

Inverclyde Economic Development & Regeneration Single Operating Plan

Inverclyde
council



April 2016 to March 2019

(14th April 2016)

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1. Our 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.

This update to the Inverclyde Economic Development and Regeneration Single Operating Plan sets out the priority projects and investments we will deliver over the three years from April 2016 to March 2019, to progress towards achieving our ambition.

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. The plan focuses resources on a narrower set of priorities and actions with the greatest potential to deliver new jobs and wealth. It continues to be 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 is based on our two key local regeneration agencies continuing to work closely together 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 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, 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.

2. Context

2.1 The changing economic regeneration environment

Scotland's economic recovery following the Great Recession compares well against that of the UK as a whole. In measures of productivity, labour market participation and earnings Scotland has reduced the gap to the UK average¹, and the Scottish economy now has the highest employment rate, lowest unemployment rate and lowest rate of economic inactivity of all four Home Nations.

At an Inverclyde level, there has also been a gradual improvement in the local economy, with a notable fall in unemployment. Economic statistics for Inverclyde highlight the following issues:

- Unemployment in Inverclyde has fallen, from 12.2% in June 2012 to 7.4% in June 2015 (compared to a fall from 8.1% to 5.7% across Scotland during the same period)². While still higher than the national average, unemployment has fallen at a faster rate in Inverclyde.
- The JSA claimant count has also fallen in Inverclyde, from 5.3% in October 2012 to 3.0% in October 2015, compared to national rates which have fallen from 3.9% to 2.0% over the same period³.
- Average earnings (gross weekly pay for full-time workers) have increased from £454.80 in 2012 to £509.40 in 2014 in Inverclyde⁴ (a 12% increase), compared to a change from £508.30 in 2012 to £520.80 in 2014 across Scotland (a 3% increase).
- While the proportion of people with no qualifications in Inverclyde has fallen (from 13.4% in 2012 to 12.6% in 2014), it remains higher than the national average for Scotland (9%)⁵.
- The number of enterprises in Inverclyde has increased from 1,460 in 2012 to 1,605 in 2015, an increase of 10%⁶.

However, despite these positive indicators there remain significant challenges for continuing economic regeneration. For example, reduced levels of public sector funding will continue to have a significant impact on regeneration efforts, (between 2010/11 and 2015/16 the Scottish Government saw a 10% cut in real terms to funding⁷), and this reduced level of public sector funding is likely to continue into the near future.

Other issues impacting on economic growth and regeneration include low pay growth, poor productivity, and significant underemployment (some 248,000 people are underemployed in Scotland, 32% higher than in 2008⁸). This situation is mirrored at in Inverclyde level, where there

¹ Scotland's Economic Strategy, 2015

² ONS Annual Population Survey

³ ONS Jobseeker's Allowance with rates and proportions

⁴ ONS Annual survey of hours and earnings - workplace analysis

⁵ ONS Annual Population Survey

⁶ ONS: Inter-Departmental Business Register

⁷ Scotland's Economic Strategy, 2015

⁸ Scotland's Economic Strategy, 2015

are a significant number of jobless residents, and wages and skills levels remain below the national average.

Within this current economic 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 Scottish Government has identified the **manufacturing industry** as a priority for the Scottish economy. While it represents just 10% of total Gross Value Added, it accounts for 52% of international exports and 54% of all Scottish business R&D spend. Manufacturing jobs also help to drive the prosperity of communities, with average wages in the sector above the Scottish average⁹. The growth and development of this important sector in Scotland presents economic opportunities for Inverclyde, in terms of: supporting the growth of local manufacturing businesses; improving access to finance and expert advice to support innovation, exporting, or skills development; and creating new employment opportunities which offer at least the living wage.
- The Glasgow City Region¹⁰ supported by the investment secured through the Glasgow and Clyde Valley City Deal, will be an engine of economic growth, benefiting both Glasgow City and the surrounding local authority areas. The City Deal, which is one of the largest ever agreed, has secured long-term investment in a range of regeneration programmes and activities, with potential to generate economic opportunities and benefits for businesses and residents in Inverclyde. This includes, for example: investment in infrastructure to unlock the development of key strategic sites; and employability programmes supporting young people and vulnerable residents to develop skills, overcome barriers, and progress towards work.
- The Glasgow City Region has existing strengths in key sectors with growth potential (e.g. financial services, engineering, manufacturing, life sciences, and creative and media) presenting a range of economic opportunities to City Region partners, 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 innovation, new product development or diversification.**
- Collaboration with key partners, at a national and regional level, to: maximise the impact of existing (committed) economic development resources; enable businesses to access and benefit from existing programmes of support (e.g. focused on innovation, exporting, energy and resource efficiency); and to focus activity on the delivery of key strategic investments.
- Develop partnership bids for competitive funding, for example from the new ESIF¹¹ Programmes, Lottery, Scottish Enterprise investment, the Scottish Government Regeneration Capital Grant Fund, or the Government's Energy Efficiency Programme.

⁹ A Manufacturing Future for Scotland (2016)

¹⁰ Glasgow City Region generates around 32% of Scotland's Gross Value added, it is home to 33% of Scottish jobs, and over 29% of all businesses in Scotland (Glasgow and Clyde Valley City Deal).

¹¹ European Structural and Investment Funds (2014-20) which includes ERDF, ESF and EAFRD

- 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 unemployment, including youth unemployment, and support inclusive growth, ensuring the support available is accessible to people of all backgrounds, including the 'hardest to reach'.
- Capitalise on high profile events (e.g. Grand Prix of the Sea event) to promote Inverclyde's tourism offer, support local tourism businesses, and increase the number of tourism visits to the area.

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:

- **Scotland's Economic Strategy (2015)** which sets out a clear framework for growth based on improving competitiveness and tackling inequality, with activity focused on four strategic priorities¹² to drive sustainable and inclusive economic growth at a national level.
- **Scottish Enterprise Business Plan (2015 – 18)**. Sets out a strategy to increase the international competitiveness of Scotland's key sectors and companies, and the potential level of public resources available to support it, built around the Government's four strategic priorities.
- **Scotland's Trade and Investment Strategy (2016-21)** recognises the continued importance of international trade to long term economic growth, alongside the key challenges that need to be addressed to boost Scotland's exports. The strategy describes the Government's ambition to support sustainable business growth, and associated jobs and income, through an eight point action plan for trade and investment.
- **A Manufacturing Future for Scotland (2016)** sets out an action plan to work with industry to deliver a range of initiatives designed to boost productivity, stimulate innovation and investment, improve energy efficiency, and develop skills within the manufacturing industry.
- **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) the strategy focuses on supporting business competitiveness and growth, skills and employment, social inclusion, innovation, the low carbon economy, and resource efficiency.
- **Glasgow and the Clyde Valley City Deal (2014)** sets out ambitious investment plans to support economic growth and regeneration across the Glasgow City Region over the next 10 – 20 years.

¹² Investment, Innovation, Inclusive Growth and Internationalisation.

- **City Deal Community Benefits Strategy (2015-2020)** builds on existing good practice across the eight local authorities to deliver community benefits, ensuring a consistent, collaborative, and inclusive approach is adopted to maximise the social, economic, and environmental benefits of regeneration.
- **Glasgow and the Clyde Valley Strategic Development Plan (May 2012), and the Inverclyde Local Development Plan (June 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.
- **The Community Empowerment Act (2015),** creates a legal framework 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.
- **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 regeneration¹³ at the heart of effective delivery.
- **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.

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 across Scotland, and create opportunities for regeneration 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 innovate, and 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.
- **An emphasis on inclusive economic growth.** There is a clear focus on delivering initiatives to achieve a more inclusive economy, including: opening up employment opportunities to people from all backgrounds; supporting businesses to operate in an ethical way e.g. by paying the living wage; and ensuring equitable access to employment and skills support services.
- **Building the skills base and improving employability.** There is a particular focus on developing the work-related skills of young people to address high levels of youth unemployment, and ensure the future workforce has the skills required by employers.

¹³ 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'.

- **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.
- **The transition to a low carbon economy.** This remains a key theme for 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, commercial and industrial property; 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 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 - The occupational profile in Inverclyde 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 or SDI) as well as delivering local services if gaps exist. The first Single Operating Plan identified three sectors of particular importance to Inverclyde's economy, with potential for growth. However, this sectoral focus should be reviewed, and an evidence base developed to identify key sectors with growth potential, as part of the planned development of an Economic Regeneration Strategy for Inverclyde.

- a) **Marine engineering** - This sector presents opportunities for growth and wealth creation for Inverclyde. Given Inverclyde's historic and continuing strengths in marine engineering, (for example with Ferguson Marine Engineering) 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.
- b) **Financial and business services** - Financial and business services are significant sectors for the area. Across the City Region business services are the biggest sector, claiming 18% of employment and financial and insurance activities claim a further 6%¹⁴. Inverclyde has a number of strengths in this sector, for example, with its cluster of contact 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 an important market for Scotland, for example, with an increase in international inbound travel of 12% in 2014, compared to the same period in 2013, an increase in tourism day trips in Scotland of 3%, and an 8.3% increase in day visitor spend, generating £4.5bn during 2014¹⁵. Inverclyde could build on its emerging leisure and tourism offer, particularly with the planned investment in the Ocean Terminal as part of the City Deal, good links to key Scottish tourist destinations, coast and river frontage, spectacular scenery, local leisure facilities, and events venues including e.g. Glasgow's SSE Hydro¹⁶, 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 tourism¹⁷ and / or mountain biking¹⁸ across Scotland to attract additional visitors to the area. Tourism can have a significant direct impact on jobs creation but also on indirect jobs and prosperity through food and drink, retail, transport and communication. 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.

¹⁴ Strategic Development Plan – Investment Sites, January 2016

¹⁵ Visitor Trends and Statistics – Visit Scotland (January 2015)

¹⁶ Ranked as the world's second busiest live entertainment venue, with more than 1m visitors in 2014. Visitor Trends and Statistics - Visit Scotland (Jan 2015)

¹⁷ 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>)

¹⁸ Research undertaken for Scottish Enterprise (The Economic Value of Mountain Biking) found that mountain biking generates £46.5m pa for the Scottish economy. In 2011 it was predicted significant growth, potentially adding £36 million to the market.

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 and developing enterprising skills. The existing Business Gateway¹⁹ service will create a clear focus on start-up's, which research²⁰ has shown to have an important role in creating jobs²¹. Encouraging participation in school enterprise programmes, 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, to trade more outside of the area, and to enter the export market, 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 or City Region programmes²², (in conjunction with the Supplier Development Programme) and working jointly²³ with Scottish Enterprise (SE) and partners to promote the area to inward investors.
- **Make the transition to a low carbon economy** which presents opportunities for businesses in Inverclyde. The opportunities stretch well beyond renewable energy, 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. Already, one in three Scottish homes has energy efficiency measures installed²⁴. Supporting business to take advantage of these opportunities will help boost the economy and generate wealth.
- **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 Loting, and to create opportunities for smaller businesses or the self-employed to sub-contract work or partner larger companies to deliver large scale contracts.

¹⁹ Delivered by the Council under contract to Renfrewshire Council

²⁰ 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.

²¹ In 2015 86.9% of businesses in Inverclyde were micro, 10% were small and 2.2% were medium. NOMIS: UK Business Counts (2015)

²² For example: Scottish Enterprises Smart Exporter programme; Winning through Innovation; the Innovation Support Service; Resource Efficient Scotland etc.

²³ For example, using the established Business Gateway (Growth Pipeline) process to link up the relevant partners

²⁴ Scotland's Economic Strategy, 2015

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. In 2015, 16.2% of the working age population were in receipt of an out of work benefit compared to 11.0% for Scotland and 9.2% for the UK²⁵. Unemployment among young people is also higher than the national average, at 4.4% for 18-24 year olds, compared to 3.3% for Scotland as a whole, and 2.8% for Great Britain²⁶. Tackling worklessness, 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 or promoting developments on key sites on the waterfront and A8 corridor, for example, The Customs House, and Cartsydyke.
- Continuing to improve the current industrial and commercial property portfolio to attract and retain businesses and increase occupancy rates.
- 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.
- A programme of town centre regeneration, public realm and environmental improvement activities focused on Port Glasgow, Greenock, Gourock, and the riverfront to attract and retain residents and businesses, and increase the number of visitors to the area.

²⁵ NOMIS 2016

²⁶ ONS Claimant Count (Feb 2016).

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 Scotland²⁷. In 2012 40% of Inverclyde's datazones were in the 15% most deprived datazones in Scotland²⁸. 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 partners²⁹ 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 key business sectors, visitors / tourists to the area, 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

²⁷ Inverclyde Alliance Single Outcome Agreement

²⁸ Scottish Index of Multiple Deprivation 2012 <http://www.gov.scot/Resource/0041/00410733.pdf>

²⁹ 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 generates around 32% of Scotland’s GVA, it is home to 33% of Scottish Jobs, and over 29% of all businesses in Scotland³⁰. ▪ 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 with a high occupancy rate ▪ 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 ▪ Poor external perceptions of Inverclyde.
Opportunities	Threats
<ul style="list-style-type: none"> ▪ The creation of a new post ‘Head of Business Investment’ to work directly with the business community, supporting growth and job creation through for example, attracting new investment into the area ▪ 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 key growth sectors upon which to build (marine engineering; 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) ▪ 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. ▪ Reliance on large companies based overseas leave Inverclyde vulnerable to business decisions to close premises to reduce costs, resulting in large scale job losses.

³⁰ Glasgow and Clyde Valley City Deal

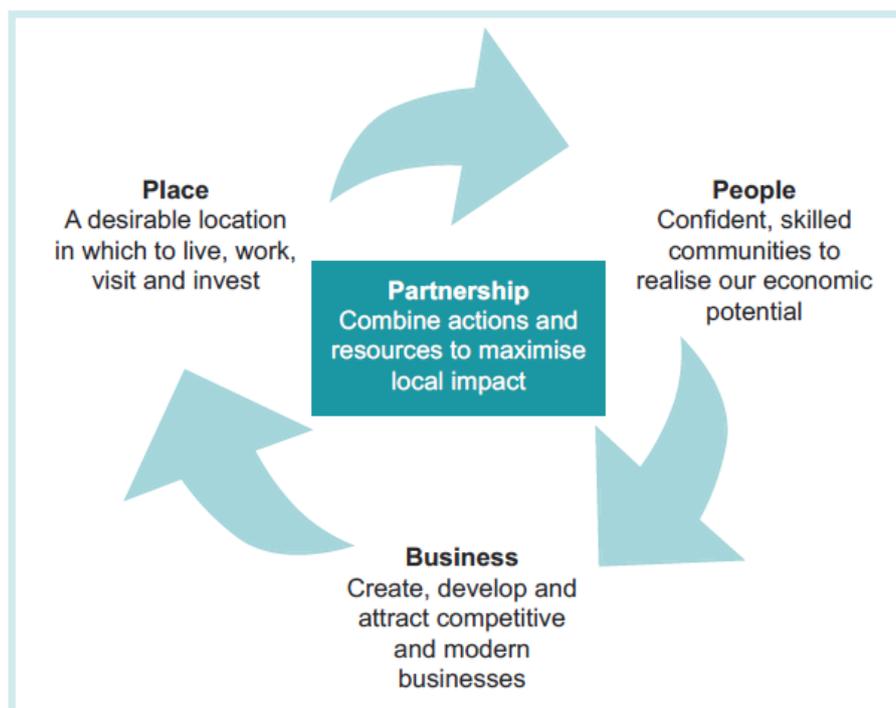
4. Our vision and priorities

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). Through this Plan, the Council and ri will work together to achieve the **Inverclyde Vision** as described in the Council's previous Economic Regeneration Strategy³¹ (2011-14) for Inverclyde.

“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 highlight 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.

³¹ A new Economic Regeneration Strategy for Inverclyde is planned

4.2 Our six key priorities

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 sectors³² (e.g. Marine engineering, 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 value-added businesses in the area, through support to innovate, export, 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 and maintaining 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; and working with the business community to open up employment opportunities to people from all backgrounds, and ensure that employers pay at least the living wage.

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. This will be a key focus for the new Head of Business Investment, particularly working with the

³² To be reviewed and evidenced as part of the planned development of an Economic Regeneration Strategy for Inverclyde

business community, Scottish Enterprise, and other partners, to attract business investment into the area.

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, excellent connectivity to the wider City Region economy and labour force, and a business-focused approach.
- ***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 (for example, through the Glasgow and Clyde Valley City Deal).
- ***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 or promotion of the following strategic employment sites and locations:

- **Customs House (Phase 4)**. Phase 4 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.
- **Cartsburn / Cartsdyke (Phase 1)**. This key site will be for new business-related or commercial development.
- **Gourock Municipal Buildings**. Refurbishment of an existing building to create new commercial office space.

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 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 a housing-led mixed use development. Recent private sector investment in a new pub / restaurant, alongside the planned re-location of a pontoon to create additional berths for visitors, will help to create a more vibrant and attractive area.
- **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.

Inverclyde Council, with support from ri, will progress the following City Deal projects:

- **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. Initial capital investment towards this development has been secured through the City Deal.
- **Inverkip Former Power Station.** The redevelopment of the former power station site will create potential for additional housing and limited commercial accommodation. Initial capital investment towards this development has been secured through the City Deal.
- **Inchgreen.** This is a key strategic riverfront site, which has potential to support employment in the marine and / or renewable sectors. Initial capital investment towards this development has been secured through the City Deal.

4.4.2 Town Centre Regeneration and Area Renewal

We will also focus our investment and resources on regenerating our town centres, and supporting area renewal initiatives, 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: creating a new roundabout spur, public realm and environmental improvement works to create a new public space.
- **Gourock** has funding allocated for-the development of the Municipal Buildings.
- **Greenock** will also be a priority, with investment focusing on some of the most disadvantaged areas of Inverclyde, for example, Broomhill, which needs support to address a range of economic, physical and social regeneration issues, and further investment in the town centre.

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.
- **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.
- **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.

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 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 site preparation for self-build housing at Kilmacolm, 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 continue the 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 continue to 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;
- 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.
	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 and renewal (physical development only)	<ul style="list-style-type: none"> ▪ Management of physical development in town centres, such as shop front improvements, public realm works, site clearance etc. ▪ Co-ordinating and facilitation town centre renewal via the Town Centre Regeneration Forums
	Supporting external funding and investment	<ul style="list-style-type: none"> ▪ Input to all bids and proposals to secure external funding for ri led capital projects.
	Business investment / Investment attraction and marketing	<ul style="list-style-type: none"> ▪ Promoting Inverclyde to businesses, investors and agencies outside of the immediate local area, making connections and developing networks that will result in additional investment, businesses and jobs being attracted to the area. ▪ Focus on attracting a wide range of businesses and investors to all parts of Inverclyde, working with other property landlords, land owners, and developers with a presence or interest in the area. ▪ Take a sector management approach, identifying the support needs of businesses relocating to the area and brokering in expert support from third parties. ▪ Marketing Inverclyde as a competitive business location, with a clear focus on attracting businesses, jobs and investment.
	Support housing development	Support housing developments on key strategic sites and / or executive housing developments, which will contribute to economic growth. Housing strategy will remain the responsibility of the Council.
	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 new Head of Business Investment will work with Scottish Enterprise, and other partners, on investment attraction, and the Council will work with Renfrewshire Council to deliver the Business Gateway service, supporting local people to start-up in business).

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 support to recruit new staff, ri would broker in the Council's 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 work towards co-location.

5.3 Management and governance

The Council's Regeneration Team and ri will retain their own current, separate internal management structures. Each organisation will produce regular progress reports, enabling them to review the progress of each individual activity, project, or service, as well as collective progress towards the overall objectives of the Single Operating Plan. These reports will be reviewed quarterly alongside reports about financial, output and outcome performance, and will be used to inform and consult with key groups about overall progress, including the ri Board, the Council's Regeneration and Environment Committee, and 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.

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, to share information, cross refer companies to each other's products and services, and help businesses in Inverclyde with potential for growth, to benefit from programmes on e.g. innovation, exports, or resource efficiency. 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.
- SDI will work with the new Head of Business Investment 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).
- 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.

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.
- Organising public consultations 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, and equitable, delivering genuine benefits for all parts of the community.

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 2016 and March 2019, some of which are already underway, in development, or almost complete. At the present time, a combined total of £19.9m funding is available to support the delivery of the priority projects and investments within the Plan. £19.3m has been committed already to specific projects and investments, while the remaining £621,448 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 (including those funds pre-matched with ESF to address social exclusion); contracts for the delivery of skills and employability services; and many more.
- **Glasgow and Clyde Valley City Deal** – Within the City Deal, capital resources have been allocated to support three large scale investments in Inverclyde over the next ten to fifteen years. This includes: Infrastructure works at Inverkip to prepare the site for housing and commercial development; Improvements to Ocean Terminal to accommodate an increase in cruise ships and passenger numbers; and infrastructure works at Inchgreen to prepare the site for occupation by a manufacturing company. The Council and ri will continue to work with City Deal partners to secure this investment and deliver these priority schemes.

- **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 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	<p>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.</p> <p>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.</p>

Criteria	Summary description
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.
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 2019.

- **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 Sites and Premises	Custom House refurbishment phase 4	Delivery of the phase 4 refurbishment of a Grade A listed building and upgrade of office accommodation and public open space. Project will create a single office space with potential to accommodate approximately 40 employees	Priorities 1 and 2
	Maintenance of riph and Council business property portfolio	Management and maintenance of the industrial and commercial property portfolio	Priorities 1 and 2
	Pontoon re-location	Re-location of a pontoon in East India Harbour, creating additional berths which can be used / rented by visitors to the area.	Priority 2
	Scott's Dry Dock	Removal of old steel at the mouth of the dry dock to improve the overall appearance and environment of the area, making it more attractive for businesses	Priority 2
	Smith Rodley Crane	Feasibility study into the re-location of an unused crane from James Watt Dock to the roundabout outside Fergusons shipyard	Priority 2
	Gourock Municipal Buildings	Refurbishment of an existing building to create new commercial office space	Priorities 1 and 2
Business Support	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 ▪ Marketing and start-up grant 	Priority 1

	Project	Brief description	Priority
Business Support	Business Gateway	Support for business start-ups, self-employment and social enterprise.	Priority 1
Business Growth and Investment	Business Advice and Engagement	A focused and targeted approach to attract businesses to locate to and invest in the area. This will involve the direct delivery of support, as well as working in partnership with others to broker in expert support (e.g. innovation, exports, access to finance) from national or city-region wide programmes. There will also be a focus on key growth sectors, including for example: marine engineering; financial and business services; and tourism and leisure.	Priority 1
Marketing and investment attraction	Marketing and investment attraction	<p>A 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> <p>Although at the time of preparing this plan the level of activity in the international and UK mobile investment market is limited, this market will inevitably return in the fullness of time. Inverclyde will position itself to take advantage of new opportunities when the market begins to strengthen by promoting its offer outside of the area including Scotland, the rest of the UK, and internationally.</p> <p>Activity will also include the promotion of specific events (e.g. Grand Prix of the Sea event) to increase visitor numbers and support local businesses</p>	Priorities 1 and 4

Table 4: People

Project	Brief description	Priority
Employability / Future Jobs Fund	Delivery of employability and job creation schemes to address unemployment. This includes: <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 ▪ Youth Employment Fund Contract (supported by SDS on an annual basis) 	Priorities 3, 4 and 5
Project	Brief description	Priority
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 and Area Renewal (Port Glasgow, Greenock / Broomhill, and Gourock) including public realm development and maintenance.	Support for Town Centre Regeneration, Area Renewal and public realm works at Port Glasgow, Greenock / Broomhill, and Gourock.	Priority 4
Kilmacolm self-build	Site preparation for a self-build project to attract people / families to re-locate to Inverclyde (part of the Council's re-populating Inverclyde strategy)	Priority 5

Group 2 Projects

Table 6: Place

Project	Brief description	Priority
Redevelopment of Inverkip Power Station site	Mixed used development of former brownfield site. The development will be led by the private sector, with initial infrastructure works to open up the site supported by funds from the Glasgow and Clyde Valley City Deal and Inverclyde Council.	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 supported by investment from the Glasgow and Clyde Valley City Deal	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, with initial site development work being supported by investment from the Glasgow and Clyde Valley City Deal	Priorities 2 and 4
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

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 £19.9m for the period 2016/17 to 2018/19 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 or almost complete), funding from the Scottish Government to support regeneration activities, 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 £19.9m available, £19.3m has already been committed to Group 1 projects and investments. The remaining £621,448 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	2016/17	2017/18	2018/19	Total
Costs				
Business	2,494,196	821,413	483,780	3,799,389
People	2,900,960	2,513,960	2,513,960	7,928,880
Place	2,929,879	3,784,576	933,496	7,647,951
Total committed costs	8,325,035	7,119,949	3,931,236	19,501,220
Uncommitted	156,767	-40,078	504,759	621,448
Funding				
Inverclyde Council	3,059,740	2,721,740	2,721,740	8,503,220
Skills Development Scotland [≠]	123,000	0	0	123,000
Scottish Government	771,769	627,200	0	1,398,969
Riverside Inverclyde *	4,527,293	3,730,931	1,714,255	9,972,479
Total funding	8,481,802	7,079,871	4,435,995	19,997,668

*ri's total funding of £9.9m includes £7.3m provided by Inverclyde Council.

[≠] SDS funding is confirmed on an annual basis

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 (2016/17 to 2018/19)

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 (2016/17 to 2018/19)

	2016/17	2017/18	2018/19	Total
OPERATING COSTS				
Staff costs	£301,456	£299,344	£305,330	£906,130
Overheads	£105,093	£107,195	£109,339	£321,627
Other costs	£19,294	£14,580	£14,872	£48,746
Total	£425,843	£421,119	£429,541	£1,276,503
INCOME/ FUNDING				
Total estimated riph surplus income	£860,140	£893,506	£892,549	£2,646,195
Amount needed to meet operating costs	£425,843	£421,119	£429,541	£1,276,503
Residual to invest in projects	£434,297	£472,387	£463,008	£1,303,534

Inverclyde Council Regeneration Team Operating Budget (2016/17 to 2018/19)

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 (2016/17 to 2018/19)

	2016/17	2017/18	2018/19	Total
OPERATING COSTS				
Staff costs	£529,350	£529,350	£529,350	£1,588,050
Overheads	£122,400	£122,400	£122,400	£367,200
Total	£651,750	£651,750	£651,750	£1,955,250
INCOME/ FUNDING				
Inverclyde Council	£651,750	£651,750	£651,750	£1,955,250

7.3 Financial management and reporting arrangements

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 regular financial reports, enabling them to review the financial progress of the overall Plan. The financial reports will be reviewed 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 to measure progress towards the achievement of the Plan's output and outcome targets is in place, providing 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.

Appendix C provides more detailed information about the indicators in the monitoring framework, including a definition, and a description of the evidence required to demonstrate that the indicator has been achieved. This helps to ensure greater consistency in the reporting of outputs / outcomes by the Council and ri, and gives confidence that the data reported provides an accurate reflection of actual achievements. This also enables 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.

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 and relevant indicators of performance.

Table 11: Output and outcome targets (2016/17 to 2018/19)

Key indicator	TARGETS			
	2016/17	2017/18	2018/19	TOTAL
OUTPUTS				
No of businesses supported (new and existing)	225	224	222	671
m ² of new / refurbished office / commercial space	1,051	0	0	1,051
m ² of new / refurbished industrial space	230	0	0	230
No of individuals supported with employability	1,709	1,659	1,659	5,027
No of public realm / environmental improvement schemes	4	3	2	9
OUTCOMES				
No of jobs supported (created and safeguarded)	206	232	182	620
No of new business start-ups	150	150	150	450
No of residents progressing into employment	784	783	783	2,350
Construction job years	33.6	24.1	1	58.7

The outputs and outcomes presented in Table 11 will result directly from ri and Council investments between April 2016 and March 2019.

This plan is an update of the original Single Operating Plan (April 2014 – March 2017), which also set global output and outcome targets based on the level of investment. ri and the Council have monitored, and reported on progress towards the achievement of these global output and outcome targets. Based on the actual targets achieved by ri and the Council in 2014/15 and 2015/16, and the forecast output targets for 2016/17 which are based on the actual levels of spend and activity planned, the original three year targets for the Single Operating Plan (2014-2017) will have either been met or exceeded by the end of March 2017. See Appendix D for more detail.

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.

The lead officer for each project will have overall responsibility for gathering the appropriate output and outcome evidence, and for completing a progress report on a quarterly basis, to feed into the overall progress report. The 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.

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, live and visit. A high level summary of the marketing strategy that will underpin the successful delivery of this Single Operating Plan is provided here. A more detailed and comprehensive marketing strategy will be developed separately, which will include specific marketing objectives, activities and target outcomes.

9.1 Strategy overview

We will expand our business base by attracting new firms and investment, supporting the growth of businesses, 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 generates around 32% of Scotland's Gross Value added, is home to 33% of Scottish jobs, and over 29% of all businesses in Scotland
- 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.
- An attractive physical environment, and good quality of life.

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

9.2 Objective

The overall objective of the marketing activity is to attract businesses, jobs and investment to Inverclyde, and to give local businesses the confidence to grow. Marketing activity will convey positive messages about Inverclyde, its attractions and successes, to audiences outside of Inverclyde, as well as those within the district. ***The purpose is to promote Inverclyde as a great place to invest, do business, work, live and visit.***

9.3 Target audiences

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

- **Businesses**
 - Businesses in the West of Scotland and across the whole of the country, with potential to invest and / or locate in Inverclyde.
 - Business already located in Inverclyde, with a focus on building their confidence and potential to grow.
- **Developers of, and investors in**, commercial, industrial and residential property.
- **Economic regeneration agencies** and **funders** across Scotland, able to work in partnership with us to support and invest in economic growth in Inverclyde.

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.

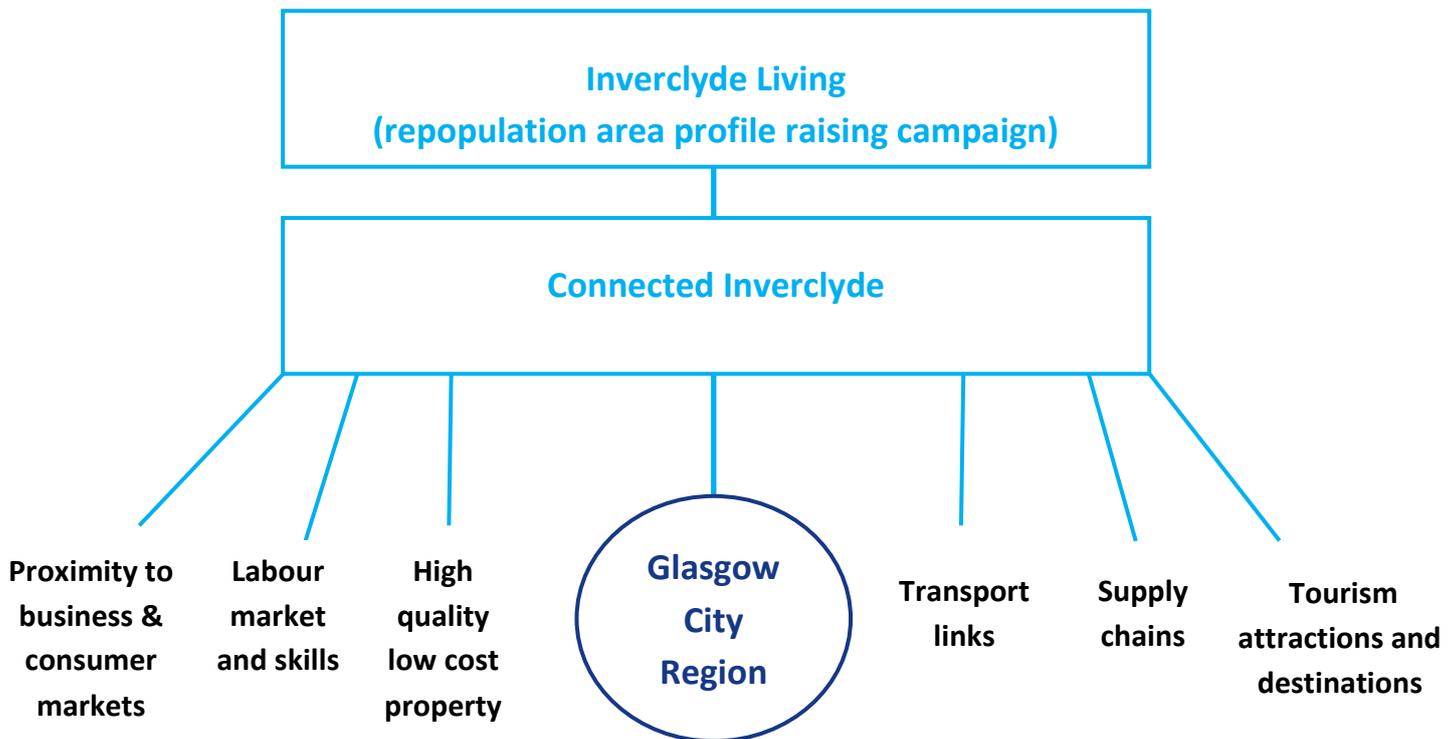
For this reason the brand and positioning will focus on Inverclyde's connectivity. We will emphasise Inverclyde's connections with the wider City Region economy and the benefits those connections give to businesses, including access to large business and consumer markets, supply chains and labour markets.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

This will be delivered through close partnership working between the Council's Marketing and Communications Team, the Regeneration Team, and ri.

Figure 2: Brand and positioning

Connected Inverclyde

Make the right connections for your business



During this three year Plan, integration between the ‘Inverclyde Living’ and ‘Connected Inverclyde’ campaigns will be strengthened, to ensure consistency of messaging and branding in all marketing and communications activities.

- **Investing** - Highlighting the opportunities for businesses to invest in Inverclyde, and the opportunities this creates for local people. This includes businesses already based in Inverclyde investing in growth, as well as businesses from outside the area investing and / or locating in Inverclyde.
- **Inviting** - Promoting Inverclyde as an attractive place to live, work and visit, with an excellent quality of life in beautiful surroundings. This includes promoting Inverclyde as an inviting gateway to Scotland, via the cruise terminal. Wider quality of life messages are an important aspect of attracting businesses and investors to Inverclyde.
- **Invigorating** - Marketing Inverclyde as an attractive, outdoors-based visitor location, including water-based tourism and waterfront walks and activities.

To give Inverclyde a sense of uniqueness and difference from other areas, it is also important to focus some marketing messages on a small number of key sectors that help give the local economy a clear identity. These are the sectors in which Inverclyde has clear strengths and which

can be used to communicate to outside audiences in particular what Inverclyde's economy is all about. This does not mean these are the only sectors that Inverclyde wants to grow; but these are the sectors in which Inverclyde has the best 'story to tell' at this time. The key sectors for the purposes of the marketing campaign are:

Marine engineering

Financial & business services and IT

Tourism: water-based activities and a gateway to Scotland

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, high quality business accommodation, 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 and doing business in Inverclyde 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.

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.
- Web-based marketing, focused on raising Inverclyde's profile and attracting businesses, investment and visitors.

- Increased use of social media to raise awareness of Inverclyde Living and Connected Inverclyde, drive traffic to the websites, and engage with a wider audience.
- Increase business and investment enquiries through a planned and co-ordinated programme of PR and promotional activity.
- Work with the Chamber of Commerce, FSB and other bodies to raise awareness of the Inverclyde offer among businesses already based in the area, with a focus on improving their confidence and resources to grow.
- 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.

9.7 A joint approach to marketing

The marketing campaign will be a joint partnership effort, involving ri, the Council's Regeneration Team, and the Council's Marketing and Communications Team, working in close collaboration to achieve shared marketing goals.

- As part of this approach, ri and the Council will proactively share with one another opportunities to work together on marketing activities. For example, if the Council is planning a publication or marketing release, it will offer ri the opportunity to participate. Equally, if ri is planning a campaign or event, it will explore opportunities for the Council to take part and benefit. ri will also make use of the Council's social media resources, allowing it to communicate more regularly and directly with target audiences.
- Riverside Inverclyde and Inverclyde Council's Regeneration Team will constantly seek out opportunities to project positive messages about Inverclyde to audiences outside of the district. This will include working with marketing and media partners across Scotland and the UK, as well as partnerships with other economic development agencies (e.g. Scottish Enterprise, Scottish Government, Skills Development Scotland), to promote opportunities and successes in Inverclyde.

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
<p>Evidence of need and market failure</p>	<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.
<p>Additionality</p>	<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	<p>Projects should deliver the outputs identified in section 8 of the report.</p>
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:³³ <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.

³³ 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 net³⁴ 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>

³⁴ 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 2016 - March 2019							
				TOTAL COSTS			
Theme	Activity	Project / Service	Lead organisation	2016/17	2017/18	2018/19	Total
Business	Business premises	Customs House Phase 3	ri	£67,073	£0	£0	£67,073
		Customs House Phase 4	ri	£954,000	£130,430	£0	£1,084,430
		Small Business Centre, Scarlow Street, Port Glasgow	ri	£6,359	£0	£0	£6,359
		Riverside Business Park	ri	£8,668	£0	£0	£8,668
		Kelburn fit out: Block B	ri	£27,315	£0	£0	£27,315
		Maintenance of business property portfolio (ri)	ri	£150,000	£150,000	£150,000	£450,000
		Pontoon relocation	ri	£76,000	£16,174		£92,174
		Scotts Dry Dock	ri	£15,000			£15,000
		Kilmacolm self-build	ri	£623,000	£103,029		£726,029
		Smith Rodley Crane	ri	£15,000	£114,000	£26,000	£155,000
	Feasibility consultancy	ri	£70,000	£50,000	£50,000	£170,000	
	Business support	Business advice, grant and loan funds	IC	£115,590	£115,590	£115,590	£346,770
	Sector development	Business advice and engagement	IC	£216,820	£66,820	£66,820	£350,460
	Marketing and investment attraction	Marketing and Inward Investment	IC	£149,370	£75,370	£75,370	£300,110
SUB-TOTAL: BUSINESS				£2,494,196	£821,413	£483,780	£3,799,389
People	Employability / FJF	IC	£2,670,970	£2,283,970	£2,283,970	£7,238,910	
	Vocational training and development support	IC	£229,990	£229,990	£229,990	£689,970	
SUB-TOTAL: PEOPLE				£2,900,960	£2,513,960	£2,513,960	£7,928,880
Place	Town Centre Regeneration and Area Renewal	Port Glasgow	ri	£1,538,336	£1,698,529	£413,706	£3,650,571
		Gourock	ri	£951,543	£106,047	£0	£1,057,590
		Broomhill / Greenock TC	ri	£440,000	£1,980,000	£519,790	£2,939,790
SUB-TOTAL: PLACE				£2,929,879	£3,784,576	£933,496	£7,647,952
UNALLOCATED COSTS				£156,767	-£40,078	£504,759	£621,448
TOTAL COSTS				£8,325,035	£7,119,949	£3,931,236	£19,376,220
				£156,767	-£40,078	£504,759	
TOTAL INCOME							
Org	Source of Funding / Income	Description		2016/17	2017/18	2018/19	Total
ri	Inverclyde Council	Revenue		£1,175,000	£298,000	£298,000	£1,771,000
	Inverclyde Council	Revenue Brought Forward		£786,454	£602,606	£0	£1,389,060
	Inverclyde Council	Revenue (Earmarked Reserves)		£125,000	£125,000	£0	£250,000
	Inverclyde Council	Capital (Gourock)		£339,699	£0	£0	£339,699
	Inverclyde Council	Capital (Port Glasgow)		£150,000	£350,000	£413,706	£913,706
	Inverclyde Council	Capital (Broomhill)		£340,000	£1,039,790	£110,000	£1,489,790
	Inverclyde Council	Repopulation Budget		£182,617	£0	£0	£182,617
	Scottish Government	Core Funding		£0	£0	£0	£0
	Scottish Government	Capital Grant		£771,769	£627,200	£0	£1,398,969
	riph surplus			£860,140	£893,506	£892,549	£2,646,195
	ri Invested Funds	Kilmacolm self-build		£440,383	£103,029		£543,412
	Other			£5,000	£0		£5,000
	Inverclyde Council	TCRF		£123,000	£319,000	£0	£442,000
SUB TOTAL				£5,299,062	£4,358,131	£1,714,255	£11,371,448
Org	Source of Funding / Income	Description		2016/17	2017/18	2018/19	Total
Inverclyde Council	Inverclyde Council	Core Budget		£437,770	£437,770	£437,770	£1,313,310
	Inverclyde Council	Earmarked reserves		£338,000	£0	£0	£338,000
	Inverclyde Council	Regeneration Fund		£2,283,970	£2,283,970	£2,283,970	£6,851,910
	SDS*	Youth Employment Fund		£123,000	£0	£0	£123,000
	SDS*	Apprenticeships		£0	£0	£0	£0
SUB TOTAL				£3,182,740	£2,721,740	£2,721,740	£8,626,220
TOTAL INCOME				£8,481,802	£7,079,871	£4,435,995	£19,997,668

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.	This could be: <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

Appendix D: Output and outcome targets and achievements (2014-2017)

Key indicator	2014/15		2015/16		TOTAL			2016/17				Achievement of original 3 year targets		
	Target	Achieved	Target	Achieved	Original 3 year target	Actual achieved 2014-2016	Balance to achieve in 2016/17 to meet original 3 year plan targets	Original 2016/17 target (in 2014/17 plan)	Revised target for 2016/17 (based on planned investments)	ri targets for 2016/17	IC targets for 2016/17	Based on planned spend in 2016/17, the original 3 year plan targets will be:		
OUTPUTS														
No of businesses supported (new and existing)	523	580	435	704	1,397	1284	113	439	225	9	216	Exceeded by	112	
m ² of new / refurbished office / commercial space	383	403	315	395	1,004	798	206	306	1051.4	1051.4		Exceeded by	845	
m ² of new / refurbished industrial space	0	1620	850	0	1,850	1620	230	1,000	230	230		Met	0	
Ha of land developed for economic after-use	0	0	0	0	1.44	0	1.44	1.44	0			Unmet	-1.44	
No of individuals supported with employability	1,829	1,805	1,759	1,885	5,278	3,690	1,588	1,690	1,709		1,709	Exceeded by	121	
OUTCOMES														
No of jobs supported (created and safeguarded)	324.5	443.8	216.5	381	783.5	824.8	-41.3	242.5	206	24	182	Exceeded by	247.3	
No of new business start-ups	150	151	150	150	450	301	149	150	150		150	Exceeded by	1	
No of residents progressing into employment	804	968	734	774	2,203	1742	461	665	784		784	Exceeded by	323	
Construction job years	35.6	56.3	36.26	2.1	81.82	58.4	23.42	10.96	33.68	33.68		Exceeded by	10.26	