years | The number of FTE temporary construction jobs created through ri or council investment based on the assumption that £140,000 construction spend supports one full-time worker for one year | The total amount of ri or Council spend on construction related activity | |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|---------|--|---|---|------------------|
| 26 | Occupancy rates of new business premises at 80% within three years of completion | The percentage of newly created business space(sq ft or sq m) occupied by paying tenant, three years following completion of the development | Rental agreements; rental income; business rates. | 3 |
| 27 | An increase in annual visitor numbers | Number of day and overnight visitors to Inverclyde | The Council / ri will need to establish a baseline figure, using Scottish Tourism Economic Activity Monitor (STEAM) data. | 3 |
| 28 | Increased footfall at Gourock, Port Glasgow, Greenock Town Centres | Number of people shopping at / visiting Gourock, Port Glasgow, and Greenock town centres | Annual footfall survey in the three town centres to gather data. The Council / ri will need to establish a baseline figure. | 1,3 |
| 29 | £ of private sector investment levered | The amount of investment generated from private companies as a direct result of public sector investment e.g. in site development. This could also include match funding e.g. to secure a Council business grant. | <p>This could be:</p> <ul style="list-style-type: none"> ■ Invoices provided as evidence of spend for Council grant scheme; ■ Signed letter from the company confirming the level of private investment | 3 |
| IMPACTS | | | | |
| 30 | No of new housing units provided | The number of new housing units built in Inverclyde. | Compliance with building regulations; Assessment for Council tax. | 1,3,7 |
| 31 | Increase in population resident in Inverclyde | No of people registered as resident in Inverclyde | Nomis mid-year population estimates. | 1,3,7 |

| No | Indicator | Definition | How measured / evidenced | SOA Contribution |
|----|---|--|---|------------------|
| 32 | Increase in annual GVA | An improvement in the economic performance of Inverclyde | Scottish Neighbourhood Statistics business data | 3 |
| 33 | Reduction in people claiming out of work benefits | Number of residents claiming out of work benefits reduces due to as employment increases | DWP Benefit claimant data | 1,3 |
| 34 | Increase in employment rate | More Inverclyde residents in employment | Scottish Neighbourhood Statistics employment data | 1,3 |
| 35 | Increase in employment rate among young people | More Inverclyde residents, aged 16-24, in employment | Scottish Neighbourhood Statistics employment data | 1,3 |
| 36 | Increase in business rates income | An increase in the number of businesses paying rates to the Council | Council data on business rates. | 3 |
| 37 | Increase in VAT registrations per 10,000 population | More VAT registered businesses in Inverclyde | Scottish Neighbourhood Statistics business data | 3 |
| 38 | Increase in the number of residents with a formal qualification | More residents in Inverclyde aged 16-64 with a formal qualification e.g. SNQF; Highers; HNC; NVQ | Nomis qualifications data | 1,3 |
| 39 | Narrowing the gap between the most and least deprived wards | The difference between the most and least deprived wards, using national deprivation indicators, is reduced. | Scottish Index of Multiple Deprivation | 1,3,7 |