

Strathleven Corridor Initiative

Strategic Outline Case Executive Summary

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The Strathleven Corridor Initiative

This document presents an Executive Summary of the Strategic Outline Case for the Strathleven Corridor Initiative (SCI) and is designed to achieve initial and in principle support to allow the more detailed case to be developed.

The SCI is a bold and exciting new project that has been developed in response to the current needs and opportunities to build a successful and sustainable economic future for local residents, communities and businesses as well as contribute to regional and national prosperity.

The Initiative is being driven by West Dunbartonshire Council along with British Waterways Scotland and a wide range of key stakeholders.

The strategic vision for the initiative is ***"the attraction and retention of residents, businesses, investors and visitors to Strathleven, taking advantage of opportunities to contribute to national equity and prosperity through a sustainable delivery model"***.

The project is being led by West Dunbartonshire Council (WDC) and British Waterways Scotland (BWS) in partnership with a wide range of national, regional and local partners.

Background and Context

The Strathleven Corridor comprises a broad sweep between the River Clyde and Loch Lomond along the north-south axis of the River Leven. The area includes the settlements of Bowling, Dumbarton, Renton, Alexandria, Balloch, Jamestown and Vale of Leven.

To achieve a prosperous and sustainable future, the SCI will address a number of major economic, social and environmental priorities, including:

- reversing the decline in resident working age population;
- generating, growing and attracting higher value private sector activity (businesses and jobs);
- increasing the share and value of leisure and tourist visitors and their resultant spend, generating jobs and economic value; and
- improving the attractiveness of the area to private sector investors to create new housing and business property.

Alongside these economic challenges, Strathleven has also had to contend with a severe flooding issue that not only adds to the costs of living or doing business, but is also a major burden on the public sector which has to deal with increasingly severe consequences.

If left untreated, this will create escalating blight for the area, constraining efforts to create future prosperity and further increasing the need for long term public support – a long term drain on public resources.

There is however, an opportunity to transform this negative into a positive using water as the medium for future success and prosperity.

This is based on the potential to address the flooding problem through an opportunity-led solution that creates a new iconic structure - a new navigable watercourse connecting the international brands of Loch Lomond and the Clyde.

This is the new catalytic project which, taken forward alongside other major needs and opportunities, will improve the economy, community and environment of Strathleven and create a place where people want to live, invest, work and visit.

The Case for Change

The SCI is built from a strong evidence base and learning from past interventions. The stakeholder partners driving the project (WDC and BWS) together with other key stakeholders are able, willing and committed to achieving successful and sustainable change for the residents and businesses of the Strathleven Corridor.

The case for intervention and change is built around a number of factors:

- addressing policy priorities: it will contribute to, be supportive of and consistent with, a wide range of national, regional and local policy priorities, including contributing directly to all objectives of the Government Economic Strategy;
- delivering policy outcomes: it will contribute directly to the Single Outcome Agreement targets as agreed between WDC, the Community Planning Partnership and Scottish Government;
- addressing a range of needs: a wide range of economic, social and environmental needs have been identified that are constraining the future prosperity and sustainability of the area;
- Supporting Stakeholders: initial consultation has secured unanimous support from a wide range of national, regional and local stakeholders who are supportive of the concept and committed to delivering successful and sustainable change for the area;
- complimenting key initiatives: SCI will compliment local, regional and national activity and will be designed to be complementary with other major projects such as the West of Scotland URCs;
- addressing market failure: there are identifiable market failures that prevent economic efficiency and the delivery of the desired changes without public sector intervention; and
- exploiting opportunities: there are a number of clearly identified opportunities which will deliver against key policy priorities and deliver positive change for the area.

There is also a strong rationale for the intervention in terms of the counterfactual outcome – what might happen if no action is taken. Recent research by Oxford Economics¹ analyses the parts of the UK that are most vulnerable to the current credit crunch. This positions West Dunbartonshire as the second most vulnerable part of Scotland, with only Edinburgh considered to be more vulnerable to the current downturn.

It is important for its long-term sustainability that the area is well placed to take advantage of the economic upturn that will follow the current recession. This re-gearing will ensure that Strathleven is committed, positioned and resourced to meeting the opportunities that future economic growth could bring to West Dunbartonshire.

There is a real cost associated with the long term decline scenario which SCI seeks to address. There is an opportunity cost for the local and national economy through the failure to contribute to and support the development of key national priority projects.

Strategic Objectives and Scope

In order to achieve positive change, the Initiative is therefore about retaining and growing the **population**, creating more **business and jobs**, attracting and retaining **investment and spend** in the local area, attracting more **visitors** more often, for longer and spending more, and becoming a focus for new **development** activity.

The overarching primary strategic objective of the Initiative is: ***"to halt and then reverse the area's economic, social and environmental decline and thereby increase its contribution to national economic prosperity"***.

In order to achieve this vision the project will deliver against a range of more detailed operational objectives which have been developed through analysis of the area's needs and opportunities. The SCI will:

- harness the potential of water as an economic driver rather than as a constraint to future growth by delivering a solution to the flooding problem and creating a new water feature (a Lomond Canal) as an opportunity to drive economic growth;
- contribute to the development and success of adjoining key national priority projects (National Park, Clyde Waterfront and Glasgow Metropolitan Region) by creating a place that contributes toward, rather than detracts from, their overall objectives and maximises their impact at the local and national levels;

¹ Which Parts of Great Britain are Vulnerable to the Credit Crunch? Oxford Economics, 2009.

- take advantage of the location of Strathleven as a strategic corridor through which an estimated five million visitors pass each year by creating new tourism opportunities for visitors to stop, linger and spend – this is not designed to compete with existing attractions, but to generate additional spend opportunities, contributing to national targets;
- maximise equitable regeneration benefits within and adjacent to Strathleven to support long-term socio-economic growth and prosperity for residents and businesses; and
- create viable opportunities for private sector investment in the Strathleven area in commercial, residential and tourism development projects that will transform both the environment and economy of the area by attracting and retaining businesses and residents.

The preferred option for the nature and structure of the project involves development of a holistic regeneration plan for the Strathleven Corridor, delivered through a formal and structured initiative.

This will require a detailed and robust governance and management plan based on clear roles and responsibilities for all stakeholders and partners. Detailed design of the vehicle and the role for key and supporting stakeholder partners will form a key part of the next stage in the project development process.

Benefits and Costs

At this stage it is possible to identify the types of benefits that will be secured through the SCI. These are considered under four themes:

- **economic impacts and benefits:** jobs, new businesses, business development, GVA, visitor numbers, etc;
- **social impacts and benefits:** population, income, housing, health, employability, etc;
- **place making impacts and benefits:** new private sector investment, property development, town centres, flood alleviation, environment improvement, etc; and
- **qualitative impacts and benefits:** strategic added value, distributional impacts, contribution to national priorities, attractive/sustainable place, etc.

The next stage in the development process will identify the benefits in more detail and provide quantification against these benefits.

At this stage in the business planning process (the strategic outline case) there is insufficient information and data to complete a financial review with any degree of confidence, although based on similar initiatives, it is expected that costs will be spread between different funding partners and sources, with expenditure spread over time.

Crucially, the SCI project has been specifically designed with an investment framework approach planned around long-term financial sustainability. The initial public sector investment will generate future financial and economic returns from, for example, the release of development land. The private sector will therefore be key providers of funding – it is essential that the project engages with them at an early stage in the development process.

As part of the next stage in the process it is recognised that there will need to be a more detailed review to include:

- full economic impact appraisal;
- full financial appraisal;
- cost benefit analysis;
- detailed market review and analysis;
- business development action plan; and
- infrastructure feasibility studies.

Moving Forward

Based on a detailed review of the key questions outlined in the Scottish Government's Gateway Review workbook, the SCI is deemed ready to proceed to Gate 2.

It is recognised that the immediate output of this Strategic Outline Case will be submission to WDC's Full Council and BWS Board (to obtain approval to proceed) and to Scottish Ministers (to obtain strategic support and resources).

The output of this process will be confirmation (or otherwise) to proceed with the SCI proposal to Gate 2. Securing approval for this will require a considerable degree of effort on the part of the project sponsors – WDC and BWS.

Assuming that positive responses are secured there is a need for further detailed research to address the issues for Gate 2 review including:

- technical design and detailed risk appraisal of the flood prevention order and Lomond Canal;
- strategic environmental assessment of individual project elements and the SCI proposal overall;
- property market review – considering market failure, supply/demand, additionality and contribution to the regional/national offer;

- tourism opportunity review to determine the potential usage of the Lomond Canal, the benefits it could deliver and means of maximising impact at the local, regional and national levels; and
- community consultation is recognised as essential.

A detailed workplan will be developed to guide the Gate 2 appraisal and review once authorisation and resources are provided for it to proceed.

While the main partners, WDC and BWS, are able to commit some resources towards the next stage, the full cost of completing the appraisal will be outwith their financial means.

The Strategic Outline Case presents a clear case for intervention (based on both need and opportunity) that will deliver impacts and benefits at the regional and national levels. It is therefore hoped that Scottish Ministers and other key partners, recognise the opportunity created through SCI (at both local and national levels) and provide additional supporting resource to allow the proposal to be developed further.