
Report To:	Environment & Regeneration Committee	Date:	14 January 2021
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	ENV007/21/SA
Contact Officer:	Scott Allan	Contact No:	01472 712764
Subject:	Repopulation, Riverside Inverclyde and Regeneration Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the Repopulation Action Plan as approved at the Committee on 2 May 2019, progress in respect of Riverside Inverclyde and Riverside Inverclyde Property Holdings following the transition in July 2019 to a new operating model, an update on key projects within Regeneration Forums and a general update across related strategic regeneration activities.

2.0 SUMMARY

- 2.1 This report provides an update in respect of the Repopulation Action Plan, Regeneration Action Plans and Riverside Inverclyde. It also provides more detail on City Deal projects than is covered in the report to Committee on Capital expenditure and captures some of the wider economic work undertaken within the Directorate.
- 2.2 A key message is the extent of activity taking place across multiple economic streams and the amount of external funding which has been secured against Council led projects, including £8m from Peel Ports in respect of the new cruise ship berthing facility, over £2m from the George Wyllie Foundation in respect of Ocean Terminal building, £1.9m of SPT funding directly supporting regeneration projects, £90k from Sustrans (with a further £1.5m projected), £1.36m for Inchgreen from Clyde Mission. The total cost of all of the projects referred to in this report is of the order of £50m. This represents a substantial programme of economic investment which commenced in 2015. This figure excludes external funding which has been secured from SPT and Sustrans for wider sustainable transport projects.
- 2.3 A key focus looking to the future and beyond Covid will be to market the Council's successes in regeneration to encourage further inward investment. Whilst Inverclyde continues to have many challenges, there is a compelling case for companies and individuals to locate in Inverclyde and our marketing campaigns will seek to capitalise on this.

3.0 RECOMMENDATION

- 3.1 It is recommended that Committee:
1. notes the contents of this report in respect of activities across Regeneration,
 2. notes that a Community Wealth Building Strategy and an updated Economic Strategy will be brought to a future meeting of this Committee,
 3. delegates to the Corporate Director Environment, Regeneration and Resources to commit the small amount of unallocated funds left in the original £2.5m from the 2017/18 budget for Towns and Villages through the Regeneration Forums.

Scott Allan
Corporate Director
Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 This report brings together updates on a number of Regeneration initiatives across the Council. It provides further information on projects which are covered in summary in the Capital and Revenue reports.

5.0 REPOPULATION ACTION PLAN

- 5.1 Members will recall the Repopulation Action Plan which was approved at the 2 May 2019 meeting of this Committee. Approval was given to the Corporate Director Environment, Regeneration & Resources for expenditure as set out in the Action Plan amounting to £500,000 of allocated reserves. Reports have been submitted to Inverclyde Alliance on progress against the Repopulation Action Plan by the Chair of the Repopulation Group. The current chair of the Repopulation Group is the Chief Executive of River Clyde Homes.
- 5.2 Key achievements of the Action Plan include the launch of Discover Inverclyde in July this year. The launch was initially proposed for April but was delayed due to Covid. Discover Inverclyde provides a single marketing platform for everything in or associated with Inverclyde. It is a one stop shop for residents, visitors, tourists, traders, inward investors and anyone who wants to find out about Inverclyde. In August, the Council was successful in receiving ring fenced funding from the Scottish Government of £40,000 to promote Gourock, Greenock and Port Glasgow on the back of the Discover Inverclyde Initiative.
- 5.3 Significant emphasis was placed in the Action Plan on supporting employment through enhanced employability programmes. All of the funding in respect of this has been fully committed. There has also been significant engagement with local companies and suppliers through a variety of initiatives to increase spend in the local economy. Our most recent figures show that 32% of procurement spend is local, ranking us 6th in Scotland. During the early stages of Covid, the Council awarded over £12m of grants to local businesses and carried out telephone surveys of 1500 local companies.
- 5.4 Tackling housing supply, quality and availability has been a major challenge. The Council has worked closely with RCH to deliver on the Eastern Gateway Study. The report recently submitted will be the basis for a housing strategy from Port Glasgow Town Centre to the eastern edge of the built up area. It will potentially be a catalyst to increased housing capital grant from the Scottish Government to Inverclyde. Similar studies are being progressed in Greenock Town Centre and Port Glasgow Town Centre.
- 5.5 The Repopulation Action Plan links culture and leisure with economic regeneration. Funding from the Repopulation Fund has supported and facilitated wider bids for external funding including the Create Network project, the Arts Coordinator and a collective bid to NHLF. In partnership with the Environment Partnership a bid to Sustrans has been made for connecting green spaces and places of culture. Initial feedback was that the bid was successful. An announcement has been delayed however until 2021, potentially associated with the re prioritisation of funds due to the Pandemic. Funding, potentially up to £450k, will allow a detailed scheme to be developed over the next 18 months which will form the basis of future funding bids for delivery, potentially of the order of £1m - £3m.
- 5.6 It should be noted that the Council on 3 December 2020 agreed to write back £125,000 of the Repopulation Reserves as part of the budget setting process. This figure represented funds from the original £500,000 allocation which were not committed with respect to delivery of the Action plan as agreed at this Committee on 2 May 2019. The reduction in allocation is spread across all actions and reflects lower costs following tender exercises.

6.0 REGENERATION FORUMS

- 6.1 Progress on significant projects across the three Regeneration Forums are covered at every Environment and Regeneration Committee in the Capital Report with financial implications included in the appendices.

This report summarises overall progress across the Regeneration Forums since the funding allocation of £2.5m in March 2017 for town centre regeneration activities.

Significantly, since 2017, the operating model for Ri and RiPH has been revised following the loss of capital regeneration funds. This funding source in combination with capital allocations from the Council funded a programme of significant capital regeneration projects. Ri is now constrained to operating on the revenue income surpluses from the property portfolio. Further detail on Ri and RiPH is given elsewhere in this report. It is significant to flag some key projects delivered by Ri in recent years. At Gourrock, a £5.2m town centre improvement was completed in 2015. This has radically changed Gourrock town centre and placed it in a positive position to improve retail and leisure trade.

In Greenock, the Baker Street realignment combined with the food and drink hub has opened up opportunities in the east end. Baker Street realignment cost approximately £3.69m and the food and drink hub which is substantially complete is anticipated to out turn at approximately £1.8m.

At Port Glasgow, the new access road to the town centre was completed in 2018 at a cost of £750k. The Port Glasgow sculpture project is scheduled for implementation on site in Spring 2021. The budget for this project was amended to £550k at the August 2017 meeting of this Committee.

A general update on the projects within Regeneration Forums is set out below.

6.1.1 Port Glasgow Town Centre Regeneration Forum

In Port Glasgow a significant number of capital projects have been completed since 2017 with funding approved through this Committee. Successful SPT funding bids have extended the programme and increased investment in regeneration schemes which have transport implications. The key projects are set out in the table below:

Port Glasgow Town Centre Regeneration Schemes funded against May 2017 allocation of £250k.

Scheme	Allocation	Cost to Date
1. Site of Monty's Bar	£30,500	£30,500
2. Princess St Footpath upgrades,	£175,000	£173,580
3. (SPT contribution to above)	£135,000	£135,000
4. Toll Boys memorial	£27,572	£27,573
5. Swimming Pool Mural	£10,000	£10,000
6. Parklea landscapes	£23,900	£7,952
7. Civic Square – 48/50 Princess St	£8,000	£5,929
Total excluding SPT Contribution		£255,537
Total including SPT contribution		£390,537

In addition to the projects directly funded from Regeneration allocations, the urban realm regeneration strategy for Port Glasgow facilitated significant further investment from SPT. The following projects were agreed by the Regeneration Forum and funded through SPT capital allocations.

Scheme	Allocation	Financial Year
Streetscape works to John Wood St and Church St	£150,000	19/20
Streetscape Works to John Wood St and Bay St	£330,000	20/21
	£480,000	

On completion of the projects currently underway in Port Glasgow funded by SPT, the total spend since 2017 will be £864k (£250k Council and £614k external funding).

The future focus at Port Glasgow will be on access to the railway station, installation of the Port Glasgow ship builders' sculpture and identifying a long term solution for the Comet.

6.1.2 Greenock Town Centre Regeneration Forum

Greenock Regeneration Forum has focused on the delivery of the Ocean Terminal City Deal project and capturing the direct economic benefits to Greenock and Inverclyde. Associated with this is the linkage to the town centre and improvements to connectivity and urban realm.

This process has been informed by the masterplan created through the Charrette in 2016, the Local Development Plan and the plan for derelict town centre sites.

Progress on the Ocean Terminal site is covered elsewhere in this report but the key messages are that the £12m cruise ship berthing facility is complete and operational and the cruise ship terminal building is currently out to tender with a site start anticipated around March 2021.

A major junction improvement was completed in 2019 funded by SPT at Container Way to improve connectivity and safety for pedestrians accessing the town centre from Ocean Terminal. A number of walking routes were also upgraded.

A key focus in the last two years has been agreeing a major urban realm project for West Blackhall Street. A detailed design is progressing through contract preparation just now (funded by Sustrans) to enable commencement on site in 2021. A breakdown of the original allocation of Regeneration funds awarded in 2017 (£1.9m) is presented below:

Scheme	Allocation	Cost to date
Greenock Christmas Lights	£20,000	£16,000
Heritage Signage	£20,000	£4,000
West Blackhall St	£1,500,000	£72,000
Projected external grant funding West Blackhall St	£1,500,000	£55,000
Town Centre Wifi	£200,000	£216,000
Festive Lights Wellpark Mid Kirk	£16,500	£4,000
Lyle Fountain	£130,000	£13,000
Total	£1,886,000	£380,000

The above allocation for Regeneration has been supplemented by SPT capital funding awards as follows:

Scheme	Allocation	Financial Year
Greenock Town Centre Improvements	£150,000	18/19
Container Way Crossing	£225,000	19/20
Ocean Terminal to Town Centre	£125,000	20/21
Lights at Grey Place as part of West Blackhall St Scheme	£600,000	20/21
Crossing on A8 at William St	£200,000	20/21
Total	£1,300,000	

Further support has been achieved through the Scottish Government Town Centre Fund as follows:

Project	Funding allocation
Heritage signs and Information Boards	£20,000
Property Acquisitions/demolition	£640,000
Total	£660,000

Note: allocation of £660k to be legally committed by 1 April 2021 and spent by September 2021.

Gourock Town Centre

6.1.3

Gourock Town Centre was transformed in 2015 when the major regeneration project was completed at a cost of £5.2m. In consequence the focus in Greenock has been around energising the community and businesses to make the best of the town. Gourock was a recent runner up in the Great British High Street awards. An outline strategy has been produced for Gourock Park and a group has recently been formed to progress this into projects for future funding bids. It is an opportunity for local people to engage with the park and potentially improve its environment and amenities.

A key project has been the securing of accommodation for the Gourock Heritage and Arts in the former Municipal Buildings. Significant work has been carried out to find a permanent facility for community activities and the focus is now on the Gamble Halls. Completion of the George Wyllie Memorial Gardens in 2019 was a major achievement. Key projects and expenditure against the original allocation of £250k are set out below:

Scheme	Allocation	Spend to Date
Rental of accommodation Municipal Buildings	£60.1k	£58.2k
Funding of support from The Trust for Gourock Heritage and Arts	£47.7k	£47.7k
George Wyllie Gardens	£54.6k	£54.6k
Gourock Branding	£20k	£8.1k
Cove Rd Railings	£24k	£20.5k
Musical in the Park	£6k	£5.5k
		£194.6k

7.0 RIVERSIDE INVERCLYDE AND RIVERSIDE INVERCLYDE PROPERTY HOLDINGS

The operating model for Riverside Inverclyde (Ri) and Riverside Inverclyde Property Holdings (RiPH) were substantially changed in 2019 following approval from the Council and the Board of Ri. Costs were significantly reduced through Ri and RiPH ceasing to employ people directly. Instead the Council provides services to Ri and RiPH under a service level agreement. The changes were driven by the very significantly reducing funds available to Ri through capital regeneration grant. Only one capital project remains on the Ri remit, the Baker Street food and drinks hub. This project is substantially complete.

The revenue available to Ri is now wholly associated with revenue surplus from the property retained under RiPH. This surplus can be used through Ri for regeneration purposes. The surplus for financial year 2019/20 was £706k. The amount of surplus reflects the reduced operating costs. Financial planning has been carried out within the Regeneration company to ensure that adequate funds are set aside for property maintenance and future replacement based on lifetime costs. This will potentially impact on the amount of surplus which is retained. Planning is also ongoing around the potential impact of Covid on property income. Again, this will impact on future year surpluses and the amount that needs to be retained in reserves.

The Board of Ri and RiPH has overseen a period of consolidation of the companies into the

new operating model. The Board has now engaged in structured discussions on the role Ri will play in financial year 2021/22 with respect to available surplus.

8.0 COMMUNITY RECOVERY ECONOMIC SUB GROUP

The Community Recovery Economic Sub group brings together a number of representatives from the business community, third sector and education. It has informed the production of the group's Action Plan which is presented to the Alliance Partnership meetings. It is also used as sounding board for economic issues, most recently in respect of views on recommencing parking enforcement.

A key issue which was raised by the group in July / August was the Furlough scheme and the importance of continuing this. Representation was made to the Scottish Government and Members will be aware that the Scottish Government lobbied strongly for the national scheme to be extended. Ultimately this approach was successful and support is now available as has been widely publicised.

9.0 COMMUNITY WEALTH BUILDING STRATEGY

On 15 September 2020, the Policy and Resources Committee remitted to the Corporate Director Environment, Regeneration and Resources to further develop the Community Wealth building agenda in consultation with partners and the community and thereafter present to Members the Inverclyde Community Wealth Building strategy and action plan.

Work has been progressing on this and as indicated previously to the Committee, Inverclyde has a strong track record in one of the key aspects of community wealth building involving retaining public spend within the local area. This is a LGBF indicator across all Scottish Local Authorities and Inverclyde currently ranks 6th in Scotland with 32% retained spend.

We have been working with Scotland Excel to evaluate wider patterns of spend across Scottish Councils. Significantly, our adjacent Councils spend significant amounts of money in Inverclyde. Last financial year this figure was around £70m. Clearly this helps many local businesses and represents a significant investment. Moving forward it will be important to retain investment on this scale. To achieve this, officers advise that it is important to progress local wealth building at a City Region level whereby there is cross conurbation collaboration. It is on this basis that officers are developing a strategy to present to this Committee later this year.

10.0 ECONOMIC STRATEGY

The previous comprehensive Economic Strategy was the 'Single Operating Plan' which governed the actions of Ri and RiPH as well as the Council in respect of Economic Development. This plan has now expired and a new strategy is being developed to support the revised operating model for Ri and RiPH.

It is also the case that economic regeneration interventions are incorporated in many different strands across the Council including the recently approved Jobs fund, the Anti-Poverty Fund, the Repopulation Action Plan, the Inverclyde Heritage Strategy, Regeneration Forum Action plans etc. The new Economic Strategy will seek to capture all of these activities into one document with a clear outline of governance across all the different strands and the routes for reporting. It will set context for the various arrangements currently in place including the regular meetings with the Chamber of Commerce and FSB, the Economy Sub Group which is part of the Inverclyde Recovery Partnership, the Regeneration forums and the various other strands of economic service delivery to facilitate a single set of economic performance outcomes reported through this Committee.

Subject to further potential disruption due to restrictions created by Covid, a report will be brought to a future meeting of this Committee in parallel with the Community Wealth Building

Strategy.

11.0 LOCAL DEVELOPMENT PLAN

Members will recall the report to this Committee on 29 October 2020 which advised of the quashing of Chapter 7 of the Local Development Plan. This followed a challenge against the Scottish Government in the Court of Session and has effectively resulted in the loss of the housing aspect of the local Development Plan. The Committee approved that a new Local Development Plan be progressed and this process is underway.

The Local Development Plan (and Clydeplan) for the framework for the future development of the area and forms the basis for the determination of planning applications. Commercial development in Inverclyde across all sectors including industrial and housing, is guided by this Plan. It is the framework for inward investment and a vital component of our economic strategy. As an example, the housing opportunities in the Local Development Plan formed the basis of the Council's presentation to housebuilders at an event in February 2020. Linking the availability of sites to our strategic marketing is at the core of our Repopulation Action Plan.

12.0 CITY DEAL PROJECTS

Progress on Inverclyde's three City Deal projects are reported at every cycle through the report on capital expenditure. More detailed reports are provided when decisions are required. In terms of progress, the Ocean Terminal cruise ship berthing facility is complete and operational. The final cost of the project was £12m with the Council contributing £4m through a City Deal contribution. This contribution was state aid compliant in view of the Ports Exemption clause. The commercial operation of the berthing facility has been covered in previous reports, but in summary, the Council receives a payment from Peel Port should passengers numbers exceed a threshold. This forms part of the legal agreement between Peel Ports and the Council. Covid has prevented Cruise Ship operations in 2020, the cruise ship market in 2021 will depend on the situation with Covid and appetite for world travel.

Following the contractor for the Cruise Ship Terminal building going into Administration in April 2020, the project has been retendered and an award is anticipated imminently. Officers have been working on revisions to the lease agreements originally formalised with Peel Ports and the George Wyllie Foundation for entry into the building in 2021. The Agreements are being revised to reflect building completion by April 2022. The George Wyllie Foundation in turn are revising their lease with a restaurant operator who will occupy the top floor. Peel Ports will operate a temporary terminal facility for cruise ship operations during 2021.

The redevelopment of the former Inverkip Power Station site has been affected by the challenges on Scottish Power and their parent company through Covid and the consequent competing priorities across operations and projects. We now have agreement however to progress the roads improvements on the A78 at Inverkip independently of Scottish Power. The Council will therefore procure the work and deliver this aspect of the project directly with City Deal funding. It is proposed to be on site in late 2021. Scottish Power will deliver the access arrangements on the A78 at Brueacre in line with their development programme. In this regard, a planning application for the Inverkip Power Station site is being progressed. There is considerable interest in the Inverkip Power station site and progression of housing and commercial development will deliver the original economic objectives core to the City Deal scheme.

Members will recall that approval was granted at this Committee on 29 October 2020 to progress the Inchgreen project and the submission to Committee and City Deal Project Management Office of a final business case. The terms of this remain confidential in view of commercial sensitivity. It is important to note however that the Council has secured a £1.36m grant from Clyde Mission for the upgrading of the large shed adjacent to the dry dock. This is to facilitate marine engineering operations within the shed. This grant is additional to the £9.4m of City Deal funding allocated to Inchgreen. Whilst Covid has impacted on progress at Inchgreen through the changing plans of potential inward investors, officers remain confident

that development will proceed at Inchgreen through 2021.

It is important to recognise the role that successful delivery of the City Deal projects will play in promoting Inverclyde. Whilst they are important in their own right, they are catalysts for further inward investment. They demonstrate confidence in this area and complement our wider marketing strategy. As development proceeds officers will capitalise on the positive messages and seek to counter much of the negative publicity the Council has attracted through the pandemic.

13.0 ENGAGEMENT WITH SCOTTISH GOVERNMENT AND SCOTTISH ENTERPRISE

Members will recall the consultation response agreed at this Committee on 17 December 2020 in respect of the Scottish Government consultation on Freeports. Officers have submitted the consultation response and continue to engage with Scottish Government officials. Officers at a senior level also have regular and structured discussions with the Scottish Government and Scottish Enterprise on Clyde Mission, the Programme for Government and Population.

In respect of population, a national draft document is in preparation to inform Parliament about the challenges and opportunities looking forward to the 2020's and 2030's. Nationally Scotland's population has been growing in recent years but there are significant variances across Scotland with the west in particular suffering population decline. A key issue nationally is the projected increase in the proportion of residents above retirement age and the consequent implications of a reduced number of people who are economically active. This will place challenges on public spending, potentially requiring increased economic growth to support tax revenue. Officers have been engaging in the drafting of the document through consultation processes involving Cosla. Particular emphasis has been relayed to government officers of the unique situation in the west of Scotland, noting that Inverclyde has seen the largest reduction in population of any Scottish Council.

Officers will continue to advocate Inverclyde's opportunities and challenges at a national level to ensure that the Council is recognised and considered in respect of national decision making.

Officers will provide regular feedback through this Committee.

14.0 CONCLUSIONS

This report provides a high level overview of the extent of regeneration activities taking place across the Council, coordinated by the Environment, Regeneration and Resources Directorate and reported to this Committee. A number of projects are reaching delivery stage whereby the associated success stories will stimulate further interest and investment in Inverclyde. Officers will seek to maximise the positive messages emerging and capture the attention of both government and the private sector.

15.0 IMPLICATIONS

Financial Implications:

One off Costs

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

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

15.2 **Legal**

None.

15.3 **Human Resources**

None.

15.4 **Equalities**

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES
x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO

15.5 **Repopulation**

None.

16.0 CONSULTATIONS

16.1 The Chief Financial Officer has been consulted on this report.

17.0 BACKGROUND PAPERS

17.1 None.