

Report To:	Environment & Regeneration Committee	Date	15 June 2017
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	R+P/17/06/01/SJ
Contact Officer:	Stuart Jamieson	Contact No:	01475 712401
Subject:	Inverclyde Economic Development & Regeneration Single Operating Plan Extension 2016-2019 Year 1 Review		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide Members with a review of progress on the joint activities of the Council's Economic Development Section and Riverside Inverclyde (ri) on the delivery of the Single Operating Plan Extension 2016-19 after year 1.

2.0 SUMMARY

- 2.1 On 14 January 2016, the Environment & Regeneration Committee approved the recommendation arising from Agenda Item Number 21 (Review of the Future of Delivery of Regeneration Services in Inverclyde) that a revised/extended Single Operating Plan should be developed for the period April 2016 to March 2019.
- 2.2 The Inverclyde Economic Development & Regeneration Single Operating Plan April 2016 - March 2019 was prepared by New Skills Consultancy, after discussions, inputs and reviews by key stakeholders and was approved by the Committee on 28 April 2016.
- 2.3 The development of the extended Plan provided an opportunity to re-consider and challenge constructively the priorities set out in the previous Plan to ensure they remained realistic, deliverable and capable of addressing the opportunities and challenges present in Inverclyde. It has also provided the opportunity to review and reinforce the effective joint working between the Council's Regeneration Team and ri, re-affirming the two teams were successfully working together towards shared goals and priorities, and clarifying the respective roles of each organisation. In short, it continued to maximise the efficiency and collective impact of the two organisations, in the face of increasingly scarce resources.
- 2.4 Within the Single Operating Plan Extension 2016-19 a number of projects and targets were set for the 3 year period; and a review of the output and outcome targets is contained in Appendix 1. Physical interventions are the focus of Riverside Inverclyde, some interventions are for both organisations to deliver, and some interventions are exclusively for the Council to deliver.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:-

a note the progress in Inverclyde Economic Development Regeneration Single Operating Plan Extension 2016-2019

b note that regular reports on the individual activities in relation to both organisations are presented to both the relevant Committee and RI Board.

Scott Allan

Corporate Director Environment, Regeneration & Resources

4.0 BACKGROUND

4.1 The Inverclyde Economic Development and Regeneration Single Operating Plan April 2016 to March 2019 was developed following approval by Committee on 14 January 2016 (Report No. ENV.03/16/AF) of the recommendation to extend the Single Operating Plan up to March 2019. The Plan is an extension to, and update of, the original three year plan from 2014 to 2017, and is presented in identical format to that of the original, containing:

- the context in which the work will be undertaken recognising the ongoing restrictions of public finances;
- the key themes emanating from the review of national and local policy frameworks; and
- the economic opportunities and challenges facing Inverclyde and identification of the key issues for partners to address.

The Plan includes creating more and better jobs, strengthening the business base, boosting skills, reducing worklessness, improving the availability and quality of business premises and economic infrastructure, regenerating disadvantaged areas, addressing population decline and articulating a clear offer and marketing message as well as:-

- identification of 6 key priorities around the themes of Business, Place, People and Partnership;
- roles and responsibilities for the various teams/functions;
- management and governance of the delivery of the Plan;
- identification of funded projects and other projects which would be led by others;
- operating costs and income envisaged;
- output and outcome targets;
- monitoring framework; and
- outline marketing strategy.

4.2 The extended Single Operating Plan provides some of the following highlights:

- The key elements in the draft 2016-2019 Plan remain consistent with those in the 2014-2017 Plan;
- The collaboration and pooling of resources of Riverside Inverclyde and Inverclyde Council's Economic Development and Regeneration Team is reinforced;
- The allocation of responsibilities between Inverclyde Council and Riverside Inverclyde is compatible with the new position of Head of Business Investment/Operations at ri;
- Updated projects and financials reflect, for example, the key focus on Town Centres' regeneration; and
- Updated key indicators reflect the transition towards an increased focus on public realm/environmental improvement schemes and less on creating new speculative business premises.

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

- Business support - Encouraging growth and survival among existing local businesses, particularly SME's, alongside the creation of new business start-ups.
- Investment attraction, marketing and tourism - Attracting businesses and developers from outside the area to invest and locate in Inverclyde, as well as attracting day visitors to boost spending in the local economy.
- Business sites and premises - Providing the high quality, regionally competitive sites and business premises needed to underpin and attract business growth and investment.
- Supporting infrastructure - Offering the essential supporting infrastructure needed by businesses, primarily excellent transport links and broadband connectivity.
- Skills and employability - Equipping local residents with the skills and qualifications needed to be employable and to take up new jobs in Inverclyde and the wider City Region economy.
- Procurement - Enabling local businesses to compete more effectively for public sector contracts, both within Inverclyde and across Scotland, and increased use of social clauses in contracts to create more employment and training opportunities for local people.

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

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

4.5 The table below sets out the responsibilities of each organisation.

Table 1: Allocation of responsibilities

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

Table 1: Proposed allocation of responsibilities

Lead Organisation	Area	Main activities
Riverside Inverclyde	Physical development of business premises and sites (including infrastructure)	Direct development and refurbishment by riph of new and existing business premises; working with private developers on business premises and site development projects; leading site development and improvement works; leading infrastructure works.
	Town centre regeneration and renewal (physical development only)	<ul style="list-style-type: none"> • Management of physical development in town centre, such as shop front improvements, public realm works, site clearance etc. • Co-ordinating and facilitation of town centre renewal via the Town Centre Regeneration forums
	Support external funding and investment	<ul style="list-style-type: none"> • Input to all bids and proposals to secure external funding for ri led capital projects.
	Business investment/Investment attraction and marketing	<ul style="list-style-type: none"> • Promoting Inverclyde to businesses, investors and agencies outside of the immediate local area, making connections and developing networks that will result in additional investment, businesses and jobs being attracted to the area • Focus on attracting a wide range of businesses and investors to all parts of Inverclyde, working with other property landlords, land owners, and developers with a presence or interest in the area. • Taking a sector management approach, identifying the support needs of businesses relocating to the area and brokering in expert support from third parties • Marketing Inverclyde as a competitive business location, with a clear focus on attracting businesses, jobs and investment.
	Support housing development	Support housing developments on key strategic sites and/or executive housing developments, which will contribute to economic growth. Housing Strategy will remain the responsibility of the Council.
	Property portfolio management	Although both ri and the Council will remain responsible for the management of their respective property portfolios for the time being, ri will take the lead in coordinating activities. The future ownership of both portfolios will be reviewed to determine the appropriateness of transferring control under a single organisation.

- 4.6 It is clear from appendix 1 which contains the output and outcome targets that significant progress has been made, whilst some targets have been exceeded it is also recognised that some targets have not been met.
- 4.7 The number of businesses supported has exceeded the target however the number of new start businesses is slightly behind target. Members will be aware that the decision was made to terminate the Business Gateway contract and bring operations in house. There was a transition period establishing new processes and this did have a minor effect on client numbers however since then client numbers are such that future year targets appear achievable/exceeded.
- 4.8 The number of clients being supported by the Council's Employability Pipeline continues to rise with support provided to 96 clients above the 1,709 target which is concerning, increased demand has been brought about by changes in the welfare system and the introduction of Universal Credit. We are dealing with more clients who are further from the Labour Market and this is reflected in the slight under achievement in the number of clients progressing to employment.

- 4.9 Business Development, Workforce Development and Riverside Inverclyde assists continue to create and safeguard job opportunities in the face of particularly challenging times from an employment perspective.
- 4.10 The New/Refurbished Office/Commercial Space target was achieved with the practical completion of both Gourock Municipal Buildings (470sqm) on 10 November 2016; Custom House Ph 4 (581sqm) on 31 March 2017 with the Completion Certificate issued by Building Standards on 3 April. The New/Refurbished Industrial Space_target was exceeded with the refurbishment of units in Lynedoch Industrial Estate.
- 4.11 The Number of Public Realm/Environmental Improvement Schemes achieved in 2016/17 was 3 against a target of 4. Projects completed were the removal of the Steelwork at Scott's Dry Dock, the relocation of the Commonwealth Games Pontoon to East India Harbour and the Port Glasgow Library Lighting Project. The Kilmacolm Self Build project achieved a later site start than was originally planned. It is anticipated that this project will now be complete by 30th June 2017. The Port Glasgow Roundabout Spur Road will be completed in 2017.
- 4.12 The actual number of construction job years is less than target due to the Port Glasgow Roundabout Spur Road and the Broomhill Area site starts not being achieved in the target year.

5.0 FINANCE

5.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

6.0 CONSULTATIONS

- 6.1 The Acting Chief Executive of Riverside Inverclyde has been consulted on this report.
- 6.2 The Chief Financial Officer has been consulted on this report.
- 6.3 The Head of Environmental and Commercial Services has been consulted on this report.

7.0 REPOPULATION

- 7.1 Regeneration of Inverclyde is a key component to the ongoing re-population of the area.

Appendix 1

Key Indicator	TARGETS 2016/17	ACTUAL IC	ACTUAL RI	ACTUAL TOTAL	TARGETS 2017/18	TARGETS 2018/19	TARGETS TOTAL
OUTPUTS							
No of businesses supported (new and existing)	225	221	9	230	224	222	671
m ² of new / refurbished office / commercial space	1,051	N/A	1,051	1,051	0	0	1,051
m ² of new / refurbished industrial space	230	N/A	548	548	0	0	230
No of individuals supported with employability	1,709	1,805	N/A	1,805	1,659	1,659	5,027
No of public realm / environmental improvement Schemes	4	N/A	3	3	3	2	9
OUTCOMES							
No of jobs supported (created and safeguarded)	206	616	23	639	232	182	620
No of new business start-ups	150	139	N/A	139	150	150	450
No of residents progressing into employment	784	721	N/A	721	783	783	2,350
Construction job years	33.6	N/A	17.9	17.9	24.1	1	58.7