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## **Interim Evaluation of the Clyde Waterfront Regeneration Initiative**

**A draft report to the Clyde Waterfront Partnership**

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## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
INTRODUCTION AND APPROACH.....	5
THE CLYDE WATERFRONT REGENERATION INITIATIVE.....	5
SOCIO-ECONOMIC CONDITIONS.....	5
PROGRESS AGAINST THE VISION.....	6
ECONOMIC IMPACTS.....	10
STRATEGIC ADDED VALUE.....	11
IMPACT OF THE CWRI MARKETING STRATEGY.....	11
GOING FORWARD.....	12
RECOMMENDATIONS.....	13
<b>1 INTRODUCTION</b> .....	<b>18</b>
AIMS AND OBJECTIVES.....	18
APPROACH.....	18
REPORT STRUCTURE.....	19
<b>2 CWRI: BACKGROUND, RATIONALE AND STRUCTURE</b> .....	<b>21</b>
INTRODUCTION.....	21
EARLY MOMENTUM: 2000-3.....	21
ESTABLISHMENT OF THE CWRI: VISION AND OBJECTIVES.....	22
ESTABLISHMENT OF THE CWRI AND EARLY PRIORITIES.....	25
2007: CWRI REVIEW AND POLITICAL CHANGE.....	25
SUMMARY.....	26
<b>3 BASELINE ASSESSMENT</b> .....	<b>28</b>
INTRODUCTION.....	28
KEY FINDINGS.....	28
DEVELOPING A FRAMEWORK FOR OTHER REGENERATION INITIATIVES.....	32
CONCLUSIONS.....	33
<b>4 PROGRESS AGAINST THE VISION</b> .....	<b>35</b>
INTRODUCTION.....	35
GLASGOW CITY CENTRE.....	35
PACIFIC QUAY AND SECC.....	37
GREATER GOVAN AND GLASGOW HARBOUR.....	39
RENFREW RIVERSIDE AND SCOTSTOUN.....	41
CLYDEBANK.....	43
ERSKINE AND OLD KILPATRICK.....	45

OVERALL PROGRESS .....	45
<b>ECONOMIC IMPACTS.....</b>	<b>49</b>
INTRODUCTION AND APPROACH .....	49
CALCULATING GROSS IMPACTS.....	49
DISPLACEMENT, LEAKAGE, MULTIPLIERS AND GVA MULTIPLIERS .....	51
ASSESSING ADDITIONALITY .....	52
ECONOMIC IMPACTS BY KCA .....	55
CONCLUSIONS.....	57
<b>ROLE OF THE CWRI AND STRATEGIC ADDED VALUE.....</b>	<b>59</b>
ESTABLISHMENT OF THE CWRI.....	59
EVOLUTION OF THE PARTNERSHIP ROLE.....	59
FUNDING.....	60
STRATEGIC ADDED VALUE .....	60
CONCLUSIONS.....	62
<b>7 IMPACT OF THE CWRI MARKETING STRATEGY .....</b>	<b>64</b>
INTRODUCTION .....	64
THE CWRI MARKETING STRATEGY .....	64
KEY ACHIEVEMENTS.....	64
CHALLENGES .....	66
CONCLUSIONS.....	67
<b>8 LOOKING FORWARD.....</b>	<b>69</b>
INTRODUCTION .....	69
POLICY DRIVERS.....	69
THE CONTINUING ECONOMIC RATIONALE FOR INTERVENTION.....	71
LEARNING FROM OTHER AREAS .....	72
DELIVERY PLAN 2008/9.....	73
KEY ACTIVITY AREAS AND THE CWRI ROLE.....	73
ECONOMIC CLIMATE.....	76
<b>9 CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>79</b>
ACHIEVEMENT .....	79
LOOKING TO THE FUTURE.....	81
RECOMMENDATIONS.....	82

**Annex 1: Consultees**

**Annex 2: Developer Forum**

**Annex 3: Business Survey results**

**Annex 4: Socio-economic baseline**

**Annex 5: International case-studies**

**Annex 6: Critical success factors for waterfront development**

**Annex 7: Recession implications**

**Annex 8: Topic guides**

**Annex 9: Economic Impact Model**

## EXECUTIVE SUMMARY

### Introduction and approach

This report contains the findings of an Interim Evaluation of the Clyde Waterfront Regeneration Initiative (CWRI). The aim of the evaluation is to assess the impact of the Initiative since its inception in 2003, and to make recommendations for the design and delivery of the CWRI in the future. This Interim Evaluation takes place 5 years into what is a 20-25 year regeneration programme, and within this context the findings seek to assess whether the programme is 'on track' to deliver its outcomes.

The approach has involved consultation with a wide range of stakeholders, representing public sector partners, businesses, developers, community groups, and website users. It has also involved an economic impact assessment of the CWRI to date and has been driven by the Partnership seeking confirmation of value for money.

### The Clyde Waterfront Regeneration Initiative

The CWRI was established in 2003 as a partnership between Glasgow City Council, Renfrewshire Council, West Dunbartonshire Council, Scottish Enterprise, the Scottish Executive, Communities Scotland and Strathclyde Police<sup>1</sup>. Its establishment followed the identification of the Clyde Waterfront as one of three 'engines' of city-regional growth in the Glasgow and Clyde Valley Joint Structure Plan, and the recognition that the regeneration of the Clyde Waterfront would have national significance. Further momentum came from the publication, in January 2003, of the OECD report 'Urban Renaissance: Glasgow' which identified the River Clyde as 'Glasgow's greatest natural asset', but that 'the River Clyde and its environs symbolise the city's three principal under-utilised assets: people, land and buildings.'

The aim of the Initiative was to monitor and coordinate the regeneration of the Clyde Waterfront area – from Glasgow Green to the Erskine Bridge. The rationale for the Initiative was the need to ensure that development activity is linked and integrated, that there is a consistent approach to quality, that partners' investment is aligned, and that the Clyde Waterfront is marketed consistently and coherently.

Although the Initiative was established in 2003, it was not until 2005 that the Partnership met formally for the first time. In 2007 a review of the Partnership took place, and following this some changes to partnership structure were made, notably a simplification of Partnership structure and a reduction in Partnership operating costs. A timeline to show the evolution of the Partnership is presented in Section 2.

The Initiative is supported by a small Executive Team (consisting of a full-time Programme Manager, a full-time Marketing Manager, and a part-time Director), with a total funding package of around £480,000 per annum<sup>2</sup>.

### Socio-Economic Conditions

The change in baseline conditions suggests that the CWRI economy has diversified and strengthened significantly. The economic data indicates that in both absolute and relative terms there has been a strong performance, notably:

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<sup>1</sup> Strathclyde Police are a non-funding partner.

<sup>2</sup> Of which £330,000 is marketing budget and £150,000 covers staff and operational costs.

- employment increased by 21,000, to 268,800, an increase of 8.6%, significantly above the rate of increase in employment in the city-region (5.5%) and Scotland (4.8%).
- Evidence from a shift-share analysis shows that the banking and finance sector accounted for over 8,000 of these new jobs, significantly out-performing the sector nationally. The CWRI area also gained some 1600 manufacturing jobs, at a time when manufacturing jobs have been declining across Scotland. The Clyde Waterfront area actually lost public sector employment during the period, at a time when increases in public sector employment were driving national employment growth to a large extent – this makes the CW's strong employment performance particularly heartening.
- the working age population increased by 3.5% between 2003 and 2006, from 134,892 to 139,557, significantly higher than the increase in Scotland (1.8%), and reversing the longer term trend of employment decline; and
- the level of derelict land has fallen by 70ha in Glasgow city between 2002-07 and by 31ha in Renfrewshire, easily off-setting the 22ha increase in West Dunbartonshire.

The two factors which caveat the very positive picture are that:

- while economic growth is evident throughout the area, some parts have performed more strongly than others. In particular, the areas closest to Glasgow city centre have performed strongest in terms of population growth (reflecting a nationally observed resurgence in city living, and the large number of residential schemes in the area), while 'outlying' KCAs have observed less rapid population growth. Similarly, the outlying KCAs have tended to perform less well in reducing JSA/IB claimant rates. This could reflect both the relatively lower density of new job creation in these areas, and accessibility of these areas to the urban core.
- and the impact on local people is less clear cut, although JSA and Incapacity Benefit numbers have been falling. While JSA claimant counts and Incapacity Benefit claimant rates have fallen, they have not fallen as rapidly (in some KCAs) as across the rest of the city region (implying that the relative position has worsened). Furthermore, the decline in JSA/IB is arguably relatively small in relation to the number of new jobs created – implying that a large proportion of new jobs created have not been taken by Clyde Waterfront residents. Unfortunately no data is available on local residents securing better paid jobs.

This strengthening of the economy has continued throughout 2006, 2007 to the early part of 2008 when economic conditions deteriorated quickly. The implications of the national and international economy are discussed in a later Chapter.

### Progress Against the Vision

Recognising that only five years of a 15-20 year development programme have elapsed, most stakeholders feel that positive progress is being made towards achieving the original Vision. There is a sense that we are beginning to see the emergence of a number of distinctive 'character' areas along the waterfront. In some KCAs, the scale of development has been significant, while others offer long-term potential to support and drive key priority industries.

The stakeholders in the CWRI, working with the private sector, and building on earlier public sector investment and positive economic conditions have secured an exceptional level of new development and investment, with a significant employment impact. These can be summarised as:

- **Glasgow City Centre:** The establishment of the International Financial Services District, which successfully competes with premier locations elsewhere in the UK and internationally. Significant investment over a long time period by the CWRI partners has acted as the catalyst to enable the area to become largely private sector driven in recent years. The key challenge for the area in the immediate term is to complete the ongoing public realm works alongside the river, with a view to enabling the waterfront to develop as a focal point for more recreational and leisure activity, and to support the area in becoming 'vibrant'.
- **Pacific Quay and SECC:** The relocation of BBC Scotland to Pacific Quay is now acting as the anchor for the development of a Digital Media Quarter, which includes the completed Medius building developed by Pacific Property Partners, and the Hub, due for completion in February 2009. This area is now developing as a key location for digital industries, driven by the vision and enabling interventions (gap funding) by the public sector partners. On the other side of the river, a masterplan for the Queens Dock 2 area envisages a new 12,500 seat arena, with the estimated £125m cost of the Norman Foster designed arena expected to be met in part through £25m from SE and £15m from GCC – and the Scottish Government announced in its Budget Bill 2009/10 the bringing forward of additional funds to support this.
- **Greater Govan and Glasgow Harbour** The existing residential development at Glasgow Harbour is one of the most high-profile developments on the Clyde Waterfront. Public sector intervention in bringing land to the table and supporting infrastructure investment played a key role in unlocking the site, and getting it to a position where it could be taken forward by the private sector.
- Further public sector intervention has been designed to ensure that some office development takes place in what, without post-enabling intervention, was likely to be a largely residential/ retail and leisure led development. The Council's commitment to and investment in the Riverside Museum – due for completion in 2011 at a total cost of £74m – will become one of the centrepiece developments on the Clyde Waterfront, the iconic nature of which has the capacity to contribute to the waterfront's global reputation and appeal.
- In Govan, significant public sector investment by the Glasgow Housing Association, South West Regeneration Agency, City Council and others is focussed on creating opportunities for local people, and is beginning to create some momentum within the private sector for residential development, although private sector interest is not as high here as in other areas of the waterfront. Key developments include Film City, which will play a role in linking benefits from Pacific Quay to the Govan community.
- **Renfrew Riverside and Scotstoun** The creation of an urban extension to the town of Renfrew commenced with the development of Braehead shopping centre in 1999, but has since made significant progress through development of a range of mixed uses including Xscape (creating 800 new jobs), offices, hotels and major residential development, all close to the waterfront. High quality public realm, including a new public park and Riverside walkway, has also been implemented as part of the masterplan for the area. Public sector intervention has focussed on establishing and improving linkages between the Riverside area, Renfrew and its town centre, in order that local communities benefit from opportunities created through the strongly performing private sector market within the area.
- **Clydebank** The Urban Regeneration Company (URC) *Clydebank re-Built* is developing a mixed-use development at Queens Quay that would be linked to the town centre through high quality public realm improvements; a medi-park that would

be linked to the Golden Jubilee hospital and an additional learning campus; and enhancements to the existing railway and the development of the Yoker relief road that would help to open Clydebank up to further housing, leisure and employment opportunities. The relocation of Clydebank College from the town centre to the waterfront was complete in 2007. Although the £34m development (largely funded by SFC, with the balance from ERDF and sale of the town centre site for housing) is intended to act as the catalyst for the wider regeneration of the URC area.

- **Erskine and Old Kilpatrick:** Erskine and Old Kilpatrick have not been the focus for any major development activity in recent years, although a masterplan has been developed for Erksine. This focuses on how to integrate the town better with the riverside, and features various small scale leisure uses. It aims to provide a 'refreshed' rather than a new town centre, to provide an enhanced network of streets and public spaces, but also enhance the provision of retail and community facilities, with improved use of the river.

### Issues

There are a number of issues arising from development to date and progress across the geography. These are separate to the issue of current economic conditions which are dealt with in a later Chapter. The issues are:

**Transport infrastructure and connectivity-** a key justification for the Initiative was the need to develop a more integrated, Clyde-wide transport infrastructure; many of the anticipated benefits of the CWRI are predicated on the adoption of a fixed transport link. Many stakeholders have been frustrated at a perceived lack of progress on Fastlink. However, Government announcements in December 2008 indicate that Fastlink has been prioritised within the Strategic Transport Review (STR), although the precise timescales and routing issues remain to be addressed. The Clyde Arc and Tradeston Footbridge provide examples of improved transport infrastructure and connectivity.

**Local benefits:** There is a desire to see new development delivering more benefits to local communities, and a belief that more needs to be done in this area. Stakeholders are aware that this element is one of the 4 key objectives of the initiative and now that significant development has occurred, developments 'knit' into local communities. There are some questions as to whether the Initiative as an organisation is best placed to deliver these community benefits, given its limited budget, powers and authority and these are discussed in subsequent sections.

**Balance of investment:** There are some areas where, although overall development activity has been rapid, some stakeholders feel that some development is not entirely in keeping with the original vision for the CW. In some areas, progress to date has been driven by large scale retail and residential apartment development which risks – according to some – being 'out of kilter' with the vision of creating sustainable local communities. This is a common criticism of largescale regeneration schemes throughout the UK. It is important to note however that this is not a criticism of the entire Clyde Waterfront area – there are some areas where development has been led by education/ community developments (i.e. Clydebank), and areas that offer specialist priority industry accommodation (e.g. IFSD and DMQ).

**Quality and design:** There has also been a question mark raised by some as to whether the design quality of some of the private sector led developments has been as high as the CW Regeneration Plan called for. This is a very subjective issue, and is perhaps most clearly demonstrated by Glasgow Harbour – seen by its detractors as a 'lost opportunity' that may not stand the test of time, while it supporters hold up as an example of a successful development that has been largely private sector led – and which has won a number of

architectural awards. While the Initiative does not have any specific ‘powers’ in relation to design quality, a key objective of the Initiative at the outset was to seek to influence design issues to an extent.

**Using the waterfront:** Linked to both the preceding points, there is also a view that, while Clyde Waterfront development has been rapid, there are not yet many examples of where the waterfront is acting as a focal point and draw for local communities and visitors alike. Although significant progress continues to be made in river walkways and paths and in public realm lighting strategies alongside the river, it remains a key consideration for all partners, (for example, the strategic nature of public access to the waterfront has been at the forefront of planning and redevelopment within Glasgow City Council for over 30 years, driven in part by a Clyde User Group and a Clyde Water Safety Group), it is felt that there is still a long way to go before all of the waterfront could be described as being ‘vibrant and active’, drawing footfall from other areas. In part this is also because there is still little activity on the river itself, and many feel that this should be a key area of focus for the Initiative going forward.

Despite these issues, progress overall is seen to be very positive. The Clyde Waterfront is starting to look like the ‘big picture’ that was envisaged. There have been some key successes, including the IFSD which has taken off as a key cluster for financial service sector growth, development at Clydebank which is viewed positively and ‘in scale’, Pacific Quay which is seen as offering exciting potential as a media-based quarter, and Renfrew Riverside which is seen to integrate well with the riverside environment.

However, there is still much to do to ensure that current developments form an integral part of the vision for each KCA, that communities are able to benefit from developments, that quality is upheld and maintained, and that the river itself plays a more involved role in acting as a focus for development and activity. From this point of view, the original rationale for the CWRI remains valid.

Figure A1 below provides a summary of progress to date against each of the Initiative’s four strategic objectives.

**Figure A1: Assessment of progress to date**

Strategic Objective	Assessment of progress
To create a globally attractive location which will enhance competitive advantage, create jobs and increase output	Excellent progress
To create distinctive, quality places and a vibrant, dynamic waterfront with international appeal	Good progress, but ongoing challenge to create a truly vibrant and distinctive waterfront
To stimulate the regeneration of nearby communities and widen access to jobs, investment and training	Satisfactory progress
To achieve high levels of accessibility and connectivity for people and businesses by all transport modes	Satisfactory progress; this is the key challenge for the Initiative in coming years

Source: GEN Analysis

## Economic Impacts

Between 2003-8, development within the Clyde Waterfront area has been substantial, and higher than anticipated when the programme began in 2003. In gross terms:

- Some 267,000 sqm of commercial floorspace has been developed, which is 67% higher than the original Clyde Waterfront Appraisal (Roger Tym, 2003), anticipated would have been developed by this stage of the programme.
- This development supports almost 17,000 gross new jobs in the Clyde Waterfront area between 2003-8, which is 233% higher than forecast would have been delivered.
- Around 5,900 residential units have been delivered, slightly below the anticipated level of 6,400, although a large number of residential units are forecast for completion during 2009.

The reason for this strong performance is largely down to a particularly buoyant private sector market in recent years, particularly within Glasgow City Centre which accounts for 10,000 of the gross new jobs, and Pacific Quay, which accounts for some 4,000 of the gross new jobs. The city centre performance has been driven by the success of the IFSD, which had already gained strong momentum by 2003 and has continued to develop strongly since.

The estimated value of private sector investment associated with these developments is £1.1 billion, compared to anticipated private sector investment by this stage of £870m. This investment is significant in the context of SE's investment of £55m and investment of some £307m by wider partners in infrastructure, public realm, housing, and land remediation.

The net additional impact of the Initiative (i.e. the proportion of the gross impacts that can be attributed to the activity of the Initiative) has also significantly surpassed its targets. The net additional impact of the Initiative has been:

- To create 76,000 sqm commercial floorspace (27% above the forecast net additional impact that would have been delivered by this point).
- To create 4,650 new jobs, which is around twice as much as was anticipated at the time of the original appraisal.

The net additional impact of the initiative has been significant. Investments have played an important role in driving the success of Priority Industry clusters within IFSD and Pacific Quay, as well as supporting local employment growth within other KCAs.

Table A2 below compares the forecast and actual gross and net impacts of the Initiative.

**Table A2: Forecast and achieved gross and net impacts, 2003-8**

	Forecast gross impacts	Actual gross impacts	Forecast additional impacts	Actual (net) additional impact
Floorspace (sqm)	159,838	267,000	59,571	76,365
Housing units	6,431	5,900	1,040	2,234
Employment	7,205	16,800	2,314	4,652

Source: Roger Tym 2003/ GEN Analysis

Tables A3 and A4 show the gross and net additional impacts of the Initiative in employment and GVA terms.

**Table A3: Gross to net calculation for employment (FTE, 2003-8)**

Employment	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	10,418	7,619	2,258	8,698	2,556
Pacific Quay and SECC	4,092	2,932	2,138	3,341	2,446
Govan and Glasgow Harbour	288	36	18	89	38
Renfrew and Scotstoun	1,104	789	138	984	181
Clydebank	895	169	99	259	141
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>16,796</b>	<b>11,545</b>	<b>4,652</b>	<b>13,371</b>	<b>5,362</b>

Source: GEN Analysis

**Table A4: Gross to net calculation for GVA (£ per annum)**

GVA	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	461,065,005	369,252,805	110,351,734	417,891,274	124,266,937
Pacific Quay and SECC	201,745,689	147,589,466	108,268,286	168,085,909	123,956,846
Govan and Glasgow Harbour	10,302,872	1,539,854	835,554	3,567,981	1,719,935
Renfrew and Scotstoun	38,120,043	19,739,811	4,063,407	28,023,811	6,053,778
Clydebank	21,352,028	7,827,855	4,975,757	11,499,341	6,919,276
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>732,585,636</b>	<b>545,949,791</b>	<b>228,494,738</b>	<b>629,068,316</b>	<b>262,916,772</b>

Source: GEN Analysis

The original Clyde Waterfront Appraisal (2003) made clear that it would be in the period after 2008 that the net additionality of the Initiative would really begin to make itself felt – as major initiative projects, such as Fastlink and the Tradeston Bridge, become realised. While the current economic climate is likely to slow the scale of development of the next few years (and the specific implications of the recession are discussed later in this report), we would expect the net additional impacts of the initiative to have increased at the time of the following Interim Evaluation. Annex 7 looks at the implications of the recession on the CWRI's anticipated future impacts in more detail.

### Strategic Added Value

The CWRI as a partnership has exercised Strategic Added Value across a number of areas. In terms of influencing and lobbying, the Partnership has played an important role in lobbying for Fastlink, and has provided a forum for Strathclyde Police to raise awareness of their Safer by Design Initiative. The Partnership has played an important role in improving intelligence and developing synergy, in particular through the website – indeed, this has been one of its core roles. The Partnership's Strategic Added Value has been considerable within the context of its budget and (more importantly) powers.

Some stakeholders would like to see the Partnership develop an even stronger role on leadership (i.e. building consensus on key priorities and steering the type and nature of regeneration), and its lobbying and influencing role. There is also scope for the Partnership to develop an even stronger role in sharing and disseminating best practice with partners and wider stakeholders, and on proactively driving one or two specific agendas – notably the River Access agenda, which is already being pursued through a Working Group recently established by the Initiative.

### Impact of the CWRI Marketing Strategy

Marketing activity has been one of the key roles of the CWRI. Working with a relatively small budget, the partnership has delivered a number of marketing successes. Key among these is the development of a Clyde Waterfront 'brand', and the launch and management of the Clyde Waterfront website. This is viewed as a positive source of information by both stakeholders and private sector, and has achieved a relatively high profile in a relatively short space of

time, attracting up to 9,500 visits per month. Other key achievements include the hosting of the Waterfront Expo 2006, and the development of educational resources for schools.

The Partnership has been relatively successful at balancing a diverse range of marketing activity. Indeed, its activity to date has spanned both 'communication' strategies aimed at local audiences (communities and private sector), as well as marketing activity targeted at potential inward investors.

Stakeholders generally agreed that the Clyde Waterfront does benefit from a strong brand image, but it is felt that this has come as a result of a wide range of factors and activity by a wide range of partners and stakeholders. While useful to an extent, stakeholders felt that the website is unlikely to be making any major contribution to the attraction of inward investment to the Clyde Waterfront. This is, however, simply because inward investment decisions are rarely if ever made on the basis of a marketing website alone, regardless of how good the website may be, and these comments should thus not be interpreted as a negative reflection on the content or structure of the website.

Going forward, the main challenge for the partnership remains how it communicates with its diverse range of audiences, and how it adds value to work of other partners. It is clear that many – probably all – stakeholder organisation take an active part in marketing activity of some sort, and are involved in various national and international professional networks. The Partnership should capitalise on, and contribute to, this existing work as much as possible.

Given its relatively limited resources, there is perhaps a danger that the Partnership might 'spread itself too thinly', and limit its potential impact, by continuing to target such a diverse range of audiences. In this respect, there is an argument for saying that the partnership should focus on maintaining and updating the website, and developing appropriate strategies for communication with local communities and the existing businesses and developers. Wider inward investment activity will need to be selectively and carefully designed and targeted, in close collaboration with SDI.

### Going Forward

It is clear from previous sections that the Clyde Waterfront is a successful and attractive investment location. In quantitative terms, the initiative is ahead of target, while significant improvement has been made across all KCAs in terms of market viability, and the degree of investment that is taking place.

From a policy perspective, the Clyde Waterfront remains a key focus for regeneration. It has been identified as a key economic driver of national significance in the updated National Planning Framework. It was featured heavily in Glasgow's Cities Growth Fund documents which were reviewed in 2008. Looking to the future, stakeholders believe the Clyde Waterfront will feature strongly in the Strategic Development Plan for the Glasgow City Region which will be published in 2011.

The CWRI includes some of Scotland's major long term economic assets, with considerable potential to attract new investment and support priority sectors. As employment increases, as it will in the medium term, transport infrastructure will be important in maintaining the competitiveness of locations and ensuring that residents can access new employment opportunities.

Further investment is required to achieve the vision for the Clyde Waterfront. Many of the anticipated benefits of the CWRI are predicated on delivering key pieces of transport infrastructure – notably Fastlink. Many of the anticipated benefits of the Initiative – including stimulating waterfront activity to create a truly vibrant waterfront, and ensuring that local

communities benefit from key development – need to be progressed. Crucially, there remain a number of key development areas which are continuing to evolve – Pacific Quay, SECC, Clydebank, Glasgow Harbour – as well as some that remain at a very early stage of the regeneration process – including Tradeston, the Graving Docks in Govan, and sites in West Dunbartonshire such as Bowling and Hospital Gate.

There are some areas where largescale intervention may be necessary to overcome barriers to development created through the presence of redundant/ contaminated land and/or site access issues. In many cases some degree of ‘pump-priming’ catalytic intervention may be required to ensure that subsequent private sector investment contributes to the regeneration vision. In all areas there is an on-going need for provision of public goods including infrastructure and public realm; and across all areas there is a need for equity interventions to ensure that benefits are shared by all.

The UK is now in recession, although the scale and severity is unclear. The 1990s recession resulted in a 6%-7% fall in employment in a two year period, with a four to five year period for employment to return to pre-recession levels. There are already emerging signs that the Clyde Waterfront economy is slowing, and indeed was slowing before the UK officially entered recession. . It could be argued that the CWRI’s reliance on banking and finance, and the importance of residential construction in recent years, makes the area particularly vulnerable to the downturn. Clearly, the outputs delivered through the Initiative over the next few years will be less than previously thought.

The Initiative can play a key role in sending the message that the public sector remains committed to the regeneration of the Waterfront, and by putting in place measures to ensure that future waterfront activity contributes to the overall vision once the market upturn begins. A number of other major cities in the UK are viewing the economic recession as a period to strengthen the competitiveness of their position relative to other locations. It will be important that new and ambitious proposals are developed for the Clyde Waterfront in the hiatus period which is preceding the economic up-turn. In particular, the recession provides the opportunity to remember that regeneration is a long-run game – the recession provides scope to reflect, but also to put in place key infrastructure for when the upturn comes.

### Recommendations

Listed below are a number of recommendations which break into four categories – leadership and advocacy; core marketing and dissemination role; pursuit of specific agendas, and performance monitoring.

#### Leadership and advocacy

**Recommendation 1: Vision and Mission statement:** Given current market conditions and changes in the policy context, the Initiative can play a key role in building consensus on the validity of the original vision for the Clyde Waterfront, how the Vision might need to change; and what needs to be done to achieve the Vision. There is scope for the Partnership to host one or two workshops with local stakeholders to review the focus and ambition of the vision for the Clyde Waterfront. As well as an opportunity to refresh the Regeneration Plan, this will also provide scope for the Partnership to engage more directly with some of its key local stakeholders.

**Recommendation 2: Senior involvement in Partnership:** The Partnership has successfully exercised its strategic position to influence key decisions, with the recent announcements by the Government on Strategic Transport priorities show that this influencing role is having good effect in respect of Fastlink as just one example. If the Initiative is to maximise its impact in this influencing role, it is critical that senior personnel from stakeholders organisations contribute to identifying the priorities the priorities for the influencing and advocacy.

**Recommendation 3: Making Fastlink happen:** The majority of stakeholders believe that Fastlink is critical for the realisation of the Clyde Waterfront vision. Indeed, evidence from the review of critical success factors in waterfront regeneration highlights major transport infrastructure investment as one of the most critical factors in successful regeneration. The Partnership should continue to publicise the benefits of Fastlink, and update stakeholders regularly on progress with negotiations.

### **Core marketing and dissemination role**

**Recommendation 4: Website:** The website is the most visible and most highly thought of activity that the Initiative leads on. It is essential that this remains a priority for the Initiative, and that it is kept completely up-to-date.

**Recommendation 5: Inward investment marketing:** The Initiative has had a number of major marketing successes, with a relatively small budget. To have maximum impact, it is important that the Initiative does not spread its marketing resources too thinly, but focuses on one or two key priorities – these could be particular events, tools, or publications, in consultation with partners. In line with its own Marketing Strategy, the Initiative should work more closely with wider stakeholders to add value to each others marketing activities and priorities, dovetailing with other regional campaigns such as 'Glasgow: Scotland with Style', IFSD, inward investment campaigns led by SDI, and others. There is scope to add weight to marketing efforts by having open dialogue and shared resources with other initiatives, by doing so ensuring that future campaigns present the Clyde Waterfront as a strategic investment location and destination in its own right. In the current economic downturn, the majority of inward investment activity is likely to come from elsewhere in the UK, and the Initiative's marketing strategy should reflect this.

**Recommendation 6: Communication, sharing and disseminating best-practice with partners:** the most effective way to 'buy-in' support from partners and wider stakeholders, and to ensure the engagement of those partners in the Initiative and its activity, is to work with these stakeholders to share and promote lessons and findings from Glasgow and elsewhere. The Initiative should seek to use the website and the e-bulletin more proactively to promote learning and best-practice among partners and stakeholders. The Initiative should also be responsive to suggestions or requests from partners about issues of best-practice to explore. More ambitiously, the Initiative could organise and facilitate a series of learning or best practice workshops among partners and wider stakeholders, as a way of engaging these groups and raising awareness of the initiative and waterfront activity.

**Recommendation 7: Community engagement:** The Initiative has developed a number of successful tools and approaches to community engagement, including the curriculum resources. The most effective mechanism for engaging with communities is through events, and the Initiative should explore the scope for extending the River Festival to include Renfrewshire and West Dunbartonshire. A refresh of the CW Vision would provide additional scope to engage local communities, working in conjunction with local authority partners, and could act as the catalyst for the development of further community engagement tools.

**Recommendation 8: Curriculum resources:** The curriculum resources developed by the Initiative are seen by stakeholders as a key legacy, and effort to promote and develop these should be continued.

### **Pursuit of specific agendas**

**Recommendation 9: Water access:** The majority of stakeholders, and communities, would like to see the Initiative leading on the river access agenda, and this is an area that the Initiative should be well placed to address given its objectives and cross-cutting role. The Initiative has already begun to address this through the recent establishment of the Water Access Working Group. This agenda will require significant work over a long period. It is important that the work of this group involves and engages all relevant stakeholders, and that it can identify some early activity or progress on the ground (perhaps building on the existing events programme) to maintain momentum and enthusiasm.

**Recommendation 10: Green infrastructure:** Evidence from the best-practice case-studies and analysis of critical success factors has highlighted the importance of civic space and greenspace in driving the success of waterfront regeneration. In addition to river and land based transport connections, the Clyde Waterfront Partnership, in association with the Clyde Valley Green Network Partnership, should focus efforts in developing an action based Green Network Strategy. This renewed strategy should focus on developing linkages between key sites and have an emphasis on projects which can have a catalytic effect as well as projects which can be delivered in line with current funding allocations.

In addition to green network developments along the River Clyde it is important that other green networks 'hook' into this key element of the wider Glasgow and Clyde Valley Green Network, for example the ongoing development of the Strathleven Regeneration Corridor.

**Recommendation 11: Responding to the recession:** The CWRI has a leading role to play in capital investment in regeneration and private sector investment. This will involve:

- Working with developers and investors to ensure that developments are completed and occupied; including finding new and innovative solutions to residential development.
- Encouraging the promotion and marketing of development opportunities
- Ensuring that planned public sector investment takes place.
- Working with other stakeholders to maintain the capacity of the construction/development industry.
- Maintaining a high profile for CWRI nationally and internationally.

A number of other major cities in the UK are viewing the economic recession as a period to strengthen the competitiveness of their position relative to other locations. Examples include the City of Leeds developing proposals for an Arena, and Manchester's focus on developing an international visitor destination attraction illustrate an increased resolve to pursue new developments to take advantage of the up-turn. It will be important that new and ambitious proposals are developed for the Clyde Waterfront in the hiatus period which is preceding the economic up-turn.

**Recommendation 12: Developer engagement:** Our evaluation has suggested a limited role for the Initiative in the direct engagement of private sector developers. However, the Initiative and its partners should continue to promote the Initiative as an information source for developers and businesses, and the Initiative can signpost developers to further information or support as needed.

**Recommendation 13: Maintaining investment in public realm:** Developers and businesses have highlighted the importance of good quality public realm in attracting development. This is particularly the case for high growth and high value industries. Public

realm has been a key focus of CWRI activity since its inception, although there is a danger that in the present climate resources are diverted away from public realm type interventions. The initiative and its partners should work to ensure that a strong programme of public realm improvements is pursued, and that these programmes are well publicised to businesses in the area.

**Recommendation 14: Community benefit:** Ensuring that local communities benefit from development is a key objective of the initiative. It is difficult for the Initiative to influence this agenda directly, as it does not undertake direct development. However, the Initiative should continue to play an important role in highlighting the importance of having Community Benefit Clauses within all development contracts, and in signposting developers and partners to further information in this respect.

**Recommendation 15: Developing a vibrant waterfront:** One of the key objectives of the initiatives was to create a sense of vibrancy along the waterfront. Although it is early days in the context of the 25 year programme, this is one area which stakeholders feel has seen slower progress to date. The Initiative should wherever possible pursue activities which can increase the vibrancy of the waterfront area. This may include promoting exhibitions, festivals along the waterfront, developing a public arts programme, ensuring that waterfront areas benefit from adequate lighting and public realm, and continuing to develop a series of linked waterfront walkways. Realisation of the objective to develop Tradeston as a funky quarter will require the public sector partners to play a strong coordinating and influencing role.

### Performance monitoring and baselining

**Recommendation 16: Performance monitoring:** Since its inception, the Initiative has placed a significant emphasis on performance monitoring, particularly through the presentation of project-level information on the Clyde Waterfront website, and through the 3-yearly production of economic impact assessments. This role can be augmented by incorporating the calculation of net impacts on a three yearly basis, so as to reduce the risk of confusion when information on the Initiative's net impacts is calculated and presented as part of separate work.

**Recommendation 17: Baselining:** The original Performance Monitoring Framework recommended the design and regular implementation of survey work to capture local views on the outcomes of regeneration activity. This would represent significant work and resources for the Initiative, and is unlikely to justify the means in our view.

However, the baseline reports themselves should be produced on an annual basis to review performance, with the results disseminated through the Initiative's usual marketing channels. There is scope to work with the Strathclyde Partnership for Transport (SPT) and one or more property developers, to develop bespoke indicators for transport and the property market which could be updated on an annual basis. There is also scope for the Initiative to explore, through the work of one of its Working Groups, the scope to establish more robust and Clyde Waterfront specific baseline measures to reflect visit rates in the area. Indicators to be explored would include the scope for installing pedestrian counters at certain points along the waterfront, or the monitoring of leisure traffic/ moorings – although the Working Group may wish to consider additional indicators.

The early success of stakeholders and the Initiative provide an exceptional platform for further development. Although economic conditions are very challenging, the quality of the new investments potentially places many of the KCAs in a strong position to benefit from the inevitable economic up-turn. It will be important however to continue to move forward on new

investment and to take a pro-active approach to advancing key projects, particularly those which improve the transport infrastructure.

## 1 INTRODUCTION

GEN Consulting, alongside EDAW and Research Resource, were commissioned in August 2008 to undertake an Interim Evaluation of the Clyde Waterfront Regeneration Initiative (CWRI). This is a Final Report of the study findings.

### Aims and Objectives

The aims and objectives of this evaluation were set out in the Invitation to Tender issued on the 18th July 2008. This sets out the aim of the evaluation as being to 'assess the full economic, social, and environmental impact of the total CWRI activities to date, including a net impact of the Clyde Waterfront Marketing Strategy (2005-8)'.

The Invitation to Tender also noted that 'a key driver of this evaluation is to assess the net additional impact of the initiative, and to assess the efficiency, effectiveness and value for money of the initiative since its inception in 2003.' The Invitation to Tender also established how the evaluation should identify lessons and learning points to help inform the design and implementation of future projects, and the overall direction of the initiative.

### Approach

The approach to the evaluation was set-out in the consultants' original proposal and refined during the inception meeting. The approach has been wide-ranging and involves the following elements:

- A *desk-based review* of all reports, appraisals, action plans and meeting notes that have been produced as part of the CWRI, together with a review of the policy context and how this has evolved.
- *Consultation with a wide number of stakeholders* who have current or past involvement in the Initiative. These stakeholders have included all members of the Delivery Board, additional senior officers within the partner organisations, and stakeholders in other relevant organisations including British Waterways, Clydebank URC, Scotland Development International, the Glasgow Tourism Marketing Bureau, Strathclyde Partnership for Transport, Clydebank College, Glasgow South West Regeneration Agency, and the former Director of the initiative. A full list of consultees is attached at Annex 1. The consultation programme was thorough, wide-ranging and comprehensive to provide a balanced view of the programme<sup>3</sup>.
- *Consultations were undertaken with property developers* to understand developer motivations for undertaking investments in the Clyde Waterfront area, and the role that public sector interventions, both direct and indirect, have played in influencing developments.
- These consultations were supplemented by a *Developer Forum event* which was attended by ten property developers (including two housing associations). While the developer consultations were relatively quantitative, the forum event was more qualitative, and aimed to facilitate discussion among developers on the future priorities and role of developers, the CWRI, and other public sector stakeholders in achieving the Vision for the Clyde Waterfront. A list of attendees, outlining a summary of issues is included in Annex 2. The information gathered at this event has also informed the content of this report.

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<sup>3</sup> The only obvious gap in the consultations is that we were not able to consult with the Glasgow Marketing Bureau, who declined to take part.

- A *telephone survey of businesses* was undertaken to explore business motivations for locating in the Clyde Waterfront, and the role of the CWRI in business productivity, and perceptions of the CWRI marketing activity. A copy of the telephone survey is included in Annex 3.
- A *web-survey of users of the Clyde Waterfront website* was also undertaken, and supplemented by an online survey of recipients of the Clyde Waterfront e-bulletin. Unfortunately the response to this was small – the reasons and implications of this are discussed in Section 7 on the Marketing Strategy.
- *Community consultation events* in each of the three local authority areas. In Glasgow, an event was facilitated with representatives from relevant community councils. In West Dunbartonshire, an event was facilitated with representatives of relevant community councils, housing associations and voluntary groups. In Renfrewshire, a part of the agenda of the Renfrew Community Council was devoted to discussion of the CWRI.

The results from various stages of the work were brought together to inform an *economic impact assessment of the CWRI*. The economic impact assessment builds on work first undertaken by BIGGAR Economics in 2005 and subsequently updated in 2008. This work identified the total level of floorspace and employment created within the Clyde Waterfront area between 2003-8, (based largely on desk-research), but it did not attempt to assess additionality – i.e. the extent to which these impacts would not have occurred in the absence of activity delivered by the Clyde Waterfront Initiative or its partners. Our work in respect of the Biggar model has therefore been two-fold:

- First, to update and validate Biggar's assumptions about the overall quantum of development activity and employment creation within the Clyde Waterfront; and
- Second, to incorporate estimates of additionality into the model.

The approach to the economic impact assessment is described in more detail in section 5 of this report.

A note on terms: throughout the report, the 'Initiative' or 'CWRI' refers to the activity that has been delivered under the banner of the Clyde Waterfront Regeneration Initiative, including the range of regeneration activity delivered by the partner organisations. The 'Partnership' refers to the activity of the Initiative's Executive Team, and the role of the Strategic Partnership Board and the Delivery Board in coordinating this activity and playing a broader lobbying and influencing role in respect of Initiative priorities. 'Partners' refers to the partners of the Initiative, while 'stakeholders' refers to wider interested parties (both public and private sector) on whom the Initiative has impact and influence.

### Report Structure

The remainder of this report is structured as follows:

- Section 2 considers the background to the CWRI, including the rationale for its establishment, its areas of focus, and how it has evolved since 2003;
- Section 3 examines socio-economic trends in the CW area, with a view to assessing the outcomes of CWRI intervention.
- Section 4 considers progress against the original CWRI vision, in each of the six Key Character Areas, and for the CWRI area overall.

- Section 5 describes the economic impacts of the CWRI;
- Section 6 assess the Strategic Added Value (SAV) of the initiative;
- Section 7 considers the impacts of the CWRI Marketing Strategy;
- Section 8 examines the priorities for the CWRI over the next few years;
- Section 9 concludes and makes recommendations.

## 2 CWRI: BACKGROUND, RATIONALE AND STRUCTURE

### Introduction

This section considers the aims, objectives and rationale of the Clyde Waterfront Regeneration Initiative. Subsequent sections consider progress made towards these aims and objectives, and the appropriateness of the partnership structures that were established to support the Initiative.

### Early momentum: 2000-3

The notion of the Clyde Waterfront as a defined regeneration area can be traced back to the late 1990s. At this point, the Joint Structure Plan Committee had been engaged in a range of scenario planning activities focussing particularly on how best to address the large swathes of derelict land that were concentrated along the banks of the Clyde. The outcomes of this work were reflected in the Glasgow and Clyde Valley Joint Structure Plan which set out the concept of three 'engines' of growth within the conurbation. These engines were (and still are):

- Clyde Waterfront
- Clyde Gateway; and
- Ravenscraig

By this stage, interest in the River as a development location was already well established. Indeed, discussions with the BBC around their potential location to Pacific Quay commenced in around 1998; discussions had commenced around the potential for establishing a URC at Clydebank in the early 2000's; a masterplan for Glasgow Harbour had been established and a masterplan for Renfrew Riverside was developed.

Following the November 2001 River Clyde Regeneration Summit, which highlighted the scope of the remaining regeneration challenge along the river, the Clyde Waterfront Working Group (CWWG) was established. The group brought together representatives of the three local authorities, Scottish Enterprise, local enterprise companies, the Glasgow & Clyde Valley Structure Plan Committee and the Scottish Executive. The CWWG was tasked with:

- Preparing a vision for the Clyde Waterfront
- Preparing a strategic action plan to realise the vision
- Proposing how such an action plan can be managed and delivered.

The CWWG published their first report – Clyde Rebuilt - in June 2002. This established that there was a 'compelling case for strategic intervention - by national bodies, local partners, and the Scottish Executive - to transform the Clyde waterfront into a vibrant and attractive location for business, housing, tourism, leisure and culture.' The report noted that 'the Clyde's future prospects are more promising than for many years and there is strong and growing developer interest in the waterfront, especially at key sites like Glasgow Harbour.' However, the report also noted that, 'the Clyde waterfront still lacks vitality and appeal', and has become a 'twin-track city' - with successful regeneration adjoining declining communities.

Further momentum came from the publication, in January 2003, of the OECD report 'Urban Renaissance: Glasgow'. This set out a series of actions for 'improving the distressed urban areas that are holding the city back'. It identified the River Clyde as 'Glasgow's greatest natural asset', stating that 'the River Clyde and its environs symbolise the city's three principal under-utilised assets: people, land and buildings.'

### Establishment of the CWRI: Vision and Objectives

The original rationale for the Clyde Waterfront Regeneration Initiative was set out in two documents, both commissioned by the CWWG:

- Clyde Waterfront Development Framework and Action Plan, published in June 2003 (Llewlyn-Davies)
- The Clyde Waterfront Regeneration Plan, published in May 2004 (Clyde Waterfront Working Group)

### National significance

Both reports stress that the Clyde Waterfront is of national significance. The *Development Framework* states that the Clyde Waterfront will be of critical importance to Scotland 'not just because of the opportunity to develop new places for business growth, learning and living but because the transformation will be delivered at the heart of Scotland's biggest city region and on a river surrounded by some of Scotland's most deprived communities'.

Similarly, at the heart of the rationale for the *Regeneration Plan* is the assertion that 'regenerating the Clyde is critical for Scotland's economic future'. 'In revitalising the Clyde we can revitalise Scotland.' At the same time however is a recognition that the river is surrounded by a concentration of Scotland's most deprived communities, areas blighted by exclusion, low economic activity and decay, with large tracts of derelict urban land.

### Vision

The Vision for the Clyde as set out in the Regeneration Plan is of a 'River Reborn - a 21st Century Clyde which draws on all the qualities of its proud past - ingenuity, skills, spirit and enterprise - to reinvent itself as a new, vibrant location.' The vision is that by 2020, the Clyde is characterised by a series of 'riverside communities', fusing existing communities with new areas of development on the waterfront.

The aim of intervention was to 'transform the Clyde from a place that is in parts uncompetitive, blighted and excluded into a competitive, knowledge-age location characterised by dynamism, innovation, learning and connectedness.' The principles of the approach are that:

- The Clyde should be a corridor of economic, social and environmental excellence which benefits Scotland, the Glasgow city region and local communities.
- It should be a vibrant and active river and waterfront with a mix of different uses which attracts and retains new talent and skills
- Sustainable links should be created between neighbouring communities - including links across the river - to ensure that the regeneration benefits are accessible and shared
- High quality design to be emphasised in buildings and public realm.

### Rationale

The Framework notes that much change is already happening, including the establishment of Clydebank Rebuilt, preparation of eight local development strategies by Glasgow City Council, and major development schemes underway at Glasgow Harbour, Pacific Quay, Renfrew Riverside and Clydebank. The Framework identified a number of reasons for additional intervention including:

- Huge costs involved in land reclamation and infrastructure, which cannot be borne by the private sector alone;
- The need to link and integrate existing activity;
- Establishment of quality standards;

- The holistic need for the waterfront to regenerate existing and new communities, and not just riverside sites.

Most importantly, without 'strategic position' there was a perceived threat that 'the area may have to accept second best as that is all the market will deliver' (Clyde Waterfront Development Framework and Action Plan, p.3, Llewlyn-Davies)

Equally, the Regeneration Plan stresses that the regeneration of the CW requires a partnership approach because:

- Partners acting independently would likely secure lower quality outcomes
- Investment would not be aligned
- The ability to market and promote the CW internationally would be undermined
- And the profile of the CW would be lessened.

### Activity

The Framework identifies corridor-wide initiatives that are required to achieve a renaissance of the Clyde, in eight categories. These eight categories of intervention type are also picked up in the Regeneration Plan, which classifies these as 'Action Themes':

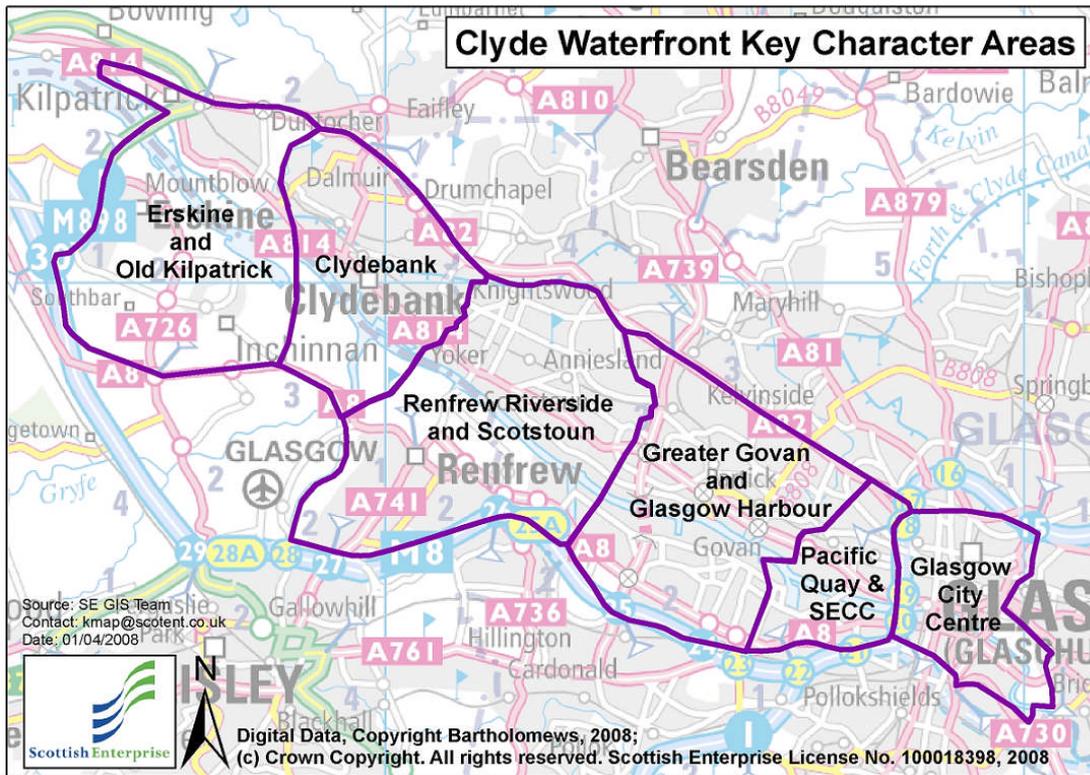
- *New economic development sites* - especially at Pacific Quay, Broomielaw, SECC, Renfrew Riverside and Clydebank.
- *Reclamation of derelict and vacant land* - focusing on areas of strategic importance, working with market demand and private sector interest.
- *Community regeneration* - to link existing communities to new opportunities, and meet local housing needs.
- *Modern high quality public transport* - principally a Light Rapid Transport (LRT) system.
- *Appropriate roads infrastructure* - in particular the Clydeside expressway, and the Yoker Relief Road.
- *Six additional crossing points* - notably an iconic bridge between Broomielaw and Tradeston.
- *Riverbank engineering and flood prevention works*; and
- *Public realm and urban design investment* - including linear parks and also 'green fingers' to link the riverside into existing communities.

The Development Framework recognises that many of the project proposals contained in the report are 'not new, but are the product of the effort of local authorities, developers, and consultants working up and down the river.' The report in many ways thus acts to synthesise and pull-together this activity, presenting it within the context of an overall vision, and ensuring a consistency of quality guidelines and objectives. The report also provides more detailed information on the costs of public sector actions, and the likely economic benefits of this. The report stresses that the plan is 'about communities, old and new, how they knit together and are involved in the development process. It is about the future of the city region and its people, not only about development sites'.

### The intervention areas

The Development Framework identifies six areas on the waterfront where the partnership should focus its actions. The six identified areas are the 'engines of change' that will be 'the hubs out of which the renaissance of the waterfront will ripple'. A map showing the boundary of the Clyde Waterfront area and the six KCAs is shown in Figure 2.1 below.

Figure 2.1: Key Character Areas



Source: Scottish Enterprise

These areas, subsequently known as Key Character Areas or KCAs, have remained the spatial focus for the Initiative to this day. The Regeneration Plan began to sketch out a vision and broad objectives for each of these six character areas, and this is discussed further in Section 4.

### Impacts

The Option Appraisal for the Clyde Waterfront<sup>4</sup> is the basis on which the the original approval for the Initiative was given. The Appraisal identifies the impacts associated with the Clyde Waterfront Regeneration Initiative over the period 2003-2025. The Appraisal anticipated that by 2025, the gross impacts realised under the Initiative were expected to be:

- 714,000 sqm floorspace, including 414,000 sqm office, 171,000 sqm retail and leisure, and 65,000 sqm industrial floorspace;
- 15,000 residential units
- 34,000 gross jobs

The Clyde Waterfront Appraisal also identified the anticipated impacts of the Initiative by 2008. These are shown in Table 2.1 below. The gross impacts are the total impact of new development activity in the Clyde Waterfront between 2003-8 if the Initiative is implemented. The impacts under the base-case are the impacts that would occur if the Initiative was not implemented. The 'additional impacts' are the difference between gross impacts and base-case, and represent the expected additionality of the CWRI.

<sup>4</sup> Clyde Waterfront Option Appraisal. Report by Roger Tym and Partners for Scottish Enterprise, December 2003

**Table 2.1: Original estimates of CWRI impacts by 2008**

	Gross impacts	Base-case impacts	Additional impacts
Floorspace (sqm)	159,838	100,267	59,571
Housing units	6,431	5,391	1,040
Employment	7,205	4,891	2,314

Source: Roger Tym and Partners 2004

The base-case impacts are essentially those which would be delivered by the private sector if public sector intervention is limited to projects in the pipeline in 2003, and other statutory activity around service and infrastructure provision. According to the Appraisal, the additional impacts of the Initiative were not expected to be particularly substantial over the period 2003-8. It was in later years that the additionality of the initiative was anticipated to increase, as key CWRI investment in infrastructure, notably public transport solutions and cross-river bridging activity, begins to deliver a real step-change in development activity over and above the trajectory established in 2003.

### Establishment of the CWRI and early priorities

A number of options for the structure of partnership arrangements were considered in the Regeneration Plan. These included a loose working group, a UDC model, and an incorporated partnership. Following consideration of these options, the Clyde Waterfront Strategic Partnership Board was established in October 2004.

The Board consisted of members drawn from the six partner organisations and met quarterly. The Progress Group was formed out of the 'shadow board' that was set up to launch the partnership. It comprised representatives from the six partner organisations and was chaired by the executive director. It met quarterly. The Executive Team was established in early 2005, and has day-to-day responsibility for the delivery of the Partnership. The team of four - Executive Manager, Marketing Manager, Project Manager and Office Manager were based in independently located premises.

Following the establishment of the Board and Executive Team, a Partnership Agreement was formed and signed in January 2005. This contained seven objectives:

- To undertake marketing and promotion of the Clyde Waterfront on a national and international basis
- To maximise, coordinate and mobilise support from public sector bodies (including the Partners) where required to secure private sector investment, recognising that this objective will be delivered through the implementation of the approved Action Plan
- To work with relevant Stakeholders to create the policy and planning environment best suited to the implementation of the Project
- To consider all major investment and development opportunities relating to the Clyde Waterfront and ensure that resources are directed within the appropriate times towards securing these
- To be responsible for coordinating high level strategic and cross-boundary infrastructure issues impacting upon the project
- To have partnership members, where appropriate, working together through Special Development Vehicles to implement specific elements of the Project
- To be responsible for monitoring and evaluating the Project

### 2007: CWRI Review and Political change

In 2007, two events coincided to cause a reflection on the direction and focus of the Partnership. First, political change in the May elections and the subsequent refocusing of

Scottish Enterprise, required Partnership to be assessed in a new light. Second, a review of the Partnership to date was published, making a number of recommendations for change.

The review focussed on the governance arrangements and structure of the Partnership rather than looking at the impacts per se, although the review did consider the success of the Partnership in broad terms.

The DTZ Review concluded that, the Partnership was perceived to have had limited impacts, with limited added value and a lack of action on the ground. The role of the Partnership in information provision and marketing was perceived as useful, but not in itself capable of achieving significant change.

The DTZ Review argued that the lack of real impact of the Partnership was due to two factors: a lack of constituted planning or development powers, and a lack of funding. The former issue, lack of power, means that the Partnership's involvement in key projects is not seen as necessary by public sector partners, while for the private sector, the partnership has no powers to support the outcomes they desire.

Following the Review, the Partnership adopted a simplified two-tier structure.

- The Strategic Board meets once per year to agree the strategic priorities for the Partnership and establish an Action Plan.
- The Delivery Board consists of officers from the three local authorities, Scottish Government, Strathclyde Police and Scottish Enterprise. The Partnership is supported by an Executive Team, which is based within SE's premises and consists of a (PT) Director, a Marketing Manager and a Project Manager.

The Partnership remains a partnership without specific planning or development powers and without its own funding allocations – but instead remains as a partnership that aims to bring strategic added value to the development process within the Clyde Waterfront, by monitoring progress, communicating activity, and building consensus among partners as to the priorities for action.

### Summary

Momentum for the establishment of the Clyde Waterfront Regeneration Initiative was building in the early 2000's, in part because of the wide level of activity that was already taking place in the area, and in part because of a growing recognition that the Clyde could play as a focal point for the wider regeneration of the city-region.

A series of visioning and framework documents were produced in 2002, 2003 and 2004. Each of these recognised that there was a 'compelling' case for the focus of regeneration activity along the Clyde waterfront, and each document recognised that successful regeneration of the Clyde could have positive economic impacts at a national level.

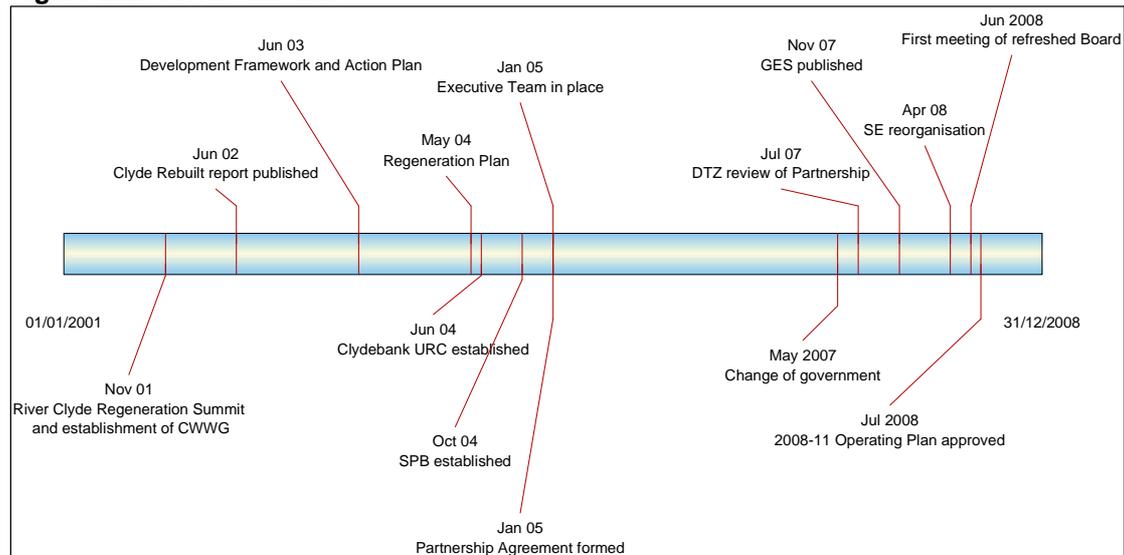
The rationale, on paper at least, for public sector intervention generally was the need to deal with derelict and contaminated land, and to provide necessary supporting infrastructure. The rationale for establishment of a Clyde Waterfront Regeneration Initiative specifically was to address market failures to coordinate activity, align resources, establish quality standards, raise the profile of the area, and link activity to existing communities. In market failure terms, the rationale for intervention was thus in part around addressing external costs associated with derelict land, and also around providing of public goods in terms of infrastructure, coordination and public realm activity.

Following exploration of a number of potential delivery models, the Strategic Partnership Board was established in October 2004, with the Executive team in place by early 2005. The Partnership focussed its resources on delivering activity in six Key Character Areas.

Political change in 2007 was the main driver for a review of the Partnership. Following this review, new partnership structures were adopted, but the broad vision and rationale for the CWRI remains largely the same.

A timeline showing key policy developments impacting on the CWRI is shown in Figure 2.2 below.

**Figure 2.2: CWRI Timeline**



Source: GEN Analysis

The People and Place Regeneration Statement (Scottish Government, 2006), states:

*The regeneration of the Clyde Waterfront has been one of the most striking symbols of Glasgow's continuing renewal. The individual developments which make up the Clyde Waterfront regeneration plan have, to a considerable extent, been market-driven. However, the public sector has played an important role in taking an overview and in identifying and pursuing particular opportunities such as the construction of the digital media campus at Pacific Quay; the development of the international financial services district at the Broomielaw; the establishment of Clydebank re-built; and in facilitating the mixed residential, commercial and leisure developments at Glasgow Harbour and Renfrew Riverside.*

### 3 BASELINE ASSESSMENT

#### Introduction

This section analyses changes in socio-economic conditions in each of the six Key Character Areas (KCAs). It takes as its starting point the baseline condition measures identified in the Clyde Waterfront Performance Management Framework (Yellow Book, 2004). This identified a series of Baseline Condition Measures (BCMs) to reflect performance across each of the Initiative's four strategic objectives. These baseline condition measures are shown in table 3.1 below. The Yellow Book Performance Management Framework did not establish the baseline values for the indicators, or targets for the Initiative in respect of these indicators, and the work undertaken as part of this evaluation is the first attempt to quantify these indicators.

**Table 3.1 Baseline Condition Measures**

Ref	Objective/ Measure
Obj 1	Competitive Advantage
BCM1	Employees in Employment
BCM2	Business stock
BCM3	Industry structure
BCM4	GDP per capita
BCM5	Visitor numbers/ spend
Obj 2	Quality places
BCM6	Working age population
BCM7	Derelict land
BCM8	Land/ property values
BCM9	House prices
Obj 3	Community regeneration
BCM10	Economic activity rate
BCM11	Unemployment rate
BCM12	Index of multiple deprivation
Obj 4	Accessibility and connectivity
BCM13	Use of public transport
BCM14	Access to strategic roads network
BCM15	Pedestrian access to the waterfront
BCM16	Access to broadband services

Source: Yellow Book (2004)

The data is presented in Annex 4 In this section of the report itself, we focus on outlining the key findings.

#### Key Findings

##### Competitive advantage

Between 2003-05, employment in CWRI increased by 21,000, from 247,400 to 268,800. This represents a rate of increase of 8.6%, significantly above the rate of increase in employment in the city-region (5.5%) and Scotland (4.8%). This higher than average rate of increase in employment can largely be accounted for by increases in banking and finance, transport and communications, and distribution, hotels and restaurants; while manufacturing employment in CWRI held up compared to falls in the city-region and Scotland. Employment increases in these sectors off set falling employment in construction and other services.

One of the original aims of the CWRI was to balance growth across the central belt, stimulating growth in the west while avoiding over-development in the east. GVA data are only available until 2006. Evidence suggests that Glasgow city is closing the GVA gap with

Edinburgh (with GVA growth of 74% in Glasgow since 1996, against 68% in Edinburgh. The employment data suggests that the gap will have closed by 2006 and 2007, a combination of the increase in employment and the type of employment growth. However, the more peripheral areas of the city-region have not showed progress in closing the GVA gap with Edinburgh.

Visits to Greater Glasgow and the Clyde Valley by UK residents were 2.4m in both 2006 and 2007 (source: Visit Scotland). Data for preceding years are not comparable due to methodological changes in its collection. Around 1.8m visits were made to the City of Glasgow in each of these years.

### Quality places

Using mid-year population estimates at datazone level, it emerges that the working age population of the CWRI area has increased by 3.5% between 2003 and 2006, from 134,892 to 139,557. This is the same level of increase as in the City Region and significantly higher than the increase in Scotland (1.8%).

This overall figure masks significant variation between the KCAs, with Erskine and Old Kilpatrick recording a small decrease of 0.4% (-77 people) during this time, with increases in the other KCAs ranging from 0.4% in Clydebank (47 people) to 17% in Glasgow City Centre (2,538 people). The data at KCA level seems to indicate that population increase has been higher towards the city centre. This is to some extent reflective of the wider national trend in recent years towards the renaissance of 'city living'; (while the continuing popularity of suburban living has meant that some peripheral areas of the urban core have seen stagnant or more conservative growth).

The level of derelict land has fallen by 70ha in Glasgow city between 2002-07, and by 31ha in Renfrewshire, although has increased by 22ha in West Dunbartonshire<sup>5</sup>. House prices in all three local authorities have increased at a faster rate than observed nationally, suggesting a healthy housing market.

It has not been possible to access published data on land and property values for the Clyde Waterfront area. Property Market Reports published by both Ryden and Jones Lang Lasalle indicate that prime city centre office rents have increased from £250 per sqm in 2003 to £305 per sqm at the end of 2008. Out-of-town prime office rents are around £199 per sqm, although it has not been possible to collate figures for individual KCAs.

The Performance Monitoring Framework produced by Yellowbook did not include indicators related to crime. However, given the involvement of Strathclyde Police in the Partnership, and given that an important focus of the Initiative in recent years has been to improve community safety through initiatives such as Safer by Design, it seems sensible to include crime indicators within the baseline. Recorded crimes in the Clyde Waterfront area increased by 4.4% between 2001/2 and 2007/8, although this is a lower rate of increase than observed in Glasgow city. The overall trend masks significant variation by KCA. Expressed relative to 1,000 population, crime rates did actually fall in the Clyde Waterfront area during the period.

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<sup>5</sup> Closer inspection of the data reveals that there was a 29ha increase in the level of derelict land in West Dunbartonshire between 2002-3, following which there has been a small decline in the overall level of derelict land. The cause of the increase between 2002-3 is not immediately apparent within the context of the Clyde Waterfront area.

## Community regeneration

As noted above, job creation has been relatively successful in the CWRI area. In terms of impact on local residents the analysis shows that some 2,700 people moved off JSA<sup>6</sup> in the KCAs between 2000-8, while a further 3,000 moved off Incapacity Benefit.

Only two KCAs – Govan and Glasgow Harbour, and Pacific Quay/ SECC – showed a higher percentage fall in the number of JSA claimants relative to the city-region - while the more outlying areas (Clydebank, Renfrew/ Scotstoun and Erskine and Old Kilpatrick) each performing relatively less well than the KCAs closer to the city. It could be argued that this is expected given the relatively higher proportion of residential versus commercial developments in these more ‘outlying’ KCAs. No information is available on trends in employment i.e. securing a better paid job as a result of the new employment supported.

Data from the Scottish Indices of Multiple Deprivation suggest that, between 2004 and 2006, 75% of Clyde Waterfront datazones became less deprived (relative to all those in Scotland), while 25% became relatively more deprived. Again, this masks significant variation by KCA – in Pacific Quay/ SECC for example; all datazones have become less deprived between 2004-6, whereas in Greater Govan and Glasgow Harbour, 34% of datazones became more deprived over the period.

## Accessibility and connectivity

There is limited availability of published data on transport and accessibility issues. Indeed, this point was highlighted by Yellow Book in their development of the PMF, who state that ‘there are no readily available data on transport and access issues’. Nonetheless, Strathclyde Partnership for Transport (SPT) has been able to provide some bespoke data as part of this evaluation.

Although the Clyde Waterfront area is well served by a range of bus routes, there have been no significant alterations to services since the Initiative was established. Analysis of journeys by transport mode reveals the importance of train access to the north of the river relative to the south side.

## Performance Management Framework

The Clyde Waterfront Performance Management Framework<sup>7</sup> aimed to establish a robust, practical and accessible toolkit for managing the CWRI, and in particular to:

- Enable well-informed strategic decision-making
- Establish a robust set of SMART objectives and challenging targets
- Enable effective monitoring of progress
- Facilitate evaluation of the impact of the initiative.

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<sup>6</sup> JSA is a narrow measure of worklessness. The number of people claiming Jobseekers Allowance measures the number of people who are of working age who are not working *but are seeking to do so*. There is a large degree of overlap between the claimant count and unemployment although the latter figures are generally higher. People who are not ‘claimants’ can appear among the unemployed if they are not entitled to unemployment related benefits. For example: people whose partner is working; young people under 18 who are looking for work but do not take up the offer of a Youth Training place; students looking for part-time work or vacation work; or people who have left their job voluntarily. Similarly, economic inactivity includes both those not in work and not seeking work, and those not in work but looking for work. JSA is thus a ‘narrow’ measure of unemployment; and being available at datazone level it provides a useful indicator statistic for worklessness at the small area level,

<sup>7</sup> Yellow Book, September 2004

The PMF is based on a 'two-track' approach:

- Establishing and monitoring changes in baseline conditions (using the BCMs described above); and
- Performance management processes to help users to design, develop and implement better projects, and to monitor performance against targets.

In terms of the first element, the baseline, the Framework recommends that the CWRI baseline should be prepared for 2001, and then updated every three years. It notes that 'the first BCS will be based exclusively on data available from published sources. Coverage will not be complete, and in particular there are no readily available data on transport and access issues.' The PMF also recommends that periodic qualitative research on attitudes to/perceptions of the CWRI area should be undertaken.

In terms of the second issue, Performance Management, the PMF recommends:

- Collation of a project database which records information on inputs, activities, outputs and impacts for each of the CW projects; and
- Periodic evaluation to assess the net impacts of the programme.

Since its establishment, the Initiative has placed a significant emphasis on this second element, Performance Management. Indeed, the collation of information on individual projects and the presentation of these on the Clyde Waterfront website is a core function of the Initiative. This work has been augmented periodically through commissioned studies to quantify in further detail the inputs (i.e. funding) and outputs of these projects individually and collectively, while the current evaluation work has been commissioned specifically to assess the net impacts of the Initiative.

The collation of project-level information and the presentation of this is seen by stakeholders as a key benefit of the Initiative (see subsequent sections for further detail), and, although quite resource intensive, it is important that this is continued into the future. The formalisation and quantification of this information on a 3-yearly basis, as has been undertaken to date, seems an appropriate interval over which to update this information. However, it may also be sensible for these 3-yearly updates of funding, activity and gross outputs to also include an assessment of net impact. By treating the assessment of net impacts as a separate exercise, there is a risk of creating confusion among stakeholders when gross and net impacts are released at different times.

Although the Initiative commenced in 2003, the baseline has been prepared for the first time as part of this study. As anticipated by the PMF, the preparation of the baseline has revealed a number of gaps in data availability, notably around the transport and accessibility indicators. Similarly, some of the indicators are only available at local authority level (or higher in the case of GVA), and are not therefore conducive to indicating progress specifically within the KCAs.

However, these are challenges familiar to regeneration initiatives that work to sub-local authority boundaries. In this respect, the indicators themselves are however broadly sensible – although the indicator relating to broadband services is no longer of direct relevance to the work of the Initiative, and is difficult to measure, so can be excluded from future monitoring.

The challenge going forward is to:

- Ensure that the baseline indicators are updated on an annual basis to assess progress within the Clyde Waterfront – with a view to including the results in the Initiative’s annual monitoring reports and disseminating this to stakeholders via the website;
- Work with the Strathclyde Partnership for Transport to agree a sensible ‘bespoke’ indicator to reflect modal transport use – this will probably involve the specification of a number of screenlines throughout the CW area, and for which SPT can calculate modal use each year;
- Explore the scope to enter an agreement with one or more property agents to agree the provision of CW-area specific data on commercial property vacancy rates and yields on an annual basis – with the provision of some kind of ‘incentive’ for developers in return, linked to the Initiative’s marketing activity for example;
- Explore the scope to develop one or more bespoke indicators for the visitor economy within the Clyde Waterfront. These could include, for example, exploration of the scope for installing some form of pedestrian/ cycle counters along the waterfront, or an indicator linked to leisure cruising on the Clyde.

### Developing a Framework for Other Regeneration Initiatives

As part of our evaluation we have been asked to consider the extent to which it is possible to develop a baseline monitoring framework that is relevant for any regeneration initiative.

Clearly, regeneration initiatives vary in their geographical scope – some cover just a few streets, while others may cover large areas across a number of local authority areas. Similarly, the rationale for intervention, and consequently the aims and objectives of regeneration programmes, can vary significantly, and this in turn can influence the type of activity delivered through a regeneration programme – which may focus on property markets, business development and job creation, or skills development and social inclusion, housing, or some combination.

It is therefore clear that there is a case for developing a baseline monitoring framework on a bespoke basis for any individual initiative. Having said this, there is a common set of outcomes that any regeneration programme is intended to affect, and this common set of outcomes can form the basis for a baseline monitoring framework, on top of which a sub-set of bespoke indicators - to reflect the focus on the initiative in question - can be added.

An ideal baseline indicator must be:

- Available at least an annual frequency, and preferably without significant lag time in collection;
- Available at a relatively small geographical focus
- Comparable across a range of different geographies (i.e. not an indicator that is only available for the target area)
- Related to the type of activity that is delivered by the initiative in question.

We therefore suggest that a standard set of core baseline indicators that could be collected for any regeneration initiative, would include those set out in Table 3.2.

**Table 3.2: Baseline Indicators for Regeneration Programmes**

Indicator	Source	Temporal and geographical scale
Employees in employment	Nomis	Annual; ward
Business stock	Nomis (ABI)	Annual; local authority
Industry sector	Nomis (ABI)	Annual; ward
Working age population	Nomis (mid-year population estimates)	Annual; datazone
House prices	Registers of Scotland	Monthly; local authority
Economic activity rate	Nomis (claimant count)	Monthly; local authority
Unemployment rate (JSA and IB rates)	Nomis (claimant count)	Monthly; datazone
Index of Multiple Deprivation	Scottish Government	Biannually datazone
Crime rate	Police	Annually; datazone

Source: GEN Analysis

All of these indicators are readily available from websites, with the exception of crime statistics which would need to be accessed from the relevant Police authority. This set of core indicators could then be supplemented with additional indicators which are specific to the regeneration initiative in question; but the set of core indicators in Table 3.2 will measure the broad outcomes of most regeneration initiatives without requiring additional survey work or costs.

## Conclusions

The change in baseline conditions suggests that the CWRI economy has diversified and strengthened significantly. The economic data indicates that in both absolute and relative terms there has been a strong performance, notably:

- employment increased by 21,000, to 268,800, an increase of 8.6%, significantly above the rate of increase in employment in the city-region (5.5%) and Scotland (4.8%).
- Evidence from a shift-share analysis (presented in Annex 4) shows that the banking and finance sector accounted for over 8,000 of these new jobs, significantly outperforming the sector nationally. The CWRI area also gained some 1600 manufacturing jobs, at a time when manufacturing jobs have been declining across Scotland. The Clyde Waterfront area actually lost public sector employment during the period, at a time when increases in public sector employment were driving national employment growth to a large extent – this makes the CW's strong employment performance particularly heartening.
- the working age population increased by 3.5% between 2003 and 2006, from 134,892 to 139,557, significantly higher than the increase in Scotland (1.8%), and reversing the longer term trend of employment decline; and
- the level of derelict land has fallen by 70ha in Glasgow city between 2002-07 and by 31ha in Renfrewshire, easily off-setting the 22ha increase in West Dunbartonshire.

The two factors which caveat the very positive picture are that:

- while economic growth is evident throughout the area, some parts have performed more strongly than others. In particular, the areas closest to Glasgow city centre have performed strongest in terms of population growth (reflecting a nationally observed resurgence in city living, and the large number of residential schemes in the area), while 'outlying' KCAs have observed less rapid population growth. Similarly, the outlying KCAs have tended to perform less well in reducing JSA/IB claimant rates. This could reflect both the relatively lower density of new job creation in these areas, and accessibility of these areas to the urban core.
- and the impact on local people is less clear cut, although JSA and Incapacity Benefit numbers have been falling. While JSA claimant counts and Incapacity Benefit claimant

rates have fallen, they have not fallen as rapidly (in some KCAs) as across the rest of the city region (implying that the relative position has worsened). Furthermore, the decline in JSA/IB is arguably relatively small in relation to the number of new jobs created – implying that a large proportion of new jobs created have not been taken by Clyde Waterfront residents. Unfortunately no data is available on local residents securing better paid jobs.

This strengthening of the economy has continued throughout 2006, 2007 to the early part of 2008 when economic conditions deteriorated quickly. The implications of the national and international economy are discussed in a later Chapter.

A summary of progress by BCM and by Strategic Objective is shown in the table 3.2 below. The column marked 'progress assessment' is our assessment of how well the Clyde Waterfront area has performed relative to the national economy.

**Table 3.3 Summary of progress by Baseline Condition Measure and Strategic Objective**

Ref	Objective/ Measure	Progress Assessment
Obj 1	Competitive Advantage	↑
BCM1	Employees in Employment	↑
BCM2	Business stock	↑
BCM3	Industry structure	↑
BCM4	GDP per capita	↑
BCM5	Visitor numbers/ spend	n/a
Obj 2	Quality places	↑
BCM6	Working age population	↑
BCM7	Derelict land	↑
BCM8	Land/ property values	↑
BCM9	House prices	↑
Obj 3	Community regeneration	↔
BCM10	Economic activity rate	↔
BCM11	Unemployment rate	↔
BCM12	Index of multiple deprivation	↑
Obj 4	Accessibility and connectivity	↔
BCM13	Use of public transport	↔
BCM14	Access to strategic roads network	↔
BCM15	Pedestrian access to the waterfront	n/a
BCM16	Access to broadband services	n/a

Source: GEN Analysis

## 4 PROGRESS AGAINST THE VISION

### Introduction

This section considers progress made against the Vision set out in the original Regeneration Plan (2004). For each Key Character Area (KCA):

- Glasgow City Centre
- Pacific Quay and SECC
- Greater Govan and Glasgow Harbour
- Renfrew Riverside and Scotstoun
- Clydebank
- Erskine and Old Kilpatrick

For each KCA the original Vision is set out followed by progress, the role of the public sector and summary conclusion.

### GLASGOW CITY CENTRE

#### Vision

The Regeneration Plan outlined the importance of Broomielaw and Tradeston to the renaissance of the entire city waterfront area. These two areas, on opposite sides of the river, would be linked using a "living bridge" that would provide a focal point for visitors to the area. Tradeston would be redeveloped to encourage bars and restaurants to locate in the area and its profile as an artistic district would be enhanced through the development of artists' workshops and associated gallery space. On the river itself, developments such as floating hotels, restaurants and other venues as well as boats for living in would be encouraged.

The CWRI Options Appraisal noted that there was growing demand for residential and retail development around Glasgow Green and St Enoch respectively, while the office market around Atlantic Quay was buoyant 'even without additional infrastructure projects'. However, the options appraisal made it clear that, without a bridge link, it is unlikely that Tradeston would develop a diversified range of uses to create a 'funky quarter'.

#### Progress

Over recent years, Atlantic Quay has continued to develop as a major office location. Since 2003, the momentum has been largely private-sector led, with the IFSD brand acting as a catalyst for the ongoing clustering of financial services businesses. Stakeholders and developers were positive about the way this area has developed, although there was a feeling that there is still a degree of separation of new development from the river itself. Developers and businesses tended to highlight proximity to the city centre and IFSD as their main driver for locating at Atlantic Quay, rather than any direct benefits from being close to the river, although developers accept that river views do command a rent premium<sup>8</sup>). Once ongoing works on Broomielaw and the construction of the Tradeston Bridge are completed it is

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<sup>8</sup> Compared to properties that are not adjacent to a waterway, this premium can be as much as 19% for properties with a direct view of a waterway, and up to 8% for properties that do not overlook a waterway directly but are part of a waterway development. Source: <sup>8</sup> Willis K, Garrod G: The Value of Waterside Properties, Countryside Change Unit, University of Newcastle-Upon-Tyne, 1993

anticipated that the river will begin to act more directly as a focal point, attracting footfall and activity.

To date, the Tradeston area itself has seen little change, and the completion of the footbridge was seen as the catalyst for new development, subject to current economic conditions.

A masterplan for the Laurieston area has been developed, and this has been identified as one of eight regeneration areas identified by the Glasgow Housing Association. The Laurieston masterplan will represent the next phase of Gorbals regeneration – ministerial announcements of support are expected within the next few months.

### **The role of public sector intervention**

Most development at Atlantic Quay since 2003 has been private sector led, although a minority of schemes have benefited from an element of gap funding. However, it is important to note that the momentum behind Atlantic Quay was established by earlier work by both the City Council and Scottish Enterprise, particularly through the Glasgow Opportunities scheme of the 1990s. This included significant investment by GCC and SE Glasgow in public realm works around the Argyle Street, Glassford Street, James Watt Street and Broomielaw.

Significant ongoing public realm work on the waterfront is likely to have a major impact on the way the area is perceived when complete. These works include public realm on the north bank of the Clyde between George V bridge and Kingston Bridge, and on the south bank from George V bridge to West Street is being undertaken between Feb 2007 and Spring 2009, with total funding of £22m by Glasgow City Council, Scottish Enterprise and ERDF. Fastlink is generally viewed by developers as critical, with one or two developers indicating that their developments have been predicated on the assumption that Fastlink will happen. The recent announcement by the Scottish Government that Fastlink will be included within their Strategic Transport Review indicates that it is a priority, although no funding has yet been formally approved.

The Tradeston footbridge will be complete in spring 2009 at a cost of £6m to the public sector – this represents a significantly lower cost option relative to the original proposal for a more iconic crescent shape. While it is expected to act as a catalyst for regeneration of Tradeston, some stakeholders are sceptical that the bridge will have a major impact given that there is pedestrian access to Tradeston from the existing bridge. These remarks also reflect the current economic downturn, with new residential and commercial development affected by the credit crunch and the deterioration of the wider economy.

### **Conclusions**

The public sector played a key role in the establishment of the award-winning IFSD, particularly around the provision of public realm works, acting as the catalyst for the area to become largely private sector driven in recent years. The key challenge for the area in the immediate term is to complete public realm works alongside the river, with a view to enabling the waterfront to develop as a focal point for more recreational and leisure activity. In the longer term, increased footfall in the area and the completion of the Tradeston Bridge can act as the catalyst for the regeneration of Tradeston. The key role for the public sector is thus the provision of essential public goods (i.e. those that will not be provided by the private sector alone) in infrastructure and public realm. The market failure in this area is in the provision of public goods.

## PACIFIC QUAY AND SECC

### Vision

The Regeneration Plan sets out a vision for this KCA to become 'the global waterfront'. The ambition is to reconnect the area to the city centre, in particular through creating opportunities to walk along the riverfront. The proposed actions included improved public transport, a new bridge between the Graving Docks and Pacific Quay, development of a nationally significant digital media campus anchored by the BBC, and development of a new arena to build on the international appeal of the SECC.

The CWRI Options Appraisal noted that there was already some momentum at Pacific Quay through the then planned BBC relocation, while the area already benefited from existing major attractions in the form of the Science Centre, SECC and Clyde Auditorium (supported by ERDF). There was a view that, without further investment (and specifically a 'fixed' transport link) the area would not develop the connectivity to sufficiently raise its profile and encourage a diverse mix of uses and enable the 'digipark' to realise its potential.

### Progress

Pacific Quay can essentially be divided into two halves. The area to the east of Bell's Bridge is owned by Pacific Quay Developments (PQD), a tripartite joint venture between Grosvenor, Millar and CTP. Phase 1 of development in this area has seen the development of the headquarters of Scottish Media Group (in 2006), and units occupied by the Scottish Criminal Records office, XFM and Buro Happold. Phases 2 and 3, also on the waterfront, have yet to be developed. An additional 15 acres to the south is owned by Grosvenor - a masterplan for this area envisages a hotel, 300 new flats and 400,000 sq ft of office space, and outline consent has been granted.

The 8 acres to the west is owned by Scottish Enterprise. The relocation of BBC Scotland to Pacific Quay was complete in 2006 (with the official opening in September 2007), following discussions which had begun as far back as 1998. The BBC is now acting as the anchor for the development of a Digital Media Quarter in the area around the Canting Basin. Phase 1 of DMQ includes the four plots on the east side of the Canting basin. Plots 2 is the completed Medius building developed by Pacific Property Partners, while Plot 3 is The Hub, due for completion in February 2009 - Digital Design Studios (which is part of Glasgow School of Art) will be the anchor tenants in this building. Plots 1 and 4 are at preferred developer stage, but all units in DMQ will be subject of occupier restrictions so that DMQ does not compete with the blue-chip companies who are expected to occupy the PQD owned part of the site.

Phase 2 of the Digital Media Quarter will be the area to the south, and will consist of further specialised office units and some live-work units. Scottish Enterprise also owns the Canting Basin itself. Long-term potential plans for the site include a marina facility, a multi-purpose pontoon (for potential use by the River Festival or 'proms in the park'), or some kind of hotel development. A brief for the site has been prepared but is unlikely to be released until market conditions have improved.

On the other side of the river, a masterplan has been developed for the Queens Dock 2 area. The centrepiece of this masterplan is a new 12,500 seat arena. The estimated £125m cost of the Norman Foster designed arena is expected to be met in part through £25m from SE and £15m from GCC, while a large chunk (£40m) was anticipated to come from the receipt arising from the sale of the western part of the site to a private developer for a housing development. The developer is now struggling to raise the necessary finance, so this project has been temporarily on hold. However, the Scottish Government announced in January 2009 that, as part of its Budget Bill 2009/10, and to contribute to its Economic Recovery Plan, it intends to

bring forward spending on a number of key infrastructure projects across Scotland – including the SECC. The full details and implications are yet to emerge.

### The role of public sector intervention

The SECC/ Pacific Quay KCA has been the area that the public sector has influenced the greatest degree of control over. Indeed, Pacific Quay was originally acquired by the Glasgow Development Agency in the early 1990s in response to the fact that the city had no large scale sites available for city centre development. The creation of the Science Centre, with funding from the lottery, ERDF, and SE, was the first of many public sector led projects, while the SECC itself, although operating as a private company, is 95% owned by the City Council.

It is widely recognised that the relocation of the BBC would not have gone ahead without the new Clyde Arc Bridge (at Finneston Road) which was wholly funded by public sector partners. Moreover, without the BBC to act as anchor, the developers we have spoken to have made it clear that the notion of a Digital Media Quarter would not be viable. Thus the role of the public sector partners in developing this vision for the DMQ, in addition to gap-funding some of the ongoing office developments, has been critical in shaping the development of the area. Without this intervention, some development is likely to have happened in the area, but this is not likely to have involved high quality office space for specialist priority industries in our view.

The public sector is also playing a key, lead role in developing the masterplan for the SECC. Again, it is clear that without this, the area is likely to have come forward for some residential development, but the notion of the area expanding its role as an international venue would not move forward without the influence and funding of the public sector.

### Conclusions

Progress towards the vision for Pacific Quay and SECC is a long-term process. A minority of stakeholders perceive that progress has been slow, although the majority recognise that the pursuit of a high quality and specific vision for the KCA requires careful partnership working to create the necessary conditions for the vision to be realised.

The specific market failure that the public sector partners are addressing in this KCA is the need to enable the development of a specific market for specialist creative industries floorplate. Without intervention, the 'market' would not deliver this kind of development within a cohesiveness geographical area - development is likely to have occurred within PQ, but this would likely have focussed on general office and retail provision, and would not have created an environment for the creative industries. The rationale for intervention is thus a combination of imperfect information – in that developers do not have enough information to guarantee that they can make these developments profitable – and externality, in that the presence of high value digital media businesses can act as catalyst for the further development of the area, but these wider benefits do not accrue to the developer of the premises in question.

The intervention at SECC on the other hand can be seen as providing a type of 'public good' – specifically a largescale arena which the private sector in itself would not provide.

At Pacific Quay, the vision for a high quality digital media quarter is now being realised. The presence of major creative industries employers (BBC and SMG) on-site, together with the Glasgow School of Art's Digital Design Studios anchoring recently completed specialist accommodation, can act as the catalyst for the ongoing development of the DMQ. Recent announcements from the Scottish Government which include Fastlink in the list of Strategic Transport projects will, if they lead to formal funding approval and delivery, help to support development momentum in the area. Nonetheless, although there is some momentum now establishing itself, there is a good 10-15 years of development before the Vision is realised,

and the CWRI partners will need to maintain a clear focus and direction for Pacific Quay for the Vision to happen.

Relatively little has happened on the ground at SECC since the CWRI was established, although substantial amounts of pre-development activity (masterplanning and planning approvals) have been taken forward. However, the role of CWRI partners will be extremely important if the plans to further embed the area as an international venue are to be realised.

Pacific Quay and SECC are linked by road and two pedestrian bridges – synergies between the two areas are strong (the presence of the SECC was a factor in the BBC's decision to locate on the other side of the river) – and there is scope to further capitalise on these synergies in the future.

### **GREATER GOVAN AND GLASGOW HARBOUR**

#### **Vision**

The first phase of development in this KCA was underway prior to the Regeneration Plan being produced, which included 600 residential units at Glasgow Harbour. Additional plans for the KCA set out in the Plan included further residential development, one million square feet of commercial space and a retail/leisure scheme.

However, the Plan noted that these developments had to be well connected to the city centre, and also benefit local communities. To do this it was proposed that a new bridge would be built to link Glasgow Harbour with Govan. As well as public realm improvements and investment to promote local landmarks, a major infrastructure project to connect Glasgow Harbour with the Clydeside Expressway was also planned.

The CWRI Option Appraisal noted that major residential development at Glasgow Harbour was already underway, 'pushed by market demand'. Without intervention however, it was anticipated that office development in the area would be limited due to the competitive advantage of sites closer to the city centre. Govan itself would 'not benefit from this proximity to the major Glasgow Harbour project' without a bridge link, and would not secure new development beyond limited speculative residential development linked to Pacific Quay'.

#### **Progress**

Residential development at Glasgow Harbour has continued apace. Following on from earlier residential development by Cala and Bryant, the Dandara residential development, which has won architectural awards, saw completion in 2007 of Phase 1, consisting of 281 units which are fully occupied. Phase 2 is underway and due for completion in summer 2009, while phase 3 (a further 330 apartments) is likely to be put on hold given current market conditions.

The residential development is part of the wider masterplan for Glasgow Harbour, which aims to create 'a prestigious modern urban community where people can work, live, shop and relax, in the best location in Glasgow.' The masterplan, covering a 52 hectare area, has been developed and led by Glasgow Harbour/ Peel Holdings. The masterplan covers the area from the Clyde Tunnel in the west to SECC in the east. Residential development is focussed in the western part of the area. The central part of the site (west of the River Kelvin) will be developed for a range of leisure and retail uses – including the new Transport Museum (relocated from Partick centre and due for completion in 2011 at a total cost of £74m) and a major retail development. The eastern part of the site will consist of commercial uses.

Development in Govan has largely been led by a combination of the Glasgow Housing Association (such as the £10.5m development at Kintra Street), the Glasgow South West Regeneration Agency (including the development of a Govan Town Centre Action Plan) , and

Govan Workspace, all in close collaboration with Glasgow City Council<sup>9</sup>. A number of other projects led by the Housing Association are either underway or in the pipeline, but private sector interest in the area, while growing, remains limited relative to many other parts of the waterfront. Linthouse Housing Association has established the Linthouse Urban Village to foster community initiatives in the area. LUV's main intervention has been the Creative Shopfronts project, which was funded by SE to transform shop frontages in the area. The Council is also leading work to explore scope for where the various agencies in Govan can align budgets and activity to deliver more significant outcomes in Govan.

Development at Pacific Quay has not yet reached the stage where it is generating significant spin-out benefits for Govan (and some stakeholders perceive that this impact is likely to be limited in the near term given that some retail provision is being made at PQ). However, plans to develop Film City Glasgow, adjacent to Pacific Quay, are anticipated to act as the catalyst for spin-out benefits from Pacific Quay into the Govan area. A joint venture company called New City Vision was established to take forward plans for development at the Graving Docks. However, although a masterplan was developed, plans have yet to progress.

### The role of public sector intervention

Development at Glasgow Harbour has been largely private sector led in recent years, although the public sector played a key role at earlier stages in bringing land holdings to the development (pre-2003) and in funding some of the initial infrastructure issues through ERDF. More recently, Clydeport/ Peel Holdings has taken the lead role in developing the masterplan (in consultation with public sector partners), remediating the site and disposing plots to developers, and leading on the major infrastructure improvements to the Clydeside Expressway. The Council's commitment to and investment in the Riverside Museum – designed by Zaha Hadid – will become one of the centrepiece developments on the Clyde Waterfront, the iconic nature of which has the capacity to contribute to the waterfront's global reputation and appeal.

Scottish Enterprise has invested £10m – consisting of a £6m grant and a £4m interest free loan, to support infrastructure improvements to the site itself. The Options Appraisal for this £10m investment argues that, without this intervention, Glasgow Harbour will not develop into a fully mixed use development, and will not develop sufficient links to surrounding local communities. The appraisal claims that without intervention, only 300 net additional jobs would be created at Glasgow Harbour, whereas 12,000 would be created with public sector intervention (related to the development of commercial space).

In Govan, significant public sector investment by the Glasgow Housing Association, South West Regeneration Agency, City Council and others is beginning to create some momentum within the private sector for residential development, although private sector interest is not as high here as in other areas of the waterfront.

### Conclusions

The existing residential development at Glasgow Harbour is one of the most high-profile developments on the Clyde Waterfront. It is viewed positively as an example of private-sector led development on what was previously brownfield land; although there are some concerns among local communities in terms of architectural design and its ability to stand the test of time. This concern is not unusual and is an issue for many apartment dominated developments in UK cities. Indeed there has been significant investment in public realm at Glasgow Harbour, and the development has won a number of architectural awards.

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<sup>9</sup> A number of the regeneration projects implemented by these bodies are not recorded on the CWRI's project database – the impact of these projects has thus not been included within either BIGGAR's economic impact work or the impact work in this report.

There were a number of rationale for public intervention at Glasgow Harbour. One was to ensure that some office development takes place in what, without intervention, was likely to be a largely residential/ retail and leisure led development. This reflects a type of market failure, where the wider social benefits of providing office space, in terms of jobs for the local community, are not part of the developers' decision to maximise private profit – which is maximised by delivering retail and residential space rather than office premises. The other rationale was in terms of equity – i.e. to ensure that local communities are able to benefit from the opportunities arising. The public sector intervention is unlikely to have significantly influenced the scale of residential or retail development proposed at Glasgow Harbour – the impact is on quality and equity.

The wider Glasgow Harbour masterplan is at varying stages of completion. Local communities in both Glasgow and Clydebank are opposed to plans for major retail development, fearing that this, together with the relocation of the Transport Museum, could have serious repercussions for Partick town centre. To date, no commercial development has taken place, and only small-scale retail development has been completed. This, and the fact that the existing residential development is not perceived as yet being part of the surrounding Partick community, means that the anticipated benefits of SEs £10m investment remain to be realised<sup>10</sup>. Further intervention may be required to ensure both that office development takes place given the existing market position, and that surrounding communities can benefit from new employment opportunities as they arise. The Council's commitment to and investment in the Riverside Museum – designed by Zaha Hadid – will become one of the centrepiece developments on the Clyde Waterfront, the iconic nature of which has the capacity to contribute to the waterfront's global reputation and appeal.

The Option Appraisal made it clear that the Govan community would only benefit significantly from surrounding developments if a new bridge link was installed. Among stakeholders, there is a mix of views as to whether such a bridge link would represent good value for money, given that the Govan and Partick communities are currently linked through both the Underground and the Clyde Tunnel. In Govan, significant public sector investment by the Glasgow Housing Association, South West Regeneration Agency, City Council and others is beginning to create some momentum within the private sector for residential development, although private sector interest is not as high here as in other areas of the waterfront.

Stalled development at the Graving Docks has created some disillusionment among the local community, and it is likely to be some time before any spin-out benefits from either Pacific Quay or Glasgow Harbour make a real difference to market conditions in the area.

## RENFREW RIVERSIDE AND SCOTSTOUN

### Vision

The Renfrew, Riverside and Scotstoun KCA had already seen £350 million of retail investment in the form of the Braehead shopping centre when the CW Regeneration Plan (2004) was published. The Regeneration Plan recognised the need to enhance Braehead's connectedness to Renfrew and surrounding areas, and to reinforce and enhance existing links to the town centre.

The Regeneration Plan proposed that this would be achieved through creating a link between Braehead and Glasgow Airport, constructing a Light Rapid Transport Link to the city centre, and linking across the river to benefit the communities on the north. There would also be

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<sup>10</sup> We understand that SE made an earlier investment of another £10m to support pre-development activity at Glasgow Harbour, but this investment was made prior to the instigation of the CWRI and has not been subject of this evaluation.

public realm improvements around Braehead itself such as the development of public spaces and landmarks, as well as regenerating and decontaminating key sites to encourage the development of a more vibrant area.

The CWRI option appraisal makes clear that much retail and residential development was already in the pipeline, and the ambition for the Initiative was focussed on improving connectivity between various pockets of development activity.

### Progress

Renfrew Riverside was master planned as an urban extension to the town of Renfrew, creating a sustainable mix of residential, retail, leisure and community uses, together with appropriate infrastructure and high quality open space. The masterplan provides for the reclamation of some 75 ha of brownfield land immediately adjacent to the Clyde, with up to 2000 new residential units, 45,000 sqm of business space, 45,000 sq m of leisure space, a new 7 acre public park, riverside walkway and associated infrastructure works.

Braehead was the first phase of development, completed in late 1999. The second phase commenced in 2004 and concentrated on the implementation of infrastructure and the building out of a range of mixed uses, including:-

- Infrastructure works, including improvements in the capacity of the surrounding road network, Junction 26 of the M8 motorway and the widening of Kings Inch Road to four lanes, providing a bright, tree lined boulevard as the central spine of the development. Infrastructure works also included river engineering at the Pudzeoch Basin/Renfrew Harbour, ahead of future development.
- The iconic £70M Xscape leisure centre. The centre opened in April 2006, signalling a major milestone for the project.
- Completion of the 7 acre Clyde View Park and Riverside Walkway, a one mile long route along the south bank of the river.
- Completion of pedestrian and road linkages to Renfrew, ensuring that the new development is fully integrated with the existing community.
- The first and second phases of residential development at Ferry Village.
- Completion of Riverside Braehead, the 33,000 sq ft first phase of a business park in the heart of the development site.

Development of the Riverside area is continuing with the further build out of Ferry Village and the construction of community uses, including a new Police Station. No further retail development is proposed.

Renfrew town centre has been the subject of substantial works to refresh the public realm and reinforce linkages with the Riverside, at a cost of £4M. The works have involved large scale improvements to the public realm with the use of high quality materials, the creation of new public spaces and traffic management. The aim of the scheme has been to ensure that the town centre is a more attractive place to visit, live and work, and to ensure that the town benefits from the influx of population to the Riverside.

Improved linkages with Glasgow Airport are being considered in further phases of development to the west of the Renfrew Ferry. The Riverside area has been developed to enable the incorporation of Fastlink, should this be brought forward.

Scotstoun on the other side of the river has seen some relatively limited residential development.

### The role of public sector intervention

The £800m masterplan for Renfrew Riverside was developed by a public-private partnership involving Renfrewshire Council, Scottish Enterprise, Clydeport, and developers CSC and Park Lane. This informal partnership has been important in shaping the masterplan and developments that have taken place, but the vast bulk of development activity has been private sector led. This includes around £48m investment of enabling infrastructure works.

Public sector intervention is £4M for the public realm works at Renfrew town centre, comprising of £2M from SE and £1M each from ERDF and the Council., The public sector partners have also influenced the timing and quality of development through influencing the masterplan.

### Conclusions

The original Development Framework and Option Appraisal both recognise that a strong private sector market had delivered substantial new development at Braehead during the late 1990's and early 2000s. However, both documents also recognise the need for public sector intervention to integrate existing and planned development activity within the local economy, establishing links with Renfrew town centre and the waterside area. The rationale for intervention was thus the provision of public goods to ensure linkages between completed developments and existing communities.

However, activity in the area has continued apace. Phase 2 of Renfrew Riverside has seen further enhancements to the leisure and tourism offer in the area. Substantial public realm improvements have been made, to improve linkages from the Riverside area to both Renfrew town centre and the River Clyde. The momentum that existed in the area means that these developments have been largely private sector led, although the public sector partners have played an important role both in funding some of the 'linking' infrastructure, and in shaping the wider masterplans e.g. substantial public realm improvements have been made to improve linkages from the Riverside area to both Renfrew town centre and the River Clyde.

There is some concern among stakeholders and communities that the Braehead developments do not fit with the original aims of the Development Framework to create sustainable communities – partly because they are perceived as making smaller scale retail development in some communities less viable, and partly because some local communities do not feel that there is as diverse a range of employment in the area as there could be. However, it should be noted that the Renfrew Community Council itself was in general very positive about the development activity that is taking place, and the negative views about Braehead were largely made by community groups in other areas of the Clyde Waterfront.

## CLYDEBANK

### Vision

The Urban Regeneration Company (URC) *Clydebank re-Built*<sup>11</sup> had been tasked with driving forward the regeneration of Clydebank and capitalising on its waterfront sites' natural advantages (south facing and with views to greenbelt locations). To do this, the Plan set out three major projects:

- a mixed-use development at Queens Quay that would be linked to the town centre through high quality public realm improvements

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<sup>11</sup> Clydebank Re-built is a company limited by guarantee, founded by Scottish Enterprise and West Dunbartonshire Council, and is funded by the Council, SE and the Scottish Government.

- a medi-park that would be linked to the Golden Jubilee hospital and an additional learning campus; and
- enhancements to the existing railway and the development of the Yoker relief road that would help to open Clydebank up to further housing, leisure and employment opportunities.

The CWRI Options Appraisal stated that, without intervention, some residential development would take place at Queens Quay but there would be no speculative office development, and housing would develop in isolation from the town centre.

### Progress

The URC has been funded for the period 2002/3 to 2010/11. The focus for the URC has been the remediation of land adjacent to the waterfront, and some public realm activity in the town centre, with a view to linking the two development areas.

The relocation of Clydebank College from the town centre to the waterfront was complete in 2007. Although the £34m development (largely funded by Scottish Funding Council, with the balance from ERDF and sale of the town centre site for housing) has not led to the creation of new jobs (all displaced from the existing college), it was intended to act as the catalyst for the wider regeneration of the URC area.

Adjacent to the college, the Titan Enterprise building was complete in September 2008. It is aimed at starter businesses, and is currently around 40% occupied. Next to this, another 25,000 sq ft Enterprise building is on-site. The first phase of the John Knox workshops – aimed at local trades and small-scale manufacturing businesses - is complete, with the second phase on-site, and work is starting on a housing development including 40 social rented homes. Refurbishment of the Titan Crane to create a unique tourist attraction, and on-going work to improve riverside access, is beginning to create a mixed-use area the nature of which was alluded to in the original CW Vision.

### The role of public sector intervention

The public sector – through the Clydebank URC - has played a critical role in taking forward the vision in this Key Character Area. The URC – to which SE has committed £17.8m, while the Council has committed £11m, and the Government £18.8m – has led the masterplanning process in close consultation with the local community, and procured and funded the major land remediation, infrastructure, public realm, and commercial developments.

The CWRI itself has had an indirect role in developments at Clydebank, with the emphasis very much on publicising the major developments taking place. There is some divergence of views among stakeholders as to whether or not the Government would have committed to the establishment of a URC at Clydebank if the CWRI had not existed to provide a strategic framework within which the URC had a clearly defined role. For some stakeholders, the establishment of the CWRI was key in convincing the then Executive that the URC was part of a wider strategic regeneration plan for the Clyde Waterfront; although the URC themselves are not supportive of this view, arguing that the URC was in place before the Initiative.

### Conclusions

The development programme led by the URC is generally viewed very positively by stakeholders, who see it as being 'in scale' with the surrounding area. There is also recognition that much of the work to link the new riverside sites to the town centre, and to establish improved waterfront footpaths, remains to be delivered, but even local communities recognise that this is a long-term process towards which good progress is being made.

The market failure that intervention in Clydebank seeks to address is around the failure of the market to be in a position to remediate brownfield land as part of a coordinated masterplan for the area, i.e. the rationale is to address externalities in the remediation of brownfield land. Without public sector intervention, it is unlikely that any remediation and waterfront development would have occurred. There is now evidence that the public sector-led activity is creating a viable market, with some private sector office development now taking place at Carus House, although the developers here perceive that continued public sector intervention is threatening the viability of this, by 'swamping the market'.

The current market conditions are now challenging delivery, especially around some of the affordable housing elements of the URC's masterplan. Nonetheless, there is widespread recognition that this is a long-term masterplan, and in the long-term there are significant opportunities moving west towards Bowling, including Hospital Gate, Carless, and the Exon site.

### **ERSKINE AND OLD KILPATRICK**

#### **Vision**

The Vision for Erskine and Old Kilpatrick established within the Regeneration Plan (2004) was seen as more long term and focused on enhancing its already attractive residential qualities. There was a recognition that in Erskine, the need for re-development was not as pressing as in other areas along the Clyde but that in the future a new town centre could be created that would knit existing buildings into an enhanced network of streets and public spaces. In Old Kilpatrick, it was recognised that the area had significant potential for residential development and business use. For both areas, it was proposed that new links to both banks of the river would be created to make the most of the riverside for residents and business.

The CWRI Options appraisal states that, without the market confidence of all transport aspects of the CWRI there would be some residential development in the area but limited development of other use types.

#### **Progress**

Erskine and Old Kilpatrick have not been the focus for any major development activity in recent years, although a masterplan has been developed for Erksine. This focuses on how to integrate the town better with the riverside, and features various small scale leisure uses. It aims to provide a 'refreshed' rather than a new town centre, to provide an enhanced network of streets and public spaces, but also enhance the provision of retail and community facilities, with improved use of the river.

#### **Conclusions**

Following the extension of the CWRI area in 2008 to include Dumbarton, Erskine and Old Kilpatrick have now been amalgamated into different KCAs. Erskine is included in Clydebank, while Old Kilpatrick is included in the new KCA 'Old Kilpatrick and Dumbarton.'

#### **Overall progress**

Recognising that only five years of a 15-20 year development programme have elapsed, most stakeholders feel that positive progress is being made towards achieving the original Vision. There is a sense that we are beginning to see the emergence of a number of distinctive 'character' areas along the waterfront. In some KCAs, the scale of development has been significant, while others offer long-term potential to support and drive key priority industries.

The stakeholders in the CWRI, working with the private sector, and building on earlier public sector investment and positive economic conditions have secured an exceptional level of new development and investment, with a significant employment impact. These can be summarised as:

- **Glasgow City Centre:** The establishment of the International Financial Services District, which successfully competes with premier locations elsewhere in the UK and internationally. Significant investment over a long time period by the CWRI partners has acted as the catalyst to enable the area to become largely private sector driven in recent years. The key challenge for the area in the immediate term is to complete the ongoing public realm works alongside the river, with a view to enabling the waterfront to develop as a focal point for more recreational and leisure activity, and to support the area in becoming 'vibrant'.
- **Pacific Quay and SECC:** Pacific Quay has seen the development of the headquarters of Scottish Media Group (in 2006), units occupied by the Scottish Criminal Records office, XFM and Buro Happold, while the relocation of BBC Scotland to Pacific Quay is now acting as the anchor for the development of a Digital Media Quarter, which includes the completed Medius building developed by Pacific Property Partners, and the Hub, due for completion in February 2009. This area is now developing as a key location of digital industries, driven by the vision and enabling interventions (gap funding) by the public sector partners. On the other side of the river, a masterplan for the Queens Dock 2 area envisages a new 12,500 seat arena, with the estimated £125m cost of the Norman Foster designed arena expected to be met in part through £25m from SE and £15m from GCC – and the Scottish Government announced in its Budget Bill 2009/10 the bringing forward of additional funds to support this.
- **Greater Govan and Glasgow Harbour** The existing residential development at Glasgow Harbour is one of the most high-profile developments on the Clyde Waterfront. Public sector intervention in bringing land to the table and supporting infrastructure investment played a key role in unlocking the site, and getting it to a position where it could be taken forward by the private sector.
- Further public sector intervention has been designed to ensure that some office development takes place in what, without post-enabling intervention, was likely to be a largely residential/ retail and leisure led development. The Council's commitment to and investment in the Riverside Museum – due for completion in 2011 at a total cost of £74m – will become one of the centrepiece developments on the Clyde Waterfront, the iconic nature of which has the capacity to contribute to the waterfront's global reputation and appeal.
- In Govan, significant public sector investment by the Glasgow Housing Association, South West Regeneration Agency, City Council and others is focussed on creating opportunities for local people, and is beginning to create some momentum within the private sector for residential development, although private sector interest is not as high here as in other areas of the waterfront.
- **Renfrew Riverside and Scotstoun** The creation of an urban extension to the town of Renfrew commenced with the development of Braehead shopping centre in 1999, but has since made significant progress through development of a range of mixed uses including Xscape (creating 800 new jobs), offices, hotels and major residential development, all close to the waterfront. High quality public realm, including a new public park and Riverside walkway, has also been implemented as part of the masterplan for the area. Public sector intervention has focussed on establishing and

improving linkages between the Riverside area, Renfrew and its town centre, in order that local communities benefit from opportunities created through the strongly performing private sector market within the area.

- **Clydebank** The Urban Regeneration Company (URC) *Clydebank re-Built* is developing a mixed-use development at Queens Quay that would be linked to the town centre through high quality public realm improvements; a medi-park that would be linked to the Golden Jubilee hospital and an additional learning campus; and enhancements to the existing railway and the development of the Yoker relief road that would help to open Clydebank up to further housing, leisure and employment opportunities. The relocation of Clydebank College from the town centre to the waterfront was complete in 2007. Although the £34m development (largely funded by SFC, with the balance from ERDF and sale of the town centre site for housing) is intended to act as the catalyst for the wider regeneration of the URC area.

### Issues

**Transport infrastructure and connectivity-** a key justification for the Initiative was the need to develop a more integrated, Clyde-wide transport infrastructure; many of the anticipated benefits of the CWRI are predicated on the adoption of a fixed transport link. Many stakeholders have been frustrated at a perceived lack of progress on Fastlink. However, Government announcements in December 2008 indicate that Fastlink has been prioritised within the Strategic Transport Review (STR), although the precise timescales and routing issues remain to be addressed. The Clyde Arc and Tradeston Footbridge provide examples of improved transport infrastructure and connectivity.

**Local benefits:** There is a desire to see new development delivering more benefits to local communities, and a belief that more needs to be done in this area. Stakeholders are aware that this element is one of the 4 key objectives of the initiative and now that significant development has occurred, developments 'knit' into local communities. There are some questions as to whether the Initiative as an organisation is best placed to deliver these community benefits, given its limited budget, powers and authority and these are discussed in subsequent sections.

**Balance of investment:** There are some areas where, although overall development activity has been rapid, some stakeholders feel that some development is not entirely in keeping with the original vision for the CW. In some areas, progress to date has been driven by large scale retail and residential apartment development which risks – according to some – being 'out of kilter' with the vision of creating sustainable local communities. This is a common criticism of largescale regeneration schemes throughout the UK. It is important to note however that this is not a criticism of the entire Clyde Waterfront area – there are some areas where development has been led by education/ community developments (i.e. Clydebank), and areas that offer specialist priority industry accommodation (e.g. IFSD and DMQ).

**Quality and design:** There has also been a question mark raised by some as to whether the design quality of some of the private sector led developments has been as high as the CW Regeneration Plan called for. This is a very subjective issue, and is perhaps most clearly demonstrated by Glasgow Harbour – seen by its detractors as a 'lost opportunity' that may not stand the test of time, while its supporters hold up as an example of a successful development that has been largely private sector led – and which has won a number of architectural awards. While the Initiative does not have any specific 'powers' in relation to design quality, a key objective of the Initiative at the outset was to seek to influence design issues to an extent.

**Using the waterfront:** Linked to both the preceding points, there is also a view that, while Clyde Waterfront development has been rapid, there are not yet many examples of where the waterfront is acting as a focal point and draw for local communities and visitors alike. Although significant progress continues to be made in river walkways and paths and in public realm lighting strategies alongside the river, it remains a key consideration for all partners, (for example, the strategic nature of public access to the waterfront has been at the forefront of planning and redevelopment within Glasgow City Council for over 30 years, driven in part by a Clyde User Group and a Clyde Water Safety Group), it is felt that there is still a long way to go before all of the waterfront could be described as being 'vibrant and active', drawing footfall from other areas. In part this is also because there is still little activity on the river itself, and many feel that this should be a key area of focus for the Initiative going forward.

Despite these issues, progress overall is seen to be very positive. The Clyde Waterfront is starting to look like the 'big picture' that was envisaged. There have been some key successes, including the IFSD which has taken off as a key cluster for financial service sector growth, development at Clydebank which is viewed positively and 'in scale', Pacific Quay which is seen as offering exciting potential as a media-based quarter, and Renfrew Riverside which is seen to integrate well with the riverside environment.

However, there is still much to do to ensure that current developments form an integral part of the vision for each KCA, that communities are able to benefit from developments, that quality is upheld and maintained, and that the river itself plays a more involved role in acting as a focus for development and activity. From this point of view, the original rationale for the CWRI remains valid.

## ECONOMIC IMPACTS

### Introduction and Approach

This section describes our approach to assessing the economic impacts of the CWRI from its establishment in 2003 to June 2008, and our indicative results. Our approach is consistent and commensurate with Scottish Enterprise's Additionality Guidance. There are three key stages to assessing the economic impact of the CWRI:

- First, calculate the gross impacts of the Initiative (i.e. the total impacts associated with all development that has taken place within the Clyde Waterfront area between 2003-8);
- Second, adjust these gross estimates for displacement, leakage, substitution and multipliers to give an estimate of the net impacts of the Initiative;
- Third, assess the additionality of the Initiative itself – that is to say, assess what proportion of the net impacts have come about as a direct result of the work and activity of the CWRI. This is what we term the 'net additionality' of the Initiative.

We now describe each of these stages in turn.

### Calculating Gross Impacts

Our starting point for calculating the gross impacts of the Initiative has been the BIGGAR Economics model which was produced for the Initiative in 2005 and updated in 2008. The BIGGAR model is in essence a largescale mapping exercise. It maps all physical development activity that has taken place in the Clyde Waterfront area between 2003 and 2008 (based on the Initiative's own development database which all partners provide direct input to), and, by applying standard employment density assumptions; it estimates the level of gross employment supported by these developments.

BIGGAR's model is informed by the CWRI Partners, but our first task has been to verify and update BIGGAR's 2008 model based on the latest research and the results of our consultations during the course of our evaluation. Our changes to BIGGAR's estimates, and the justification for making these changes, is shown in the table 5.1 below.

**Table 5.1: Adjusting BIGGAR (2008) gross impacts achieved (2003-8)**

Site/ development	BIGGAR Assumption	GEN adjustment	Rationale/source
St Enoch	Assume that 55,000 sq m retail extension is complete	Assume 50% jobs on-site - completion 2009	Discussion with GCC
IFSD	3,700 jobs created within new IFSD development	An additional 2,999 jobs, i.e. 6,726 in total	Results of a largescale telephone survey of IFSD business*
BBC, Pacific Quay	Assume 1,300 employees	Adjusted to 1,000	BBC
Pacific Quay	Assume 6400sqm retail development to date	Adjusted to 1,400sqm	SE
SECC	Assume 30,000sqm office and 37,000sqm retail has been completed	Adjusted to 9,000sqm office and 4,000sqm retail to reflect development in area surrounding SECC	SE
Glasgow Harbour	Assume 5,000sqm offices complete	Adjusted to zero offices complete to date	Clydeport/ Dandara
Glasgow Harbour	Assume 17,000sqm retail complete to date	Adjusted to 2,600	Clydeport/ Dandara
Renfrew Riverside	Assume 28,000sqm office and zero industrial	Adjusted to 6,200sqm office and 8,000sqm industrial	Park Lane/ Renfrewshire Council
Renfrew Riverside	Assume 2,234 residential units	Adjusted to 355 units	Park Lane/ Renfrewshire Council
Clydebank (JKS, Titan Enterprise and Carus House)	Assume 2 jobs in industrial premises and 452 in office	Adjusted to 80 industrial and 100 office	Clydebank URC and developer

\* IFSD Review 2008 Update. EKOS report for SE, September 2008

The impacts of these changes, in terms of gross impact, are shown in table 5.2 below.

- In Glasgow City Centre, the total area of commercial floorspace has been revised downwards somewhat to account for the speed of retail development in the area, particularly the St Enoch shopping centre, and this has a knock-on effect on total gross employment.
- In IFSD, the number of gross jobs created has been revised up by 3,000, reflecting recent research for SE which involved a largescale telephone survey of IFSD businesses to ascertain employment change. We mapped the results of this work onto the developments within the BIGGAR model.
- In Pacific Quay and SECC, the area of commercial floorspace has been revised downwards quite significantly, based on the level of retail development that has taken place at Pacific Quay to date, and the level of retail and office development at SECC, and this has the effect of reducing the total number of gross new jobs created in this KCA from 7,500 to 4,000.
- The area of commercial floorspace developed to date at Glasgow Harbour has been revised downwards to reflect the fact that all office development and most retail development is yet to take place. This has the effect of reducing total jobs created to 300, from 1,500 under the BIGGAR model.
- At Renfrew Riverside/ Scotstoun, the level of commercial floorspace and residential units that were completed during the 2003-8 period has been revised downwards following consultation with developers and the local authority; this has the effect of reducing total jobs created in the KCA to 1,100 (from 2,300).

- At Clydebank, the area of commercial floorspace has again been adjusted downwards in consultation with developers, the local authority and the URC – with the implication that total jobs created fell from 1,100 to 900.

The total effect is to have reduced the level of commercial floorspace created between 2003-8 from 392,000 to 267,000, to reduce the number of residential units created from 7,800 to 5,900, and to reduce the total employment created from 21,000 to 17,000.

**Table 5.2: Gross development in the Clyde Waterfront 2003-8: comparing BIGGAR and GEN estimates**

Gross Comparison	Commercial Floorspace		Residential units		Employment	
	BiGGAR 2008	GEN 2008	BiGGAR 2008	GEN 2008	BiGGAR 2008	GEN 2008
Glasgow City Centre	171,018	143,624	2,034	2,034	8,788	10,418
Pacific Quay and SECC	150,902	91,348	923	923	7,473	4,092
Govan and Glasgow Harbour	24,961	5,236	1,652	1,652	1,571	288
Renfrew and Scotstoun	28,697	14,201	2,667	730	2,294	1,104
Clydebank	16,309	12,897	557	557	1,142	895
Erskine and Old Kilpatrick	-	-	-	-	-	-
<b>Total</b>	<b>391,888</b>	<b>267,306</b>	<b>7,833</b>	<b>5,896</b>	<b>21,270</b>	<b>16,796</b>

Source: Biggar 2008/ GEN Analysis

The value of private sector investments associated with these developments is around £1.1 billion, which is significant in the context of £50m investment from SE and £307m investment from wider partners in infrastructure, public realm, housing, and land remediation<sup>12</sup>. SE allocated investment in the Clyde Waterfront is shown in the table 5.3 below.

**Table 5.3: Scottish Enterprise spend on Clyde Waterfront programmes (£ million)**

	Approval	legal	Previous spend	2008/09	2009/10	2010/11
Merchant City	£5.74	£4.00	£1.00	£0.88	£2.16	£1.64
IFSD	£12.00	£10.00	£3.00	£3.00	£4.00	£1.00
SECC	£25.00	£0.00	£0.00	£3.78	£5.05	£12.09
Pacific Quay	£24.00	£20.00	£19.00	£2.33	£3.25	£0.26
Glasgow Harbour	£10.00	£10.00	£10.00	£0.00	£0.00	£0.00
Central Govan	£1.99	£0.50	£0.30	£0.20	£0.00	£0.00
Renfrew Riverside	£7.60	£1.80	£1.40	£0.40	£0.00	£0.00
Clydebank Re-built	£17.60	£14.00	£12.60	£1.50	£2.00	£2.00
Partnership Board	£4.70	£4.70	£2.70	£0.48	£0.49	£0.50
<b>TOTAL</b>	<b>£109.01</b>	<b>£65.00</b>	<b>£50.00</b>	<b>£12.57</b>	<b>£16.95</b>	<b>£17.49</b>

Source: Scottish Enterprise

### Displacement, leakage, multipliers and GVA multipliers

Both the original Clyde Waterfront Appraisal (Roger Tym, 2003) and the BIGGAR economic model (2005 and 2008) make broadly consistent assumptions about displacement (by development type and location), and leakage, multipliers and GVA multipliers (by development type). We appraised these assumptions on displacement, leakage, multipliers and GVA per employee:

<sup>12</sup> The private sector investment figure is calculated by applying cost multipliers to the development quantum; the investment figure for wider public sector investment was adjusted from BIGGAR's estimate (specifically, by removing the £110m investment in Fastlink that BIGGAR had assumed complete).

- Assumptions on displacement were largely retained, representing standard assumptions that can be upheld through evidence collated during the research<sup>13</sup> - displacement was reduced slightly from 70% to 50% for IFSD, reflecting the specialised nature of the cluster and the success in attracting a high proportion of inward investing companies;
- Assumptions on employment and GVA multipliers were recalculated for each development type, based on the latest Input-Output tables for Scotland.
- Figures for leakage from office developments in central Glasgow were increased from 5% to 7% based on information from the business survey (which revealed that, among surveyed businesses, 10% of staff are based outside the Glasgow conurbation);

### Assessing additionality

The next stage is to assess the additionality of the CWRI – including the investment and activity of the Initiative’s partners – for each major development type in each major development area of each KCA.

The assessment of additionality of the Initiative is complicated for several reasons. Unlike the assessment of additionality of a business support programme, where the impact of one intervention on a specific beneficiary can be directly ascertained through survey responses, the assessment of additionality of regeneration programmes is complicated by the fact that interventions impact indirectly on a variety of different beneficiaries in different ways and at different scales. In the case of the CWRI, the analysis is further complicated given:

- The wide geography of the area, across which market conditions and the level of intervention varies markedly;
- The long time period over which interventions have been implemented;
- The diversity of intervention types implemented (ranging from flood stabilisation through to transport infrastructure, and public realm through to community development).

Consequently, any assessment of the additionality of the initiative has to draw on a range of different evidence types. Specifically, our assessment of additionality has been arrived at through a combination of:

- The results of developer consultations, which asked developers about the role that both direct and indirect (public realm etc) intervention has played in influencing particular developments and acting as a ‘catalyst’;
- The results from the business survey<sup>14</sup> which asked businesses about the role of various types of public sector activity in influencing their location and expansion decisions;
- The level of public sector intervention in the area relative to private sector investment;

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<sup>13</sup> Commensurate with Scottish Enterprise Additionality Guidance, displacement varies by development type and development area. For retail, displacement tends to be high (80-85%) reflecting research; displacement for office developments tends to be lower, especially in areas such as IFSD and Pacific Quay where the offer is of a specialised/ unique nature, although the displacement of some specific developments, such as BBC is high given that this was a relocation within Glasgow. Also commensurate with guidance, displacement is higher at Scotland level than at Glasgow level. Displacement is not calculated for residential.

<sup>14</sup> The full results of the survey are presented in Annex 3; in this section we highlight key findings of the survey of relevance to the additionality issue.

- Consultation with other stakeholders
- Additionality guidance and published 'ready reckoners'; and
- Evidence of additionality presented in the 2004 Roger Tym appraisal of the CWRI.

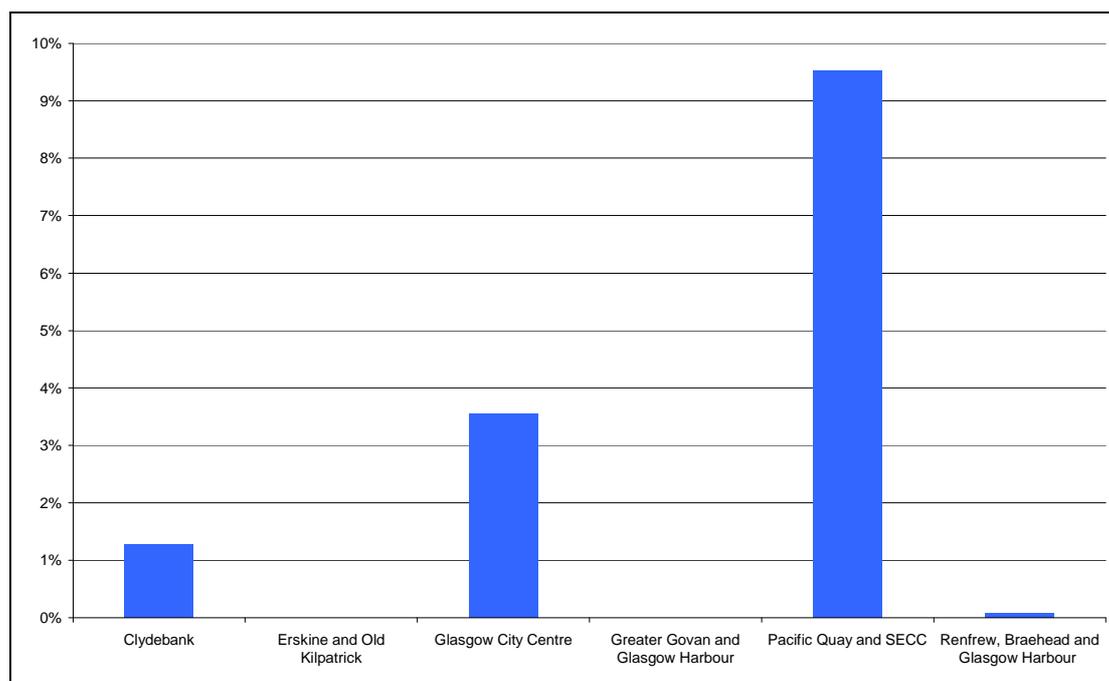
The main message is thus that the assessment of additionality is objective, but based on a variety of quantitative and qualitative evidence collated during the evaluation, as well as existing published research.

Some of the quantitative evidence is summarised briefly here. Table 5.4 below shows the results of questions in the business survey which asked businesses about how different their turnover would be in the absence of regeneration activity. This shows that the turnover additionality of regeneration activity is significantly higher in Pacific Quay and SECC (around 9% of total turnover) than in other areas. Turnover additionality was around 3% of total turnover in Glasgow City Centre and 1% in Clydebank, while it was zero in the other KCAs. Although these additionality factors seem low, we would argue that they are not low in the context of the wide geography of the Initiative, the timescale of intervention, and the diversity of activity pursued.

Table 5.5 shows a similar set of information for employment additionality. Again, additionality is highest in Pacific Quay and SECC (with regeneration activity in its broadest sense accounting for around 7% of employment), although there is more balance in additionality across the other KCAs – in part this reflects a higher response rate to the employment additionality question relative to the turnover question.

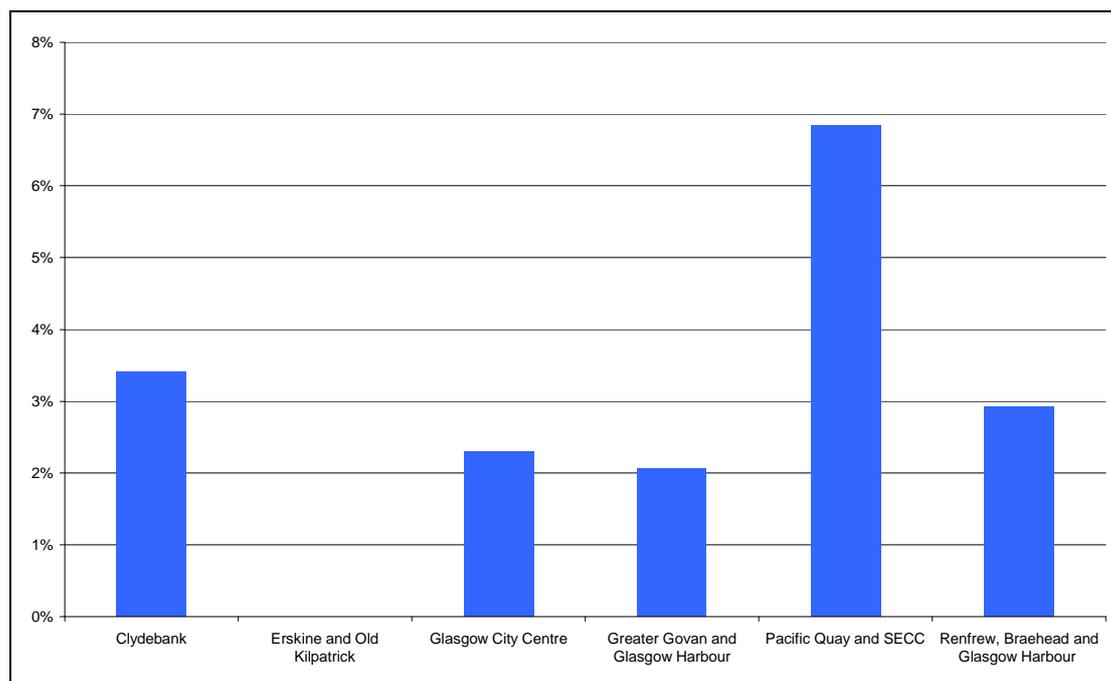
The major caveat with this analysis is that it is based on the responses given by 76 businesses. Although this response rate is relatively high within the context of the 252 Account and Client Managed companies within the Clyde Waterfront area (from which the bulk of the sample was drawn), it is not sufficient to allow results to be considered statistically significant at the KCA level.

**Table 5.4: Turnover additionality of regeneration activity by KCA**



Source: GEN Analysis

**Table 5.5: Employment additionality of regeneration activity by KCA**



Source: GEN Analysis

In terms of further evidence, table 5.6 below summarises the results of the consultations with developers. These consultations asked developers about the significance of public sector intervention in influencing the scale, type or quality of development. The table summarises the responses in each KCA according broadly to whether the additionality of public sector intervention, both directly and indirectly (through public realm, infrastructure, etc) was perceived as being low, medium or high. The results of these consultations forms one element of our assessment of additionality, in conjunction with the evidence from other sources.

**Table 5.6: Developers Assessment of Additionality of Public Sector Intervention**

	Low	Medium	High
Glasgow City Centre	✓✓	✓	
Pacific Quay/ SECC	✓	✓✓	✓
Greater Govan/ Glasgow Harbour	✓		✓
Clydebank	✓		
Refrew Riverside and Scotstoun	✓		
Erskine and Old Kilpatrick			

Source: GEN Analysis

On the basis of the quantitative and qualitative evidence collated, we are in a position to assess the additionality of the Initiative. The broad results of this assessment, together with justification, are shown in the table below – specific deadweight figures *for each development type* are available in the economic model which is available as an excel spreadsheet.

**Table 5.7: Deadweight assumption and rationale**

Development sites	Deadweight assumption	Rationale
Merchant City	High, 75-80% depending on development type	Private sector led; buoyant market
Tradeston & Living Bridge	Medium, 40-60% depending on development type.	Importance of long-term, public sector led vision for the area in making development viable
Atlantic Quay/ IFSD	High, 75-85% depending on development type.	Based on private sector led nature of activity, but reflecting public sector role in IFSD marketing and public realm work
Gorbals/Laurieston	Low (25%) for residential; medium (50%) for retail and hotel	Low figure for residential reflects dominance of Housing Association activity
Pacific Quay	Very low and low (20-25%) for office and digital media developments (including BBC); medium for other development types	The figures for office/ digital media developments reflect the public sector role in shaping the vision, marketing, gap funding of key developments and securing BBC; the medium assumption for other development types reflects that some development would take place, albeit at a lower scale (and different quality)
SECC (Finnieston/ Anderston)	High (65-75%) for residential and retail development given strength of market demand; medium (50%) for offices; zero for SECC Arena	High for residential and retail development given strength of market demand; medium (50%) for offices given competition from surrounding sites and the public sector role in site remediation; zero for SECC Arena reflects fact that it is being largely public sector funded
Govan	Low (35%) for office; medium for other types of development	This reflects relatively weak demand, and role of public sector in making sites available
Glasgow Harbour	High for all development types other than office (low, 10%) and Transport Museum (low, 25%)	This reflects the fact that development has been private sector led, but that office development required gap funding and transport museum is public sector driven
Dumbarton Road	High (75%)	Residential; no direct intervention
Renfrew Riverside	High (75-80%) for all development types.	This reflects the private sector-led nature of development
Clydebank	Low (20-25%) for offices and industrial; medium (40%) for leisure and residential; zero for College and Titan Crane	This reflects the criticality of public sector investment in masterplanning and land remediation and gap funding to enable most development types to happen, but recognises that some residential and retail development may have taken place through private development without intervention
Erskine	High	Reflecting the very limited level of public sector intervention to date.

Source: GEN Analysis

### Economic impacts by KCA

Combining the estimates of gross impact with our estimates of displacement, leakage, multipliers, and additionality we are now in a position to present the economic impacts of the CWRI.

The following Table 5.8 shows gross to net calculations for employment<sup>15</sup>. The figures show the total (i.e. cumulative) employment impact between 2003-8.

**Table 5.8: Gross to net calculation for employment (FTE, 2003-8)**

Employment	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	10,418	7,619	2,258	8,698	2,556
Pacific Quay and SECC	4,092	2,932	2,138	3,341	2,446
Govan and Glasgow Harbour	288	36	18	89	38
Renfrew and Scotstoun	1,104	789	138	984	181
Clydebank	895	169	99	259	141
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>16,796</b>	<b>11,545</b>	<b>4,652</b>	<b>13,371</b>	<b>5,362</b>

Source: GEN Analysis

Tables 5.9, 5.10 and 5.11 show gross to net calculations for office, industrial and retail floorspace (sq m) respectively.

**Table 5.9: Gross to net calculation: office floorspace (sqm, 2003-8)**

Office floorspace	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	87,191	80,958	24,226	96,903	29,009
Pacific Quay and SECC	86,253	60,731	45,052	75,052	56,118
Govan and Glasgow Harbour	2,446	465	302	930	605
Renfrew and Scotstoun	6,201	1,179	295	2,948	737
Clydebank	2,250	1,283	963	1,711	1,283
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>184,341</b>	<b>144,618</b>	<b>70,837</b>	<b>177,544</b>	<b>87,752</b>

Source: GEN Analysis

**Table 5.10: Gross to net calculation: industrial floorspace (sqm, 2003-8)**

Industrial floorspace	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	-	-	-	-	-
Pacific Quay and SECC	-	-	-	-	-
Govan and Glasgow Harbour	-	-	-	-	-
Renfrew and Scotstoun	8,000	4,610	1,153	6,586	1,647
Clydebank	3,000	1,729	1,210	2,470	1,729
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>11,000</b>	<b>6,339</b>	<b>2,363</b>	<b>9,056</b>	<b>3,376</b>

Source: GEN Analysis

**Table 5.11: Gross to net calculation: retail floorspace (sqm, 2003-8)**

Retail floorspace	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	56,433	9,984	2,521	15,280	3,592
Pacific Quay and SECC	5,094	936	371	1,510	562
Govan and Glasgow Harbour	2,790	192	22	728	79
Renfrew and Scotstoun	-	-	-	-	-
Clydebank	7,647	997	249	1,995	499
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>71,964</b>	<b>12,110</b>	<b>3,165</b>	<b>19,513</b>	<b>4,731</b>

Source: GEN Analysis

<sup>15</sup> In this analysis, 'net' figures incorporate deadweight, while 'net additional' incorporate deadweight, displacement, leakage and multipliers.

Table 5.12 shows gross to net calculations for GVA (£).

**Table 5.12: Gross to net calculation for GVA (£ per annum)**

GVA	GEN gross	GEN net	GEN net additional	GEN net	GEN net additional
		Scotland	Scotland	Glasgow	Glasgow
Glasgow City Centre	461,065,005	369,252,805	110,351,734	417,891,274	124,266,937
Pacific Quay and SECC	201,745,689	147,589,466	108,268,286	168,085,909	123,956,846
Govan and Glasgow Harbour	10,302,872	1,539,854	835,554	3,567,981	1,719,935
Renfrew and Scotstoun	38,120,043	19,739,811	4,063,407	28,023,811	6,053,778
Clydebank	21,352,028	7,827,855	4,975,757	11,499,341	6,919,276
Erskine and Old Kilpatrick	-	-	-	-	-
<b>Total</b>	<b>732,585,636</b>	<b>545,949,791</b>	<b>228,494,738</b>	<b>629,068,316</b>	<b>262,916,772</b>

Source: GEN Analysis

## Conclusions

Between 2003-8, development within the Clyde Waterfront area has been substantial. Some 267,000 sqm of commercial floorspace has been developed, which is 67% higher than the original Clyde Waterfront Appraisal (Roger Tym, 2003), anticipated would have been developed by this stage of the programme. This development supports almost 17,000 gross new jobs in the Clyde Waterfront area between 2003-8, which is 233% higher than forecast would have been delivered. Around 5,900 residential units have been delivered, slightly below the anticipated level of 6,400, although a large number of residential units are forecast for completion during 2009.

The reason for this strong performance is largely down to a particularly buoyant private sector market in recent years, particularly within Glasgow City Centre which accounts for 10,000 of the gross new jobs, and Pacific Quay, which accounts for some 4,000 of the gross new jobs. The city centre performance has been driven by the success of the IFSD, which had already gained strong momentum by 2003 and has continued to develop strongly since.

The estimated value of private sector investment associated with these developments is £1.1 billion, compared to anticipated private sector investment by this stage of £870m. This investment is significant in the context of SE's investment of £55m and investment of some £307m by wider partners in infrastructure, public realm, housing, and land remediation.

The net additional impact of the Initiative (i.e. the proportion of the gross impacts that can be attributed to the activity of the Initiative) has also significantly surpassed its targets. The net additional impact of the Initiative has been to create 76,000 sqm commercial floorspace (27% above the forecast net additional impact that would have been delivered by this point). In employment terms, the net additionality of the Initiative has been to create 4,650 new jobs, which is around twice as much as was anticipated at the time of the original appraisal.

Glasgow City Centre and Pacific Quay again account for a large proportion of the net additional jobs. In Glasgow City Centre, the additionality of the initiative has been relatively lower, as much of the recent development activity has been private sector led (notwithstanding the role of the public sector in establishing the IFSD prior to 2003, and the public sector's ongoing role in taking forward infrastructure and public realm projects in this area); while displacement has been lower given the significant number of inward investing companies. In Pacific Quay on the other hand, the additionality of the initiative has been higher, reflecting its role in establishing the conditions and directly influencing the development of a Digital Media Quarter, although displacement is relatively higher for some developments (notably BBC and SMG) which have relocated to the area from elsewhere in Glasgow. In absolute terms, the number of gross and net additional jobs in other KCAs is relatively lower, although it is significant in the context of the local communities.

The original Clyde Waterfront Appraisal (2003) made clear that it would be in the period after 2008 that the net additionality of the Initiative would really begin to make itself felt – as major initiative projects, such as Fastlink and the Tradeston Bridge, become realised. While the current economic climate is likely to slow the scale of development of the next few years (and the specific implications of the recession are discussed later in this report), we would expect the net additional impacts of the initiative to have increased at the time of the following Interim Evaluation.

Table 5.13 below compares the forecast and actual gross and net impacts of the Initiative.

**Table 5.13: Forecast and achieved gross and net impacts, 2003-8**

	Forecast gross impacts	Actual gross impacts	Forecast additional impacts	Actual (net) additional impact
Floorspace (sqm)	159,838	267,000	59,571	76,365
Housing units	6,431	5,900	1,040	2,234
Employment	7,205	16,800	2,314	4,652

Source: Roger Tym 2003/ GEN Analysis

A potential limitation of the analysis presented here is that, common to other economic impact studies of this type, we have implicitly assumed that all new commercial floorspace is occupied at standard densities. In reality, some premises may be utilised more intensively, while others may be under-utilised to some extent. For the IFSD area, we have been able to verify our assumptions of gross jobs created in Clyde Waterfront developments by cross-referencing our estimates with primary survey work undertaken for SE. In other areas, we have been able to verify employment in some of the major developments (BBC, Clydebank College, Clydebank URC commercial premises), although in the majority of cases our analysis relies on standard employment density assumptions.

## ROLE OF THE CWRI AND STRATEGIC ADDED VALUE

The preceding two chapters have shown that there has been substantial progress towards achieving the vision for the Clyde Waterfront, and that the economic impact of the Initiative's partners has been significant. This section of the report considers what role the Initiative itself – often referred to by stakeholders as the Clyde Waterfront Partnership – has played in influencing the scale, timing or quality of development, and the Strategic Added Value of the Partnership<sup>16</sup>.

### Establishment of the CWRI

It is important to recognise that, by the time discussions got underway regarding the establishment of the Clyde Waterfront Regeneration Initiative, waterfront development activity was well underway, and the Clyde Waterfront had been identified as a national regeneration priority. Local authorities, in conjunction with their respective LECs, (Local Enterprise Companies) were overseeing and in some cases leading significant regeneration within their patches, often overseen by partnerships – there was a Clyde Officers Working Group at GCC for example. Additional momentum for establishing the CWRI came from the then Scottish Executive and Scottish Enterprise (National), who led the setting up of the Clyde Waterfront Working Group (chaired by Scottish Enterprise).

### Evolution of the Partnership Role

The Vision and Rationale for the CWRI was ambitious and high-profile. It had a clear remit to coordinate development activity within the CW area, and to 'add-value' to what individual partners could deliver in isolation. Given the limited funding for CWRI as an entity and the lack of statutory or regulatory powers a number of partners and stakeholders initially struggled to understand its role and focus.

Initially, the CWRI, was seen as an effective information gathering and sharing forum which enabled partners to develop and share ideas regarding Clydeside developments and initiatives. However, the loss of the independent Chair resulted in a period of inactivity and loss of focus. This resulted in further confusion - and even disagreement - among partners and stakeholders about what the purpose and role of the partnership was, with the following factors being mentioned by stakeholders as perceived focus for the partnership:

- At least initially, some stakeholders were under the impression that the Partnership was in part about a 'route to funding' – this seems to have come about because some of the early documentation noted considerable public sector investment, but some stakeholders were unaware of where or how this funding had and was to be spent.
- For others, the perception was that CWP was established to promote and influence cross-boundary infrastructure projects, although there was consensus that the CWP had found this agenda challenging. This is in part because of the partnerships lack of funding and power, but also because a number of these major infrastructure projects had other delivery partnerships in place to guide and influence them.
- Others believed that the CWP was set-up to ensure community benefits flowed from development taking place, although the largely planning and development based focus of the partnership meant that it was not well placed to deliver this agenda.

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<sup>16</sup> In this section, (as elsewhere in the report), 'partners' refers to the partners of the CWRI – Scottish Enterprise, Scottish Government, Renfrewshire Council, Glasgow City Council, West Dunbartonshire Council and Strathclyde Police. 'Stakeholders' refers both to these partners and the range of wider public and private sector stakeholders who were consulted throughout the evaluation. The 'Initiative' is the range of activity delivered directly by the 'partnership', including both the marketing type activity – the impacts of which are discussed in the following section - and the initiative's role in acting as a strategic leader and influencer – which is the subject of this section.

In order to bring clarity to the role of the Initiative, the CWRI partners focussed increasingly on a monitoring and marketing role - tracking regeneration activity within the Clyde Waterfront area, and publicising this through the Initiative's web-site, and at a series of conferences and events.

For some partners and stakeholders, it was the wider marketing and promotional role that should always have been the focus for the Partnership, as this represented the most obvious way in which the Partnership could meet its objectives to 'add-value to' and 'coordinate' existing activity. The promotional role (marketing and monitoring) provided the basis for which 'information flowed and activities could be gelled', fuelling wider national and international credence.

For other stakeholders, this focus on promotional activity was the result of a lack of delegated functions (funding and regulatory powers), which meant the CWP could not actively pursue initiatives or influence key agendas, with the outcome being that the marketing was seen as the only area that it was politically practical for the partnership to be involved with.

Stakeholders thus fall into two broad groups: those who were hopeful of what the Partnership could achieve, but became disappointed and/or disillusioned when expectations were not realised; and those who perceive the early days of the partnership as being an 'over-ambitious' foray into areas outside their remit, and for whom the eventual focus on marketing and publicity was the logical end result of where the Partnership should have been from the start.

## Funding

The budget for the Partnership over the next four years is shown in the table below, and the assessment of Strategic Added Value takes into account the relatively modest operating budget.

**Table 6.1: CWRI Operating Budget**

	2008-09	2009-10	2010-11	2011-12
Marketing	£330,000	£340,000	£350,000	£360,000
Operational Costs	£150,000	£150,000	£150,000	£150,000
<b>CW TOTAL</b>	<b>£480,000</b>	<b>£490,000</b>	<b>£500,000</b>	<b>£510,000</b>

Source: Scottish Enterprise

## Strategic Added Value

Strategic Added Value (SAV) refers to the Partnership's role in influencing partners and stakeholders' behaviour and performance. We now assess the SAV of the Partnership according to the following six factors:

- Leadership
- Strategic Influencing and lobbying
- Leverage and catalytic activity
- Synergy and improving intelligence
- Engagement, coordination and alignment
- Legacy

## Leadership

The Partnership's role in pro-actively leading development or regeneration priorities has not been as visible as some partners and stakeholders had believed it might be, although in many respects the Partnership was never intended to have a significant leadership role.

Perhaps the most obvious way in which the Partnership might be expected to demonstrate Leadership is through the development of a clear Vision for the Clyde Waterfront area. However, the original Regeneration Plan seems to have been not widely disseminated, and relatively few stakeholders were aware of it or any other Vision for the waterfront area. Indeed, the Partnership seems to have deliberately played down in the view that it was 'too vague'.

### **Strategic Influencing and lobbying**

When the Partnership was established, many stakeholders perceived that a large part of its role would be strategic influencing and lobbying. During its early days, the Partnership did make a number of efforts to galvanise partners, including the private sector, to build support and lobby for Fastlink. Initially, without significant funding or powers, and given some confusion as to its role, the Partnership struggled to develop a coherent lobbying role. More recently however, the Partnership is becoming increasingly proactive in implementing its lobbying role in respect of Fastlink. The Chair of the Partnership Steven Purcell has – in his capacity as Chair of the Initiative - lobbied the Transport Minister as to the strategic importance of Fastlink for the Clyde Waterfront area. This direct lobbying on the part of the Partnership arguably played an important role in influencing the Government's decision, in its announcement on 10 December 2008, to include Fastlink as one of its strategic priorities for transport.

Another example where the Initiative has had a positive influencing role is in terms of the interface created between Strathclyde Police and the local authorities. For Strathclyde Police, involvement with the CWP has been a 'significant lever' in enabling them to raise awareness of the Safer by Design initiative, (which recognises that appropriate design can reduce crime levels in new development by up to 22%). Strathclyde Police's involvement on the CWP has led to the incorporation of the Safer by Design principles into Glasgow Council's planning policy DES1, and has led to wider implementation of the principles into new developments across the city. The police believe that this would not have occurred without their involvement in the CWP.

### **Leverage and catalytic activity**

There is a lack of consensus among partners and stakeholders as to whether the CWRI 'badge' has increased the extent to which partners have been able to lever-in additional resources for regeneration in their areas. Some stakeholders are of the view that the CWRI provided a strategic context for the regeneration of the Clyde Waterfront area, without which the government would not have been prepared to commit to funding the URC at Clydebank (although the URC does not agree with this viewpoint, arguing that its establishment in 2003 – before the publication of the CW Regeneration Plan and any formal meeting of the Partnership, proves that the Initiative had no significant bearing on this issue). Similarly, the CWRI is seen by some to have provided the strategic context to enable funding to be committed to the Renfrew Town Centre element of Renfrew Riverside. While some stakeholders are more sceptical about the Initiative's role in this respect, suggesting that some projects were in the pipeline before the Initiative was established, the development of CWRI has clearly re-inforced Scottish Enterprise's commitment to the area.

Each of the local authority partners invests £30,000 per annum towards the Partnership's operational costs. On the whole, the local authority partners are satisfied with the value for money that this represents, feeling that the benefit of the Initiative's marketing activity far outweighs the level of marketing that an individual authority would be able to achieve for a £30,000 investment – the Partnership offers is a real 'greater than the sum of the parts' solution in this respect.

Nonetheless, local authority budgets are coming under increasing pressure, and there is a sense that politicians in some of the partner local authorities are looking at the Initiative as a potential for making cost savings. In this context, it is important that the Initiative continues to respond to the marketing priorities of each partner, in order that it is seen to continue to offer good value for money. It is also important to recognise that Local Authorities perceptions of value for money are not based solely around marketing but also on progress with strands such as community benefit and river access, and by making solid progress on these areas the Initiative can help to guarantee its future.

### Synergy and improving intelligence

A key role for the Partnership has been the communication of progress on the CW, in particular through the website, and also through various events. This marketing role is discussed in further detail in the following section of the report. In general, the Partnership's role in monitoring activity and publicising this on the website is viewed positively by stakeholders, as is the work to raise awareness in schools through the educational resources.

Several partners and stakeholders have commented that the Partnership was very good at absorbing information from partners, without then adding value or sharing lessons<sup>17</sup>. Several stakeholders think there is scope for the partnership to get better at disseminating the outcomes of the various events that are attended in terms of lessons for Glasgow.

The Partnership has commissioned a number of feasibility studies. Some of these are perceived as being useful by stakeholders, although in some instances there has been a lack of communication and coordination between partners as to who is leading on which studies, and limited success for the partnership in disseminating the results or implications of some of these studies. For example, there have been a number exploratory/ feasibility studies looking at aspects of river access, commissioned variously by the Partnership, individual local authorities, and British Waterways, without to date a significant amount of coordination across the different studies. This is now being addressed through the establishment of a working group to take forward the river access agenda, which aims to bring greater clarity and focus to the work of partners and wider stakeholders going forward.

### Engagement, coordination and alignment

One of the roles that the Partnership got involved in during its early phase was developer engagement. The Partnership saw itself as 'a referee' between the public and private sectors. Indeed, a number of public sector stakeholders have remarked that the Partnership did have 'good contacts' with private developers, although it has also been remarked by several that these links did not always lead to additional benefits in terms of influencing or coordinating development. Nonetheless, some developers were positive about the communication from the partnership during this time.

### Legacy

The key legacy of the CWRI is likely to be developed over the next five years, as the partnership and new investment measures, and inter-dependencies, such as new transport infrastructure, provides further incentive for co-operation and co-ordination.

### Conclusions

In general, stakeholders perceive that the strategic added value of the CWP has been constrained by a number of factors:

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<sup>17</sup> One stakeholder for example said 'they ask us for information on our projects and we give it to them, but what's in it for us?' One of the partners said that working with the partnership had sometimes been 'like having a hose attached to your brain which sucks information out but doesn't put anything back in.'

- a lack of regulatory or statutory powers and, crucially, funding over which it had decision making powers.
- early confusion and lack of consensus as to the role and remit of the CWP.
- political issues surrounding the establishment of the CWP, which reduced the visibility of the Partnership's leadership role in its early days – although these issues have now been resolved and the partnership is demonstrating real value added on leadership and influence.
- the fact that the partners involved in the CWP come together on a regular basis as and when necessary to share information and collaborate on shared projects – the CWP is in no way a unique forum for this collaboration to take place<sup>18</sup>.

The fact that Partnership SAV was limited to some extent by a lack of powers raises the question of whether the Partnership should have had a greater range of powers at its disposal. Although a range of potential governance structures for the Initiative were considered – ranging from a less formal partnership to a full URC with delegated funding – the fact is that there was no political appetite for a more influential model when the Initiative was established. This goes back to political issues and the sense among some partners that the Initiative was something that had been 'imposed' and that risked 'stepping on toes' and 'taking the glory for what will result from the conditions that local partners have created'. In hindsight, a minority of stakeholders felt that a trick may have been missed by not creating a Clyde Waterfront wide URC – but the majority believed that the Partnership with some funding but limited powers had been the most appropriate model, in theory at least, to coordinate the regeneration of the Clyde, early political and personality issues notwithstanding.

The relatively limited strategic added value was also a result of the lack of a clear understanding of the rationale of the CWRI. As noted above there were certain stakeholders who never felt it was the aim or role of the CWP to actively pursue development and/or influence the development process. More recently, with political issues overcome and with greater consensus on the remit and role of the Initiative, the Partnership is having a clearer and more direct role in delivering Strategic Added Value. This is witnessed through the establishment of specific working groups on River Use and Access, and Heritage, and by playing an increasingly proactive role in influencing Fastlink.

For some the CWP's role in monitoring and publicising the regeneration activities is where the main impact of the Partnership has been to date. The Initiative certainly has had a strong role in this respect.

Although the feedback on Strategic Added Value was mixed, there was strong support for the Initiative from partners and stakeholders. Although there was a sense among many stakeholders that the partnership in the past had focussed too heavily on simply overseeing and tracking activity, there was also a sense that the Partnership is now better placed to begin to encourage, maximise and integrate activities in a more direct way. There was a belief that transport infrastructure improvements would be essential to the further development of KCAs, and that cross boundary issues would strengthen the role of the Initiative.

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<sup>18</sup> For example, although a key objective of the Initiative in its early days was to take forward proposals for the Yoker Relief Road, a Yoker Relief Road partnership was also established between the two local authorities (GCC and WDC) specifically to take the Yoker Relief Road forward. Similarly, a number of sub-area partnerships exist within the Clyde Waterfront, including public-private partnerships in IFSD and Pacific Quay, a forum to consult on and take forward Fastlink, and partnerships in place around many of the major masterplan areas, such as Glasgow Harbour and Clydebank.

## 7 IMPACT OF THE CWRI MARKETING STRATEGY

### Introduction

As noted in the preceding section, marketing activity has been one of the key roles of the CWRI. This section of the report considers the impacts and achievements of the Initiative's marketing strategy to date.

The section starts with a summary of the CWRI Marketing Strategy; it goes on to consider the key impacts and achievements of the marketing activity, drawing on the consultations with stakeholders, communities, businesses and developers that have been undertaken throughout the evaluation.

As part of the evaluation, a survey of Clyde Waterfront web-users was also undertaken. The offer to undertake the survey appeared as a link on the homepage and several other key pages of the Clyde Waterfront website for around eight weeks in late 2008. Unfortunately, the response to this survey was very low – only 13 people completed the survey. The survey was also attached as a link to the Clyde Waterfront's November e-bulletin (sent to 300 addresses) but this only generated 5 responses. The low response reflects time pressures and general apathy towards undertaking these type of surveys. The response rate means that it has not been possible to infer significant findings from the survey itself – although the results are presented in Annex 3.

### The CWRI Marketing Strategy

The CWRI's three year Marketing Strategy (2005-08) outlines key activities to raise awareness of Clyde Waterfront. A 'channel strategy' is adopted – working with and through partners as appropriate to a specific audience. The marketing activity undertaken by the partnership has been broad, and is aimed at a range of audiences. Activity has included:

- The website and e-Marketing bulletin;
- Development of promotional materials such as the Discovery Guide; a DVD; memory sticks; and postcards. A ClydeWaterfront branded display was also produced for use at Waterfront Expo;
- Media relations;
- Attending and promoting the Clyde Waterfront at national and international events; and
- Stakeholder Relations.

The Year 3 Marketing Plan identifies three areas of improvement:

- Local Communities – and in particular, the development of learning materials for schools to improve community engagement;
- Public and Private Sector Partners – in particular through more one-to-one meetings to raise awareness of the role and remit of the CWRI; and
- Scottish Development International – with a particular focus on aligning the Clyde Waterfront marketing story with the priority industry focus.

### Key Achievements

#### Website and e-bulletin

The management of the Clyde Waterfront website is arguably the key – at least the most high profile – of the Initiative's marketing activities.

Monthly monitoring reports<sup>19</sup> show that the Clyde Waterfront website is regularly attracting around 6,000 visits per month (195 per day), from around 5,000 different visitors. On average, around four pages are viewed per visit, with visitors spending around 2.5 minutes on the site in each visit on average. In any one month, around 70% of visits to the site are from new visitors. Most visits are referred from search engines, with around 13% coming to the site direct, and another 10% following links from other websites.

Clearly, the vast majority of visits are from Northern Europe (around 5,000 of the 6,000 per month), although there are reasonable numbers of visits from North America (153), Western Europe (98), Australia and New Zealand (51), and Asia (90).

The website is managed proactively to continually update it. Each month, detailed reports on website usage are compiled, and these are used to make recommendations on how the profile of the website can be increased. For example, the August 2008 website report recommends the creation of new content for Wikipedia to increase traffic directed from this source.

Most, but not all, stakeholders are aware of the Clyde Waterfront website. Stakeholders tended to perceive the Clyde Waterfront website positively, as a useful source of information. The desire of West Dunbartonshire Council to have Bowling and Dumbarton included in the CWRI reflects their belief that the additional profile that will be afforded these areas will bring long-term benefits, if not funding. While useful to an extent, stakeholders felt that the website is unlikely to be making any major contribution to the attraction of inward investment to the Clyde Waterfront. (This is, however, simply because inward investment decisions are rarely if ever made on the basis of a marketing website alone, regardless of how good the website may be, and these comments should thus not be interpreted as a negative reflection on the content or structure of the website.)

Of the 76 businesses interviewed as part of the evaluation, 26% of respondents were aware of the Clyde Waterfront website. We would suggest that this is relatively high in the context of other potential information sources that businesses might use. Similarly, in our discussions with developers, around one quarter said they were aware of the website, and those that are aware of it tended to perceive it as a useful source of general information.

Given the high visibility of the website on internet searches, it seems likely that the website will be providing a potentially useful source of information for visitors to Glasgow. It has however been difficult to quantify this effect given the low response rate to the web-survey.

The website is also intended to act as a useful source of information for local communities in respect of development and regeneration priorities in their area. However, discussions with community groups suggested that there was relatively limited awareness of the website among these groups. Groups in Glasgow identified more closely with the website and marketing activity of Clydeport, while groups in Clydebank were aware of the activity of the URC, but not the Clyde Waterfront website specifically.

### Education tools

The Partnership began to develop educational resources in 2007, and these were launched in June 2008. This was in direct response to its own market research which showed that communities did not identify with the website or wider CWRI activity.

A number of stakeholders are very positive about the education resources that the Partnership have produced, one remarking that these 'should be nominated for an award'.

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<sup>19</sup> Clyde Waterfront website diagnostics, Innovation Digital

Furthermore, 12% of businesses interviewed say they are aware of Clyde Waterfront educational resources, which is relatively high given the short period of time since the Partnership has developed these. Awareness of the education resources and the Initiative generally did not appear to be high among community groups, although our sample was not high.

In general there seems to be strong support for this element of the partnership's work, although a fully objective assessment would need to be informed through consultation with teachers and pupils, which has not been possible within the scope of this evaluation.

### Media relations

Through its marketing strategy, the partnership set itself the ambitious target to make 'the Clyde Waterfront the first point of contact for journalists interested in regeneration along the Clyde'.

The 2007 Marketing Report highlights that the Partnership has delivered 10 one-to-one media briefings from which 1,790 column inches of newspaper coverage have been secured. There have also been efforts to increase coverage in trade press. For example, the partnership helped produce a 28 page supplement for Regeneration and Renewal magazine, and since January 2008, Clyde Waterfront 'advertorials' have appeared in 15 different UK and international trade publications.

The Partnership is playing an on-going role in terms of media relations, with recent coverage including the visit of Japanese business representatives to the Clyde. 41% of businesses consulted through the survey say they are aware of Clyde Waterfront PR adverts in media and business publications. However, the aim to become the first point of contact for journalists is probably somewhat ambitious given the resources that the partnership has at its disposal.

### Events

The highlight of the events strand was securing Waterfront Expo 2006, Europe's major conference on waterfront regeneration that attracted 550 specialists from 23 countries. This acted as the catalyst for production of many of the marketing materials.

In addition to Waterfront Expo, the 2008 Marketing Strategy highlights that 39 events have either been hosted, attended or spoken at by the CWRI. Several of these were abroad, including locations as exotic as Abu Dhabi.

The CWRI also makes a contribution of around £30,000 per annum to the annual Glasgow River Festival. The River Festival is the biggest public event in the Clyde Waterfront, and has as one of its key objectives to showcase waterfront regeneration at Pacific Quay and SECC. Attendance at the River Festival was 90,000 in 2008, representing a doubling in visits since 2003.

### Promotional materials

The Partnership has produced a wide range of promotional materials designed to 'tell the Clyde Waterfront story'. These include the Discovery Guide, postcards, a DVD, and memory stick. These are disseminated at events.

### Challenges

During its first three years, the partnership has delivered significant marketing activity across a range of areas. While this is in general was viewed positively, a number of stakeholders

have commented that the partnership could develop a more discursive dialogue with its key partners and stakeholders.

Several stakeholders feel that the marketing programme has been somewhat 'centralist' in approach, absorbing information from partners and presenting this to wide audiences without necessarily consulting with partners as to how this is being done, or what the key messages should be.

In a similar vein, some stakeholders feel that the partnership could get better at sharing the information learnt from the events that have been attended – what are the lessons for wider partners, and what are the implications for the CWRI?

As recognised in the partnership's own marketing strategy, there is still scope to improve the way the partnership marketing role 'fits' or gells with the work of key stakeholders, notably SDI, to ensure that activities are not duplicated across organisations, and conflicting messages are not portrayed<sup>20</sup>.

### Conclusions

Working with a relatively small budget, the partnership has delivered a number of marketing successes. These include the development of a Clyde Waterfront 'brand', and the launch and management of the Clyde Waterfront website, which is viewed as a positive source of information by both stakeholders and private sector, and has achieved a relatively high profile in a relatively short space of time. Other key achievements include the hosting of the Waterfront Expo 2006, and the development of educational resources for schools.

The Partnership has been relatively successful at balancing a diverse range of marketing activity. Indeed, its activity to date has spanned both 'communication' strategies aimed at local audiences (communities and private sector), as well as marketing activity targeted at potential inward investors.

The impacts of the activity are more difficult to quantify. Stakeholders generally agreed that the Clyde Waterfront does benefit from a strong brand image, but it is felt that this has come as a result of a wide range of factors and activity by a wide range of partners and stakeholders. The perception of stakeholders, and one that is backed up by consultation with developers, is that the marketing activity is a useful information source but not influential in itself in attracting development or business activity. This is not surprising - the role of the CWRI is in effect to set-out the activities and developments taking place within the Clyde Waterfront area, while it is then the role of individual partners to act as the main contact points with individual inward investors once these investors have expressed an interest. From this point of view, the CW website is playing its role effectively, although we have not been made aware of any specific examples of investors who have approached any of the partners in respect of a specific opportunity that the investor identified on the CW website.

A number of stakeholders and developers argue that some of the more distinct areas, such as IFSD and Pacific Quay, benefit from a clearer brand that could be more influential in marketing terms – this is unsurprising given the geographical compactness of these areas relative to the Clyde Waterfront's 13 miles. However, using the AIDA communication model, CWRI marketing has built awareness and interest for the Clyde's regeneration beyond Scotland, at events such as Waterfront Expo, MIPIM, and publications such as WAVE Japan and NYTimes.

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<sup>20</sup> Although SDI cannot promote specific areas within Scotland, there is scope for the Initiative to work more closely with SDI to ensure that priorities are aligned, and that opportunities for joint working are capitalised on. For example, the CWRI did take a stand alongside SDI at MIPIM (Marché International des Professionnels d'Immobilier, or International Market of Property market Professionals).

Among the 76 businesses interviewed as part of the evaluation, 58% said they believed that it is either important or very important for them to be aware of regeneration activity taking place in the local area, providing justification for ongoing CWRI marketing activity. However, asked 'how well do you think the Clyde Waterfront Partnership markets the opportunities of the Clyde Waterfront to its various audiences', 17% of respondents to the business survey said well or very well, while 63% said not well or not at all well.

Going forward, the main challenge for the partnership remains how it communicates with its diverse range of audiences, and how it adds value to work of other partners. It is clear that many – probably all – stakeholder organisations take an active part in marketing activity of some sort, and are involved in various national and international professional networks. The Partnership should capitalise on, and contribute to, this existing work as much as possible.

Given its relatively limited resources, there is perhaps a danger that the Partnership might 'spread itself too thinly', and limit its potential impact, by continuing to target such a diverse range of audiences. In this respect, there is an argument for saying that the partnership should focus on maintaining and updating the website, and developing appropriate strategies for communication with local communities and the existing businesses and developers. Wider inward investment activity will need to be selectively and carefully designed and targeted, in close collaboration with SDI.

## 8 LOOKING FORWARD

### Introduction

It is clear from previous sections that the Clyde Waterfront is a successful and attractive investment location. In quantitative terms, the initiative is ahead of target, while significant improvement has been made across all KCAs in terms of market viability, and the degree of investment that is taking place.

While early momentum has been established it is also clear that further work is still required to achieve the vision for the Clyde Waterfront. Many of the anticipated benefits of the CWRI are predicated on delivering key pieces of transport infrastructure – notably Fastlink. Many of the anticipated benefits of the Initiative – including stimulating waterfront activity to create a truly vibrant waterfront, and ensuring that local communities benefit from key development – are yet to be fully realised. And there remain, of course, a number of key development areas which are continuing to evolve – Pacific Quay, SECC, Clydebank, Glasgow Harbour – as well as some that remain at a very early stage of the regeneration process – including Tradeston, the Graving Docks in Govan, and sites in West Dunbartonshire such as Bowling and Hospital Gate. Many of these priorities are affected in the delivery Plan for 2008/09.

### Policy Drivers

From a policy perspective, the Clyde Waterfront remains a key focus for regeneration. It has been identified as a key economic driver of national significance in the updated National Planning Framework. It was featured heavily in Glasgow's Cities Growth Fund documents which were reviewed in 2008. Looking to the future, stakeholders believe the Clyde Waterfront will feature strongly in the Strategic Development Plan for the Glasgow City Region which will be published in 2011.

The Scottish Government's overall purpose is to 'focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.' Within this, Scotland's 'greatest asset' is seen to be its people, and building on this strength by investing in learning, skills and well-being is a key priority of the government. The GES outlines five strategic objectives for the Government:

- Create a Scotland which is wealthier and fairer
- Make Scotland smarter
- Build a healthier Scotland
- Develop a safer and stronger Scotland
- Establish a greener Scotland

Within this, the CWRI can contribute directly to the following of the Government's 15 strategic objectives:

- We live in a Scotland that is the most attractive place for doing business in Europe;
- We realise our full economic potential with more and better employment opportunities for our people;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need;;
- We value and enjoy our built and natural environment and protect it and enhance it for future generations.

The Scottish Enterprise Business Plan 2008-11 highlights how SE will play a catalytic role in contributing to the government's role of raising Scotland's GDP to the UK level by 2011. It highlights that SE will have a particular role to play in driving Scotland's productivity, but tackling the three contributors to Scotland's poor productivity performance: enterprise, innovation, and investment.

The CWRI will contribute directly to the Investment theme of SE's Business Plan. The Investment Theme identifies three key aims:

- Increasing leverage from public funds by attracting more risk capital to invest in Scotland;
- Creating the best possible business infrastructure to promote the growth of our priority industries and high growth businesses;
- Attracting specialist partners to invest in priority industries including infrastructure, direct investments and collaborative projects.

The CWRI will contribute to providing the infrastructure to support Priority Industries, notably:

- Financial services – notably in the IFSD;
- Digital markets and enabling technologies – especially at Pacific Quay;
- Tourism – across the Clyde Waterfront but perhaps most strongly around the SECC, and the city centre.

The conditions that the Initiative has contributed to establishing in the IFSD and Pacific Quay in particular will continue to play a strong role in attracting and supporting high growth and high value companies in these areas. Recognising this, page 24 of the Business Plan indicates that SE has committed some £2m to fund the Clyde Waterfront Strategic Partnership over the period.

The Glasgow City Action Plan 2008-13 aims to deliver key Clyde Waterfront Projects, including:

- IFSD: Aim to achieve 20,000 jobs by 2011;
- Development of 10,000 sqm commercial floorspace at Pacific Quay
- Opening of Riverside Museum by 2011, attracting 400,000 visitors;
- Delivery of a 12,500 seat arena at SECC; and
- Regeneration of Laurieston, including 1700 new homes and 30,000 sqm commercial and community space.

The Glasgow Single Outcome Agreement highlights the city's success in the transition to a service economy, but notes significant challenges, notably around transport infrastructure, drainage, and a lack of development sites. The SOA highlights that 'major strategic area regeneration is being delivered through national priority projects at Clyde Gateway and Clyde Waterfront. The local outcomes identified within the SOA, and which the CWRI will contribute to, include:

- Improve the attractiveness of Glasgow as a place to live, work, visit and invest
- Increase the proportion of Glasgow residents in work;
- Increase the number of jobs in Glasgow;
- Increase the proportion of better paid and more productive jobs

The Renfrewshire Single Outcome Agreement 2008-11 highlights key economic issues as being a continued reliance on manufacturing, and high levels of worklessness and deprivation. The local outcomes identified within the SOA, and which the CWRI will contribute to, include:

- Improved vitality of town centre;

- An increase in the number of working age population in employment
- Attracting and retaining business

The West Dunbartonshire Single Outcome Agreement 2008-11 highlights that 'economic and physical regeneration is a key driver for achieving our aspirations for the area'. The SOA highlights specifically the investment opportunities associated with the Clyde Waterfront. The outcomes identified within the SOA, and which the CWRI will contribute to, include:

- Regenerated town centres and related waterfront areas
- Growth of the tourism economy; and
- Reduction in the amount of derelict land

Key national and sub-regional policy therefore expects that the Clyde Waterfront will continue to act as a driver for national GVA growth, while at local level, the CWRI can contribute significantly to the outcomes of the local authority partners Single Outcome Agreements. There is thus a clear policy rationale to support the work of the Initiative in stimulating and influencing this development.

### The Continuing Economic Rationale for Intervention

The original rationale for intervention in the Clyde Waterfront was based in part around the presence of some market failures in the provision of particular types of premises, and in equity issues around the ease with which some groups were able to access the opportunities being created. A thoroughly robust assessment of the extent to which market failures in the provision of different types of commercial property would require detailed appraisal work on an area-by-area basis – indeed, even the appraisal work on which the CW Initiative as a whole is based are quite vague about the specific location and types of market failure present in the Clyde Waterfront area. Nonetheless, the findings from this evaluation suggest that:

- The Clyde Waterfront area has witnessed the emergence of strongly performing private sector markets in most KCAs, particularly within the city centre where large scale speculative office development takes place;
- The past few years have also seen the emergence of strong markets for residential and retail markets in most parts of the geography; as well as the emergence of private sector led office development in some areas where markets were not previously viable (e.g. Clydebank).
- However, there is an ongoing rationale for the public sector to intervene in all KCAs in the provision of *public goods* (i.e. public realm and infrastructure, including transport infrastructure and utilities infrastructure) to act as the catalyst for further development. This is particularly the case where the emphasis is on providing high quality, internationally renowned locations for business;
- In some areas the continuing existence of brownfield land, in varying states of dereliction/ contamination, acts as a barrier to the development of those sites, and creates an ongoing rationale for intervention on *externality* grounds;
- Furthermore, even in those areas where the market performs strongly, there is a rationale for public sector intervention to influence the type or mix of development, not only indirectly (through the planning system), but also directly in some cases through gap funding. For example, without intervention at Pacific Quay, the private sector in itself is unlikely to deliver the type of specialist, bespoke space on a scale significant enough to create an internationally renowned digital media quarter. At Glasgow

Harbour, while the residential and retail markets perform well, intervention is required to ensure the development of office space. Further intervention of this type may be required in some other areas (such as Tradeston) to ensure that development is of the scale and type that fits with the vision. This is an example of intervening to address an *information failure* – in that developers do not have sufficient information to commit to certain types of investment in particular areas.

- In all areas there is ongoing rationale for intervention on *equity* grounds. In other words, there is need for intervention that all areas within the geography, and all communities within the Waterfront, are able to access the opportunities created throughout the waterfront. This has already been the focus of a number of interventions.

In summary, there are some areas where largescale intervention may be necessary to overcome barriers to development created through the presence of redundant/ contaminated land and/or site access issues (externalities). In many cases some degree of ‘pump-priming’ catalytic intervention may be required to ensure that subsequent private sector investment contributes to the regeneration vision (information failure). In all areas there is an on-going need for provision of *public goods* including infrastructure and public realm; and across all areas there is a need for *equity interventions* to ensure that benefits are shared by all.

### Learning from other areas

In Annex 5 to this report we consider a number of international case-studies of waterfront regeneration (Baltimore Inner Harbour, Melbourne Dockland, Victoria and Alfred Waterfront, (South Africa), San Diego Marina District, and Sentosa Cove, Singapore), while in Annex 6 we look at some of the critical success factors in waterfront development.

The case-study analysis reveals that, in terms of geographical scale, the Clyde Waterfront is more extensive than many of its comparators, and therefore contains within it a greater diversity of ‘proposition’ to investors and visitors. This diversity of proposition is both a benefit and a challenge to policy-makers in Glasgow – a benefit because of the range of offer the Clyde Waterfront can potentially provide, but a challenge in terms of the risk of spreading interventions too thinly to make visibly rapid and significant change.

Nonetheless, the learning from these case-studies reveals:

- In all comparators, the early implementation of infrastructure has been seen as essential in laying the foundations for subsequent private sector investment. This lends further justification for the importance placed by the Initiative on securing Fastlink.
- All comparators placed significant emphasis on the provision of organised civic space and linkages between civic space and river/water uses. This is recognised by the CWRI through its ongoing work to both promote river access and its work on ‘green infrastructure’.
- All comparators recognise the importance of providing a diversity of high-profile visitor attractions and opportunities to create an international symbol of success. This is again an area on which the Initiative is placing significant emphasis – the iconic Riverside Museum will make a significant further contribution towards this objective.

The analysis of critical success factor further reveals the following as key success factors for waterfront regeneration:

- Public access to water
- Flexible public space
- Buildings engage public space
- Public art
- Variety of attractions
- Connection to the city
- Mix of transport options
- 24-hour activity
- Commercial activity
- Mix of old and new

The Clyde Waterfront exhibits elements of each of these success factors, and is particularly strong on 'commercial activity'. Efforts to increase public access to the water are already a priority for the Initiative, efforts to develop a mix of transport options and connection to the city are ongoing, and there is a focus within the Initiative on many of the other areas of success.

The success factors provide a useful reference point for the Initiative going forward, around which particular interventions may be designed. We would suggest that, if the Initiative is to successfully establish a greater degree of vibrancy within the Clyde Waterfront area, key areas of focus going forward should include developing more 24-hour activity, more public space; and a wider mix of attractions, although the initiative's current focus on transport links are perhaps the cornerstone on which these other factors should be built.

### **Delivery Plan 2008/9**

The Clyde Waterfront Regeneration Initiative 12-month Delivery Plan 2008/9 focuses on the following priorities:

- Transport - developing a water-based infrastructure strategy
- Partnership - develop a shared agenda with the private sector by organising an event/ workshop
- Community - improve local involvement and communication by developing a shared agenda with Community Planning Partnerships, and developing a 'Community Benefit Proposition' for Clyde Waterfront
- Marketing - development of a marketing strategy, and continue to promote the CW through the website, press, events, and relationship building.
- Curriculum resources - progress the development of CW web-based lesson plans
- Promote heritage of the Clyde by developing information on waterfront projects
- Safety and security - work with the police to promote the Secured by Design initiative
- Promote the environment and sustainability

### **Key activity areas and the CWRI role**

We now describe some of the key priorities for the Clyde Waterfront area over the next few years, and describe what role the initiative might play under the following headings:

- Marketing
- Developer engagement
- Infrastructure

- Waterfront access; and
- Community benefit

### Marketing

The Initiative's marketing activity has been, as described in the preceding section, one of its core activities, and certainly the most visible. This marketing role, and in particular the monitoring role played by the website, will and should remain a key priority for the initiative, and some of the challenges in this respect were described in the preceding section.

### Developer engagement

The DTZ Review recommended that the Initiative should play a more direct role in engaging with developers. This recommendation was picked up by the Strategic Partnership Board, and has been identified as a priority for the 2008/9 year and further into the future. We have, however, found limited support for this as an area of focus for the Initiative, both among stakeholders and developers themselves.

Several developers have remarked that, if the Partnership has no funding and no real power, there is little value for them to be had from engaging with the Partnership. This is particularly the case for some of the larger, more significant developers who already benefit from existing personal contacts with senior staff within local authorities. Other developers, who may not benefit from such relationships, are in some cases keen to be able to access more information about 'what is happening' in a general sense. However, the majority of developers shared the view however that trying to 'put developers in a room' is unlikely to achieve generate significant interest unless there is a real agenda – more than just a shared geography – at stake.

The most appropriate way of engaging developers in a forum sense may be around IFSD or Pacific Quay, as these seem to appeal to the private sector, while avoiding actions which duplicate the active public-private forums or partnerships that already exist for many of the more obvious sub-areas of the Clyde Waterfront.

More broadly, the local authority partners are of course regularly in engagement with developers in their areas, given that they have a statutory remit and funding to do so. The Initiative may be able to increase its overall visibility to developers in respect of its information and monitoring role, but it probably does not have the resources or 'hooks' to proactively engage with developers on a formal, continuous basis.

### Infrastructure – cross-boundary projects

A large part of the rationale for the establishment of the CWRI was predicated on the need to drive forward plans for a Light Rapid Transport (LRT) system (now known as Fastlink), as well as the need to deliver one or two other major cross boundary infrastructure projects. Fastlink in particular is viewed as being critical to the Clyde Waterfront by many stakeholders and developers, although a minority believe Fastlink is relatively less important than upgrading existing road and rail networks, and some stakeholders believe that Fastlink would simply displace a large number of users from existing heavy rail and bus routes.

On 10 December 2008, the Scottish Government announced its high-level plans for transport over the period to 2020, and these included Fastlink. Current thinking is that if there is a Phase 1 of Fastlink, this is likely to run from the city centre to the SECC on the north side of the river, before crossing the Finneston Bridge and running on, eventually as far as the Southern General Hospital. The feasibility of extending Fastlink on the north bank as far as Clydebank is also being examined, although it is believed that this route would be developed at a more distant point in the future.

Lobbying work by the partnership, and in particular the Chair Steven Purcell, has played a role in securing this as a project. Whether there is a role for the Partnership in influencing Fastlink further needs to be considered to achieve a consensus view.

### Other infrastructure

In terms of cross river links, stakeholders are unanimous that the Squinty Bridge was a 'dealbreaker' in securing the BBC to locate at Pacific Quay. There is less consensus on the need for additional bridging projects. Some stakeholders believe the Tradeston Bridge is unnecessary and 'a waste of money', given its proximity to existing bridges. Some argue the case for a Glasgow Harbour – Govan bridge, although others point out that these locations are connected by the underground. The feasibility of a Renfrew-Yoker bridge has been explored but has been found to be unfeasible for cost and operational reasons. Given that the original CW Regeneration Plan suggested a number of additional bridge links, including a Renfrew-Yoker Bridge, a Glasgow Harbour – Govan Bridge and a Finnieston – Springfield Quay footbridge, the Initiative has a role to play in building consensus on whether these are still priorities.

Other priorities identified in the Regeneration Plan included the Airport Rail Link and Crossrail. Moreover, a number of stakeholders have stressed the general need for additional highways improvements, and a more coherent approach to drainage infrastructure (indeed, the National Planning Framework identifies the importance of a Metropolitan Glasgow Strategic Drainage scheme, and this is underway). Whether the Initiative can have a role here is not entirely clear, but given its resources it can clearly not play a lobbying role on a diverse range of projects, some of which have no unique connection with the Clyde Waterfront.

### River Access

The original rationale for the Initiative was also based in part on securing a greater level of 'animation' on the river in terms of river traffic. This, it is believed, would add life to the waterfront and encourage a more vibrant mix of development activity.

There is strong support for the goal of increasing River traffic among all groups – stakeholders, developers, communities and businesses. Progress has been made in developing new pontoons at several points along the River, and the River Festival has been a great success in animating the river on an annual basis.

However, it is equally clear that there have also been a large number of feasibility studies of one sort or another, led variously by Glasgow City Council, SPT, the Clyde Waterfront Partnership, British Waterways and Scottish Enterprise. With no organisation clearly leading on the agenda – and with limited enthusiasm from Clydeport, the statutory river authority - the outcomes of these studies to date is unclear.

There are two types of river traffic that have been discussed. First is the use of the river for some form of public transport or river taxi service; second is the use of the river for leisure cruising purposes. Many stakeholders are keen to see the river used as a transport corridor, recognising that in theory at least there is scope to link a number of residential and business developments along the river. However, there is also recognition that any such service is likely to require a significant subsidy, and some believe that demand would always be limited given the existence of relatively strong rail connections along the north bank, and potentially, along the south bank with Fastlink. Several stakeholders remarked that there are very few examples of successful river bus services, even in cities such as London and Bristol.

In terms of leisure cruising, there are again practical issues which limit the feasibility of proposals. Some stakeholders believe that the area to the east of Bowling will never be popular for leisure cruising, given the duration of time required to access the city from the

mouth. Others are more optimistic, but argue that a more coordinated approach to marketing cruising is required, together with a coherent pricing structure and a significantly improved infrastructure. A number of new pontoons have been established on the Clyde in recent years – some authorities are nervous about the funding required to maintain these in the future. A further practical issue to be resolved in terms of leisure cruising is the need for some form of Management Agreement with the statutory river authority, Clydeport.

Taking forward this agenda will be an extremely challenging and long-term project, and it will require effective partnership working between local authorities, Clydeport, British Waterways, SPT and Scottish Enterprise. Consequently, many see this as an area that the Initiative is well-placed to lead. Indeed, the Initiative has recently instigated a River Access Working Group pursue this agenda.

### **Community benefit**

Part of the rationale for establishing the Initiative was the need to deliver benefits for existing communities in deprived areas. Stakeholders and partners recognise that relatively little progress has been made on this agenda to date, although this is in part because the partnership was established with a more 'planning-centric' focus.

Some stakeholders note that this element is one of the 4 key objectives of the initiative and now that significant development has occurred it is now important that these developments 'knit' into the local communities. Further work is required to reach an agreed value added role for the Initiative, given the local and neighbourhood focus of many employability actions.

### **Economic Climate**

Current economic conditions will clearly impact on the scale of development anticipated in the Clyde Waterfront over the next few years. Indeed, there are already several instances of where the 'credit crunch' is having an impact on development rates. These include difficulties in delivering the SECC arena because the housing developer is unable to raise finance (although, as noted elsewhere in this report, the Scottish Government has announced plans to accelerate the taking forward of SECC); delays to a wide number of residential schemes, including those at Glasgow harbour; plans for a hotel and office development at 236 Broomielaw 'shelved'; difficulties in taking forward the masterplan for Govan Graving Docks, and increased pressure from developers to reduce the scope of community benefit clauses in contracts.

The UK is now in recession, although the scale and severity is unclear. The 1990s recession resulted in a 6%-7% fall in employment in a two year period, with a four to five year period for employment to return to pre-recession levels. There are already emerging signs that the Clyde Waterfront economy is slowing, and indeed was slowing before the UK officially entered recession. The Glasgow Economic Review (published November 2008) notes that the value of developments under construction had fallen by 20% between 2008 and the same period in the year previously. Moreover, office take-up in September 2008 was 21% lower than in the same period the year previously. Data from the Registers of Scotland Executive Agency shows that in the period September 2007 – September 2008, house prices fell by 8%, 10% and 9% in Glasgow, West Dunbartonshire and Renfrewshire respectively, which in all cases was higher than the 3% fall observed across Scotland as a whole.

The role of this evaluation has not been to assess in detail the implications of an economic downturn on the Clyde Waterfront economy, and without specific modelling and research, it is difficult to assess in a robust way what the impacts of the recession may be. Indeed, we are in many ways in 'unchartered waters'. The 1990's recession has been described as manufacturing led, while the current recession is a financial/ business service led recession. Unlike the 1990's recession, when interest rates remained high, interest rates are now low,

although this does not yet appear to be feeding through to alleviate credit issues for businesses or consumers. Economies which are highly dependent on financial and business services as an employer may be more vulnerable to other areas, although the nature of the 'credit crunch' is that, by affecting lending rates, all sectors are potentially vulnerable to the downturn.

A recent report by Michael Parkinson for DCLG<sup>21</sup> which explores the likely impacts of the recession on regeneration (discussed in more detail in Annex 7) states that 'Industrial job losses are likely to be less severe than in the early 1990s largely because of the improvement in competitiveness arising from recent falls in the value of sterling in contrast to the over-valuation problems of the early 1990s. Job losses in financial services and construction, however, are likely to be much more severe than in production industries. Some retail and other service sector jobs also look vulnerable.' It concludes 'All places will be exposed but those with substantial employment in construction and financial services may be vulnerable.' The Parkinson report estimates that the effect of the recession may be to reduce rates of industrial development by 25%; residential development by 50%; and office and mixed-use development by up to 75%.

### Responding to the Economic Recession

Those economies which struggled to benefit from the up-turn at the end of the 1990's recession tended to have outdated economic and business infrastructure, requiring many years of preparatory development before new investment could be secured. There is an opportunity for further investment to be focused on securing planned new infrastructure and some of the major projects already in the pipeline. At the same time, competition for inward and new investment will increase, and maintaining marketing efforts, even in current conditions, needs to remain a high priority.

There are three areas of intervention, all of which are relevant to responding to current economic conditions, where the stakeholders in the CWRI have a role to play. These combine both reducing the impact of the recession on local economies and maintaining momentum and preparing for the economic upturn.

The three principal areas of intervention are:

- worklessness and unemployment, including re-training,
- business support, sector development, including skills; and
- capital investment in regeneration and private sector investment.

These areas are locally focused, relevant to business and local residents, and capable of being implemented without substantial additional capacity being required. These areas of intervention need to be set against a four phased response to current conditions. A review exercise needs to be carried out in sequence, identifying and developing new proposals once existing support has been exhausted or there is a clear gap in terms of activities or services. The four phases are:

1. Making full use of the resources already available.
2. Adapting plans, including planned expenditure, to take account of economic conditions.
3. Ensuring that new / additional measures are available locally.
4. Developing new ideas and proposals, which may require additional funding.

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<sup>21</sup> The credit crunch and regeneration: impact and implications. Report for CLG by Professor Michael Parkinson, January 2009

Some of these phases overlap with some additional resources channelled through existing programmes and others require the support of agencies at the local level.

The CWRI has a leading role to play in capital investment in regeneration and private sector investment. This will involve:

- Working with developers and investors to ensure that developments are completed and occupied; including finding new and innovative solutions to residential development.
- Encouraging the promotion and marketing of development opportunities
- Ensuring that planned public sector investment takes place.
- Working with other stakeholders to maintain the capacity of the construction/development industry.
- Maintaining a high profile for CWRI nationally and internationally.

A number of other major cities in the UK are viewing the economic recession as a period to strengthen the competitiveness of their position relative to other locations. Examples include the City of Leeds developing proposals for an Arena, and Manchester's focus on developing an international visitor destination attraction illustrate an increased resolve to pursue new developments to take advantage of the up-turn. It will be important that new and ambitious proposals are developed for the Clyde Waterfront in the hiatus period which is preceding the economic up-turn.

### Summary

The Clyde Waterfront Delivery Plan 2008/9 focuses on priorities relating to water-based transport, developer engagement, community engagement, marketing, curriculum resources, heritage and environment promotion and safety and security.

Based on the preceding discussions in this section, the Delivery Plan seems to be broadly well focused relative to the areas that stakeholders believe should be the priorities of the Initiative. This is particularly the case for the Initiative's work around river access, marketing, curriculum resources and heritage/ environment promotion.

We would however question the focus of the Initiative in playing a continuous role in direct developer engagement, although the Initiative can play a role in responding to the current economic downturn.

The following section makes a series of more specific recommendations about the future role and focus of Initiative activity.

## 9 CONCLUSIONS AND RECOMMENDATIONS

### Achievement

The Clyde Waterfront Regeneration Initiative (CWRI) is an ambitious programme to transform the Clyde Waterfront over a 20-25 year period from 2003. The original Clyde Waterfront Appraisal, produced in 2003, and on the basis of which original funding approvals were given, anticipated that the Clyde Waterfront area would see the development of 714,000 sqm commercial premises, 15,000 residential units, and creation of 34,000 jobs in gross terms over the period 2003-25.

A Partnership was established in 2005 to monitor progress towards achievement of the Initiative's objectives. Following a Review of the partnership in 2007, the structure of the Partnership was revised, although its broad rationale and objectives remained the same.

Five years into the CWRI programme, significant achievements have been realised. Evidence from the baseline analysis shows that:

- jobs and business growth have been higher in the Clyde Waterfront area than elsewhere in the city-region or nationally;
- Employment in the CWRI area increased by 21,000 over the period 2003-5 alone, a remarkable increase in a very short space of time; and
- population growth in the Clyde Waterfront was also well above the national average, although on a par with city-regional growth generally, and reflecting residential growth in urban areas

There has been success in reducing unemployment, with the city centre generally performing better than the more peripheral areas. Current economic conditions are affecting many communities and further increasing employment levels is likely to be a difficult challenge over the next few years.

From a more qualitative point of view, good progress has been made towards the Vision. The Clyde Waterfront is seeing the emergence of a number of distinctive character areas along the Waterfront, and some have experienced remarkably rapid development in the past few years. These include:

- the International Financial Service District, which successfully competes against other premier locations such as Spinningfields in Manchester and Temple Quay in Bristol;
- Pacific Quay, which successfully competes against mediocrity in Salford and developing areas in Leeds and Bristol; and
- SECC, which successfully competes against the NEC in Birmingham and G-Mex in Manchester.

These assets play an important role in securing new inward investment and developing supply chain linkages in key Priority Industries, including business and professional sectors and creative and digital industries.

There are a number of areas where further progress is required to ensure that the Vision is met in full. These are further progress on Clyde-wide transport infrastructure improvements (although recent announcements by the Government have pushed this back up the agenda), a re-balancing of the development profile in some areas where initial development been driven by apartments and large scale retail development; more efforts to make the river a

focal point for activity on the waterfront; and increasing the benefits to local communities from the development activity that is taking place.

Figure 9.1 below provides a summary of progress to date against each of the Initiative's four strategic objectives.

**Figure 9.1: Assessment of progress to date**

Strategic Objective	Assessment of progress
To create a globally attractive location which will enhance competitive advantage, create jobs and increase output	Excellent progress
To create distinctive, quality places and a vibrant, dynamic waterfront with international appeal	Good progress, but ongoing challenge to create a truly vibrant and distinctive waterfront
To stimulate the regeneration of nearby communities and widen access to jobs, investment and training	Satisfactory progress
To achieve high levels of accessibility and connectivity for people and businesses by all transport modes	Satisfactory progress; this is the key challenge for the Initiative in coming years

Source: GEN Analysis

## Impact

Economic impacts have been significant. In purely gross terms, new developments in the Clyde Waterfront area since 2003 have seen:

- the development of around 267,000 sqm of commercial floorspace;
- almost 6,000 residential units, and
- the creation of almost 17,000 new jobs.

These gross outputs are significantly above the level that were expected to have been delivered by this stage at the time of the Clyde Waterfront appraisal in 2003. The bulk of the commercial floorspace and employment impacts have been felt in Glasgow City Centre and Pacific Quay/ SECC.

The fact that the level of gross development has been so significant reflects in part the extremely buoyant private sector market that has operated since 2003. Indeed, the value of private sector investment since 2003 has been around £1.1 billion, which is substantially higher than the £870m that the original appraisal anticipated would have been delivered by 2008, and is also significant in the context of £50m investment from Scottish Enterprise and £307m investment from wider partners in infrastructure, public realm, housing, and land remediation. As important, there is scope for a further substantial increase in private sector investment, in both commercial and residential development, when market conditions are more positive.

The net additional impact of the Initiative (i.e. the proportion of the gross impacts that can be attributed to the activity of the Initiative) has also significantly surpassed its targets. The net additional impact of the Initiative has been to create 76,000 sqm commercial floorspace (27% above the forecast net additional impact that would have been delivered by this point). In employment terms, the net additionality of the Initiative has been to create 4,650 new jobs, which is around twice as much as was anticipated at the time of the original appraisal.

This level of net additionality is high given the strength of the market during the past five years, and net additionality of the Initiative is likely to increase in the future as key Initiative

projects – such as Fastlink and the Tradeston Bridge – come on stream and start to deliver major economic impacts.

There were some tensions around the establishment of the Clyde Waterfront Partnership, and uncertainty as to what the precise role and remit of the partnership was in its early days. This limited the Strategic Added Value of the Partnership – although there are some good examples of where it has exercised a lobbying and influencing role effectively.

Overall, the Partnership has played a positive role, notably in terms of the development and launch of the Clyde Waterfront website, which is generally viewed as a useful tool by stakeholders and developers. The Partnership has also played a key role in marketing the Clyde Waterfront at events and in the media, and more recently has developed a highly regarded suite of educational tools.

### Looking to the future

There continues to be a strong policy rationale for supporting the CWRI. The Clyde Waterfront is identified as a key economic driver of national significance in the National Planning Framework (which highlights the importance of improving transport and strategic drainage issues in the Glasgow city-region), it remains one of the key pillars of the Glasgow and Clyde Valley Structure Plan, and it forms a key element of the Government's People and Place Regeneration Statement. Going forward, the Clyde Waterfront can have a clear role to play in delivering Scottish Enterprise's Priority Industry agenda, and in so doing contributes to the Government's aims to increase GVA growth.

The policy landscape is considerably different now with a focus on priority industries, as set out in the Government Economic Strategy and the Scottish Enterprise Business Plan 2008- There is now a policy framework in place to support high growth businesses and it is clear from the evaluation that certain developments have already moved towards this policy agenda. The early successes include the development of the IFSD, creative and digital media at PQ and increased tourism destinations at SECC and Renfrew Riverside. The policy and economic changes being witnessed suggest that there is a need to re-assess the key investment zones along the Clyde and to position areas with best potential as zones for priority industry growth or clusters. The role of the CWRI should be to streamline and lobby investment directed towards key geographies which support the growth of Priority Industries. Future interventions should be based by industry-specific research as to their growth, premises and site requirements and these should supported by masterplans for key investment zones/opportunities. It may be that a refreshed Regeneration Plan is the best manner to address the policy and economic shifts.

The CWRI includes some of Scotland's major long term economic assets, with considerable potential to attract new investment and support Priority Industries. As employment increases, as it will in the medium term, transport infrastructure will be important in maintaining the competitiveness of locations and ensuring that residents can access new employment opportunities.

Further investment is required to achieve the vision for the Clyde Waterfront – and to compete with competition from emerging sites such as Edinburgh Harbour (which includes proposals for 15,000 homes and 1.4m sq ft of office space and 970,000 sq ft of retail and leisure space). Many of the anticipated benefits of the CWRI are predicated on delivering key pieces of transport infrastructure – notably Fastlink. Many of the anticipated benefits of the Initiative – including stimulating waterfront activity to create a truly vibrant waterfront, and ensuring that local communities benefit from key development – need to be progressed. Crucially, there remain a number of key development areas which are continuing to evolve – Pacific Quay, SECC, Clydebank, Glasgow Harbour – as well as some that remain at a very early stage of

the regeneration process – including Tradeston, the Graving Docks in Govan, and sites in West Dunbartonshire such as Bowling and Hospital Gate.

The Clyde Waterfront 12-month delivery plan recognises this, and sets out actions to develop a water-based infrastructure strategy and develop a community benefit proposition among others.

The current economic climate is already slowing the pace of delivery over the next 4-5 years, although the Initiative can play a key role in sending a message that the public sector remains committed to the regeneration of the Waterfront. This should include maintaining momentum in those investment and activities which are not affected by the credit crunch, including the completion of public realm and access works which will make sites and locations more attractive to the private sector.

There is some concern among stakeholders as to the positioning of the Initiative given SE's shifting focus away from regeneration and towards Priority Industries, with less emphasis on spatial priorities. The fact that SE has now seen its remit pass to Skills Development Scotland adds to the uncertainty, given that a potential focus for the CWP going forward could be the community benefits agenda. On the other hand, many stakeholders believe that the positioning of the Partnership within SE will prove to be a strength, providing greater scope for the Partnership to effectively communicate and coordinate, as well as linking development plans to the growth of the Priority Industries.

The CWRI Executive team is well resourced to achieve these actions but may need additional resources depending on the outcome of future visioning and action-planning, if it is to play a more direct lobbying and leading role.

### Recommendations

Listed below are a number of recommendations which break into four categories – leadership and advocacy; core marketing and dissemination role; pursuit of specific agendas, and performance monitoring..

#### Leadership and advocacy

**Recommendation 1: Vision and Mission statement:** Given current market conditions and changes in the policy context, the Initiative can play a key role in building consensus on the validity of the original vision for the Clyde Waterfront, how the Vision might need to change; and what needs to be done to achieve the Vision. There is scope for the Partnership to host one or two workshops with local stakeholders to review the focus and ambition of the vision for the Clyde Waterfront. As well as an opportunity to refresh the Regeneration Plan, this will also provide scope for the Partnership to engage more directly with some of its key local stakeholders.

**Recommendation 2: Senior involvement in Partnership:** The Partnership has successfully exercised its strategic position to influence key decisions, with the recent announcements by the Government on Strategic Transport priorities show that this influencing role is having good effect in respect of Fastlink as just one example. If the Initiative is to maximise its impact in this influencing role, it is critical that senior personnel from stakeholders organisations contribute to identifying the priorities for the influencing and advocacy.

**Recommendation 3: Making Fastlink happen:** The majority of stakeholders believe that Fastlink is critical for the realisation of the Clyde Waterfront vision. Indeed, evidence from the

review of critical success factors in waterfront regeneration highlights major transport infrastructure investment as one of the most critical factors in successful regeneration. The Partnership should continue to publicise the benefits of Fastlink, and update stakeholders regularly on progress with negotiations.

### **Core marketing and dissemination role**

**Recommendation 4: Website:** The website is the most visible and most highly thought of activity that the Initiative leads on. It is essential that this remains a priority for the Initiative, and that it is kept completely up-to-date.

**Recommendation 5: Inward investment marketing:** The Initiative has had a number of major marketing successes, with a relatively small budget. To have maximum impact, it is important that the Initiative does not spread its marketing resources too thinly, but focuses on one or two key priorities – these could be particular events, tools, or publications, in consultation with partners. In line with its own Marketing Strategy, the Initiative should work more closely with wider stakeholders to add value to each others marketing activities and priorities, dovetailing with other regional campaigns such as 'Glasgow: Scotland with Style', IFSD, inward investment campaigns led by SDI, and others. There is scope to add weight to marketing efforts by having open dialogue and shared resources with other initiatives, by doing so ensuring that future campaigns present the Clyde Waterfront as a strategic investment location and destination in its own right. In the current economic downturn, the majority of inward investment activity is likely to come from elsewhere in the UK, and the Initiative's marketing strategy should reflect this.

**Recommendation 6: Communication, sharing and disseminating best-practice with partners:** the most effective way to 'buy-in' support from partners and wider stakeholders, and to ensure the engagement of those partners in the Initiative and its activity, is to work with these stakeholders to share and promote lessons and findings from Glasgow and elsewhere. The Initiative should seek to use the website and the e-bulletin more proactively to promote learning and best-practice among partners and stakeholders. The Initiative should also be responsive to suggestions or requests from partners about issues of best-practice to explore. More ambitiously, the Initiative could organise and facilitate a series of learning or best practice workshops among partners and wider stakeholders, as a way of engaging these groups and raising awareness of the initiative and waterfront activity.

**Recommendation 7: Community engagement:** The Initiative has developed a number of successful tools and approaches to community engagement, including the curriculum resources. The most effective mechanism for engaging with communities is through events, and the Initiative should explore the scope for extending the River Festival to include Renfrewshire and West Dunbartonshire. A refresh of the CW Vision would provide additional scope to engage local communities, working in conjunction with local authority partners, and could act as the catalyst for the development of further community engagement tools.

**Recommendation 8: Curriculum resources:** The curriculum resources developed by the Initiative are seen by stakeholders as a key legacy, and effort to promote and develop these should be continued.

### **Pursuit of specific agendas**

**Recommendation 9: Water access:** The majority of stakeholders, and communities, would like to see the Initiative leading on the river access agenda, and this is an area that the Initiative should be well placed to address given its objectives and cross-cutting role. The Initiative has already begun to address this through the recent establishment of the Water Access Working Group. This agenda will require significant work over a long period. It is

important that the work of this group involves and engages all relevant stakeholders, and that it can identify some early activity or progress on the ground (perhaps building on the existing events programme) to maintain momentum and enthusiasm.

**Recommendation 10: Green infrastructure:** Evidence from the best-practice case-studies and analysis of critical success factors has highlighted the importance of civic space and greenspace in driving the success of waterfront regeneration. In addition to river and land based transport connections, the Clyde Waterfront Partnership, in association with the Clyde Valley Green Network Partnership, should focus efforts in developing an action based Green Network Strategy. This renewed strategy should focus on developing linkages between key sites and have an emphasis on projects which can have a catalytic effect as well as projects which can be delivered in line with current funding allocations.

In addition to green network developments along the River Clyde it is important that other green networks 'hook' into this key element of the wider Glasgow and Clyde Valley Green Network, for example the ongoing development of the Strathleven Regeneration Corridor.

**Recommendation 11: Responding to the recession:** The CWRI has a leading role to play in capital investment in regeneration and private sector investment. This will involve:

- Working with developers and investors to ensure that developments are completed and occupied; including finding new and innovative solutions to residential development.
- Encouraging the promotion and marketing of development opportunities
- Ensuring that planned public sector investment takes place.
- Working with other stakeholders to maintain the capacity of the construction/development industry.
- Maintaining a high profile for CWRI nationally and internationally.

A number of other major cities in the UK are viewing the economic recession as a period to strengthen the competitiveness of their position relative to other locations. Examples include the City of Leeds developing proposals for an Arena, and Manchester's focus on developing an international visitor destination attraction illustrate an increased resolve to pursue new developments to take advantage of the up-turn. It will be important that new and ambitious proposals are developed for the Clyde Waterfront in the hiatus period which is preceding the economic up-turn.

**Recommendation 12: Developer engagement:** Our evaluation has suggested a limited role for the Initiative in the direct engagement of private sector developers. However, the Initiative and its partners should continue to promote the Initiative as an information source for developers and businesses, and the Initiative can signpost developers to further information or support as needed.

**Recommendation 13: Maintaining investment in public realm:** Developers and businesses have highlighted the importance of good quality public realm in attracting development. This is particularly the case for high growth and high value industries. Public realm has been a key focus of CWRI activity since its inception, although there is a danger that in the present climate resources are diverted away from public realm type interventions. The initiative and its partners should work to ensure that a strong programme of public realm improvements is pursued, and that these programmes are well publicised to businesses in the area.

**Recommendation 14: Community benefit:** Ensuring that local communities benefit from development is a key objective of the initiative. It is difficult for the Initiative to influence this agenda directly, as it does not undertake direct development. However, the Initiative should continue to play an important role in highlighting the importance of having Community Benefit Clauses within all development contracts, and in signposting developers and partners to further information in this respect.

**Recommendation 15: Developing a vibrant waterfront:** One of the key objectives of the initiatives was to create a sense of vibrancy along the waterfront. Although it is early days in the context of the 25 year programme, this is one area which stakeholders feel has seen slower progress to date. The Initiative should wherever possible pursue activities which can increase the vibrancy of the waterfront area. This may include promoting exhibitions, festivals along the waterfront, developing a public arts programme, ensuring that waterfront areas benefit from adequate lighting and public realm, and continuing to develop a series of linked waterfront walkways. Realisation of the objective to develop Tradeston as a funky quarter will require the public sector partners to play a strong coordinating and influencing role.

### Performance monitoring and baselining

**Recommendation 16: Performance monitoring:** Since its inception, the Initiative has placed a significant emphasis on performance monitoring, particularly through the presentation of project-level information on the Clyde Waterfront website, and through the 3-yearly production of economic impact assessments. This role can be augmented by incorporating the calculation of net impacts on a three yearly basis, so as to reduce the risk of confusion when information on the Initiative's net impacts is calculated and presented as part of separate work.

**Recommendation 17: Baselining:** The original Performance Monitoring Framework recommended the design and regular implementation of survey work to capture local views on the outcomes of regeneration activity. This would represent significant work and resources for the Initiative, and is unlikely to justify the means in our view.

However, the baseline reports themselves should be produced on an annual basis to review performance, with the results disseminated through the Initiative's usual marketing channels. There is scope to work with the Strathclyde Partnership for Transport (SPT) and one or more property developers, to develop bespoke indicators for transport and the property market which could be updated on an annual basis. There is also scope for the Initiative to explore, through the work of one of its Working Groups, the scope to establish more robust and Clyde Waterfront specific baseline measures to reflect visit rates in the area. Indicators to be explored would include the scope for installing pedestrian counters at certain points along the waterfront, or the monitoring of leisure traffic/ moorings – although the Working Group may wish to consider additional indicators.

The early success of stakeholders and the Initiative provide an exceptional platform for further development. Although economic conditions are very challenging, the quality of the new investments potentially places many of the KCAs in a strong position to benefit from the inevitable economic up-turn. It will be important however to continue to move forward on new investment and to take a pro-active approach to advancing key projects, particularly those which improve the transport infrastructure.