

Strathleven Corridor Initiative

Strategic Outline Case Gate 1 Paper

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economic development & regeneration

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1. The Strathleven Corridor Initiative

The Strathleven Corridor Initiative (SCI) is a bold and exciting new approach built around an investment framework that will create a sustainable and successful economic future for the residents, communities and businesses in this part of West Dunbartonshire.

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

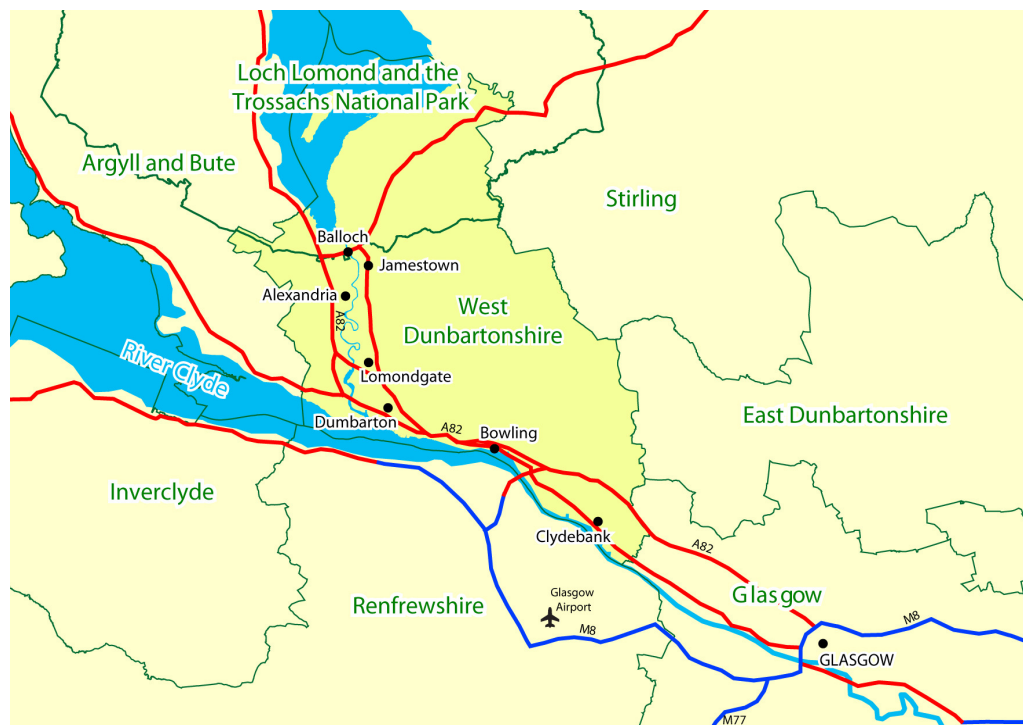
The Strategic Vision

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"***.

Strathleven, along with much of West Dunbartonshire has a proud economic history. Its legacy as part of the industrial powerhouse of Scottish manufacturing in the 18th 19th and 20th century is significant. It's fortunes have, however, varied considerably, particularly over the past 50 years.

Since the mid 1900's the area has prospered less well than comparable areas across Scotland. This has resulted in a decline in the economic, social and environmental performance of the area.

Despite numerous efforts by the public sector over the last few years the consequences of that decline persist.



Strathleven, along with much of West Dunbartonshire, continues to underperform. If this is not addressed, it is likely that the area will become less sustainable in its own right and more reliant on long-term investment from the public sector. It is important that the area is positioned to take advantage of the upturn in the economic cycle that will follow the current downturn.

A recent report by Oxford Economics¹ analysed which parts of the UK were most vulnerable to the current credit crunch. This review positions West Dunbartonshire as the second most vulnerable part of Scotland, with only Edinburgh considered to be more vulnerable to the current downturn. Interestingly, West Dunbartonshire is considered more vulnerable than Glasgow.

However, there is an opportunity to invest **now** to redress past and forecast downturn by delivering investment projects that will create a sustainable future and so moderate the need for long term public support.

This approach is built around the Strathleven Corridor Initiative as a sustainable investment model that creates a viable future for the area and removes the economic vulnerability that has blighted its recent past. It is based on the Corridor making a positive contribution to national strategic objectives: economic growth, learning and skills, equity, and health and wellbeing.

The Flooding Issue

Alongside this economic decline, 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.

The Strathleven area has therefore been, and will continue to be, adversely affected beyond the normal external circumstances impinging on other post industrial towns across Scotland who do not also have to contend with adverse flooding conditions. The potential to deliver transformational change is therefore constrained by the physical constraints from the flood risk that can constrain future development.

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.

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

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.

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**.

The **overarching objectives** of the Initiative are designed to address the identified constraints and opportunities:

**Strathleven Corridor
Initiative Strategic
Objectives**

- harness the potential of water as an economic driver for the area 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 national level;
- 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, 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.

Crucially, the Initiative adopts an **integrated investment framework** that requires up-front funding from the public sector in infrastructure and site acquisition to create a long-term commercially viable model. This will deliver long-term sustainable and holistic regeneration to transform the fortunes of Strathleven.

The Initiative therefore seeks investment and capital to make strategic investments that will produce long-term financial and economic returns to lever private sector investment.

While the Initiative is still in its detailed development phase, it is recognised that there are a number of key investment levers that will be the prime focus for the Initiative:

**Key Investment
Levers**

- adopt an investment-led solution that delivers a sustainable model of future regeneration and economic growth/stability through acquisition and development of key development opportunity sites;
- the resolution of the flooding problem which will not only reduce the costs of living and working in Strathleven but also levers in new investment and development opportunities;
- harnessing the opportunity from water as an asset for the area through the creation of a new iconic infrastructure project – a canal linking Loch Lomond to the River Clyde which will lever in new tourism and visitor activity and investment;
- the development of key opportunity sites for leisure, business and residential which will deliver new development activity, attract investment and secure commercial returns for private sector investors; and
- further development of the linkages between Strathleven, the Clyde Waterfront Initiative, Loch Lomond and Trossachs National Park and Glasgow City which will lever in new economic activity and development opportunities to the local area.

While these will become the focus for the Initiative, it is recognised that there are **other key activities** being pursued in the local area which the Initiative will compliment and support.

These include a range of physical development proposals but also wider community, skills, business and visitor management proposals. While not the prime responsibility of the Initiative, these complimentary projects are covered in this Investment Framework as key supporting activities.

It is also crucial that the Initiative is fully integrated with and compliments the wider public sector service delivery approach. It is recognised that factors such as education and skills, transport infrastructure, social and healthcare are important parts of the local architecture and will be important factors in determining future success.

2. Background

2.1 Preamble

The Strathleven Corridor sits in the west of the West Dunbartonshire area. It 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.

Strathleven is a bit of a contradiction. It has a number of real place advantages. It is located in an enviable location between the River Clyde on the south, Loch Lomond and the National Park to the north, and Glasgow and the metropolitan city area to the east.

The Strathleven Paradox

Strathleven generally has a high quality environment offering attractive and desirable locations from which to live, work or play. In the past it has been home to many successful companies and industries, which over the years have supported a skilled and productive workforce - sadly many of these are now gone or have significantly contracted.

However, despite many natural advantages, the area has tended to punch well below its weight for many years and has failed to keep up with other similar areas. In many respects it is in a slow spiral of decline.

The Initiative is designed to reverse this situation – the goal is not only to stop this spiral of decline but through better use of the many assets, enable the area to make a significant contribution to regional and national growth, and prosperity.

2.2 A History of Interventions

Strathleven has had a turbulent economic and social history. The challenges faced by the area in terms of declining population, loss of key employers and associated employment, physical decline and high levels of poverty and inequality are not new.

Over previous years there have been some public sector initiatives designed to address the identified needs of the area although to date there has been limited success in reversing the downward trends and turning around the fortunes of the area. This is, in part at least, due to the lack of cohesion and overarching strategy, supporting long-term success.

Why we will succeed this time?

It is essential that we learn from the past and that the initiative is successful this time and that a real and lasting difference is secured for the people and businesses of the area.

As part of the development process, previous interventions from Dunbartonshire and elsewhere have been critically examined to learn from the past and to build on what has gone before.

The analysis has highlighted a number of key factors which appear to have constrained past success:

- trying to address change through one route only: many initiatives have been one dimensional or focused on single issues eg physical improvements, skills project etc;
- not recognising the connections between interventions: there was limited connection between projects and linkages with other supporting activities, both within and outwith the area – they failed to recognise the inter-connectedness of our economy;
- not fully recognising how to deliver a successful partnership: partnerships have not always been as effective as they could have been in bringing together different organisations with different objectives;
- a lack of strategic fit between national priorities and the specific projects and programmes delivered and a lack of opportunity to address the equitable development agenda;
- the focus on the public sector has been too strong: partnerships could have been more effective in engaging with the private sector – without them they limit their chance of success;
- limited community engagement: they did not always fully engage the local community, enthuse them and ensure that they were not doing it to them but doing it **with** them and **for** them;
- insufficient focus on delivery: it was thought that simply by launching an initiative this would ensure that the objectives were met and outcomes achieved;
- short termism: timescales and commitments were generally short term – and often changed as other priorities (fashions?) came along meaning initiatives were unsustainable from the outset; and
- lack of resources: interventions did not always properly resource or fund the activity – this was not *our* day job – it was *someone else's*.

These key lessons will be addressed and the Initiative will ensure that they are fully reflected.

Significantly, all the signs are that, this time, the those driving the project (West Dunbartonshire Council and British Waterways Scotland) and other key stakeholders are able, willing and committed to delivering the successful and sustainable change of the Strathleven Corridor.

To a large extent, the building blocks are now in place to deliver a successful Initiative:

- there is a broad consensus as to what is required – what the priorities are;
- a number of significant projects are already at an early stage of development;
- there is a genuine commitment to partnership working and engaging the private sector and local community both within the key partners but also across a wide stakeholder base;
- there is real recognition that something needs to be done and it cannot be a short term approach or a quick fix;
- the identified opportunities will not last forever – time is of the essence; and
- there is recognition that this may be the last chance to make it work and create a sustainable community that people want to live in, businesses want to work from and investors see a viable long-term future for.

It is recognised that we are not starting with a blank canvas and this Initiative seeks to build on the past to help inform the future – the core of evidence based policy making.

2.3 The Case for SCI

The case for the Strathleven Corridor Initiative is based on both the need and opportunity for intervention designed to address a broad range of issues facing the Corridor, including:

- socio-economic disadvantage;
- cost to the public sector of retaining Strathleven as a 'failing place' with reliance on public sector subsidies;
- flood risk for residents and businesses;
- cost to the public and private sector of flood damage;
- limited private sector development and investment;
- limited spend opportunities for tourists/visitors – effectively an access corridor to Loch Lomond/western Highlands;
- limited contribution to national priorities and agendas – economic growth (GVA/jobs), increasing the value of the business base, equality of opportunity, creating sustainable places, mental and physical wellbeing, and increasing the impact of tourism (volume and value);

- lack of connection between Scotland's best known waterway's – Loch Lomond and River Clyde; and
- risks associated with key infrastructure e.g. A82 between Milton and Dumbuck as the sole road connection between Glasgow and Loch Lomond/western Highlands.

These issues raise a number of specific needs and opportunities for the Strathleven Corridor. The 'need' case is built on:

- alleviating the flood risk to homes and businesses that causes disruption, costs money and creates risk:

WDC is ranked in fourth worst position in Scotland in terms of flood risk impact on existing properties with 8.0% of all residential/commercial properties at risk of flooding.

- alleviating the flood risk to designated development land, thereby supporting future development activity – creating and safeguarding jobs and business, and retaining/attracting residents:

Anecdotal evidence from developers suggests that the viability of development land within the Corridor is affected by the actual and perceived flood risk. Given the absence of major public sector investment in new commercial and residential property over the past 20 years (when considered against significant levels of investment and development in comparable areas), the limited levels of private sector investment in Strathleven has meant that there has been relatively little development (particularly compared with the level of development seen in other areas).

The property stock within the area (both residential and commercial) is now dated and requires considerable investment, and in some cases demolition and redevelopment, to create property that is attractive to both residents and businesses.

- improving the socio-economic performance of the Strathleven Corridor by creating more chances and opportunities for local residents and businesses – removing the reliance on public sector subsidy:

WDC has suffered from high levels of population decline, with many of those most able and affluent choosing to leave the area in preference for better performing neighbourhoods – SIMD data shows that one-fifth of the population is both income and health deprived, and one-quarter is employment deprived.

The 'opportunity' case is built on:

- the range and quality of development land and redevelopment opportunities within the Corridor:

Alleviating the flood risk, improving the infrastructure and creating an attractive place that is ready for investment will have a major impact on the development potential of key sites. This will secure new private sector development and investment, helping to create/retain businesses, employment and residents.

- the volume of visitors that by-pass the Corridor, using it as an access route to Loch Lomond and the western Highlands:

Loch Lomond is one of Scotland's six key visitor destinations and creates a major impact at the national and international level. One of the Government's targets is to increase the value of tourism to the Scottish economy by 50% (driven by value rather than volume) – it is therefore essential that visitors are offered greater choices and chances to spend. At present the Strathleven Corridor is effectively a 'dead' area for visitors through which they pass – there is an opportunity to develop attractions, facilities and services targeted at visitors that create spend opportunities.

- the growing interest in sailing and water-based activities and potential to generate new activity that adds to the existing national product offer:

The opportunity to create a navigable link between Loch Lomond and the Clyde has been identified as an aspiration for various organisations for a long time – it is included in 'Scotland's Canals: An Asset for the Future' with an identified action for BWS to investigate the potential for the proposal.

VisitScotland data shows considerable past and forecast growth in sailing as a key attractor for visitors to Scotland. Connecting the internationally recognised brands of Loch Lomond and the Clyde could act as a further attractor, as could connecting Loch Lomond with the East of Scotland and Western Europe through the Millennium Link.

- increasing the impact and outcome of established national priority projects through improved connections, environment and infrastructure:

The Strathleven Corridor sits at a key strategic point connecting two national priority projects (National Park and Clyde Waterfront), two Urban Regeneration Companies (Clydebank and Inverclyde), two internally recognised sailing waters (Loch Lomond and the West Coast) and the Glasgow city region.

There is an opportunity to enhance connections and improve the impact of these national projects by creating a Strathleven Corridor that contributes, rather than detracts, from their aspirations.

- removing reliance on social benefit, improving physical wellbeing, and increasing economic activity by creating a place that provides opportunities to all of its residents through increased economic activity (more jobs and businesses):

Attracting new investment (particularly commercial) and creating a location that is attractive to investment will help to increase the number of jobs within the local area – linked to the LOAN activity proposals local residents will be better placed to take-up these employment opportunities. This will reduce dependence on social benefit and have consequent knock-on benefits in terms of physical wellbeing.

There is an opportunity to harness these opportunities through development of a strong delivery vehicle that has major stakeholder support. Now is the right time for Strathleven to harness the mix of opportunity and need to deliver a sustainable future for Strathleven.

3. The Strategic Case

3.1 The Economic Environment

The analysis shows that there are a number of economic challenges facing Strathleven and which help set the context for any future initiative.

In general, all the signs are that the spiral of decline is continuing and there are a number of key issues, particularly around the equity theme, which must be addressed.

Key economic indicators show that:

The Economy of Strathleven

- the population continues to decline, particularly within the working age group i.e. the key economic actors;
- even more worryingly, there is a forecast decline of around 30% in this group over the next 20 years – the area is losing its wealth creators – and crucially, sources of local demand;
- the public sector continues to be the main employer in the area – doubling its share of jobs since 2001. This level of increase will not continue into the future;
- there has been a steady shift from manufacturing employment to service sector employment – particularly into areas associated with leisure and tourism;
- West Dunbartonshire has low levels of labour market containment with a high proportion of resident jobs being outwith the area;
- the overall business base density is low with limited numbers of large employers outwith the public sector;
- the business start up rate in West Dunbartonshire is the lowest across all of Scotland;
- current forecasts suggest that employment opportunities will decline in the future – particularly due to the demographic trends;
- there are major infrastructure constraints to the development of the area – mainly around flooding and transport connectivity;
- the area continues to have high levels of social housing with limited private investment and therefore choice for housebuyers – although many opportunities have already been identified; and
- the Scottish Index of Multiple Deprivation shows that the area is generally rated poorly, having high levels of deprivation across a range of indicators.

An outline economic baseline for Strathleven is set out in Appendix 2.

Overall the economy in West Dunbartonshire and Strathleven continues to decline and without new opportunities there may be limited scope to reverse the trends outlined above.

From the analysis the key economic challenges are therefore to:

- reverse the decline in resident working age population;
- generate, grow and attract higher value private sector activity (businesses and jobs);
- increase the areas share and value of leisure and tourist visitors and their resultant spend; and
- improve the attractiveness of the area to private sector investors to create new housing and business property.

Therefore, although there are a number of major challenges for Strathleven, there are also a number of significant opportunities to address these and make progress in reversing the area's decline.

3.2 The Strategic Policy Environment

This section considers the wider strategic policy environment and shows how the Initiative will be supportive of and consistent with the wider environment.

National

The Government Economic Strategy (GES) is strongly focused on achieving economic growth but within a carbon-reducing environment with the key target of increasing GDP growth rate to UK levels by 2011.

The means to achieve growth is encapsulated in a set of five Strategic Objectives which aim to make Scotland:

- **Wealthier and Fairer:** enable businesses and people to increase their wealth and more people to share fairly in that wealth;
- **Smarter:** expand opportunities for Scots to succeed from nurture through to lifelong learning ensuring higher and more widely shared achievements;
- **Healthier:** help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care;
- **Safer and Stronger:** help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life; and
- **Greener:** improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

In order to deliver increasing sustainable economic growth, the Strategy identifies five Strategic Priorities critical to economic growth. These are described below together with the areas where the Initiative will make a contribution.

Strategic Fit and Contribution	
Scottish Government Strategic Priorities	SCI Contribution Potential
<i>Learning, Skills and Well-being</i>	<ul style="list-style-type: none"> • <i>Providing opportunities to support health and wellbeing</i> • <i>Providing new high quality locations to attract people to live, work and remain in Scotland</i>
<i>Supportive Business Environment</i>	<ul style="list-style-type: none"> • <i>Increase the number of highly successful, competitive businesses</i> • <i>Growth of key sectors with high growth potential</i>
<i>Infrastructure Development and Place</i>	<ul style="list-style-type: none"> • <i>Focus investment on making better connections across Scotland to maximise the opportunities for employment, business, leisure and tourism</i> • <i>Creating/improving 'green' networks, connections and places across the Corridor</i> • <i>Provide sustainable, integrated and cost-effective public transport alternatives to the car, connecting people, places and work across Scotland</i>
<i>Effective Government</i>	<ul style="list-style-type: none"> • <i>Improve the functioning of government more joined up of approaches</i>
<i>Equity</i>	<ul style="list-style-type: none"> • <i>Provide opportunities for all to contribute to Scotland's sustainable economic growth</i> • <i>Accord greater priority to achieving more balanced growth across Scotland, to give all across Scotland the chance to succeed</i> • <i>Promote economic growth and environmental quality and responsibility as mutually advancing</i>

This analysis shows that the Initiative has the potential to contribute across all areas of Government strategic objectives. A more detailed review of contribution against priorities is presented at Appendix 1.

Addressing the identified needs and opportunities in Strathleven is not only consistent with and supportive of these objectives, but is also able to contribute directly and indirectly towards a wide range of government targets covering both economic and equity outcomes:

- economic:
 - population growth, output growth, key industry sectors, and enabling transport; and
- equity:
 - relative participation, labour market participation, linking opportunity and need, and social equity.

Given the particular environmental aspects of SCI, it will be important that the Gate 2 proposal specifically considers environmental aspects through completion of a Strategic Environmental Assessment (SEA).

The SEA should specifically consider the impact and effect of the SCI overall and for individual project elements to ensure that the environmental aspects of the proposal are accorded the same status as economic and social aspects.

In addition to the above, the proposed Initiative is consistent with and supportive of a wide range of national strategy and policy documents, including:

- regeneration: 'Linking Opportunity and Need: Maximising the Regeneration Benefits from Physical Investment' 'People and Place: Regeneration Policy Statement';
- tourism: 'Tourism Framework for Change' 'Draft Culture Scotland Bill';
- planning: 'National Planning Framework 2' 'Choosing Our Future: Scotland's Sustainable Development Strategy';
- environment: 'NPF2 Strategic Environmental Assessment' 'Scottish Sustainable Marine Initiative' 'Flood Risk Management (Scotland) Bill' 'Water Framework Directive in Scotland' 'Scottish Outdoor Access Code'; and
- transport: 'Scotland's Canals: An Asset For The Future' 'National Transport Strategy'.

These policy areas will be subject to ongoing review as new priorities emerge, indeed a number of the specific documents are currently being re-drafted (e.g. Scotland's Canals). A more detailed strategic analysis will be undertaken as part of the Gate 2/3 development process, including identification of specific target contributions to the wider strategic environment. As the SCI proposal develops we will continue to reflect new and emerging policy and priorities.

From a strategic perspective, one of the central dimensions to Strathleven is that it physically connects three national priority projects:

- Loch Lomond and Trossachs National Park;
- the Clyde Waterfront; and
- Glasgow City Region.

There is therefore an opportunity to build on the proximity of these national priorities and to develop strong linkages both spatially and project-based to add greater value to their futures as well as contribute to the proposed Initiative.

This will be a key aspect to be considered further in the development process of the project.

Regional and Local

At a regional level, the projects sits well and is supportive of the aims of:

- the Glasgow and the Clyde Valley Joint Structure Plan;
- the Clyde Valley Community Planning Partnership;
- the Operational Programme Lowlands and Uplands Scotland ERDF; and
- Strathclyde Partnership for Transport.

All organisations being involved through the stakeholder consultation process and have recorded their support for the initiative.

At the local level, West Dunbartonshire Council has set out its strategic aims and objectives in the following:

- West Dunbartonshire Council Corporate Plan;
- West Dunbartonshire Local Plan;
- West Dunbartonshire Community Plan; and
- their associated Single Outcome Agreement.

A detailed review of the key policy documents is appended and analysis shows that the key economic priorities across all policy areas are:

- regeneration of town centres and waterfront areas;
- creating sustainable places (alleviating flood risk and harnessing the potential of water as an asset);
- growing the business activity, particularly around tourism;
- improving connectivity, especially to the city;
- better access to quality outdoor green spaces and places;
- more and better housing, focusing on social housing;
- reducing population decline;
- supporting employment opportunities through skills and employability; and
- ensuring an equitable spread of future investment.

Therefore the key issues as recognised through a contextual review have already been recognised and prioritised by the Local Authority.

The analysis also highlights the outcomes that the policies are seeking to deliver, with the SOA in particular, providing a quantification of the level of ambition.

Single Outcome Agreement

The Single Outcome Agreement is the key local policy document guiding service provision and project delivery for WDC and its local stakeholder partners. It draws from the West Dunbartonshire Corporate Plan and Community Plan and identifies key areas where WDC will contribute to national indicators and targets.

Single Outcome Agreements follow from a concordat signed by Scottish Government and COSLA on behalf of Scotland's 32 Councils. Each Local Authority outlines how it will work in the future toward improving outcomes for local residents based on a range of pre-set national targets.

Each SOA reflects local needs and circumstances and brings together a wide range of local stakeholders to ensure better delivery of services at the local level, generating improved impacts at the national level.

The SCI will deliver a range of specific projects that will make a significant contribution to the local (and therefore national) indicators within the West Dunbartonshire Single Outcome Agreement, including vacant/derelict land, number of visitors, employment rate, resident satisfaction rates, population and benefit dependency.

A more detailed review of strategic fit/contribution to the Corporate Plan, Community Plan and Single Outcome Agreement is outlined at Appendix 1

British Waterways Scotland

Finally, it is important to recognise how British Waterways (BWS) fits into the Initiative from a strategic perspective. At a high level, two of BWS objectives/themes relate to regeneration and tourism – key drivers of the opportunities within Strathleven.

Secondly, early work by BWS has recognised the potential to provide a meaningful and crucial contribution through creating a new canal link between the Clyde and Loch Lomond.

The Scottish Government believes that canals are an asset that, if used wisely, can enhance the future quality of life in Scotland. This is achieved through increased awareness and appreciation of the canal network, and by recognising the role canals can play in delivering wider public policy objectives. It is in this regard that the Scottish Government aspires to the creation of a navigable link between the River Clyde and Loch Lomond.

The Scottish Government has detailed this aspiration and a route to developing the asset of Scotland's canals in their policy document – Scotland's Canals: An Asset for the Future.

Summary

This brief analysis clearly shows that an Initiative focused on Strathleven not only has a strong strategic fit, is consistent with and supportive of local, regional and national policies, but crucially, is able to contribute meaningfully towards relevant objectives and targets.

This will be explored further in the more detailed analysis to follow.

3.3 The Need for Strathleven Corridor Initiative

The previous analysis has identified the main issues and the opportunities for the Strathleven Corridor but has not considered why these cannot be addressed through existing mechanisms and why a new initiative is therefore required.

The previous analysis has shown that past interventions have failed to deliver significant, lasting or comprehensive results, and based on the lessons identified from these, it is proposed that a specific Strathleven Corridor Initiative be developed as the only viable approach capable of delivering long-term sustainable change.

There is considerable precedence for this type of approach which has also been found to be successful elsewhere. Examples of specific area-based vehicles include the six established Urban Regeneration companies, Business Improvement District companies and local regeneration trusts e.g. the local Strathleven Regeneration Company and Fusion Assets in North Lanarkshire.

Establishing a specific dedicated initiative (a strategic framework for investment) will add value through:

How the Initiative will add value

- providing a more focused and co-ordinated approach to minimise overlap/duplication and maximise synergy and added value;
- creating a gateway to link to other partners' project and programme activity;
- agreeing a set of common and shared objectives within an established timeframe;
- providing a dedicated approach to delivery and helping to secure additional resources;
- establishing the basis for engaging more meaningfully with other organisations, stakeholders and partners, particularly with the local community;
- providing an appropriate scale for attracting national level support
 - delivering national scale objectives and targets;

- creating opportunities to link together and join up a wide range of activities across a number of spatial dimensions; and
- ensuring that the value generated by the additional activity is maximised for the local community.

All of the evidence points to the fact that a dedicated initiative with an agreed set of objectives and targets will create the best chance of securing lasting and sustainable change for the area.

3.4 Strategic Added Value

It is essential that the Initiative is able to add value to the economic growth at the regional and national levels and does not simply compete with, and dilute, other existing projects.

Overall, the Initiative will compliment what is happening locally and will not compete with other major projects such as the West of Scotland URCs and crucially, will add value to national level priorities:

- the property markets in Strathleven are largely local with limited leakage. Therefore any activity is unlikely to attract activity from adjacent areas;
- in a similar vein, other projects also operate within local markets and will have limited effects on Strathleven – part of the project is therefore about improving the local area and ensuring it is sustainable in the long term;
- the Initiative does not envisage development of business property on that would compete with other major employment locations. It is largely about helping to improve the quality and quantity of the local employment and business base, contributing to regional and national economic growth;
- the initiative will focus on complementing adjacent proposals by developing space that is additional, rather than similar;
- where the Initiative will impact nationally – the new water infrastructure, it will not dilute other activity but instead add to and support national priorities; and
- the Initiative will also seek new ways to add value to these priorities through providing additional economic activity.

Complimentarity with other initiatives

Therefore the SCI does not take away from other local or regional projects but adds value locally and nationally.

3.5 Scope and Focus for the Initiative

It is important that the Initiative is able to add value and does not simply duplicate what is already happening elsewhere. There is also always the danger that new initiatives attempt to be “all things to all people” and are too wide to provide meaningful focus for priorities and delivery.

While the initiative must have a high level of strategic focus, aiming too wide or too high will produce sub-optimum results and may be difficult to get off the ground. In developing the detailed initiative it is crucial to consider carefully its exact scope and boundaries.

For example, the performance of the local schools is essential in not only attracting and retaining residents (particularly those of working-age with young families) but also in securing new house building, as developers are more attracted to development opportunities in good performing educational catchment areas. Whilst education is a key factor condition for success, it is not an appropriate remit for a regeneration initiative.

It is, however, essential that the stakeholder partners (particularly WDC as the local education authority) recognise the key role that schools play in achieving long-term sustainable change and focus their activities and priorities accordingly.

On the other hand, it is recognised that the wider flooding issue acts as a major constraint on development and regeneration of the area and that this is not currently being addressed. It is therefore appropriate that this is seen within the direct scope of the Initiative.

Secondly, there will be a spatial nature to any Initiative. While some projects to support new housing or business property are likely to be of mainly local significance, the proposed Lomond Canal project is undoubtedly one of national significance, particularly given the fact that it will link two of Scotland’s key priority projects.

Therefore the initiative is likely to be a mix of local and national projects and ones where there is both direct and indirect influence.

At this stage, while the detailed scope is being developed the main focus of the project is seen to be around place and asset development.

It is likely to include activities in areas such as:

Scope of Initiative

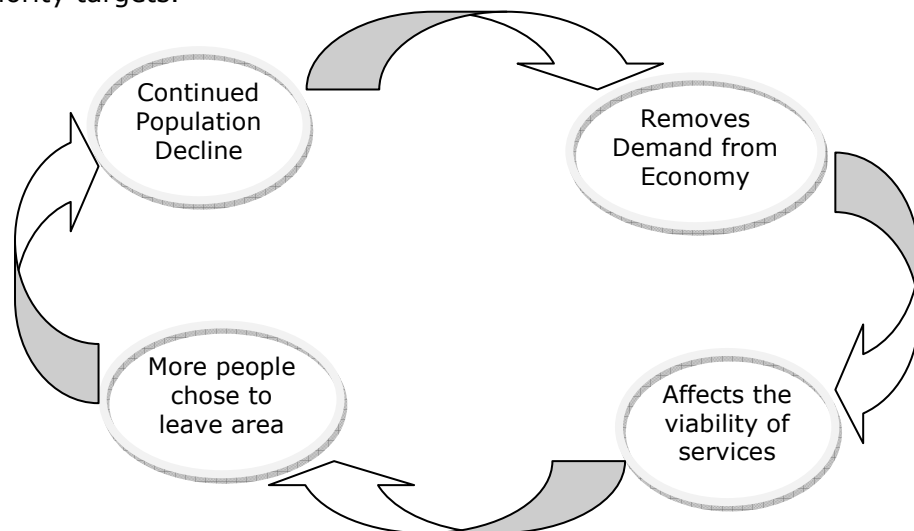
- new/upgraded infrastructure such as flood defences, transport and connectivity;
- land acquisition, renewal and preparation of development sites to pump prime future investment;
- physical area improvements with a focus on developing core activities including retail, service and leisure;

- supporting LOAN type activities to ensure that local residents and communities gain maximum benefit from future investment activity; and
- developing major leisure and tourism projects such as the Lomond Canal and other water-based opportunities linked to sailing on the Clyde Estuary.

These suggest the scope for direct intervention through the Initiative, but as highlighted earlier, this will only succeed if it is delivered in a holistic and sustainable manner.

3.6 Strategic Rationale

The initial analysis has highlighted both economic and equity benefits of delivering change to the communities of the Strathleven corridor area. It has also shown that it would be consistent with and supportive of local and national policy and deliver specific outcomes towards a range of priority targets.



In particular, there is strong rationale for intervention to reflect the counterfactual outcome – what might happen if no action is taken. Based on the analysis there is no evidence to show that the spiral of decline will be reversed without specific intervention: the population will continue to decline - removing demand from the economy - impacting on the viability of local public and private services - leading to a further decline in the area – which results in more people leaving.

There is a huge cost associate with the long term decline scenario – which the Strathleven Initiative seeks to address and reverse by re-injecting demand into the economy.

Without SCI the analysis demonstrates that there will be an opportunity cost for the Scottish economy at the national level through the failure to contribute to and support the development of the national priority projects.

It is also important that SCI clearly demonstrates a need for public sector intervention i.e. the market failure rationale. Market failure occurs when an imperfection in market mechanisms prevent economic efficiency².

As with the case of most complex economic development activities, it is generally multiple market failures that prevent economic efficiency and the delivery of the desired policy goal. The analysis highlights a number of market failures that exist in Strathleven that necessitate intervention from WDC and BWS (together with key stakeholder partners) to restore market equilibrium:

**Market
Failure
Analysis**

- imperfect information on market opportunities;
- externalities in terms of poor physical environment, image and perception of the area;
- non market activities or public goods projects e.g. the canal and infrastructure;
- views on risk (actual and perceived) by the private sector and level of competition with proved market areas;
- free riders, where some operators benefit on the back of investment by others, and therefore refuse to contribute to a collective project;
- uncertainty from the private sector about long-term trends in Strathleven associated with public sector priority; and
- the need for central co-ordination around future project delivery to ensure optimum use of resource.

These market failures mean that increasing the economic output and contribution of Strathleven may be constrained unless the public sector adopts the lead role in facilitating the development and delivery of a coherent and focused strategic plan.

3.7 Strategic Objectives

The strategic objectives for the Initiative are set out at two levels:

- primary (high level) objectives; and
- operational (secondary) objectives.

² Appraisal and Evaluation in Central Government

As outlined at Section 1, the high level objectives of the SCI are to:

**Strathleven Corridor
Initiative Strategic
Objectives**

- harness the potential of water as an economic driver;
- contribute to adjoining key national priority projects;
- create new tourism opportunities for visitors to stop, linger and spend;
- maximise equitable regeneration benefits to support long-term growth and prosperity; and
- create viable opportunities for private sector investment.

The overarching primary strategic objective of the Initiative is: ***“to halt and then reverse the area’s economic and social 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. It will:

**Operational
Objectives**

- contribute to the development and success of adjoining key **national priority projects**;
- create new and improved existing **tourism projects** with a particular emphasis on water related activities with a view to increasing its employment and contribution to national outputs;
- deliver a **new canal** linking Loch Lomond to the River Clyde together with associated tourism and leisure activity;
- by alleviating the **flooding problem**, create additional development land and capacity while minimising the flooding risk to existing residents and businesses;
- maximise the commercial benefits of **water as a commodity**, through renewable energy generation, sustainable transportation, sustainable drainage and raw water sales;
- **maximise the benefits** arising from the Initiative for local people and local communities; and
- attract new **private sector investment** to the area.

Long term aims are to contribute towards a range of strategic national and local targets, including ones covering:

- population;
- business and employment;
- tourism;

- environmental;
- retail; and
- development and investment activity.

The detailed targets will be developed through the business plan development process and will identify how and what exactly the Initiative will contribute to national targets.

4. The Economic Case

This section of the Strategic Business Case considers the economic case for the SCI proposal. It outlines the broad needs and opportunities that are designed to address the specific objectives of SCI, considers the options to achieve these objectives and presents analysis of the qualitative and quantitative impacts that could be generated through delivery of SCI.

To set the economic case in context, the primary objective of SCI is re-stated:

"to halt and then reverse the area's economic and social decline and thereby increase its contribution to national economic prosperity"

This is the primary objective against which the options, the specific projects and the benefits are considered. However, in addition, the options are also considered against the wider operational objectives as detailed in Chapter 3.

4.1 Options Analysis

The options review for SCI is split into two distinct elements – what to deliver and how to deliver it. These are considered in turn below.

4.1.1 Options – The What

In considering what to deliver to address these issues four main options were reviewed:

- do nothing and continue with the current situation – **the counterfactual approach:**

Flooding is a serious constraint within the Strathleven Corridor for established businesses and residents. It is estimated that some £1.35 million of public sector money has been spent dealing with the impact of flooding within Strathleven over that past seven years.

This equates to direct cost for remedial works and infrastructure failings incurred by WDC and excludes the cost to the private sector and the disruption to families and businesses. It also takes no account of the forecast increase in flood risk or the accelerated deterioration of infrastructure i.e. quay walls.

Flooding is also acting as a constraint on new investment within Strathleven by creating an additional risk affecting the real and perceived cost of developing within the Corridor compared with other areas and the returns that can be generated from any investment.

It is clear that the 'do nothing' option will not remove these constraints and allow the area to compete for private development and investment on an even level. It will not alleviate the flood risk within the Strathleven Corridor or Loch Lomond, one of Scotland's six key tourist destinations.

The do nothing option fails to add value to national policy objectives and does not contribute to either the primary or any of the secondary strategic objectives – it is therefore rejected.

- deliver a flood alleviation scheme that is designed as a basic engineered solution to the flooding problem – **the do minimum approach:**

Whilst this option will address the flooding issues within Strathleven, it does not support the wider regeneration aspirations of the partners and will not support a step-change in the area.

This option does not support community, social or economic regeneration for Strathleven and does not contribute to the place-making agenda, will not allow the opportunity to develop the tourism market within the area and does not support town centre regeneration for Dumbarton, Alexandria and Balloch.

The do minimum option has been costed at £32 million but while this contributes to the primary objectives it will have no impact on the secondary objectives and does not deliver any of the added value aspects of the proposal and does not therefore constitute value for money.

- deliver an integrated flood alleviation / new canal project with responsibility for delivery of supporting projects held outwith the SCI – **the Millennium Link approach:**

This option delivers an element of the added value output of the project through delivery of the Lomond Canal and therefore opens up the Strathleven area to increased visitor and tourist impacts (based primarily on greater spend opportunities, rather than a significantly greater volume of visitors).

It follows the model adopted through the delivery of the Millennium Link canal project (1998 – 2002; £78 million) of direct funding for the physical project components (engineering and construction) but no allocated budget to deliver the economic, social and community opportunities and needs arising from it.

Whilst there has never been a formal evaluation of the Millennium Link project there is a general recognition amongst economic development practitioners (albeit based on anecdotal evidence) that the failure to incorporate the supporting projects (economic/social/community) was a missed opportunity and has led to limited spin-off benefits being realised through the project. While some projects have been delivered at a later date, others were never started.

This option is rejected as it will not fully meet the aspirations of project partners or achieve the range of objectives of the SCI proposal.

- deliver an integrated area based approach that maximises local linkages delivering identified opportunities and benefits. This would include delivery of flood alleviation, the Lomond Canal and a wider range of projects that will collectively address the identified issues and opportunities – **the strategic investment approach**:

This option allows full delivery of the projects and proposals that are designed to meet all strategic objectives. It adopts a strategic investment approach that considers the needs, opportunities, risks and benefits of the area.

This option supports development of new commercial opportunities derived from wider water catchment management, sustainable drainage and water sales. The opportunity for this aspect will be explored in detailed as part of the Gate 2 appraisal.

The approach learns good practice lessons based on the experience of other major regeneration initiatives. It adopts a similar style of approach (though not the same delivery format) of an area regeneration vehicle.

This option is identified as the preferred approach to ensure that the SCI objectives are met in full in the most cost-effective manner, ensuring benefits are maximised for local residents, businesses and communities.

4.1.2 Options – The How

In considering how this holistic regeneration approach can be achieved, three specific delivery options were considered:

- individual stakeholders partners charged with leading project components – **the discrete approach**:

This option involves charging individual stakeholder partners with delivery of each discrete project element within the holistic regeneration plan within the context of an overarching Steering Group for the SCI.

Whilst key project elements could be easily allocated to individual stakeholders e.g. flooding to WDC and Lomond Canal to British Waterways, it does not support linkages between projects or cost-savings through combined delivery. It does not provide a clear route for consideration of new projects as opportunities or needs arise.

This option is rejected as it does not allow a strategic route for delivery of the proposal, does not deliver value-for-money or for maximum impact to be secured through the proposal.

- development of an informal partnership of the key stakeholders with resource inputs (staff and funding) agreed in principle but not formally committed – **the informal approach**:

This option assumes that one partner takes the overall lead for the proposal (WDC) with overall responsibility for delivery on the assumption that other key stakeholders will provide resource inputs (staff, project management and financial contribution) as required to complete the discrete project elements.

This option represents considerable risk to the lead partner as there is no formal commitment from the stakeholder partners and therefore a risk that they will renege on their informal commitment. This would put the delivery of the whole project at risk.

This option is rejected as it is unlikely that one partner could be persuaded, or have sufficient resource, to lead the project.

- development of a formal initiative structure to lead SCI – **the SCI approach**:

This option involves the establishment of an initiative structure to lead the delivery of the SCI and to which each of the key stakeholder partners makes a formal commitment.

This option could either involve the establishment of a new SCI initiative, or an extended remit for the existing Strathleven Regeneration Company. It would require sufficient resources (both staff and budget) to be dedicated to the vehicle to ensure that it is able to deliver each of the discrete project elements, and can also cover administration and management costs.

This option is identified as the preferred structure as it provides the best opportunity for delivery of the SCI over the long term. It will require considerable commitment to delivery through a partnership approach, and may best be delivered through secondment of staff (from the key stakeholders) to the initiative.

4.1.3 The Preferred Option

The preferred option involves development of a holistic regeneration plan for the Strathleven Corridor, delivered through a formal initiative. The rationale for this is based on:

Rationale for the preferred approach

- developing a clear plan of action with discrete project elements designed to meet specific objectives;
- securing clear commitment from each of the key stakeholders in both financial and staff resource terms;
- robust management with responsibility for delivery, monitoring and financial budgeting vested within one overarching body;

- clear management responsibilities for delivery of the discrete project elements;
- achieving value for money and economies of scale;
- wide stakeholder input from a range of organisations through development of a Strategic Partnership Board; and
- quick response to new opportunities ,risks and issues as they arise including new/amended projects to meet local circumstances.

4.2 Outline of Project Opportunities

At this strategic outline stage, no detailed appraisal has been undertaken of the individual projects or programme opportunities that will comprise the final initiative.

However, they are based on a range of opportunities identified through the analysis and business planning and consultation process.

For illustration only at this stage, proposals are likely to include:

- water space strategy:
 - Lomond Canal, entrance feature(s), Clyde/F&C linkages and River Clyde Ferry;
- water management:
 - flood alleviation, wider catchment management, commercial water assets, renewable energy generation, SUDS and ecological;
- waterfront development sites:
 - residential and mixed use development;
- infrastructure:
 - A82/A814, rail, utilities/services and Loch Lomond;
- town centres:
 - Dumbarton, Alexandria and Balloch;
- Lomondgate/Vale of Leven:
 - mixed use development;
- tourism:
 - attractions, events and hospitality;

- LOAN activity:
 - linking opportunity and need;
- green infrastructure:
 - paths, cycle routes, connections and greenspaces; and
- cross cutting themes:
 - equity, sustainability, strategic synergy and marketing/promotion.

In addition, there will be an element of ongoing project delivery over the detailed Gate 2/3/4 appraisal process i.e. in advance of SCI delivery. This activity will be supportive of the strategic aims and objectives of SCI and could include place-making or environmental projects at key gateway points into the area.

At this stage and with the level of information available, it is not possible to complete an economic impact assessment of the initiative which will form part of the next stage in the business planning process.

4.3 Outline Benefits

A detailed socio-economic impact appraisal will be undertaken once the discrete project elements are further developed. It is, however, possible to identify the types of impacts that will be secured through the SCI. These are considered under four themes:

- economic impacts and benefits – the quantifiable impact that the project will have on the economy at the local, regional and national scale;
- social benefits – the quantifiable social impacts that the project will have on the Strathleven Corridor and the extent to which these support national strategic objectives;
- place making benefits – the contribution that the project will make in supporting transformational change and acting as catalyst for wider regeneration proposals; and
- qualitative benefits – consideration of the wide range of additional benefits that cannot be quantified but will secure additional and significant benefits for Strathleven.

These benefits are considered in Table 4.1 below.

Table 4.1: SCI Benefit Review	
<u>Economic Benefits</u> <ul style="list-style-type: none"> • Job creation • New business formation • GVA • Increased visitor spend • Renewable energy generation 	<u>Social Benefits</u> <ul style="list-style-type: none"> • Population stability (retained/new) • Household income • Improved life chances (health, skills) • Improve SIMD stats • Sustainable urban drainage
<u>Place Making Benefits</u> <ul style="list-style-type: none"> • New investment (£ public/private) • New property development (SqM) • Access to quality outdoor spaces • Flood alleviation/water management 	<u>Qualitative Benefits</u> <ul style="list-style-type: none"> • Strategic Added Value • Distributional Impacts • Contribution to national priorities • Attractive/sustainable place

5. The Management Case

5.1 Introduction

The management case sets out the overarching governance, management and delivery aspects for the investment framework.

The detailed development of the management case will form one of the key components of the next stage in the business planning process and some outline details are presented below.

5.2 Operating Principles

The following sets out the proposed operating principles, values and key priorities for the Investment Framework and is based largely upon the views, aspirations and key requirements of the main partners.

Strategic

- the initiative is not and should not be seen as a new strategy – it is taking the existing strategic and policy environment and translating it into a framework for delivering progress and success;
- the principle focus will be the investment in physical and economic regeneration and of making better use of the many assets of the area; and
- the Initiative will seek to form strategic relationships with other organisations who have similar aims and objectives - it will clearly seek to be additional and not duplicate what others are already doing.

Market

- the final make up of the Initiative will be determined largely by the prevailing market conditions and opportunities, albeit operating within the partners overarching ambitions;
- market activities will be delivered by the private sector with support from the public sector where required and appropriate; and
- the Initiative will only respond to opportunities where demand is clearly identified and articulated.

Community

- the Initiative will strive to maximise the opportunities arising from the Initiative for local people and businesses in terms of training/employment and business opportunities;
- in order to achieve wide support and buy-in, SCI will focus on communicating and engaging with the wider community; and
- a key objective will be identifying/improving connections between communities and areas of need, and new areas of opportunity.

Partnerships

- the Initiative will strive to form early and lasting relationships with the private sector without whom the project will fail;
- the private sector focus will be on delivering new investment with the public sector adopting an enabling role through supporting projects and infrastructure; and
- the public sector partners agree that the regeneration of Strathleven is a key priority and as such will commit to achieving its delivery through supporting actions e.g. improvements in education attainment levels.

Delivery

- there is an absolute need for new resources to deliver any major change – net additional capacity and resources. The transfer of existing capacity will not be successful;
- there is a requirement to prioritise existing resources to ensure successful outcomes; and
- the focus will be on delivery and deliverables and as such it is recognised that an appropriate delivery vehicle will be required.

Communications

- communication will play a key role in the successful and sustainable delivery of the Initiative;
- it will seek to support participation and understanding with all sections and factions of the community;
- SCI will challenge people and communities to get involved; and
- it will also seek to communicate outside the local area where new opportunities may lie – attracting new and former residents, businesses and investors.

These principles set out the protocols which will be used in appraising and developing the (Outline and Full) Business Case for SCI.

5.3 Delivery Approach

One of the key issues identified early in the project development phase was the need to think carefully about the actual delivery of the project and to consider the various options before deciding on a preferred solution.

This component under-pins a key aspect of the project as in the past it has been lack of delivery that is generally seen as the single biggest factor stopping major change and development.

It is recognised that there is a need to establish, at an early stage, an appropriate delivery vehicle for the Investment Framework that properly reflects its specific make-up:

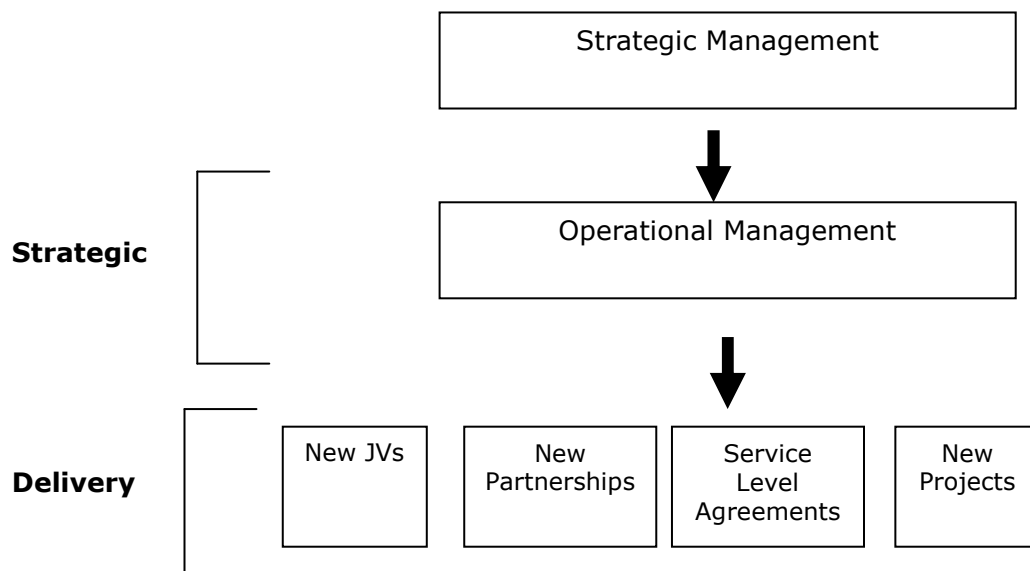
- the framework is multi-agency with a core of two public sector partners but with many more organisations having a more or less formal (potential) partnership role;
- it will have an elongated timescale and is likely to be delivered over the next 10-15 years. This will require the partners to commit both strategically and in resource terms over a long period – certainty of both funding and resources will be a key success factor;
- it will comprise different elements, some of which will be under the direct influence of the core partners, some of which will be largely driven by the private sector and finally some where an influencing role is required;
- the framework will be multi-functional and will ultimately seek to deliver a wide range of infrastructure, environmental, land and property, business development and community development activities. It will therefore need to work with many organisations and through a wide range of programme providers; and
- it is likely that there will be considerable need for long term public sector intervention and there are therefore no signs of an early exit route – any delivery mechanism must be able to stand the rigours of time, change of personalities and organisations and changes to markets and policy environment.

At this stage it is recognised that there are a range of possible delivery options which could be pursued and these were presented as part of the option appraisal.

There are pros and cons for each of the options and the next stage in the planning process will consider these in more detail and undertake a full delivery option appraisal.

At this stage it is considered that an overall management structure will be developed along the following lines.

Delivery Components



This framework will be developed further alongside the detailed delivery approach.

5.4 Stakeholder Engagement

There are a wide range of stakeholders who have been involved and engaged in the development of the project to date.

Stakeholder Engagement	
<u>National Stakeholders</u> Scottish Government Scottish Enterprise Scottish Water SEPA VisitScotland EventScotland Historic Scotland Scottish Natural Heritage Forestry Commission	<u>Local Stakeholders</u> Strathleven Regeneration Company West Dunbartonshire Community Planning Partnership Dunbartonshire Chamber of Commerce
	<u>Regional Stakeholders</u> Loch Lomond and the Trossachs National Park Strathclyde Partnership for Transport Glasgow and the Clyde Valley Structure Plan GCV Green Network
	<u>Private Sector Stakeholders</u> Clydeport

The stakeholders have been involved either through one to one consultations and/or through the strategy development workshop held in mid-March. Through these there was unanimous in principle support for the project and endorsement of the outline case as set out in this report.

It is of course recognised that a more detailed appraisal is required to address specific issues with the recognition that more work is required before any formal commitments or support.

Crucially, all of the stakeholders agreed to work with WDC and BW in further developing the project (through direct support and/or their regulatory role) and to this end they will commit time and resources to support further development work. It is the intention to make full use of and to this end a detailed proposal for how this will be delivered will be taken forward through the Gate 2 appraisal.

In particular it is important to note that the National Park is very committed to the proposal as it has a good fit with their overarching strategic objectives. In particular it has potential to deliver a sustainable solution to considerable water related challenges within the Loch, through direct flood alleviation and strategic water management.

It is also recognised that at this stage there has been no formal engagement with the local community (residents and businesses). It was considered that it would be too early to undertake community engagement at this stage when there was no formal commitment with which to engage.

However, it is recognised that this is a crucial component that will be addressed during the next stage in the business planning process.

5.5 Future Research and Analysis

As part of the next stage in the business planning process, a number of key aspects of the management case will be developed in more detail. This will include:

- stakeholder working groups;
- marketing and communication plan;
- detailed delivery option appraisal;
- community engagement plan;
- project milestones;
- exit strategy; and
- monitoring and evaluation.

The detailed development of the management case will therefore form a key aspect to be undertaken over the next few months.

6. The Financial Case

6.1 Introduction

At this stage in the business planning process (the strategic outline case) there is insufficient information and data to complete even an initial financial review with any degree of confidence.

While some early indications can be made as to the likely scale of the overall project this can at best, provide an indication of the likely order of magnitude of the project.

6.2 Funding the Projects

The project has been specifically designed with an investment framework approach where initial public sector investment will generate future financial and economic returns from, for example, the release of development land.

The detailed funding strategy will be developed around a number of principles as set out below:

- the funding approach is based around creating sustainable investment activity which can generate a return for re-investment;
- harnessing the potential (through commercial sales) of water as an asset in a global marketplace in a manner that generates sustainable energy for local markets;
- each individual project will be subject to a bespoke funding strategy that will seek to identify the best and most appropriate sources of funding;
- a detailed review of the full range of public funds will be undertaken by the project team to identify key future partners;
- the private sector will be key providers of funding and the project will seek to engage with them at an early stage;
- specific priority will be given to establishing opportunities through the proposed JESSICA fund and the Town Centre Regeneration Fund at an early stage; and
- the project will seek to develop an early relationship with a private sector advisor to support project development.

6.3 Other projects

At this stage and in order to set the scene a comparison of other major regeneration projects is set out below:

- Clyde Waterfront: £1.67 billion of public investment over a 15-20 year period toward total investment of around £5-6 billion;
- Clyde Gateway: £100 million short term public funding with £1.1 billion public investment over the long term to lever anticipated private sector investment of £1.5 billion;
- Riverside Inverclyde: £100 million of public funding over 10 years leveraging estimated £300 million of private investment;
- Dundee Central Waterfront: £70m of public funding to lever in £270m of private sector investment; and
- Ravenscraig: £127m of public funding over a 15 year period toward total investment of £1.5 billion.

It is impossible to offer a direct comparison as projects have different components and inputs and a like for like comparison is difficult. However it does show that the proposed investment framework is likely to be of a similar order of magnitude as other major regeneration projects.

6.4 Future Research and Analysis

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

- financial feasibility and projects costs;
- identification and quantification of future revenue streams;
- a detailed and full financial appraisal;
- engaging with private sector sources of funding;
- an individual financial assessment of each project to identify potential funding sources;
- value for money assessment; and
- sensitivity analysis.

This work will form a key component of the detailed planning process.

7. The Commercial Case

7.1 Introduction

This Chapter sets out the background to the commercial case for the project.

However, at this stage in the outline case, we have only set out an overview of the commercial aspects of the business case. A more detailed review of the commercial aspects of the project will be completed as part of the next stage in the business planning process.

It does, however, present a flavour of the scale, nature and scope of the various “markets” within which the project is being developed.

7.2 Market Review

At this stage we have provided an overview of each of the main market areas to provide an overview of the scale, nature and scope of the challenges and opportunities.

In order to address the strategic objectives, the project will operate in and seek to influence three key market areas as detailed below:

- property markets:
 - housing
 - business property
 - retail and commercial;
- tourism and leisure markets; and
- business development markets.

These are discussed in more detail below. In addition, the development of these markets will require under-pinning from a range of supporting infrastructure including:

- water and drainage infrastructure;
- transport infrastructure;
- environmental; and
- community based activities

These were highlighted earlier in Chapter 4.

7.2.1 Property Markets

Housing³

Although no detailed analysis has been undertaken, we have provided a snapshot of the current housing market in West Dunbartonshire:

- West Dunbartonshire has the lowest level of absolute new private house building rates except for the Northern and Western Isles;
- over the last five years it has averaged around only 250 new units across the whole LA area;
- it also has the second lowest rate of new private sector build in Scotland per 1,000 population (2.6 compared to Scotland 5.0);
- house prices in West Dunbartonshire are the lowest in Scotland outside the Western Isles and they also fell last year by over 10%;
- a previous report⁴ highlighted that Dumbarton had one of the lowest house price increases over the last five years;
- West Dunbartonshire has the highest rate of council housing as a percentage of all dwellings on council tax register across Scotland;
- West Dunbartonshire has the third highest public sector housing vacancy rate across Scotland; and
- a recent report by Shelter highlights that there are growing signs of affordable housing shortages in the West Dunbartonshire area.

Therefore, while West Dunbartonshire could be considered as affordable with overall low prices, it can also be characterised as underperforming and not offering a stock and choice that is attractive to existing residents or offers sufficient price incentives to attract new developers or residents.

Business Property

The economic history of West Dunbartonshire has largely mitigated against major new modern business property developments and with the exception of new development through Clydebank Rebuilt, there has been very limited new business space provided.

³ Source: Scottish Government Housing Statistics

⁴ Clyde Coast Framework: Scottish Enterprise

A business property review by SPN for Scottish Enterprise in 2007 concluded that:

- West Dunbartonshire has around 370,000 sqm of industrial stock in around 500 units, mostly very small and pre-1980;
- availability was around 41,000 sqm (mostly older) or 10% of stock which is less than the vacancy rate for central Scotland;
- crucially, only two units of post-2000 age were available – again underlining the preponderance of older stock;
- there was a recognised 1.6 years supply of industrial property – around regional averages;
- the business space/office market is significantly smaller with only around 8,000 sqm available in 2007; and
- this represents less than 1 years supply – again of mainly older units.

There are very limited business locations in the Strathleven area, with stock confined to older town centre type offices and traditional industrial estates. There are no modern business parks or modern locations, although the proposed Lomondgate development has allocated around 20 acres for business park use which will be capable of accommodating around 20,000 sqm of business space and will go some way to reversing the current shortage.

Overall, the lack of higher value property, coupled with a similar situation in the housing market, is likely to act as a constraint on the future local economic growth.

Retail and Commercial

The retail component in Strathleven is located in both traditional town centres (Dumbarton, Alexandria and Balloch) and out of town (St James Retail Park, Antartex, Loch Lomond Outlets and Loch Lomond Shores).

There are already masterplans which have been developed for the town centres, although limited actions have been delivered.

As such it would not be the intention of any future initiative to duplicate the work already undertaken but to recognise the importance of the town centres in the economic balance for the area and as part of the key infrastructure.

The Glasgow Clyde Valley Structure Plan shows that while there is a relative good balance for convenience shopping, there is a major leakage of comparison expenditure to the city centre generating a priority for major improvements to Dumbarton Town Centre.

The SPN data shows that:

- the level of vacant retail has increased from a long run average of around 20,000 sqm to around 50,000 sqm; and
- there are only 1 or 2 retail units taken up per annum.

The evidence shows that Strathleven's town centres operate within well defined local markets and are quite small with high levels of retail leakage.

It is also recognised that there is a need to improve the vitality and viability of the town centres to both support existing demand but also to support the attraction of new demand.

7.2.2 Tourism and Leisure

Loch Lomond and Trossachs National Park

The main tourism activity within Strathleven is that associated with the National Park and Loch Lomond Shores.

It was estimated⁵ that the number of visitors to the National Park are around 5 million (with around 1 million staying) and to Loch Lomond Shores around 1 million per annum.

Total visitor expenditure is estimated⁶ to be £226 million, with around a third generated in and around Loch Lomond. However, there is no evidence on the amount of activity (and spend) which is generated within Strathleven, but it is assumed to be limited at the present time. The figures do, however, provide an overview of the potential market size.

Currently, Strathleven only plays a limited role with regard to the Park:

- as a gateway for arrival and exit to and from the Park;
- as a key tourist service centre; and
- source and provision of workers.

The Draft Park Plan recognises the importance of these gateways and recognises that the quality of the visit to the Park will be significantly affected by the impression of these arrival routes and gateways.

It is also the intention to encourage visitors to use the services, facilities and attractions available in the gateway and surrounding communities.

⁵ LLS Annual Report 2006 EKOS

⁶ SQW for LLTNP

At this stage it is not clear the role which Strathleven, its communities and businesses plays in supporting the Park development and this will be explored and developed further as part of the next phase of business planning.

Lomondgate

The other major leisure development proposal within the area is at Lomondgate. The masterplan shows proposals for roadside services located adjacent to the Business Park to incorporate:

- a 60 bed hotel;
- family pub/restaurant;
- petrol filling station; and
- convenience store.

It is also proposed to create two fast food/restaurant outlets in addition to further convenience retail/tourist facilities and a creche.

New Tourism Development

In addition to the above, one of the main proposals to address the strategic objectives is the linking of the River Clyde with Loch Lomond.

While this is at the early stage in its development, one (but not the only) dimension of the project will be to:

- develop and support additional sailing activity in Loch Lomond;
- provide additional mass to the Sail Clyde initiative;
- support the growth in the lowland canal boating market;
- develop new water related sports and leisure activities;
- develop a new signature development in Dumbarton (for example, a west coast Falkirk wheel); and
- develop a series of water related tourism and community events.

The detailed development of the new canal project will be one of the key development activities during the next stage in business planning.

7.2.3 Business Development Markets

The final market area which the project is seeking to address relates to the business development activity in Strathleven. The previous analysis shows that the area is characterised by:

- low level of business density;
- low level of business start up activity; and
- lower value businesses and employment.

It is not intended to repeat the economic analysis but in order to fully address the strategic objectives, Strathleven therefore needs more higher value jobs and higher value companies.

Therefore as part of the next stage in developing the business plan and once future opportunities are better understood a **business development action plan** will be completed with a view to addressing this aspect of the project objectives.

7.3 Supporting Infrastructure

The initial development analysis has identified a range of supporting infrastructure issues which require to be addressed. These include:

- the crucial issue of flooding in and around Dumbarton;
- the A82 road and related access issues;
- related environmental and green network projects; and
- community based initiatives.

The detailed scale, scope and nature of these will require further analysis/ research to understand need, opportunity, cost and risks. This will form part of the work programme for the next phase in business planning.

7.4 Future Research and Analysis

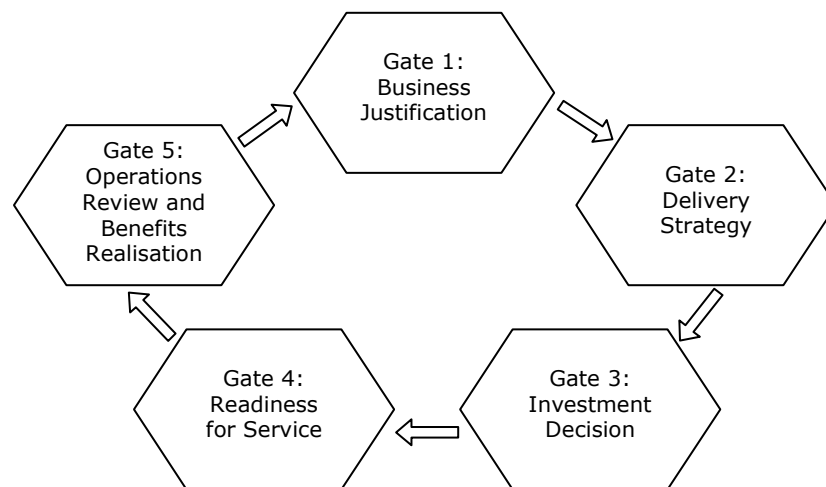
As part of the next stage in the process it is recognised that there will need to be a more detailed commercial appraisal undertaken to include:

- property market (supply and demand) analysis;
- tourism and visitor related market analysis;
- project development and feasibility, particularly water management;
- business development action plan; and
- infrastructure feasibility studies.

8. The Way Forward/Next Steps

This document presents a Strategic Outline Case (SOC) for the Strathleven Corridor Initiative.

The analysis underpinning this SOC is based on the Gateway Review process – a technique adopted by UK Central and Scottish Governments (and their respective Executive Agencies). The SOC represents Gate 1 in a five stage process as outlined in the figure below.



Gates 1 to 3 represent review and analysis in advance of any financial commitment to the project – these allow the process of detailed design, appraisal, stakeholder support and authorisation in an iterative process to ensure that the project is developed to achieve best value.

Gate 4 is undertaken after the financial commitment has been made and any physical/resource input is complete but before the project 'goes live'. It provides an opportunity to review the proposed activity and make any final amendments. Gate 5 is undertaken once the service is established and should be undertaken more than once for a lengthy project. It reviews the service/activity, considers how it is managed, delivered and performing and outlines an appropriate exit strategy.

The SCI is at the first stage in the Gateway review process and as such presents the first strategic case for the project. It requires a considerable level of further detailed research to allow it to progress to Stage 2.

8.1 Readiness for Stage 2

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

1. Is there an overall project structure for the Delivery strategy phase (Gate 2)?

WDC and BWS will continue to lead the appraisal through Gate 2. Based on the positive response and feedback from stakeholder partners, it is proposed that a Steering Group be established of external partners which will act as Gateway Reviewers.

The specific additional research and analysis that needs to be addressed through Gate 2 is considered at Section 8.2 below.

2. Is there a realistic plan to reach OCG Gateway Review 2: Delivery Strategy?

Assuming a positive outcome from WDC's Full Council, BWS Board and Scottish Ministers, it is proposed that the SCI proceeds to detailed review, appraisal and analysis. This work will commence as early as possible, but is likely to start in Autumn 2009 and require a six to twelve month workplan to allow completion of detailed design for the major infrastructure elements of the project – flood alleviation and Lomond Canal.

The objectives of the Gate 2 review are to complete the specific research requirements (as outlined in Section 8.2 below) and fill the evidence gaps. This will provide the detailed evidence required to allow progress to Gate 3.

The SCI is designed to meet the economic, social and environmental needs/opportunities at the Strathleven Corridor over the next 10-15 years, contributing to West of Scotland and Scottish level aspirations and objectives.

The key elements of the SCI project will be led by the public sector and Government's Executive Agencies (flood alleviation, Lomond Canal, infrastructure and business/skills/community initiatives), but the role for the private sector within these projects will be tested through the Phase 2 review.

In terms of projects that will be led by the private sector (tourism, residential, retail and leisure developments) feedback from property developers shows that there is demand and opportunity within the area that is constrained by a number of specific local factors, including flood risk. Gate 2 will include a property market appraisal that provides a detailed review of demand, opportunity and risk.

3. Have requirements for external specialist advice been determined?

Development of the SCI through Gate 2 will require input from external specialists in the form of:

- *technical analysis and design of engineered solutions for the flood alleviation and Lomond Canal proposals;*
- *detailed appraisal and review of opportunity/demand/risk for the Lomond Canal proposal – to identify the potential volume of users and the local/regional/national impacts that could be derived from it;*
- *property market appraisal of the development opportunity/demand/risk to identify levels of additionality and displacement and position the SCI in terms of how it can deliver maximum impact at the national level;*
- *preparation of strategic environmental assessment for the SCI proposal, at both strategic and individual project level;*
- *community consultation – based on the development of a formal communications plan guiding consultation with all key stakeholders. There will be a need for specialist external consultants to manage and deliver community events and prepare published communication materials including press releases, newsletters, websites, information/interpretation guides, graphic displays, etc; and*
- *completion of the Gate 2 Delivery Strategy – whilst this will be led and managed by WDC/BWS and the stakeholder Steering Group, there will be a need to appoint external consultants to undertake the detailed research and prepare the 'Outline Business Case'.*

Where possible, internal WDC/BWS/SRC and stakeholder partner resources will be used to minimise cost and maximise in-house learning/understanding, but it is recognised that resources (both financial and people) will need to be supplemented to allow completion of these elements.

4. Are internal Project Team skills adequate?

The SCI initiative is designed as an integrated team approach from the three key partners – WDC/BWS/SRC. This brings the key skills of each organisation to maximise the use of internal resource and reduce the need for external consultants.

As outlined above, however, there is a need for specialist technical support to supplement this in-house team. This resource will be drawn from a range of additional sources:

- *external stakeholder organisations – SNH, SEPA, GCV Green Network, Scottish Government,*
- *specialist organisations – Scottish Centre for Regeneration,*
- *consultants – technical, economic and research;*

A detailed workplan outlining specific requirements and actions will be developed if the SCI proposal proceeds to Gate 2. Where there is a need for appointment of external specialist advisors, the approach will seek to maximise in-house learning through secondment opportunities. This may help to reduce the cost of using external specialists, but will have a greater impact in terms of project implementation as there will be more detailed understanding of the detailed aspects of the SCI proposal.

5. Is the time plan for the next stage realistic? Does it take into account any statutory lead times?

It is assumed that there will be a six month period prior to progression to Gate 2 where the output from the Gate 1 will be reviewed and considered by WDC/BWS and Scottish Ministers.

The timescale for completion of the detailed design and research required to support Gate 2 is estimated to require a 12 month period from Autumn 2009 to Autumn 2010. With this detailed level of review and analysis it is anticipated that the project could move forward relatively quickly to early action projects by 2011/2012.

The timetable for the remainder of the SCI proposal is estimated to be:

- stakeholder buy-in – Autumn 2009
- Gate 2 appraisal, research and development – Autumn 2009 to Autumn 2010
- community consultation – ongoing from 2009
- Gate 2 approval – Autumn 2010
- early action project delivery – 2009/2011
- Gate 3 appraisal, research and development Spring/Summer 2011
- Gate 3 approval – Summer 2011
- Gate 4 appraisal and approval – Autumn/Winter 2011;
- SCI established and project start – 2011
- site acquisitions, adjacent owner negotiations, project tendering and statutory permissions – 2011 to 2014
- flood alleviation / Lomond Canal – Summer 2014
- flood alleviation/Lomond Canal complete – 2020
- key supporting projects delivered – 2014 to 2025
- Gate 5 appraisal and review – biennial from 2014 to exit
- SCI wound-up and exit – 2025

This timetable will be reviewed and refined in light of the Gate 2 appraisal and review.

6. Is there a clearly defined project organisation with agreed roles and responsibilities?

WDC is the lead organisation leading the development of the SCI proposal. It is recommended that delivery will be undertaken through a sustainable investment model – the Strathleven Corridor Initiative – but WDC will maintain overall responsibility prior to the delivery period:

- the SRO is Elaine Melrose, Executive Director of Housing, Environmental and Economic Development
- project manager (Responsible Officer) is Jim McAloon, Head of Housing and Regeneration
- project sponsor is WDC
- stakeholder representation will come from all relevant organisations – SNH, SEPA, GVN Green Network, Scottish Water, National Park, Community Groups, etc
- a Project Steering Group will be established that allows strategic input from key stakeholders to the design, appraisal and review of SCI as it progresses from Gate 1 through to delivery
- design champion (for construction elements) – Ronnie Dinnie, Head of Land and Environment

Whilst the project will be led by WDC it requires considerable input from a wide range of stakeholder partners, with particular need for collaboration with BWS. It is therefore important that a clear process is developed to ensure clarity of roles/responsibilities and alignment with strategic objectives. This will be a key issue for consideration at Gate 2 and will influence the detailed options appraisal (organisational design).

7. Are there the necessary funds to reach an OGC Gateway Review2: Delivery Strategy?

As one of the smallest Local Authorities in Scotland (by geographic area) with one of the highest population densities but also significant socio-economic disadvantage to address, WDC does not have considerable resource (or access to it through strategic land/asset disposal) to fully cover the cost of appraising and developing a major regeneration initiative, one that will deliver regional/national impacts and outputs.

There is a considerable level of detailed research and review required to complete the appraisal of SCI – this will require both in-kind staff resource and direct financial costs.

Whilst WDC recognises the significant benefits that SCI will deliver, the cost of completing the appraisal will be outwith their financial means. It is proposed that Gate 2 development costs are split between the key partners, WDC and BWS, with match-funding provided by Scottish Government.

This OBC 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 recognise the opportunity created through SCI and provide additional resource to allow the proposal to be developed in detailed.

WDC/BWS will allocated resources through staff and in-kind costs as well as funding from internal budgets but are seeking gap funding from Scottish Ministers to allow the detailed case to be developed. This will be supplemented with in-kind and staff input from other stakeholder partners as agreed.

8. How have re-competition issues been addressed with incumbent suppliers, if relevant?

Not applicable for the SCI proposal – there are no issues associated with re-competition of existing services or activities.

Based on the 'Readiness for Stage 2' review, the next section presents an outline of the immediate next steps required to secure the future delivery of the SCI proposal.

8.2 Immediate Next Steps

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, but has been postponed until there is a realistic opportunity for the SCI proposal to proceed to delivery.

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

Appendix 1 Strategy Analysis

Government Economic Strategy

West Dunbartonshire Corporate Plan

West Dunbartonshire Community Plan

West Dunbartonshire Single Outcome Agreement

Government Economic Strategy		
Overall Vision	Economic Development and Regeneration Objectives	Measures and Targets
<ul style="list-style-type: none"> • Wealthier and fairer • Smarter • Healthier • Safer and stronger • Greener 	<ul style="list-style-type: none"> • GDP Growth Rate • Productivity • Labour market participation • Population growth • Income equality • Relative participation • CO2 omissions • Business Support • Innovation/R&D • Key sectors • Enabling transport • Cities • Linking opportunity and need • Planning and Place • Social and Regional equity 	<p>By 2011:</p> <ul style="list-style-type: none"> • raise the GDP growth rate to the UK level • reduce emissions over the period to 2011 <p>In the longer term:</p> <ul style="list-style-type: none"> • match the <i>GDP</i> growth rate of the small independent <i>EU</i> countries by 2017 • rank in the top quartile for productivity amongst our key trading partners in the OECD by 2017 • maintain our position on labour market participation as the top performing country in the UK and close the gap with the top 5 OECD economies by 2017 • match average European (EU15) population growth over the period from 2007 to 2017, supported by increased healthy life expectancy in Scotland over this period • increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017 • narrow the gap in participation between Scotland's best and worst performing regions by 2017 • reduce emissions by 80 per cent by 2050

West Dunbartonshire Corporate Plan		
Overall Vision	Economic Development and Regeneration Objectives	Measures and Targets
<p>Improve prosperity and inclusion for all citizens, deliver better and more efficient services, and improve West Dunbartonshire as a place to live, work and visit.</p>	<ul style="list-style-type: none"> • Regenerate town centres / related waterfront areas • Reduce amount vacant derelict land • Business development / more businesses • Grow the tourism economy • Improve metropolitan connectivity • Improve mix quantity and affordability of housing • Improve quality and access to green space • Reduce risk of flooding on non agricultural land 	<ul style="list-style-type: none"> • Amount of vacant retail space • Amount of land improved • Unemployment / New business • Increase in visitors • No schemes • Relative prices/ No new houses • New footpaths / New open space • Reduction in number of serious incidents

West Dunbartonshire Community Plan		
Overall Vision	Economic Development and Regeneration Objectives	Measures and Targets
Working in partnership to reduce poverty and exclusion, deliver better services and continue to improve the quality of life for everyone living in West Dunbartonshire whilst protecting the natural environment	<ul style="list-style-type: none"> • Regenerate key town centres • Improve the A82 • Innovative economic growth and investment • Linking opportunity and need • Develop social economy initiatives • Ensure local people can access clear pathways to employment 	<ul style="list-style-type: none"> • lever in £400m of investment in Clydebank. Including: a 15 acre Enterprise and Learning district; a new Clydebank College campus; 1,200 new homes; 400,000 sq ft of business space; 1,700 new jobs and town centre regeneration • lever £127m investment, create 500 retail and construction jobs, build 1,200 homes and develop 185,000 sq ft of retail and office space in Dumbarton and Alexandria town centres • support 2,190 unemployed people into jobs and training opportunities by 2010 • support 110 businesses in West Dunbartonshire each year • ensure local employability services work together to support employers and connect local people to employment opportunities • provide 225 training opportunities each year and reduce the proportion of 16 to 19-year-olds in the NEET group by 2008 • develop an integrated economic strategy for West Dunbartonshire by 2007 • provide opportunities in line with the Area Tourism Partnership Action Plan

West Dunbartonshire Single Outcome Agreement		
Overall Vision	National Objective	Relevant Indicator
The agreement embodies the principles of mutual respect and partnership which are set out in the Concordat agreed between the Scottish Government and local government in November 2007	1. We live in a Scotland that is the most attractive place for doing business in Europe	<ul style="list-style-type: none"> • Business VAT Registrations per 10,000 population • No. of hectares of land on the vacant and derelict land register taken up (CPI) • Percentage of retail space in (a) Alexandria, (b) Dumbarton and (c) Clydebank town centres that is vacant (CPI) • Percentage increase in number of visitors to West Dunbartonshire (CPI)
	2. We realise our full economic potential with more and better employment opportunities for our people	<ul style="list-style-type: none"> • Employment Rate • Claimant Count - Percentage of working age people claiming (a) Job-seekers allowance, (b) Incapacity benefit and (c) Income Support
	6. We live longer and healthier lives	<ul style="list-style-type: none"> • Healthy-Life Expectancy in 15% most deprived areas • Deaths for under 75s from CHD in 15% most deprived areas (rate per 100,000) • Percentage of population with Body Mass index of 25 or over • Percentage of population taking at least 30 minutes of moderate exercise 5+ times per week or at least 20 mins of vigorous exercise 3+ times per week
	7. We have tackled the significant inequalities in Scottish society	<ul style="list-style-type: none"> • Percentage of households where sole income is from benefits • Proportion of people living in relative poverty • % of children living in households dependent on out-of-work benefits

	10. We live in well-designed sustainable places where we are able to access the amenities and services we need	<ul style="list-style-type: none"> • Number of new build properties (a) owner-occupied, (b) RSL • Rent lost through no. of voids • The total percentage of the council's housing stock meeting the Scottish Quality Standard (CPI, SPI)
	11. We have strong, resilient and supportive communities where people take responsibility for their own action and how they affect others	<ul style="list-style-type: none"> • Percentage of residents rating neighbourhood as a 'very good' place to live
	12. We value and enjoy our built and natural environment and protect it and enhance it for future generations	<ul style="list-style-type: none"> • Proportion of protected nature sites in favourable condition • Percentage of Citizens Panel respondents who are satisfied or very satisfied with the physical appearance of their local area (CPI) • Average habitat network size
	13. Take pride in a strong, fair and inclusive West Dunbartonshire identity	<ul style="list-style-type: none"> • Percentage of Citizens Panel respondents who are very or mostly satisfied with their perception of overall quality of life (CPI) • Population of West Dunbartonshire • Net Population Migration
	14. We reduce the local and global environmental impact of our consumption and production	<ul style="list-style-type: none"> • Percentage of Adults travelling to work by car or van • Percentage of children travelling to school by public or active transport

Appendix 2 Socio-Economic Summary

The socio-economic baseline provides an overview of the current social and economic conditions in the Strathleven Corridor (where data permits) and West Dunbartonshire and shows how these conditions have changed over the past 6/7 years. When relevant and where possible we compared the Strathleven Corridor to West Dunbartonshire, Greater Glasgow⁷ and Scotland. Where data was not immediately available for the Strathleven Corridor we concentrate our analysis at a West Dunbartonshire level, making the assumption that the Strathleven Corridor is likely to shadow any emerging trends.

The wards that comprise the Strathleven Corridor include: Alexandria North/Tullichewan; Balloch; Barloan/Overtoun; Bonhill East; Bowling/Milton/Old Kilpatrick; Dumbarton Central; Dumbarton East; Dumbarton North; Dumbarton West; Renton/Alexandria South; and Riverside.

Demographics

The first section of the socio-economic baseline analyses the demographics of the study area: how they have changed over time; how these changes compare with West Dunbartonshire, Greater Glasgow and Scotland; and how these changes will affect the study area.

Table 1 reports the change in population between 2001 and 2007.

Table 1 Population 2001-2007				
	2001	2007	Change 2001-2007	
			No	%
Strathleven	46,619	-		
West Dunbartonshire	93,300	91,090	-2,210	-2.4
Greater Glasgow	1,664,951	1,670,920	5,969	0.4
Scotland	5,062,011	5,144,200	82,189	1.6

Source: SCROL 2001; GRO

While the population of Greater Glasgow and Scotland has grown marginally since 2001, the population of West Dunbartonshire which includes the Strathleven Corridor area has declined -2.4%.

Of particular concern is the decline in the proportion that comes from the working age population. While there has been a rise in population in Scotland as a whole and the Greater Glasgow area, this is not the case in West Dunbartonshire where there has been a slight decline in the working age population overall (-2.4%) but a major decline in the key age group of 25-39 years (-15.2%) since 2001.

⁷ Greater Glasgow consists of the following Local Authorities: East Dunbartonshire, West Dunbartonshire, North Lanarkshire, South Lanarkshire, East Renfrewshire, Renfrewshire and Glasgow City.

GRO Scotland forecasts that the population of West Dunbartonshire will fall further between 2006 and 2024 – approximately -5,000, -5.2% - while the populations of Greater Glasgow and Scotland are both forecast to grow (0.7% and 4.6% respectively).

Travel to work data in **Table 2** shows how far (in km) on average the population from the specified area travel to work.

Table 2 Travel to Work (km)	
	2001
Strathleven	14.6
West Dunbartonshire	12.8
Greater Glasgow	11.5
Scotland	12.6

Source: SCROL 2001

Employment Trends

Table 3 reports employment growth using ABI employee analysis and shows that employment growth in West Dunbartonshire has occurred at three times the rate of Greater Glasgow and Scotland.

Table 3 Employment Growth				
	2001	2007	Change 2001-2007	
			No	%
Strathleven	-	16,222	-	-
West Dunbartonshire	29,234	33,502	4,268	14.6%
Greater Glasgow	767,026	806,480	39,454	5.1
Scotland	2,299,822	2,407,658	107,836	4.7

Source: ABI

Although the employment growth is positive, this data is resident based and represents the employment growth of the residents in West Dunbartonshire rather than the growth in local workplace based employment.

The main changes to have occurred in West Dunbartonshire have been the rise in the number workplaces in banking, finance, insurance etc. and public administration, education and health. Of the workplaces that are in these industrial groups in 2007, in both cases approximately half of the jobs are located within the Strathleven Corridor.

There have been a significant number of workplaces lost in distribution, hotels and restaurants, 44 (-5.9%) since 2001. As with the general trend in Scotland there has also been a reduction in the number of workplaces in manufacturing in West Dunbartonshire between 2001 and 2007, a fall of 21 workplaces (-14.1%). This is quite significant as approximately half of these workplaces are located within the Strathleven Corridor.

Overall, the number of workplaces in West Dunbartonshire has not changed significantly between 2001 and 2007 – an increase of 11 workplaces. The changes in the number of workplaces in the different industries have evened themselves out over time, resulting in a fairly static number of workplaces in West Dunbartonshire.

The key issue is the fall in the number of workplaces in distribution, hotels and restaurants. This is a key sector within tourism-related employment and the Strathleven Corridor accounted for half of these workplaces in 2007.

In the latest Government Economic Strategy, the importance of learning and skills as a fundamental driver of growth is firmly established as a critical element in the creation of the knowledge-based economy that is responsive and adaptable to rapid global change and the establishment of a wealthier Scotland.

The industries (defined by two digit codes) that contribute to the Knowledge Economy as defined by Scottish Enterprise

The contribution of Strathleven and West Dunbartonshire as a whole to the knowledge-economy in terms of workplaces is reported in **Table 4**.

Table 4 Knowledge Industries 2001 and 2007					
	Year		Change		% of total workplaces 2007
	2001	2007	No	%	%
Strathleven	-	315	-	-	31.0
West Dunbartonshire	600	667	67	11.2	32.0
Greater Glasgow	15,579	17,801	2,222	14.3	35.0
Scotland	51,450	60,396	8,946	17.4	34.3

Source: NOMIS ABI Workplace Analysis

The far right column in **Table 4** reports the percentage of total workplaces that the knowledge industries account for in each area. In comparison to Scotland, Strathleven and West Dunbartonshire perform well, with workplaces in the knowledge industries only slightly less than in Scotland as a whole. Of the workplaces in the Knowledge Industries in West Dunbartonshire approximately half are located in Strathleven.

The Scottish Government is identifying these groups as key to economic growth in Scotland. Our experience would suggest, however, that in West Dunbartonshire/Strathleven KI employment will be largely accounted for by significant levels of public sector employment.

The main changes that have occurred in the occupation groups (workplace based) in West Dunbartonshire between 2004 and 2008 have been the growth in personal service occupations (700 workplaces, 16.3%) and the fall in process, plant and machine operatives (-500, -13.9%).

The growth in personal service occupations is in line with the level of growth for Scotland (16.5%) but the decline in process, plant and machine operatives has been at a much greater rate than in Scotland with (-1.8%). By comparison there has been a large growth in associate, professional and technical occupations in Scotland. This is likely to be a result of the Government's promotion of the knowledge industry.

The number of businesses in West Dunbartonshire is 22.9 per 1,000 population, significantly less than the Scottish average of 34.3. This indicates that the sizes of the businesses in West Dunbartonshire are larger than the average in Scotland.

Unemployment

Unemployment is a key-socio-economic indicator as high levels of unemployment are linked to deprivation. The lower the unemployment rate is the more likely an area's population is to have a good level of disposable income and money to spend in the local economy.

The current rate of unemployment in West Dunbartonshire (4.9%) and Strathleven (4.5%) is higher than in Scotland as a whole (3.0%) and the surrounding Greater Glasgow area (3.6%). Approximately half of the unemployment in West Dunbartonshire is contained within the Strathleven Corridor.

Although the rate of unemployment continues to be higher, the actual improvement in absolute numbers of those unemployed in West Dunbartonshire has improved at a greater rate, a fall of -7.3%, than in Scotland (-4.6%) and Greater Glasgow (-2.0%).

The number of long-term unemployed in West Dunbartonshire has declined by two thirds since 2001. This is a much greater improvement than the national rate (-50.2%), and also for the Greater Glasgow area (-42.6%).

As well as this absolute improvement, the rate of long-term unemployment has declined significantly in West Dunbartonshire. The long-term unemployment rate (as a proportion of those unemployed) has decreased from 20.3% to 7.1%. This is a huge improvement given that in 2001 the rate of long-term unemployed in West Dunbartonshire was higher than in Greater Glasgow and Scotland, but by 2008 the rate was a percentage point lower than the rate for Scotland.

However, the workplace analysis reports that the number of workplaces in the area has been fairly static, so either businesses are expanding or workers are out-commuting.

Economic Inactivity

Those who are considered economically inactive are those people who are neither in employment nor unemployed because they do not satisfy all of the International Labour Organisation criteria for unemployment. This group includes, for example, all those who were looking after a home or retired.

The economic inactivity rate is only slightly higher in West Dunbartonshire (21.4%) than the rate for the whole of Scotland (20.0%). The percentage of economically inactive people in West Dunbartonshire who want to work is 7.6%, 2.1 percentage points higher than in Scotland as a whole.

Economic inactivity is one of the indicators used on the supply side of the labour market. Economically inactive people have the potential to move into the labour market at some point in the future. This economic indicator therefore gives an indication of potential labour supply in an area.

Although a significant proportion of the population in West Dunbartonshire is economically inactive, it is not dissimilar to the rate for Scotland. The proportion of people who want to work provide an opportunity for investors in the area as they are the people that could contribute to the workforce of any new ventures and this should be seen as an opportunity for West Dunbartonshire.

Benefit Claimants

This socio-economic baseline contains data on two sets of benefit claimants: incapacity claimants and job seekers allowance claimants. Incapacity Benefit (IB) replaced Sickness Benefit and Invalidity Benefit from 13 April 1995. It is paid to people who are assessed as being incapable of work and who meet certain contribution conditions.

To qualify for Jobseeker's Allowance (JSA) you must be unemployed or working on average less than 16 hours a week.

These claimant measures are used as these are the two largest groups of benefits that the unemployed in Scotland currently claim.

The number of IB claimants has fallen significantly across Scotland as a whole. The number of IB claimants in West Dunbartonshire has fallen by almost two thirds since 2001 (-2,370, -62.0%), a greater rate than in Greater Glasgow (-61.6%) and the whole of Scotland (-56.1%). This is a positive sign for West Dunbartonshire and presents further evidence unemployment is falling, as evidenced by the reduction in long-term unemployed reported in **Section 1.4.2**.

As with the IB claimants, the number of JSA claimants across Scotland has fallen significantly. The reduction in the number of JSA claimants in West Dunbartonshire (-34.7%) has reduced at a greater rate than in Greater Glasgow (-27.1%) and Scotland (-30.8%).

This is a positive sign for West Dunbartonshire and indicates that those who were out of work are managing to return to the labour market. The data suggests that these jobs are not necessarily within the West Dunbartonshire area.

GVA Economic Output

The Office for National Statistics (ONS) defines GVA as:

"Gross value added (GVA) represents the amount that individual businesses, industries or sectors contribute to the economy. Broadly, this is measured by the income generated by the business, industry or sector less their intermediate consumption of goods and services used up in order to produce their output. GVA consists of labour costs (e.g. wages and salaries) and an operating surplus (or loss). The latter is a good approximation to profits. The cost of capital investment, financial charges and dividends to shareholders are met from the operating surplus."

Between 2001 and 2006 the growth in GVA in Scotland was almost twice the rate of growth in West Dunbartonshire. Over this period manufacturing GVA in West Dunbartonshire fell by -16.3% in contrast to a growth of 21.5% in Scotland. This can be linked to the reduction in manufacturing workplaces in West Dunbartonshire as identified in the workplace analysis. GVA for services and construction both grew at a greater rate in West Dunbartonshire than in Scotland between 2001 and 2006 (Services = 41% against 30%; Construction = 60% against 58%).

Table 5 shows key industrial sector GVA per employee for West Dunbartonshire and Scotland and the change between 2001 and 2006.

Table 5 GVA per employee by sector						
	West Dunbartonshire			Scotland		
	2001	2006	Change	2001	2006	Change
Manufacturing	£76,651	£87,707	14.4%	£39,036	£60,724	55.6%
Services	£26,932	£37,367	38.7%	£24,684	£30,899	25.2%
Construction	£25,367	£40,419	59.3%	£31,538	£46,818	48.4%
Total	£128,950	£165,493	28.3%	95,258	138,441	45.3%

Source: ABI

The total change in GVA per employee between 2001 and 2006 was much greater in Scotland (45.3%) than in West Dunbartonshire (28.3%). However, the rate of change of GVA per employee was greater in West Dunbartonshire than Scotland for Construction (59.3%) and Services (38.7%). Despite a fall in total GVA in manufacturing in West Dunbartonshire, the GVA per employee grew by 14.4%. This can be attributed to the low starting point.

Skills Related

The qualifications of the population are important to an area, as the better qualified the population the more likely they are to command higher paid jobs and consequently have a greater disposable income to spend in the local area.

The percentage of the population in West Dunbartonshire with the top level of qualification (NVQ4) is 5% points below the level in Greater Glasgow and Scotland (28% against 32% and 33% respectively). West Dunbartonshire does, however, have a slightly higher percentage of population with NVQ1, NVQ2 and NVQ3 level qualifications.

A key point of concern in West Dunbartonshire is the percentage of the population with no qualifications, at 16%, just over two percentage points higher than the proportion of Scotland. This could be a contributing factor to the high unemployment rate reported earlier.

Infrastructure

The Scottish Property Network (SPN) collects data on the availability and take-up of business property across Scotland. This data is not completely accurate, but provides as good an indication as we can get of the supply and demand of business space in West Dunbartonshire and the years supply of each type of space.

Table 6 Availability and Take-Up of Business Space West Dunbartonshire 2000-2008 (Sq M)						
	2000		2004		2008	
	Average	Take Up	Average	Take Up	Average	Take Up
Business	46,544	34,148	27,983	13,900	10,879	13,368
Industrial	1,231,332	149,705	832,908	18,460	182,041	53,632
Leisure	0	0	2,604	0	11,477	0
Office	71,160	14,633	69,413	23,766	52,264	13,697
Retail	89,551	24,568	174,682	23,426	251,448	16,084
Serviced Office	0	0	985	1,597	2,391	1,020

Source: SPN

In 2000 there were no serviced office units but a healthy supply of office and industrial space, which suggests a low level of demand for business space in West Dunbartonshire and a lack of interest from businesses to locate in the area.

The SPN data indicates that there has been a decrease in the years supply of industrial and office space by 2008 – i.e. the level of demand has improved, or the total stock has decreased. Although the demand for business space in West Dunbartonshire has improved, there is still an adequate supply of most types of business space and a lack of take-up.

One of the more worrying issues is the increase in the supply of retail space. This indicates a massive downturn in the retail sector.

The owner occupancy rate in West Dunbartonshire in 2008 is marginally below the rate for Scotland as a whole (58% against 63%), but this should be considered against an increasing trend. The reduction in the amount of social rented accommodation has been very small between 2001 and 2008: 500 less households in 2008 than in 2001, but overall West Dunbartonshire has a significantly higher proportion of residents in social rented units than the national average (39% against 24%).

Price is a key indicator of supply and demand for a commodity, in this case housing. The extent to which a commodity price rises is usually based on the level of demand and how readily available the commodity is – the supply.

Table 7 Average House Prices 2001-2007				
	2001	2007	Change	
	£	£	£	%
Dumbarton	63,225	124,560	61,335	97.0
Alexandria	60,864	126,518	65,654	107.9
West Dunbartonshire	51,143	104,699	53,556	104.7
Greater Glasgow	68,363	144,497	76,134	111.4
Scotland	114,386	212,973	98,587	86.2

Source: West Dunbartonshire Council, Scottish Neighbourhood Statistics and HBOS

House prices across Scotland grew at an exceptional rate between 2001 and 2007, with the average house price in Scotland increasing by 86.2%. The average house price between 2001 and 2007 in West Dunbartonshire more than doubled. To supplement this data, West Dunbartonshire Council also provided house price data for two areas within the Strathleven Corridor: Dumbarton and Alexandria, both of which have roughly doubled.

This suggests a high level of demand for owner occupied housing in West Dunbartonshire. However, analysis shows that the population of West Dunbartonshire is falling, and is forecast to continue falling, particularly amongst those aged 25-39 years old. This sends contradictory messages about the demand for housing in the area.

As mentioned at the start of this section, price is not only affected by demand for a commodity, but also the supply. Despite a fall in population there has been a rise in house prices. This is likely to be due to a lack of housing supply and choice, putting upward pressure on house prices. This theory is cemented by house completions data produced by West Dunbartonshire Council.

The number of house completions in Dumbarton and the Vale of Leven fell by more than half from 325 in 2001 to 153 in 2008. This is reflected across both private and social rented stock completions.

This decline in house building will be linked to the fall in population in the area, but will also be linked to the availability of development opportunity sites.

Scottish Index of Multiple Deprivation (SIMD)

The SIMD is the Scottish Government's official tool for identifying small area concentrations of multiple deprivation across all of Scotland and is relevant to policies aimed at tackling the causes and effects of multiple deprivation. The SIMD provides a relative ranking of 6,505 small areas (data zones) across Scotland from the most deprived (ranked one) to the least deprived in Scotland (ranked 6,505).

In our analysis we concentrate on income deprivation, employment deprivation and health deprivation in the 118 data zones in West Dunbartonshire.

Within West Dunbartonshire, 19.6% of the population are income deprived. This is a very high percentage of the population and makes West Dunbartonshire the second most income deprived local authority area in Scotland after Glasgow City (24.7%). West Dunbartonshire's neighbour East Dunbartonshire is the least income deprived area in Scotland. Only 7.3% of the population in this Local Authority are income deprived.

It is widely acknowledged that being out of work is a key factor of deprivation and consequently the employment domain has a large weighting in the overall SIMD.

In 2004 West Dunbartonshire contained 32 data zones (27.1%) in the 15% most employment deprived data zones in Scotland. In the latest statistics for 2006 this improved 29 data zones (24.6%). However, this still means that a quarter of the working age population of West Dunbartonshire are employment deprived.

To put this in context, neighbouring East Dunbartonshire has 4 data zones (3.1%) in the 15% most deprived data zones in Scotland. Although the level of employment deprivation has reduced slightly, it is still a significant problem in West Dunbartonshire.

The health domain identifies areas with a higher than expected level of ill health or mortality given the age-sex profile of the population.

In 2006 West Dunbartonshire was the sixth most health deprived local authority in Scotland with nearly one fifth (17.8%) of the population suffering from health deprivation. Again the comparison with East Dunbartonshire is not favourable, where only 2.4% of the population are health deprived.

It is clear from these SIMD indicators that West Dunbartonshire contains some very deprived areas. The indicators of deprivation are closely linked and the downfall in one area will lead to further deprivation in others. For example in West Dunbartonshire the high level of employment deprivation means that a quarter of the population have no regular income. If people are out of work then will have lower income and hence are income deprived.