

# **Evaluation of the Greenock Waterfront**

## **Final Report**

<b>SECTION</b>	<b>PAGE</b>
EXECUTIVE SUMMARY .....	(i)
<b>1 INTRODUCTION.....</b>	<b>1</b>
THE STUDY BRIEF .....	1
METHODOLOGY .....	3
STUDY ISSUES.....	4
REPORT STRUCTURE.....	5
<b>2 THE REGENERATION OF THE WATERFRONT: CONTEXT.....</b>	<b>6</b>
INTRODUCTION.....	6
THE GREENOCK WATERFRONT SITES AND THE ENTERPRISE ZONE.....	7
CHRONOLOGY OF EVENTS IN GREENOCK.....	7
FUNDING.....	10
ACTIVITIES UNDERTAKEN.....	10
COSTS ASSOCIATED WITH REGENERATING GREENOCK WATERFRONT .....	12
BREAKDOWN OF SITE COSTS .....	16
LEVERAGE.....	18
<b>3 THE ECONOMIC IMPACT OF GREENOCK WATERFRONT.....</b>	<b>20</b>
INTRODUCTION.....	20
THE BASELINE POSITION.....	20
ECONOMIC IMPACT ASSESSMENT .....	21
DIRECT ON-SITE EMPLOYMENT .....	21
NET EMPLOYMENT.....	26
MULTIPLIER EFFECTS.....	29
QUALITATIVE RESPONSES .....	30
GROSS JOB CREATION – PLANNED & ACTUAL.....	32
CHANGES TO THE MASTERPLAN .....	34
CATALYTIC OR WIDER BENEFITS.....	35
PEDESTRIAN SURVEY – EXPENDITURE IMPACT.....	35
IMPACT ON COMPANIES OFF SITE.....	38
<b>4 ASSESSMENT OF THE WIDER IMPACTS ON THE WATERFRONT REGENERATION.....</b>	<b>40</b>
INTRODUCTION.....	40
IMPACT ON PROPERTY MARKETS.....	41
THE RETAIL PROPERTY MARKET .....	42
THE OFFICE MARKET .....	47
THE HOUSING MARKET .....	48

<b>5</b>	<b>OVERALL ASSESSMENT OF GREENOCK WATERFRONT .....</b>	<b>50</b>
	INTRODUCTION .....	50
	MEETING STRATEGIC OBJECTIVES .....	50
	ASSESSMENT OF IMPACT ON PERFORMANCE OF THE INVERCLYDE ECONOMY .....	51
	VALUE FOR MONEY .....	61
	CHANGE IN PROFILE OF GREENOCK / INVERCLYDE AND RENFREWSHIRE AS A BUSINESS LOCATION .....	62
	PERCEPTIONS OF RESIDENTS & VISITORS TO GREENOCK .....	65
<b>6</b>	<b>LESSONS LEARNT .....</b>	<b>70</b>
	INTRODUCTION .....	70
	PARTNERSHIP WORKING .....	70
	PHYSICAL REGENERATION AND PLANNING .....	76
	GENERAL LEARNING POINTS AND RECOMMENDATIONS FOR COMPETITIVE PLACE PROJECTS .....	81
	Appendix A – Map of Greenock Waterfront, and Greenock Masterplan (1993)	
	Appendix B – List of Consultees	
	Appendix C - Pedestrian Survey Method and Questionnaire	
	Appendix D - Business Survey Questionnaire	
	Appendix E – Analysis of Press articles	
	Appendix F – LOCUS outputs	
	Appendix G - Bibliography	
	Appendix H - Glossary	

## EXECUTIVE SUMMARY

### Background

1. DTZ Pidea Consulting was commissioned by Scottish Enterprise Renfrewshire in May 2002 to undertake an evaluation of more than a decade of various initiatives intended to regenerate Greenock Waterfront. Greenock Waterfront is located directly to the north and east of Greenock town centre between the A8 and the Clyde estuary. The area extends to some 40 acres and covers 4 main sites – Cartsburn, Cartsydyke, East India / Victoria Harbours and Custom House Quay.
2. The overall aim of these initiatives was to enable the regeneration of the wider Inverclyde economy through improvements to the physical environment and the provision of infrastructure for the development of leisure, educational and shopping facilities by:
  - undertaking environmental improvements
  - developing brownfield land
  - creating employment opportunities
3. The evaluation study included the following components:
  - desk research
  - consultations with key partners
  - pedestrian survey
  - business survey
  - economic profile of Greenock
  - Greenock and Inverclyde press search

### History

4. Although the Inverclyde Initiative first proposed to redevelop the Waterfront in 1987, the starting point for this evaluation is the 1993 Masterplan. In December 1992, a development strategy and masterplan for a part of the Waterfront was commissioned from BDP by Renfrewshire Enterprise, in conjunction with Strathclyde Regional Council, Inverclyde District Council and Scottish Enterprise. The aim of the strategy was to realise the full potential of the waterfront area which was derelict and contaminated, allowing it to play a significant role in the regeneration of the local economy.

5. The Masterplan – which extends only to Custom House Quay, Victoria Harbour and East India Harbour - identified 10 discrete development sites. The uses included leisure, educational, retail, residential and commercial leisure. In addition to the area covered by the Masterplan, the evaluation also covers Cartsburn, an adjoining waterfront site, which, with East India and Victoria Harbours, was granted Enterprise Zone status over the period 1989 to 1999.
6. In 1986, the Inverclyde Initiative – a partnership involving the private sector, district and regional councils and led by the Scottish Development Agency (SDA) – had held a development competition for the redevelopment of the 20-acre Custom House Quay site. A condition of the planning consent was that the new retailing was to be integrated with the existing town centre – developers were encouraged to upgrade the existing town centre. The SDA also identified a need for office accommodation, low density housing, speciality shopping, a hotel, and an ice rink based leisure centre.
7. The preferred scheme included an enclosed walkway leading to the town centre through a speciality shopping centre positioned within the major roundabout known as the “bull-ring”, linking with the leisure elements including a curling and ice-skating rink and cinema, a 35-bedroom hotel, and other attractions involving the Inverclyde Maritime Heritage Trust, including a historic vessel moored on the Waterfront and a Scottish Emigration Centre. However in 1987 the developer withdrew and the development did not proceed.
8. One of the reasons for EZ designation was that the very low level of business confidence in the local property market was seen as a major constraint on economic regeneration – speculative property development was non-existent. There was a poor supply of new business accommodation with which to attract new business investment, and few sites for industrial development. There was a significant shortage of serviced sites – much of the land was poor quality, containing substantial dereliction and contamination.
9. In addition to Cartsburn and East India and Victoria Harbours , the Enterprise Zone area covered a further 9 sites within Gourock, Greenock and Port Glasgow, amounting to some 274 acres in total .
10. In 1992 the masterplan for Custom House Quay, East India and Victoria Harbours was commissioned. It was finalised in 1993, and endorsed by Renfrewshire Enterprise, Scottish Enterprise and Inverclyde District Council. By July 1999 when the Cutty Sark Tall Ships visited, the development had reached its current state of completion – ie substantially complete apart from the area around East India and Victoria Harbours.

### Developments on Site

11. The actual developments on the site were slightly different from that envisaged in the Masterplan:
  - **Retail site:** originally planned for a major food superstore, but the proximity of the Tesco store resulted in a higher offer being made by a developer for non food retailing. Non food retail warehousing has a lower employment density.
  - **James Watt college:** the site originally reserved for residential use was taken by James Watt College who developed a 160-bed residence, and 20 teaching classrooms. The College was built on Site 4 to the north of the access road and not on Site 5 as originally envisaged.
  - **Leisure development:** Inverclyde Council’s leisure development grew from an original 45,000 sq ft to 65,000 sq ft – and occupied the public open spaces originally envisaged to the east and west as well as Site 3. The land take for the leisure complex increased from 2.66 acres to 3.92 acres.
  
12. However, these changes are fairly unimportant – any masterplan should incorporate an element of flexibility in the design and implementation. They did, however, have implications for employment on the site. The employment which was forecast as likely to follow from the implementation of the masterplan and the actual employment outcomes on each site are set out below.

<b>Table 1 Planned and Actual Direct Employment Impacts</b>			
<b>Planned Development</b>	<b>FTE<sup>1</sup> Jobs</b>	<b>Actual Development</b>	<b>FTE<sup>2</sup> Jobs</b>
<b>Custom House Quay</b>			
Site 1: Food Superstore 57,000 sq ft or 1.9 Ha	170	Curry’s, Halfords, General George, Textile World, Carpet Right, Comet, Roseby’s	66 FTEs (43 FT, 45 PT)
Site 2: Water / Ice Centre 45,000 sq ft	38 full time & 46 part-time (61 FTEs)	Waterfront Leisure Centre (65,000 sq ft)	115 FTEs
Site 3: Cinema / bowling 34,000 sq ft	35	Waterfront Cinemas, Mecca Bingo, Topps Tiles	(100 FT, 30 PT)
Site 4: Residential 60 homes (1 acre)	Negligible	Site 4: JWC & student / conference accommodation,	60 (50 full-time, 20 part-time)
Site 5: Education / Health 50,000 sq ft	120	LIDL, Kwik Fit, Hewden Hire,	39 FTE (29 FT, 20 PT)
<b>East India Harbour (EZ) /Victoria Harbour</b>			
Site 6: Heritage attraction (inc. museum, marina, catering and speciality retail) 66,000 sq ft	40	The Port & Harbour Customs Museum	9 FTEs (7FT, 4 PT)
Site 7: Ferry/Cruising operation / support services 2,000 sq ft	5	Not developed	-
Site 8: Hotel (60 rooms) 23,600 sq ft	30	Not developed – hotels were built, but at Cartsburn and Cartsydyke	-
Site 9: Victoria Harbour Maritime Services / Workshop / Offices 20,000 sq ft	30	Not developed	-

<b>Table 1 Planned and Actual Direct Employment Impacts</b>			
<b>Planned Development</b>	<b>FTE<sup>1</sup> Jobs</b>	<b>Actual Development</b>	<b>FTE<sup>1</sup> Jobs</b>
Site 10: Commercial use 18,850 sq ft	55	Not developed	-
<b>Total Permanent FTEs</b>	<b>595</b>		<b>289</b>
<b>Cartsburn (EZ)*</b>			
Cartsburn North – 136,000 sq ft Cartsburn South – 125,772 sq ft		Royal Bank of Scotland Call Centre, Express by Holiday Inn, T-Mobile, Cigna Healthcare, St Andrews Ambulance Service, Royal Mail, Holland House, Electrical Co Ltd, IT Xchange Ltd, Kare Orthopaedics by Design) Ltd, Sercom Solutions, Miller Preservation, Apollo Blinds, Pure Hi-Fi, Bathroom Elegance, Auto Windscreens, BrandFocus	1,933 FTEs
<b>Cartsdyke*</b>			
		Travel Inn and Brewers Fayre, HCS Global Computer Products	189 FTE
Source: BDP (1993) Masterplan and Peda (1993)			
<sup>1</sup> Full Time Equivalent			
* These sites were not in BDP Masterplan			

13. The most significant departure from the Masterplan relates to the area around Victoria and East India Harbours, which should have been the centrepiece of the Waterfront developments and which remains undeveloped. The visitor attraction proposed was the subject of an unsuccessful application for Millennium Commission funding, and was subsequently considered not to be viable without the 50% funding which the Millennium Commission funding would have provided. No progress was made with other marine or retail developments on the site and the site has now transferred to the ownership of Inverclyde Council.
14. This has also had consequences for employment and is one of the reasons why the actual employment supported on Custom House Quay and East India Harbour and Victoria Harbour is 289 compared to 595 FTEs originally forecast. However, the main reason is that the superstore which it had been assumed would be located on this site was developed for non food rather than food retailing.
15. Progress at East India and Victoria Harbour was delayed by 5-6 years by the illegal occupation of a group of boat owners who sought to occupy the harbours and associated quaysides. In addition to the delays involved, there were also costs - legal fees, costs incurred in taking possession of the land and in 24-hour security. SER are still defending legal actions from the boat owners.

## Funding

16. The gross costs – paid by SER - associated with each of the sites were as follows:
- **Over £10 million expenditure at East India Harbour** purchasing outstanding land interests, rebuilding harbour walls and quayside construction and providing infrastructure to permit the accommodation of vessels. The quaysides were in extremely poor condition consisting of badly rutted / uneven / depressed surfaces with many holes and decayed sub-strata that were a danger to the public. The aim was to recreate quaysides and immediate public areas in natural materials that were complementary to the harbour activities.
  - **Nearly £4 million expenditure at Custom House Quay:** site preparation, developing essential infrastructure (including access road and junctions), sub-structure works for the leisure centre, LIDL building and James Watt College, decontamination and other works;
  - **Around £0.5 million expenditure at Cartsdyke:** site clearance, road construction and platforming;
  - **£10 million at Cartsburn:** early (Scottish Development Agency) work on Arthur Street infrastructure and landscaping, purchase of outstanding land interests.
17. In total, 35 hectares of derelict land were regenerated. In 1992, Scottish Enterprise provided a rental guarantee on the £9 million scheme on Cartsburn Maritime (comprising 72,000 sq ft of industrial and office space) on which it has a 25 year headlease.
18. The overall costs of the development included costs incurred by Scottish Enterprise Renfrewshire and estimated costs incurred by other public sector partners are as follows in Tables 2 and 3:

	<b>SER Costs</b>	<b>Receipts to SER</b>	<b>Net Cost</b>
East India Harbour	11,723	1070	10,653
Custom House Quay	3,783	6105	-2,322
Cartsdyke	350	801	-451
Cartsburn	9,587	100	9,487
<b>Total</b>	<b>25,443</b>	<b>8076</b>	<b>17,367</b>

Source: DTZ Pidea Estimates



**Table 3**
**Costs to All Public Sector Partners - £ million**

	European Funding	SE & SER (net of receipts)	Scottish Enterprise	Inverclyde Council	Scottish Executive	James Watt College
East India Harbour	£2.41 ERDF (but 100% clawed back <sup>1</sup> )	10.6				
Custom House Quay	£1.5 Obj 2 / RENAVAL	-2.3		13.7 <sup>2</sup>		5
Cartsdyke		-0.451			8	
Cartsburn		9.5				
ERDF Substitute			2.41			
Total	1.5	17.3		13.7	8	5
<b>Grand Total</b>	<b>£47.91</b>					

Source: DTZ Pidea Estimates

<sup>1</sup> The clawed back ERDF was subsequently replaced by Scottish Enterprise Funding

<sup>2</sup> this is the original estimated cost – the outturn cost is believed to be considerably higher

## Economic Impact

19. There are 2,628 people employed by companies located at the Waterfront, of whom 2,210 are full-time and 418 are part time, which gives a FTE (full-time equivalent) employment figure of 2,419. Over 80% of these employees work for companies located on the former Enterprise Zone. There are similar numbers of companies within and outside the zone, but the non-EZ companies generally tend to employ fewer people.

**Table 4**
**Total Employment at Waterfront**

	# companies	FT staff	PT staff	Total	FTE
Enterprise Zone	17	1,861	283	2,144	2002.5
Non – EZ	16	349	135	484	416.5
<b>Total</b>	<b>33</b>	<b>2,210</b>	<b>418</b>	<b>2,628</b>	<b>2419</b>

**Table 5**
**Waterfront Employment by Sector**

Industrial Sector	# companies	FT staff	PT staff	Total	FTE
Communications	1	89	45	134	111.5
Retail / Wholesale	14	102	83	185	143.5
Manufacturing	1	35	5	40	37.5
Finance	1	400	110	510	455
Hotel / Leisure	6	118	50	168	143
ICT / technology	4	1,098	85	1,183	1140
other services	6	368	40	408	388
<b>Total</b>	<b>33</b>	<b>2,210</b>	<b>418</b>	<b>2,628</b>	<b>2,419</b>

20. The majority of Waterfront employees (59%) have either sales or customer service occupations, compared to just 19% working in skilled or unskilled manual occupations. A relatively high proportion of staff (13%) are in either professional or managerial occupations.
21. There is a slightly greater number of male employees (56% or 1,355 FTEs) at the Waterfront than females (44% or 1,065). However, females represent 55% of total employment in the non-enterprise zone companies - mainly because they account for a far higher share of the part time employment. The companies in the enterprise zone have relatively more full time employees than their non-EZ counterparts (73% compared with 57%).
22. Some 65% of the Waterfront’s workforce – or 1,600 employees – are residents of Greenock, Gourock or Port Glasgow; 11% (or 270) are from Paisley; 14% (or 340) from Glasgow and 11% (or 270) from other areas in the West of Scotland.
23. The Waterfront projects have created direct employment of 2,400. When account is taken of additionality and displacement issues, 2,000 direct jobs have been created. Table 6 provides a summary of the total direct, indirect and induced employment impacts created by the Waterfront activities throughout Inverclyde, West of Scotland and Scotland, net of displacement.
24. It should be noted that there are no published sources of local level multipliers. Generally speaking local level multipliers are much smaller than Scottish multipliers because there is a greater potential for expenditure to leak out of the local economy. However, the survey demonstrated that some of the companies/organisations (eg James Watt College) had a policy of sourcing goods and services locally wherever possible. We have therefore adopted an average local level multiplier for Inverclyde and West of Scotland of 1.5. Typically Scottish multipliers for the type of businesses at the Waterfront are in the range 2.2 to 3.

**Table 6**  
**Final Employment Impacts (net of displacement and including multipliers )**

	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Inverclyde	2,000	600	400	3,000
West of Scotland	12	16.8	7.2	24
Scotland	4	6.6	2.4	9

Source: Adapted from 1999 Scottish Input-Output Tables. Employment Multipliers Type I and Type II

25. The cost per net additional job created in Inverclyde to SER is £5,786, but the total public sector cost per job is considerably higher as it includes other public investment such as the Water/Ice Centre and James Watt College. The overall cost per job is £15,970.

26. The total public sector cost per hectare remediated was £1.37 million per hectare and the net cost per hectare to Scottish Enterprise Renfrewshire was £496,000 per hectare. An appropriate comparator for the Waterfront would be another mixed used urban renewal project with a range of public sector spend, including direct expenditure on some of the uses on site. In February 2001 we calculated that the total public sector subsidy per hectare for the Crown Street project was £1.9 million per hectare and the cost to Scottish Enterprise Glasgow, £879,000 per hectare. The St Andrews' Square project in Glasgow, which had a higher proportion of private sector end uses, had total public sector costs of £1.7 million per hectare, and costs to Scottish Enterprise Glasgow of £718,000 per hectare.

### Impact on Perceptions of Greenock

27. In addition to employment creation, the Waterfront scheme also had the potential to change the perceptions of Greenock people about their town, as well as those of outsiders who might have been considering Greenock as a location. We surveyed 300 pedestrians near the two main shopping centres in Greenock to identify their perceptions of the Waterfront development and its impact on spending patterns. We were also asked to consider the extent to which the Waterfront initiatives had impacted upon the profile of Greenock, Inverclyde and Renfrewshire as a business location.
28. 86% of pedestrian interviewees believed that the developments have increased the attractiveness of Greenock as a place to live in or visit. In terms of the general opinion of the environment at the Waterfront, the feedback was positive. Just over one quarter of the pedestrians find the Waterfront environment 'very attractive' and a further 62% find it 'quite attractive'.
29. The aspects of the Waterfront that town centre users stated that they liked have been grouped under the following headings<sup>3</sup>:
- the view and the pleasant surroundings (52%)
  - cleanliness and smarter appearance (16%)
  - leisure and entertainment facilities (10%)
  - the harbour and ships (7%)
  - retail park and shopping facilities (4%)

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<sup>3</sup> These do not sum to 100% as not all respondents gave a specific reply, while others provided more than one response

30. The comment that people made most frequently was that it was a nice place to walk and sit on a fine day and admire the views out to sea. The vast majority of people (73%) did not identify anything they disliked about the area. The aspects that were mentioned by a minority of interviewees as being disliked about the Waterfront area were:
- vandalism, hooligans and loitering (7%)
  - lack of toilets or other facilities (5%)
  - rubbish or litter (3%)
31. A number of further improvements to the Waterfront were suggested, such as the provision of a café or other catering facilities, more facilities for children and a greater variety and number of retail units. The idea of pubs/restaurants/cafes looking out over the Clyde had a particularly strong appeal.
32. A small minority of respondents (8%) used the words 'empty', 'unfinished' to describe the Waterfront or said that it was 'lacking something'. Facilities such as restaurants/ cafes, facilities for tourists, museum, boats in the harbour were mentioned as things that were missing from the scheme. A tiny minority commented that it had brought no real jobs or that they missed the shipyards. A similar number mentioned loss of character.
33. Our interviews with key players and the press scan suggested that the Waterfront project has impacted on the perceptions of the business and property market, but it has not transformed them.

### Lessons Learnt

34. In project management terms , the key lessons are ones which are familiar:
- The importance of dedicated project management
  - The key role of project 'champions'
  - The importance of land ownership – without ownership or control of sites , little can be achieved
  - The difficulty of realising sustainable flagship heritage/ tourist projects
  - There may also be some detailed learning points in relation to the design and enforcement of clawback clauses. Although Scottish Enterprise Renfrewshire succeeded in securing clawback when the retail development was sold on, securing that clawback involved protracted negotiations, with the role of the independent accountant being particularly problematic.

## Conclusions

35. The land uses accommodated on the Waterfront have created over 2,400 jobs, of which we consider around 2,000 to be additional, non- displaced jobs. When multiplier effects are taken into account, this rises to 3,000 jobs.
36. 65% of the direct jobs have gone to local people. Although it is always difficult to attribute wider economic change to specific interventions, it seems clear in this case that the Waterfront project contributed to an above average increase in employment (7%) and an above average fall in claimant count unemployment in the late 1990s. Over this period, Inverclyde performed significantly better than North Ayrshire, which we have used as a comparator authority.
37. The employment created has also contributed significantly to the diversification of the Inverclyde economy. Over the period 1995 to 2002, employment in production and construction industries declined by 14% in Inverclyde – this was significantly greater than the Scottish average of 3%. Over the same period employment in service industries in Inverclyde grew by 18% - this is twice the rate of growth in the Scottish economy and over four times faster than North Ayrshire.
38. This growth can be largely attributed to the activities at the Greenock Waterfront. In aggregate, service sector employment increased by 3,580 over the period 1995 to 2002. Of these, we calculate from our survey that just under 2,000 jobs were at the Waterfront.
39. This diversification brought with it some challenges in terms of the very different nature of the new jobs created. Fewer than 2% of the new jobs were in traditional manufacturing, 45% in ICT and 7% in retailing. 59% of the jobs created were in sales and customer service occupations, a further 13% in managerial and professional jobs and 10% in clerical and secretarial occupations. However, the high proportion of jobs taken by local people and the falling claimant count unemployment rate over the period suggests that the challenge was to a large extent met.
40. Some 35 hectares of derelict land were cleared, which made a significant impact on the amount of vacant and derelict land (175 hectares in 1992) in Inverclyde. However, since then the level of vacant and derelict land has risen again, partly as a result of the demolition of public sector housing stock.
41. The Waterfront developments, together with other EZ developments, helped to create an office market and to make a transition to a service based economy possible. Other impacts included positive, but modest impacts on image and thus on the potential for inward investment, and on the housing market.

42. Finally, the development has been popular with Greenock residents. 86% of the pedestrians believe that the developments have increased the attractiveness of Greenock as a place to live in or visit. Just over one quarter of the pedestrians find the Waterfront environment 'very attractive' and a further 62% find it 'quite attractive'.
43. The pedestrian survey suggested that there is however scope for improvement. A number of further improvements to the Waterfront were suggested. The most common suggestions were the introduction of a café or other catering facilities, more facilities for children and a greater variety and number of retail units. People particularly like the idea of pubs/restaurants/cafes looking over the Clyde. A small minority of respondents (8%) used the words 'empty', 'unfinished' or said that it was 'lacking something'. Facilities such as restaurants/ cafes, facilities for tourists, museum, and boats in the harbour were mentioned.
44. The harbour itself is probably the most important area of the Waterfront in terms of Greenock's heritage – to capitalise on the excitement of a waterfront location, waterfront developments need activity on the water and in the areas surrounding it – bars, restaurants, cafes, specialist retailing, and ideally some kind of heritage component and/or visitor attraction. The completion of the scheme at East India and Victoria Harbours would address these issues and should be seen as an important goal for Scottish Enterprise Renfrewshire's partners.

## 1 INTRODUCTION

### THE STUDY BRIEF

- 1.1 DTZ Pieda Consulting was commissioned by Scottish Enterprise Renfrewshire in May 2002 to undertake an evaluation of more than a decade of various initiatives intended to regenerate Greenock Waterfront. As shown in Appendix A, Greenock Waterfront is located directly to the north and east of Greenock town centre between the A8 and the Clyde estuary. The area extends to some 40 acres and covers 4 main sites – Cartsburn, Cartsydyke, East India / Victoria Harbours and Custom House Quay. (See Map 1 in appendix A).
- 1.2 The overarching rationale was to promote the regeneration of the wider Inverclyde economy through improving the physical environment and providing infrastructure for the development of leisure, educational and shopping facilities. This was one of the largest and most ambitious projects undertaken by SER and its partners.
- 1.3 The identity - or in some cases simply the name - of the partners changed over time. Figure 1.1 sets out the different partners involved at different stages in the project.



**Timeline**

89 90 91 92 93 94 95 96 97 98 99 2000 2001 2002 2003

**Organisations**



(the 2 councils were different organisations)



**Developments**





## The 1993 Masterplan

- 1.4 Although the Inverclyde Initiative first proposed to redevelop the Waterfront in 1987, the starting point for this evaluation is the 1993 Masterplan. In December 1992, a development strategy and masterplan for the Waterfront was commissioned from BDP by Renfrewshire Enterprise, in conjunction with Strathclyde Regional Council, Inverclyde District Council and Scottish Enterprise. The aim of the strategy was to realise the full potential of the waterfront area which was derelict and contaminated, thereby allowing it to play a significant role in the regeneration of the local economy.
- 1.5 The Masterplan – which extends only to Custom House Quay, Victoria Harbour and East India Harbour - identified 10 discrete development sites. The uses included leisure, educational, retail, residential and commercial leisure. The mix of uses originally envisaged in BDP's Masterplan is shown in Appendix A, Map 2.
- 1.6 In addition to the area covered by the Masterplan, the evaluation also covers two waterfront sites that were granted Enterprise Zone status over the period 1989 to 1999. During the period covered by the evaluation, a number of major infrastructure initiatives were undertaken including a new access road and new pedestrian links which improved the overall access between the Waterfront and the town centre. This improved the accessibility of the whole area and opened up economic development opportunities.

## METHODOLOGY

- 1.7 This evaluation study comprised the following research and analytical components:
- **Desk Research** – a review of relevant background reports, which included previous consultancy reports on the evaluation of the Inverclyde Enterprise Zone, an economic appraisal of the Masterplan, relevant Scottish Enterprise Project Advisory and Board papers, and other studies carried out by the Invest In Inverclyde Partnership, housing studies, etc. A full bibliography is contained at Appendix G.
  - **Consultations with key partners** – we carried out consultations with key personnel in Scottish Enterprise Renfrewshire, Inverclyde Council, James Watt College, and Scottish Development International. This was an extremely important part of the research, given the length of time elapsed since the project's initiation and we would like to extend appreciation for the high degree of co-operation obtained. A list of consultees is contained in Appendix B.
  - **Pedestrian survey** – we interviewed 300 pedestrians in two main shopping districts in Greenock about their perceptions of the Waterfront area and the main benefits deriving from the Waterfront development. The questionnaire is attached in Appendix C.

- **Business survey** – we targeted interviews at all of the companies located at Greenock Waterfront to identify the impact that the Waterfront regeneration had on their activities. The questionnaire is attached in Appendix D.
- **Economic profile of Greenock**– we used published socio-economic data to profile Greenock, Inverclyde and Renfrewshire over the period 1991 –2001. We used comparator areas to benchmark the performance of these economies in Section 5 and Appendix E.
- **Greenock and Inverclyde Press Search** – a trade and national press search was carried out to measure the number and content of articles covering Greenock and the wider Inverclyde area over the period from the 1990s. Details of our search and analysis of the results is in Appendix F.

### STUDY ISSUES

1.8 The following issues are highlighted at the outset of the report because of their importance in the interpretation of the study findings. They are:

- **Timing:** the long-term nature of the initiatives at Greenock may have created some difficulties for the evaluation – the passage of time and natural turnover of staff can make the recollection of events difficult.
- **Data capture:** official sources of socio-economic data, whilst they are the most reliable have been subject to a number of changes and reviews over the period since 1990. Some of the data series - for example the Annual Employment Survey - have been rescaled to facilitate comparison over time.
- **Survey fatigue:** We had been concerned about the dangers of survey fatigue, but we succeeded in achieving very high response rates. Some 85% of businesses returned the questionnaire – although some were not prepared to answer every question. Of those companies who were not prepared to complete the questionnaire, we either carried out a very short telephone interview or estimated employment supported on-site with reference to the building floorspace.

1.9 Notwithstanding these issues DTZ Pidea Consulting has been able to execute a comprehensive and in-depth evaluation of the impact of the regeneration of Greenock Waterfront on the Greenock, Inverclyde and Renfrewshire economies.

## REPORT STRUCTURE

1.10 The remainder of the report is structured as follows:

- **Section 2** – provides background to the initiatives undertaken at the Waterfront, and outlines the activities, and inputs provided by Scottish Enterprise Renfrewshire, Inverclyde Council and other partners.
- **Section 3** – sets out the main impacts of the Waterfront drawing together the results of the business survey, research undertaken on pedestrian perceptions, and views reported in the media. We also provide a property context.
- **Section 4** – provides an overall assessment of the extent to which the Greenock Waterfront project met its strategic objectives and the value for money associated with different parts of the developments.
- **Section 5** – provides a “top down” assessment of changes to Greenock, Inverclyde and Renfrewshire economies – this provides a useful context against which the activities at the Waterfront can be viewed.
- **Section 6** – reviews lessons learnt that might help inform other major “Competitive Place” projects around the Scottish Enterprise Network.
- Appendix A – Map of Waterfront area; and extract from the BDP Greenock Waterfront Masterplan
- Appendix B – List of Consultees
- Appendix C – Pedestrian Survey Methodology and Questionnaire
- Appendix D - Business Survey Questionnaire
- Appendix E – Analysis of Press articles
- Appendix F – LOCUS outputs
- Appendix G – Bibliography
- Appendix H - Glossary

## 2 THE REGENERATION OF THE WATERFRONT: CONTEXT

### INTRODUCTION

- 2.1 The town of Greenock lies within the unitary authority of Inverclyde and within the local enterprise company boundary of Scottish Enterprise Renfrewshire (SER). Greenock is the largest town in Inverclyde – with a population of c. 45,000 – accounting for half of the population of Inverclyde. Inverclyde, and particularly Greenock, has a long history of shipbuilding and heavy manufacturing. The regeneration of the Greenock Waterfront area was designed to support the regeneration of the Inverclyde area and was one of the largest projects undertaken by SER and its key partners.
- 2.2 To put the scale of the project in context - the Waterfront site is twice the size of Greenock's town centre and suffered from extreme dereliction and contamination after a century of heavy industrial shipbuilding use. All four sites – Cartsburn, Cartsyde, East India Harbour and Custom House Quay - had significant infrastructure problems and the quay walls of East India Harbour were life expired and defunct. The Custom House Quay site had been in-filled between the wars with fill which was unmonitored and unrecorded and which gave rise to contamination over time.
- 2.3 By the early to mid 1980s, the public sector agencies agreed that a co-ordinated strategic approach was required which would halt further decline of the Inverclyde economy and stimulate its regeneration. Major infrastructure initiatives (including the Inverclyde Enterprise Zone and the Greenock Waterfront Masterplan) were undertaken to support Inverclyde's regeneration.
- 2.4 The overall aim of these initiatives was
- "To enable the regeneration of the wider Inverclyde economy through improving the physical environment and providing infrastructure for the development of leisure, educational and shopping facilities" [source: study brief]
- 2.5 The brief stated that this ambitious objective was achieved by:
- **Undertaking environmental improvements:** by removing contamination and dereliction in the affected sites, creating a more attractive physical environment and preparing the sites for further development. These were predominantly shipbuilding and heavy manufacturing sites;

- **Developing brownfield land:** the chronic shortage of land in Greenock was both due to contamination of available sites and topographical restrictions constraining the future development of sites;
- **Creating employment opportunity:** businesses would be attracted to the site by encouraging the expansion of companies in the LEC area and by promoting the site to inward investors. The Greenock Waterfront was intended to be one of SER's and (then) Locate in Scotland's key sites and would address the key requirement for additional quality office and industrial space.

### THE GREENOCK WATERFRONT SITES AND THE ENTERPRISE ZONE

- 2.6 The four sites on the Greenock Waterfront which we are currently reviewing are depicted in Appendix A. As a response to the severe economic decline in Inverclyde, 11 sites in Inverclyde were designated with Enterprise Zone status for a period of 10 years (1989 – 1999). Two of these designated sites were at the Waterfront – Cartburn and East India / Victoria Harbours.
- 2.7 The Waterfront is divided from Greenock town centre by the A8 – one of the challenges facing the partners was how to link the town centre and the Waterfront effectively. A new access road was built and pedestrian links improved to provide safe walking areas for residents and pedestrians. In addition, a river walkway was built along the length of the regenerated area that also provided access to the public.

### CHRONOLOGY OF EVENTS IN GREENOCK

- 2.8 Although the focus of the evaluation is the period starting from 1991, we found it useful to review the events leading up to the production of the Masterplan. Paragraphs 2.9 and 2.10 set out the background for the developments which are evaluated in this report.

## The Inverclyde Initiative

- 2.9 In 1986, the Inverclyde Initiative – a partnership involving the private sector, district and regional councils and led by the Scottish Development Agency (SDA) – submitted a planning application to redevelop the 20-acre Customhouse Quay site with the objective of encouraging inward investment to the area. Outline planning permission had been granted for a 65,000 sq ft superstore with 40,000 sq foot of retail warehousing. A development competition was held and five companies short-listed to provide detailed proposals. A condition of the consent was that the new retailing was to be integrated with the existing town centre – developers were encouraged to upgrade the existing town centre. The SDA also identified a need for office accommodation, low density housing, speciality shopping, a hotel, and an ice rink based leisure centre.
- 2.10 In 1987 the SDA selected Ravenstone Securities as developers of the Greenock Waterfront scheme. Ravenstone proposed to develop Customhouse Quay through an ambitious redevelopment programme including an enclosed walkway leading to the town centre through a speciality shopping centre positioned within the major roundabout known as the “bull-ring”. The covered walkway was also to link into the leisure element which was to be run by Apex Leisure (including a curling and ice-skating rink and cinema). Bass were going to provide a 35-bedroom hotel. A number of other attractions were also envisaged involving the Inverclyde Maritime Heritage Trust. For example it was envisaged that the Waterfront would capitalise on its sea-going heritage by providing several marine-related elements, including a historic vessel moored on the Waterfront and a Scottish Emigration Centre. However Ravenstone subsequently withdrew as the developer. All of this happened prior to the designation of the Enterprise Zone and the Masterplan developments which are reviewed in this report, and we have not discussed or reviewed this scheme in detail. We make reference to it purely as background.

## Enterprise Zone Designation

- 2.11 The Inverclyde Enterprise Zone was designated in 1989 for a period of 10 years as a response to the severe economic decline in Inverclyde. A major constraint on economic regeneration was the very low level of business confidence in the local property market – speculative property development was non-existent. There was a poor supply of new business accommodation with which to attract new business investment. Housing development occupied much of the development land, leaving few sites for industrial development. There was a significant shortage of serviced sites – much of the land was poor quality, containing substantial dereliction and contamination.

- 2.12 The Enterprise Zone area covered 274 acres within Gourock, Greenock and Port Glasgow. There were eleven zone sites in total – two of them at Greenock Waterfront. Companies locating on these sites benefited from: local authority rate exemption, enhanced capital allowances, a simplified planning regime, speedier administration of planning and other decisions, customs facilities and a reduction in statistical requirements for government.
- 2.13 Inverclyde District Council led the partners in ensuring that the EZ did not lead to “boundary-hopping”. Local firms were able to move onto an EZ site as long as they could demonstrate that they were undertaking an expansion / development of their business.

### Sale of Greenock Town Centre

- 2.14 In 1990, Ossory Road Estates completed the refurbishment and extension of the then Clyde Square shopping centre. The intention was that Greenock should be able to compete more effectively with Paisley as a retail centre.<sup>4</sup> It was intended that the revenue from sale of the town centre would be used by Inverclyde District Council to fund the Swim & Ice centre.

### Masterplan

- 2.15 In 1992 the masterplan for Custom House Quay, Victoria and East India Harbour was commissioned . It was finalised in 1993.

### Tall Ships

- 2.16 The visit by the Cutty Sark Tall Ships in July 1999 was an opportunity for residents and visitors to witness the regeneration of the Waterfront. The event attracted 800,000 visitors and generated over £8 million of expenditure in the Inverclyde area. Our survey highlighted that the Tall Ships event is still remembered as a significant event in the minds of Inverclyde residents.

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<sup>4</sup> Source: Peter Everest, director of Ossory Estates, Evening Times 29<sup>th</sup> April 1988

## FUNDING

2.17 This section summarises the costs incurred in clearing, remediating, decontaminating and providing infrastructure and other amenities at the Waterfront.

2.18 The gross costs – paid by SER - associated with each of the sites were as follows:

- **Over £10 million expenditure at EIH:** purchasing outstanding land interests, rebuilding harbour walls and quayside construction and providing infrastructure to permit the accommodation of vessels. In general the quaysides were in extremely poor condition consisting of badly rutted / uneven / depressed surfaces with many holes and decayed sub-strata that were a danger to the public. The aim was to recreate quaysides and immediate public areas in natural materials that were complementary to the harbour activities.
- **Nearly £4 million expenditure at Custom House Quay:** site preparation, developing essential infrastructure (including access road and junctions), sub-structure works for the leisure centre, LIDL building and James Watt college, decontamination and other works;
- **Around £0.5 million expenditure at Carttsyke:** site clearance, road construction and platforming;
- **£10 million at Cartsburn:** early (SDA) work on Arthur Street infrastructure and landscaping, purchase of outstanding land interests, costs associated with letting Britannia House to the Royal Bank.

2.19 In 1992, Scottish Enterprise provided a rental guarantee on the £9 million scheme on Cartsburn Maritime (comprising 72,000 sq ft of industrial and office space) to stimulate interest in the development.<sup>5</sup> Scottish Enterprise has a 25 year headlease on Cartsburn Maritime.

## ACTIVITIES UNDERTAKEN

2.20 The following activities were undertaken over the period:

- 35 acres of derelict land regenerated.
- At **Cartsburn:**
  - the construction of road and junction improvements on the A8, new roundabouts at Carttsyke and Arthur St with associated road realignments
  - the demolition of shipyard infrastructure, buildings and cranes

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<sup>5</sup> Source: Chartered Surveyor Weekly, 3<sup>rd</sup> September 1992



- the construction of a new river wall, the up filling of the site and infilling of a dock basin to create a site for development
  - the diversion of underground drainage infrastructure and installation of main line site services such as gas, electricity etc.
  - soft and hard landscaping works including new riverside walkway and interface with adjacent listed structures (Scotts Dry Dock)
  - the demolition of shipyard sheds, buildings and underground obstructions at Arthur St
  - site clearance in advance of the Cartsburn Maritime development.
  - soft landscaping throughout the site.
- **At Cartsdyke:**
    - the demolition of the Clark Kincaid sheds plus removal of major underground obstructions.
    - alterations to A8 Junction to access the site.
- **At East India Harbour:**
    - the demolition of the Embarcation Sheds and associated harbour buildings,
    - the formal closure of the harbour to permit the demolition of derelict harbour walls and infrastructure - timber elements were reused as seating and artefacts.
    - the construction of new harbour walls on new alignments as well as the repair of dock gates to the old dry dock within the harbour.
    - the construction of large areas of quayside and public open space.
    - the provision of major site services.
    - the taking down stone by stone of the Harbour Masters Office<sup>6</sup>
    - storing of building for future rebuilding exercise.
    - at Lamonts Yard the removal of derelict buildings, site clearance and realignment of site boundaries with Strathclyde Police to create a development site.
- **At Custom House Quay:**
    - the construction of a new river wall from EIH to the Container terminal with ship mooring facilities to accommodate visiting vessels.
    - the diversion of major underground drainage systems including the bridging and realignment of the Westburn Culvert, the removal of major underground obstructions, the construction of a new access road from east to west through the site.
    - the construction of a river side walkway and public open spaces. The decontamination on the principle of fit for purpose. The provision of major site services.

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<sup>6</sup> the building is still in storage

- contributions toward the extra over substructure costs for James Watt College, IC Leisure Centre,
- new traffic signal junction at Brymner St, new give way junction at Container way, and traffic management alterations to the Bull Ring Roundabout.

## COSTS ASSOCIATED WITH REGENERATING GREENOCK WATERFRONT

2.21 This section identifies the main costs – on a site by site basis - associated with providing infrastructure, remediation and decontamination works, and extraordinary costs associated with site development; as well as revenues from the subsequent sale of these sites. This information was derived from Board and PAG papers dating from 1990, provided by Scottish Enterprise Renfrewshire.

### Forecast / predicted expenditure

2.22 Table 2.1 sets out the (SER) forecasts for investment requirements underpinning the Masterplan. These anticipated that expenditure of £21.3 m from SER and other public sector partners would result in £37.7m investment from private sector developers.

<b>Table 2.1 Forecast Investment Requirements for Custom House Quay, East India and Victoria Harbours in Masterplan (£ 000's)</b>		
<b>Year</b>	<b>Developer</b>	<b>RE and Partners</b>
1993/4	0	440
1994/5	7,100	3,000
1995/6	14,000	3,700
1996/7	3,000	4,300
1997/8	4,300	4,600
1998/9	6,300	2,230
1999/00	3,000	3,030
<b>Total</b>	<b>37,700</b>	<b>21,300</b>

Source: PAG paper 2/93, appendix 1

### Actual Expenditure

2.23 Table 2.2 sets out our estimates of the actual costs incurred by different partners.

- 2.24 Cambridge Policy Consultants (CPC) carried out a final evaluation of the Enterprise Zone. The CPC report states that at the time of the EZ designation, sites were chosen that were already in public ownership, where possible. For example, EIH / VH were owned by Scottish Enterprise. The SDA had purchased Cartsburn from Scott Lithgow – but the cost of acquisition is not known.
- 2.25 In estimating the public sector costs for the two enterprise zones, it is necessary to take into account not just the infrastructure costs but also the cost of the capital allowances and rate relief which were part of the EZ package. For the EZs as a whole CPC estimated that costs broke down as follows:

Infrastructure	£38.7m
Rate relief	£12.2
Capital allowances	£9.1-£14.9
<b>Total</b>	<b>£60.0-£65.8</b>

- 2.26 In Table 2.2, we have pro-rated the total net public sector costs of rate relief and capital allowances from the CPC report, as the report provided no evidence for how these costs should be allocated between the various EZ sites, only two of which were part of the set of projects we are considering in this evaluation. This is shown as the figure of £8 million cost to the Scottish Executive, for rate relief and capital allowances take up.

### Net Expenditure

- 2.27 The actual net costs incurred by the partners were very close to the predicted investment requirements, which is impressive given the scale of the project and the long regeneration period. Our estimate of total public expenditure on the Waterfront sites is £47.91 million, although this is an estimate, given that we have no outturn cost figures for the Water Ice centre.

**Table 2.2**  
**Costs to All Public Sector Partners - £ million**

European Funding	SE & SER (net of receipts)	Scottish Enterprise	Inverclyde Council	Scottish Executive	James Watt College
£2.41 ERDF (but 100% clawed back <sup>1</sup> )	10.6				
£1.5 Obj 2 / RENAVAL	-2.3		13.7 <sup>2</sup>		5
	-0.451			8	
	9.5				
		2.41			
1.5	17.3		13.7	8	5
<b>£47.91</b>					

Source: DTZ Pidea Estimates  
<sup>1</sup> The clawed back ERDF was subsequently replaced by Scottish Enterprise Funding  
<sup>2</sup> this is the original estimated cost – the outturn cost is believed to be considerably higher

2.28 Table 2.3 provides more detail on the costs incurred by Scottish Enterprise Renfrewshire and the receipts on a site by site basis.

**Table 2.3**  
**Net Expenditure SER £ (000)**

	SER Costs from PAG papers	Receipts to SER	Net Cost
EIH	11,723	570	11,153
CHO	3,783	6,105	-2,322
Cartsdyke	350	801	-451
Cartsburn	9,587	100	9,487
Golden Contract Fees	<b>112</b>	<b>7,576</b>	
Total	<b>25,555</b>	<b>7,576</b>	<b>17,867</b>

Source: DTZ Pidea Estimates

### Costs to Other Public Sector Partners

2.29 Contributions from other public sector partners included:

- The capital cost of the cinema in 1996 to IDC was £1.7 million including fees paid<sup>8</sup>
- IDC funded the leisure centre, which, prior to construction, had an estimated cost of £12 million. The outturn cost of the project has not been supplied to us by Inverclyde Council
- SER, SE and the Scottish Office paid significant (but unstated) legal fees associated with the difficulties with the boat owners. RE put aside estimated legal fees of £50k in 1992

<sup>8</sup> the building is currently let on a full repairing lease for £55,000 per annum

- The costs of the new development by James Watt College

### Scottish Enterprise Costs by Site

2.30 Table 2.4 sets out the profile of costs incurred by Scottish Enterprise on each site. Much of the expenditure was front loaded - some 58% of total costs were incurred by 1994/95, as might be expected in development works of this nature. Infrastructure works at Cartsburn dominated expenditure over the period 1991 – 1994. This was essential to encourage development interest in the site. Almost 50% of total SER expenditure was at East India Harbour, where dereliction was most severe. These works and imposing safety/security measures after occupation of the site by the boat owners were necessary before future development could take place.

	<b>East India Harbour</b>	<b>Custom House Quay</b>	<b>Carttsyke</b>	<b>Cartsburn</b>	<b>Total</b>
1991/92				876.1	876.1
1992/93	2,556			2,033.8	4,589.80
1993/94	0	830		5,420.6	6,250.6
1994/95	412	1,510		1,157	3,079
1995/96	665		350		1,015
1996/97	454	1,385			1,839
1997/98	3,911	58.2			3,969.2
1998/99	3,425			100	3,525
1999/00	300				300
2000/01					
2001/02					
Golden Contract Fees				112	112
<b>Total</b>	<b>11,723</b>	<b>3,783</b>	<b>350</b>	<b>9,699.5</b>	<b>25555.5</b>

Source: PAG papers (various), SDA

### Receipts by Site

- 2.31 As Table 2.5 shows, the cinema site (site 3a) was transferred to Inverclyde Council at nil cost – although it was recognised that it had a potential value of £0.5 million. Its opportunity cost to Scottish Enterprise is not included because it was effectively a transfer of assets between public bodies. James Watt College paid £300,000 for their site.
- 2.32 In one transaction, RE disposed of EIH, Scotts Dry Dock, New Waterfront access road, the bullring roundabout, the private roads at Arthur Street and Cartsburn, and the Harbour Masters Building to Inverclyde Council, net of estimated 10-year maintenance costs, for £95,000 in February 1999.

2.33 Custom House Quay generated the most significant receipts when Site 1 and Site 3b were sold to Stannifer. In June 1995, Scottish Enterprise approved the sale of sites 1 and 3b, Custom House Quay, for £5.8 million subject to the allowance of offsetting extraordinary development costs. Subsequently, the Stannifer sale of the non-food retail units was settled in July 1997 and the RE / Scottish Enterprise share of the profits was £225,000.<sup>9</sup>

**Table 2.5**  
**Scottish Enterprise Revenues by Site (£ 000's)**

	<b>East India &amp; Victoria Harbours</b>	<b>Custom House Quay</b>	<b>Cartsdyke</b>	<b>Cartsburn</b>	<b>Total</b>
1995/96	0 cinema site to Inverclyde Council , 300 to JWC, 175 pub/disco	<b>5,880</b> for 6.8 acre retail site sold to Stannifer  0 cinema site to Inv council, <b>300</b> JWC, <b>175</b> pub / disco	<b>801</b> Site 5 sold to LIDL		
1996/97			<b>80</b>		
1999/00	Transfer of EIH to Council <b>95</b> (net)*				
2001/02		225, 000 clawback from Stannifer		<b>100</b> from Tritax Hotel on sale (planned)	
<b>Total</b>	<b>570</b>	<b>6,105</b>	<b>881</b>	<b>100</b>	

\* This figure was net of projected future maintenance costs – SER calculated the costs of an appropriate maintenance programme for the Harbour

## BREAKDOWN OF SITE COSTS

### Cartsburn

2.34 The Scottish Development Agency approved the Arthur Street infrastructure and landscaping prior to the establishment of Scottish Enterprise. Arthur Street opened up sites at Cartsburn for development.

<sup>9</sup> Source: RE97(JUL)14 and recent discussions with SER. Negotiations over clawback were protracted , with the developer initially offering £38k

<b>Table 2.6 Cartburn Costs</b>		
	<b>(£ 000's)</b>	<b>Description</b>
1991/92	876.1	Arthur St infrastructure and landscaping
1992/93	2033.8	Arthur St infrastructure and landscaping
1993/94	5420.6	Purchase of Clark Kincaird sheds, infrastructure costs (project Arthur St)
1994/95	1,157	Costs associated with letting Britannia House to Royal Bank. Includes removal costs, differential rents after relocation, 15 month rent-free period, recruitment contribution
1998/99	100	Remediation costs (Tritax Hotel development)
	112	Golden contract fees
<b>Total</b>	<b>£9,699.50</b>	

### East India Harbour / Victoria Harbour

- 2.35 At EIH, the situation developed in an entirely different way. RE obtained permission to close the harbour after an estimated delay of 5-6 years because of the illegal occupation of the harbour by protestors. The harbour was eventually closed in March 1996.

<b>Table 2.7 East India &amp; Victoria Harbour Costs</b>		
	<b>(£ 000's)</b>	<b>Description</b>
1992/93	2,556	Renewal of NW Quay river wall and riverside walkway, construction of security fencing
1994/95	0	Infrastructure
1995/96	412	Additional expenditure for continuation of closure project
1996/97	665	Harbour Walls, professional Fees and security for EIH
1997/98	454	Harbour Walls and Purchase of outstanding Land Interests including: CID Hire, Holland House, Clydeport land, , Ardgowan estates
1998/99	3,911	Harbour Walls and Quayside reconstruction
1999/00	3,425	Harbour Walls and Professional Fees
2000/01	300	
<b>Total</b>	<b>11,723</b>	

- 2.36 The occupation of EIH by a large number of boats added significantly to the costs, and held up development of the harbours. SER decided that possession of the harbour was best obtained by securing seaward and landward boundaries, and implementing 24hour security to prevent illegal access to Scottish Enterprise property. These works combined with ongoing security, legal fees and professional advice added estimated additional costs of £1.8 million to the project.

### Custom House Quay

- 2.37 The infrastructure works at Custom House Quay included a new road junction at Container Way to the west end of the site, upgrading of the junction at Brymner Street at the east end, building the access road between the two junctions and removal of old foundations within key areas of the development site.
- 2.38 Custom House Quay was successfully developed within the forecast time period and a considerable cash receipt generated for Scottish Enterprise. There was a significant amount of developer interest in the site [see Section 4.] The revenue exceeded the costs associated with remediation, site clearance and development.

	<b>(£ 000's)</b>	<b>Description</b>
1993/94	830	New access road
1994/95	1510	Essential infrastructure works (inc junctions)
1996/97	1,385	Contribution to extraordinary costs of Stannifer site
1997/98	58.2	Contribution to extraordinary costs of LIDL site
<b>Total</b>	<b>3,783</b>	

### Carttsyke

- 2.39 The Carttsyke site appears to have required much lower levels of investment from SER.

	<b>(£ 000's)</b>	<b>Description</b>
1995/96	350	Site clearance and infrastructure costs
Source: PAG paper 11/95		

### LEVERAGE

- 2.40 It is difficult to provide a precise statement of actual outturn investment by private sector developers, because no comprehensive catalogue of the extent of private sector developer expenditure was maintained over the 12 year period.



2.41 A Scottish Enterprise Board paper estimated that £38 million of private investment was committed or planned for the Waterfront by 1994. Projects included Britannia Life building, Cartsburn Maritime, the James Watt College extension, the leisure development and a whisky bottling plant.<sup>10</sup> Specific contributions include:

- Private investments included those of :
  - Stannifer (£4m)
  - Akeler (One2One Building )
  - LIDL
  - Brittainia
  - HCS Global
  - Howard Johnson Hotel
  - McDonalds
  - Cartsburn Maritime
  - Kentucky Fried Chicken
  - Holland House
  
- Other public sector investment levered by the project included :
  - Water / Ice Leisure Centre (£13.7 million - IDC);
  - 4 screen cinema complex (£1.7 million -IDC);
  - JWC Business Management Centre with two halls of residence (£5 million - JWC)
  - Royal Mail depot
  - Ambulance depot

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<sup>10</sup> Source: RE94(FEB)5 “for approval” paper. The bottling plant did not proceed and the site proposed for it is now occupied by T-Mobile

### 3 THE ECONOMIC IMPACT OF GREENOCK WATERFRONT

#### INTRODUCTION

- 3.1 This section provides an estimate of the harder economic impacts of the regeneration of Greenock Waterfront. We take account of the direct additional employment at the Waterfront, indirect and induced employment and any catalytic or “spin off” benefits to other companies.

#### THE BASELINE POSITION

- 3.2 In March 1991 – the starting point for the evaluation – there was no business activity at the Waterfront, and little prospect of any development without significant public sector intervention. As Map 3 in Appendix A illustrates, Greenock Waterfront was blighted by the remnants of a derelict shipyard and unserviced derelict land. There was no private market interest in any of the sites prior to the removal of dereliction by Scottish Enterprise. The extent of market failure was absolute. The presence of dereliction and decay was so extreme and individual sites were so blighted that Scottish Enterprise took the view that developments would be extremely unlikely to go ahead on a piecemeal basis without significant environmental and infrastructure improvements. This is a view with which we would concur.
- 3.3 **Dereliction and poor environmental quality:** The Waterfront site spans 40 acres, of which 35 acres were derelict in 1991. The environment was poor and characteristic of the industrial dereliction and decay associated with the decline of shipbuilding and port-related activities. The site had been in this condition since the mid 1980s and had received no private sector investment between then and 1995.
- 3.4 **Traffic access:** access for vehicles and pedestrians was severely limited.
- 3.5 **Poor ground conditions:** previous site users left large areas of underground obstructions.
- 3.6 Combined, these constraints made unassisted development of the site by the private sector very unlikely.

3.7 To illustrate, in 1991 Safeway were considering purchasing site 5 on Custom House Quay for £2 million – but they subsequently withdrew from this deal because they lacked confidence in it as a commercial investment. After Scottish Enterprise Renfrewshire had spent £2.3 million on site clean-up and decontamination and provided infrastructure improvements, this site was subsequently sold to Stannifer in 1995/96 for £5.8 million and is currently occupied by a number of non-food retailers.

### ECONOMIC IMPACT ASSESSMENT

3.8 Over the period August to October 2002, we surveyed the companies at Greenock Waterfront to establish a number of facts to which would allow us to estimate the economic impact of the Waterfront initiative. This included total on-site employment, the previous location of companies, and where they were likely to have located had the sites at the Waterfront not been available. The questionnaire is attached in Appendix D. This section identifies:

- Employment created:
  - directly on site
  - indirect employment – to what extent companies located at the Waterfront indirectly support other companies in the local area through supplier and employee expenditure
  - induced employment – through the spend of the wage bill
  - as a catalyst – as the intervention becomes successful – economic activity in adjoining areas is stimulated. However, clearly in the absence of any intervention, these impacts would not occur, and therefore are attributable to the Waterfront initiative.

### DIRECT ON-SITE EMPLOYMENT

3.9 There are 2,628 people employed by companies located at the Waterfront; of which 2,210 are full-time and 418 are part time, which gives a FTE (full-time equivalent) employment figure of 2,419. Over 80% of these employees work for companies located on the former Enterprise Zone. There are similar numbers of companies within and outside the zone, but the non-EZ companies generally tend to employ fewer people.

Total Employment at Waterfront					
	# companies	FT staff	PT staff	Total	FTE
Enterprise Zone	17	1,861	283	2,144	2002.5
Non – EZ	16	349	135	484	416.5
<b>Total</b>	<b>33</b>	<b>2,210</b>	<b>418</b>	<b>2,628</b>	<b>2419</b>

3.10 There are significant benefits to local people from full-time permanent employment. Without the regeneration of the Waterfront, Inverclyde’s dependence on the electronics sector would have been greater than it is today. One implication of that dependence historically has been that a proportion of the labour force was employed on short-term contracts in the electronics industry which made it difficult for them to borrow long-term to buy their own homes.

### Employment by Sector

3.11 The decline of shipbuilding and heavy industrial manufacturing caused significant job losses in Greenock and Inverclyde – especially in full-time male employment. As an indication of the scale of the job losses, it is reported that 4,000 people were still employed in shipbuilding in the early 1980s – and it is likely that the shipyards indirectly supported a large number of jobs within the area. The current Annual Employment Survey data set suggests that shipbuilding currently employs no more than 400 people in Inverclyde.

3.12 The ICT/technology sector is the most significant in terms of employment - accounting for 45% of total Waterfront employment. Although 40% of Waterfront companies operate in the retail and wholesale sector, they employ only 144 FTEs (or 7% of total employment). There is only one company that could be classified as manufacturing and this employs 38 FTEs. This suggests that there would have been a need for a significant element of workforce re-skilling because of skills mismatch between these sectors and the declining heavy industrial and manufacturing employment in Greenock.

<b>Industrial Sector</b>	<b># companies</b>	<b>FT staff</b>	<b>PT staff</b>	<b>Total</b>	<b>FTE</b>
Communications	1	89	45	134	111.5
Retail / Wholesale	14	102	83	185	143.5
Manufacturing	1	35	5	40	37.5
Finance	1	400	110	510	455
Hotel / Leisure	6	118	50	168	143
ICT / technology	4	1,098	85	1,183	1140.5
other services	6	368	40	408	388
<b>Total</b>	<b>33</b>	<b>2,210</b>	<b>418</b>	<b>2,628</b>	<b>2,419</b>

### Employment by Occupation

- 3.13 The majority of Waterfront employees (59%) have either sales or customer service occupations, compared to just 19% working in skilled or unskilled manual occupations. A relatively high proportion of staff (13%) are in either professional or managerial occupations – although there are higher proportions in the communications, finance and other service sectors.

**Table 3.2**  
**Waterfront Employment by Occupation, % of total staff**

Sector	Occupation				
	Managerial / professional occupations	Clerical / secretarial occupations	Sales / customer service operations	Skilled manual	Unskilled manual
Communications <sup>1</sup>	31%	0%	0%	0%	69%
Retail / Wholesale	12%	7%	69%	5%	7%
Manufacturing	5%	5%	0%	40%	50%
Finance	15%	15%	70%	0%	0%
Hotel / Leisure	11%	10%	48%	5%	27%
ICT / technological	6%	10%	64%	17%	2%
other services	25%	10%	53%	5%	7%
<b>Total</b>	<b>13%</b>	<b>10%</b>	<b>59%</b>	<b>10%</b>	<b>9%</b>

### Earnings

- 3.14 We did not collect data on wage and salary levels at the Waterfront – this would have been a sensitive area, and including such questions would have made it very difficult to achieve the high response rate we felt was desirable. National data on earnings suggest that earnings in Inverclyde as a whole in 2001 were significantly lower than the Scottish and UK averages in all occupations except clerical / secretarial. Females in Inverclyde also earn a relatively lower percentage of the male wage when compared to national averages, with the exception of sales occupations where women actually earn 134% of the average male wage (compared with 49% for Scotland as a whole).

**Table 3.3**  
**Average Gross Weekly Earnings 2001, £**

	Inverclyde		Scotland		UK	
	Male	Female	Male	Female	Male	Female
Managers/Administrators	589.87	359.6	635.17	433.24	726.86	475.33
Professional Occupations	542.5	403	606.61	480.9	614.6	467
Clerical/Secretarial Occupations	299.15	194.37	285.42	233.8	298.64	237.08
Sales Occupations	154.65	207.15	293.89	144.37	302.44	154.8
Plant/Machine Operatives	319.51	n/a	348.69	238.74	349.73	225.21

Source: NOMIS New Earnings Survey, 2001

**Table 3.4**  
**Average Female Earnings as a % of Male Earnings, 2001**

	<b>Inverclyde</b>	<b>Scotland</b>	<b>UK</b>
Managers/Administrators	61%	68%	65%
Professional Occupations	74%	79%	76%
Clerical/Secretarial Occupations	65%	82%	79%
Sales Occupations	134%	49%	51%
Plant/Machine Operatives	n/a	68%	64%

Source: NOMIS New Earnings Survey, 2001

### Employment by Occupation and by Site

- 3.15 Employment on the former Enterprise Zone sites is distributed across 7 different sectors – with 60% of employees working in sales and customer service occupations. Employment in other occupations is broadly equivalent to the proportion of employment across the waterfront sites as a whole – although there are relatively fewer unskilled manual jobs (7% compared to 9%).

**Table 3.5**  
**EZ Employment by Occupation, FTE staff numbers**

Sector	Occupation				
	Managerial / professional occupations	Clerical / secretarial occupations	Sales / customer service operations	Skilled manual	Unskilled manual
Communications <sup>1</sup>	35	0	0	0	77
Retail / Wholesale	4	4	17	4	1
Manufacturing	2	2	0	15	19
Finance	68	68	319	0	0
Hotel / Leisure	4	0	15	1	1
ICT / technological	52	101	626	158	23
other services	93	40	211	19	25
<b>Total</b>	<b>258</b>	<b>215</b>	<b>1188</b>	<b>197</b>	<b>146</b>

- 3.16 The non-enterprise zone employees are concentrated in just 3 different sectors. There is a lower proportion of jobs in professional occupations compared to the Waterfront area as a whole (10% compared to 13%), and sales occupations are also marginally under-represented. However, there is a relatively higher proportion employed in unskilled manual occupations.

**Table 3.6**  
**Non-EZ Employment by Occupation, FTE staff numbers**

Sector	Occupation				
	Managerial / professional occupations	Clerical / secretarial occupations	Sales / customer service operations	Skilled manual	Unskilled manual
Retail / Wholesale	14	7	79	6	9
Hotel / Leisure	11	14	48	6	43
ICT / technological	18	18	108	36	0
<b>Total</b>	<b>43</b>	<b>39</b>	<b>235</b>	<b>48</b>	<b>52</b>

### Employment by Gender

- 3.17 There is a slightly greater number of male employees (56% or 1,355 FTEs) at the Waterfront than females (44% or 1,065). However, females represent 55% of total employment in the non-enterprise zone companies - mainly because they account for a far higher share of the part time employment. The companies in the enterprise zone have relatively more full time employees than their non-EZ counterparts (73% compared with 57%).

**Table 3.7**  
**Employment by Gender and Mode**

	FT male	FT female	PT male	PT female
Enterprise zone	43%	30%	17%	11%
Non-EZ	31%	26%	14%	29%
<b>Total</b>	<b>40%</b>	<b>29%</b>	<b>16%</b>	<b>14%</b>

### Employment by Place of Residence

- 3.18 Some 65% of the Waterfront's workforce – or 1,600 employees – are residents of Greenock, Gourrock or Port Glasgow; 11% (or 270) are from Paisley; 14% (or 340) from Glasgow and 11% (or 270) from other areas in the West of Scotland. Not surprisingly, we did not identify any employees who commute from outwith the West of Scotland. There are of course significant benefits to local people being able to work locally, in terms of stemming population loss to the larger towns and cities. For example, many of the people currently employed by Royal Bank of Scotland might otherwise have worked in Glasgow city centre or been unemployed. Either way, the likelihood is that they might have moved away from Greenock / Inverclyde in the medium term.

- 3.19 Companies located in the old Enterprise Zone sites are rather more likely to employ people who commute to work from further afield – 25% commute from Glasgow and the West of Scotland compared to just 18% of those in firms in non-EZ sites.

**Table 3.8**  
**% of Employees by Area of Residence**

	Greenock/ Inverclyde	Paisley	Glasgow	West of Scotland	Elsewhere
Enterprise zone	64%	11%	13%	12%	0%
Non-EZ	70%	11%	14%	4%	0%
<b>Total</b>	<b>65%</b>	<b>11%</b>	<b>14%</b>	<b>11%</b>	<b>0%</b>

## NET EMPLOYMENT

- 3.20 The foregoing analysis is concerned with numbers and proportions of **gross** jobs created at the Waterfront. In order to estimate **net** or **additional** employment created, account should be taken of displacement effects. Displacement is a means of measuring the extent to which an increase in business activity in one “assisted” location offsets activity that would have otherwise occurred in another location. The spatial areas of interest to the client sponsors include Greenock, Inverclyde, Renfrewshire (approximated by West of Scotland) and Scotland.
- 3.21 We assessed the extent of both labour and product market displacement, thereby taking account of the extent to which employment created at the Waterfront was additional to Inverclyde, West of Scotland, Scotland and the UK. In assessing the extent of likely labour market displacement, we asked companies to identify where they would have located had their present site at the Waterfront not been available. To assess the extent of product market displacement, we asked companies to identify where their competitors were located and we took a view of the likelihood and extent to which sales would have been displaced at different geographic levels.

## Choices affecting Companies’ Location Decision

- 3.22 Table 3.9 measures the number of additional jobs that the Waterfront initiatives have brought to each geographical area by taking account of where the companies had previously been located and where they would have located if their current site at the Waterfront had not available. Almost 75% of all businesses stated that they would otherwise have located outwith Inverclyde in the absence of the availability of their present site at the Waterfront. However, since these businesses tended to be larger, on average, this meant that almost **90%, or 2,168 jobs are additional to Inverclyde.**



- 3.23 Nine of these businesses (or 26%) would otherwise have located in Glasgow; six businesses would have located elsewhere in the West of Scotland; four businesses would have located elsewhere in Scotland and one would have located elsewhere in the UK. Taking account of the employment supported in these companies, this means that almost 90 FTEs are additional to the West of Scotland; 13 FTEs are additional to Scotland; and 8 FTEs are additional at the UK level since this company would otherwise have located outside of the UK.
- 3.24 Retail companies located on the retail park were far more likely to have located outside the Glasgow area than the businesses on the former Enterprise Zones. Several retail companies stated that they were very unlikely to have located in the wider Glasgow market because they were already represented there.

**Table 3.9  
Employment & Labour Market Displacement**

	Total gross employment Greenock	Additional to Inverclyde	Additional to West of Scotland	Additional to Scotland	Additional to UK
EZ	2,002.5	1767	8	8	8
Non-EZ	416.5	401.5	80.5	5	0
<b>Total</b>	<b>2,419</b>	<b>2,168.5</b>	<b>88.5</b>	<b>13</b>	<b>8</b>

### Product Market Displacement

- 3.25 Our survey also took account of the extent to which employers locating at the Waterfront were likely to displace customers' expenditure (and therefore supported employment) from locally-based competitors. Assessing the extent of product market displacement is more subjective than labour market displacement since it required that we take a view on the intensity of competition within a particular market before the business decided to locate at the Waterfront, and on the likely impact on employment resulting from increased competition.
- 3.26 We found that competition within Inverclyde was either very limited or non-existent for over a third of companies locating at the Waterfront. Competition tended to be most intense for retail and leisure businesses – who were more likely to employ significantly fewer people.

- 3.27 Table 3.10 takes account of the likely impact on employment in Inverclyde, West of Scotland and Scotland after account is taken of the likely impact on employment for the sector as a whole. Our survey found that, generally speaking, businesses on the former Enterprise Zones tended to have competitors outwith Inverclyde, and usually in Glasgow. By contrast, the competitors of the businesses based on other sites were more likely to be located in Greenock – but very often there was a lack of direct competition. This is consistent with the recognition that there was, prior to the development at the Waterfront, a relative lack of retail facilities in Inverclyde. We have therefore assumed that product market displacement within Inverclyde is fairly low – at 8%<sup>11</sup> - which means that additional employment at the Inverclyde level is 2,000 FTEs.
- 3.28 Most retail and ICT companies faced significant competition from companies located in Glasgow, Paisley and other centres throughout the West of Scotland. In all likelihood, these competitor companies will have experienced a reduction in sales from residents in Inverclyde since new facilities were introduced at the Waterfront. Therefore we assessed that the additional employment at a West of Scotland and Scotland level was likely to be relatively modest. On average, we therefore assume a high figure for product market displacement at the West of Scotland level - almost 90% - which means that additional employment in the West of Scotland is around 12 FTEs.

**Table 3.10**  
**Additional Employment – Taking Account of Labour and Product Market Displacement**

	<b>Total Gross Employment Greenock</b>	<b>Net Additional Employment in Inverclyde</b>	<b>Net Additional Employment in West of Scotland</b>	<b>Net Additional Employment in Scotland</b>
EZ	2,002.5	1,756	8	4
Non-EZ	416.5	244	4	0
<b>Total</b>	<b>2,419</b>	<b>2,000</b>	<b>12</b>	<b>4</b>

<sup>11</sup> although the CPC report suggests that initially there was a displacement effect associated with the impact on furniture and white goods retailers in the traditional town centre, which resulted in some vacancies in the town centre, by 2000 when the CPC report was prepared, demand had risen sufficiently to take up those retail vacancies

## MULTIPLIER EFFECTS

3.29 The effects of the employment creation at the Waterfront will have wider positive economic impacts that will be felt throughout the Inverclyde and West of Scotland economies. These effects are translated throughout the economy by means of the following mechanisms:

- **Direct net employment impact** – effect of the Waterfront on employment in Inverclyde, after displacement;
- **Indirect employment impact** – persons employed by businesses supplying goods and services that are used by Waterfront companies. The extent of indirect employment supported varies depending on the extent to which companies source their raw material inputs locally. We have based our assessment of indirect employment on the 1999 Scottish Input – Output tables; and
- **Induced impact** – further employment generated as incomes created – both directly and indirectly - are spent within the economy of Inverclyde.

3.30 Table 3.11 provides a summary of the total direct, indirect and induced employment impacts created by the Waterfront activities throughout Inverclyde, West of Scotland and Scotland.

3.31 It should be noted that there are no published sources of local level multipliers. Generally speaking local level multipliers are much smaller than Scottish multipliers because there is a greater potential for expenditure to leak out of the local economy. However, the survey demonstrated that some of the companies (eg JWC) had a policy of sourcing inputs locally wherever possible. We have therefore adopted an average local level multiplier for Inverclyde and west of Scotland of 1.5. Typically Scottish multipliers for the type of businesses at the Waterfront are in the range 2.2 to 3.

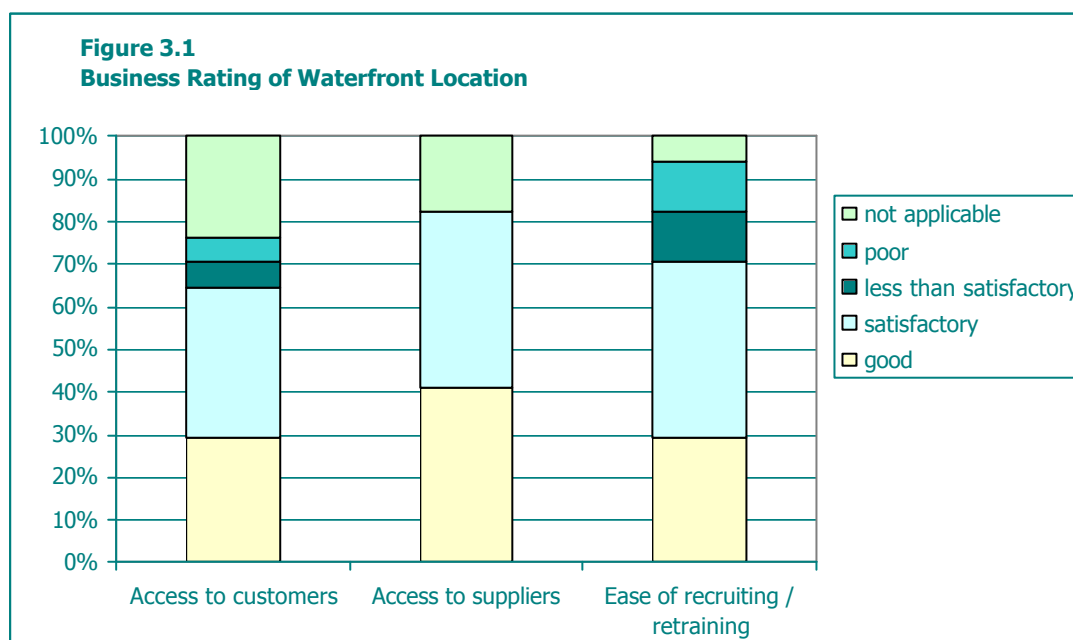
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Inverclyde	2,000	600	400	3,000
West of Scotland	12	16.8	7.2	24
Scotland	4	6.6	2.4	9

Source: Adapted from 1999 Scottish Input-Output Tables, Employment Multipliers Type I and Type II

### QUALITATIVE RESPONSES

3.32 We asked businesses to identify the main benefits associated with their Waterfront location – including supplier and customer access, and ease of recruiting and retaining employees.

3.33 Seventeen companies were prepared to answer questions relating to their degree of satisfaction with their Waterfront location. Nearly 90% of the Waterfront companies rated the location’s accessibility to suppliers as good or satisfactory – with only one business rating it poorly. Fewer companies rated customer access as favourably as suppliers – although only 2 companies rated it as less than satisfactory.



3.34 In terms of recruiting/retraining staff, a significant minority (15%) had experienced difficulties and rated access to an appropriate labour force as either less than satisfactory or poor. The vast majority of businesses had however found the Waterfront at least satisfactory in terms of recruiting and retaining staff.

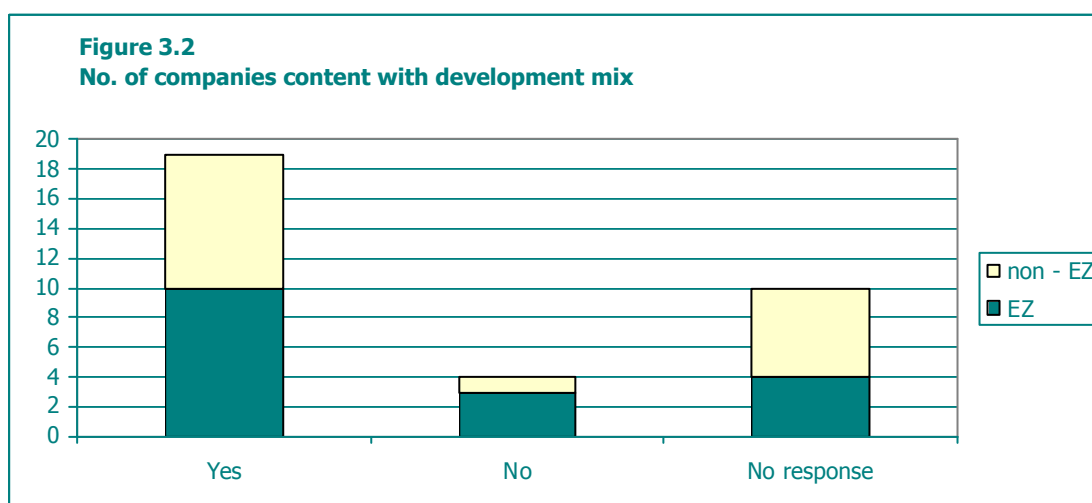
3.35 We asked companies to identify the most important factor in their location decision. Twenty-five companies (out of 37) were able to respond to this question. Responses varied considerably between companies locating on the former Enterprise Zone sites and those on the other sites.

- 3.36 Not surprisingly, the key issue for businesses on the retail park was their proximity to customers – with two thirds of respondents indicating this as a priority. For businesses on the old EZ sites, responses were far more varied – as Table 3.2 demonstrates – the most common response was proximity to the workforce.
- 3.37 It is interesting to note that only 2 companies out of 13 willing to respond to this question stated that the EZ incentives were the most important factor in their location decision. This is probably partly due to the relatively high turnover of companies post designation - 6 companies located on the old-EZ sites after de-designation in 1999.

**Table 3.12**  
Most important factor in location decision

	# EZ	# non-EZ
proximity to customers	1	8
proximity to workforce	3	1
proximity to suppliers	2	-
high quality / good looking premises	2	2
distance from other branch	-	1
nothing else available	2	-
close to previous location	1	-
EZ incentives	2	-

- 3.38 We asked companies which elements of the development mix at the Waterfront they found to be most useful or compatible with their business. The majority of the companies surveyed (19 or 58%) thought that the development mix could not be improved upon, whereas 12% (or 4 companies) thought that it could. The remaining 30% did not respond to this question.



3.39 Of the companies who stated that there was scope for improvement in the development mix; suggestions for improvements included:

- more high-quality restaurants, more leisure facilities;
- more events (including music / pop festivals) to encourage people to visit Inverclyde;
- a ferry service from Glasgow to Argyll with a stop at Greenock; and
- co-ordinated public relations to raise the profile of retailing in Greenock.

3.40 Businesses demonstrated a similar pattern of preferences when we asked them to rate which facilities at the Waterfront they derived most benefit from. The availability of hotels, restaurants, shopping and leisure facilities were considered beneficial by most of the businesses at the Waterfront. The training facilities at JWC were used less extensively by businesses, but those who had used the facilities (eg T Mobile, Royal Bank of Scotland and Cigna Healthcare) rated them very highly.

<b>Table 3.13</b>				
<b>Business Rating of Facilities</b>				
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>N/A</b>
Hotels	12	8	3	10
Restaurants	14	6	4	9
Shopping Facilities	18	4	3	8
Leisure Facilities	16	7	2	8
Training / Conference Facilities	9	14	1	9
Other Related Businesses	7	16	-	10
Heritage	5	17	1	10

### **GROSS JOB CREATION – PLANNED & ACTUAL**

3.41 This section compares the planned developments set out in the Masterplan – subsequently reported by Pieda in 1995, with the actual developments.

<b>Table 3.14 Planned and Actual Direct Employment Impacts</b>			
<b>Planned Development</b>	<b>FTEs</b>	<b>Actual Development</b>	<b>FTEs</b>
<b>Custom House Quay</b>			
Site 1: Food Superstore 57,000 sq ft or 1.9 Ha	170	Curry's, Halfords, General George, Textile World, Carpet Right, Comet, Roseby's	66 FTEs (43 FT, 45 PT)
Site 2: Water / Ice Centre 45,000 sq ft	38 full time & 46 part-time (61 FTEs)	Waterfront Leisure Centre Waterfront Cinemas, Mecca Bingo, Topps Tiles	115 FTEs (100 FT, 30 PT)
Site 3: Cinema / bowling 34,000 sq ft	35		
Site 4: Residential 60 homes (1 acre)	Negligible	Site 4: JWC & student / conference accommodation,	60 (50 full-time, 20 part-time)
Site 5: Education / Health 50,000 sq ft	120	LIDL, Kwik Fit, Hewden Hire,	39 FTE (29 FT, 20 PT)
<b>East India Harbour (EZ) / Victoria Harbour</b>			
Site 6: Heritage attraction (inc. museum, marine / waterworld facility, children's' play pavilion, catering and speciality retail) 66,000 sq ft	40	The Port & Harbour Customs Museum  No other tenants due to delays caused by protestors – "the boat owners "	9 FTEs (7FT, 4 PT)
Site 7: Cruise operation / support services 2,000 sq ft	5	No tenants	-
Site 8: Hotel (60 rooms) 23,600 sq ft	30	No tenants – hotels were built , but at Cartsburn and Cartsydye	-
Site 9: Victoria Harbour Maritime Services / Workshop / Offices 20,000 sq ft	30	No tenants	-
Site 10: Commercial use 18,850 sq ft	55	No tenants	-
<b>Total Permanent FTEs</b>	<b>595</b>		<b>289</b>
<b>Cartsburn (EZ)*</b>			
Cartsburn North – 136,000 sq ft Cartsburn South – 125,772 sq ft		Royal Bank of Scotland Call Centre, Express by Holiday Inn, T-Mobile, Cigna Healthcare, St Andrews Ambulance Service, Royal Mail, Holland House, Electrical Co Ltd, IT Xchange Ltd, Kare Orthopaedics by Design) Ltd, Sercom Solutions, Miller Preservation, Apollo Blinds, Pure Hi-Fi, Bathroom Elegance, Auto Windscreens, BrandFocus	1,933 FTEs
<b>Cartsydye*</b>			
		Travel Inn and Brewers Fayre, HCS Global Computer Products	189 FTE
Source: BDP (1993) Masterplan and Pieda (1993) * These sites were not in BDP Masterplan			

## CHANGES TO THE MASTERPLAN

- 3.42 There were a number of alterations to the development mix originally proposed in the Masterplan, some of which had implications for the employment total including:
- **Retail site:** originally planned for a major food superstore, but the proximity of the Tesco store resulted in a higher offer being made by a developer for non- food retailing. Non-food retail warehousing has lower associated employment densities, but the superstore which might have been accommodated on the site and is likely to employ more people – is accommodated just outside the boundary of the 4 sites.
  - **James Watt college:** the site originally reserved for residential use was taken by James Watt College who developed a 160-bed residency, and 20 teaching classrooms. The college was built on Site 4 to the north of the access road and not on Site 5 as originally envisaged.
  - **Leisure development:** Inverclyde Council’s leisure development grew from an original 45,000 sq ft to 65,000 sq ft – and occupied the public open spaces originally envisaged to the east and west as well as Site 3. The land take for the leisure complex increased from 2.66 acres to 3.92 acres. At the Masterplan formulation stage, these open spaces (an eastern public open space and a western public park) were stipulated by the District Council planners as essential elements of the development mix.
- 3.43 However, these changes are fairly unimportant – any masterplan should incorporate an element of flexibility in the design and implementation.
- 3.44 The most significant departure from the Masterplan to date relates to the area around Victoria and East India Harbours, which should have been the centrepiece of the Waterfront developments and which remains undeveloped. The harbour itself is probably the most important area of the Waterfront in terms of Greenock’s heritage – to capitalise on the excitement of a waterfront location, waterfront developments need activity on the water and in the areas surrounding it – ideally bars, restaurants, cafes and a visitor attraction. The visitor attraction was the subject of an unsuccessful application for Millennium Commission funding, and was subsequently considered not to be viable without the 50% funding which the Millennium Commission funding would have provided, and no progress was made by SER with other marine or retail developments on the site. This has also had significant economic consequences and is the main reason why the actual employment supported on Custom House Quay and EIH/VH is only 289 compared to 595 FTEs originally forecast.



## CATALYTIC OR WIDER BENEFITS

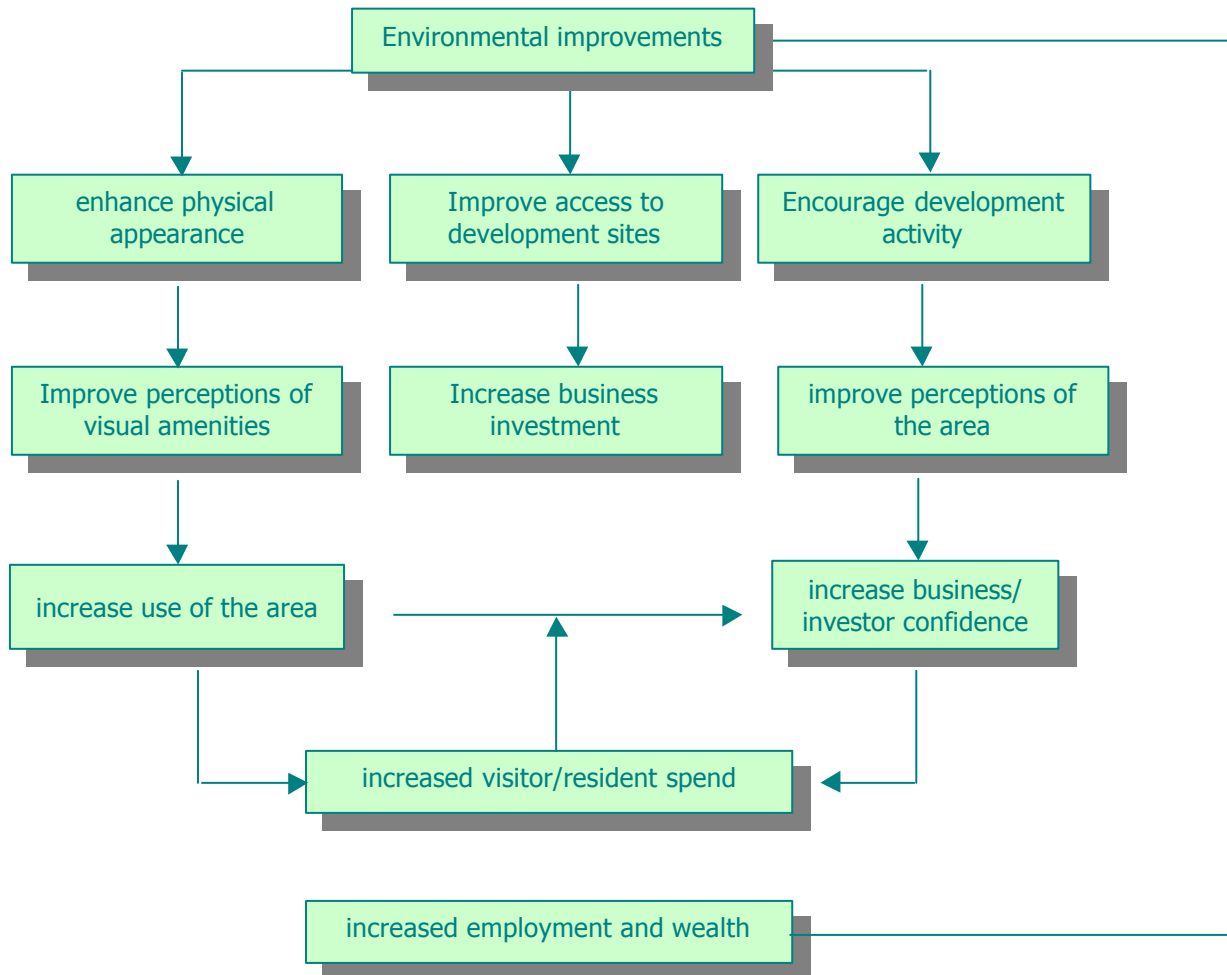
3.45 We were also asked to consider the extent to which the Waterfront developments had stimulated economic activity in the wider Inverclyde area. We adopted a multi-faceted approach to estimating the catalytic impacts, including:

- Surveying companies “off-site” across the wider Inverclyde economy;
- Profiling the economy of Greenock, Inverclyde and Renfrewshire over time and with a comparator area that was not granted EZ status (see Section 4);
- Views of developers and property agents, and;
- Anecdotal evidence of impacts.

## PEDESTRIAN SURVEY – EXPENDITURE IMPACT

3.46 We surveyed 300 pedestrians near the two main shopping centres in Greenock to identify their perceptions of the Waterfront development and its impact on spending patterns. This is another way of looking at the retail impact – but care should be taken when interpreting the results, since if the jobs likely to be generated by that expenditure are estimated, they should not be added to the actual jobs on the site as that would result in impacts being double-counted. Section 5.52- 5.64 set out the main perceptual benefits from these activities. This section reports on the economic impact that the Waterfront has had on spending patterns. Figure 3.3 illustrates the mechanism by which improvements to the physical environment translate to economic impacts.

**Figure 3.3**  
**Tracing the Economic and Social Impacts of Environmental Improvements**



**Source:** DTZ Piedad Consulting, adapted from CABE

3.47 Pedestrians questioned were asked whether they spend any more money per week in Greenock as a result of the changes to the Waterfront. Table 3.14 below shows the proportion of the sample resident in Greenock or Inverclyde that reported an increase in the amount they spend on a weekly basis in Greenock or Inverclyde as a result of the Waterfront developments.

**Table 3.14**  
**Proportion of Sample Spending more Money per Week in Greenock or Inverclyde**

	Number resident in area	% of total sample (n=300)	Number spending more	% of residents
Greenock	180	60%	58	32%
Inverclyde	62	21%	23	37%

3.48 The average additional amount spent by the residents of Greenock and Inverclyde surveyed is shown in Table 3.15. Among Greenock residents, the average extra weekly amount spent is £24. Inverclyde residents spent an average of £15 more per week in Greenock. If the proportion of people that spend more as a result of the Waterfront changes is applied to the relevant populations, the total additional spending in Greenock is estimated to be just under £600,000 per week.

**Table 3.15**  
**Impact on weekly spend in Greenock: by residents of Greenock and Inverclyde**

	Average extra spend	Population	% of sample spending more	Total extra spend by population
Greenock	£24	45,000	32%	£345,600*
Inverclyde	£15	90,000	37%	£249,750**
Total	-	-	-	£595,350

\* based on 32% of the population of 45,000 spending an average of £24 per week more  
 \*\* based on 37% of the remaining Inverclyde population of 45,000 spending an average of £15 per week more

3.49 However, it should be noted that not all of this spending is additional and there will have been a degree of displacement from other areas as a result of the Waterfront developments. Of those respondents spending more money in Greenock, 33% say they may have spent less in Inverclyde, 31% in Glasgow and 19% in Paisley. Table 3.16 takes account of the impact of the displacement of retail expenditure in other areas. According to the pedestrian survey, the regeneration of Greenock Waterfront has increased annual expenditures in Greenock by £3.1 million; across Inverclyde by £2.1 million and in the West of Scotland by £430,000. When this is converted into FTEs supported – across the retail sector only – this generates additional retail employment of 126 FTEs in Greenock, 86 across Inverclyde and 18 in the West of Scotland.

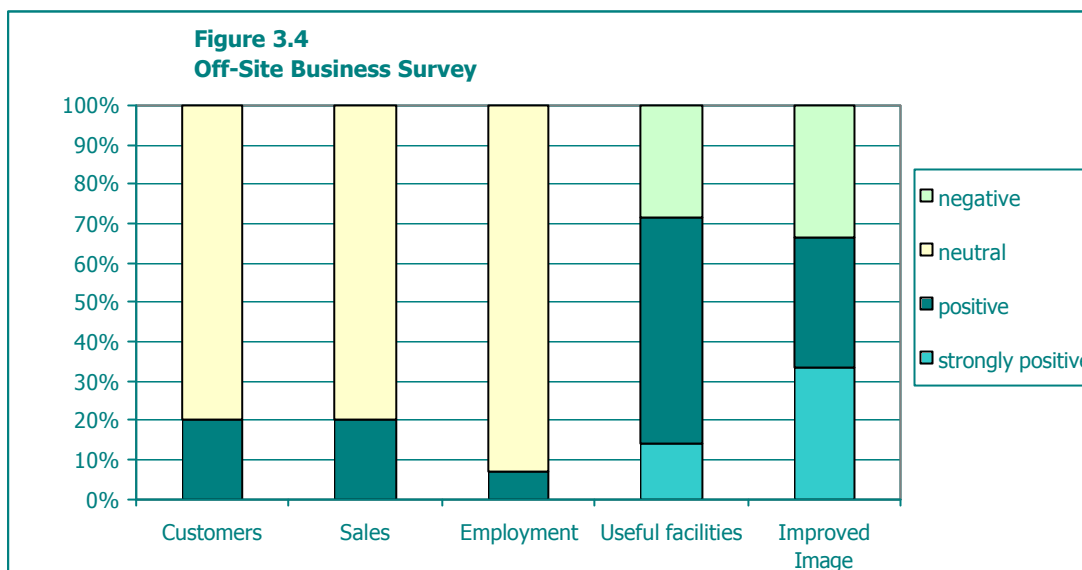
**Table 3.16**  
**Additional Annual Expenditure: by Spatial Area**

	Greenock	Inverclyde	West of Scotland	Scotland
Annual expenditure	£3.1 m	£2.1 m	£430,000	£ 0
FTEs supported	126	86	18	0

## IMPACT ON COMPANIES OFF SITE

### Company Interviews

- 3.50 We interviewed 17 companies across a range of sectors – including manufacturing, electronics, banking, insurance, finance and property, other services (including retail), and leisure (bar / restaurant / leisure) – in proportions that were broadly representative of Inverclyde.
- 3.51 The results were positive, although less positive than from the survey of on-site businesses – as we might have expected. About a third of companies interviewed reported that the regeneration of the Waterfront had a positive impact on their business. Of these companies, some reported a positive impact on either turnover, profits or employment. The companies that reported a positive impact were from a broad range of industries including the ICT, leisure, manufacturing, retail and business services sectors. These positive impacts were attributed to an increase in employment at the Waterfront area and indirect spin-off impacts as well as companies who directly supplied companies located at the Waterfront.
- 3.52 In our view – and that of one of the major electronics manufacturers – the waterfront has not had a significant contribution in terms of influencing electronics companies to locate in Inverclyde. Discussions with IBM and other companies strongly suggest that the growth in the number of electronics companies operating locally were likely to locate in Inverclyde anyway – to be in close proximity to IBM. However the Waterfront Initiative has undoubtedly improved the perceptions of Greenock as a business location which has indirectly benefited the electronics sector – in the experience of one of the major electronics companies, it has been of real significance in encouraging non-UK nationals to consider working in Inverclyde.
- 3.53 As Figure 3.4 shows, three companies reported an increase in number of customers as a result of the Waterfront developments; 3 reported an increase in sales and one stated that employment had increased. The greatest impact was on amenity benefits –almost all companies thought that the Waterfront had significantly improved local facilities and amenities.



Source: Inverclyde Company Survey

### Scope for Improvement

3.54 Companies were also asked whether the development mix could be improved and whether there were other facilities or features they would like to see at the Waterfront. A range of different responses were received – there were few common themes emerging. Suggestions for enhancements included:-

- attracting more employers to generate more employment,
- large concert / function hall,
- business with a maritime-related theme,
- smaller starter-units for business, and
- a business centre.

3.55 Three or four companies made the point that some of the development activity should have been spread more equitably over a wider area. This was made most forcefully by Gourrock companies who thought that Scottish Enterprise should spread its support for regeneration over a wider area, including Gourrock.

### Anecdotal evidence of impacts

3.56 SER have advised that the Waterfront developments made it easier to find occupiers for some of the EZ sites outside Greenock Waterfront - such as at Ingliston, which would not have been taken up without the image uplift to Greenock provided by the Waterfront development.

## 4 ASSESSMENT OF THE WIDER IMPACTS ON THE WATERFRONT REGENERATION

### INTRODUCTION

4.1 This section considers the extent to which the regeneration of the Waterfront has impacted upon the perceptions of Inverclyde as a business location from an individual and business perspective. Again, we have adopted a multi-faceted approach and consider the extent to which the Waterfront has impacted on:

- inward investment;
- property markets – considering industrial, retail, office and housing markets; and
- perceptions and spending patterns of residents and visitors to the Waterfront.

### Inward Investment

4.2 The most significant FDI presence in Inverclyde is in electronics. Despite its modern image, the Information Technology industry's presence in Greenock is actually very long-standing. IBM relocated to the Spango Valley in 1954. Subsequent electronics inward "wins" include National Semiconductor and AMP (which is now unfortunately closed); more recently this sector has extended to include a number of indigenous spin-off PC manufacturers including Fullartons<sup>12</sup>, Renfrewshire Electronics, Clairemont and Brands).

4.3 Scottish Development International (SDI) is the main point of contact for inward investors thinking of locating to Scotland. The Waterfront is currently home to a number of non-Scottish businesses including: HCS Global, Cigna Healthcare, and T Mobile. Chicony – a keyboard manufacturer – also has a presence in Greenock. Although Greenock has witnessed an increase in inward investment over the past ten years, Inverclyde may have been disadvantaged in terms of diversification opportunities, because of a lack of large sites, as well as perceived peripherality to main markets. Given the location of Glasgow's international airport it is doubtful whether this location is any more peripheral - to a US or European investor – than anywhere else in the region. In our view, the problem is more likely to be that Inverclyde has few distinguishing competitive advantages, few sites and a rather smaller labour market compared to Glasgow or Edinburgh or the area of Central Scotland between them.

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<sup>12</sup> recently closed

## IMPACT ON PROPERTY MARKETS

### Background

- 4.4 Historically it has been difficult for property developers to find a site in Inverclyde which is both cost effective and easy to develop. The lack of supply of suitable land combined with topographical limitations (eg hilly terrain) have made it difficult for both developers and companies seeking to locate in Inverclyde.
- 4.5 Inward investments by IBM and National Semiconductor in the 1950s and 60s illustrate these difficulties – they are both situated well outside of the urban area. In the mid 1980s, Cambridge Policy Consultants (CPC) report<sup>13</sup> that Inverclyde lost potential inward investment opportunities in the electronics sector in the 1980s due to a lack of suitable development sites.
- 4.6 As a result, speculative development was non-existent. The Enterprise Zone was therefore being promoted at a time where industrial and commercial properties were becoming increasingly obsolete.
- 4.7 The designation of EZs is likely to have had the most significant **direct** impact on the quantity of vacant and derelict land and therefore on business property prices in Inverclyde. In 1989 the EZ covered 274 acres within Gourock, Greenock and Port Glasgow spread over 11 sites. Table 4.1 shows the total quantity of vacant and derelict land in Inverclyde decreased from a peak of 177.4 acres in 1989 to 77.4 acres in 1995. The increase in 1996 was largely because the Scott Lithgow shipyards became derelict at that time. Over the period 1990 – 99, vacant and derelict sites reduced by 30%.

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<sup>13</sup> CPC (2000) Evaluation of Inverclyde Enterprise Zone

**Table 4.1**  
**Vacant and derelict land in Inverclyde**

Year	Vacant	Derelict	Total
1980			89.1
1981			98.9
1982			135.5
1983			158.9
1984			183.5
1985			166.1
1986			178.1
1987			168.1
1988			171.2
1989			177.4
1990	159.0	17.6	176.6
1991	155.0	16.4	171.4
1992	155.5	19.4	174.9
1993	86.4	13.8	100.2
1994	66.8	13.4	80.2
1995	N/A	N/A	77.4
1996	83.0	52.9	132.9
1997	52.6	69.0	121.6
1998	51.6	72.2	123.8
1999	58.0	65.0	123.0

Source: Inverclyde Council and 1995 Strathclyde Structure Plan Technical Note (reproduced in CPC (2000) report)

- 4.8 The redevelopment of the Waterfront in the early 1990s, which involved the redevelopment of some 35 hectares is likely to account for a significant proportion of the reduction in derelict land.
- 4.9 The total public sector cost per hectare remediated was £1.37 million per hectare and the net cost per hectare to SER was £496,000 per hectare. An appropriate comparator for the Waterfront would be another mixed used urban renewal project with a range of public sector spend, including direct expenditure on some of the uses on site. In February 2001 we calculated that the total public sector subsidy per hectare for the Crown Street project was £1.9 million per hectare and the cost to SEG, £879,000 per hectare. The St Andrews' Square project, which had a higher proportion of private sector end uses, had total public sector costs of £1.7 million per hectare, and costs to SEG of £718,000 per hectare

## THE RETAIL PROPERTY MARKET

- 4.10 Although we identified – from our on-site company survey and pedestrian survey – that the Waterfront had a significant impact on the retail sector, it is difficult to be specific about the impact that the Waterfront has had on the retail property market in Greenock. This is because the conversion of Greenock's principal shopping mall - Oak Mall – to a covered mall is likely to have had at least as significant an effect on rentals and retail floorspace.



- 4.11 The redevelopment of the Waterfront had a number of impacts on retail activity in Greenock and Inverclyde. The most significant positive influence was the development of the Waterfront Retail Park, which had a significant direct effect on the availability of sites for retailing in Greenock. The CPC report stated – and this was confirmed by our survey of local businesses – that this development would have been extremely unlikely to have proceeded without the additional population that new Enterprise Zone based employers had attracted to the town.
- 4.12 However, from our discussions with retailers outwith the Waterfront area, it is clear that the Waterfront Retail Park has had some negative impacts on other retail locations – notably in Greenock town centre and in West Blackhall Street. However, as previously mentioned, it is very hard to separate out the effect of the Waterfront development from other changes, such as the creation of a covered mall in the town centre. In our view, the level displacement of retailing is likely to be of “low to medium” scale. Retailing in West Blackhall Street and West Stewart Street suffered initially as a result of the realignment of pedestrian footfall through the covered mall to the Tesco and Waterfront development. The Waterfront – and the link from Tesco to the covered mall - changed the status of West Blackhall St as a main thoroughfare street. The West Stewart Street centre was sold to the traders and although there are few vacancies at time of writing, the trading is more “marginal” shopping (eg second hand stores, charity stores, discount stores).
- 4.13 On balance, as we demonstrated in Section 3, the overall impact on retail activity appears to have been strongly positive – and this is reflected in rentals, to some degree. As Table 4.2 demonstrates retail rents have increased by over 70% over the period 1989 to 2001 (or just under 6% p.a.). In terms of rental growth, **Greenock’s town centre was one of the ten retail locations with the highest rate of rental growth during this period.** However, over the period 1990 – 2001 as a whole, growth slowed to 35% (or 3.5% p.a.). While this growth in rentals is fairly encouraging, it is not startling.
- 4.14 More recently, rentals have stagnated at £65 per sq ft over the past 5 years – which compares unfavourably with places like Irvine where rentals have achieved a slow, but steady increase over the same period. The most significant increase in Greenock was between 1989 and 1990 where rentals increased by 26% (or £10 per sq ft). This growth is unlikely to be attributed to the redevelopments at the Waterfront since they occurred before any significant decontamination works occurred.

**Table 4.2  
Town Centre Retail Rents (Zone A Rental Values per sq. ft)**

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	% change 1989 - 2001
Braehead														165	173	-
Gyle Centre							70	75	80	90	100	175	175	175	175	-
Livingston	28	30	33	40	44	45	46	46	50	55	60	60	60	60	76	130.30%
Inverness	40	48	50	55	60	60	65	65	70	75	90	97	110	110	110	120.00%
Irvine	25	30	33	40	40	40	40	40	42	45	50	50	55	60	65	96.97%
Galashiels	16	16	19	20	20	20	20	20	22	26	26	35	35	35	35	84.21%
Hamilton	35	38	38	55	55	55	53	55	55	55	55	57	57	62	70	84.21%
East Kilbride	40	48	60	58	58	60	65	67	75	88	95	406	106	110	110	83.33%
Kirkintilloch	20	30	30	35	35	35	33	32	32	32	30	30	30	32	35	80.00%
Falkirk	38	45	50	45	45	48	50	55	70	73	80	80	90	90	90	80.00%
Greenock	30	35	38	48	48	48	48	48	55	60	65	65	65	65	65	71.05%
Glasgow	110	130	140	140	120	115	115	120	130	152	170	200	225	235	235	67.86%
Edinburgh	110	125	135	145	150	150	155	160	170	170	180	225	225	225	225	66.67%
Clydebank	24	28	35	40	43	42	45	45	47	50	55	55	55	57	57	62.86%
Stirling	45	55	55	60	65	72	72	72	75	75	85	85	85	88	88	60.00%
Aberdeen	75	85	100	100	90	88	90	90	100	110	110	120	150	150	155	55.00%
Cumbernauld	28	30	35	38	38	38	40	40	45	50	50	50	50	50	54	54.29%
Dumbarton	15	15	20	25	25	28	28	28	28	31	31	31	31	32	30	50.00%
Perth	43	48	50	50	58	58	58	58	58	58	60	60	60	65	70	40.00%
Johnstone	14	16	16	18	18	20	20	20	20	21	21	21	21	21	22	37.50%
Glenrothes	26	30	35	38	40	43	42	42	42	45	45	45	45	47	48	37.14%
Motherwell	28	35	35	37	37	40	37	37	45	45	45	45	45	45	47	34.29%
Coatbridge	24	30	30	38	38	35	35	32	32	38	35	38	38	40	40	33.33%
Dunfermline	36	45	50	50	50	50	50	50	50	57	57	58	58	60	65	30.00%
Airdrie	23	30	33	40	40	40	40	40	37	41	41	41	41	41	42	27.27%
Kirkcaldy	33	38	45	55	53	50	48	50	50	48	48	53	55	57	57	26.67%
Paisley	53	58	60	75	75	70	70	65	65	65	75	75	65	65	75	25.00%



**Table 4.2  
Town Centre Retail Rents (Zone A Rental Values per sq. ft)**

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	% change 1989 - 2001
Dundee	65	80	90	100	95	95	90	80	80	80	90	95	105	110	110	22.22%
Ayr	48	55	58	53	53	53	50	55	57	55	60	65	68	68	70	20.69%
Kilmarnock	35	45	50	55	58	58	55	55	55	57	53	57	57	58	58	16.00%
Hawick	27	17	19	25	25	25	23	23	23	23	20	20	20	20	21	10.53%
Dumfries	40	40	50	55	53	50	45	45	45	47	47	47	47	52	55	10.00%
Elgin	28	35	35	35	35	35	30	32	32	37	35	37	37	38	38	8.57%
Arbroath	17	17	19	18	18	18	17	18	18	18	18	18	18	20	20	5.26%
Bellshill	14	15	20	23	23	23	20	23	23	23	20	20	20	20	20	0.00%
Wishaw	20	25	33	33	30	30	33	33	33	32	32	32	32	32	32	-3.03%

- 4.15 Scottish Metropolitan bought the uncompleted Custom House Quay scheme from Stannifer Developments in 1997 – at a price representing a yield of 7.75%. The 80,000 sq ft park was almost fully let on completion in May 1997 – the only remaining space being a fast-food outlet of up to 3,500 sq ft. Rentals of £12.50 per sq ft were achieved. Scottish Enterprise Renfrewshire took a share of the profit on the sale as a result of the clawback agreement, although there were considerable difficulties involved in negotiating the clawback agreement, largely related to the role of the independent accountant. Stannifer reported “it was extremely encouraging to be attracting interest from investors at such an early stage of construction.”<sup>14</sup>
- 4.16 Town Centre Securities purchased Greenock’s Waterfront retail park from Scottish Metropolitan in 1999. The warehouse park was built in 1997, achieving rentals of £12 per sq ft, with £14.50 being achieved on the re-letting of one of the units in 1998. Town Centre Securities reported that “This acquisition was in line with our intention of upgrading the quality of our portfolio by acquiring good quality properties which we believe will grow in value”.<sup>15</sup> Once completed, Town Centre were reported to be seeking to increase rents from £12 per sq ft to as much as £25 per sq ft – this is directly comparable with other prime rents in the Strathclyde region.<sup>16</sup>
- 4.17 Greenock town centre has witnessed a 21% increase in retail floorspace between 1990-98 while there has been a 22% increase in floorspace in Port Glasgow town centre. This accords with the rationale underpinning the Masterplan that there was a lack of retail facilities in Greenock prior to the Waterfront developments and suggests that the displacement of retail activity is likely to have been low to medium. Although the amount of vacant space has increased, it remains a low proportion of overall retail space - at 3.8%, it compares favourably with an average of 8% for all centres in the UK in 2000 <sup>17</sup>

**Table 4.3**  
**Greenock Town Centre (sq m)**

	1990	1998	% change 1990 – 98
Convenience	19,382	15,401	-20.54%
Comparison	49,331	49,065	-0.54%
Vacant	2,478	4,094	65.21%
Service	16,311	37,354	129.01%
Total	87,502	105,914	21.04%

Source: Inverclyde Council

<sup>14</sup> Scotsman 28<sup>th</sup> January 1997

<sup>15</sup> Source: Herald 2<sup>nd</sup> September 1999 “The future’s bright: Town Centre Securities has major plans in the pipeline for the growing retail park at Greenock”.

<sup>16</sup> Source: Scotsman 3<sup>rd</sup> August 1999 “ScotMet sells Greenock retail park for £16m”

<sup>17</sup> data from Experian Goad

**Table 4.4**  
**Port Glasgow Town Centre (sq m)**

	1990	1998	% change 1990 – 98
Convenience	4452	4007	-10.00%
Comparison	4175	4272	2.32%
Vacant	870	2555	193.68%
Service	2682	4058	51.30%
Total	12179	14892	22.28%

Source: Inverclyde Council

## THE OFFICE MARKET

- 4.18 Commercial property market activity in the Inverclyde District was described in the 1988 report of Richard Ellis Chartered Surveyors Ltd as being “negligible”; with Greenock being the only place in the Inverclyde District as having any kind of office market activity. However, the Greenock market is, relatively-speaking, very small – with annual take-up averaging only 20,000 sq ft (which is capable of supporting 100 – 150 office based employees) from 1985 to 1988. By contrast, annual take-up in Glasgow was 1.5 million sq ft over the same period.
- 4.19 It is notable that in 1994, although Glasgow property agents were optimistic about the Carlsburn and Custom House Quay developments, some respondents believed that it had been planned on too large a scale.<sup>18</sup>
- 4.20 The office market in Inverclyde grew significantly in the 1990s. In particular, the designation of the EZ led to the creation of high quality office premises and attracted a number of office-based firms to Greenock (inc. Cigna Healthcare, T Mobile, Royal Bank of Scotland Mortgage Centre).
- 4.21 CPC reported in 2000 that offices in Greenock achieved about £6 - £8 per sq. ft. This was on a par with other secondary / tertiary locations outwith major cities. In Carlsburn where the majority of office accommodation was constructed for letting, the rents have consistently been consistently higher at £12.50 per sq. ft.
- 4.22 As a comparison, in 2002 recent lettings in Strathclyde Business Park in Lanarkshire - a non EZ site - have generated rentals of £14.35 per sq ft.<sup>19</sup> Rentals on the Lanarkshire EZ sites are not known but as Roger Tym notes, Lanarkshire was a conspicuously successful Enterprise Zone – due to the quality and accessibility of the sites, and their good condition at designation.<sup>20</sup>

<sup>18</sup> Source: CSW The Property Week, 20<sup>th</sup> January 1994; interview with Bill O’Hara, Montagu Evans

<sup>19</sup> Source: [www.knightfrank.com/ref/reports/m8rpt2002.pdf](http://www.knightfrank.com/ref/reports/m8rpt2002.pdf)

<sup>20</sup> Roger Tym & Partners (30<sup>th</sup> October 1998) “Enterprise Zones Monitoring 1997/98”

- 4.23 However, it is notable that there have been no other major industrial or office developments within Inverclyde during the time of the Enterprise Zone designation – this is in marked contrast with Lanarkshire. The topography of Inverclyde which means that major development sites are in short supply may have played a part here, in addition to market conditions.

## THE HOUSING MARKET

### Introduction

- 4.24 Any significantly positive impact on employment and the economic regeneration of an area would be expected to be felt in the private housing market. We had discussions with the Greenock Estate and Property Agents and Inverclyde Solicitors Property Centre. In our collective view, it is likely that the developments at Greenock Waterfront will have had a generally positive impact on the property market across Inverclyde – and particularly in Greenock. These impacts will occur because the significant increase in employment locally will have significantly increased the number of people who were in a position to be able to buy their own homes.

### The Private Housing Market

- 4.25 The Llewellyn Davies study found that generally speaking the housing market in Inverclyde, as in much of Scotland, is very segmented – with significant differences in terms of sale price performance. Markets are localised with some areas showing much greater rates of growth than others.
- 4.26 Local property agents advise that Inverclyde is not typically viewed as a destination of “lifestyle choice” for aspiring suburbanites or commuters from Glasgow, and house prices, being generally lower on average, tend to reflect this.
- 4.27 That said, the property market in Inverclyde has performed very well over the last 10 years. The Llewellyn Davies report suggested that house prices in Inverclyde increased by 15% between 1990 and 1996, although 5% of that increase took place between 1994 and 1996. Compared to other areas of industrial decline throughout the country Inverclyde’s residential market is strong.

- 4.28 It is difficult to quantify the impact that the Waterfront developments have had on the private housing market. As is the case generally, the property market has been boosted by the recent low interest rates and, in Inverclyde, by the lack of supply of quality property. The West End of Greenock has witnessed a property “boom” over the last few years, with sale prices currently around 20% over the valuation price.
- 4.29 We would therefore conclude that the Waterfront developments are likely to have had a positive, although marginal, impact on property prices. As well as increasing employment locally, there has also been a marked change in the nature of employment contracts. Prior to development of the Waterfront, the electronics sector was the most significant local employer and tended to employ people on a short-term contract basis. Most of the new companies at the Waterfront employ people on a permanent basis, which means that people are in a better position to be able to borrow to buy their own homes.

### The “Buy To Let” Market

- 4.30 The redevelopment of Greenock Waterfront – by improving the appearance of the Waterfront area - has also had a positive impact on the rented sector of the housing market. This has undoubtedly stimulated the “Buy to Let” sector in some areas in Greenock. The increase in the number of single persons in Greenock (due to the presence of T- Mobile, Royal Bank of Scotland and JWC) will also have increased the demand to rent flatted accommodation.
- 4.31 That said, there remain a number of “problem areas” in Inverclyde where property has declined sharply in value – Larkfield and Fife Road were cited as being problem areas in the Llewellyn Davies report. This is cited as being due to very strong place-specific phenomenon in the Greenock market, where streets very close to each other with similar properties can take very different lengths of time to sell. These differences can be attributed to local perception of the people living in certain areas.

## 5 OVERALL ASSESSMENT OF GREENOCK WATERFRONT

### INTRODUCTION

5.1 This section provides an overall assessment of the extent to which the Greenock Waterfront project met its strategic objectives, and the value for money associated with the initiatives.

5.2 The overall strategic aim of the initiatives were to:

“enable the regeneration of the wider Inverclyde economy through improving the physical environment and providing infrastructure for the development of leisure, educational and shopping facilities.”

5.3 This was to be achieved by:

- undertaking environmental improvements
- developing brownfield land
- creating employment opportunity by encouraging the expansion of indigenous companies and inward investment.

5.4 In addition we consider:

- Assessment of value for money of SER’s spend on the Greenock Waterfront project and comment on the cost effectiveness of the developments;
- Examination of the effect of the occupation by boat owners of East India Harbour on the redevelopment of the Harbour area and the effect on the Greenock Waterfront project;

### MEETING STRATEGIC OBJECTIVES

5.5 In our view the public sector led initiatives at the Waterfront were instrumental in regenerating the Inverclyde economy through undertaking a range of environment improvements (catalogued in Section 3) and in providing infrastructure for the development of leisure, educational and shopping facilities. The initiative was also successful in attracting a number of high profile large service sector employers to the area (Royal Bank and T-Mobile).



- 5.6 As Figure 5.1 demonstrates, over the period 1995 – 2002, employment in services increased by 18% in Inverclyde. This was twice as fast as the Scottish average and over four times as fast as North Ayrshire. Retail development was prohibited within the Enterprise Zone sites – so the EZs were not directly responsible for stimulating growth in retail employment.
- 5.7 However, earlier analysis demonstrates that the Waterfront development substantially stimulated retailing locally and increased retail-based employment.

### ASSESSMENT OF IMPACT ON PERFORMANCE OF THE INVERCLYDE ECONOMY

- 5.8 This section reviews the general macroeconomic performance for a number of key socio-economic changes in Inverclyde unitary authority and Scottish Enterprise Renfrewshire over the last decade. Geographic definitions are shown in Table 5.1.

<b>Local Authority</b>	<b>LEC</b>		<b>Local Authority</b>	<b>LEC</b>	
Renfrewshire	Scottish Renfrewshire	Enterprise	North Ayrshire Mainland	Scottish Ayrshire	Enterprise
East Renfrewshire	Scottish Renfrewshire	Enterprise	East Ayrshire	Scottish Ayrshire	Enterprise
Inverclyde	Scottish Renfrewshire	Enterprise			

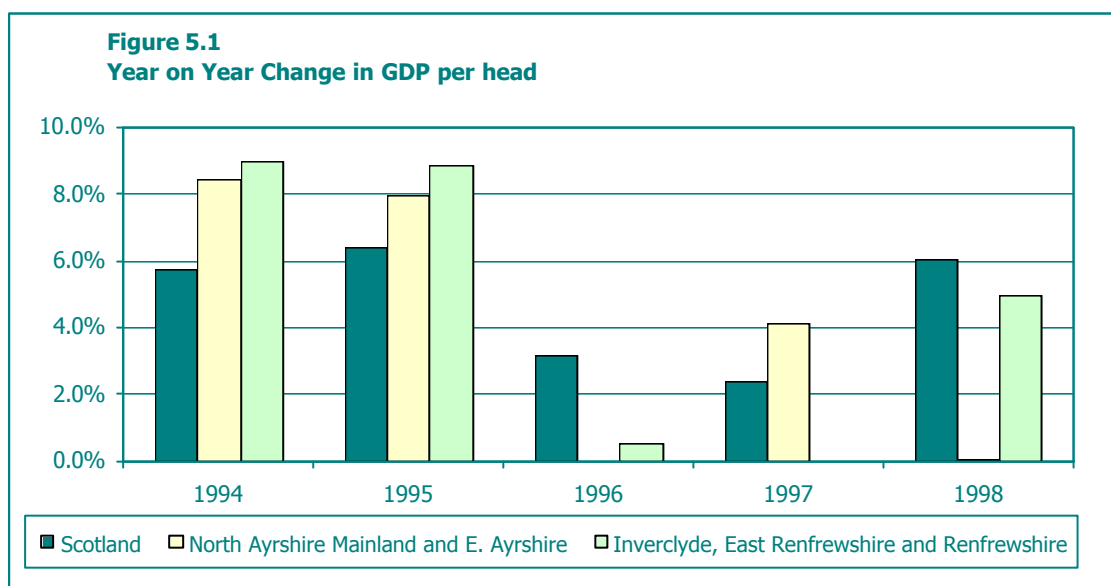
- 5.9 We have provided historic time series where it is available for the period 1990 - 2002. However, where it is not available, we present data for North Ayrshire as a comparative geographic region to provide a reference point. Further, we contextualise the data within the broader Scottish economy, and where possible we highlight global trends.

### Output Per Head

- 5.10 GDP (£million) for Scotland has increased by 26.1% from £49,302m to £62,153m (at current basic prices) between 1993 and 1998<sup>21</sup>. For Inverclyde, Renfrewshire and East Renfrewshire the level of change is slightly lower at 24.2%. However this was a higher rate of growth than achieved by the benchmark - Scottish Enterprise Ayrshire achieved 23.9% growth in GDP.

<sup>21</sup> <http://www.statistics.gov.uk/pdfdir/lgdp0401.pdf>

5.11 GDP per head grew very strongly in Renfrewshire in absolute and relative terms in 1994 and 1995 – achieving 9% growth each year. This was significantly higher than the Scottish average or Ayrshire and is consistent with the attraction of a significant number of new businesses to the area. Growth was close to zero in 1996 and 1997 but increased to 5% in 1998.



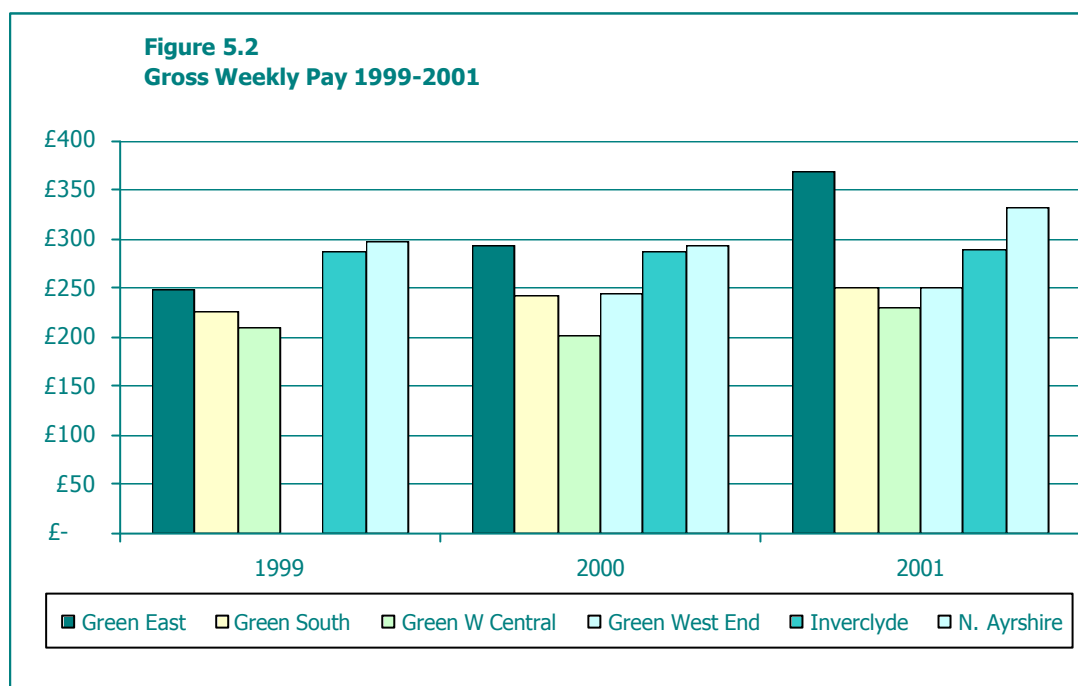
Source: Office for National Statistics: "Local area and sub-regional gross domestic product", 26 April 2001.

### Income per Employee in Employment

5.12 Gross weekly pay in Inverclyde has remained largely unchanged between 1999 and 2001 at around £287. However, there have been significant changes in terms of the composition of household income – there has been an increase in male full-time weekly pay of 6%, whereas female full-time weekly pay has declined by 5%. Part-time weekly pay for both genders has also fallen. In comparison, gross weekly pay in North Ayrshire has increased by 12% (from £300 to £337) over the same period.

5.13 The weekly gross pay for both North Ayrshire and Inverclyde are well below the national average of £404.60 in 1999.<sup>22</sup> Inverclyde is ranked 25 out of 27 authorities for which data was available for gross weekly pay in October 2002.<sup>23</sup>

<sup>22</sup> Scottish Enterprise "facts and figures about Scotland" June 2002  
<sup>23</sup> www.scotland.gov.uk/who/elld/\_LA\_Data/Inverclyde.xls.



Source: "New Earnings Survey: Occupational Analysis" Nomis September 2002.

- 5.14 Within Inverclyde, Greenock East has witnessed significant weekly pay increases – on average household income rose by more than £100 per week over the period 1999-01. Households in Greenock East earn £40 per week more than North Ayrshire and £70 per week more than the Inverclyde average.
- 5.15 Over the same period, Greenock South and West Central have witnessed less dramatic increases of £25 and £10 respectively.
- 5.16 Relatively low wages in Inverclyde can be partly explained by the relatively low educational attainment of the workforce. Table 5.2 demonstrates that Inverclyde residents are less likely to be qualified to NVQ level 3 and above.

**Table 5.2  
Qualifications Held (2000)**

	Inverclyde	Renfrewshire	Scotland
% of population with no qualifications	11%	8%	11%
% of population with NVQ1	7%	7%	8%
% of population with NVQ2	11%	8%	8%
% of population with Trade Apprenticeships	7%	6%	6%
% of population with NVQ3	4%	7%	9%
% of population with NVQ4+	12%	14%	16%

Source: LALFS

- 5.17 Table 5.3 highlights the low proportion of graduates in Inverclyde (20%) relative to the rest of the Renfrewshire LEC, Renfrewshire local authority and the Scottish percentage.

<b>Region</b>	<b>Number's (000)</b>	<b>% of population</b>
Scotland	886	28%
N. Ayrshire	17	22%
Inverclyde	10	20%
E. Renfrewshire	22	40%
Renfrewshire	27	25%

Source: Local Labour Force Survey, Nomis September 2002

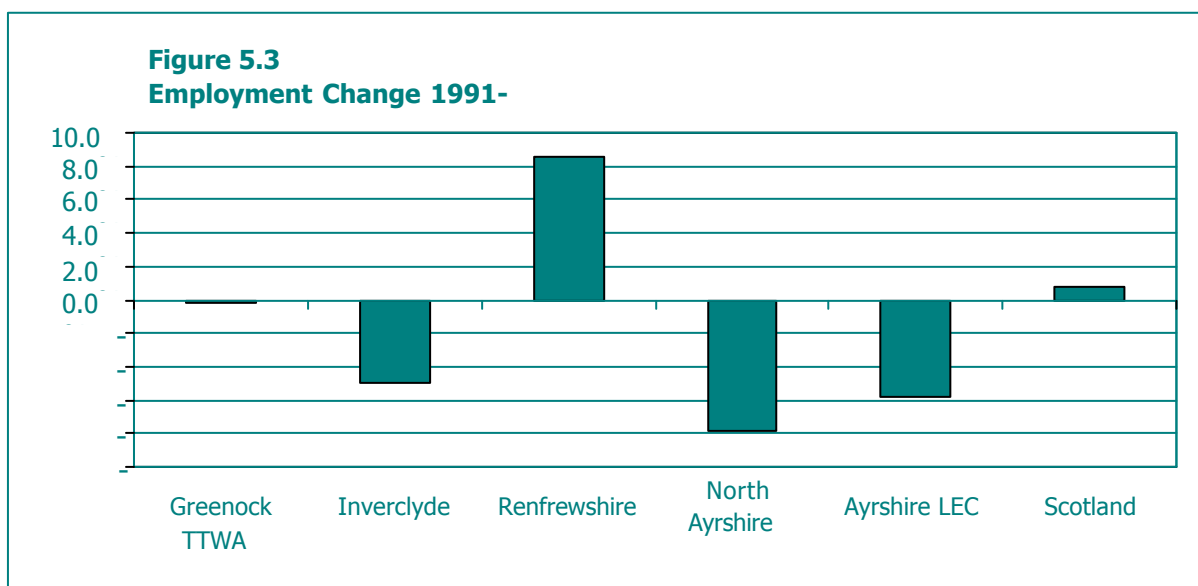
### Population and Economic Decline

- 5.18 Severe population and economic decline was the primary rationale for the designation of the Inverclyde Enterprise Zone in 1989. The decline of the traditional employers in the ship-building, port-related and heavy engineering industries had dramatically reduced employment opportunities and resulted in substantial net outward migration and relatively high levels of local unemployment.
- 5.19 Overall, total population in Scotland has fallen marginally between 1991 and 2001. At June 1991 the population was 5,107,000, falling to 5,062,011 in Census 2001.<sup>24</sup> This represents a decline of 44,989 (or a change of 0.1%).
- 5.20 Over the same timeframe, the population of Scottish Enterprise Renfrewshire has declined by 8,079<sup>3</sup>, just over 2%<sup>1</sup>. However, most of this decline can be attributed to Inverclyde District where population has fallen by 8% from 91,580<sup>2</sup> to 83,000.<sup>2</sup> This is largely driven by relatively high levels of out-migration.
- 5.21 With respect to age structure, Inverclyde closely mirrors Scotland as a whole. The notable difference as regards Inverclyde is the proportion of people below the age of 60: there is a significantly higher proportion in this age band than for the Scottish population. This implies that there is a potentially larger pool of labour from which to draw. In addition, Inverclyde contains relatively more under 24s than the general Scottish population does. These two trends have remained consistent over the period since 1996.

<sup>24</sup> 2001 Population Report Scotland, General Register Office for Scotland, September 2002.

### Structure of Employment

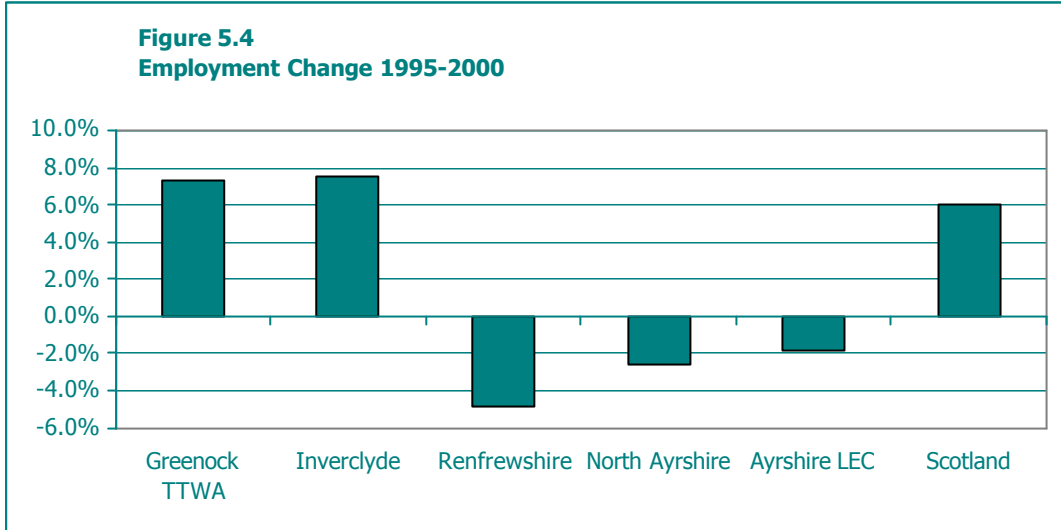
- 5.22 During the period 1989 – 95, employment in Inverclyde, East Renfrewshire and Renfrew grew by over 19%. This represents spectacular growth. Analysis of Eurostat data for the 1,100 NUTS 3<sup>25</sup> level regions, demonstrates that the Scottish Enterprise Renfrewshire area performed in the top 30 European regions. This represents an outstanding and quite remarkable rate of growth.
- 5.23 The period 1991 – 95 represented a slow growth period across much of the UK. Employment in Scotland grew by under 1%; declined by 5% (or 1,500) in Inverclyde, and declined by 8% (or 3,500) in North Ayrshire and 6% in Ayrshire LEC. However, by comparison, employment in Renfrewshire grew by 8% (or 6,500).



Source: AES

- 5.24 The period 1995 – 2002 was, generally speaking, a more prosperous era. In Inverclyde total employment increased by 7% (or 2,200 jobs) – this rate exceeded the Scottish average. Inverclyde performed significantly better than North Ayrshire where total employment declined by 3% over the same period. Historically speaking, this reversed the decline witnessed in the 1980s and early 1990s. This is consistent with the findings of the evaluation of activity on Greenock Waterfront. We found that the Greenock Waterfront initiative accounted for 2,000 FTEs and would account for 90% of net employment created in Inverclyde over this period.

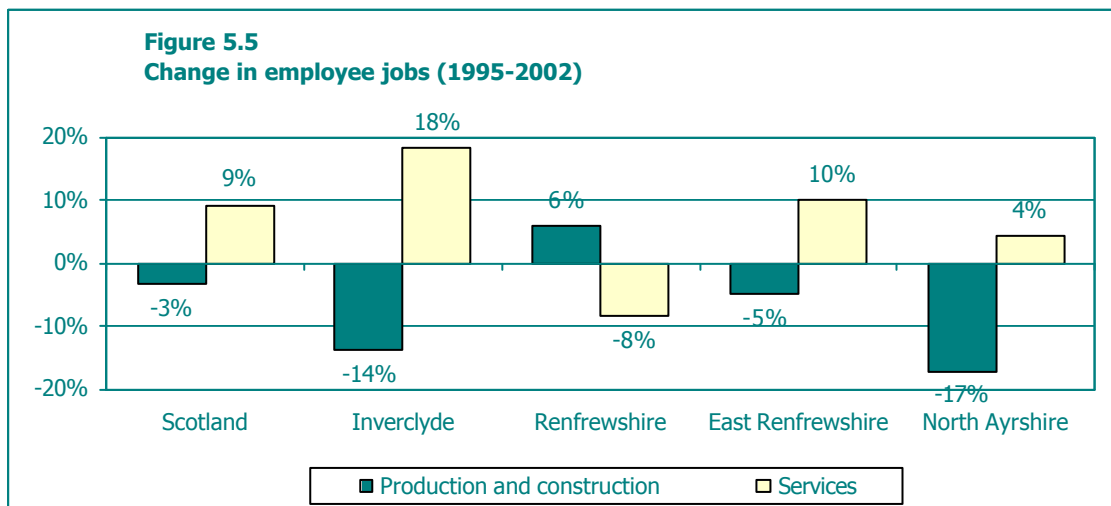
<sup>25</sup> Eurostat established the NUTS classification – Nomenclature of Statistical Territorial Units – as a means of dividing up the EU’s territory to produce regional statistics for the community. There are 1,093 regions at NUTS 3 level; one of which is Inverclyde, East Renfrewshire and Renfrewshire combined.



Source: AES re-scaled and ABI

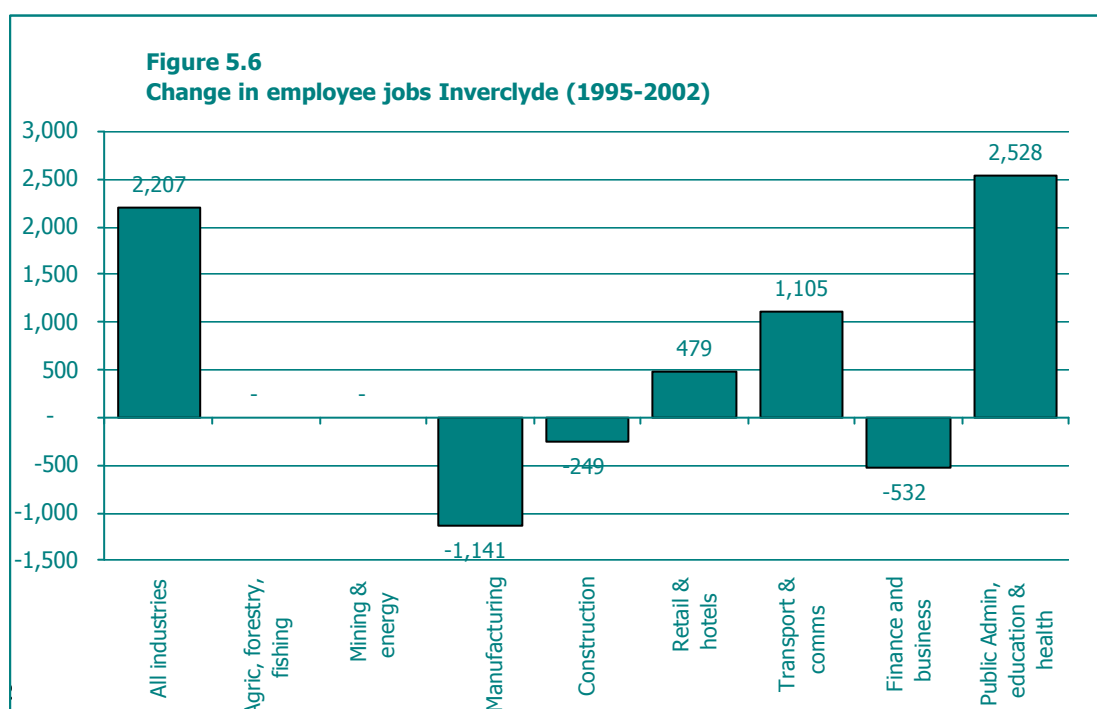
5.25 The change in the type of employee job has also been significant. Over the period 1995 – 2002, employment in production and construction industries declined by 14% in Inverclyde and 5% in Renfrewshire – this was significantly greater than the Scottish average of 3%. Over the same period employment in service industries in Inverclyde grew by 18% - this is twice the rate of growth in the Scottish economy and over four times faster than North Ayrshire. This growth can be largely attributed to the activities at Greenock Waterfront – since a significant number of service companies located in Inverclyde over this period.

5.26 In aggregate, service sector employment increased by 3,580 over the period 1995-02. Of these, we calculate from our survey that just under 2,000 are at the Waterfront.



Source: www Scottish Executive local authority data

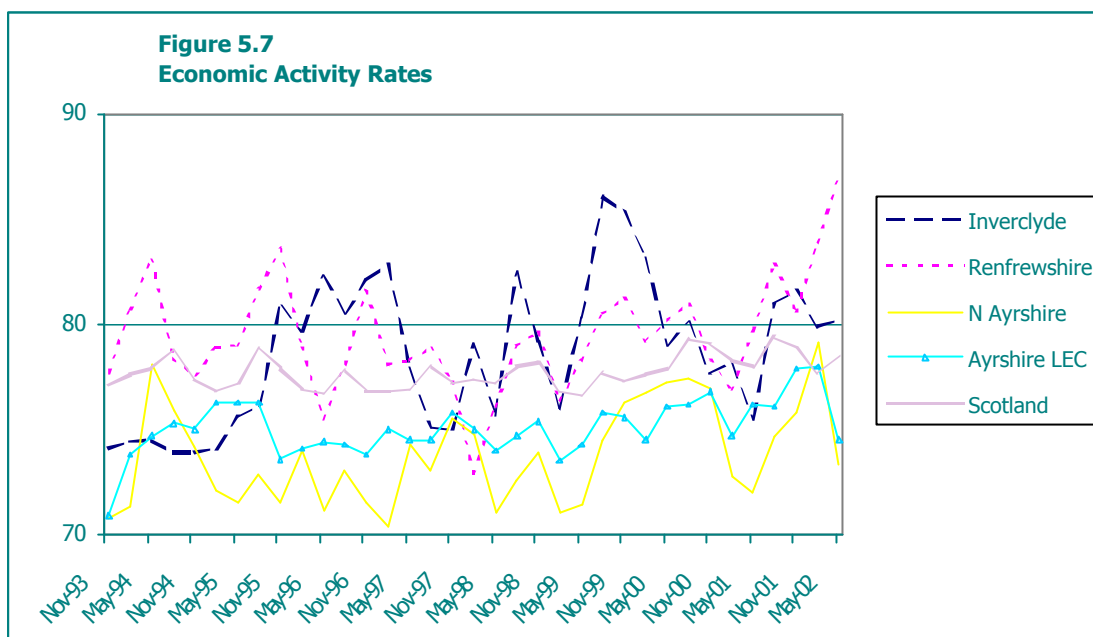
5.27 The dramatic increase in service employee jobs in Inverclyde is dominated by the increase in the category "public administration, education and health" with a net increase of over 2,500 jobs. The transport and communications sector also increased by over 1,100 and retail and hotels by almost 500. Again, this is consistent with the growth in the number of service-oriented firms in Greenock over this period. The only surprise is the decline in financial and business services employment – however this arises because call centre employment is grouped in transport and communications in the official data.



Source: www Scottish Executive local authority data

### Economic Activity

5.28 Although there has been considerable volatility in economic activity rate for all areas – reflecting seasonal variations and the economic cycle - there has been a marked improvement in both Inverclyde and Renfrewshire over the period 1993 - 2000. In 1993, economic activity in Inverclyde was significantly lower than in Scotland – and was broadly equivalent to the levels in North Ayrshire and the Ayrshire LEC area. Since 1995 / 96, economic activity rates in Inverclyde and Renfrewshire have been significantly higher than the Scottish average and have outperformed Ayrshire by 5 - 10 percentage points.



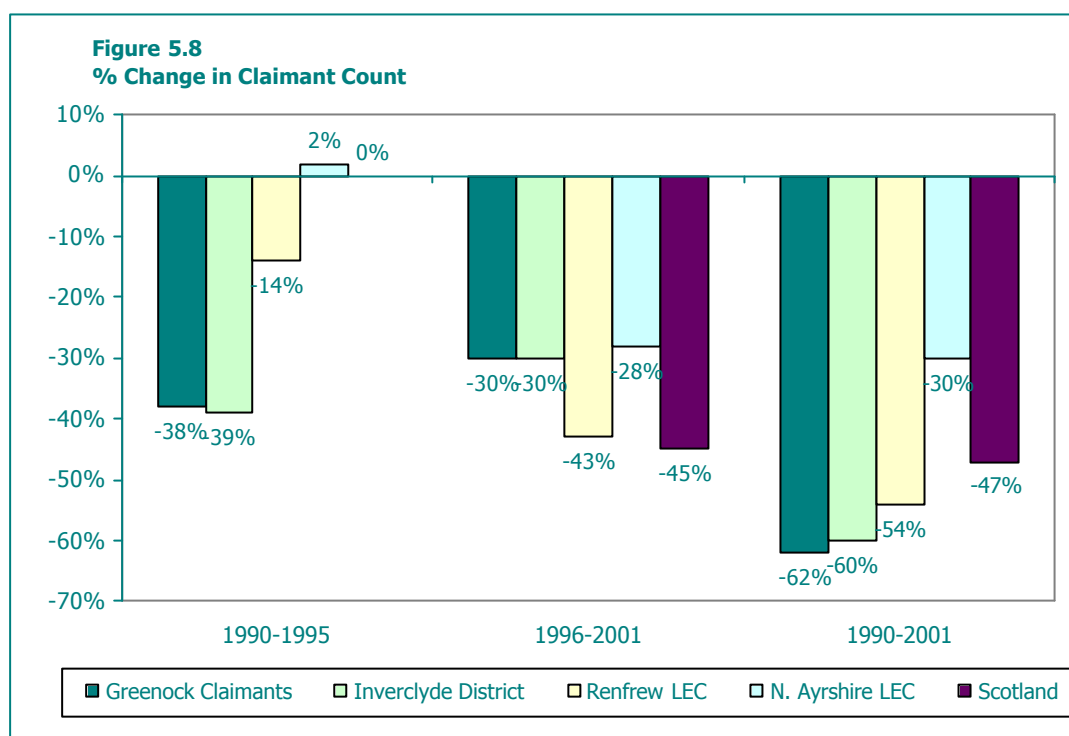
5.29 The percentage of all working age in employment or education rose by over 6 percentage points in Inverclyde, and 10 percentage points in Renfrewshire. In North Ayrshire, the corresponding increase was only 2.5 percentage points and in Scotland 0.5 percentage points.

### Unemployment

5.30 While unemployment has fallen markedly across most areas in Scotland since the early 1990s, it is notable that the number of unemployed claimants has fallen faster in Greenock than in Inverclyde, Renfrew, North Ayrshire or Scotland. This is, in our view, extremely compelling evidence that the activities at the Waterfront have significantly impacted upon the welfare of local people in Greenock

5.31 Over the period 1990 – 2001, claimant count unemployment in Greenock reduced by 62% - this is more than twice as fast as North Ayrshire and one-third faster than the Scottish average. The decline in unemployment was spread fairly evenly across this period – reflecting the long-term nature of the developments at the Waterfront.

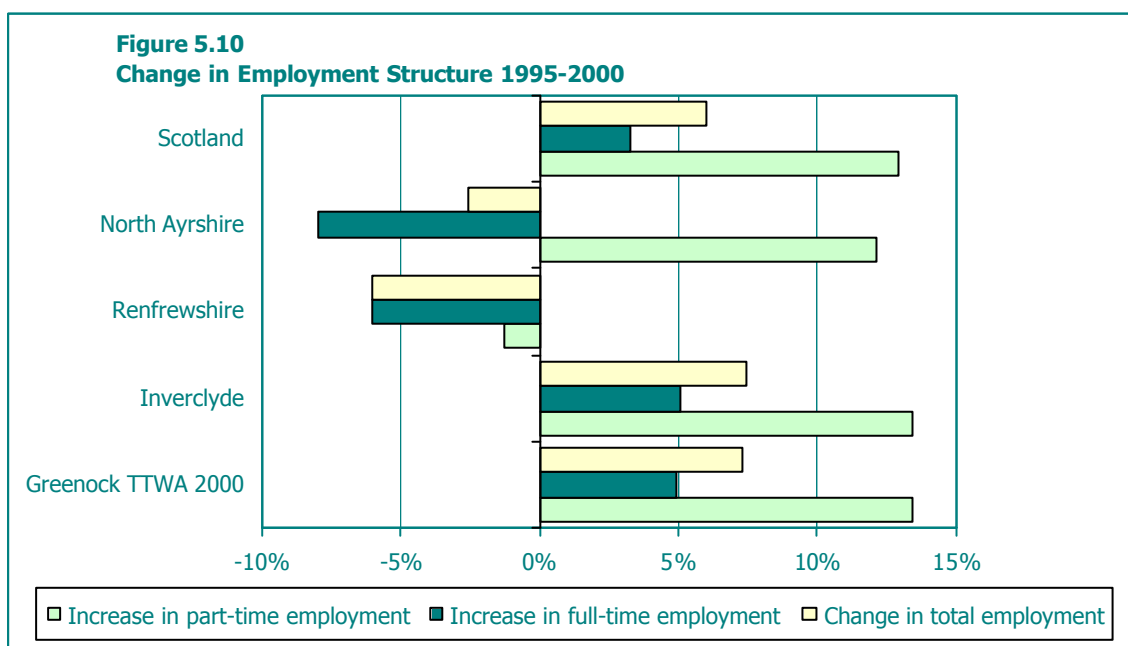
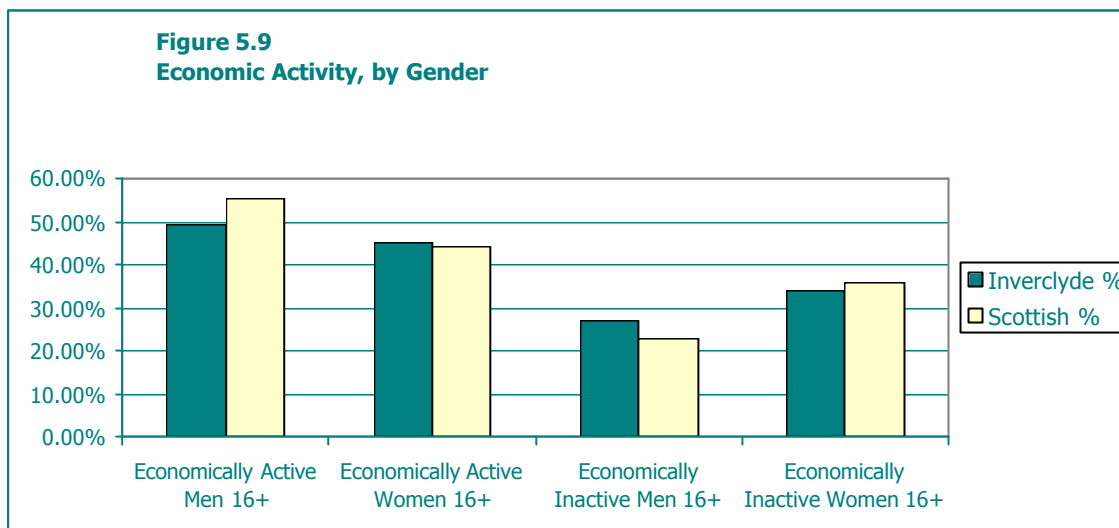




Source: Claimant Unemployment, NOMIS

## Structure of Employment

- 5.32 The structure of employment has undergone considerable change in all areas of Scotland over the period 1995 – 00. Generally speaking, there has been an increase in part-time employment – with all areas (except Renfrewshire) witnessing growth in part-time employment between 12 – 15%. The sectors with the highest rates of increase in part-time work in Greenock TTWA are transport and communications, and public administration, education and health.
- 5.33 Like most other areas in Scotland, the increase in part-time working is driven by a significant net increase in the number of female participants. The number of female employees increased in Greenock TTWA by 1,609 compared with 543 additional males. The ratio of females to males in employment in Greenock TTWA and Inverclyde in 2000 is 1:0.81. For Renfrewshire the ratio is 1:1.13. The national ratio is roughly 1:1 as is that for North Ayrshire.
- 5.34 Figure 5.9 illustrates economic activity by gender – it is notable that male economic activity rates are significantly lower (over 6%) in Inverclyde than the Scottish average. Correspondingly economic activity rates amongst females is marginally higher in Inverclyde. Further analysis demonstrates that economic inactivity is highest amongst the very young and older males.



Source: AES / ABI, Scottish Enterprise "local Authority data, September 2002.

- 5.35 However it is notable that both Greenock and Inverclyde have also witnessed a significant (5%) increase in full-time employment over this period whereas full-time employment in North Ayrshire, like a number of local authority areas has declined.
- 5.36 The increase in female employment is most probably linked to the changes in the type of employment away from construction and production towards services particularly, public administration, education and health.

## VALUE FOR MONEY

- 5.37 As Section 2 illustrated, the total public sector spend was £47.91.1m , net of receipts. Spend by Scottish Enterprise was £25.5 million although the net costs to SER (after receipts from sale of land) was £17.3 million.
- 5.38 Table 5.3 reproduces the total direct, indirect, and induced employment attributed to the Waterfront initiatives, net of displacement and including multiplier effects.

	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Inverclyde	2,000	600	400	3,000
West of Scotland	12	16.8	7.2	36
Scotland	4	6.6	2.4	13

Source: 1999 Scottish Input-Output Tables, Employment Multipliers Type I and Type II

- 5.39 The cost per job created in Inverclyde to SER is £5,786, but the total public sector cost per job is considerably higher as it includes other public investment such as the Water/Ice Centre and James Watt College. The overall cost per job is £15,970.
- 5.40 This compares with:
- The evaluation of the 22 Enterprise Zones for DTI calculated that the total public cost per job year equivalent was £2,100. i.e total public sector cost per FTE was £21,000. However this evaluation produced a range for cost per job falling between £13,900 to £24,700.
  - The evaluation of Inverclyde Enterprise Zone by Cambridge Policy Consultants produced a range of cost per job of £18,200 to £21,000 – this reflects the relatively high cost of site remediation and preparation for some of the key zones, notably at the Waterfront.
- 5.41 The total public sector cost per hectare remediated was £1.37 million per hectare and the net cost per hectare to SER was £496,000 per hectare. An appropriate comparator for the Waterfront would be another mixed used urban renewal project with a range of public sector spend, including direct expenditure on some of the uses on site. In February 2001 we calculated that the total public sector subsidy per hectare for the Crown Street project was £1.9 million per hectare and the cost to SEG, £879,000 per hectare. The St Andrews’ Square project in Glasgow, which had a higher proportion of private sector end uses, had total public sector costs of £1.7 million per hectare, and costs to SEG of £718,000 per hectare.

- 5.42 The Waterfront was the catalyst for stimulating retail and leisure activity. Service sector employment increased by 3,580 in Inverclyde over the period 1995-2002. Of these, we calculate from our survey that just under 2,000 jobs (or 55%) are likely to be attributable to the Waterfront.

### Impacts attributable to EZ status

- 5.43 We were asked to separate the impacts attributable to EZ status from the other developments at the Waterfront. Three companies, including T-Mobile (supporting approximately 1,400 FTEs) identified the EZ benefits as the most important factor in their location decision.

### Impact of occupation by the boat owners

- 5.44 We were specifically asked to consider what impact the occupation by boat owners of EIH had on the redevelopment of the Waterfront.
- **Financial cost:** legal fees, time delays, opportunity cost of not developing site sooner. Significant costs incurred in taking possession of the land and in 24-hour security
  - **Impact on timescales:** direct delay of 5 to 6 years it took to remove the boat owners. SER are still defending legal actions from the boat owners. The Council are now planning to complete the development with Clydeport who also own land there. However, the development has not progressed significantly in the last 12 months.
  - **Overall Impact of the Development:** East India Harbour was to have been the centrepiece of the masterplanned developments, and as long as it remains undeveloped, the Waterfront development is essentially incomplete. The boat owners played a role in delaying development but they are not the reason the East India Harbour development is incomplete.

## CHANGE IN PROFILE OF GREENOCK / INVERCLYDE AND RENFREWSHIRE AS A BUSINESS LOCATION

- 5.45 We were asked to consider the extent to which the Waterfront initiatives had impacted upon the profile of Greenock, Inverclyde and Renfrewshire as a business location. This section draws upon the literature review (including newspaper articles), pedestrian survey, and consultations with key stakeholders.

- 5.46 **The media representation** of Greenock and Inverclyde has changed markedly since 1990. [see appendix D] In the earlier years, during the late 80s and early 90s, the majority of press articles were negative – and tended to comment on the decline of heavy industry and high levels of unemployment in the area.
- 5.47 Since the mid 1990s however, the amount of positive coverage received by the area has increased significantly. The positive commentary was largely due to the revival of the electronics industry, particularly IBM and National Semiconductor (two of the largest employers in the area); the increased levels of tourism brought about by the activities at Greenock Waterfront and the role played by Scottish Enterprise Renfrewshire and Inverclyde Council in regenerating the Waterfront area.
- 5.48 The media’s perception of the area still tends to follow the fortunes of the key industries in the region, so the deterioration in the fortunes of the electronics sector since the late 1990s has generated a number of recent negative articles.
- 5.49 **Inward investors** - we captured the views of some inward investors in our business survey. Prior to 1995 / 96, before there were anchor tenants at the Waterfront, companies were generally nervous about being “first into” the area. Eg one inward investor company had been considering coming to Greenock, but decided against it because they didn’t want to take the risk of the Waterfront sites failing to attract other, similar types of business. It is interesting to note that this company located in the Lanarkshire EZ site at Hamilton instead.
- 5.50 Relatively speaking - considering the larger labour market catchments of Glasgow and Edinburgh - the Waterfront has been very successful in attracting inward investors. There are presently 4 non-Scottish firms located at the Waterfront, including: HCS Global, Cigna Healthcare, and T-Mobile. Chicony – a Taiwanese keyboard manufacturing company is also located in Greenock – but are there predominantly to service IBM.
- 5.51 In our survey, we identified that T Mobile and Royal Bank of Scotland came to Greenock partly because of the benefits conferred by EZ status but also because of the other benefits (eg. large labour catchment and high quality working environment).

## PERCEPTIONS OF RESIDENTS AND VISITORS TO GREENOCK

### Introduction

- 5.52 TL Dempster undertook a survey of 300 pedestrians in two locations: Greenock Waterfront and Greenock Town Centre. Table 1 shows the normal place of residence of the survey respondents. The majority of the pedestrians were resident in Greenock or Inverclyde.

Place of residence	% of respondents
Greenock	60%
Inverclyde	21%
Glasgow	4%
Other West of Scotland	12%
Rest of Scotland	1%
Rest of UK	1%
Overseas	1%
Refused	0%
<b>Total</b>	<b>100%</b>

- 5.53 The most common reason for visiting Greenock was to go shopping – just under a third of the respondents were in Greenock for this purpose. The next most popular reason was for leisure or entertainment purposes, with one in five respondents visiting Greenock for this reason. A similar proportion (19%) was travelling to or from work.

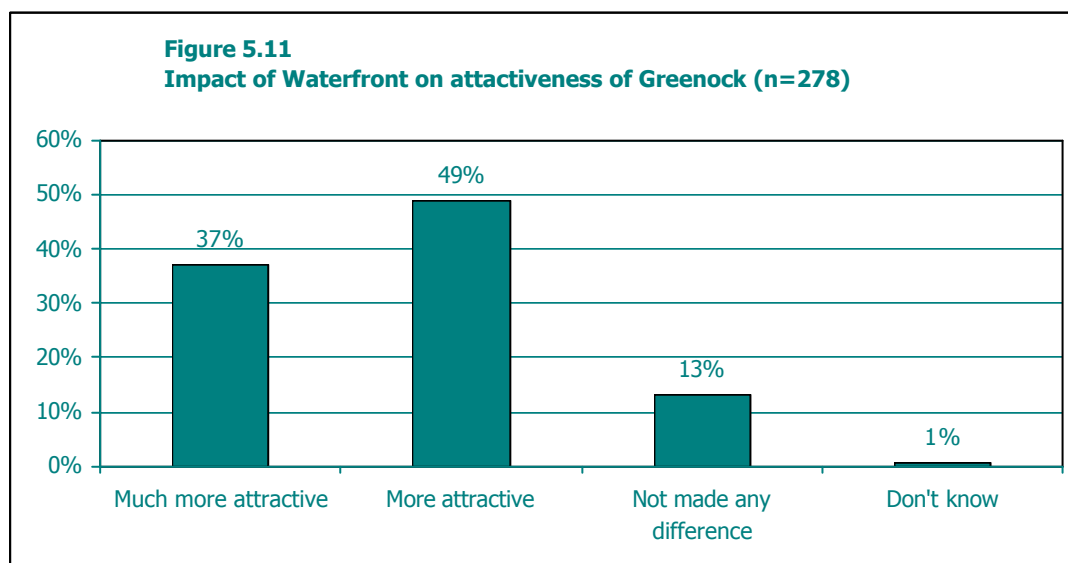
Main reason	% of respondents
Resident	11%
To/from work	19%
Shopping	30%
Leisure/entertainment	20%
To/from college or other education establishment	2%
Employer's business	1%
Personal business	5%
Tourist/visitor	2%
Other	10%
<b>Total</b>	<b>100%</b>

- 5.54 Table 5.6 below shows the proportion of the sample of pedestrians that live and/or work in Greenock. 72% of those people surveyed either live or work in Greenock.

Place of residence	% of respondents
Live	28%
Work	17%
Live and work	27%
Other	18%
Refused	10%
<b>Total</b>	<b>100%</b>

### Opinions on Waterfront Development

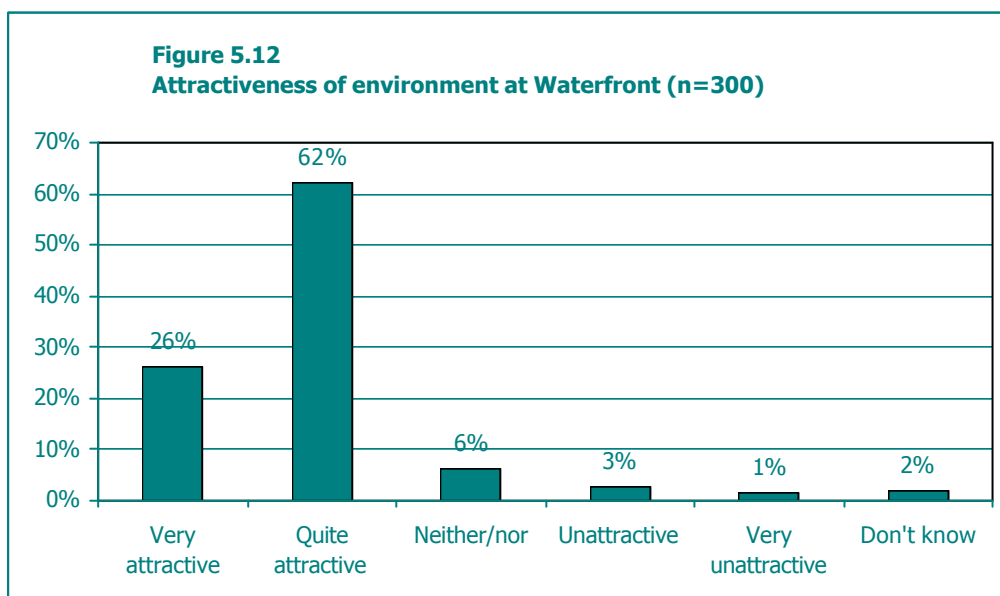
5.55 The vast majority of the pedestrians questioned (93%) had sufficient knowledge of Greenock before the Waterfront developments took place to enable them to assess the changes that have taken place in the area. Figure 5.11 shows that there is a very positive response to the developments at the Waterfront, with 86% of the pedestrians believing that the developments have increased the attractiveness of Greenock as a place to live in or visit.



5.56 In terms of the general opinion of the environment at the Waterfront, the feedback was again positive. Just over one quarter of the pedestrians find the Waterfront environment 'very attractive' and a further 62% find it 'quite attractive'.

5.57 The survey asked respondents what it is that they liked about the Waterfront. For those who responded to this question, the responses can be grouped under the following headings:

- The view and the pleasant surroundings (52%)
- Cleanliness and smarter appearance – removal of dereliction (16%)
- Leisure and entertainment facilities (10%)
- The harbour and ships (7%)
- Retail park and shopping facilities (4%)

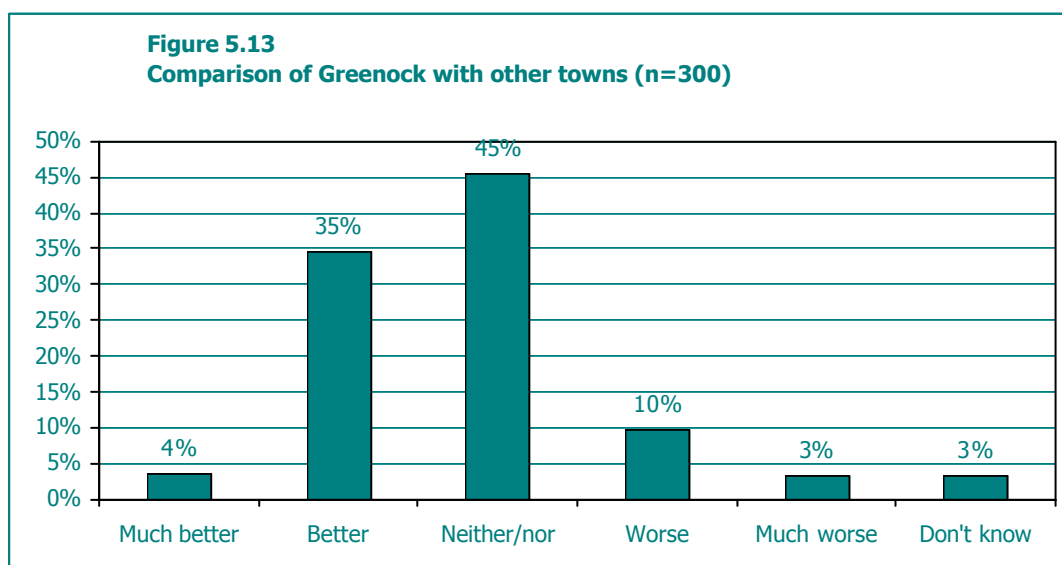


5.58 The comment that people made most frequently was that it was a nice place to walk and sit on a fine day and admire the views out to sea. The pedestrians were also asked what they dislike about the Waterfront. The vast majority of people responding to this question did not identify anything they disliked about the area (73%). The following topics emerged as the main factors that were disliked about the Waterfront area:

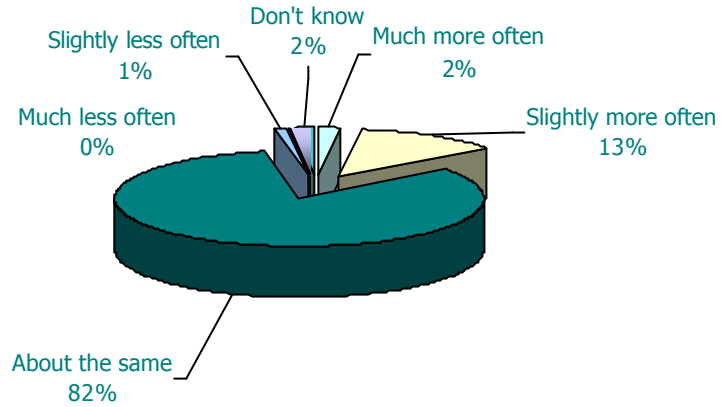
- Vandalism, hooligans and loitering (7%)
- Lack of toilets or other facilities (5%)
- Rubbish or litter (3%)



- 5.59 A number of further improvements to the Waterfront were suggested. The most common suggestions were the introduction of a café or other catering facilities, more facilities for children and a greater variety and number of retail units. People particularly like the idea of pubs/restaurants/cafes looking over the Clyde. The Macdonalds catering facility at the Water /Ice Centre is not liked and there is a view that it is unfortunate that that building does not incorporate a catering facility with river views.
  
- 5.60 A small minority of respondents (8%) used the words 'empty', 'unfinished' or said that it was 'lacking something'. Facilities such as restaurants/ cafes, facilities for tourists , museum, boats in the harbour were mentioned . A tiny minority commented that it had brought no real jobs or that they missed the shipyards. A similar number mentioned loss of character.
  
- 5.61 When the facilities/amenities/shops in Greenock were compared with other towns of a similar size, the majority of people questioned felt that Greenock was neither better nor worse as shown in Figure 5.13. However, 39% of people rated the facilities of Greenock as better than comparable towns.
  
- 5.62 In Figure 5.14 the impact of the Waterfront improvements on the frequency of shopping patterns in Greenock is considered. While the majority of respondents (82%) reported that the improvements had had no discernible impact on their shopping patterns, a significant proportion (15%) felt that they now shopped more frequently in Greenock.

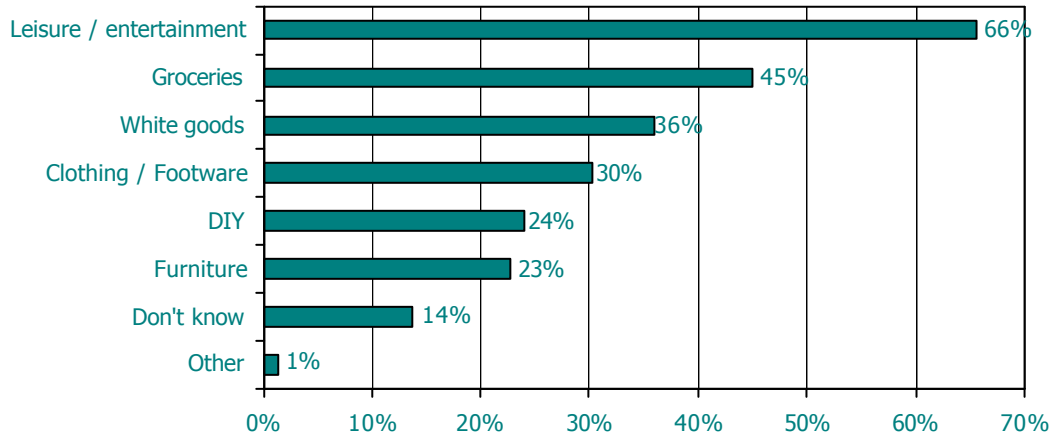


**Figure 5.14**  
Impact of improvements on frequency of shopping in Greenock (n=300)



5.63 In order to gauge the areas of the Waterfront development that were felt to have had most impact, the pedestrians were asked for which items they felt there was now an choice and range of goods than was the case prior to the Waterfront development. Figure 5.15 shows that the improvements in leisure and entertainment facilities were ranked the highest followed by groceries.

**Figure 5.15**  
Improvements in choice and range of goods (n=300)



5.64 The Waterfront is attractive to a range of people, from different socio-economic classes throughout Inverclyde. The following quotes reflect the attitudes of persons interviewed in Greenock about the Waterfront developments:

- “The Waterfront area has definitely improved and attracts visitors to the area... but I think it would have been nice if the developers had retained something from the shipyards” - Ms A, Greenock
- “The best of Greenock is down here at the Waterfront. We come down here [to the Waterfront] every day” Ms B (18) Port Glasgow
- “Its out of this world, we come down here and admire the view. The redevelopment has been worth every penny” Ms C (72) Port Glasgow

## 6 LESSONS LEARNT

### INTRODUCTION

6.1 This section of the report takes a step back and reflects on what has been learnt in terms of best practice - what is known as a positive approach to evaluation. It was intended that the study should highlight the main lessons learnt from the physical regeneration of the Waterfront and therefore help inform the development of other major "Competitive Place" projects around the Scottish Enterprise Network. It is also envisaged that lessons learnt would feed into the "Shared Project Management" work of the Business Transformation team across the Network which aims to deliver consistent project delivery within a strategic context. We were specifically asked to consider the following:

- **Partnership Working:** were the partnership management arrangements adequate? Were the people suited to the tasks allocated?
- **Project Management:** did the project teams have the capability to take the project forward? Did the expectations of the teams differ? How was risk managed and what proved to be effective? How were appraisal, evaluation and monitoring techniques applied during the various stages of the Waterfront developments?
- **Physical Regeneration:** did the various elements of the Waterfront projects fit together and did they prove to be the right mix?

6.2 This section draws heavily upon our consultations with key personnel in Inverclyde Council and in Scottish Enterprise Renfrewshire who were involved in the regeneration of Greenock during this period. We first of all catalogue the main lessons learnt from the Greenock Waterfront regeneration and, because these are fairly specific to the circumstances in Greenock, we subsequently highlight general recommendations that should help inform the development of other major Competitive Place projects.

### PARTNERSHIP WORKING

6.3 The original partners (Inverclyde District Council, Strathclyde Regional Council, SDA, Clydeport and the Scottish Office) developed a positive working relationship through the designation process which continued through the initial phase at the Waterfront. The involvement of the SDA had also brought about a much greater interest in the Inverclyde area on the part of Locate in Scotland (now Scottish Development International.) The success of the original partnership working is reflected in the results of the press scan – media representations of the work undertaken at the Waterfront was generally very positive. This was to some extent due to RE's careful management of public and media relations.

- 6.4 **Developing infrastructure:** The effectiveness of the partnership working was evident in terms of developing infrastructure for the sites. Strathclyde Regional Council, Renfrewshire Enterprise and Inverclyde District Council took a strategic view and considered how investment could best be prioritised across the A8 as a whole rather than on a piecemeal junction-by-junction basis. For example, they joined forces to improve pedestrian access at Cathcart St junction with the A8.
- 6.5 As is inevitable in partnerships of this type, there were some tensions between the two main partners – IDC and RE – at various stages in the life of the project, which mainly related to how the project was managed. We discuss them in the Section below on project management
- 6.6 **Appropriateness of Staffing:** The brief asks us to consider whether the people were suited to the tasks allocated. We have not reviewed this matter in any degree of depth, but our impression is that the staff allocated to the project by SER did have the right skills, although there appears to be an issue as to whether sufficient resources (both staff and marketing budgets) were made available to the Enterprise Zone. In the view of Inverclyde Council, there was not sufficient 'ownership' of the Enterprise Zone project and it lacked strong leadership. It is impossible to take a view on the appropriateness of staffing at Inverclyde Council in the past, due to staff turnover. DTZ Pida's view was that change and turnover at officer and CEO level at Inverclyde Council may have impacted adversely on the project.
- 6.7 Currently, the task of completing the scheme and putting into place the last, highly significant piece of the jigsaw at East India Harbour and Victoria Harbour rests with Inverclyde Council and with Clydeport. The East India Harbour site was transferred to the Council in 1999. Although an article in Business AM<sup>26</sup> almost 12 months ago set out the intentions of Inverclyde Council and Clydeport to develop the site with 300 homes centred on a new marina in both harbours, pubs and restaurants and a site earmarked for a museum and heritage centre, the project does not appear to be progressing. Our discussions with Council officials indicated that this project was not being driven strongly forward by Inverclyde Council - it appeared to DTZ Pida Consulting to lack a strong champion or project staff dedicated to moving the project forward.

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<sup>26</sup> Greenock's Harbours Set for New Lease of Life, Business AM, 19<sup>th</sup> November 2002

## PROJECT MANAGEMENT

- 6.8 **The SER Greenock Waterfront Sub-Group:** The project had the full support of Renfrewshire Enterprise's senior management. RE and SE Boards used the sub-group as an advisory group and sounding board for the Waterfront activities which effectively smoothed the way for papers, proposals etc to be approved by the full board who were the ultimate approving body, thereby streamlining the management arrangements. This arrangement appeared to work well from an SER standpoint, and allowed the key partners to make decisions quickly on an autonomous basis without the need to obtain approval for each of the individual actions.
- 6.9 There were the inevitable professional tensions from time to time, as is the norm for large scale projects of this type involving public and private sector partners, generally over land use /planning issues, but these were felt to be no greater than would be expected as the normal part of such a process. After the Masterplan was agreed, it provided an effective framework for partnership working. However, our overall impression is that Inverclyde Council regretted the demise of the Inverclyde Initiative and the approach to partnership working which it embodied, which included management based in Inverclyde, and a more equal role for the Council.
- 6.10 **Funding issues:** Different expectations about funding issues may have been partly responsible for any poor communications and loss of shared vision in the early 1990s which resulted in strained relations between Inverclyde Council and Renfrewshire Enterprise. There appeared to be a perception on the part of some officers of the Council that there would be "additional" money to fund the development of the Enterprise Zones at the Waterfront. When it transpired that the remediation, decontamination and infrastructure works would be largely met from SER's budget for over 6 years, this impacted on the relationship between SER and the Council.
- 6.11 The perception of SER however was that the Waterfront and the EZ sites absorbed over 50% of SER's property budget over a 9 year period and as such, were given a generous share of SER's resources. (This raises the interesting and complex question of what might be regarded as a 'fair' allocation of resources between the three District Council areas in the SER area and which lies outside the scope of this report. It is our understanding that these allocations are partly driven by Scottish Enterprise National and Scottish Executive national strategic priorities, and partly by a form of local needs assessment.

6.12 **Political realities:** Inverclyde Council felt removed from decisions surrounding the allocation of RE's budget, although the Council was represented on the Board. While both RE and IDC had responsibility for Inverclyde Council areas – the redevelopment of the Waterfront was identified as a priority for RE and absorbed the majority of RE's property budget over the period 1990-99. The SDA had had a local office in West Blackhall Street for the Inverclyde Initiative and the closure of that office and the perceived shift of decision making to Paisley was a matter of regret for Inverclyde Council who felt that they had lost a degree of influence over the project. (In reality, in the view of SER, the local SDA office in West Blackhall Street had no real decision making role). Relations between Inverclyde Council and Scottish Enterprise Renfrewshire started to improve after reorganisation in 1996.

#### **External Factors:**

6.13 Clearly some of the issues between partners arose as a result of a number of factors that were largely outwith the control of the partners involved:

- The reform and transformation of the SDA into Scottish Enterprise;
- The re-organisation of the councils
- The occupation of the land at EIH by the boat owners and the consequent acute difficulties for SER.

6.14 **The reorganisation of the SDA** and the establishment of Scottish Enterprise and the network of LECs was considered by some at Inverclyde Council to have had a detrimental impact on certain developments at the Waterfront, and in particular the development of the EZ sites. While Renfrewshire Enterprise Board were clearly committed to the success of the Waterfront, they were not prepared to fund an EZ manager with sole responsibility for the promotion of the Zone, which Inverclyde Council considered to be desirable. While there was a manager responsible for taking forward the Waterfront developments, the EZ Waterfront developments were felt by the Council to lack momentum as a result of the lack of a dedicated EZ manager.

- 6.15 Marketing of EZ sites and the Waterfront area:** The view of the Council was that there was little strategic marketing of the EZ sites or of the Waterfront area, and certainly less than was the case for the Lanarkshire EZ sites. It was stated by one of our consultees that they believed that only LiS could publicise the tax breaks associated with EZ designation, although we are aware that the tax breaks featured prominently in the marketing literature for the Lanarkshire EZ sites. Inverclyde Council stated that 'eventually' they succeeded in publicising the sites. The Council's view is at odds with that of SER who state that the tax breaks were clearly outlined in the EZ brochure which was co-ordinated by Renfrewshire Enterprise but which had Council involvement. The Scottish Executive Steering Group for the EZ sites was not considered to be particularly effective. It was felt by the Council that no-one 'owned' the EZ project and no-one marketed it.
- 6.16** There were however other factors which led to certain of the Enterprise Zone sites being slow to take off. Some of the sites – not Cartsburn - were difficult sites, with various impediments to development, and within a couple of years of designation, the economy had moved into recession , with a knock on effect on the property market as a whole. The property market recession was followed by the designation of the EZ in Lanarkshire, with its generally much easier greenfield sites in a more central location, which made the prospects of generating private sector developer interest in Inverclyde much less likely
- 6.17** Some of this comment is at odds with the comments of other observers who state that most of the sites were marketed. It is hard at this remove in time for us to assess how key the marketing issue was - we note that CEC were not certain that better marketing would have made a critical difference, given the other factors at play.
- 6.18** There were some difficulties in attracting inward investors to locate in Greenock, since companies were generally apprehensive about being the "first in" to an area, but there were in fact some early successes with Stannifer, the Royal Bank and HCS Global taking sites early in the development process.

### Management of Risk

- 6.19** The most significant risk was that there would be a lack of private developer interest in the sites. A further important area of risk relates to the possibility that developers will recoup an unfair share of rising values, pump-primed by publicly funded remediation. Excess risk was effectively managed by the project teams in a number of ways – for example :
- **Disposal of sites:** there was a five year clawback clause built in using appropriate legal agreements to ensure that SER received a fair share of the rising development values it had helped to create, eg Custom House Quay). However some of the



clauses in the legal agreement proved to be problematic. The most problematic area was that the assessment of profit depended on an independent accountant assessing the degree of profit entailed in the sale transaction. Because of the changing nature of risk management in accountancy practices, the accountancy practice appointed proved unwilling to play the role of an independent arbiter on such issues as defining what was reasonable income and expenditure relating to the project, and so the project clawback agreement became very difficult to enforce effectively. This particular issue in the drafting of clawback agreements may be one of the 'lessons learnt' from the project.

- **Securing private sector interest:** generating private sector interest in the Waterfront sites was the most significant element of risk in the initiative. RE targeted remediation activity and marketed the sites that were likely to generate the most private sector interest first. This enabled Carlsburn to achieve pre-lets very quickly.
- **James Watt College:** Jarlaw Securities constructed the JWC development – the ground was leased at a peppercorn rent from RE to Jarlaw on a 125 year lease. JWC were tied to the development for at least 25 years. Jarlaw can reconvert the residencies into housing should JWC decline to extend their lease at the end of the first 25 year period. To prevent Jarlaw from making a profit if they sold the development on within the first five years for a value over the appraised value; there was a clawback clause – a 50:50 split of profits until the grant is repaid.
- **Public protestors/ boat owners** – the main hazard which the project experienced were the substantial delays to the remediation of the East India Harbour caused by its occupation by boat owners who occupied the buildings around the Harbour, claiming that they had rights to moor there. It is difficult even with the benefit of hindsight to see how RE could have foreseen the reaction of the boat owners toward the Waterfront regeneration project. Scottish Enterprise owned most of the land at the Waterfront, but they did not develop it or demolish the buildings straightaway. When the buildings were left standing, the boat owners took occupancy and it was subsequently very difficult to remove them. SER are still involved in defending legal action from the boat owners.

6.20 Development work was significantly held up for an estimated 5 or 6 years by the protests from the boat owners and the disagreement and dispute over ownership of the land.

6.21 Once the boat owners got a foothold, it proved extremely difficult to remove them. It took until the mid 1990s to reclaim the land back from the boat owners. Scottish Enterprise made alternative provision for moorings elsewhere on an affordable rental basis but this was declined. Renfrewshire Enterprise engaged specialist PR consultants to assist in public relations management with the occupation of EIH. Although Renfrewshire Enterprise was extremely successful in managing negative media attention – given the scale and debilitating effects of the protestors on the developments at EIH - there were relatively few articles published in the national press.

- 6.22 It might be argued that more public attention might have led to greater support from local people who might have been able to counterbalance the views of the boat owners encamped there, but in this case we think that would have been unlikely. All of this highlights the need for wide-ranging consultation and continuing feedback to the public to maintain interest and enthusiasm for the regeneration of an area.
- 6.23 **Consultation and joint-working:** It is essential that any strategic development project is fully consultative and that local people are involved throughout the process. It is important to fully engage with the public and to get local people engaged and committed to the redevelopment from the start. It then becomes more difficult for narrow sectional interest groups to enlist support. However the Greenock Waterfront Masterplan was drawn up in consultation with the wider community, with local consultation having taken place at hotels and churches and at the Greenock Mayfest. The Greenock Telegraph also ran an article. Perhaps a more thorough consultation might have revealed the potential difficulties, but it was unlikely to have predicted the scale or severity of opposition

## PHYSICAL REGENERATION AND PLANNING

- 6.24 **Appropriateness of Development Mix:** Our survey revealed quite strongly that local people thought that the Waterfront should have had a greater “marine or marina” element to reflect Greenock’s shipbuilding heritage. In our view – a view which found some support in the surveys of businesses / residents of Greenock - the Waterfront currently offers a sub-optimal development mix. Although the Masterplan envisaged that the Waterfront would improve retail and leisure services, it also envisaged a significant role for the Waterfront in presenting Greenock’s traditional marine engineering and sea-going heritage. For instance, it was envisaged that there would be a heritage attraction at EIH encompassing a maritime museum, marina, and catering and speciality sea-related retail. It was also envisaged that Site 7 would serve as an embarkation point for a ferry.
- 6.25 Why did this not happen and what are the lessons to be learnt from it? It is always difficult to establish the counterfactual – to say retrospectively how the course of events might have run had a different course of action been taken. Well before the masterplan was developed, Ravenstone withdrew a development proposal which would have supplied many of these elements. Ravenstone’s plans were selected as the winning design by the Inverclyde Initiative and included 105,000 sq ft of retail park and foodstore with a 35-bedroom hotel and leisure facilities. The Custom House Quay was to be linked directly into the town centre by a covered link via the “bull-ring” underpass.

- 6.26 This scheme appeared to have two key advantages – it linked the town centre directly with the Waterfront at grade through the Bullring and it appeared to cross subsidise leisure and important heritage uses on the basis of cross subsidy from the receipts from a high value land use – a superstore. Whether it would have in practice have delivered these benefits will of course never be known.
- 6.27 Two studies were commissioned in 1997 to develop the concept of a visitor attraction under the guidance of Renfrewshire Enterprise for a Museum of Embarcation on the waterfront – the ‘Gateway Greenock Project’. The visitor attraction was to be based on the emigration story (Greenock was an important port of embarcation for migrants to North America) and the development of a Scottish Genealogical Database which would allow visitors to explore their ancestral background. The study concluded that the capital costs for a new building would be £6m and the revenue implications would be £380,000 per annum. The Gateway Greenock Project was submitted to the Millennium Commission for partnership funding (£3m) but was unsuccessful. Without the 50% contribution of the Millennium Commission, the costs of executing the project were considered to be prohibitive.
- 6.28 The press reports on East India/Victoria Harbour in 2002 suggested that there was still a proposal to development a genealogy / heritage centre and a marina at EIH as part of the mixed use development (including housing) (see para 6.7 above ) but it does not appear to be progressing. It is our view that East India and Victoria Harbour are key elements of the Waterfront Development and the failure to progress them is the key weakness of the Waterfront Project. The principal lesson to be learnt is the need to complete the project in its entirety, and to provide a vibrant waterfront heart to the development.
- 6.29 We acknowledge that it is of course much less straightforward to secure a ‘flagship’ heritage/leisure use for sites like the Greenock Waterfront than it is to secure retail or housing use – and a number of other possible occupants for the site did not materialise. A proposal for Deep Sea World to establish a visitor attraction fell through, as did other proposals such as the involvement of the Scottish Maritime Museum and a proposal from a local theatre group who wished to establish a theatre linked with a maritime museum. As time has passed, certain aspects of the project have become much more difficult to implement, as the amount of Lottery funding available for projects of this type has fallen, and the Lottery grant distributors have become increasingly unwilling to commit funds to new visitor attraction projects. The site is a difficult one – the amount of land around the harbour basins is limited, which constrains the amount of parking which can be accommodated on the site.
- 6.30 **Land Acquisition and CPO Issues:** These are exemplified by the difficulties being experienced in relation to the CPO of a derelict petrol filling station area, which is needed to increase the currently fairly restricted land area around East India Harbour and which is a further obstacle to the progress of the scheme.

- 6.31 Land ownership issues have the potential to be problematic with ambitious regeneration projects like the Waterfront developments. There is always a risk that the private sector will attempt to benefit from ownership of land adjacent to redevelopments by attempting to extract excessive profits. This is particularly likely when redevelopments have been successful in improving an area. Inverclyde Council has experienced difficulties with the remaining outstanding private owner of land at the Waterfront – the owner of a small petrol station that is currently closed and has fallen into disrepair. Negotiations have been underway since 1987 and to date the owner and Inverclyde Council have been unable to agree a price.
- 6.32 The pace of development will also depend in part on the wishes of Clydeport, who own the Victoria Harbour. In terms of lessons learnt, experience in this and in many other projects suggests that it is desirable for the lead public sector body to have all the land needed to complete the development in public ownership from the outset.
- 6.33 **Masterplan Flexibility:** It was also vitally important that the Masterplan was sufficiently flexible given the long-term nature of the planning horizon. It allowed the project team to tailor the standard of remediation works for changes in end-use. For example, site 4 (see map) was originally planned as “residential”. However JWC built a campus with residential and commercial buildings. The student flats can be converted to 2-bedroom flats, if the market for business and student accommodation changes and housing is required.

### European Funding

- 6.34 The redevelopment of East India Harbour was the penultimate phase of the Greenock Waterfront Masterplan. The objective was to bring the harbour, which was derelict and closed to both public and commercial activities, back into economic use through the reconstruction of its walls and quayside. The overall cost of this project was £6.15m of which contributions totalling £2.509m were received from the European Regional Development Fund.

- 6.35 When the project was nearing completion and prior to the transfer of the harbour title over to Inverclyde Council, a routine verification visit by auditors from the Scottish Executive's European Structural Funds Division in June 1999 raised issues over the eligibility of the renewal work performed at the harbour and whether or not procurement guidelines had been fully met. Scottish Enterprise Renfrewshire challenged these findings as it was of the firm view that it had satisfied all of the relevant European funding guidelines. Senior counsel's opinion supporting this view was subsequently obtained. After lengthy discussions the Scottish Executive requested that the £2.509m of ERDF funding be repaid. Scottish Enterprise Renfrewshire did not accept liability for what it perceived to be a retrospective reinterpretation of the ERDF guidelines and the clawback amount was paid in full by its parent body, Scottish Enterprise, in March 2001.
- 6.36 Had the project team been aware at the outset that the redevelopment of East India Harbour would have been ineligible for European support then the renewal work performed would have been done to a considerably lower specification and cost over a longer period of time.
- 6.37 **Maintenance and User Experience:** Imposing high maintenance standards on the Waterfront is extremely important since the Waterfront is a highly important strategic asset for Greenock - there is therefore a greater need to ensure it produces high economic, social and amenity benefits. Although the Waterfront is generally fairly well maintained, we would agree with Inverclyde Council that it has not been maintained to the standards originally envisaged – and drawn up by SER consultants.<sup>27</sup> There is evidence of weeds appearing through the paving, some vandalism and litter. The problems arise from a combination of factors:
- it has not always been clear who within the Council is responsible for maintenance since different parties have responsibility depending on the nature of the damage which covers a range of assets including the harbour – oil spillages, maintaining the harbour wall from general wear and tear, deterioration of public realm assets;
  - vandals have stolen paving stones;
  - improper street cleaning equipment – the street cleaning equipment used to clean the streetscape and the weight of the cleaner causes the paving stones to sink and the weeds to grow through the cracks;
  - The lack of lighting beyond Custom House Quay encourages night-time vandalism and hooliganism.
  - generally, the development of more of an evening economy on the site would be helpful in deterring some types of vandalism

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<sup>27</sup> Maintenance arrangements were detailed as part of the land transfer agreements with the Council.

- 6.38 Maintenance regimes can be specified and agreed in advance, setting out exactly which party is responsible for different types of maintenance. However, the fine detail of such requirements must be conveyed directly to the **individuals responsible for undertaking the cleansing, not just agreed at a high level.**
- 6.39 The whole issue of the subsequent maintenance of high quality public realm work is an important one for the SE Network and indeed for councils also. Where this has cropped up in other places also as an issue for SE, the issue has generally been that there was no clarity as to who was responsible for maintenance. At the Greenock Waterfront, this is not the case as a maintenance agreement has been signed with Inverclyde Council; in this case the problems appear to relate to lack of clarity about responsibilities between different Inverclyde Council departments.
- 6.40 **Fit with wider strategic objectives:** The focus of the Waterfront was to attract retail and leisure facilities. Although this does not sit well with the Network's current emphasis on high-value added activities (re Smart Successful Scotland), it fitted the priorities of the time. The Waterfront masterplan reflected the perceived need in Greenock and Inverclyde to provide leisure and retail facilities locally to prevent the leakage of expenditure to Glasgow and other surrounding areas. The reference to the need for 6,000 sq.m retail warehousing in Greenock makes its first appearance in the 1981 First Review of the Strathclyde Structure Plan, and appears in all subsequent Reviews and Updates. The 1988 Inverclyde Local Plan also specifically identifies the Waterfront site for a mixed-use development including a substantial retail element.
- 6.41 Although not one of the original objectives of the scheme, it is worth considering how the scheme may have impacted on the loss of population from the area. There has been a slow-down in the rate of decline in the population of Inverclyde – from about 1% p.a. over the early 1990s to 0.5% p.a. in the latter half of the 1990s - it is difficult to attribute this to the Waterfront. Without doubt however, the Waterfront developments will have played a part in stemming population loss.

### Appraisal, Monitoring and Evaluation

- 6.42 In 1994, RE commissioned Pidea to undertake an ex ante economic impact appraisal – based on the elements contained in the Masterplan. Following the successful action to regain possession of EIH, this was subsequently updated in 1996. It was necessary to identify if the previously identified land uses were still sustainable and to address any opportunities that had arisen since 1992.

## GENERAL LEARNING POINTS AND RECOMMENDATIONS FOR COMPETITIVE PLACE PROJECTS

- 6.43 While many of these lessons were specific to the Greenock Waterfront developments, there are a number of more general lessons or “themes” that may be useful in informing the competitive place agenda.
- 6.44 In this case physical development has not been an end in itself – the Waterfront has also enabled economic development. The location decisions of businesses are recognised to be increasingly based on quality of place and without the improved image, environment and quality of life associated with this project, it would have been much harder for Greenock to compete for economic activity. However, the quality and vibrancy of places is crucial.
- 6.45 The Waterfront is an important industrial heritage site and has a number of historic, but under-utilised assets – in particular, the Custom House, two large harbours and a dry dock. Unfortunately, what we would regard as key elements in the original Masterplan – the, key developments at the heart of the site – sites 6, 7 and 9 – the heritage/tourism, and marine related developments have not yet proved to be deliverable. We do not however underestimate the difficulties.
- 6.46 Visually, the development has a mixed character and lacks a strong unifying identity. Because a high proportion of the site is occupied by uses with substantial car parking provision<sup>28</sup>, the development is quite coarse grained – it consists of individual buildings set in a landscaped/car park setting, rather than a streetscape. The nature of the uses – retail warehousing and individual business units built to the requirements of occupiers on the EZ sites, with minimal planning control, means that large areas of the development are quite bland and open in character – only the Custom House Quay area has a strong sense of place and identity and a human scale. The Custom House Quay area is dominated by the Water/Ice Centre, which is a very assertive, dominant building.
- 6.47 The Waterfront developments have made an important contribution to redressing the impact of radical economic restructuring, decline and dereliction. There is some evidence however of an imperfect fit between the skills of the economically inactive – a relatively high proportion of whom are men – and the jobs created. If spreading growth is seen as an important objective, it may be necessary to give attention to the question of how best to meet the employment and training needs of those who do not readily fit with the types of employment created.

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<sup>28</sup> Although in fact car parking was below Inverclyde Council’s normal requirement and a special dispensation was given

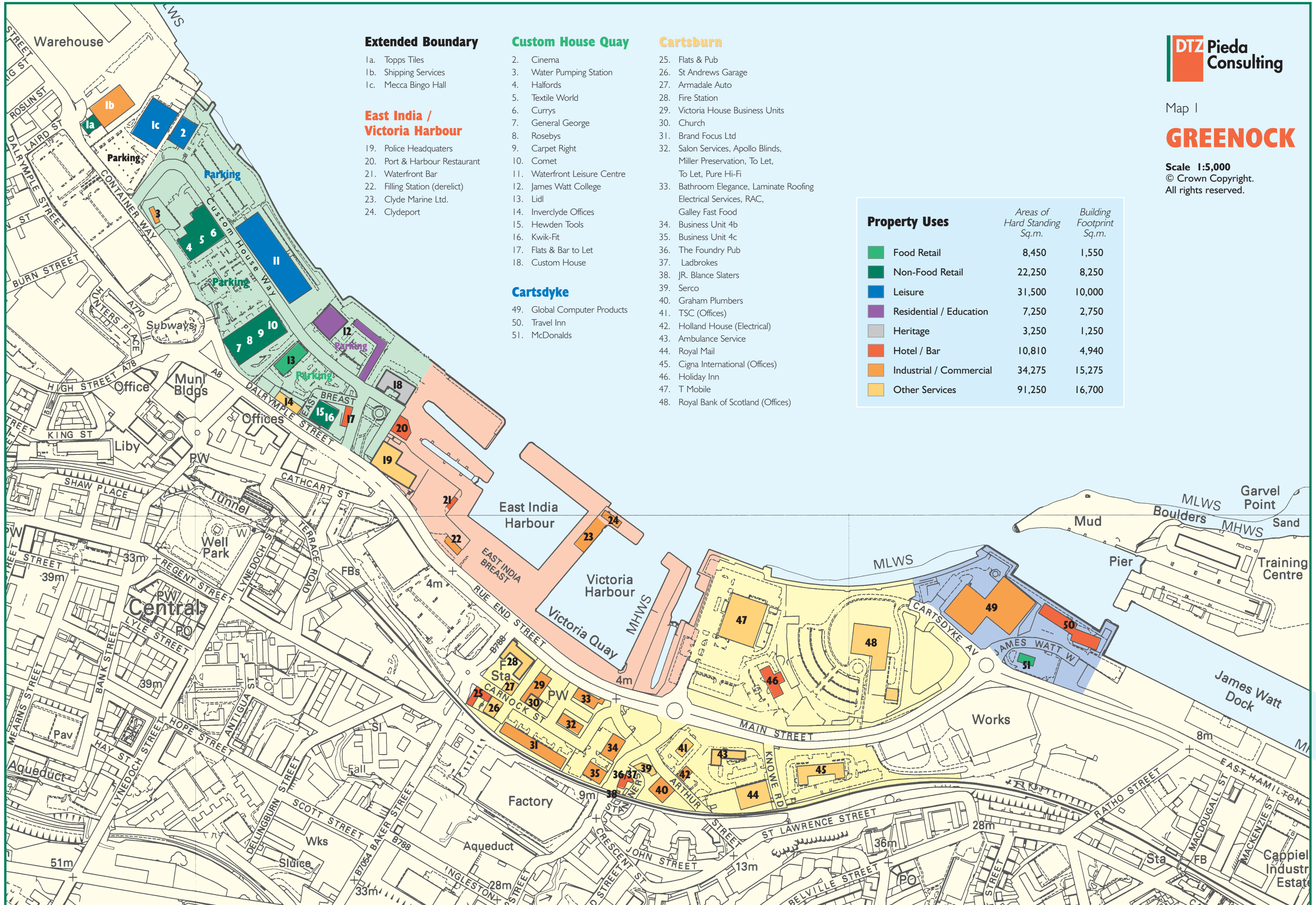
6.48 In project management terms , the key lessons are ones which are familiar:

- The importance of dedicated project management
- The key role of project 'champions'
- The importance of land ownership – without ownership or control of sites , little can be achieved
- The difficulty of realising sustainable flagship heritage/ tourist projects

6.49 There may also be some detailed learning points in relation to the design and enforcement of clawback clauses , as discussed in paragraph 6.18 above .



**Appendix A**  
Map of Greenock Waterfront,  
Greenock Masterplan (1993) and  
Before & After Photographs



**Extended Boundary**

- 1a. Topps Tiles
- 1b. Shipping Services
- 1c. Mecca Bingo Hall

**East India / Victoria Harbour**

- 19. Police Headquarters
- 20. Port & Harbour Restaurant
- 21. Waterfront Bar
- 22. Filling Station (derelict)
- 23. Clyde Marine Ltd.
- 24. Clydeport

**Custom House Quay**

- 2. Cinema
- 3. Water Pumping Station
- 4. Halfords
- 5. Textile World
- 6. Currys
- 7. General George
- 8. Rosebys
- 9. Carpet Right
- 10. Comet
- 11. Waterfront Leisure Centre
- 12. James Watt College
- 13. Lidl
- 14. Inverclyde Offices
- 15. Hewden Tools
- 16. Kwik-Fit
- 17. Flats & Bar to Let
- 18. Custom House

**Cartsburn**

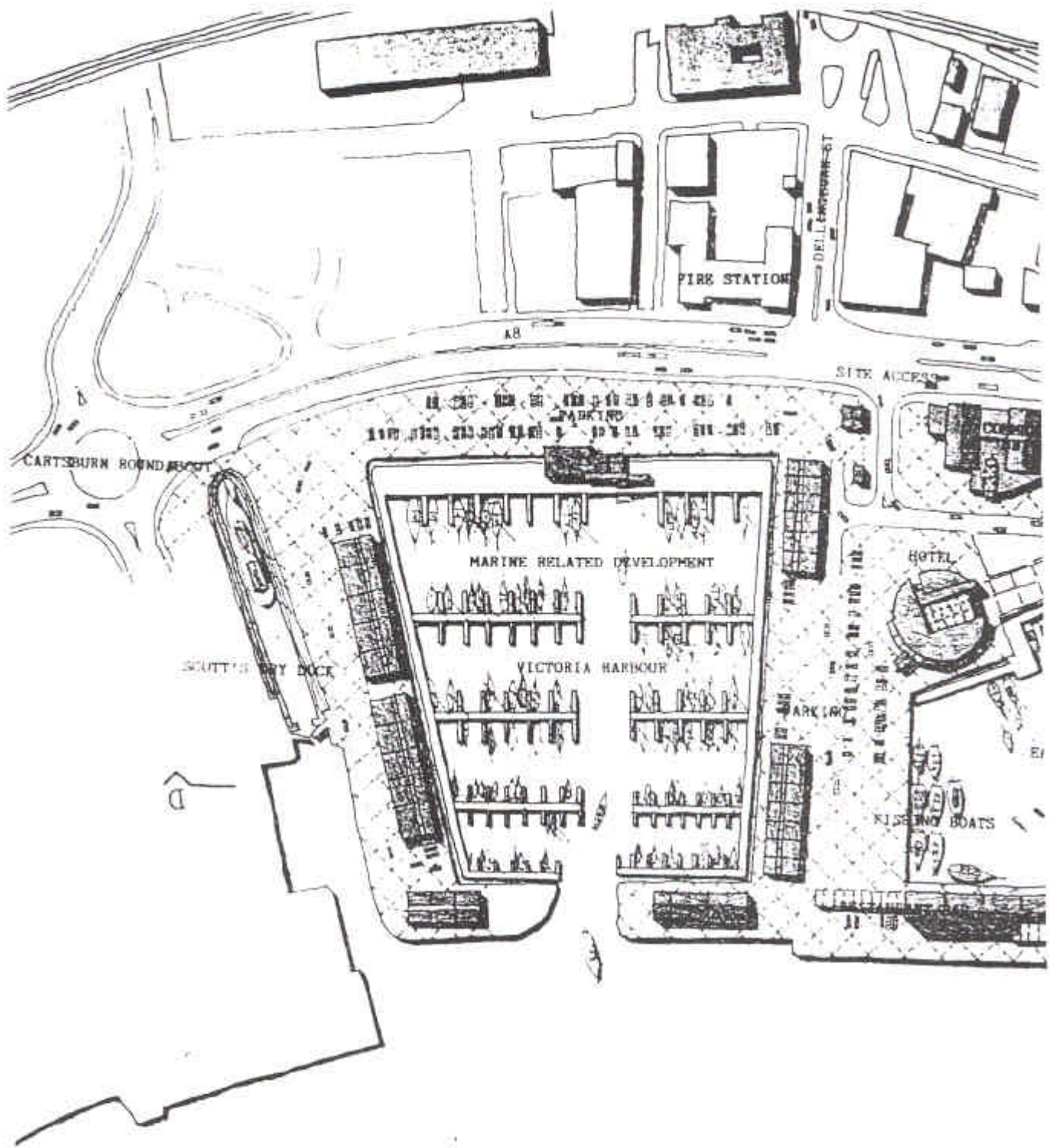
- 25. Flats & Pub
- 26. St Andrews Garage
- 27. Armadale Auto
- 28. Fire Station
- 29. Victoria House Business Units
- 30. Church
- 31. Brand Focus Ltd
- 32. Salon Services, Apollo Blinds, Miller Preservation, To Let, Pure Hi-Fi
- 33. Bathroom Elegance, Laminate Roofing Electrical Services, RAC, Galley Fast Food
- 34. Business Unit 4b
- 35. Business Unit 4c
- 36. The Foundry Pub
- 37. Ladbrokes
- 38. JR. Blance Slaters
- 39. Serco
- 40. Graham Plumbers
- 41. TSC (Offices)
- 42. Holland House (Electrical)
- 43. Ambulance Service
- 44. Royal Mail
- 45. Cigna International (Offices)
- 46. Holiday Inn
- 47. T Mobile
- 48. Royal Bank of Scotland (Offices)

**Cartsdyke**

- 49. Global Computer Products
- 50. Travel Inn
- 51. McDonalds

**Property Uses**

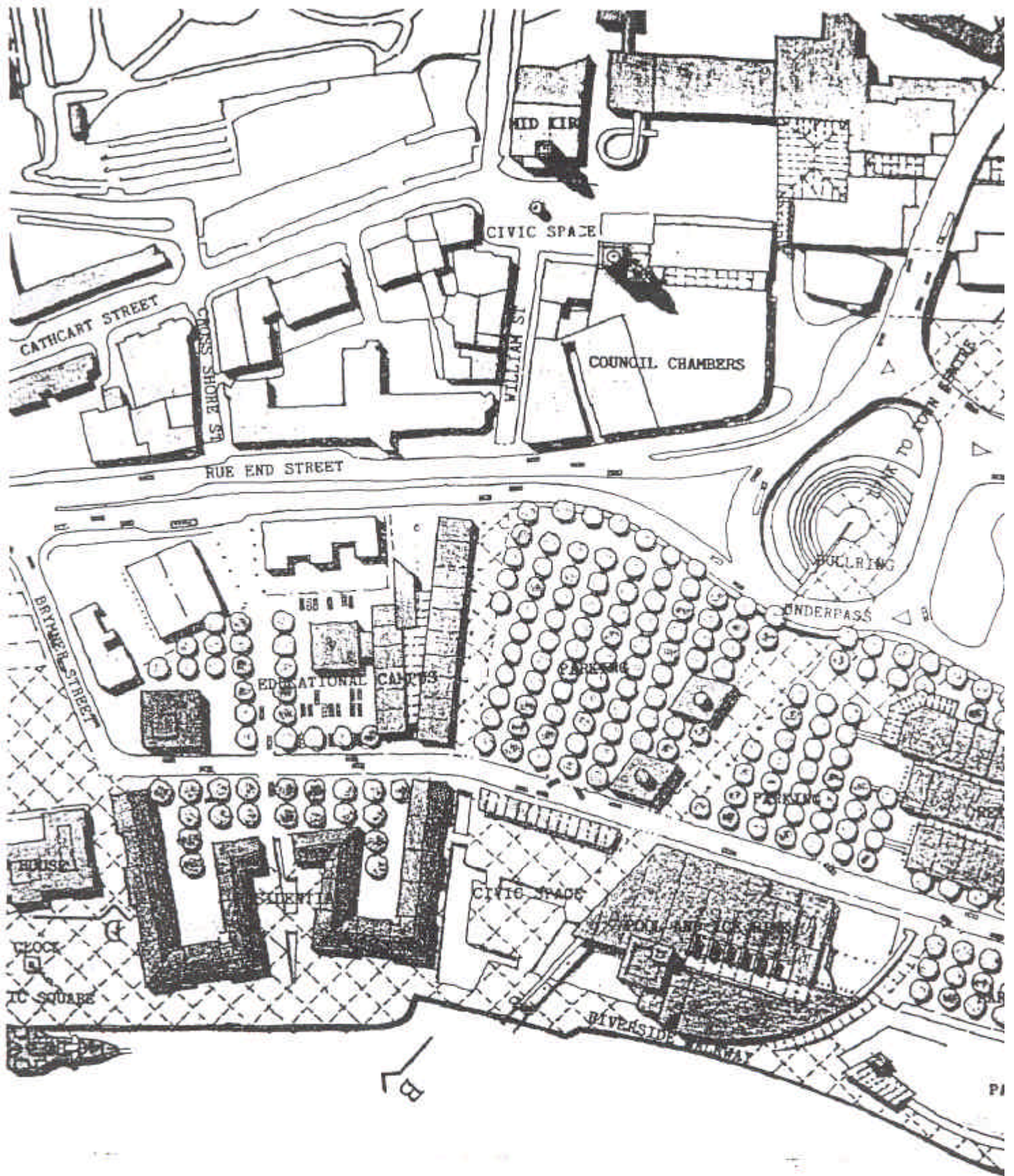
Property Uses	Areas of Hard Standing Sq.m.	Building Footprint Sq.m.
Food Retail	8,450	1,550
Non-Food Retail	22,250	8,250
Leisure	31,500	10,000
Residential / Education	7,250	2,750
Heritage	3,250	1,250
Hotel / Bar	10,810	4,940
Industrial / Commercial	34,275	15,275
Other Services	91,250	16,700



DEEP WATER CHANNEL



# Greenock Waterfront



**Greenock Waterfront**

# Before





After









## **Appendix B**

### **List of Consultees**

1. David Bell, Scottish Enterprise Renfrewshire
2. Hugh Bunt Chamber of Commerce (Greenock)
3. Alistair Clelland James Watt College
4. Bill Colville DTZ
5. Bill Devlin, Scottish Enterprise Renfrewshire (Waterfront Manager 1992 – 99)
6. Eric Forbes, Inverclyde Council
7. Ian Freshwater, Inverclyde Council (Enterprise Zone liaison officer)
8. Colin Grearson, Inverclyde Council (Monitoring & statistics)
9. Rowena Hall Economic Development Officer
10. Collette Murphy SDI
11. Bill Reid Oakmull Manager
12. Claudia Tricchart SDI
13. Fraser Williamson, Inverclyde Council (Retail Manager, Planning Service)

## Appendix C

### EVALUATION OF GREENOCK WATERFRONT

#### Summary Methodology

#### 1.0 Background

T.L. Dempster conducted an in-street survey on behalf of DTZ Pidea, who in turn are conducting and evaluation of the investments made in recent years at Greenock Waterfront.

Detailed data tables have been provided under separate cover. This document summarises the methodology adopted for the survey.

#### 2.0 Interviewing Process

Interviews were conducted between Monday 19<sup>th</sup> August and Monday 9<sup>th</sup> September. The programme of interviews were spread across the following times and locations, in order to ensure that responses were not disproportionately skewed towards any one group of respondents:

<u>Date</u>	<u>Time</u>	<u>Location</u>
Monday 19 <sup>th</sup> August	10am-4pm 2pm-8pm	Greenock Swimming Pool Oak Shopping Mall
Tuesday 20 <sup>th</sup> August	10am-4pm 2pm-8pm	Oak Shopping Mall Greenock Swimming Pool
Wednesday 21 <sup>st</sup> August	10am-4pm 2pm-8pm	Greenock Swimming Pool Oak Shopping Mall
Thursday 22 <sup>nd</sup> August	10am-4pm 2pm-8pm (double shift)	Greenock Swimming Pool Oak Shopping Mall
Friday 23 <sup>rd</sup> August	10am-4pm 2pm-8pm	Oak Shopping Mall Greenock Swimming Pool
Saturday 24 <sup>th</sup> August	10am-4pm 2pm-8pm	Oak Shopping Mall Greenock Swimming Pool
Sunday 25 <sup>th</sup> August	11am-5pm 11am-5pm	Oak Shopping Mall Greenock Swimming Pool

This interview programme achieved 292 completed interviews, which was slightly under target due to lower footfall than expected in one part of the

initial interview programme. Top-up interviewing was, therefore, conducted on Monday 9<sup>th</sup> September to achieve the targeted 300 interviews.

### 3.0 Quotas

The target and achieved sample breakdowns are summarised below (percentages do not add exactly due to rounding):

<u>Target</u>		<u>Achieved</u>	
<i>In employment</i>	70%	<i>In employment</i>	70%
Of which:		Of which:	
18-24 year old males	2%	18-24 year old males	2%
18-24 year old females	3%	18-24 year old females	3%
25-34 years old males	7%	25-34 years old males	7%
25-34 year old females	8%	25-34 year old females	8%
35-49 year old males	11%	35-49 year old males	10%
35-49 year old females	9%	35-49 year old females	10%
50+ year old males	13%	50+ year old males	11%
50+ year old females	17%	50+ year old females	19%
<i>Economically inactive</i>	30%	<i>Economically inactive</i>	30%
Of which:		Of which:	
Working age males	7%	Working age males	6%
Working age females	6%	Working age females	6%
Retired males	6%	Retired males	6%
Retired females	12%	Retired females	12%
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>

Achieved quotas therefore reflect closely the target quotas, with any differences being very marginal, and due to a lack of suitable interviewees available during the interview programme.

### 4.0 Accuracy Levels

The quota can be assumed to exhibit the characteristics of a random sample, as described above, it exhibits similar breakdown characteristics to that which would have been achieved by a random sampling methodology.

A random sample of 300 provides data accurate to  $\pm 5.66\%$ , based on a 95% confidence level and a 50% estimate.

**Edward M. Graham**  
**Director**  
**T.L. Dempster Strategy and Research**  
**12<sup>th</sup> September 2002**

# EVALUATION OF GREENOCK WATERFRONT

## Introduction:

**I wonder if you can spare me a few minutes to answer some questions about your views about Greenock Waterfront. I am from TL Dempster, an independent survey research company, and we have been commissioned by Scottish Enterprise Renfrewshire to find out what people think about the improvements to the Waterfront area.**

*I declare that this interview has been conducted in accordance with the Market Research Society's Code of Conduct.*

Name of interviewer  Date  Signed

Name of respondent  Tel.

Address

Post Code (WRITE IN POSTCODE FOR ALL AREAS IN SCOTLAND)

### COLLECT CLASSIFICATION

**Sex** Female <sub>1</sub> Male <sub>2</sub>

**Age** 16-24 <sub>1</sub> 25-34 <sub>2</sub> 35-44 <sub>3</sub>  
45-54 <sub>4</sub> 55-64 <sub>5</sub> 65-plus <sub>6</sub>

**SEG** AB <sub>1</sub> C1 <sub>2</sub>  
C2 <sub>3</sub> DE <sub>4</sub>

Occupation

Qualifications

**No. of cars in household**

None <sub>1</sub> One <sub>2</sub> Two <sub>3</sub>  
More than two <sub>4</sub>

**No. of children under 16 in household**

None <sub>1</sub> One <sub>2</sub> Two <sub>3</sub>  
Three <sub>4</sub> Four or more <sub>5</sub>

### Occupational status

Full time employment <sub>1</sub>  
Part time employment <sub>2</sub>  
Not working/unemployed <sub>3</sub>  
Caring for house/children <sub>4</sub>  
Student <sub>5</sub>  
Retired <sub>6</sub>  
Other (please specify) <sub>7</sub>

### Time of interview

Morning (before noon) <sub>1</sub>  
Lunchtime (noon-2pm) <sub>2</sub>  
Afternoon (2pm-6pm) <sub>3</sub>  
Early evening (6pm-8pm) <sub>4</sub>

### Day of interview

Mon <sub>1</sub> Tues <sub>2</sub> Wed <sub>3</sub>  
Thurs <sub>4</sub> Fri <sub>5</sub> Sat <sub>6</sub>  
Sun <sub>7</sub>

### Location of Interview

Greenock Waterfront <sub>1</sub>  
Greenock Town Centre <sub>2</sub>

**Q1.**

Can you tell me where you normally live?

- Greenock  1
- Inverclyde (Gourock, Port Glasgow)  2
- Glasgow  3
- Other West of Scotland  4
- Rest of Scotland  5
- Rest of UK  6
- Overseas  7

**Q2.**

What is the main reason for your visit to Greenock today?

- Q2**
- Resident  1
  - To/from work  2
  - Shopping  3
  - Leisure/entertainment  4
  - To/from college or other education establishment  5
  - Employer's business  6
  - Personal business  7
  - Tourist/visitor  8
  - Other (please specify)  9

**DO NOT PROMPT ONE CODE ONLY**

**Q2a.**

Are there any other reasons for your visit to Greenock today? MULTICODE

- Q2a**
- Resident  1
  - To/from work  2
  - Shopping  3
  - Leisure/entertainment  4
  - To/from college or other education establishment  5
  - Employer's business  6
  - Personal business  7
  - Tourist/visitor  8
  - Other (please specify)  9

**Q3.**

Do you work in Greenock?

- Live  1
- Work  2
- Live and work  3
- Other (please specify)  4

**Q14.**

Did you know Greenock before the Waterfront developments took place?

- Yes  1 No  2

If YES

**Q4a**

Has the regeneration at the Waterfront made Greenock a more attractive place to live in or to visit?

- Much more attractive  1
- More attractive  2
- Not made any difference  3
- Don't know  4

**Q5.**

How often do you visit Greenock town centre or the Waterfront?

- More than once a week  1
- Once a week  2
- 2-3 times a month  3
- Once a month  4
- Less often than once a month  5

**Q6.**

How attractive do you find the environment that has been created at the Waterfront?

- Very attractive  1
- Quite attractive  2
- Neither/nor  3
- Unattractive  4
- Very unattractive  5
- Don't know  6

**Q7.**

Can you tell me what you particularly like about the Waterfront? (please enter up to three responses)

**DO NOT PROMPT**

**Q7a**

**If more than one response**

Which of these is most important to you

**ENTER CODE**

**Q8.**

What do you dislike about the Waterfront (enter up to three points )

**DO NOT PROMPT**

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11

Nothing

- 13

**Q8a**

**If more than one response**

Which of these do you feel most negative about ?

**ENTER CODE**

**Q9.**

I am going to show you some pictures of Greenock Waterfront as it used to be. How much more or less attractive do you think it looks now?

- Much more  1
- Slightly more  2
- About the same  3
- Slightly less  4
- Much less  5
- Unsure/don't know  6

**Q10.**

What is your overall impression of the improvements to the Waterfront area?

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**Q11.**

What other improvements or changes would you like to see to the Waterfront?

Main: 

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Others: 

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**Q12.**

How do the facilities/amenities/shops in Greenock now compare with other towns of a similar size you have visited?

- Much better  1
- Better  2
- Neither better nor worse  3
- Worse  4
- Much worse  5
- Don't know/unsure  6

**Q13.**

Has the completion of these physical improvements and the increase in shopping facilities had an impact on how often you shop in Greenock?

- Much more often  1
- Slightly more often  2
- About the same  3
- Slightly less often  4
- Much less often  5

---

**Q14.**

For which of these items do you feel that there is a much better choice and range of goods now in Greenock than there was before the Waterfront development?

- |  |                          |   |
|--|--------------------------|---|
| Groceries  | <input type="checkbox"/> | 1 |
| Clothing/Footwear  | <input type="checkbox"/> | 4 |
| White goods (large electrical appliances like fridges, freezers, washing machines) | <input type="checkbox"/> | 2 |
| Furniture/soft furnishings   | <input type="checkbox"/> | 3 |
| DIY  | <input type="checkbox"/> | 2 |
| Leisure/entertainment  | <input type="checkbox"/> | 4 |
| Other (please specify)   | <input type="checkbox"/> | 5 |
- 

**Q15.**

As a result of these changes, do you spend any **more** money per week in Greenock or Inverclyde?

Yes  1 No  2

**go to Q17**

**end of  
questionnaire**

**Q16.**

Please estimate how much more you spend per week on average (*enter to the nearest £*)

£

**Q17.**

If you think you have spent more money in Greenock can you say whether there is another area where you may have spent less?

(*PROBE – Glasgow, Paisley, another city*)

- |                                  |                          |   |
|----------------------------------|--------------------------|---|
| Inverclyde (outside Greenock)    | <input type="checkbox"/> | 1 |
| Glasgow                          | <input type="checkbox"/> | 2 |
| Paisley                          | <input type="checkbox"/> | 3 |
| Other town/city (please specify) | <input type="checkbox"/> | 4 |
- 

Don't know/unsure  5



## Appendix D

# QUESTIONNAIRE FOR COMPANIES AT WATERFRONT

### Introduction:

*DTZ PIEDA CONSULTING has been commissioned to investigate the impacts of the developments at Greenock Waterfront over the past 10 years on the Greenock and Inverclyde economy. Most successful regeneration projects have a significant impact on the immediate area and the wider economy. It is these impacts that we are hoping – with your assistance - to quantify. The results of this survey will help inform the future regeneration strategy and agenda across the Scottish Enterprise Network.*

DTZ PIEDA CONSULTING undertake that all the information obtained from this survey will be treated with the utmost confidentiality. Any data collated from this survey would be aggregated and presented in such a way that would not divulge any commercially sensitive information. We undertake not to report the information collected in any way that might divulge the identity of the company or individual.

### **A GENERAL DETAILS**

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- A.1** Name of Respondent \_\_\_\_\_
- A.2** Position held in Company \_\_\_\_\_
- A.3** Name of Business \_\_\_\_\_
- A.4** Nature of Business \_\_\_\_\_
- A.5** Business Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- A.6** Telephone Number \_\_\_\_\_

### **B SIZE OF BUSINESS**

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**B.1** When did you locate at the Waterfront?

- B.2** Had you previously occupied premises in Greenock/Inverclyde? Yes   
No

If **yes** – where were those premises?

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**B.2** What is the status of the company at this address?

- Sole premises of the company
- Headquarters of a multiple branch/plant company
- Branch operation of a larger company
- Other (please state below)
-

**B.3** How many people are employed by the firm on this site?

Full Time  Part-Time

**B.3.1** What is the approximate split between different types of occupations on this site?

Managerial/professional occupations (%)	<input type="text"/>
Clerical/secretarial occupations (%)	<input type="text"/>
Sales/customer service operations (%)	<input type="text"/>
Skilled manual (%)	<input type="text"/>
Unskilled manual (%)	<input type="text"/>
<b>Total</b>	<input type="text"/>

	Full-Time	Part-Time
<b>B.4</b> % of male employees	<input type="text"/>	<input type="text"/>
% of female employees	<input type="text"/>	<input type="text"/>

**B.5** Over the last five years, how has the number of people employed at Greenock Waterfront by the firm changed?

Grown by more than 10%

Grown by up to 10%

Remained the same

Declined by up to 10%

Declined by more than 10%

**B.6** Over the last five years, how has the business's turnover at Greenock Waterfront changed?

Grown by more than 10%

Grown by up to 10%

Remained the same

Declined by up to 10%

Declined by more than 10%

**C ACCESS TO CUSTOMERS/SUPPLIERS/LABOUR MARKETS**

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**C.1** How would you rate your location at the Waterfront in terms of:

	Good	Satisfactory	Less than Satisfactory	Poor
<b>C.1.1</b> Access to customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C.1.2</b> Access to suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C.1.3</b> Ease of recruiting & retaining staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**C.2** Roughly what percentage of your **employees** are resident in:

Greenock/ Inverclyde?	<input type="text"/>
Paisley?	<input type="text"/>
Glasgow?	<input type="text"/>
West of Scotland (outside Glasgow)?	<input type="text"/>
Elsewhere (please specify)	

---

**C.3** Can you estimate the proportion of **sales** (%) that you make to persons from the following areas?

Greenock/Inverclyde	<input type="text"/>
Glasgow	<input type="text"/>
West of Scotland (outside Glasgow)	<input type="text"/>
Rest of Scotland	<input type="text"/>
Rest of UK	<input type="text"/>
Outside UK	<input type="text"/>
Elsewhere (specify)	

---

**C.4** What proportion (%) of your **suppliers** are located in:

Greenock/Inverclyde	<input type="text"/>
Glasgow	<input type="text"/>
West of Scotland (outside Glasgow)	<input type="text"/>
Rest of Scotland	<input type="text"/>
Rest of UK	<input type="text"/>
Outside UK	<input type="text"/>
Elsewhere (specify)	

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**C.5** How far is your business located from its main suppliers?

Within 30 minutes drive time	<input type="text"/>
Within 30 minutes to 1 hours drive time	<input type="text"/>
Over 1 hours drive time away	<input type="text"/>

**C.6** If relevant, who are your local (Inverclyde) suppliers?

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**C.7** Did your relationship with these suppliers result in them moving to Inverclyde and/or result in their business growing? (If so, please describe)

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**C.8** What is the yearly figure for expenditure in supplies (approximately)?

£

**C.9** Where are your main **competitors** based?

Greenock/Inverclyde	<input type="text"/>
Rest of West of Scotland	<input type="text"/>
Rest of Scotland	<input type="text"/>
Rest of UK	<input type="text"/>
Outside UK	<input type="text"/>

## **D CHOICE OF THIS LOCATION**

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**D.1** Did any of the following factors have an impact on your decision to locate at the Waterfront?

	Positive	Neutral	Negative
<b>D.1.1</b> Availability of high quality sites/ premises Please expand <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D.1.2</b> Proximity to customers Please expand <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D.1.3</b> Proximity to suppliers Please expand <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D.1.5</b> Other incentives (e.g. training) Please expand <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D.1.6</b> Other factors Please expand <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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***For Enterprise Zone (EZ)<sup>1</sup> companies only  
(all others go to Question D.2)***

**D.1.7** EZ incentives (tax breaks, rate relief etc) – ask only if applicable

Please expand \_\_\_\_\_  
\_\_\_\_\_

**D.2** What was the most important factor in your location decision?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**D.3** If the sites/premises at the Waterfront had not been available, would you have chosen a Greenock location? Yes   
No

**D.4** Where would you have located if this site were not available? (1<sup>st</sup> preference only)

Greenock/Inverclyde	<input type="text"/>
Glasgow	<input type="text"/>
West of Scotland (outside Glasgow)	<input type="text"/>
Rest of Scotland	<input type="text"/>
Rest of UK	<input type="text"/>
Outside UK	<input type="text"/>
Elsewhere (specify)	<input type="text"/>

**D.5** Has your company benefited from a Waterfront location? Yes   
No

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<sup>1</sup> EZ sites are Cartsburn and East India Harbour sites only

**D.6** The Waterfront has a range of businesses and facilities located there. Which elements of the development mix do you find useful or compatible with your business?

	Positive	Neutral	Negative
Hotels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Restaurants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shopping facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training/conference facilities (James Watt College)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other related businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heritage elements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**D.7** Overall, which facilities are most useful? Please rank:

① \_\_\_\_\_  
② \_\_\_\_\_  
③ \_\_\_\_\_

**E OVERALL SATISFACTION**

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**E.1** Could the development mix be improved – are there other facilities or features you would like to see on the Waterfront site? Yes   
No

If **yes**, which facilities/features would you like to see?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**E.2** Have you any other comments about the Waterfront which you would like to make?

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**Thank you for your assistance**

## Appendix E

### Review of Literature, Newspapers and other sources

This section sets out methodology, literature review and analysis of the PressScan search. This section captures changing perceptions about Greenock and the Inverclyde area over the period from the early 1980s to present.

### Press Scan Methodology

The method used in researching news and articles relating to Greenock waterfront used a combination of research tools. These included in-house directories, and subscriber-only databases, supplemented with web based searching and telephone calls to the press scan services and the National Library.

The list below sets out the research undertaken. Whilst the emphasis was placed on searching news and journal items, research into academic literature was also conducted. In all cases, the searching was conducted using the following keyword combinations together with truncation to allow for variations in the term e.g. developing and development:

- *Inverclyde, Greenock, Gourock, Port Glasgow*
- *Waterfront, design, property, investment, business, industry*
- *perception(s), image(s), economic, development, attraction,*
- *urban regeneration, renewal, decline*

The following paragraphs describe our search method in more detail:

1. **News articles:** Newspaper cuttings agencies tend to cut and retain current stories only, making retrospective search through cuttings impossible. To get around this problem, we used in-house databases providing access to newspapers covering International and National dailies that are accessible from 1991 to present. Databases used included:

Reuters Business Briefing (hosted through Factiva)  
Global Reporter (hosted on Dialog)

In addition, we supplemented this with online web-based searching of Business AM archives and OneSource (a subscriber-only database from UK Business Browser covering trade and press articles).

2. **Web based searching** covering websites and/or portals relating to urban regeneration and economic development including: Regeneration-UK; Architecture.com (RIBA website); Estates Gazette Interactive (subscriber only access to 1990 plus archives of property and development related news; Property Week journal, discussion groups via Google; community websites, including those for Greenock and Port Glasgow



3. **The Planning Exchange database:** subscriber-only access to information service covering a wide range of publications, news/magazine articles in the field of urban regeneration, economic development, Scottish business and trade, planning, and social issues.
4. **Library catalogues** including British Library catalogue, Scottish academic libraries to locate dissertations titles
5. **Web-based databases** (Ingenta and British Library's Inside) providing access to abstracts/titles from journal articles and conferences papers
6. **Focus:** a subscriber-based online database providing town profiles including commercial and industrial property deals plus news items for Greenock and Port Glasgow. Coverage – early 90s to present.
7. **Directory of Current Research in Britain:** to identify research/academic departments dealing with waterfront developments/economic regeneration and development in Scotland. This was used as a lead to explore (web based) relevant published research and working papers.

We analysed the literature by date, by “tone” of article (ie whether it was strongly positive, positive, neutral, negative or strongly negative), and provided a short synopsis of the content of the article. We also provided quotes from individuals where they said something about Greenock / Inverclyde that reflected their own views about the area. However, in most instances, the reporting tone was factual, and relatively few views about the area were actually expressed.

<b>Analysis of Literature Review</b>		
<b>Date &amp; Newspaper</b>	<b>Positive (P) Negative (N) Neutral (L) Strongly (S)</b>	<b>Brief Synopsis</b>
9/9/82 “Financial Times”	N	Greenock dockyard Container Terminal lost a third of its business overnight as its main customer, Sea Train lines, went bankrupt. Only 3 ships per week arrive, compared with 9 during the mid 70's.
4/6/85 “Financial Times”	N	National Semiconductor shed 450 jobs at its Greenock plant, representing a third of the workforce. The SDA believed that the losses would not harm the long-term development of the industry.
19/9/86 “Financial Times”	P	Scottish Development Agency unveiled £20m development plan for Greenock's Custom House Quay, as part of the Inverclyde Initiative for regeneration. They are seeking private sector partners for the development of retail and leisure facilities.
27/11/86 “Financial Times”	SN	Scott Lithgow (Oil rig construction and ship building) cut two thirds of its labour force (1600 jobs). A major blow to the Greenock area where unemployment was already standing at 21%.
21/3/87 “Estates Gazette”	P	SDA buys 45 acres in Greenock for industrial development purposes. It was previously surplus from the Scott Lithgow site.
2/4/87 “Financial Times”	N	Scotland loses its only integrated container terminal as Greenock closes down following the loss of all customers. 94 jobs lost.

1/8/87 EG?	P	Ravenstone Securities nominated as the developers of the Greenock Waterfront Scheme by SDA. The £14m scheme included a shopping centre, leisure facilities and hotels.
2/8/90 C/S/W?	N	Ravenstone Securities pulled out as developer of the Greenock Waterfront project after Inverclyde Council's consent for a Tesco superstore near to its site.
28/8/91 "The Herald"	L	Clyde Port Authority (which includes the port of Greenock) to go ahead with privatisation plans.
3/9/91 "Chartered Surveyor Weekly"	SP	Scottish Enterprise provided a rental guarantee on the £9m Cartsburn Maritime scheme at Greenock Waterfront by taking a 25year headlease there. This was regarded by the writer as a <i>pioneering</i> measure to encourage development in the area.
27/10/91 "Independent on Sunday"	N	Developments at Greenock waterfront hindered by protestors from the Waterfront heritage association. They are preventing the removal of dereliction and demolition of the old warehouses in favour of new development sites.
20/11/91 "Lloyds List"	L	A management-employee buy-out of Clyde Port Authority was formerly lodged, which was fully committed to the port's development. Other rival private bidders already exist.
22/12/91 "Sunday Times"	SP	Articles is very upbeat and notes that the outlook for the Scottish economy improving, and increasing recovery is underway esp. in the construction / manufacturing industries. Greenock is highlighted because it is perceived as "fronting the PC market."
12/1/92 "Sunday Times"	SP and SN	The article is both strongly negative and upbeat for the future. While it presents locals expressing extreme disappointment over the lack of progress being made by the Inverclyde enterprise zone; it is also very upbeat about the likelihood given to increased impetus behind decisions after the arrival of Scottish Enterprise.
24/7/92 "Estates Times"	L	A factual article – it is acknowledged that Inverclyde is one of the longer life enterprise zones (6 years), and was generated to revive the economies of areas, including Greenock, which have suffered from shipbuilding closures.
30/8/92 "Sunday Times"	SP	This article is very upbeat about the prospects for the Greenock area given the new £16.3m development in Greenock. This is heralded as the <i>saviour</i> of the Inverclyde enterprise zone. It is reported that the new 15.5 acre site known as Cartsburn Maritime will create up to 400 new jobs. This will provide a lifeline to future business activity offering companies a package of attractive terms for their 10yr duration eg low rents, and less red tape.
20/11/92 "Estates Times Supplement"	N and P	The article notes that the new Enterprise Zone in Lanarkshire could potentially rival the EZ in Inverclyde. Even though the Inverclyde Zone was set up 3 years ago, it is still struggling for development. However, the author notes cautious optimism that Greenock will <i>find its niche</i> in meeting the pent-up need for industrial accommodation in the area.
21/11/92 "Estates Gazette"	P	Article is upbeat about prospects for Cartsburn site. "12 Acres in Inverclyde known as "Cartsburn Maritime" are being developed for office and industrial use." Author notes that it already has a long list of potential tenants and a few pre-lets.
28/1/93 "Engineer"	N	UK arm of IBM announces big losses. Although the Greenock assembly plant is currently safe, reporter worries about the future as computers are getting smaller and easier to import from abroad.
3/3/93	P	IBM to underwrite a project by one of its subcontractors to build a

“Financial Times”		large factory in Gourock, near its current Greenock plant, for assembling its computers. The 400,000 sq ft plant would be built and run by Mimtec, with £9m of the cost being met by an Enterprise Zone trust financed by investors, and creating an extra 400 jobs.
26/10/93 “The Herald”	P	The most advanced Water and Ice Leisure park in Britain is planned for Greenock waterfront – a development costing around £12m.
23/4/94 “The Scotsman”	SP	Notes that an £80m programme aimed at transforming the Greenock waterfront could create 300 jobs, with a further 500 anticipated when new leisure developments are established. Part of a masterplan being delivered by SE Renfrewshire and Inverclyde District Council.
28/6/94 “The Scotsman”	N and P	National Semiconductor (US Computer Group) is expecting sales growth to slow at its Greenock plant. It is one of Inverclyde’s biggest employers. Notes that there is good potential for further investment though.
29/7/94 “The Scotsman”	P	Cruise ship company introducing sailings from Scotland and picking up passengers in Greenock. Notes that this is “Buoyant news for Greenock’s economy”
14/9/94 “The Herald”	P	Greenock Estate and Property Agency says that local industry is vital to the property rental business. Since the loss of shipbuilding the town has become a <i>much stronger contender</i> in the quality of life stakes. Their business is expanding as Greenock is viewed as a more desirable location post heavy-industry.
30/3/95 “The Herald”	P	Transportation infrastructure: Shipping introducing 50 new jobs to Inverclyde area. Ongoing investment and upgrading of M8 bringing benefits to Greenock Ocean Terminal.
13/7/95 “The Scotsman”	SP	Local enterprise company praised for concluding a £12m property deal paving the way for 60,000 sq ft retail development at Greenock Waterfront creating 150 jobs over 3 years. As part of the £60m project, another 450 jobs will be created in 5 years as bars, restaurants, a heritage centre and commercial properties are built.
28/10/95 “Scotsman”	SN	Closure of Tate and Lyle factory at Greenock meaning loss of 187 jobs. Cost of upgrading factory was too high, so investing in London plant instead which will take over Greenock’s work.
7/4/96 “Scotland on Sunday”	N	Negative relationship between Chamber of Commerce and SER re training for the semiconductor industry. LEEL funding 5 new mechatronics courses at West Lothian College (combining engineering and electronics). JWC are starting new mechatronics courses for 24 unemployed people
17/5/96 “Financial Times”	P	National Semiconductor investing an extra £33m in its Greenock plant, the first phase of a planned £180m development. It will give the plant extra capacity for building chips, but create no new jobs.
26/6/96 “The Scotsman”	P	IBM announced that It was creating 250 jobs at its pan-European help centre located in Greenock, in addition to the 250 created since it opened 3 months earlier. 60% of the jobs have been filled by Scots with technical and linguistic skills.
27/7/96 “Financial Times”	N	National Semiconductor cut 200 jobs at its Greenock plant in response to a downturn in the microchip market. The company is pressing ahead with its £35m modernisation scheme though, and intends to increase employment again.
4/6/97 “The Herald”	P	The famous derelict “Sugarshed” warehouse at Greenock Waterfront is finally to be demolished in order to clear space for new development in the area. The building was an eyesore and cause of long term regeneration problems for the dock area.
14/7/98	P	IBM is creating 500 new jobs with the opening of a new direct

“The Herald”		marketing call centre at their Greenock site. The director of the new centre said they would be filling as many jobs as possible from the local market. They are taking a 70,000 sq ft site at Spango Valley. The move was a vote in the confidence of Silicon Glen.
6/10/98 “The Scotsman”	SN	National Semiconductor revealed plans to leave Greenock after 29 years with the loss of 600 jobs. It blamed the losses on the collapse of the world semiconductor market but, because of its long-standing association with the area, they have not yet closed down the plant and are looking for a new buyer who will keep the staff.
7/10/98 “The Herald”	P	National Semiconductor intends to launch an independent company at its Greenock site retaining 440 employees, and is involved in talks with investors. They plan to spend £19m a year to help to create the operation which could potentially be Scottish-owned.
15/5/99 “Estates Gazette”	P	Ackler is building a One2One call centre in Greenock. The 16 year lease is believed to be for £9 per sq ft and is a total of 61,800 sq ft.
15/6/99 “Lloyds List”	L	The 1 <sup>st</sup> phase of Clydeport’s development of the Scott Lithgow site at Port Glasgow is expected to involve £6m investment, escalating to £50m over the full 5-stage plan. They are currently spending £250m on the regeneration of the north bank of the Clyde.
3/8/99 “The Herald”	P	The Greenock economy received a tremendous boost through record takings in the service sector, following the visit of the Tall Ships race.
3/8/99 “The Scotsman”	P	Town Centre Securities, the Leeds based retail property specialist, has bought the Waterfront retail park for £15.8m from Glasgow based Scottish Metropolitan. Town Centre is hoping to receive planning consent for an additional 8,500 sqft to the 77,000 sqft site which is already fully let, and intends to raise rents from £12 per sqft to as much as £25, in line with other Strathclyde prime rents. Notes that this would not have been viable a few years ago.
15/9/99 “Scotsman”	SP	500 workers at National Semiconductor were saved as the firm chose to re-invest £10.6m in its Greenock plant following an upturn in the market. The managing Director <i>praised the support</i> they had received from Renfrewshire Enterprise, Inverclyde Council, Locate in Scotland and SE which were all involved in negotiations.
15/9/99 The Herald”	P	The £1.25bn merger between electronics companies Solectron and Smart Modular Technologies may lead to the siting of a new plant in the Greenock area. They also announced plans to build a new product introduction centre in Inverclyde with the help of the local IBM facility.
23/2/00 “The Herald”	P	The ferry company Clydefast is investing £12m in a plan to operate passenger ferries between Glasgow, Greenock, Dunoon and Rothesay.
16/8/00 “The Herald”	SP	Reporter notes that Inverclyde is an increasingly desirable place to live; within easy commuting distance of Glasgow and provides an idyllic family lifestyle.
16/8/00 “The Scotsman”	P	Successful promotion by Clydeport in the lucrative US market has turned Greenock into the West of Scotland’s major cruise port. P&O’s spokesman notes that passengers / tourists love to come here [Greenock]
15/2/01 “Lloyds List”	L	Glasgow based firm Clydeport, which runs port operations in Greenock, has set up a new outpost in Fort William.

21/2/01 "The Scotsman"	SP	Scotland's Tourist industry to receive a £12m boost as more than 30 of the worlds largest cruise liners dock at Clydeport's Greenock ocean terminal over the summer. The increase is due to the efforts of the marketing consortium 'Cruise Greenock' comprising Clydeport, Inverclyde Council, Clyde Valley Tourist board and SE Renfrewshire.
2/11/01 "The Herald"	N	Mowlem Scotland, the firm responsible for building the Greenock Waterfront Leisure Complex, are suing Inverclyde council for £16m having suffered costly losses during construction due to time extensions granted to Faulkner Brown, the architect. To cover themselves, the Council are suing the architects for breach of contract with respect to extensions and variations.
6/11/01 "The Herald"	SN	Staff numbers at the One2One call centre in Greenock (900) could be slashed as part of a UK-wide restructuring move in order to survive in the increasingly competitive market.
19/11/01 Business AM	SP	Very upbeat article about the possible impact of East India and Victoria Harbours – becoming the centre of a newly revitalised vibrant Greenock. Greenock offers superb views in a coastal location, a highly skilled workforce, close proximity to major transport links. All of this makes Inverclyde attractive to investors and visitors.
14/1/2002 "The Herald"	L	The Glasgow based property group Park Lane Caledonian has been bought from the majority shareholders by the directors. The company has a number of high profile projects coming on line including redevelopment at the Greenock waterfront.
3/02 "Scottish Business Insider"	P	Around 30% of the economically active population are employed in just 3 organisations: the Council, the Health Trust and IBM. The Council's economic development service is trying to encourage locals to set up their own businesses by offering advice / grants, in order to assist the areas regeneration.
6/3/02 "AFX UK"	P	Peel Holdings PLC has obtained an 8.1% stake in Clydeport PLC, the Scottish Ports Operator, purely as a trade investment. Over the past year, Clydeport's traditional activities at Greenock have seen continued growth and an increase in property investment income.
11/3/02 "Evening Times"	P	£8m from the European Structural Fund to go towards regeneration of sites in Port Glasgow and Clydebank
28/3/02 "The Mirror"	P	For the first time in decades, passenger boats will be heading down the Clyde between Glasgow and Greenock giving a boost to local tourism. Month before, Glasgow council had unveiled a £1bn project for Clyde Waterfront regeneration.
8/6/02 "The Herald"	SP	National Semiconductor investing £20m in its Greenock facility which employs 600 people. The Managing Director insisted that they were there to stay.
13/6/02 "Scottish Daily Record"	P	Victoria House Business Centre at the Greenock waterfront, which only opened last year, has been a major success. Every company that has viewed their quality office and workshop accommodation has signed up. It is now home to a wide range of small businesses.
4/7/02 "The Herald Commercial Property Supplement"	SP	Clydeport is a major landowner in Port Glasgow – after buying the Scott Lithgow yard. They have gone down a partnership route with JJ Gallagher Ltd in developing an impressive extension to the town centre. They are also very positive about making a serious impact further into Inverclyde. Discussions are taking place with the council about the change of use for a number of industrial sites that have lain derelict for a number of years.

## Quotes:

20/11/92 UK Estates Times Supplement – *“Lanarkshire has to be considered superior. Lanarkshire Development Agency has the bit between its teeth and is really going places. Down at Inverclyde, Renfrew Enterprise should look at how it spends its money. Greenock has a lot of tourist potential, but they keep on trying to concentrate on industry, just because that’s what was always there”* – British rails comments on the Scottish Enterprise Zones.

*“Inverclyde’s Key advantages are proximity to Glasgow airport and some river frontages with tremendous views across the Clyde to the mountains of Argyll”.*

23/4/94 The Scotsman – *“Only a few years ago the two-mile stretch of waterfront was littered with the debris of derelict shipyards. Now, the huge dockland cranes which once dominated the Greenock skyline have given way to new roads, restored historic buildings, high technology factories and 75,000 sq ft of offices and industrial buildings”.*

4/6/97 The Herald – *“We believe it is essential the James Watt dock is tidied up and made available for development so the town can take full advantage of the enterprise zone and tourism opportunities associated with the Tall Ships race”.*

23/2/00 The Herald – *“Linking Glasgow directly into the outlying Clydeside towns will open up their economies in terms of jobs, tourism and quality of life”* – Alistair Macleod, Managing Director: Clydefast.

16/8/00 The Herald – *“Inverclyde is one of the many attractive areas located within easy commuting reach of Glasgow which offers residents a more relaxed lifestyle within easy reach of delightful open countryside. Excellent transport links ... good range of schools, sports and leisure facilities ... wide variety of shops .. first-class sailing.”* - Wendy Jack (reporter)

16/8/00 The Scotsman *“It may lack a little glamour, but the heart of Inverclyde is making a bid to become a prime cruise ship destination once more ... It’s a brilliant idea to make Greenock a cruise port ... passengers love to come here”* Brian Price, the cruise director of P&O’s Princess Cruises.

19/11/01 Business AM *“The days of shipbuilding and engineering have gone, but Greenock and ... Inverclyde is an area of significant opportunity ... that make Inverclyde attractive to investors and visitors. The multi-million plans to revitalise East India harbour will make it even more so.”*

March 02 Scottish Business Insider – *“Inverclyde is a microcosm of virtually every mixed rural/urban region in Scotland, struggling against recession, the world-wide collapse of telecoms sales and the decline of manufacturing. It’s also a ‘doughnut’, where Greenock town centre is occupied by workers during the day, but empties each evening as people travel out to the higher-quality, new housing in areas like Wemyss Bay and Inverkip”* – Maggie Stanfield (Reporter)

8/6/02 The Herald – “*Make no mistake about the importance of Greenock. About 30% of the firm’s revenue is derived from this site and we’re proud of that. It doesn’t matter where we are, because everything National makes is shipped to a warehouse in the Far East anyway*” – Gerry Edwards, Managing Director: National Semiconductor.

### Analysis of PressScan outputs

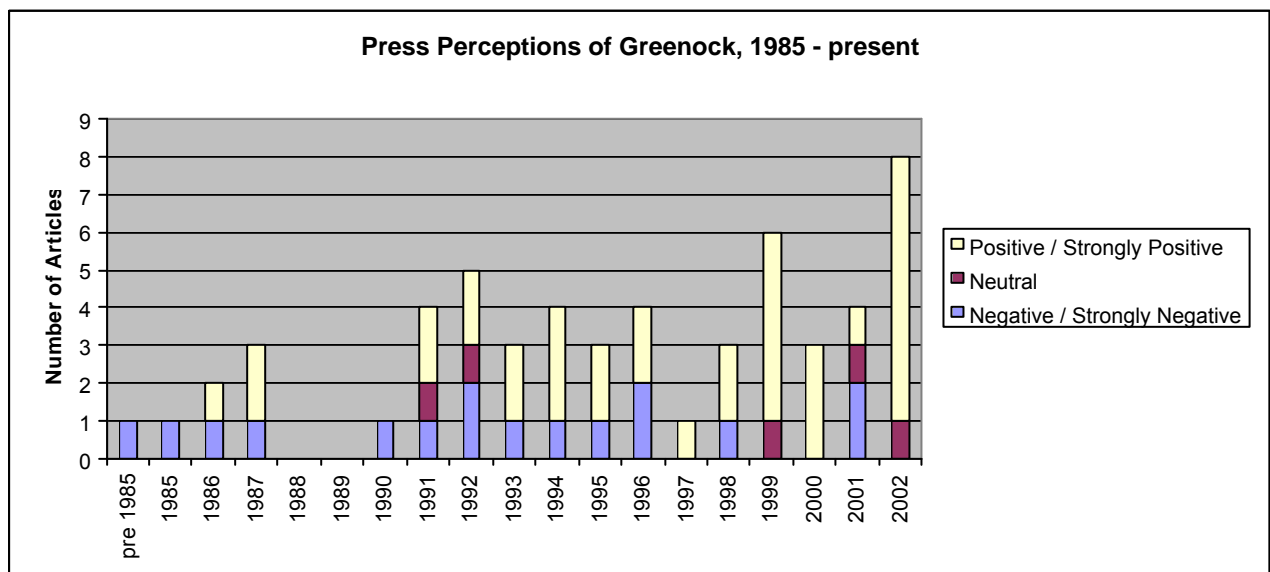
Since 1985, the level of press coverage on the Greenock Waterfront and Inverclyde areas have fluctuated year-on-year quite markedly. Although overall the trend has been upward.

In the earlier years, during the late 80s and early 90s, the majority of press articles were negative – and tended to comment on the decline of heavy industry and high levels of unemployment in the area.

Since the mid 1990’s however, the amount of positive coverage received by the area has increased significantly – and accounted for the rise in coverage.

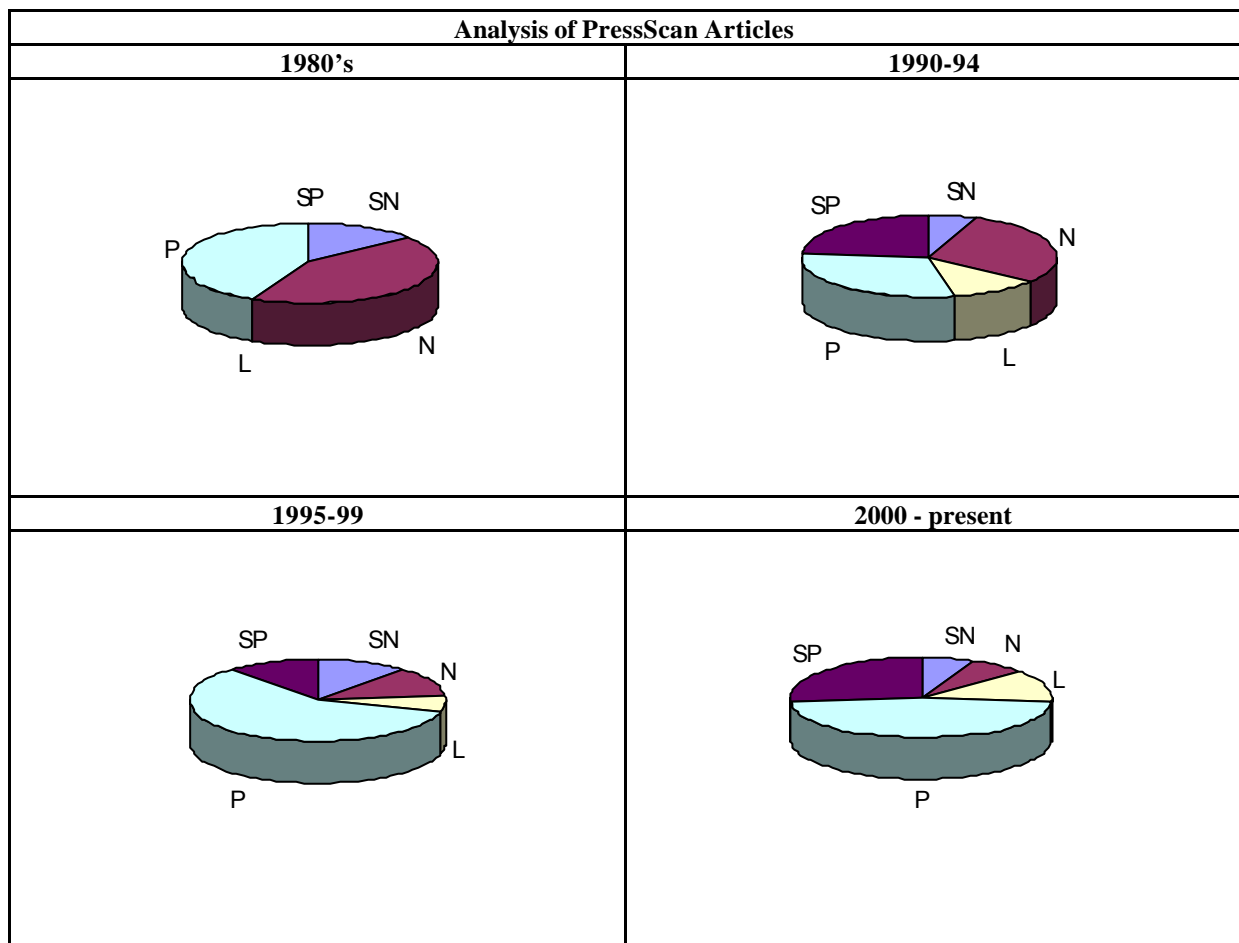
The positive commentary was largely due to the revival of the electronics industry, particularly IBM and National Semiconductor (two of the largest employers in the area); the increased levels of tourism brought about by the activities at Greenock Waterfront and the role played by Scottish Enterprise Renfrewshire and Inverclyde Council in regenerating the Waterfront area.

The media’s perception of the area still tends to follow the fortunes of the key industries in the region, so the reduction in the fortunes of the telecomms sector since the late 1990s has generated a number of recent negative articles.



## Change in perceptions over time

During the 1980's, just over 40% of articles related to Greenock or Inverclyde adopted a positive tone and / or reported positive events. This figure rose to 53% for the early part of the 90's and to 70% for the latter half. This positive trend has continued. Since 2000, over 73% of the newspaper coverage presented Greenock, Inverclyde or Renfrewshire in a positive way. Although the number of negative articles has remained relatively constant, yet their share of coverage has declined as the overall number of articles has increased.





# Inverclyde & Renfrewshire

Appendix F



**DTZ PIEDA CONSULTING**

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## Contents

Past Performance.....	1
Current Position .....	2
Drivers of Growth I: Quality of Life.....	5
Drivers of Growth II: Skills.....	8
Drivers of Growth III: Accessibility .....	9
Emerging Trends.....	10
Future Prospects .....	13
<b>Acknowledgements.....</b>	<b>13</b>

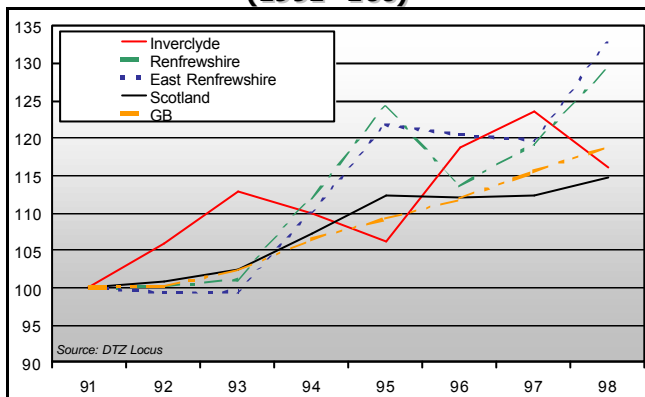
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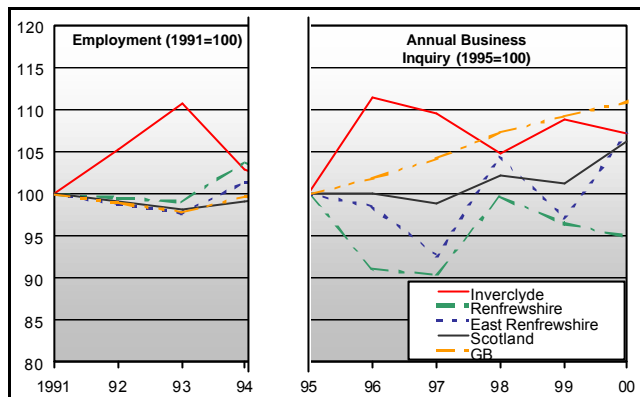
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## Past Performance

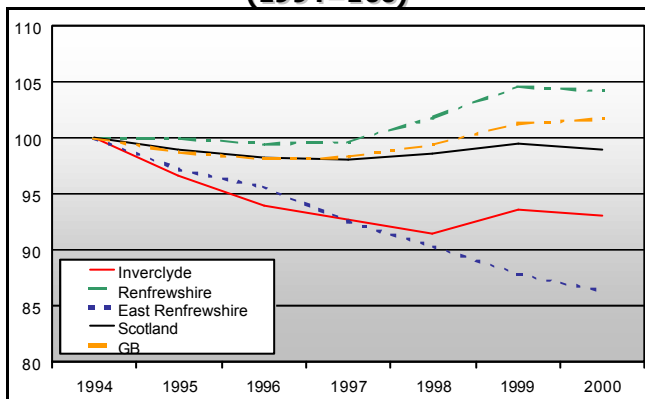
**GVA Change 1991-1998  
(1991=100)**



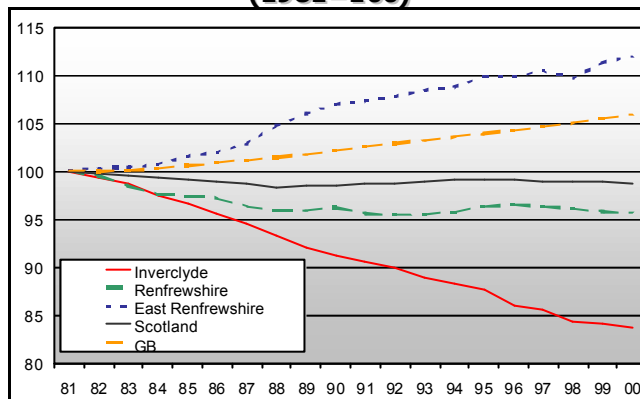
**Employment Change 1991-2000**



**VAT Stock Change 1980-2000  
(1994=100)**

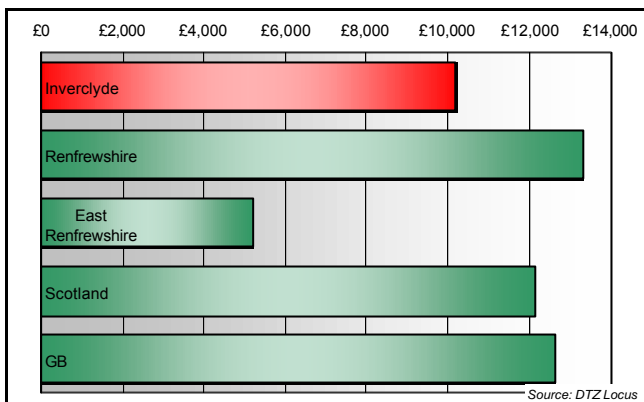


**Population Change 1981-2000  
(1981=100)**

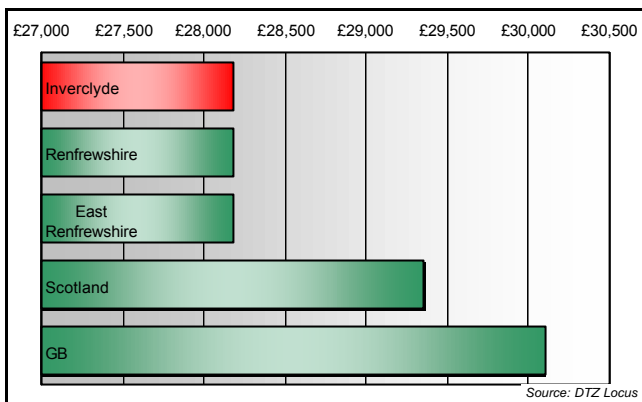


## Current Position

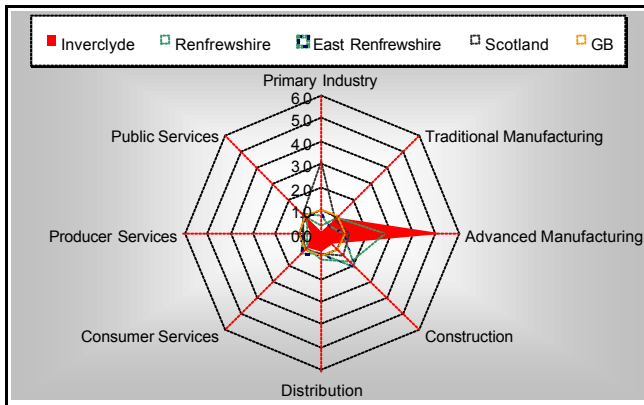
**GDP per capita 1998**



**GDP per Employee 1998**



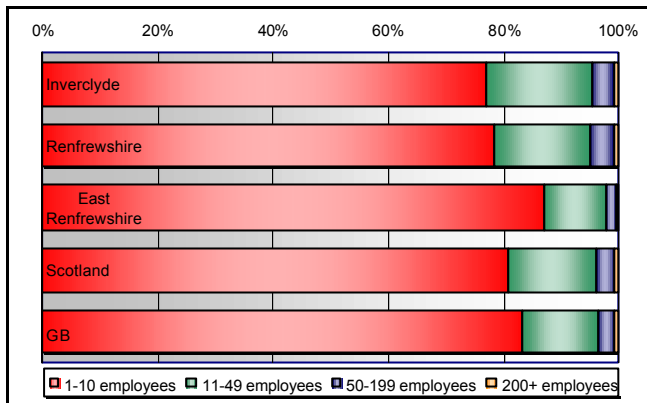
**Broad Industrial Structure Strengths 2000  
(Levels of sectoral specialisation, GB=1)**



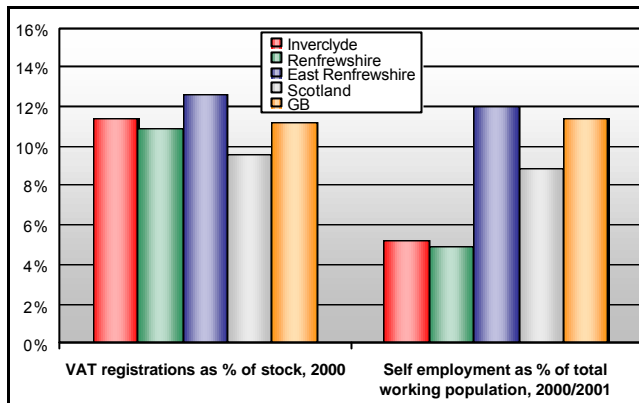
**Unemployment rate (2000) and  
Employment Rate (2000/2001)**



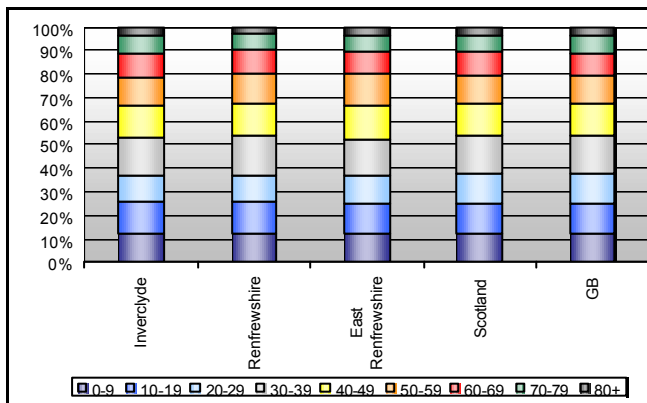
**Size Structure of Business 1999**



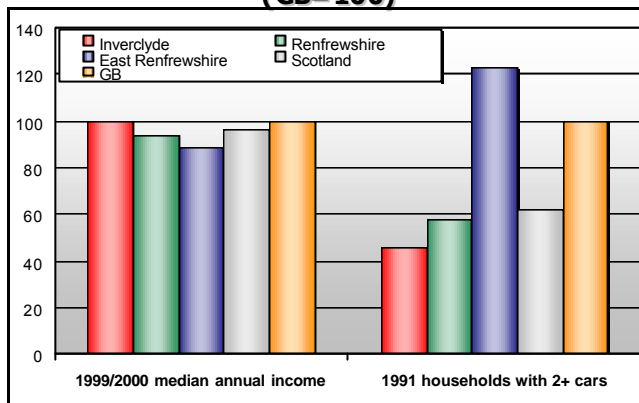
**Business Formation Rate and Self-Employment**



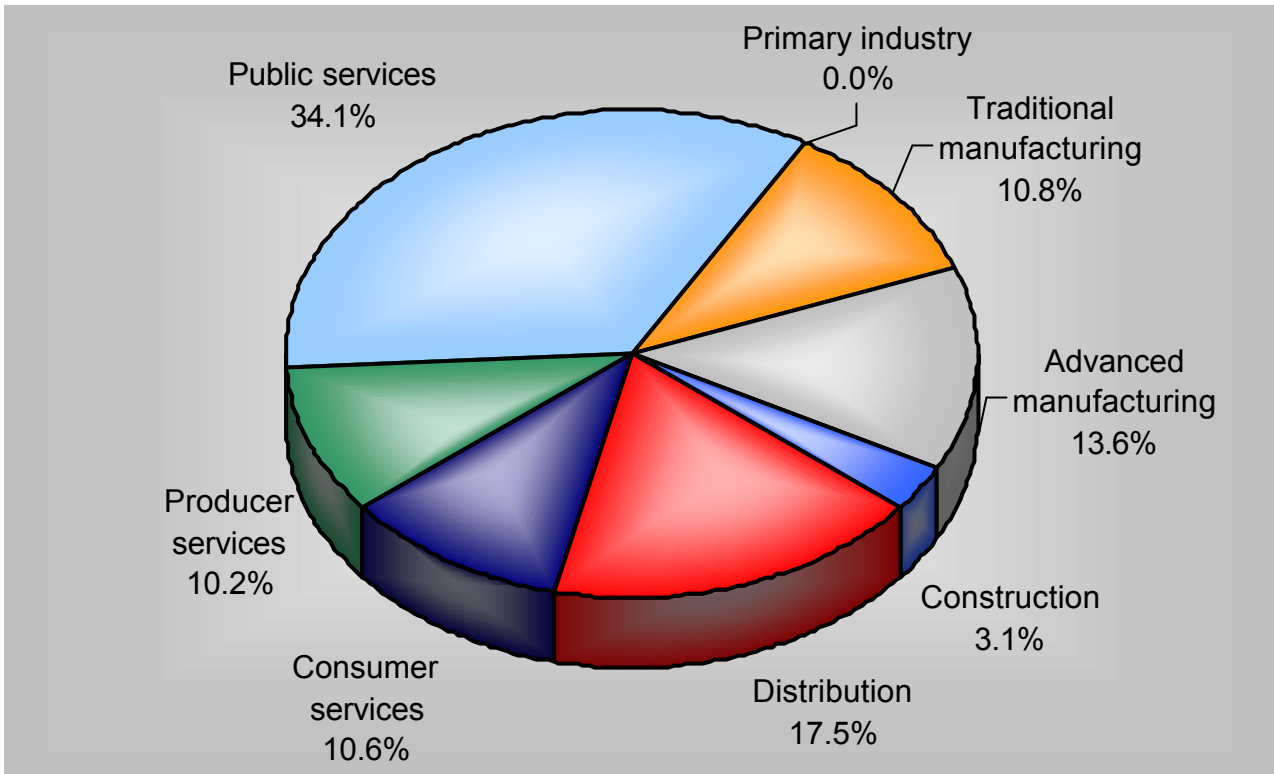
**Population Age Structure 2000**



**Incomes and Car Ownership (GB= 100)**

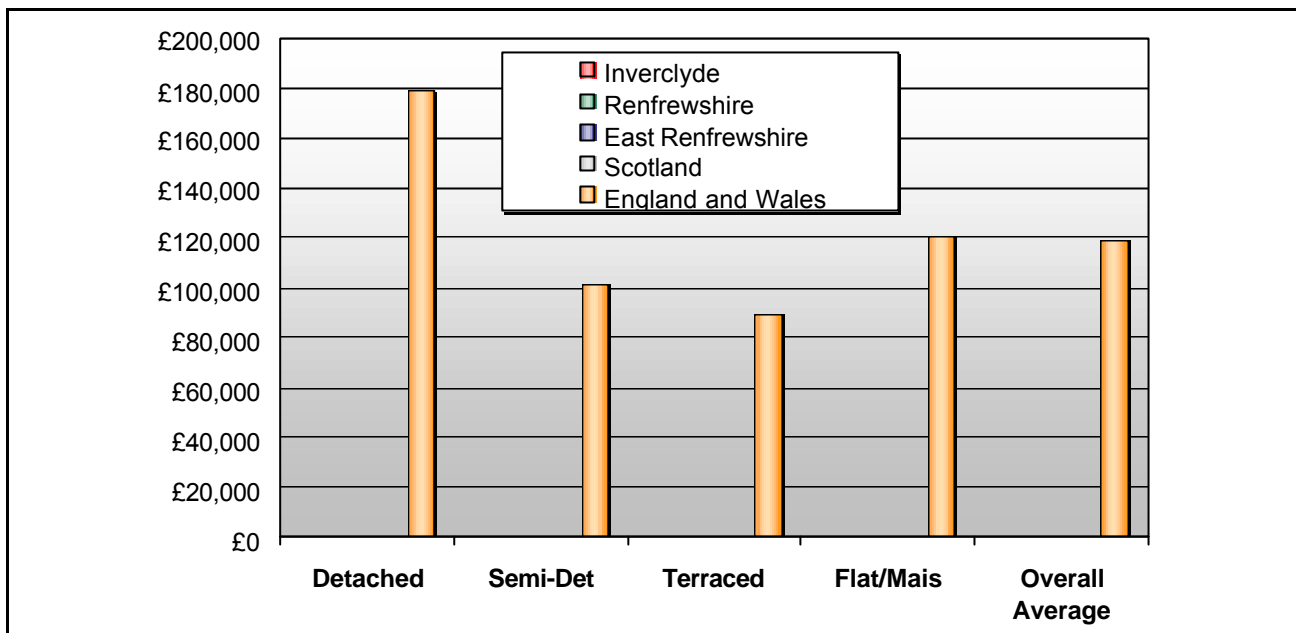


**Inverclyde Broad Industrial Structure Employment 2000**

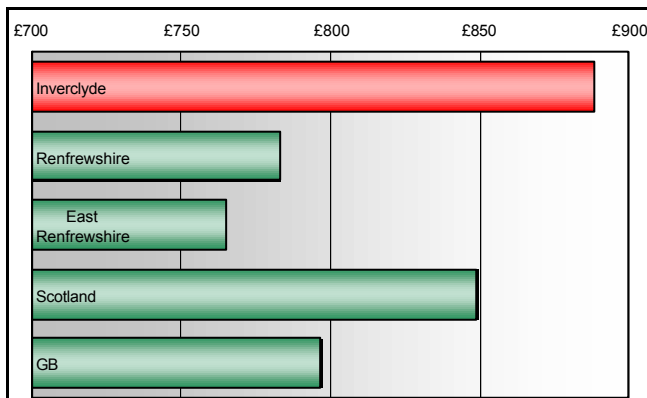


## Drivers of Growth I: Quality of Life

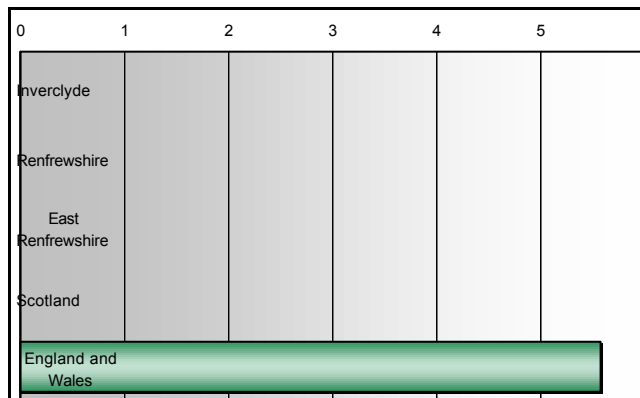
**Average House Prices 2001**



**Council Tax 1999**



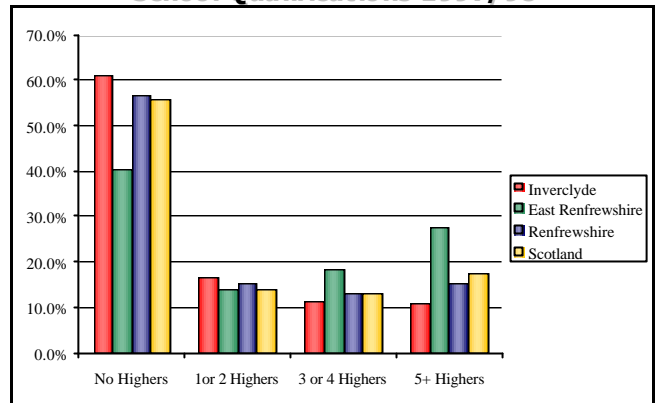
**House Price/ Incomes Ratio 2000**



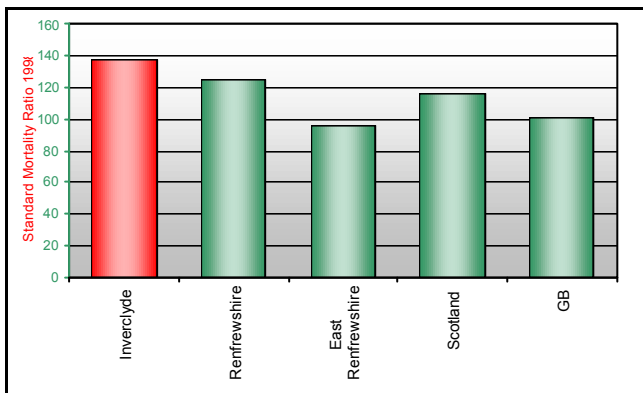
### Housing Tenure Type 1991



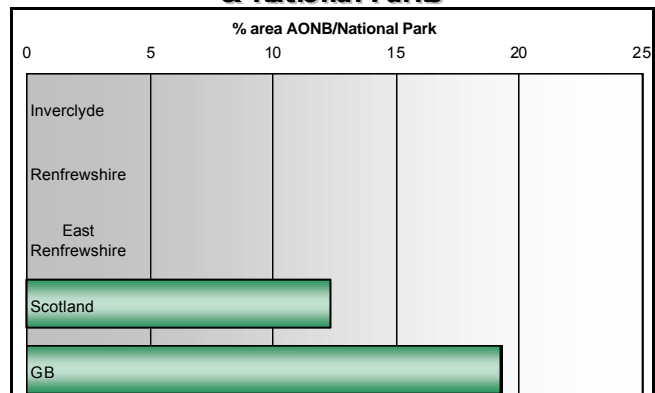
### School Qualifications 1997/98



### Health

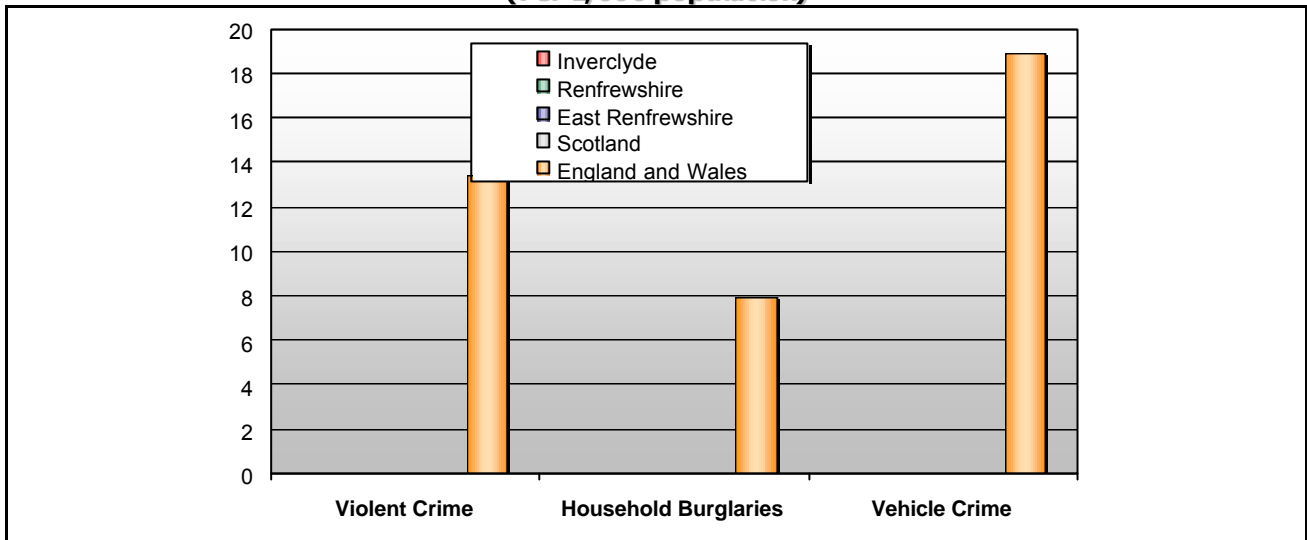


### Areas of Outstanding Natural Beauty & National Parks

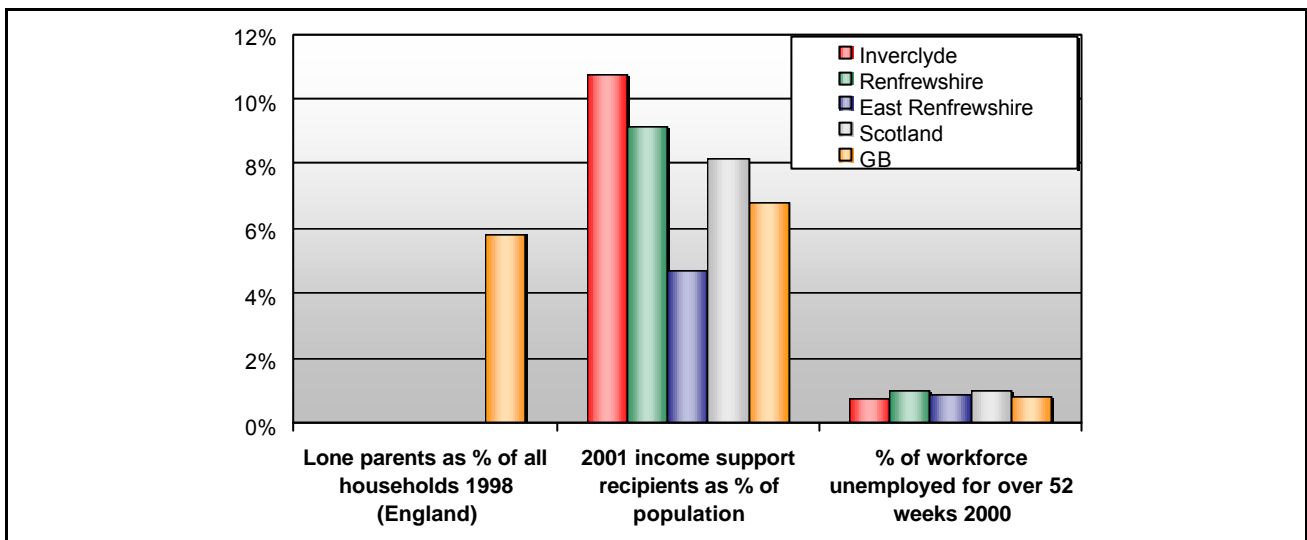




**Criminal Offences 1999/2000  
(Per 1,000 population)**

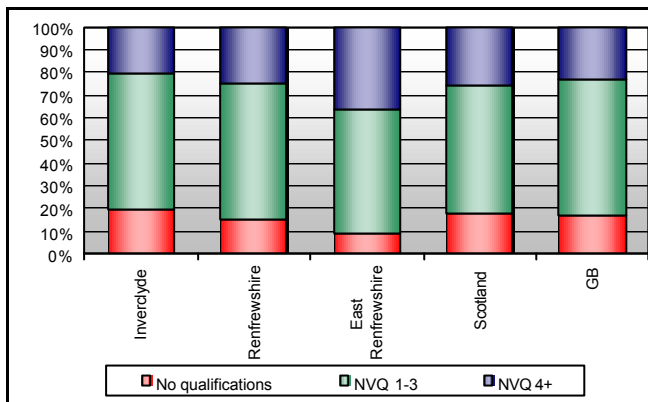


**Deprivation Indicators**

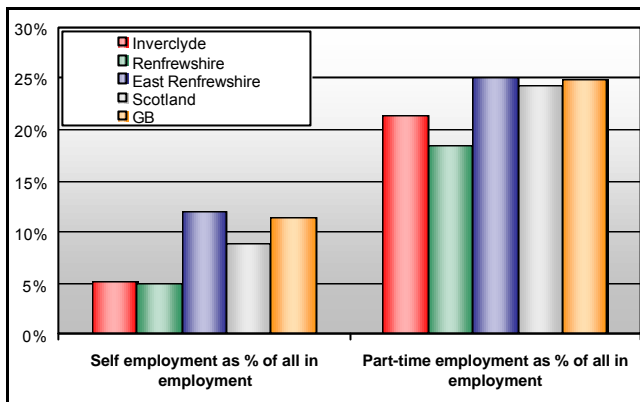


## Drivers of Growth II: Skills

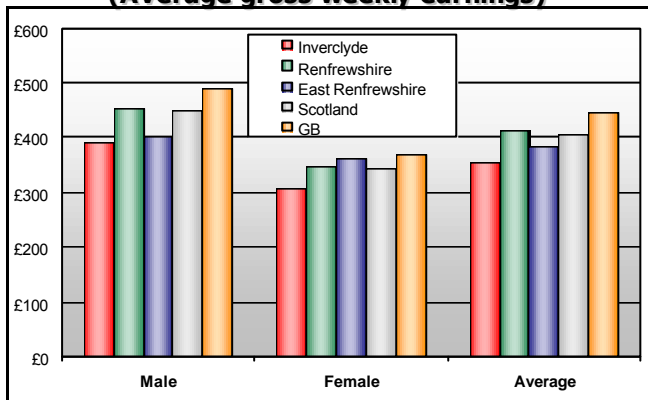
**Workforce Skills 2000/2001**



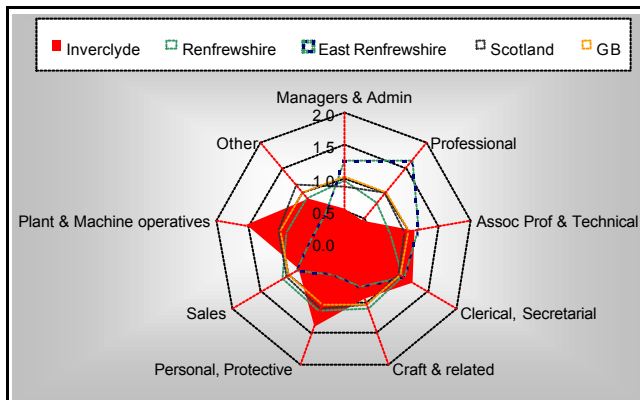
**Self and Part-time Employment 2000/2001**



**Wages 2001  
(Average gross weekly earnings)**

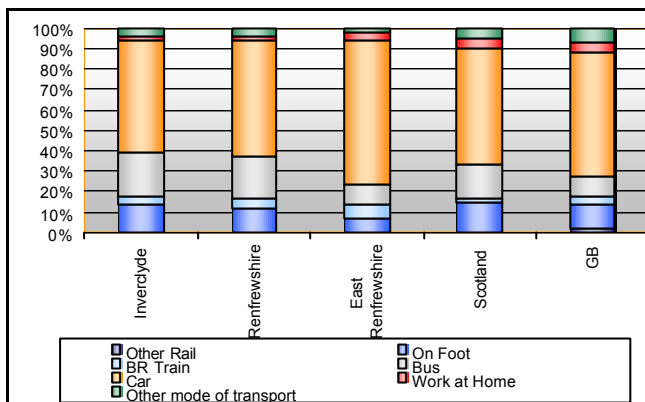


**Occupation Structure 2000/2001**

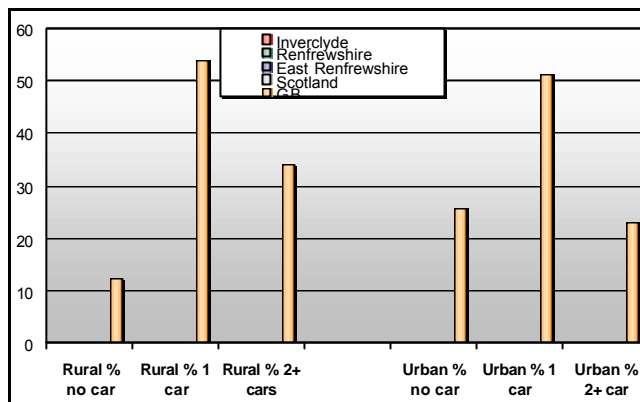


## Drivers of Growth III: Accessibility

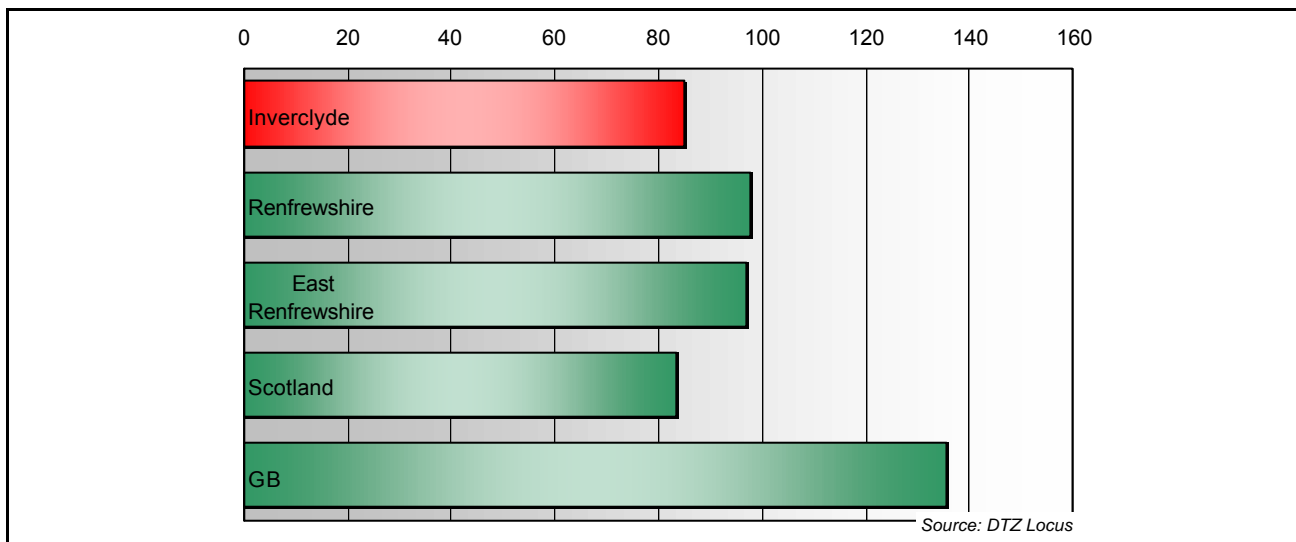
Mode of Transport to Work 1991



Car Ownership in Rural/Urban Areas 1991

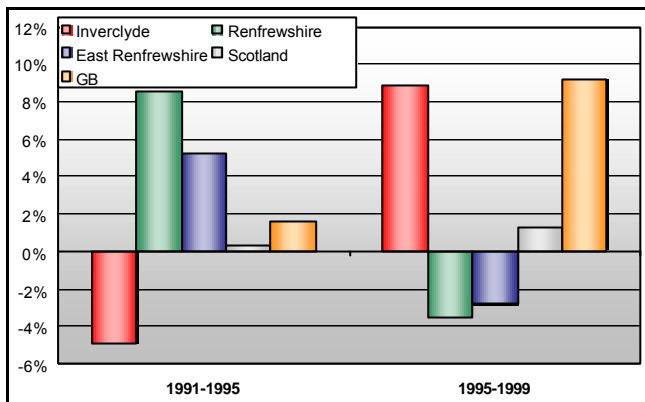


DTZ Pieda Accessibility Index

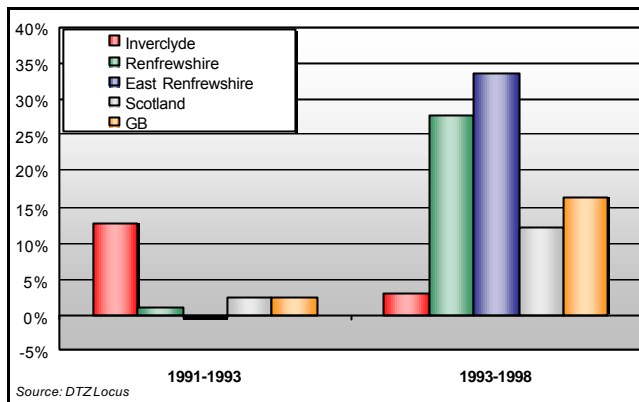


## Emerging Trends

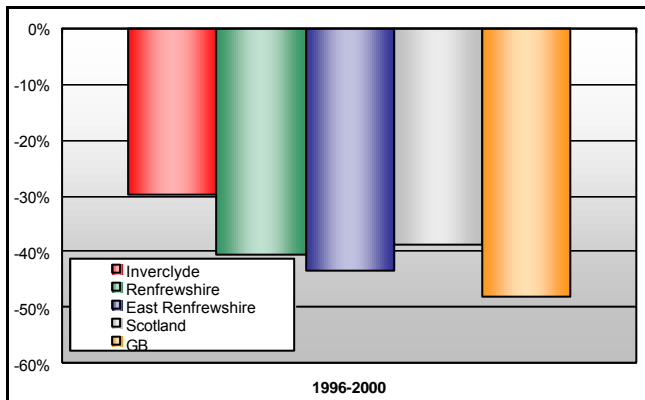
**Employment Change 1991-1999**



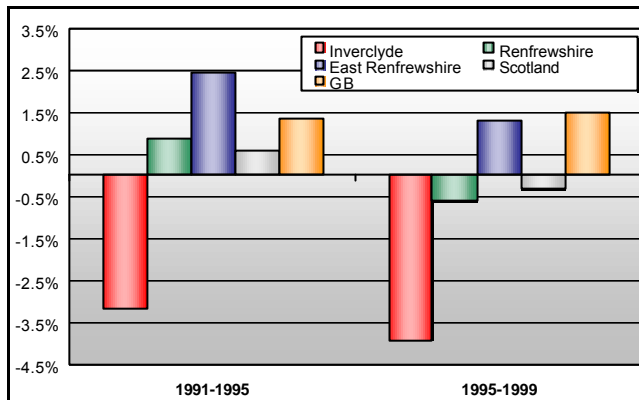
**GVA Change 1991-1998**



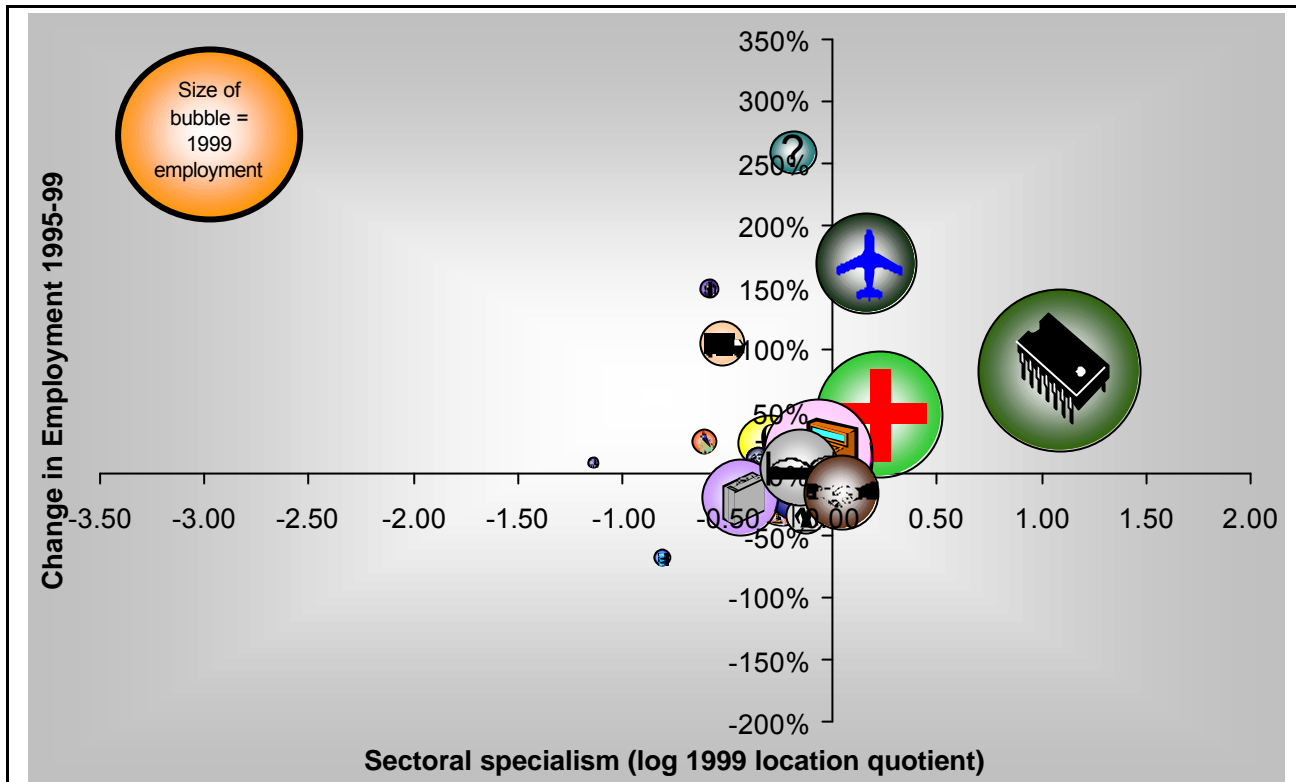
**Unemployment Change 1996-2000**



**Population Change 1991-1999**



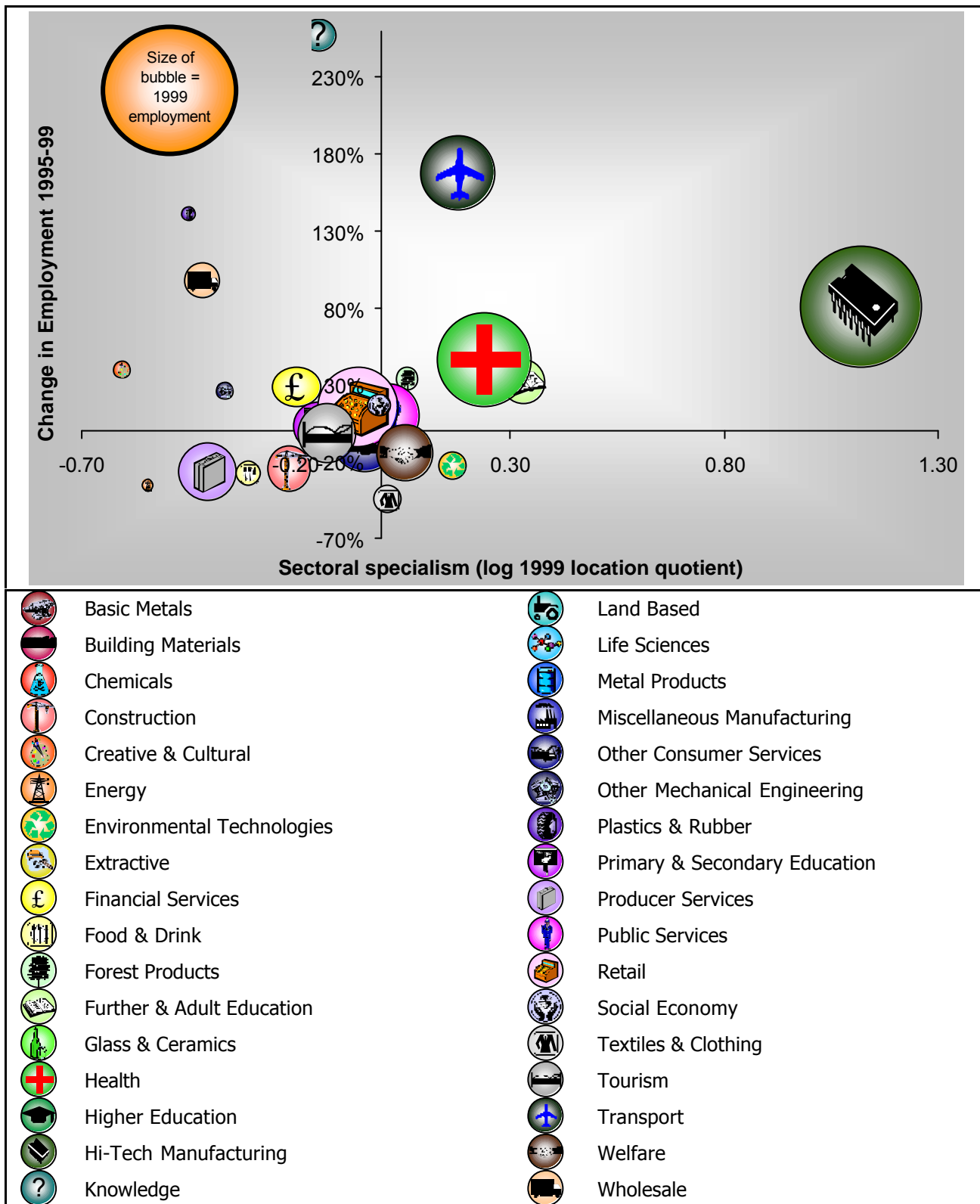
### Inverclyde Sector Trends



	Basic Metals		Land Based
	Building Materials		Life Sciences
	Chemicals		Metal Products
	Construction		Miscellaneous Manufacturing
	Creative & Cultural		Other Consumer Services
	Energy		Other Mechanical Engineering
	Environmental Technologies		Plastics & Rubber
	Extractive		Primary & Secondary Education
	Financial Services		Producer Services
	Food & Drink		Public Services
	Forest Products		Retail
	Further & Adult Education		Social Economy
	Glass & Ceramics		Textiles & Clothing
	Health		Tourism
	Higher Education		Transport
	Hi-Tech Manufacturing		Welfare
	Knowledge		Wholesale

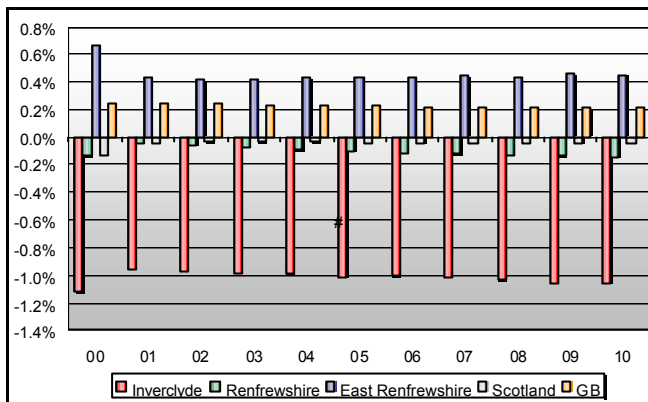
### Inverclyde Sector Trends

This chart is identical to the one on the previous page, but has been scaled to show the central area in greater detail.

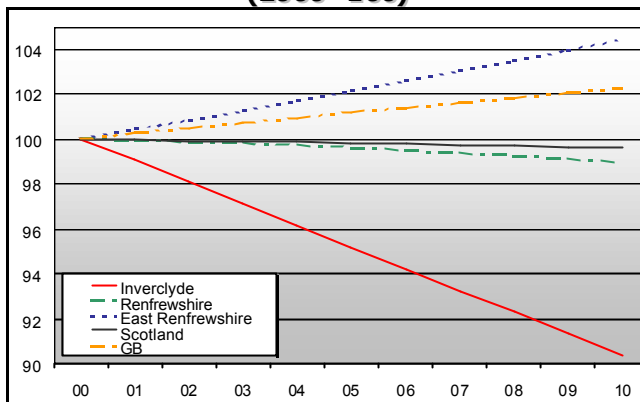


## Future Prospects

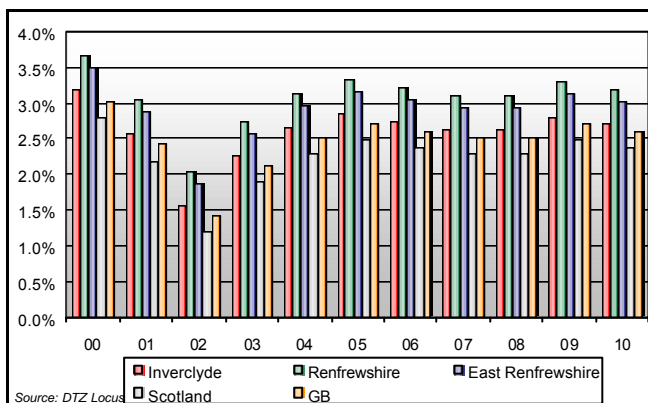
**Population Growth Forecasts 2000-2010**



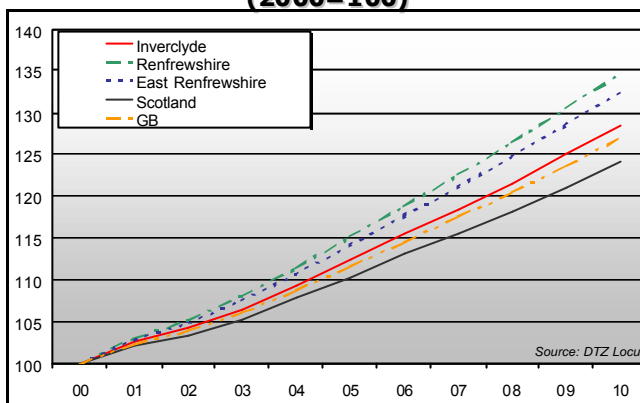
**Population Forecasts 2000-2010 (2000=100)**



**GVA Growth Projections 2000-2010**



**GVA Projections 2000-2010 (2000=100)**



## Acknowledgements

All charts based on statistics provided by ONS, except where otherwise stated.

## **Appendix G**

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## Appendix H: Glossary

Throughout this report we have used a number of abbreviations. An explanation of these is given below:

ABI	Annual Business Inquiry
AES	Annual Employment Survey
CHQ	Custom House Quay
CPC	Cambridge Policy Consultants
CPO	Compulsory Purchase Order
EIH	East India Harbour
ERDF	European Regional Development Fund
EZ	Enterprise Zone
FDI	Foreign Direct Investment
FTE	Full Time Equivalent Job
IDC	Inverclyde District Council
JWC	James Watt College
LEC	Local Enterprise Company
PAG	Scottish Enterprise Project Advisory Group
PT	Part-Time Job
RE	Renfrewshire Enterprise
SDA	Scottish Development Agency
SDI	Scottish Development International
SE	Scottish Enterprise
SEG	Scottish Enterprise Glasgow
SER	Scottish Enterprise Renfrewshire
TTWA	Travel To Work Area
VH	Victoria Harbour