



# Shawfield, Phase 1

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## Economic Impact Assessment

*For Clyde Gateway URC  
Project Reference:016*

**Additional Research  
January 2015**

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## RECORD OF CHANGES

As new project data becomes available, the table below will note significant changes to the economic benefits as reported in new document versions.

Version Number	Date	Detail of Changes
<b>Version 1.1</b>	Jan 2015	Revised costs and benefits, and associated economic impact figures throughout. Section 4.6: KPI 6 revised.

## EXECUTIVE SUMMARY

This report sets out an assessment of the economic impact of Shawfield project. The strategic fit and rationale for the project are reviewed and the project demonstrates a strong contribution to stakeholder policy at local, regional and national level. Clear grounds for undertaking the project are also evident in terms of market failure and equity rationales- with a particularly relevant role for the public sector in decontaminating the former industrial site, and assembling a large package of land within the context of an overarching masterplan framework.

A summary of the socio-economic baseline of the Clyde Gateway area further reinforces the need and justification for the project in addressing serious place, economic and community challenges.

Specifically the project aims to develop office accommodation in a former contaminated and largely derelict site and is seeking to stimulate local economic activity through enhancement of the built environment, the attraction and support of business activity in the Clyde Gateway area, the provision of construction and operational employment opportunities, and the creation and promotion of training and work opportunities for Clyde Gateway area residents.

The project forms part of a wider portfolio of development activities in the surrounding Clyde Gateway area, including South Dalmarnock and the wider Shawfield 'supersite'.

Within this context, the report estimates significant gross economic benefits from the project, including:

- 233 Jobs Supported per Year of Construction;
- 7,584 Total Peak Operational Jobs FTE; and
- £318.0m Annual Operational GVA Impact.

These benefits make a major contribution to the Key Performance Indicators established for Clyde Gateway and make a positive contribution as part of the larger pipeline of Clyde Gateway development activity.

The report estimates the net benefits of the project, as follows:

- Total Construction Employment (Scotland Level) of 88;
- Operational Peak Employment Jobs FTEs (Scotland Level) of 2,134; and

- Operational Annual GVA Impact (Scotland Level) of £91.8m.

In maximising the net benefits, key challenges for Clyde Gateway are likely to be:

- Minimising 'leakage', i.e. ensuring the maximum uptake of training and employment by residents;
- Minimising 'displacement', i.e. ensuring the nature and timing of the development of the property portfolio remains sensitive to market need;
- Maximising local supplier opportunities for the construction and servicing of new developments, i.e. retaining spending within the local area.

The impact model developed for the project highlights the main steps required for the project to fulfil its goals in terms of place, economic activity and community sustainability. We note that, at the project level, there is an opportunity to ensure that the specific mechanisms to attract business, support the growth of business, and ensure linking of training and employment opportunities to residents, are further specified. This would aid implementation and future monitoring and evaluation of project benefits.

For example, this may include, at the project level, specifying how the project links-in with Clyde Gateway marketing activity, community enhancement and engagement activities, or the work of partner agencies such as Business Gateway, Skills Development Scotland, Scottish Enterprise, or Scottish Development International.

**Recommendations:**

1. Continue to develop and maintain activities to maximise uptake of direct training and employment opportunities by residents in project developments, but also boosting capacity of local people to service new developments thereby keeping employee and supplier spend within the Clyde Gateway area;
2. Maintain an evidence-based approach to assess the market context of other portfolio development to ensure minimal displacement;
3. Continue to explore synergies with partner bodies to promote business attraction and growth; and

4. Ensure monitoring and evaluation systems are in place to fully capture future project benefits, especially the links between the project and local residents and community.

A summary of economic impact is noted in the table below.

### Economic Impact Assessment Summary

Factor	Detail	
<b>Gross Benefits</b>	Jobs Supported per Year of Construction	233
	Annual Construction GVA Impact	£11,898,704
	Total Construction GVA Impact	£95,189,634
	Total Peak Operational Jobs FTE	7,584
	Annual Operational GVA Impact	£317,995,048
<b>Net Benefits</b>	Total Construction Employment (Clyde Gateway Level)	31
	Total Construction Employment (Scotland Level)	88
	Total Construction GVA Impact (Clyde Gateway Level)	£12,547,184
	Total Construction GVA Impact (Scotland Level)	£36,285,099
	Operational Peak Employment Jobs FTEs (Clyde Gateway Level)	955
	Operational Peak Employment Jobs FTEs (Scotland Level)	2,134
	Operational Annual GVA Impact (Clyde Gateway Level)	£40,027,627
	Operational Annual GVA Impact (Scotland Level)	£91,761,446
<b>Cost-Benefit Analysis</b>	Net Present Value (Gross)	£2,897,677,473
	Net Present Value (Net) (Clyde Gateway Level)	£192,679,758
	Net Present Value (Net) (Scotland Level)	£703,551,488
	Cost-Benefit Ratio (Cost: NPV) (Gross)	1:12.55
	Cost-Benefit Ratio (Cost: NPV) (Net) (Clyde Gateway Level)	1:0.83
	Cost-Benefit Ratio (Cost: NPV) (Net) (Scotland Level)	1:3.05
<b>Cost per Job</b>	Cost per Operational Job (FTE)	£27,074
	Cost per Net Operational Job (FTE, Scotland Level)	£96,216

## 1 INTRODUCTION

This report is prepared in response to a request by Clyde Gateway Urban Regeneration Company (URC) for a review of the economic benefits of the Shawfield project (Phase 1).

The purpose of this economic impact assessment is to inform the decision making of Clyde Gateway and partners around future management and delivery of the project. The economic impact assessment has been undertaken in accordance with the principles set out in the HM Treasury Green Book.

### 1.1 PROJECT SUMMARY: SHAWFIELD

Shawfield is a priority project within the approved Clyde Gateway Business Plan and 2013-2016 Operating Plan<sup>1</sup>.

The development aims to maximise the potential of the site's connectivity and riverside setting to create a high quality business environment. The masterplan<sup>2</sup> provides a flexible framework for delivering 1,180,000 ft<sup>2</sup> of business space and ancillary mixed uses that can accommodate a wide range of occupier requirements within a high quality public realm.

The project aims, with appropriate support, to be a nationally significant business district in Scotland.

It is noted that Shawfield forms part of wider development initiative by Clyde Gateway. The 11ha masterplan for this initial phase has been developed from an intensive review of the 64ha strategic masterplan for the wider area, to create a robust framework for delivering a Business District of national significance at Shawfield. The wider site will be developed through four distinct delivery phases over the course of the next 11-15 years<sup>3</sup>.

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<sup>1</sup> Clyde Gateway (2013), A Dynamic City Location, Clyde Gateway Business Plan, Clyde Gateway: Glasgow; Clyde Gateway Operating Plan, 2013-16, Clyde Gateway Glasgow.

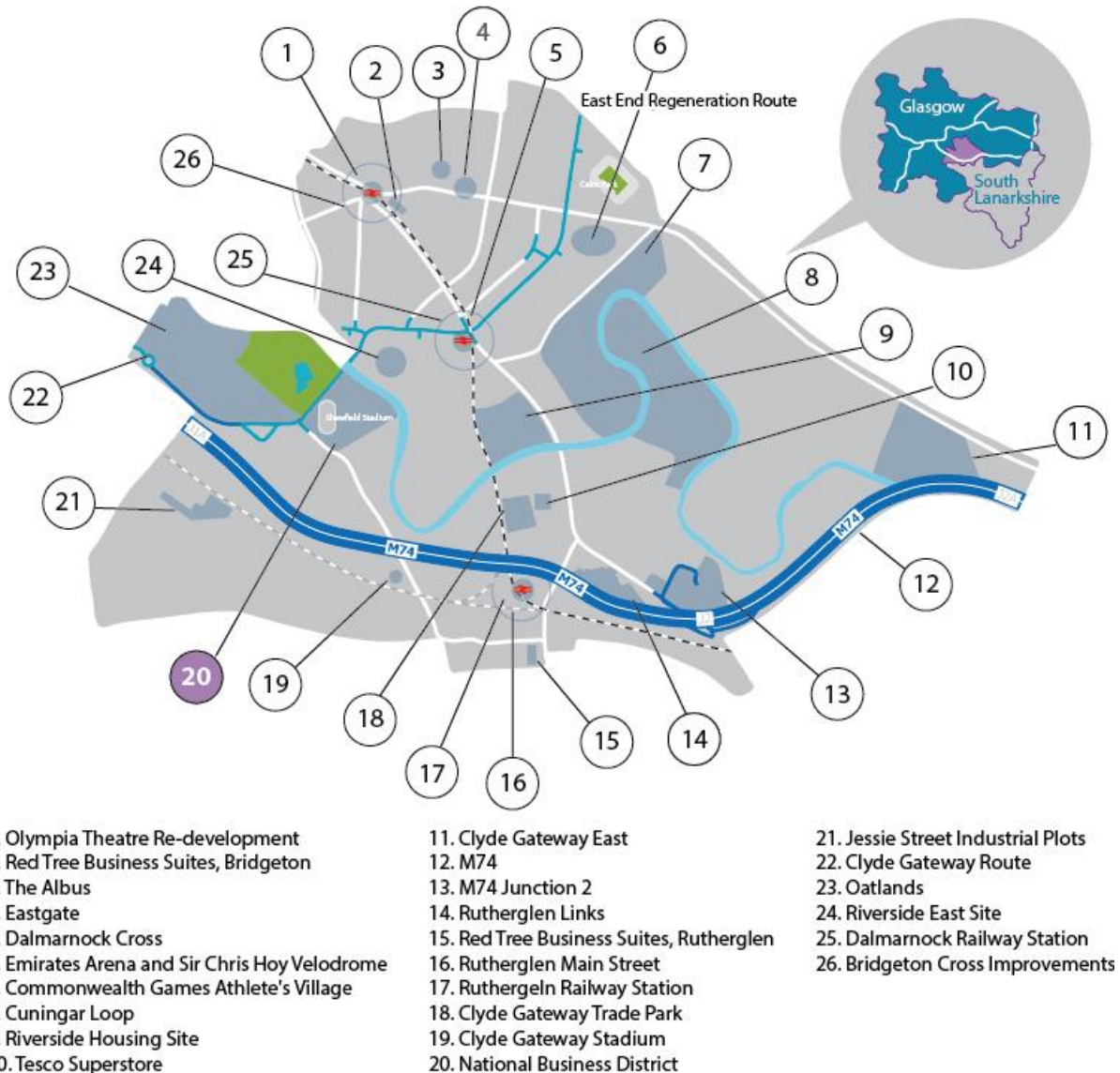
<sup>2</sup> Clyde Gateway (2014) Shawfield Masterplan, 26 September, Draft, Clyde Gateway: Glasgow.

<sup>3</sup> South Lanarkshire Council (2013) Promote, Promoting Growth and Prosperity, An Economic Strategy for South Lanarkshire 2013-2023, South Lanarkshire Council: Hamilton.



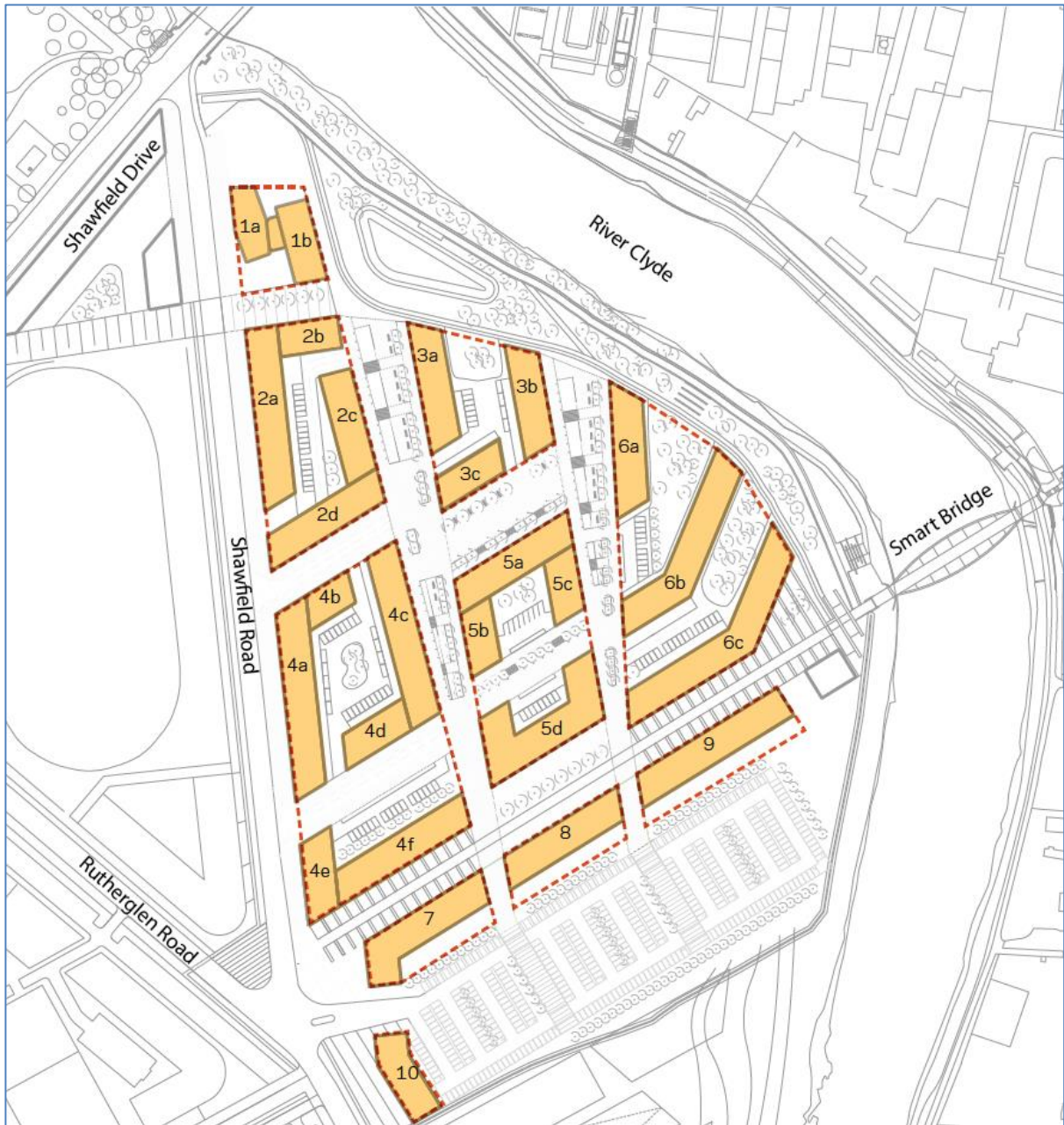
The location of the site, relative to other Clyde Gateway projects, is noted in Map 1.1. Map 1.2 indicates the plots within the phase 1 site. It is noted that the project site is to be developed over an extended period of time, through three phases as shown in Map 1.3.

**Map 1.1 Shawfield Location**



Source: Adapted from Clyde Gateway (2014) Clyde Gateway, Accessed October 2014, Clyde Gateway: Glasgow ([http://www.clydegateway.com/pages/clyde\\_gateway\\_map.php](http://www.clydegateway.com/pages/clyde_gateway_map.php))

Map 1.2 Shawfield, Phase 1, Detailed Location with Plots



Source: Adapted from Clyde Gateway (2014) Shawfield Masterplan, 26 September, Draft, Clyde Gateway: Glasgow

### Map 1.3 Shawfield, Supersite, Location



Source: Clyde Gateway (2014) Shawfield Masterplan, 26 September, Draft, Clyde Gateway: Glasgow

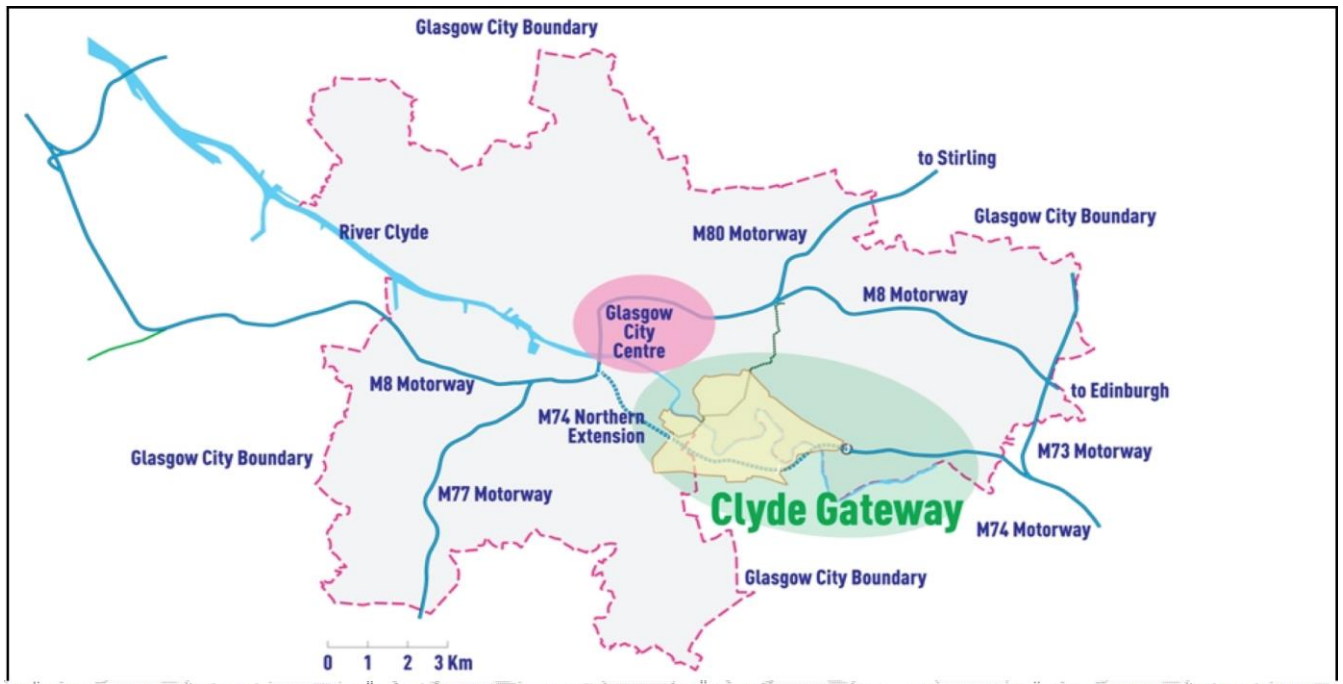
## 1.2 CLYDE GATEWAY CONTEXT

Established in December 2007, the Clyde Gateway URC is a partnership between Glasgow City Council, South Lanarkshire Council, Scottish Enterprise, and the Scottish Government (see Map 1.4).

Clyde Gateway is delivering a regeneration programme which aims to transform the image, perception and fortunes of an area covering a large part of the East End of Glasgow, including Bridgeton, Dalmarnock and Parkhead, as well as Rutherglen and Shawfield in South Lanarkshire, and has set ambitious targets to bring jobs, investment and new housing on an unprecedented scale and pace.



Map 1.4 Clyde Gateway Location



Source: Clyde Gateway (Accessed 2014), A Dynamic City Location, Clyde Gateway Business Plan, Clyde Gateway: Glasgow.

The Clyde Gateway Business Plan<sup>4</sup> presents a broad framework for the URC and focuses activity around three strategic goals:

1. Sustainable place transformation;
2. Increased economic activity; and
3. Developing community capacity.

The Business Plan also sets a number of ambitious output targets that the URC aims to achieve over its 20-year lifecycle. These state, that over this period, the URC will deliver (gross):

- The remediation of 350ha of derelict and contaminated land;
- An increase in income at the regional level by £380m;
- 400,000 sq. m of employment space;
- 21,000 new jobs in the Gateway;

<sup>4</sup> Clyde Gateway (Date) A Dynamic City Location, Clyde Gateway Business Plan, Clyde Gateway: Glasgow

- 10,000 new homes; and an
- Increase in population of the Clyde Gateway area by 20,000.

### 1.3 REPORT AIMS & OBJECTIVES

The aim of this report is to prepare an economic impact assessment that examines the following factors:

1. **The project scope, rationale, and strategic fit**- a review of the detailed aims and objectives of the project and fit with local and national policy documents;
2. **Development of an impact assessment model** - identification of proposed social and economic impacts, relevant indicators and their sources;
3. **Socio-Economic Baseline assessment** - review of current social and economic conditions within the project area; and
4. **Economic benefit, including additionality, and cost-benefit analysis**, - an appraisal of the expected future economic and social benefits of the project.

### 1.4 APPROACH

This assignment was facilitated via the following steps:

#### **Inception Meeting & Discussion**

The study commenced with a discussion with Clyde Gateway representatives to: agree and finalise the detailed scope of the study; access background documents; and identify appropriate contact details for project owners and stakeholders to be consulted.

#### **Desk Review of Background Information**

A detailed review of background documentation relating to Shawfield project including:

- Reviewing existing project appraisal documents; and
- Reviewing existing monitoring or evaluation reports relating to project activities.

## **Project Manager Consultation**

Additional clarification was sought from project managers in order to ensure that data are reported accurately and consistently. Consultations were held with project managers in order to interpret background documents, and to provide the most up-to-date picture of issues affecting the project.

## **Analysis**

Information was collected and assessed on the following project factors in accordance with relevant formal guidance<sup>5</sup>:

- Key Performance Indicators;
- The area of benefit;
- Timescales of benefits;
- Economic multiplier effects;
- Discounting rates;
- Costs and inputs (public and private);
- Prices;
- Additionality (i.e. net benefits, and treatment of deadweight, displacement, leakage, substitution and economic multiplier effects); and
- Attribution.

The approach identified any inconsistencies or gaps; reviewed the strength and reliability of the collated data; and where appropriate, amended factors using more current data.

## **Presentation and Discussion of Findings**

This step consisted of a meeting with Clyde Gateway to present and discuss the main findings and provide an opportunity for challenge and clarification of findings.

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<sup>5</sup> HM Treasury (2003) The Green Book, Appraisal and Evaluation in Central Government, Treasury Guidance, HM Treasury: London; Scottish Enterprise (2014) Scottish Enterprise Economic Impact Guidance, Scottish Enterprise: Glasgow.

## Reporting

The final step brought together all of the material from the desk research, consultations and discussion to produce a concise report highlighting key findings and conclusions.

### 1.5 REPORT STRUCTURE

The remainder of this document is structured as follows:

- **Chapter 2** sets out the rationale behind the project, considers the detailed objectives of the project and provides an overview of the funding which will enable its delivery. The chapter also introduces the impact model, which provides a framework for quantifying the benefits that will arise from the project;
- **Chapter 3** provides a summary review of the baseline social and economic conditions in the project and wider Clyde Gateway URC area;
- **Chapter 4** provides an analysis of the economic and social impacts that are expected to arise from the project;
- **Chapter 5** presents our conclusions and recommendations.

## 2 PROJECT GOALS, JUSTIFICATION & IMPACT MODEL

### 2.1 INTRODUCTION

This section of the report outlines the detailed objectives of Shawfield Phase 1 project, funding arrangements, and the strategic alignment of the project with national, regional and local policy documents.

The section also considers the justification of the project in terms of market failure and equity rationales. Lastly, a summary logic model is set out illustrating the main project steps leading to the proposed benefits and the links between them.

### 2.2 PROJECT OUTLINE

#### 2.2.1 PROJECT AIMS & OBJECTIVES

The development aims to maximise the potential of the phase 1 site's connectivity and riverside setting to create a high quality business environment. The masterplan<sup>6</sup> provides a flexible framework for delivering 1,180,000 ft<sup>2</sup> of business space and ancillary mixed uses that can accommodate a wide range of occupier requirements within a high quality public realm.

The project aims, with appropriate support, to be a nationally significant business district in Scotland.

It is noted that Shawfield phase 1 project forms part of wider development initiative by Clyde Gateway. The 11ha masterplan for this initial phase has been developed from an intensive review of the 64ha strategic masterplan for the wider area ('supersite'), to create a robust framework for delivering a Business District of national significance at Shawfield.

A flexible master plan framework has been defined for development that can accommodate a wide range of occupier requirements and allows a flexible response to changing needs.

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<sup>6</sup> Clyde Gateway (2014) Shawfield Masterplan, 26 September, Draft, Clyde Gateway: Glasgow.



Plots range from 0.2ha to 2.5ha accommodating buildings from 20,000 ft<sup>2</sup> (GIA) to 300,000 ft<sup>2</sup> (GIA) and can be subdivided and amalgamated to suit occupiers' requirements.

Clyde Gateway also aims to engage in a range of 'Community Enhancement' activities, including:

- Community consultation and engagement;
- Support for local youth or elderly groups;
- Involvement in the school curriculum such as careers talks, enterprise and education projects;
- School and college work experience placements; and
- Encouragement and support of local business to respond to opportunities arising through the project.

Alongside a proposed set of community enhancement activities, a 'Community Engagement' process is being undertaken that will fulfil statutory obligations and keep the local community informed of the proposals for the site but also provided an opportunity to influence the decision-making process.

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#### 2.2.2 PROJECT TIMING (PHASE 1)

Delivery of this commission is managed through five control boundaries. In the event that the required deliverables for each stage are not completed fully or not approved by the Board then the Project will not progress to the next stage<sup>7</sup>. At this point the Clyde Gateway will consider the options available for moving the project forward. The outline programme for the overall commission is noted in Table 2.1.

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<sup>7</sup> Clyde Gateway (2011) Shawfield Infrastructure Framework Appointment of Engineering led Design Team, Board Paper, CGDL(FEB)01, Clyde Gateway: Glasgow.

**Table 2.1 Project Timing**

Stage	Scope	Completion Dates
1	Masterplan / Development Framework	July 2011
2	Outline Business Case	October 2011
3	Design Development	February 2012
4	Final Design / Statutory Approvals	September 2012
5	Phase 1 Site Implementation works	April 2013-16
-	(Phase 1 Masterplan Refresh)	2014
6	Accommodation Development	2015/16 onwards

Source: Clyde Gateway (2011) Shawfield Infrastructure Framework Appointment of Engineering led Design Team, Board Paper, CGDL(FEB)01, Clyde Gateway: Glasgow and additional project documents, Correspondence with Clyde Gateway Project manager 2015.

### 2.2.3 INFRASTRUCTURE AND ENABLING WORKS (PHASE 1)

The infrastructure and enabling works are a significant component of the development of the National Business District, Shawfield, which are designed to support private sector investment and deliver transformational change during Phase 1 and beyond.

It is intended that these works will enable the initial development phases to proceed whilst creating market confidence in the longer-term commercial potential of Shawfield.

A key element of the Phase 1 infrastructure and enabling works is the treatment of existing chromium contamination within the ground water regime. The remediation strategy for the site is the reduction of the predominately hexavalent chromium compounds by the controlled application of a diluted solution of calcium polysulphide by injection techniques within the ground in defined areas.

Funds allocated to Shawfield Phase 1 in the Clyde Gateway 2013-2015 Operating Plan are noted as £16.3m in total, and this forms the budget for delivery of the programme of works (see Table 2.2).

It is also noted that a European Regional Development Fund (ERDF) grant award totalling £5.97m has been awarded as a contribution to the infrastructure and enabling works<sup>8, 9</sup>.

<sup>8</sup> Clyde Gateway (2013) National Business District – Shawfield, Culvert Diversion Works, Appointment of Main Contractor, Board Paper CGDL13(NOV)01, Clyde Gateway: Glasgow.

In addition, the site has required a 3-year acquisition of 38 interests within the Phase 1 area as follows<sup>10</sup>:

- As of 2007/08 South Lanarkshire Council owned 7.6ha of land within Shawfield Industrial Estate (subsequently transferred to Clyde Gateway in 2012);
- South Lanarkshire Council spent £5.4m acquiring 4.3ha of land at Shawfield, predominately through the use of its annual City Growth Fund and Vacant & Derelict Land Fund grant allocations from the Scottish Government (subsequently transferred to Clyde Gateway in 2012);
- Since Clyde Gateway began operating in 2008 it has acquired a further 4.5ha of land at Shawfield at a cost of £8.8m<sup>10</sup>.

It is noted that South Lanarkshire Council re-valued their land assets to £1 prior to transfer to Clyde Gateway, reflecting the land contamination<sup>8</sup>.

It is noted that the majority of the infrastructure and enabling costs apply to phase 1 only. The main exception in the culvert diversion works which also have relevance to the wider supersite<sup>11</sup>.

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<sup>9</sup> Clyde gateway (2012) National Business District- Shawfield Infrastructure and Development Framework, Board Paper CGDL12(AUG)01, Clyde Gateway: Glasgow.

<sup>10</sup> Clyde Gateway (2012) Transfer of South Lanarkshire Council's Land Interests at Shawfield, Board Paper CGDL12(JUN)02, Clyde Gateway: Glasgow.

<sup>11</sup> Correspondence with Clyde Gateway Project Manager Jan 2015.

**Table 2.2 Shawfield Infrastructure and Enabling Costs (excluding VAT) (not including land acquisition costs), Phase 1**

	Other Costs £	2013/14 £	2014/15 £	2015/16 £	Latest Outturn £
<b>Pre works</b>		148,894.04	8,904.00		<b>157,798.04</b>
<b>CaSx</b>	2,286,434.00				<b>2,286,434.00</b>
<b>Site 1 Enabling Works</b>		2,256,000.00	1,437,000.00	132,000.00	<b>3,825,000.00</b>
<b>Culvert Diversion Works</b>		158,318.00	5,483,159.00	199,647.96	<b>5,841,124.96</b>
<b>Site 1 Public Realm Works</b>		313,072.37	2,186,468.00	65,000.00	<b>2,564,540.37</b>
<b>Risk</b>					<b>18,619.00</b>
<b>Site re-charge for Barhale</b>					<b>-38,000.00</b>
<b>Phasing</b>					<b>287,557.00</b>
<b>Insurances</b>	322,725.00				<b>322,725.00</b>
<b>Strategic Roads Assessment</b>					<b>176,479.00</b>
<b>Morris</b>					<b>66,500.00</b>
<b>Culvert Disturbance</b>					<b>105,000.00</b>
<b>Professional Fees</b>	1,071,675.00	inc	121,000.00		<b>1,192,675.00</b>
<b>Cumulative Total</b>	<b>3,680,834.00</b>	<b>2,876,284.41</b>	<b>9,236,531.00</b>	<b>396,647.96</b>	<b>16,806,452.37</b>

Clyde Gateway (2014) Shawfield Spend Profile Dec, Excel Spreadsheet, Clyde Gateway: Glasgow

#### 2.2.4 DIRECT PROJECT DELIVERY COSTS

Development plots at Shawfield will be marketed to the private sector or form the basis of public/private sector joint venture agreements<sup>8</sup>. Estimated costs for Phase 1 are noted in

Table 2.3 based on a typical basic construction costs per m<sup>2</sup>.

**Table 2.3 Direct Project Delivery Costs (Estimates), Phase 1**

Plot	Type	Area (ha)	Building	Floorspace (GIA m <sup>2</sup> )	Provisional Development Dates (Estimated)	Estimated Cost £
1	Hotel	0.9	1a,b	8,509	2016-21	£19,145,250
2	Office	1.7	2a	6,780	2016-21	£12,204,000
			2b	1,540		£2,772,000
			2c	3,435		£6,183,000
			2d	5,964		£10,735,200
3	Office	1.0	3a	5,049	2016-21	£9,088,200
			3b	4,265		£7,677,000
			3c	1,888		£3,398,400
4	Office	2.5	4a	6,045	2016-21	£10,881,000
			4b	1,268		£2,282,400
			4c	6,846		£12,322,800
			4d	1,848		£3,326,400
			4e	4,096		£7,372,800
			4g	4,840		£8,712,000
5	Office	1.4	5a	4,240	2016-21	£7,632,000
			5b	1,616		£2,908,800
			5c	1,616		£2,908,800
			5d	6,500		£11,700,000
6	Office	1.8	6a	5,070	2016-21	£9,126,000
			6b	7,326		£13,186,800
			6c	8,872		£15,969,600
7	Office	0.4	7	4,000	2016-21	£7,200,000
8	Office	0.3	8	3,392	2016-21	£6,105,600
9	Office	0.4	9	4,380	2016-21	£7,884,000
10	Office	0.2	10	2,280	2016-21	£4,104,000
	Other*			3,518		£500,000
<b>Totals</b>		<b>10.6</b>		<b>115,183</b>		<b>£205,326,050</b>

Source: CBA (2014) Clyde Gateway Shawfield Masterplan- Phase 1, Outline Budget Cost 1, Draft, CBA: Edinburgh.

NB: \* Commercial space at ground floor level integral with office building over and ancillary buildings / facilities, fully finished and serviced.

## 2.2.5 PROJECT ACTIVITIES & ANTICIPATED OUTPUTS

A review of project documentation has identified a number of linked place, economy, and community goals that underpin the project and provide its rationale. These are summarised in Table 2.4.

**Note:** The table reports original estimates as stated in project papers, and that the economic impact figures presented in the executive summary, economic impact assessment section, and conclusions, may vary due to changes in the project and/or method of calculation.

Table 2.4 Summary of Stated Project Outputs

Challenge	All Phases
<b>Sustainable Place Transformation</b>	
Reduce the levels of derelict and contaminated land	60ha land remediated
Increase investment in major physical infrastructure	300,000m <sup>2</sup> business space delivered
<b>Increasing Economic Activity</b>	
Ensure increase job availability	14,000 total employees
Diversify the local employment in the long term	Number of inward investors to be confirmed
<b>Increasing Community Capacity</b>	
Community Enhancement & Engagement Activities	<ul style="list-style-type: none"> <li>• In respect of infrastructure and enabling works, Clyde Gateway has provided briefing sessions with a Stakeholder Group, comprising statutory consultees, regulators and other key stakeholders. The purpose of these meetings is to review proposals with the Stakeholder Group as they develop, obtain feedback, and achieve buy-in to achieving key dates on the delivery programme.</li> <li>• The consultant team is currently developing a range of Community Benefits with Stonelaw High School in line with our broader programme of engagement. Work and Training opportunities will be included in the Infrastructure and Remediation contract tenders<sup>18</sup>.</li> <li>• It is noted that a range of community benefits are linked to particular phases of the infrastructure and enabling works to date, for example:</li> <li>• Culvert Diversion Works: <ul style="list-style-type: none"> <li>○ Minimum of 3 new entrant employees for a minimum of 80% of the contract duration of 40 weeks;</li> <li>○ Minimum of 1 training opportunity to be facilitated through training /work experience placements;</li> <li>○ Notification of new vacancies to the Clyde Gateway Employability Partnership; and</li> <li>○ Training and upskilling of existing employees.</li> </ul> </li> </ul>

Source: Clyde Gateway (2011) Shawfield Masterplan and Infrastructure Works, Board Paper CGDL11(FEB)01, Clyde Gateway: Glasgow.

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## 2.2.6 LINKED PROJECTS & INVESTMENT

It is noted that Shawfield Phase 1 forms part of wider development initiative by Clyde Gateway. The 11ha masterplan for this initial phase has been developed from an intensive review of the 64ha strategic masterplan for the wider area, to create a robust framework for delivering a business district of national significance at Shawfield. In addition, the development is designed to act together and integrate with other initiatives such as the South Dalmarnock Masterplan and associated developments including:

- Development of Dalmarnock Railway Station;
- The development of the Dalmarnock-Shawfield 'smart bridge', providing pedestrian and cycle access to the Shawfield site, as well as telecoms and power links.

## 2.3 PROJECT RATIONALE & STRATEGIC FIT

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### 2.3.1 INTRODUCTION

The identification of a clear rationale for intervention should underpin all public sector interventions. The key question for policy makers is whether, as a result of an intervention, there will be economic benefits that would not otherwise come about.

The main rationales are:

- **Equity or redistribution**, where public intervention is justified on the grounds that it will result in a more equitable distribution of benefits than the market would produce if left to its own devices; and
- **Market failures**, where the market is judged not to be working effectively causing inefficiencies in the use of resources and in the resultant outcomes.

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### 2.3.2 PROJECT STRATEGY

Shawfield is identified within Clyde Gateway's Business and rolling operating plans as the URC's main employment growth location with the potential to be an urban business park of national significance.



The scale, depth and complexity of contamination at Shawfield is one of the key justifications for the establishment of Clyde Gateway. In order to attract private sector investment into Shawfield and deliver the necessary transformational change it is considered that Clyde Gateway requires demonstrating that these historic levels of contamination are capable of being addressed<sup>12</sup>.

This will enable the initial development phases to proceed whilst creating market confidence in the longer-term commercial potential of the wider Shawfield area. The identification of a cost-effective and sustainable solution to the problem of Chromium Ore Processing Residues (COPR) was therefore critical to the overall re-development of the Phase 1 and wider Shawfield areas (it is noted that as of 2015, a solution has been identified and implemented, with the remediation underway, and the majority of the area treated).

These goals can be further examined in terms of their contribution to addressing market failure or equity issues.

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### 2.3.3 MARKET FAILURE RATIONALE

**Market failure** is a concept within economic theory wherein the allocation of goods and services by a free market is not efficient. Market failures can be viewed as scenarios where individual pursuit of pure self-interest leads to results that are not efficient and that can be improved upon from the societal point-of-view. The existence of a market failure is often used as a justification for government intervention in a particular market.

There are several main types of market failure referred to in HM Treasury Green Book:

- Information Failures;
- Externalities;
- Imperfect Competition (non-competitive markets); and
- The provision of Public Goods.

One or more of these 'inefficiencies' may be grounds for intervention.

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<sup>12</sup> Clyde Gateway (2010) Shawfield Remediation Strategy- Update, Board Paper CGDL10(MAY)01, Clyde Gateway: Glasgow

The Shawfield project addresses a number of market failures to varying degrees namely:

- Negative externalities associated with contamination and dereliction of industrial land imposing a blight on the area and a barrier to productive use of that land;
- Positive externalities associated with the promotion of sustainable places and community capacity building. That is, promoting an environment for continued and sustainable economic development; and
- Imperfect competition: the large capital requirements to assemble and enable development of the site make it highly unlikely that business, in particular SMEs, would undertake the development in order to establish suitable premises within the area.

The existence of a problem does not in itself justify Clyde Gateway intervention. Public agencies themselves do not necessarily function perfectly, and any form of intervention may impose costs. So, even when markets do not work effectively, public bodies must compare the costs of failing to deliver goals against the costs of intervention. Subsequent sections of this report assess the cost-benefit of the intervention.

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#### 2.3.4 EQUITY RATIONALE

Even where markets are working efficiently, they may also result in a distribution of income (or other benefits/costs) that is unacceptable to society. Public sector intervention can also be justified on the basis that a project helps address inequalities in society.

As the following baseline section highlights (see section 3), the Clyde Gateway area possesses a number of social and economic challenges including:

- Historically, a relatively low quality housing stock;
- A growing population;
- A relatively high proportion of lower skilled and lower paid jobs;
- Just under a third of population claiming out-of work benefits;
- Relatively low educational qualification attainment amongst adult population; and
- Long-term health issue for a relatively large proportion of adults.

These characteristics have persisted over many years despite a thriving city centre labour market only a short distance away.

The project aims to bring new employment directly to the area through allied place and community benefits. This has the potential to improve the area's performance on a range of economic and social outcomes, thereby achieving an equity objective.

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### 2.3.5 STRATEGIC FIT & CONTRIBUTION

As set out above, the project rationale addresses a number of strategic goals, as well as persistent and serious market failures and equity issues. These problems are well established in the local, regional and national strategies within which the work of Clyde Gateway exists. Clyde Gateway is a key long-term strategic action at both the Glasgow, Clyde Valley and national levels, being a core component of the Scottish Government's National Planning Framework 2.

The project's strategic fit with, and contribution to, the objectives of local, regional and national is summarised in the following table, including reference to the following policies as applicable:

- National:
  - Scottish Government, 2007, Government Economic Strategy;
  - Scottish Government, 2014, Ambition, Opportunity, Place, Scottish National Planning Framework 3;
  - Scottish Government, 2010, Scottish Planning Policy
  - Scottish Government, 2011, Achieving a Sustainable Future, Regeneration Strategy;
  - Scottish Government, 2013, Creating Places, Policy Statement on Architecture and Place;
- Regional/ City Level:
  - Glasgow and Clyde Valley Strategic Development Plan, 2012;
  - Promote: Promoting Growth and Prosperity, An Economic Strategy for South Lanarkshire 2013-23 and Local Development Plan;

- Local:
  - Clyde Gateway Business Plan, 2007;
  - Clyde Gateway Operating Plan, 2013-16; and
  - Clyde Gateway Character and Values Statement, 2009.

Table 2.5 Strategic Fit Summary

Policy Document and Summary	Project Contribution
<b>Operational Documents</b>	
<p>The <b>Clyde Gateway Business Plan</b> (2007) sets out the strategic vision for the CG area. It sets out the three key strategic goals of CG, namely: Sustainable Place Transformation; Increased Economic Activity; and Develop Community Capacity. Under each of these goals a number of specific aims are outlined. The following are particularly relevant to the Olympia redevelopment.</p> <p>Sustainable Place Transformation</p> <ul style="list-style-type: none"> <li>• Improve the quality of the built and physical environment</li> <li>• Significantly reduce the levels of derelict and contaminated land</li> </ul> <p>Increase Economic Activity</p> <ul style="list-style-type: none"> <li>• Ensure there are more jobs available for local people to fill</li> <li>• Ensure a range of jobs at various skill levels are available to offer diversity of employment</li> <li>• Attract new types of employer</li> <li>• Help diversify the local economy in the long term</li> </ul> <p>Develop Community Capacity</p> <ul style="list-style-type: none"> <li>• Engage local people in the development and delivery of Gateway's vision</li> <li>• Create opportunities for improving the health of local people</li> </ul>	<p>The project contributes to these objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• Contaminated, vacant or derelict land will be brought back into use;</li> <li>• The project will create direct and indirect employment opportunities and training opportunities;</li> <li>• New office space will be created that aims to attract new business to the area, meet identified business need, and support the economic vitality of the area;</li> <li>• The jobs that the project aims to bring will contribute to community sustainability.</li> </ul>
<p>The <b>Clyde Gateway Operating Plan</b> (2013-16) defines how the strategic vision will be implemented and key steps required to secure this. The plan notes the following outputs are to be delivered in the Clyde Gateway area:</p> <ul style="list-style-type: none"> <li>• KPI 2: Business Floor Space Completed 400,000m<sup>2</sup></li> <li>• KPI 4: Number of Jobs Created/New To Clyde Gateway Area 21,000</li> <li>• KPI 5: Number of Businesses Assistance</li> <li>• KPI 6: Number of Clyde Gateway employability programme participants</li> <li>• KPI 7: Number of Participants In Clyde Gateway Community Engagement Events</li> <li>• KPI 8: Number of Participants In Additional Learning/ Health/Sports</li> </ul>	<p>The project contributes to these objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• Bringing office floorspace to market;</li> <li>• Create jobs that are new to the Clyde Gateway area;</li> <li>• Provide assistance to business in terms of property and growth;</li> <li>• Engage the local community in relation to training and employment opportunities; and</li> <li>• Provide learning and training opportunities to residents.</li> </ul>

Policy Document and Summary	Project Contribution
<p>/Capacity Building Events</p> <ul style="list-style-type: none"> <li>• KPI 9: Leverage (Additional Capital Investment Attracted to the Clyde Gateway Area)</li> </ul>	
<p>Clyde Gateway Character and Values</p>	<p>Clyde Gateway produced a statement on the character and values of the regeneration area in 2009. This is intended to guide architects' and developers' visions to fit with the local context and desired URC outcomes for high-quality regeneration in the Clyde Gateway.</p> <p>The document recognises the unique character of the area, including its industrial legacy, its current and future relationship with the River Clyde, the importance of local crosses as hubs of activity and its wider role within the Glasgow city centre context.</p> <p>Specific values have been further developed in the 2014 Shawfield Masterplan along with detailed development proposals, including recognising the role of high quality design in attracting high quality business and investment and the need to support local enterprise. The URC also highlights the value in leading project delivery with infrastructure provision and embedding sustainability at the outset of projects.</p>
<b>Local and Regional Level</b>	
<p><b>Promote: Promoting Growth and Prosperity, An Economic Strategy for South Lanarkshire 2013-23 and Local Development Plan</b></p> <p>The economic strategy provides a framework for collective action by the South Lanarkshire Community Planning Partnership to generate improvements in the area's economy.</p> <p>The Promote strategy identifies Shawfield, Rutherglen Low Carbon Zone and Cuningar Loop sites within Clyde Gateway as having the potential to become nationally significant business locations.</p> <p>Key development themes reflect:</p> <ul style="list-style-type: none"> <li>• Business development and growth</li> <li>• Physical infrastructure and place; and</li> <li>• Skills, learning and employment.</li> </ul>	<p>The project contributes to the strategy objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• High quality, energy efficient, design standards are integral to the project and will make a contribution to the physical environment;</li> <li>• Create employment opportunities and training opportunities;</li> <li>• New office space will be created that aims to attract new business to the area, meet identified business need, and support the economic vitality of the area; and</li> <li>• The jobs that the project aims to bring will contribute to community sustainability.</li> </ul>
<p>The <b>Glasgow City Plan 2</b> (2009) sets out land-use and regeneration framework for the city.</p>	<p>While located within South Lanarkshire, the project's close proximity and integration with projects across the River Clyde in Dalmarnock, will have a strong influence on</p>

Policy Document and Summary	Project Contribution
<p>The City Plan sets out the Council’s key objectives in respect of economic development, which includes:</p> <ul style="list-style-type: none"> <li>• Advancing social renewal through the provision of sufficient number, quality and range of employment opportunities in accessible locations.</li> <li>• Promoting sustainability by locating new business developments in accessible locations</li> <li>• Improve residents’ health by delivering new jobs, and safeguarding existing ones, thereby helping to improve life circumstances, reduce poverty, and foster self-esteem.</li> </ul> <p>The Plan also highlights the need to safeguard Glasgow’s historic environment, and it’s key objectives include:</p> <ul style="list-style-type: none"> <li>• Promotion of high quality, sustainable design, and construction</li> <li>• Protection of Conservation Areas, Listed Buildings, Gardens, and Designed Landscapes.</li> <li>• Enhancing the city’s public realm.</li> </ul>	<p>the goals of neighbouring Glasgow City Council’s strategic objectives.</p> <p>The project contributes to the City Plan 2 objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• High quality, energy efficient, design standards are integral to the project and will make a contribution to the physical environment;</li> <li>• Create employment opportunities and training opportunities;</li> <li>• New office space will be created that aims to attract new business to the area, meet identified business need, and support the economic vitality of the area;</li> <li>• The jobs that the project aims to bring will contribute to community sustainability.</li> </ul>
<p><b>The East End Local Development Strategy (2008 – 2011)</b> sets out the Council’s vision for the East End of the city. The strategy seeks to create a “modern city district within the East End which is founded on the principles of sustainable development and excellence in urban design.” The key objectives set out in the strategy include aspirations to:</p> <ul style="list-style-type: none"> <li>• Offer choice in relation to Employment</li> <li>• Create environments offering a sense of Place, Vibrancy and local Identity</li> <li>• Make the East End a competitive place for investment in commercial, residential and business projects</li> <li>• Modernise infrastructure to support Sustainable Development</li> <li>• Ensure accessibility to local services</li> </ul>	<p>The project contributes to these objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• High quality and energy efficient design standards are integral to the project and will make a contribution to the physical environment and sense of place and local identity;</li> <li>• Create employment opportunities and training opportunities for residents;</li> <li>• New office space will be created that aims to attract new business to the area, meet identified business need, and support the economic vitality of the area.</li> </ul>
<p>A <b>Step Change for Glasgow (2006)</b> sets out Glasgow’s Economic Development Strategy for the next 10 years and outlines three strategic priorities: Moving up the value chain; Shared Prosperity; and Excellent Economic Environment. These priorities are supported by 7 step change themes, two of which are particularly relevant to the Olympia development:</p>	<p>The project contributes to these objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• The project contributes directly to social, economic and environmental performance of the Clyde Gateway area and Glasgow as a whole;</li> <li>• This will be realised through uplifts in economic activity, employment opportunities and investment within the area, an improved physical</li> </ul>

Policy Document and Summary	Project Contribution
<p>Step Change Theme 5 - Leaders in strategic area regeneration</p> <ul style="list-style-type: none"> <li>• Outlines the importance of regeneration and that it must allow residents in the city to contribute to improving the social, economic and environmental performance of Glasgow. Cites the importance of high quality physical development in creation of attractive places for people to live, work, and access services.</li> </ul> <p>Step Change Theme 6 – Work for those without</p> <ul style="list-style-type: none"> <li>• Highlights the need to reduce levels of economic inactivity and worklessness – a particularly acute problem within Glasgow.</li> </ul>	<p>environment, and greater civic pride in the area;</p> <ul style="list-style-type: none"> <li>• The project will contribute directly to the objectives to reduce economic inactivity and worklessness through the direct provision of employment and training opportunities for local residents.</li> </ul>
<p><b>Glasgow and Clyde Valley Strategic Development Plan (2012)</b></p> <p>Clyde Gateway is a Spatial Development Strategy core component with a mixed-use focus.</p> <p>The SDP is one of two key statutory documents, along with Local Development Plans (LDPs), in Scotland’s Development Plan system when dealing with the long-term future of Scotland’s four city-regions.</p> <p>The key aim of the SDP is to set out a long-term Spatial Vision and related Spatial Development Strategy (SDS), which will support economic competitiveness and social cohesion, set within a sustainable environmental approach. It is about creating a quality of place by focusing on the continued regeneration and transformation of the city-region’s communities whilst securing positive action on its key asset, its natural environment. It seeks to minimise the development and carbon footprints of the city-region, meet climate change emissions targets and above all, support a drive towards a sustainable low carbon economy.</p>	<p>The project carries forward objectives identified in the earlier Glasgow and Clyde Valley Joint Structure Plan.</p> <p>The Glasgow and Clyde Valley Joint Structure Plan (GCVJSP) designates the Clyde Gateway as a Strategic Development Priority – Urban Renewal Area.</p> <p>Strategic Policy 5 identifies the Clyde Gateway as a Core Economic Development Area, stating that the economic competitiveness of the Structure Plan area will be supported through the development of such locations, and having a regard to the need to supply a minimum ten-year land supply.</p> <p>Strategic Policy 6 state that the quality of life and health of local communities will be supported through the provision of local employment opportunities, the provision of housing opportunities, the protection and enhancement of town centres and environmental improvements.</p> <p>The east end of Glasgow is identified as an Environmental Improvement Priority for land renewal. This policy identifies an opportunity to create a quality urban area. A more aesthetically pleasing urban environment is a longer-term strategy/objective.</p> <p>The project contributes to current plan objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• Economic activity- creation of employment and training opportunities;</li> <li>• Social cohesion- engagement with local residents to promote training and employment opportunities;</li> <li>• Quality of place- a high standard of building design, contributing to improvements in appearance of area; and</li> </ul>



Policy Document and Summary	Project Contribution
	<ul style="list-style-type: none"> <li>• Low-carbon development – incorporation of high standards of energy efficiency in design.</li> </ul>
<b>National Strategies</b>	
<p>The <b>Scottish Government Economic Strategy (2007)</b> highlights the economic development priorities and objectives of the Scottish Government. The GES sets out 5 strategic priorities that are deemed critical to achievement of sustainable economic growth (Learning, Skills and Well-being, Supportive Business Environment, Infrastructure Development and Place, Effective Government, and Equity). Under these priorities, the GES sets out the Governments' approach to the strategic priorities, which in particular includes:</p> <p>Infrastructure Development and Place</p> <ul style="list-style-type: none"> <li>• Seeking to maximise the opportunities for employment, business, leisure, and tourism.</li> </ul> <p>Learning, Skills, and Well-being</p> <ul style="list-style-type: none"> <li>• Promoting an approach to health and well-being that ensures all Scots enjoy the right level of physical and mental health to give them the opportunity to maximise their potential.</li> </ul> <p>Equity</p> <ul style="list-style-type: none"> <li>• Promoting economic growth and environmental quality and responsibility as mutually advancing.</li> </ul>	<p>The project contributes to these objectives in the following ways:</p> <ul style="list-style-type: none"> <li>• The project contributes directly to the GES aim of maximising employment and business opportunities through the creation of new jobs. The project also has the potential to encourage investment in the Clyde Gateway area that otherwise may not be forthcoming;</li> <li>• The project will bring about both physical and health benefits through increased job opportunities;</li> <li>• The regeneration of the Clyde Gateway area, via this project, will also contribute to increased self-esteem and civic pride in the area;</li> <li>• The project seeks to contribute to the 'sense of place' within Shawfield and the Clyde Gateway area as whole.</li> </ul>
<p><b>Scottish National Planning Framework 3 "Ambition, Opportunity, Place" (2014) and Scottish Planning Policy (2010)</b></p> <p>The National Planning Framework (NPF) sets out a planning vision for a Scotland "with a growing, low carbon economy with progressively narrowing disparities in well-being and opportunity. It is growth that can be achieved whilst reducing emissions and which respects the quality of environment, place and life, which makes our country so special. It is growth, which increases solidarity – reducing inequalities between our regions. We live in sustainable, well-designed places and homes, which meet our needs. We enjoy excellent transport and digital connections, internally and with the rest of the world". The planning outcomes envisaged include:</p>	<p>The project carries on the work identified and priorities in NPF 2, which sets the spatial strategy for the future development of Scotland to secure sustainable economic growth.</p> <p>It identifies the Clyde Corridor as a national regeneration priority, outlining that Clyde Gateway should be prioritised for inward economic investment. It states that given Glasgow's high share of concentrated deprivation, Clyde Gateway has the potential to impact positively on Scotland's overall levels of poverty and deprivation and makes a substantial contribution to regional economic growth.</p> <p>The project contributes to current framework objectives in the following ways:</p> <p>Economic Development:</p>

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- Planning makes Scotland a successful, sustainable place – supporting sustainable economic growth and regeneration, and the creation of well-designed places.
- Planning makes Scotland a low carbon place – reducing our carbon emissions and adapting to climate change.
- Planning makes Scotland a natural, resilient place – helping to protect and enhance our natural and cultural assets, and facilitating their sustainable use.
- Planning makes Scotland a connected place – supporting better transport and digital connectivity.

The SPP sets out the Scottish Government’s policy in respect of land use planning matters.

SPP supports key government objectives for positive planning to support economic development by:

- Taking account of the economic benefits of proposed developments;
- That development is guided to sustainable locations; promoting regeneration;
- Promoting developments that support new employment and increase area competitiveness; and
- Supporting the integration of employment creation opportunities with infrastructure development.

SPP also recognises the important role that a high quality environment can play in attracting investment generating economic opportunities. This is backed up via the statutory planning framework, which requires planning authorities to ensure new developments contribute positively to environmental quality and regeneration, and encourages development proposals that will bring vacant or derelict land back into meaningful use.

SPP is supportive of change in the historic environment, as long as it is managed sympathetically. The overall aim is to find a new economically viable use over the long term that does not impinge on the special architectural or historic interest of the building or area.

## Project Contribution

- The project will generate direct and indirect employment opportunities, facilitate greater economic activity, and stimulate further investment within the area;
- The project supports the re-use of derelict land in a strategically important site, and links in with other regeneration programmes that are taking place;
- The project meets identified need for office space.

Environmental:

- The project will re-use a currently contaminated, vacant and derelict site, bringing it back into meaningful use;
- The redevelopment will improve the physical environment of the area, creating an important visual impression.

## Policy Document and Summary

## Project Contribution

SPP is complemented by Scottish Historic Environment Policy (2009), which has the same status as SPP and sets out the Governments' strategic policies for the historic environment.

**Scottish Government's Regeneration Strategy 'Achieving a Sustainable Future'** (2011) sets out the Scottish Government's vision for regeneration and outlines the economic, physical and social outcomes that are required in order to deliver sustainable communities. These outcomes include:

### Economically Sustainable Communities

- Strong local economies, providing access to jobs and support for business
- A well trained workforce whose skills meet economic needs
- People have access to the learning and development opportunities that they need and the right support is in place to help people to work
- A thriving private sector and social enterprise
- Effective strategies in place to link economic opportunity and demand
- The right affordable housing options with sufficient availability and quality of housing across all tenures
- Places encourage positive and appropriate private sector investment and social enterprise which provides opportunities for business and jobs
- Infrastructure fosters the right conditions for growth and community cohesion, including good transport and digital connectivity
- Thriving towns and high streets
- Sustainable employment and reducing welfare dependency

### Physically Sustainable Communities

- People have access to quality public space and appropriate greenspace
- Well planned neighbourhoods and local areas, with accessible facilities and amenities
- Communities have a positive appearance and are places where people want to live, work and invest
- Quality design and upkeep of buildings and spaces
- Address vacant and derelict land and property and preserve heritage/built environment for productive use

The project carries forward objectives identified in the 2006 regeneration strategy, 'People and Place'. This policy seeks to promote successful regeneration that achieves the strategic objective of sustainable economic growth.

People and Place designates the Clyde Corridor as a national regeneration priority. It establishes that the Clyde Gateway aims to deliver 21,000 new jobs, 10,000 new homes, 400,000 sq.m of employment space and 46,000 sq.m of retail space. Public and private investment is estimated at £2.8bn over the next ten years to address the industrial decline and legacy of under used land and property. The opportunity for Clyde Gateway to exploit the M74 completion and East End Regeneration Route to promote increased economic activity over the next 25 years is promoted.

The project contributes to current plan objectives in the following ways:

- Economic activity- creation of employment and training opportunities;
- Social cohesion- engagement with local residents to promote training and employment opportunities;
- Quality of place- a high standard of building design, contributing to improvements in appearance of area;
- Low-carbon development – incorporation of high standards of energy efficiency in design.

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- Use resources efficiently and respect the natural environment
- Socially Sustainable Communities
- Communities and people are protected and feel safe
- Delivery is focussed on the needs of people

Communities are involved in designing and delivering the services that affect them

- Strong and effective community networks are in place
- People have access to appropriate community facilities and places to meet
- Communities have a positive identity and future aspirations
- People are empowered to improve their area and maximise local assets
- People have good physical and mental health
- People have access to effective local services and facilities, including health, education and early years support
- Towns and high streets act as a focal point for social and economic interactions
- Communities are fair and inclusive, where all have a voice and can participate
- Sustainable employment to tackle worklessness.

## Project Contribution

**Scottish Government's 'Creating Places'** policy statement on architecture and place for Scotland (2013). This policy statement sets out the Scottish Government's position on architecture and place. The strategy sets out the comprehensive value good design can deliver. Successful places can unlock opportunities, build vibrant communities, and contribute to a flourishing economy.

The project contributes to these objectives in the following ways:

- Quality of place- a high standard of building design, contributing to improvements in appearance of area
- Low-carbon development – incorporation of high standards of energy efficiency in design.

## 2.4 PROJECT IMPACT MODEL

An impact model has been developed to set out the pathway of change leading to expected benefits from the project. The impact model assumes that the investment in the project will generate a series of wider place, economic, and community benefits and is set out in Figure 2.1.

The model highlights three main project activities, leading to specified outputs, which in turn are intended to lead to a series of short and medium term outcomes. Ultimately these outcomes will contribute to the high-level impact goals set for Clyde Gateway (Sustainable Place Transformation, Increasing Economic Activity and Increasing Community Capacity).

The model identifies the steps required in order to reach the project goals and makes assumptions that several factors are / will be in place to permit progression from inputs to impacts, including:

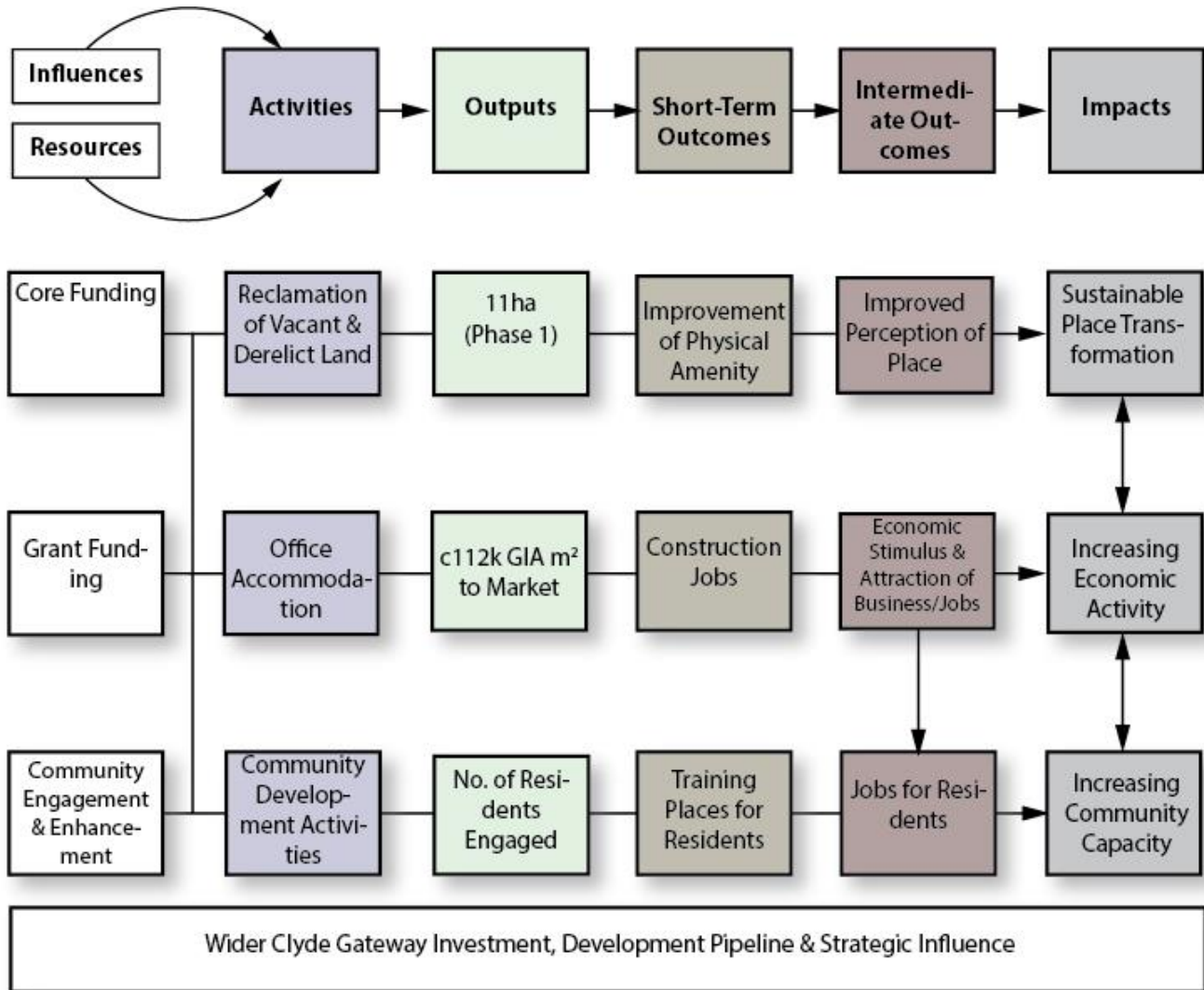
- Targeting of inward investors and other business including local SMEs;
- Support to promote sustainability and growth of occupying businesses (in partnership with other bodies);
- Support to promote local expansion of occupying businesses through the Clyde Gateway property portfolio (where relevant); and
- Effective pathways through which community enhancement and engagement leads to training and employment for residents.

More generally, the main benefits of having an impact model include:

- The ability to inform strategic planning, contribute to project design, aid development of project objectives and assist with decision-making;
- Aiding understanding of key deliverables and both 'how' and 'where' economic impact (and wider benefits) will be derived;
- Acting as the backbone for the monitoring and evaluation framework (for those variables identified across the project pathway as inputs, activities, outputs, and outcomes throughout its active lifetime); and

- Underpinning both measure and target setting and aiding the ability to influence the mid-term direction of the project/programme and which will feed into the eventual evaluation.

Figure 2.1 Shawfield Economic Impact Model



Source: Additional Research

### 3 SUMMARY OF SOCIO-ECONOMIC BASELINE

This section provides a summary review of the baseline socio-economic conditions in the Clyde Gateway area<sup>13</sup> and a benchmark against which future change can be measured against the themes of:

- Sustainable place transformation;
- Increasing economic activity; and
- Developing community capacity.

Key characteristics of the Clyde Gateway socio-economic profile is indicated in the table below. A more detailed description of these features is included in Appendix B:

**Table 3.1 Summary of Socio-Economic Baseline Characteristics**

Theme	Key Message
<b>Sustainable Place</b>	
<i>Housing Stock</i>	<p><b>Relatively low quality housing stock:</b></p> <ul style="list-style-type: none"> <li>• Housing stock increase is relatively low in comparison with Glasgow, South Lanarkshire and Scotland as a whole</li> <li>• The number of dwellings in middle to high Council Tax bands is low compared with Glasgow, South Lanarkshire and Scotland as a whole</li> </ul>
<b>Economic Activity</b>	
<i>Population</i>	<p><b>A growing population:</b></p> <ul style="list-style-type: none"> <li>• The population of the area is growing at a faster rate than Glasgow, South Lanarkshire and Scotland as a whole</li> </ul>
<i>Labour Market</i>	<p><b>A relatively high proportion of lower skilled and lower paid jobs:</b></p> <ul style="list-style-type: none"> <li>• A higher proportion of jobs in public administration and other services; business administration and support services; retail; manufacturing; wholesale; and motor trades than Glasgow, South Lanarkshire and Scotland as a whole</li> <li>• Lower proportion of jobs in accommodation and food services; education; transport and storage; professional, scientific and technical; finance and insurance; and information and communication</li> </ul>

<sup>13</sup> This section draws on a number of original sources and recent reports including McTier, A, and McGregor, A (2014) Review of Clyde Gateway Approach to Linking Opportunity and Need, TERU, University of Glasgow: Glasgow.

Theme	Key Message
	<p><b>Just under a third of population claiming out-of work benefits:</b></p> <ul style="list-style-type: none"> <li>• As a proportion of the working age population, Clyde Gateway had an average Job Seekers Allowance claimant rate of 7.6% in 2013, which is the highest rate of the comparator areas</li> <li>• By age, 22% (or 232 claimants) were 16-24 years old; 61% (or 658 claimants) were 25-49 years old; and 17% (or 188 claimants) were 50 years old or over</li> <li>• By duration of claim, 51% (or 546 claimants) had been claiming JSA for up to 6 months; 17% (185 claimants) for 6-12 months; and 32% (or 347 claimants) for over 12 months</li> <li>• The biggest out-of-work benefits claimant group is the Employment Support Allowance / Incapacity Benefit group with almost three times as many ESA/IB working age claimants than JSA claimants</li> <li>• As a proportion of the working age population, Clyde Gateway had an ESA/IB claimant rate of 22% in August 2013</li> <li>• As a proportion of the working age population, Clyde Gateway had a DWP out-of-work benefits claimant rate of 32% in August 2013</li> </ul>
<b>Community Capacity</b>	
<i>Education</i>	<p><b>Relatively low educational qualification attainment amongst adult population:</b></p> <ul style="list-style-type: none"> <li>• In 2011/12, 62% of S4 pupils living in the Clyde Gateway achieved 5 awards at SCQF Level 4 or above</li> <li>• In 2011/12, 88% of the Clyde Gateway's resident school leavers entered a positive destination</li> <li>• A much smaller proportion, than for Glasgow, South Lanarkshire or Scotland as a whole, entered higher education</li> <li>• Almost half (46%) of the Clyde Gateway's adults had no formal qualifications (2011 Census)</li> </ul>
<i>Health &amp; Deprivation</i>	<p><b>Long-term health issue for a relatively large proportion of adults:</b></p> <ul style="list-style-type: none"> <li>• Prevalence of a long-term health problem or disability: 31% of Clyde Gateway adult residents state that their day-to-day activities are affected a lot or a little. This is above the rates for Glasgow (23%), South Lanarkshire (21%) and Scotland (20%).</li> </ul>



## 4 ECONOMIC IMPACT ASSESSMENT

### 4.1 INTRODUCTION

This section of the report identifies the main tangible and intangible economic benefits of the project. It includes:

- Short term construction benefits;
- Longer term operational benefits;
- Estimated benefits associated with employment and Gross Value Added; and
- A summary of wider project benefits relating to the place, economy, and community goals of Clyde Gateway.

### 4.2 CONSTRUCTION EMPLOYMENT & GVA

The construction employment benefit is estimated based on the following factors (see Appendix A for technical explanation)<sup>14</sup>:

- The construction cost of the development;
- The time taken to build the development (years); and
- Turnover and GVA per employee in the relevant sector.

Table 4.1 indicates the following key benefits:

- 233 construction jobs supported per year of construction; and
- An associated annual GVA impact of £11.9m during this period (£95.2m in total).

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<sup>14</sup> Following Scottish Enterprise (2014) Scottish Enterprise Economic Impact Guidance, Construction Impacts, Scottish Enterprise: Glasgow

**Table 4.1 Construction Employment and GVA**

Factor	Description	
<b>Development Cost</b>	Acquisitions	£8,800,000
	Infrastructure & Enabling	£16,806,452
	Direct Project Delivery Costs	£205,326,050
	<b>Total</b>	<b>£230,932,502</b>
<b>Turnover per Employee in Sector (S. Lanarkshire Construction)</b>		£123,764*
<b>Person Years to Construct Development</b>		1,866
<b>Years to Construct (estimated)</b>		8
<b>Jobs Supported per Year of Construction</b>		233
<b>GVA per Head, Construction, S. Lanarkshire</b>		£51,015*
<b>Annual GVA Impact</b>		£11,898,704
<b>Total GVA Impact</b>		£95,189,634

\* Average 2008-12

A variance is noted between the construction employment noted above and that specified in earlier project papers (i.e. construction FTEs versus number of construction jobs supported per year of construction). This is due to the revised method of calculation used in this report, in line with guidance issued in 2014<sup>14</sup>.

#### 4.3 OPERATIONAL EMPLOYMENT & GVA

Project floorspace and employment density data<sup>15</sup> can be used to estimate the level of peak employment that can be accommodated in the project (see Appendix A for technical explanation). This information can then be used to derive an estimate of the likely gross GVA impact of the operational project employment.

Shawfield development will offer a range of commercial office space. The amount of business space created is 115,183m<sup>2</sup> GIA (see Table 4.2). This is associated with:

1. Peak Operational Employment of 7,584 FTEs; and
2. An annual GVA impact of £318.0m.

<sup>15</sup> OffPAT (2010) Employment Densities Guide, 2<sup>nd</sup> Edition, OffPAT: London

**Table 4.2 Peak Operational Floorspace, Employment Density, FTEs and GVA**

Factor	Hotel	Office	Retail	Total
<b>GIA m<sup>2</sup></b>	8,509	103,156	3,518	115,183
<b>Estimated NIA m<sup>2</sup></b>	7233	87,683	2,990	97,906
<b>Area per FTE (m<sup>2</sup>)</b>	-	12	19	-
<b>Total Peak FTE</b>	120	7,307	157	7,584
<b>GVA Per Head*</b>	15,192	£42,813	21,256	-
<b>Annual GVA Impact</b>	£1,823,016	£312,826,673	£3,345,359	£317,995,048

\* GVA per Head, Selected Sector, S. Lanarkshire: Professional, Scientific and Technical, Average 2008-12

A variance is noted between the operational employment noted above and that specified in earlier project papers. This is due to the revised method of calculation used in this report, using updated guidance issued in 2014<sup>5</sup> and employment estimates of all phases.

#### 4.4 EMPLOYMENT & GVA ADDITIONALITY

This section of the report considers employment and GVA additionality. By this we mean the impact arising from the project that is additional and that would not have occurred in the absence of the project (see Appendix A for technical notes).

An estimate of the additional employment and GVA benefits is noted in Table 4.3 below.

Key findings are:

- 31 net Construction Jobs at the Clyde Gateway level (88 at the Scotland level);
- 955 net Peak Operational FTEs in the Clyde Gateway level (2,134 at the Scotland level);
- £12.5m net Total Construction GVA Impact at the Clyde Gateway level (£36.3m at the Scotland level); and
- £40.0m net Operational Annual GVA Impact at the Clyde Gateway level (£91.8m at the Scotland level).

Appendix A provides a discussion of the detailed factors included in this employment additionality assessment<sup>16</sup>.

**Table 4.3 Net Additional Employment & GVA**

Net Additional Benefit	Clyde Gateway Level	Scotland Level
<b>Annual Construction Employment</b>	31	88
<b>Total Construction GVA Impact</b>	£12,547,184	£36,285,099
<b>Operational Peak Employment FTEs</b>	955	2,134
<b>Operational Annual GVA Impact</b>	£40,027,627	£91,761,446

#### 4.5 COST-BENEFIT ANALYSIS

This section presents the findings of a cost-benefit analysis assessing the relative costs and benefits to the public sector of Shawfield project over a 20-year period at the Scotland-wide level. Appendix A provides further detail of the steps included in the cost-benefit analysis.

The cost-benefits analysis includes a range of monetised benefits, namely:

- Net GVA based on construction and peak operational employment estimates;
- Monetised carbon savings (where applicable); and
- It is noted that project revenues from property rent or sale are **not** included<sup>17</sup>.

Costs include the following:

- Infrastructure and enabling work costs (these may be treated as sunk costs but are included here- see Appendix A for rationale);
- Direct project delivery costs; and
- Ongoing service or maintenance costs as available.

<sup>16</sup> Given the intermediate stage of the development and the information available on the types of businesses likely to occupy the project, a number of assumptions have been made to arrive at the net impact figures presented. As such, the impact figures should be taken as estimates and will be subject to further refinement as more specific information becomes available.

<sup>17</sup> Revenues have not been included due to the early stage of the majority of the development phases and the associated uncertainty with revenue values.

A summary of the main findings from the Cost-Benefit analysis is shown in Table 4.4 (Cost-Benefit spreadsheet appended- Appendix C). Key findings are as follows:

- The Net Present Value is £2,897.7m (Gross) (£703.6m Net at Scotland Level; £192.7m Net at Clyde Gateway Level); and
- The Cost-Benefit Ratio is 1:13 (Gross) (1:3.05 Net at Scotland Level; 1:0.83 Net at Clyde Gateway Level)

The NPV represents the value of the project after costs and discounting over a 20-year period are taken into account. For every pound of investment in the project by the public sector over this period, 13 pounds are returned. If the counterfactual is taken into account (an estimate of what activity would have occurred in the absence of the project), the return is three pounds for every pound invested at the Scotland level and 0.8 pounds at the Clyde Gateway level.

**Table 4.4 Summary of Cost-Benefit Analysis**

Factor	Clyde Gateway Level	Scotland Level
<b>Net Undiscounted Value (Gross)</b>	£4,406,286,403	£4,406,286,403
<b>Net Undiscounted Value (Net)</b>	£353,342,621	£1,116,011,917
<b>Net Present Value (Gross)</b>	£2,897,677,473	£2,897,677,473
<b>Net Present Value (Net)</b>	£192,679,758	£703,551,488
<b>Cost-Benefit Ratio (Cost: NPV) (Gross)</b>	1:12.55	1:12.55
<b>Cost-Benefit Ratio (Cost: NPV) (Net)</b>	1:0.83	1:3.05

Note: 2013 prices

#### 4.6 KEY PERFORMANCE INDICATORS

A series of nine Key Performance Indicators (KPIs) have been identified against which progress on current and future Clyde Gateway activities can be measured.

The KPIs are seen as having the most significance in terms of work that will deliver the physical, social and economic transformation of Clyde Gateway communities. The KPIs measure 'global' benefits, including those that take place directly through Clyde Gateway

efforts, in partnership with others in the private and public sectors, and activities being undertaken entirely by a third party.

**Table 4.5 Contribution of Project to Key Performance Indicators**

Key Performance Indicators	Clyde Gateway Total (31/03/13)	Clyde Gateway 20 Yr Target*	Project Contribution to 20 Yr Target	Project Contribution as to 20 Yr Target (%)
<b>KPI 1: Derelict and Contaminated Land Remediated</b>	101.96ha	350.00ha	16ha	4.6%
<b>KPI 2: Business Floor Space Completed</b>	30,053m <sup>2</sup>	400,000m <sup>2</sup>	115,183 m <sup>2</sup>	28.8%
<b>KPI 3: Residential Units Constructed</b>	1,189	10,000	Not Applicable	Not Applicable
<b>KPI 4: Number of Jobs Created/New To Clyde Gateway Area</b>	1,373.6	21,000	7,584	36.1%
<b>KPI 5: Number of Businesses Assistance</b>	71	-	Not Applicable	-
<b>KPI 6: Number of Clyde Gateway employability programme participants</b>	277	-	3	-
<b>KPI 8: Number of Participants In Additional Learning/ Health/Sports /Capacity Building Events</b>	19,035**	-	Not Applicable	-
<b>KPI 9: Leverage (Additional Capital Investment Attracted to the Clyde Gateway Area)</b>	£45.35 million	-	£5.97m	-

\* The 20-year target figures from KPIs 1-4 are taken from the 2008 Business Plan, which provided the basis for the formal establishment of Clyde Gateway.

\*\* The total reported in KPI 8 is a collective headcount across the events and not a record of individuals participating.

Source: Clyde Gateway (2013) Accounts, Key Performance Indicators and Annual Report for 2012/13, Clyde Gateway: Glasgow.

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## 4.7 WIDER BENEFITS OF PROJECT

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### 4.7.1 INTRODUCTION

The focus of this report is on the economic impact of a Clyde Gateway project. However, Clyde Gateway strategic goals include a range of social and economic objectives, some of which are not easily measured or monetised, and include intangible benefits such as changes in the perception of a place or the vitality of a community.

In addition, Clyde Gateway seeks to add value by acting strategically to influence and encourage others in pursuit of common social and economic objectives.

This section provides a qualitative assessment of the specific contribution of this project to these wider activities.

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### 4.7.2 SUSTAINABLE PLACE

SUSTAINABLE PLACE TRANSFORMATION- to focus on the overall infrastructure and environment of the area which in turn will increase its attractiveness as a place to live and work. The project contributes to these objectives in the following ways:

- Contaminated, vacant and derelict land will be brought back into use in a strategically important site, and links made with other regeneration programmes that are taking place in adjacent areas (e.g. Dalmarnock Railway Station Re-development, Dalmarnock-Shawfield Smart bridge, and wider developments in the Dalmarnock and Shawfield areas);
- The new office space created aims to attract new business to the area, meet identified business need, and support the economic vitality of the area;
- High quality, sustainable and energy efficient design standards are integral to the project and will make a contribution to the physical environment of the immediate vicinity and the Clyde gateway area in general and create an improved visual impression; and
- The project seeks to contribute to a strong 'sense of place' within the Shawfield district and the Clyde Gateway area as whole;

The project also seeks to:

- To integrate environmental aspects including the River Clyde;
- To promote the River Clyde as a key asset for the site;
- To provide a high quality landscape setting for the business park; and
- To improve connectivity through the East End.

Central to the framework is a hierarchy of Roads, Pedestrian routes, Green spaces and Sustainable Drainage Systems (SUDs), which combine to define a series of development zones. The future development of these zones is based around place making with a series of key design moves and specific interventions. These include but are not limited to<sup>18</sup>:

- Shawfield Cross - A new centre for Shawfield and the convergence point for all types of proposed use and new and existing movement conditions;
- Route from Smart Bridge to Shawfield Cross a key route linking the area of South Dalmarnock with the heart of the Shawfield development;
- A new roads hierarchy including the possible development of an Industrial Spine Road & M74 Frontage opening up a large tract of the site for a variety of predominately industrial uses; and
- Riverside Walk a varied and vibrant new pedestrian route consisting of a number of varied spaces celebrating the previously neglected river edge and providing the missing link in the strategic green network plan.

Based around this the project design team has suggested that the wider Shawfield 'supersite' can then be broken down into a series of character areas which can then developed in the own right to maximise both market conditions and opportunity.

It is noted that a sustainable approach to development recognising Scotland's transition to a low carbon economy has been a consideration of the plan<sup>18</sup>. BRE has been appointed as Sustainability assessors using a methodology called BREEAM Communities, which considers

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<sup>18</sup> Clyde Gateway (2011) National Business District- Shawfield Masterplan & Infrastructure Framework, Board Paper CGDL11 (OCT)01, Clyde gateway: Glasgow.



and rates the sustainability impact of the development. The current status of the masterplan is reported by Clyde gateway as on track to achieve an 'Exemplar' rating.

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#### 4.7.3 ECONOMIC ACTIVITY

INCREASING ECONOMIC ACTIVITY- to target major employers into the area and work with existing businesses to maximise growth which in turn will generate employment opportunities for local people. The project contributes to these objectives in the following ways:

- The project will create direct as well as indirect and induced employment opportunities for residents through employee spending and local supplier linkages; and
- The office space provided by the project aims to provide a suitable sizes of business space within a broader Clyde Gateway portfolio, maximising opportunity for business growth and expansion.

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#### 4.7.4 COMMUNITY CAPACITY

DEVELOPING COMMUNITY CAPACITY- to ensure there are increased levels of community participation in activities, which promote a better, healthier lifestyle and/or improve employability prospects.

The project contributes to these objectives in the following ways:

- To strengthen existing communities through the provision of improved services;
- The jobs that the project aims to bring will contribute to community sustainability through improving life circumstances, reducing poverty, and fostering self-esteem;
- The project links to educational and training activities in local schools and colleges, contributing to the relatively low educational attainment levels within the area, and developing networks between educational establishments and employers;
- To increase opportunities for walking and cycling; and
- To promote the connecting pedestrian and cycle routes as a high quality and safe transport option.

#### 4.7.5 STRATEGIC ADDED VALUE

In taking their strategic goals forward Clyde Gateway has a wider strategic role in partnership with other local bodies and stakeholders. Many of these activities sit alongside specific project activities. Nonetheless, the table below summarises the main ways, to date, in which the Shawfield project specifically contributes to that wider strategic role.

**Table 4.6 Strategic Added Value**

Type	Description	Evidence of Strategic Added Value
<b>Strategic leadership and catalyst</b>	Articulating and communicating development needs, opportunities and solutions to partners and stakeholders in Clyde Gateway	Clyde Gateway has taken a lead role in the development of the Shawfield Masterplan, setting out the vision, development framework, and design guidance amongst other things, and engaging with stakeholders to communicate the masterplan and promote project progress.
<b>Strategic Influence</b>	Carrying out or stimulating activity that defines the distinctive roles of partners, gets them to commit to shared strategic objectives and to behave and allocate their funds accordingly	Clyde Gateway has acted as the lead agency in taking forward a project of significant scale, depth and complexity. Progress to date, including site assembly, site decontamination, completion of significant infrastructure and enabling works, and coordination with adjacent projects (e.g. Dalmarnock Railway Station improvements and development of the Dalmarnock-Shawfield Smartbridge), demonstrate that multiple partners including Glasgow City Council, South Lanarkshire Council and others have been appropriately engaged in fulfilling the masterplan goals,
<b>Leverage</b>	Providing financial and other incentives to mobilise partner and stakeholder resources-equipment, people, as well as funding	The project has been successful in securing support from local partners in the form of a substantial transfer of land from South Lanarkshire Council (11.9ha). In addition to the project has attracted external European (ERDF) funding of £5.97m.
<b>Synergy</b>	Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and/ or integration of the design and delivery of interventions between partners	A high level of synergy is evident in the development of the site masterplan, site assembly, and enabling and infrastructure work, including for example South Lanarkshire Council, Glasgow City Council, SEPA, and other private bodies (i.e. business relocation).
<b>Engagement</b>	Setting up the mechanisms and incentives for more effective and deliberative engagement of stakeholders in the design and delivery of local priorities and projects.	Statutory consultation of stakeholder has been carried out to date, with additional community engagement and enhancement measures adopted in association with the infrastructure and enabling works.

## 5 CONCLUSIONS & RECOMMENDATIONS

This report sets out an assessment of the economic impact of Shawfield project. The strategic fit and rationale for the project are reviewed and the project demonstrates a strong contribution to stakeholder policy at local, regional and national level. Clear grounds for undertaking the project are also evident in terms of market failure and equity rationales- with a particularly relevant role for the public sector in decontaminating the former industrial site, and assembling a large package of land within the context of an overarching masterplan framework.

A summary of the socio-economic baseline of the Clyde Gateway area further reinforces the need and justification for the project in addressing serious place, economic and community challenges.

Specifically the project aims developed office accommodation in a former contaminated and largely derelict site and is seeking to stimulate local economic activity through enhancement of the built environment, the attraction and support of business activity in the Clyde Gateway area, the provision of construction and operational employment opportunities, and the creation and promotion of training and work opportunities for Clyde Gateway area residents.

The project forms part of a wider portfolio of development activities in the surrounding Clyde Gateway area, including South Dalmarnock and the wider Shawfield 'supersite'.

Within this context, the report estimates significant gross economic benefits from the project, including:

- 233 Jobs Supported per Year of Construction;
- 7,584 Total Peak Operational Jobs FTE; and
- £318.0m Annual Operational GVA Impact.

These benefits make a major contribution to the Key Performance Indicators established for Clyde Gateway and make a positive contribution as part of the larger pipeline of Clyde Gateway development activity.

The report estimates the net benefits of the project, as follows:

- Total Construction Employment (Scotland Level) of 88;
- Operational Peak Employment Jobs FTEs (Scotland Level) of 2,134; and
- Operational Annual GVA Impact (Scotland Level) of £91.8m.

In maximising the net benefits, key challenges for Clyde Gateway are likely to be:

- Minimising 'leakage', i.e. ensuring the maximum uptake of training and employment by residents;
- Minimising 'displacement', i.e. ensuring the nature and timing of the development of the property portfolio remains sensitive to market need;
- Maximising local supplier opportunities for the construction and servicing of new developments, i.e. retaining spending within the local area.

The impact model developed for the project highlights the main steps required for the project to fulfil its goals in terms of place, economic activity and community sustainability. We note that, at the project level, there is an opportunity to ensure that the specific mechanisms to attract business, support the growth of business, and ensure linking of training and employment opportunities to residents, are further specified. This would aid implementation and future monitoring and evaluation of project benefits.

For example, this may include, at the project level, specifying how the project links-in with Clyde Gateway marketing activity, community enhancement and engagement activities, or the work of partner agencies such as Business Gateway, Skills Development Scotland, Scottish Enterprise, or Scottish Development International.

**Recommendations:**

1. Continue to develop and maintain activities to maximise uptake of direct training and employment opportunities by residents in project developments, but also boosting capacity of local people to service new developments thereby keeping employee and supplier spend within the Clyde Gateway area;
2. Maintain an evidence-based approach to assess the market context of other portfolio development to ensure minimal displacement;

3. Continue to explore synergies with partner bodies to promote business attraction and growth; and
4. Ensure monitoring and evaluation systems are in place to fully capture future project benefits, especially the links between the project and local residents and community; including but not limited to:
  - a. Number of occupiers;
  - b. Size by employment;
  - c. Employment type (full time/ part time, temporary/permanent);
  - d. Place of residence of employees;
  - e. Size by turnover;
  - f. Sector;
  - g. Number and type of training places;
  - h. Place of residence of trainees; and
  - i. Attitudes, beliefs, behaviour in relation to business location decisions;
  - j. Date of business entry/exit, origin and destination of business location.

## 6 APPENDICES

### 6.1 APPENDIX A TECHNICAL NOTE

#### 6.1.1 GLOSSARY OF TERMS

**Table 6.1 Glossary of Terms**

Term	Definition
<b>Additionality</b>	An impact arising from an intervention is additional if it would not have occurred in the absence of the intervention.
<b>Area of Benefit</b>	The area within which benefits will be assessed
<b>BREEAM</b>	BREEAM (Building Research Establishment Environmental Assessment Methodology) is an environmental assessment method and rating system for buildings
<b>Carbon Dioxide Equivalent (CO<sub>2</sub>e)</b>	Carbon dioxide equivalent or CO <sub>2</sub> e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO <sub>2</sub> e signifies the amount of CO <sub>2</sub> , which would have the equivalent global warming impact.
<b>Carbon Valuation</b>	The UK government has agreed a set of carbon values to be used in policy appraisal and evaluation where estimation of estimations of energy use or greenhouse gas emissions are required
<b>CO<sub>2</sub>e</b>	See Carbon Dioxide Equivalent
<b>Constant Prices</b>	Prices that are corrected for the effects of inflation over time. This enables the costs and benefits of an intervention to be compared on a consistent basis.
<b>Construction Jobs</b>	Temporary employment created during the construction phase of projects
<b>Cost-Benefit Analysis</b>	Analysis which quantifies in monetary terms as many of the costs and benefits of a proposal as feasible, including items for which the market does not provide a satisfactory measure of economic value.
<b>Current Prices</b>	Current prices are the prices of goods and services in the year in which the transaction occurred. Given inflation they are not comparable over time. To allow comparability they need to be adjusted and expressed as constant prices.
<b>Data Zone</b>	The data zone is the key small-area statistical geography in Scotland. Data zones have populations of between 500 and 1,000 household residents. Where possible, they have been made to respect physical boundaries and natural communities. They have a regular shape and, as far as possible, contain households with similar social characteristics.
<b>Deadweight</b>	Expenditure to promote a desired activity that would in fact have occurred without the expenditure.

Term	Definition
<b>Discount rate</b>	The annual percentage rate at which the present value of a future pound, or other unit of account, is assumed to fall away through time.
<b>Discounting</b>	A method used to convert future costs or benefits to present values using a discount rate.
<b>Displacement</b>	The degree to which an increase in productive capacity promoted by government policy is offset by reductions in productive capacity elsewhere.
<b>Economic Multipliers Effects</b>	Further economic activity (jobs, expenditure, income) associated with additional local income, local supplier purchases and longer term effects
<b>Employment Density</b>	Employment density refers to the average floorspace (in m <sup>2</sup> ) per Full-Time Equivalent (FTE) member of staff. It is used as a measure of intensity of building use and an indicator of how much space each person occupies within the workplace
<b>Energy Performance Certificate (EPC)</b>	Energy Performance Certificates (EPCs) are needed whenever a property is: built, sold, or rented. An EPC contains: information about a property's energy use and typical energy costs; and recommendations about how to reduce energy use and save money. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years.
<b>EPC</b>	See Energy Performance Certificate
<b>Equity Rationale</b>	Where public intervention is justified on the grounds that it will result in a more equitable distribution of benefits than the market would produce if left to its own devices
<b>Externalities</b>	The non-market impacts of an intervention or activity which are not borne by those who generate them.
<b>FTE</b>	See Full Time Equivalent
<b>Full Time Equivalent (FTE)</b>	A full-time equivalent, sometimes abbreviated as FTE, is a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week
<b>GIA</b>	See Gross Internal Area
<b>Gross Direct Effect</b>	An estimate of the total effect of an intervention in terms of a specific output
<b>Gross Internal Area (GIA)</b>	This refers to the entire area inside the external walls of a building and includes corridors, lifts, plant rooms, and service accommodation (e.g. toilets). It is a widely used metric used in calculating building costs, marketing, valuation, property management and rating (in England and Wales) of industrial buildings (including ancillary offices), warehouses and leisure units and also the valuation of new residential developments
<b>Gross Value Added (GVA)</b>	GVA measures the contribution to the economy of an individual producer, industry or sector.

Term	Definition
<b>GVA</b>	See Gross Value Added
<b>Headcount</b>	A unit to measure employed persons. Unlike FTEs (see above) it does not measure them in a way that makes them comparable if they work a different number of hours per week.
<b>Impacts</b>	Impacts represent the final consequence of the project in terms of the effect that activities have on the wider conditions that the intervention originally set out to change
<b>Information Market Failure</b>	Imperfect information: this is one of the justifications for public sector intervention. It arises when an individual does not have perfect information about the available options and the costs and benefits of these. This can result in sub-optimal decisions being made resulting in economic inefficiencies
<b>Inputs</b>	The resources that contribute to delivering activities and producing outputs in terms of the financial physical and human resources
<b>Intervention</b>	Project Implemented or supported by the public sector to achieve its objectives
<b>Leakage</b>	The proportion of outputs the benefit those outside of the intervention's target area group
<b>Logic Model</b>	A way of conceptualising the links between what a project aims to achieve, the resources it devotes to these aims, the activities the resources are used to deliver, and the outputs, outcomes and impacts that subsequently flow from the activities
<b>Market Failure</b>	An imperfection in the market mechanism that prevents the achievement of economic efficiency
<b>Net Local Effects</b>	An estimate of the net effect of an intervention, within a specified area, in terms of a specific output
<b>Net Present Cost (NPC)</b>	See Net Present Value
<b>Net Present Value (NPV)</b>	The discounted value of a stream of either future costs or benefits. The term Net Present Value (NPV) is used to describe the difference between the present value of a stream of costs and a stream of benefits. Where the difference is negative it is referred to as a Net Present Cost
<b>NPC</b>	See Net Present Value
<b>NPV</b>	See Net Present Value
<b>Operational Jobs</b>	Employment resulting from a project after the construction phase, normally measured as Full Time Equivalents (FTEs)
<b>Outcomes</b>	The wider effects or impact on an area of an intervention for example the increase in employment level over a set period of time
<b>Outputs</b>	The physical products and measurable results of individual projects, for example the number of firms assisted and training places taken up
<b>Strategic Added Value</b>	Strategic added value represents the more intangible, strategic



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Term	Definition
	outputs and outcomes of an intervention, such as the provision of strategic leadership and influence, the leverage of additional resources, the dissemination of information and intelligence, the encouragement of more co-ordinated responses, and the effective engagement of a wider range of stakeholders in the design and delivery of activities.
<b>Substitution</b>	The situation in which a firm substitutes one activity for a similar activity (such as recruiting a different job applicant) to take advantage of government assistance
<b>Sunk Costs</b>	Sunk costs are the investments that have already been made in a project. As these costs have already been incurred it is generally suggested that they are reported rather than incorporated into any impact calculations, especially when undertaking appraisals. However, there may be instances where their inclusion is legitimate as the intervention being appraised may be capitalising upon this earlier investment. Its exclusion would therefore give misleading impact figures.

### 6.1.2 CONSTRUCTION EMPLOYMENT & GVA

Construction impact is estimated based on<sup>19</sup>:

- The construction cost of the development;
- The time taken to build the development (years); and
- Turnover and GVA per employee in the relevant part of the construction sector.

**Example:**

Development Cost	£10m
Turnover per Employee in Sector	£181k
Person Years to Construct Development	55 (£10m/£181k)
Years to Construct	2
Jobs Supported per Year of Construction	28 (55/2)
GVA per employee	£65k
Annual GVA Impact	£1.8m (£65k x 28)
Total GVA Impact	£3.6m (£1.8m x 2)

<sup>19</sup> Following Scottish Enterprise (2014) Scottish Enterprise Economic Impact Guidance, Construction Impacts, Scottish Enterprise: Glasgow

### 6.1.3 EMPLOYMENT DENSITIES

As such, a staged approach is taken to the calculation of operational FTE jobs:

- The preferred source for operational jobs related to a development is direct evidence of employment effects from the occupier or employer of the development;
- Where this is not available, the development in question is compared with a similar development(s) to provide an informed and realistic indication of the number of jobs likely to flow from a development; and
- In the absence of the above, reference is made to the English Partnerships Employment Densities Guide to calculate estimated employment effects.

The table below indicates the employment densities used in estimation of project employment and GVA benefits.

**Table 6.2 Employment Densities**

Sector	Reference Number	Use Class	Use Type	Area per FTE (m <sup>2</sup> )	Floor Area Basis
<b>Industrial</b>	1	B2	General	36	GIA
	2	B1(c)	Light Industry (Business Park)	47	NIA
<b>Warehouse &amp; Distribution</b>	3	B8	General	70	GEA
	4	B8	Large Scale and High Bay Warehousing	80	GEA
<b>Office</b>	5	B1 (a)	General Office	12	NIA
	6	B1 (a)	Call Centres	8	NIA
	7	B1 (a)	IT/Data Centres	47	NIA
	8	B1 (a)	Business Park	10	NIA
	9	B1 (a)	Serviced Office	10	NIA

Source: Adapted from OffPAT (2010) Employment Densities Guide, 2<sup>nd</sup> Edition, OffPAT: London

It is noted that Gross internal to net internal ratios can vary significantly according to use:

- For office space the gross figure is typically 15-20% higher than net internal space;
- For all multi-tenanted buildings the range may be higher than 15-20% given the space allocated for shared or common areas; and
- For larger warehouses, the net area can be as much as 95% of the gross area.

15% has been used as a general benchmark for converting gross to net areas in offices.

5% has been used as a general benchmark for converting gross to net areas in industrial, warehousing or distribution properties.

#### 6.1.4 EMPLOYMENT GVA

Gross Value Added (GVA) is often regarded as the best measure of the sum of economic activity within an area.

GVA is an indicator of wealth creation and measures the contribution to the economy of each individual firm (or industry sector). GVA is one of the Government Economic Strategy National Performance Framework Purpose Targets.

GVA estimates are based on GVA per head data for best-fit selected industry groups drawn from Scottish Government statistical sources. Examples of the GVA data are indicated in the tables below.

**Table 6.3 Gross Value Added per Head (£) by Selected Sector, City of Glasgow**

Selected Sectors	2008	2009	2010	2011	2012
<b>Manufacturing</b>	59,104	65,158	62,378	69,727	61,549
<b>Construction</b>	50,461	45,917	53,202	49,204	56,848
<b>Professional, Scientific and Technical Activities</b>	47,046	31,839	45,863	47,362	53,380
<b>Administrative and Support Service Activities</b>	26,546	23,110	23,834	24,626	26,414

Source: Scottish Government (2014) Scottish Annual Business Statistics 2012, Scottish Government: Edinburgh

**Table 6.4 Gross Value Added per Head (£) by Selected Sector, South Lanarkshire**

Selected Sectors	2008	2009	2010	2011	2012
<b>Manufacturing</b>	46,409	44,519	47,241	47,024	44,376
<b>Construction</b>	53,392	42,227	52,923	51,276	55,258
<b>Professional, Scientific and Technical Activities</b>	42,216	47,136	44,535	35,609	44,567
<b>Administrative and Support Service Activities</b>	21,209	24,943	18,471	22,142	19,620

Source: Scottish Government (2014) Scottish Annual Business Statistics 2012, Scottish Government: Edinburgh

#### 6.1.5 EMPLOYMENT ADDITIONALITY

Assessment of the counterfactual seeks to estimate the difference between the

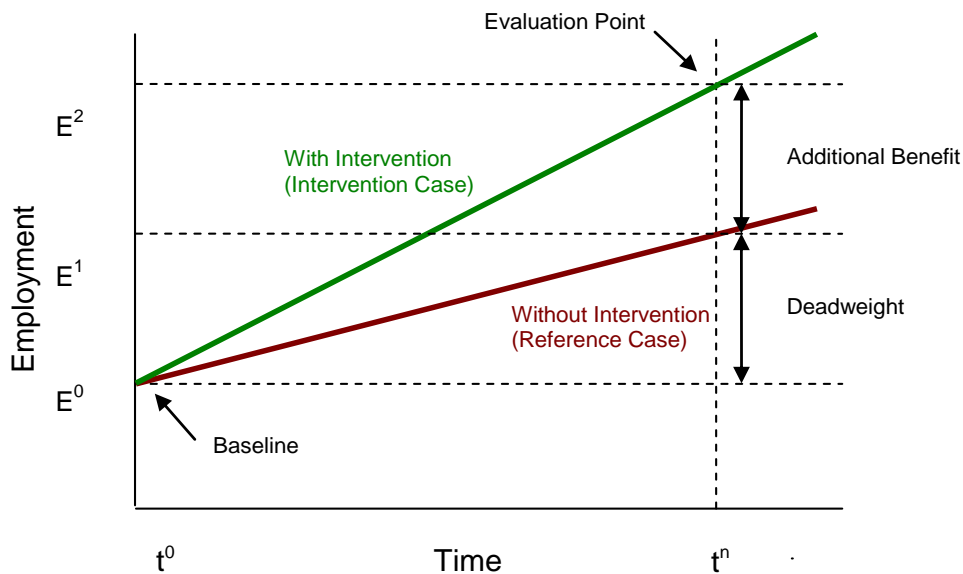
- **Intervention Case:** Scenario with project intervention (see figure below); and the

- **Reference Case:** Scenario without project intervention.

In other words:

- What level of benefits would happen anyway without the intervention?

**Figure 6.1 Intervention and Reference Case, Employment Scenario**



$$E^2 - E^0 = \text{observed change in employment}$$

$$E^2 - E^1 = \text{impact of programme}$$

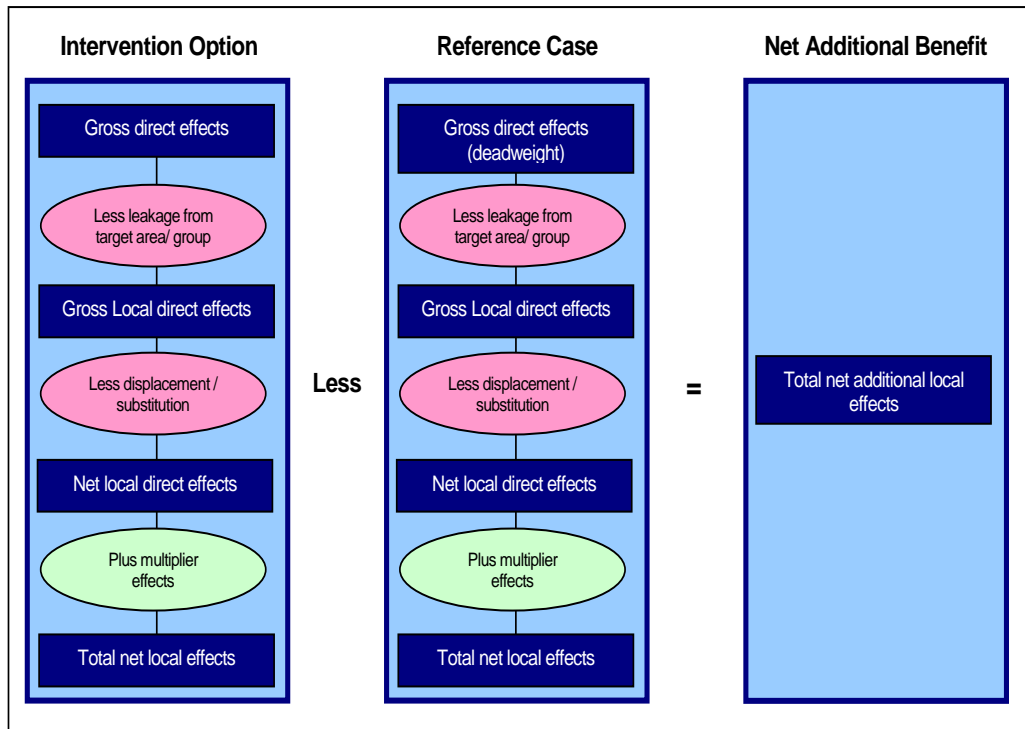
This typically includes assessment of the following factors:

- Leakage
  - In order to address the issue of leakage in an appraisal or evaluation, the following questions need to be answered:
  - Who are the target beneficiaries? Are the benefits likely to go to non-target group / areas, instead of the target group / areas? If yes, by how much?
- Displacement
  - The following key question needs to be answered:
  - Will the intervention reduce existing activity from within the target group or area? If yes, by how much?

- Substitution
  - The key questions in relation to substitution is as follows:
  - Will the intervention result in a firm substituting one activity for a similar one to take advantage of public funding? If yes, by how much?
- Economic Multiplier Effects
  - The following key question needs to be answered in relation to multiplier effects:
  - How many, if any, additional benefits will occur through purchases along local supply chains, employee spending rounds and longer term effects as a result of the intervention
  - The positive multiplier effects are calculated at the national level with the latest data provided in the Scottish Input-Output Tables 2007, which provides multiplier factors for a range of industry groups.
  - We have used Type II employment multipliers (indirect and induced), but these do not identify local and sub-local multiplier factors.
  - We have therefore assumed that sub-local effects (Clyde Gateway) would be equal to around one tenth (consistent with other Clyde Gateway studies).

A summary of the steps followed to assess additionality is provided in the figure below.

Figure 6.2 Summary of Additionality Assessment



Source: Additional Research

#### 6.1.5.1 INTRODUCTION

In assessing project additionality reference is made to the market appraisal as discussed in the site masterplan **Error! Bookmark not defined.** and to discussion with project executives.

The section below provides a rationale for the selection of additionality factors including:

- Deadweight;
- Displacement;
- Leakage;
- Substitution; and
- Economic Multiplier Effects.

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#### 6.1.5.2 DEADWEIGHT

It is assumed that the project or a similar project would have not have taken place with the Clyde Gateway area without the intervention (as discussed in the report section on market failure).

At the wider Scotland level, it is feasible that similar development would have occurred elsewhere had the intervention not been made and funds been used in another location. However, given the targeted nature of the intervention on priority areas of need (a high degree of physical and social challenges), and that other similar locations are already engaged in similar programmes, the level of deadweight is set at a relatively low level.

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#### 6.1.5.3 DISPLACEMENT

A key concern of Clyde Gateway is to develop office and industrial capacity in such a way as promotes opportunity rather than displaces existing economic activity. As such, the type, timing and location of development are essential considerations.

In particular, property market displacement can occur where support is given to provide new business accommodation and this attracts tenants from existing properties in the same area. While the property provider will clearly benefit from the support received, this may be at the expense of other accommodation providers. Alternatively, there may be an effect on property prices due to an increase in demand for accommodation from growing beneficiaries that could impact on the cost base of others.

The scope for a displacement effect with this project is informed by independent market assessment<sup>20</sup> and discussion with Clyde Gateway project executives on latest developments, which examined existing and pipeline supply and current and future forecast demand.

Clyde Gateway is in the process of moving from a traditional industrial area, where the majority of business space has been industrial with virtually no office market, to an area which supports a nationally significant business location and a range of supporting local/

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<sup>20</sup> Clyde Gateway (2013) national Business District- Shawfield Infrastructure and Development Framework, Board Paper CGDL(MAY)01, Clyde Gateway: Glasgow.



regionally important locations aiming to provide a range of modern purpose built office and industrial space.

A November 2012 market assessment noted that market conditions are negative at the time but there will be considerable supply needed to fill expanding demand levels in future. It states a cautious optimism with a baseline scenario showing there is potential demand for over 4 million ft<sup>2</sup> of office space over the period 2016-2022 in the West of Scotland purely from expansion demand. It is anticipated that occupiers will be seeking commercial accommodation in line with the Shawfield project.

The market appraisal confirms the basic principles of the Shawfield proposal as remaining unchanged with strong points for the site being its proximity to Glasgow City Centre, substantial motorway, road and rail infrastructure and a wide skills base. The major challenge it faces will be to attract occupiers and investors.

More recent market assessments conducted for other Clyde Gateway pipeline projects point to an improved situation.

However, a higher than anticipated overlap with other projects may be evident (i.e. Rutherglen Links, The Albus, Riverside East, Eastgate, and Red Tree Business Suites). This is in part a function of Shovel Ready Funding and the acceleration of The Albus, Eastgate and Shawfield.

Within this context, we have assumed a moderate level of displacement at the local level i.e. scope for some displacement of local office based employment activity. At the wider Scotland level, it is assumed that this scope is greater.

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#### 6.1.5.4 LEAKAGE

It is likely that many of the employment benefits will go to non-residents. However, given the increased availability of local residential accommodation, place-related investment, and active initiatives to target residents, then the level of local leakage may be more restricted than otherwise might be the case.

In addition, it is likely that the different use types will vary in their level of leakage (i.e. light industrial may draw more on local workers than skilled office posts). At the Scotland level the level of leakage (employment benefits to non-residents is likely to be nil.

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#### 6.1.5.5 SUBSTITUTION

The effect of substitution arises where a firm substitutes one activity for another to take advantage of public sector assistance. It can be thought of as ‘within firm’ displacement. Evidence of substitution in economic development suggests that it is generally not a major issue<sup>21</sup>.

The effect of substitution arises where a firm substitutes one activity for another to take advantage of public sector assistance. It can be thought of as ‘within firm’ displacement. As Clyde Gateway offers forms of wage and training subsidy, substitution has been considered.

Where employment subsidy is introduced to encourage the occupier to recruit unemployed people from the Clyde Gateway area, some employers may replace existing employees with new workers in order to secure the subsidy.

However, given the nature of subsidies and measures taken to conclude ‘Contribution Agreements’ the scope for substitution is considered limited. Past experience suggest it is more likely to take place at construction stage (on community benefit contracts) rather than at occupier stage.

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#### 6.1.5.6 MULTIPLIER EFFECTS

The gross direct effects of the project, in terms of employment and GVA, have been assessed. These do not include any additional or “knock on” effects that may accrue to those who are not the direct beneficiaries. However, when beneficiaries are helped to improve their performance this can also generate benefits for others through what are termed multiplier effects.

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<sup>21</sup> Scottish Enterprise (2014) Scottish Enterprise Economic Impact Guidance, Substitution, Scottish Enterprise: Glasgow.

Economic multiplier effects are calculated at the national level with the latest data provided in the Scottish Input-Output Tables 2011, which provides multiplier factors for a range of industry groups. Type II employment multipliers are used (indirect and induced).

It is noted that these do not identify local multiplier factors. Therefore we have assumed low levels of multiplier effect at the local level (approximately 10% of the national figure).

It is noted that current technical guidance varies on the value of including economic multipliers in economic impact models, especially at the national level. For the purposes of comparability and consistency with other Clyde Gateway studies we include multiplier effects<sup>22</sup>.

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#### 6.1.5.7 SUMMARY

The table below records the levels set for the assessment of additionality in relation to Shawfield employment benefits (and employment based GVA estimates).

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<sup>22</sup> Consistent with Scottish Enterprise (2014) Scottish Enterprise Economic Impact Guidance, Multiplier Effects, Scottish Enterprise: Glasgow

**Table 6.5 Additionality Factors, for Employment-based GVA**

Factor	Clyde Gateway			Scotland		
	Description	Level	Level (%)	Description	Level	Level (%)
<b>Deadweight</b>	All of the benefits are as a result of the intervention	None	0%	The majority of the benefits are as a result of the intervention	Low	25%
<b>Leakage</b>	<b>Office:</b> Many of the benefits will go outside the area of benefit / outside of the target group	High	75%	All of the benefits go to the target area/ the target group	None	0%
<b>Displacement</b>	<b>Office:</b> About half of the activity would be displaced	Moderate	50%	A high level of displacement is expected to arise	High	75%
<b>Substitution</b>	There are expected to be some substitution effects, although relatively limited	Low	5%	There are expected to be some substitution effects, although relatively limited	Low	5%
<b>Economic Multiplier Effects* (IOC 50 Construction)</b>	Type II Employment Multiplier	Low	1.11	Type II Employment Multiplier	High	2.12
	Type II GVA Multiplier	Low	1.11	Type II GVA Multiplier	High	2.14
<b>Economic Multiplier Effects (IOC M Professional, Scientific and Technical Services)</b>	Type II Employment Multiplier	Low	1.06	Type II Employment Multiplier	Moderate	1.58
	Type II GVA Multiplier	Low	1.06	Type II GVA Multiplier	Moderate	1.62

\*Economic Multipliers represent 2007-11 averages, Source: Scottish Government (2014) Input-Output Tables 1998-2011, August, Scottish Government: Edinburgh.

## 6.1.6 COST BENEFIT ANALYSIS

### 6.1.6.1 INTRODUCTION

A number of assumptions are made in the development of a cost-benefit analysis. The sections below provide additional detail on the factors used in the project analysis (see accompanying MS Excel Spread sheets for cost-benefit calculation).

#### 6.1.6.2 TIME PERIOD AND BASE YEAR

Use of a consistent timeframe, over which economic impact assessments are undertaken, supports consistent data collection and reporting, and allows for better comparison of the performance of interventions.

As the economic life of a physical asset can be lengthy, it is important to capture economic impact over the lifetime of the asset. For example, new business accommodation may have a minimum life span of 20 years or more.

The time period of assessment and base year for this project are as follows:

- Time period: 20 years (2013-32); and
- Base Year: 2013.

#### 6.1.6.3 COSTS

The main costs included are construction and operational costs (e.g. servicing and maintenance). Sunk costs linked to enabling and infrastructure costs are also included. Clyde Gateway and partner staff cost are omitted.

Sunk costs are the past public sector costs which have been incurred as part of an intervention and which cannot be reclaimed. HM Treasury Green Book guidance states that sunk costs should be ignored as what matters are costs about which decisions can still be made<sup>23</sup>.

However, including sunk costs associated with enabling and infrastructure works may provide decision makers with a clearer picture of the totality of inputs required to achieve the benefits of a given project. It is also the case that the infrastructure and enabling works on their own are unlikely to meet the overall Clyde Gateway objectives, and should be seen as a linked set of activities. As such, sunk costs for enabling and infrastructure works are included here.

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<sup>23</sup> HM Treasury (2013) The Green Book: Appraisal and Evaluation in Central Government, HM Treasury: London (paragraph 5.15)

#### 6.1.6.4 BENEFITS

The main benefits included in the analysis are GVA derived from employment benefits and the value of any return to Clyde Gateway from rental income or property sale.

Clyde Gateway supports projects that may return income to the public purse, for example, through rental income and land or property sale.

Clyde Gateway undertakes detailed assessment of forecast income for relevant projects. These income streams and forecasts are outlined and are included in the impact calculations.

Where no realistic land, property or rent forecast is available or uncertain, the total discounted infrastructure investment is used as the project cost and potential future income from land, property sales or rental income is not included. Where this is the case, potential income is highlighted and that it may reduce project costs and increase impacts.

#### 6.1.6.5 PRICES

In order to ensure that values are being compared on a consistent, comparable basis, values from past years are converted to constant prices relating to a given base year using GDP deflators<sup>24</sup>. Future values are not adjusted.

Current prices are converted to constant prices using the formula:

$$V_{\text{cox}} = V_{\text{curi}} \times (P_x/P_i)$$

Where:

- $V_{\text{cox}}$  is the value expressed in constant prices for the year for which constant prices are to be calculated (Year x), the base year;
- $V_{\text{curi}}$  is the value expressed in the current prices applying in Year i; and
- P refers to the price index applying in Years x and I, with x being the base year of 100.

<sup>24</sup> HM Treasury (2014) GDP Deflators at Market Prices, and Money GDP: December 2013, HM Treasury: London.

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#### 6.1.6.6 DISCOUNTING

Discounting is an adjustment to the monetary costs and benefits of a project that enables alternative projects to be compared. The principle underpinning discounting is that more value is placed on projects with benefits that arise sooner, and costs that arise later, all other things being equal.

The recommended HM Treasury discount rate of 3.5% is applied<sup>25</sup>.

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#### 6.1.6.7 OPTIMISM BIAS

Optimism bias is the tendency for those involved in projects, as funders, managers or beneficiaries, to be too optimistic in terms of forecasting project costs, scale, timing and benefits.

Clyde Gateway projects are typically approved with a set budget, and the economic impact assessment is made on the basis of the project as set out within these constraints. No additional optimism bias is factored in here. It is anticipated, that in the event that a project budget requires revision (in order to meet project objectives), then a revised assessment of impact will be made at that time.

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#### 6.1.6.8 CARBON VALUATION

Clyde Gateway has provided Carbon Dioxide Annual Emission Rates (Kg CO<sub>2</sub>/m<sup>2</sup>), based on the National Calculation Methodology, for projects within the scope of this report. These rates permit an estimate of annual Carbon Dioxide emissions (annual Kg CO<sub>2</sub> for total floorspace).

Comparison of project emission rates with Standard Office Annual CO<sub>2</sub> emission rates permits identification of an estimated carbon saving.

The Department of Energy & Climate Change (DECC) short-term traded carbon values are used for valuing the impact of carbon savings on Clyde Gateway projects. The table below

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<sup>25</sup> HM Treasury (2013) The Green Book: Appraisal and Evaluation in Central Government, HM Treasury: London.

shows the 2014 short-term traded carbon values for use in government appraisal. Central scenario figures are adopted.

**Table 6.6 DECC Short-Term Traded Sector Carbon Values for Policy Appraisal in Real 2014**

**Terms, £/tCO<sub>2</sub>e, Central Scenario**

<b>Year</b>	<b>£/tCO<sub>2</sub>e</b>
<b>2014</b>	4.48
<b>2015</b>	4.56
<b>2016</b>	4.66
<b>2017</b>	4.78
<b>2018</b>	4.97
<b>2019</b>	5.16
<b>2020</b>	5.35
<b>2021</b>	12.58
<b>2022</b>	19.81
<b>2023</b>	27.04
<b>2024</b>	34.27
<b>2025</b>	41.51
<b>2026</b>	48.74
<b>2027</b>	55.97
<b>2028</b>	63.20
<b>2029</b>	70.43
<b>2030</b>	77.66

Source: Department of Energy & Climate Change (2014) Updated Short-Term Traded Carbon Values for UK Public Policy Appraisal, October, Department of Energy & Climate Change: London



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**6.1.7 CLYDE GATEWAY AREA DATA ZONES****Table 6.7 Clyde Gateway Data Zones**

<b>Clyde Gateway Area Data Zones</b>
S01003142
S01003150
S01003158
S01003159
S01003194
S01003201
S01003202
S01003205
S01003208
S01003217
S01003245
S01003248
S01003251
S01003253
S01003254
S01003263
S01003270
S01003279
S01003313
S01003347
S01006057
S01006061
S01006062
S01006063
S01006064
S01006065
S01006066

## 6.2 APPENDIX B SOCIO-ECONOMIC BASELINE

### 6.2.1 SUSTAINABLE PLACE

#### 6.2.1.1 HOUSING STOCK

In 2012, the Clyde Gateway had 12,116 dwellings, which is less than a 1% increase on the 2007 number (see Table 6.8). In comparison to the other areas, the Clyde Gateway increase from 2007 to 2012 is less than the increases across Glasgow, South Lanarkshire and Scotland. It should also be noted that Clyde Gateway URC report that 1,925 new residential units have been built in the Clyde Gateway up to 31<sup>st</sup> March 2014, while substantial numbers of new dwellings are planned or in construction in the Clyde Gateway, including the Commonwealth Games Athletes Village.

**Table 6.8 Number of Dwellings**

	2007	2011	Latest (2012)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	12,043	12,094	12,116	+0.6	+0.2
<b>Glasgow</b>	299,251	300,826	302,305	+1.0	+0.5
<b>South Lanarkshire</b>	140,663	144,713	145,556	+3.5	+0.6
<b>Scotland</b>	2,447,256	2,506,062	2,520,073	+3.0	+0.6

Source: Scottish Neighbourhood Statistics (Data zone definition) cited in McTier, A, and McGregor, A (2014)

Table 6.9 shows the proportion of dwellings in Council Tax Bands D to H (i.e. middle to highest tax bands). The key findings are:

- In 2012, 7% of Clyde Gateway's dwellings were in Bands D-H, which was by far the lowest of the comparator areas; and
- Between 2007 and 2012, Clyde Gateway had the biggest percentage increase in the proportion of dwellings in Bands D-H, although this is from a low percentage base point. In absolute terms, the Clyde Gateway had 326 additional dwellings in Bands D-H in 2012 than in 2007.

**Table 6.9 Proportion of Dwellings in Council Tax Bands D-H**

	2007	2011	Latest (2012)	% Change 2007-Latest	% Change 2011-Latest
<b>Clyde Gateway</b>	4.6	7.0	7.2	+58.1	+4.0
<b>Glasgow</b>	27.9	29.3	29.4	+5.2	+0.1
<b>South Lanarkshire</b>	35.7	37.1	37.3	+4.4	+0.7
<b>Scotland</b>	37.2	38.4	38.5	+3.5	+0.5

Source: Scottish Neighbourhood Statistics (Datazones definition) cited in McTier, A, and McGregor, A (2014)

Note: Council Tax D equates to properties valued over £45,000 according to April 1991 prices (or approximately £92,000 if converted to 2014 prices)

## 6.2.2 ECONOMIC ACTIVITY

### 6.2.2.1 POPULATION

Table 6.10 shows how the total populations of the Clyde Gateway and the comparator areas have changed from 2007 to 2012. The key findings are:

- In 2012, the Clyde Gateway had 20,915 residents, which is a 9% increase on the 2007 population and a small increase of less than 1% from 2011. Between the Glasgow and South Lanarkshire parts of the Clyde Gateway, the 2012 population breaks down as:
  - 16,156 (or 77%) in Glasgow part of Clyde Gateway.
  - 4,759 (or 23%) in South Lanarkshire part of Clyde Gateway.
- In comparison to the other areas, the Clyde Gateway population increase from 2007 to 2012 is the greatest, with Glasgow seeing the next largest percentage increase of 4%.

**Table 6.10 Total Population**

	2007	2011	Latest (2012)	% Change 2007-Latest	% Change 2011-Latest
<b>Clyde Gateway</b>	19,151	20,822	20,915	+9.2	+0.4
<b>Glasgow</b>	571,760	593,060	595,080	+4.1	+0.3
<b>South Lanarkshire</b>	310,380	313,900	314,360	+1.3	+0.1

<b>Scotland</b>	5,170,000	5,299,900	5,313,600	+2.8	+0.3
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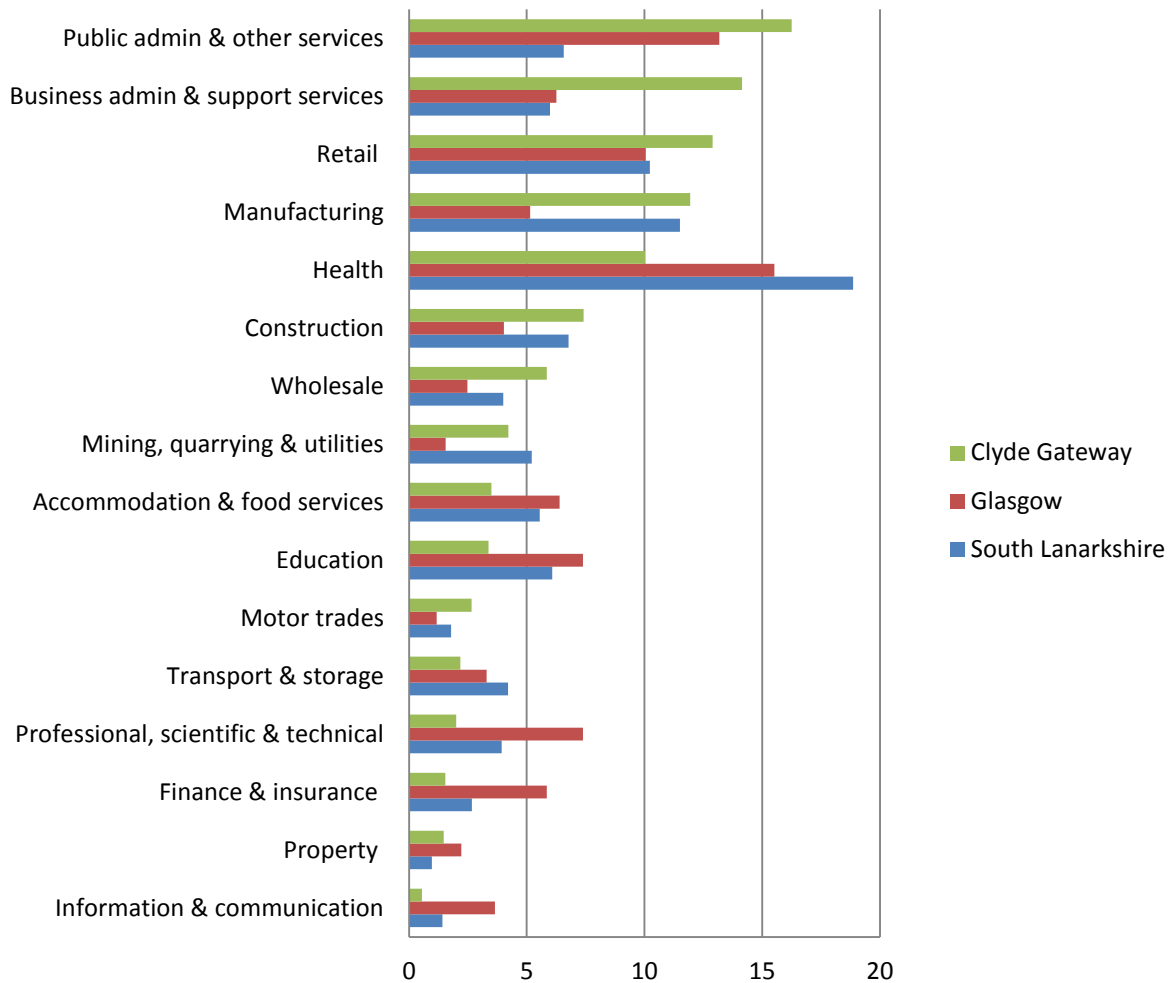
Source: GROS mid-year population estimates (Datazones definition) cited in McTier, A, and McGregor, A (2014)

#### 6.2.2.2 LABOUR MARKET

The Business Register and Employment Survey (BRES) estimates that there were 16,000 employee jobs in the Clyde Gateway area in 2012. The accuracy of these figures, based as they are on sample data, must be borne in mind. As noted elsewhere<sup>13</sup>, the number of employee jobs in the Clyde Gateway area is reported to have decreased by 18% between 2011 and 2012 despite no significant closures or relocations of major employers in the Clyde Gateway. Indeed, the impact of Clyde Gateway URC (in creating or attracting 3,143 jobs for the Clyde Gateway area by 31<sup>st</sup> March 2014) would more likely indicate jobs growth rather than reductions.

Notwithstanding the accuracy of the BRES data, Figure 6.3 shows the breakdown of the jobs in the Clyde Gateway area by industry. Set against the Glasgow and South Lanarkshire breakdowns, the Clyde Gateway has a:

- Higher proportion of jobs in public administration and other services; business administration and support services; retail; manufacturing; wholesale; and motor trades; and a
- Lower proportion of jobs in accommodation and food services; education; transport and storage; professional, scientific and technical; finance and insurance; and information and communication.

**Figure 6.3 Proportion of Clyde Gateway Employee Jobs by Industry, 2008 and 2012**

Source: Business Register and Employment Survey (Datazones definition) cited in McTier, A, and McGregor, A (2014)

Table 6.11 looks at the working age (16-64 year old) population for the same time period. It shows the Clyde Gateway's population increase has to a large extent been driven by more people of working age living in the area. The key findings are:

- In 2012, the Clyde Gateway had 14,248 working age residents, which equates to 68% of the total population. In comparison, only Glasgow had a larger proportion of working age residents at 70%;
- Between 2007 and 2012, the Clyde Gateway had a 13% increase in its working age population and a small increase of 1% from 2011; and

- In comparison to the other areas, the Clyde Gateway working age population increase from 2007 to 2012 is the greatest, with Glasgow seeing the next largest percentage increase of 7%.

**Table 6.11 Working Age (16-64 Year Old) Population**

	2007	2011	Latest (2012)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	12,597	14,101	14,248	+13.1	+1.0
<b>Glasgow</b>	390,283	414,985	415,859	+6.6	+0.2
<b>South Lanarkshire</b>	203,293	205,199	203,909	+0.3	-0.6
<b>Scotland</b>	3,400,370	3,487,433	3,473,178	+2.1	-0.4

*Source:* GROS mid-year population estimates (Datazones definition) cited in McTier, A, and McGregor, A (2014)

### **Unemployment and Worklessness**

This section analyses the statistics available for key claimant groups of out-of-work DWP benefits (JSA, ESA/IB and Lone Parents/Income Support) and for DWP out-of-work benefits claimants as a whole. For each group, where available, change over time is presented along with a snapshot breakdown of claimant characteristics.

#### **Jobseekers Allowance**

In terms of absolute numbers, Clyde Gateway had an average of 1,079 JSA claimants each month in 2013, of which 806 were in the Glasgow part of Clyde Gateway and 274 in South Lanarkshire part of Clyde Gateway (see Table 6.12). The key findings are:

- This represents a 56% increase on the 2007 average, but a 19% decrease on the 2011 average; and
- In comparison to the other areas, the Clyde Gateway has had the biggest percentage decrease in JSA claimants from 2011 to 2013. For the period 2007 and 2013, the Clyde Gateway also performed relatively well with Glasgow North East and Glasgow the only areas experiencing a lower percentage increase than the Clyde Gateway.

**Table 6.12 Number of JSA Claimants**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	691	1,333	1,079	+56.2	-19.1
<b>Glasgow</b>	14,338	25,083	21,891	+52.7	-12.7
<b>South Lanarkshire</b>	4,128	9,192	8,483	+105.5	-7.7
<b>Scotland</b>	78,054	142,748	128,665	+64.8	-9.9

Source: NOMIS Claimant Count data (Datazones definition) cited in McTier, A, and McGregor, A (2014)

As a proportion of the working age population, Clyde Gateway had an average JSA claimant rate of 7.6% in 2013, which is the highest rate of the comparator areas (see Table 6.13). The key findings are:

- This represents a 38% increase on the 2007 average (reflecting the impact of the recession), but a 20% decrease on the 2011 average; and
- In comparison to the other areas, the Clyde Gateway has had the biggest percentage decrease in the JSA claimant rate from 2011 to 2013.

**Table 6.13 JSA Claimants as % of 16-64 Year Olds**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	5.5	9.5	7.6	+38.2	-20.0
<b>Glasgow</b>	3.7	6.0	5.3	+43.2	-11.7
<b>South Lanarkshire</b>	2.0	4.5	4.2	+110.0	-6.7
<b>Scotland</b>	2.3	4.1	3.7	+60.9	-9.8

Source: NOMIS Claimant Count data; GROS mid-year population estimates (Datazones definition) cited in McTier, A, and McGregor, A (2014)

In terms of the characteristics of JSA claimants, Table 6.14 shows the age and duration of claim for the 1,079 average JSA claimants in 2013. The key findings are:

- By age, 22% (or 232 claimants) were 16-24 years old; 61% (or 658 claimants) were 25-49 years old; and 17% (or 188 claimants) were 50 years old or over; and
- By duration of claim, 51% (or 546 claimants) had been claiming JSA for up to 6 months; 17% (185 claimants) for 6-12 months; and 32% (or 347 claimants) for over 12 months.

**Table 6.14 Age and Duration of Claim of Clyde Gateway JSA Claimants, 2013**

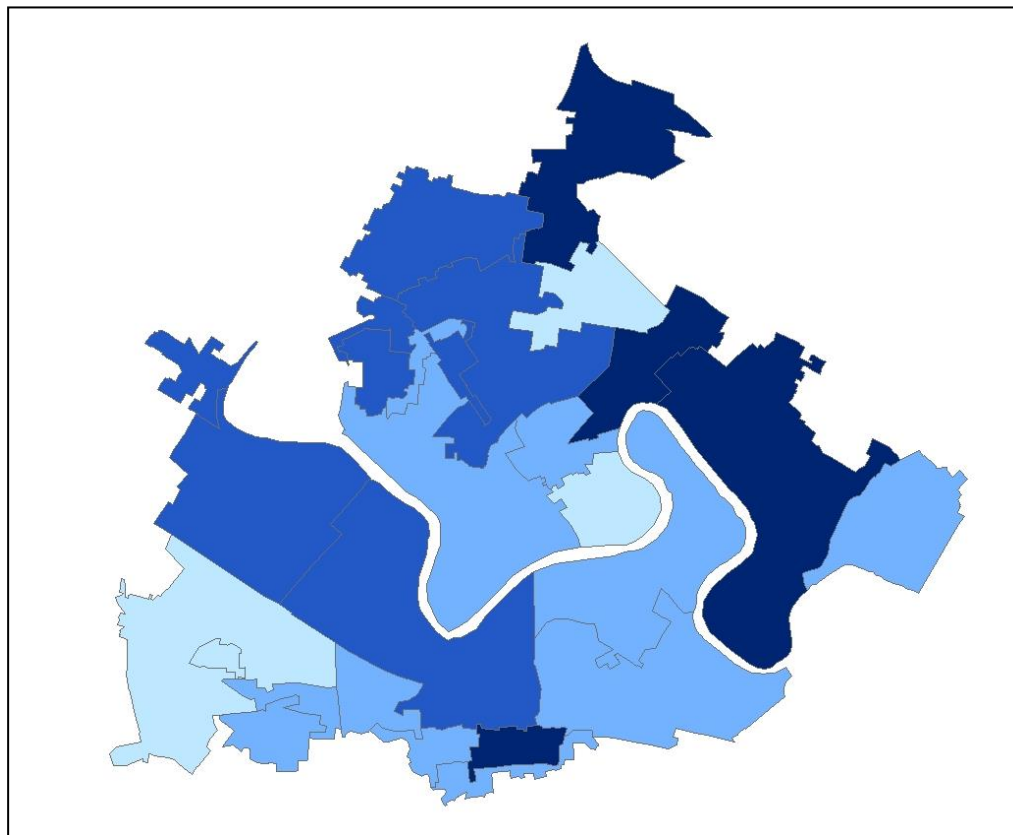
	Less than 6 Months	6-12 Months	12 Months +	Total
<b>16-24 Year Olds</b>	13.5	3.6	4.4	21.5
<b>25-49 Year Olds</b>	31.2	10.9	18.9	61.0
<b>50 Years and Over</b>	5.9	2.6	8.9	17.4
<b>Total</b>	50.6	17.2	32.2	n=1,079

Source: NOMIS Claimant Count data (Datazones definition) cited in McTier, A, and McGregor, A (2014)

Figure 6.4 shows where the 1,079 average JSA claimants are living by data zone area. It shows that the highest number of JSA claimants are living in the areas of:

- Camlachie;
- Parkhead – Springfield Road; and
- Rutherglen – Greenhill Road.

**Figure 6.4 Residence by Datazones of Clyde Gateway JSA Claimants, 2013**



**LEGEND** 1-19 Claimants 20-39 Claimants 40-59 Claimants 60+ Claimants

Note: Appendix 1 provides Ordinance Survey map of Clyde Gateway area for reference



## Employment Support Allowance / Incapacity Benefits

The biggest out-of-work benefits claimant group is the ESA/IB group with almost three times as many ESA/IB working age claimants than JSA claimants. Table 6.15 shows that the Clyde Gateway had 3,080 ESA/IB claimants in August 2013, of which 2,490 were in the Glasgow part of Clyde Gateway and 590 in South Lanarkshire part of Clyde Gateway. The key findings are:

- This represents a 6% decrease from the August 2007 figure, and a 2% decrease from the August 2011 figure; and
- In comparison to the other areas, the Clyde Gateway had a relatively small percentage decrease.

**Table 6.15 Number of Employment Support Allowance / Incapacity Benefits Claimants**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	3,290	3,140	3,080	-6.4	-1.9
<b>Glasgow</b>	55,040	52,060	50,520	-8.2	-3.0
<b>South Lanarkshire</b>	19,670	17,660	17,020	-13.5	-3.6
<b>Scotland</b>	300,340	280,100	265,310	-11.7	-5.3

Source: NOMIS DWP WPLS data (Datazones definition) cited in McTier, A, and McGregor, A (2014)

As a proportion of the working age population, Clyde Gateway had an ESA/IB claimant rate of 22% in August 2013, which was by far the highest rate of the comparator areas (see Table 6.16). The key findings are:

- This represents a 17% decrease from the August 2007 rate, and a 3% decrease from the August 2011 rate; and
- In comparison to the other areas, the Clyde Gateway had the second biggest percentage decrease in the ESA/IB claimant rate from 2007 to 2013, but the decrease between 2011 and 2013 has been similar to the other areas.

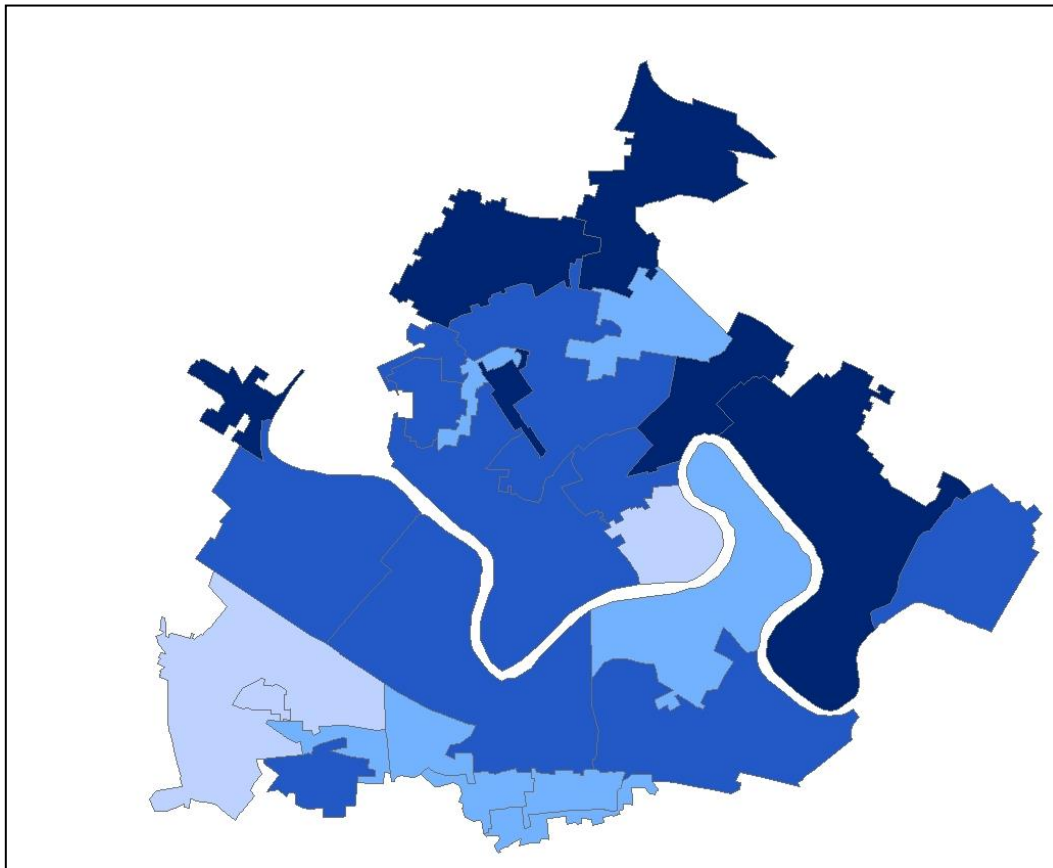
**Table 6.16 ESA/IB Claimants as % of 16-64 Year Olds**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	26.1	22.3	21.6	-17.2	-2.9
<b>Glasgow</b>	14.1	12.5	12.1	-13.9	-3.2
<b>South Lanarkshire</b>	9.7	8.6	8.3	-13.7	-3.0
<b>Scotland</b>	8.8	8.0	7.6	-13.5	-4.9

*Source:* NOMIS DWP WPLS data; GROS mid-year population estimates (Datazones definition) cited in McTier, A, and McGregor, A (2014)

Figure 6.5 shows where the 3,085 average ESA/IB claimants are living by data zone area. It shows that the highest number of ESA/IB claimants are living in the areas of:

- Bridgeton;
- Camlachie;
- Oatlands; and
- Parkhead – Springfield Road.

**Figure 6.5 Residence by Datazones of Clyde Gateway ESA/IB Claimants, 2013**

**LEGEND** 1-49 Claimants 50-99 Claimants 100-149 Claimants 150+ Claimants

*Note:* Appendix 1 provides Ordinance Survey map of Clyde Gateway area for reference

### **Lone Parents / Income Support Claimants**

For Lone Parent / Income Support Claimants, only the absolute number of claimants is presented. Table 6.17 shows that the Clyde Gateway had 380 lone parent/IS claimants in August 2013, of which 295 were in the Glasgow part of Clyde Gateway and 85 in South Lanarkshire part of Clyde Gateway. The key findings are:

- This represents a 44% decrease from the August 2007 figure, and a 22% decrease from the August 2011 figure; and
- In comparison to the other areas, the Clyde Gateway decreases in claimants were largely in line with the other areas, with Glasgow North East seeing the greatest decreases.

**Table 6.17 Number of Lone Parent / Income Support Benefits Claimants**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	680	490	380	-44.1	-22.4
<b>Glasgow</b>	13,030	8,620	6,860	-47.4	-20.4
<b>South Lanarkshire</b>	3,530	2,990	2,460	-30.3	-17.7
<b>Scotland</b>	62,280	47,790	39,600	-36.4	-17.1

Source: NOMIS DWP WPLS data (Datazones definition) cited in McTier, A, and McGregor, A (2014)

### Total Out-of-Work Benefits Claimants

For total out-of-work benefits claimants (i.e. the sum of the JSA, ESA/IB, Lone Parent and others on an income-related benefit), Clyde Gateway had 4,585 out-of-work benefits claimants in August 2013, of which 3,650 were in the Glasgow part of Clyde Gateway and 935 in South Lanarkshire part of Clyde Gateway (see Table 6.18). The key findings are:

- This represents a 5% decrease from the August 2007 figure, and a 9% decrease from the August 2011 figure; and
- In comparison to the other areas, the Clyde Gateway decreases in claimants were relatively strong but not as great as in Glasgow North East.

**Table 6.18 Number of DWP Out-of-Work Benefits Claimants**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	4,825	5,055	4,585	-5.0	-9.3
<b>Glasgow</b>	85,340	87,930	79,840	-6.4	-9.2
<b>South Lanarkshire</b>	27,850	30,540	28,100	+0.9	-8.0
<b>Scotland</b>	450,720	483,680	436,810	-3.1	-9.7

Source: NOMIS DWP WPLS data (Datazones definition) cited in McTier, A, and McGregor, A (2014)

As a proportion of the working age population, Clyde Gateway had a DWP out-of-work benefits claimant rate of 32% in August 2013, which again was the highest rate of the comparator areas (see Table 6.19). The key findings are:

- This represents a 16% decrease from the August 2007 rate, and a 10% decrease from the August 2011 rate; and

- In comparison to the other areas, the Clyde Gateway percentage decreases were the greatest, particularly in relation to the change from 2007 to 2013.

**Table 6.19 DWP Out-of-Work Benefits Claimants as % of 16-64 Year Olds**

	2007	2011	Latest (2013)	% Change 2007- Latest	% Change 2011- Latest
<b>Clyde Gateway</b>	38.3	35.8	32.2	-15.9	-10.1
<b>Glasgow</b>	21.9	21.2	19.2	-12.3	-9.4
<b>South Lanarkshire</b>	13.7	14.9	13.8	+0.7	-7.4
<b>Scotland</b>	13.3	13.9	12.6	-5.3	-9.4

Source: NOMIS DWP WPLS data; GROS mid-year population estimates (Datazones definition) cited in McTier, A, and McGregor, A (2014)

### 6.2.3 COMMUNITY CAPACITY

#### 6.2.3.1 EDUCATION

Table 6.20 shows the proportion of S4 pupils achieving 5 awards at SCQF Level 4 or above.

The key findings are:

- In 2011/12, 62% of S4 pupils living in the Clyde Gateway achieved 5 awards at SCQF Level 4 or above, which is a 7% increase on the 2006/07 and 2010/11 proportions; and
- In comparison to the other areas, S4 pupil attainment levels are the lowest of the comparator areas. Since 2006/07, the rate of increase in the Clyde Gateway has been in line with the comparator areas, which means that attainment levels are increasing but the attainment gap is not necessarily closing.

**Table 6.20 Proportion of S4 Pupils Achieving 5 Awards at SCQF Level 4 or Above**

	2006/07	2010/11	Latest (2011/12)	% Change 2006/07- Latest	% Change 2010/11- Latest
<b>Clyde Gateway</b>	58.6	58.1	62.4	+6.5	+7.4
<b>Glasgow</b>	67.9	73.6	75.0	+10.5	+1.9
<b>South Lanarkshire</b>	74.9	77.8	78.3	+4.5	+0.6
<b>Scotland</b>	75.5	78.8	80.2	+6.2	+1.8

Source: Scottish Neighbourhood Statistics (Datazones definition) cited in McTier, A, and McGregor, A (2014)

Table 6.22 shows the proportion of school leavers entering a positive destination (higher education, further education, training or employment), and the results are relatively strong. The key findings are:

- In 2011/12, 88% of the Clyde Gateway's resident school leavers entered a positive destination, which is a 4% increase on the 2007/08 proportion and a 7% increase on the 2010/11 proportion; and
- In comparison to the other areas, the Clyde Gateway rate is in line with the comparator areas, as is the rate of increase from 2007/08.

**Table 6.21 Proportion of School Leavers Entering a Positive Destination**

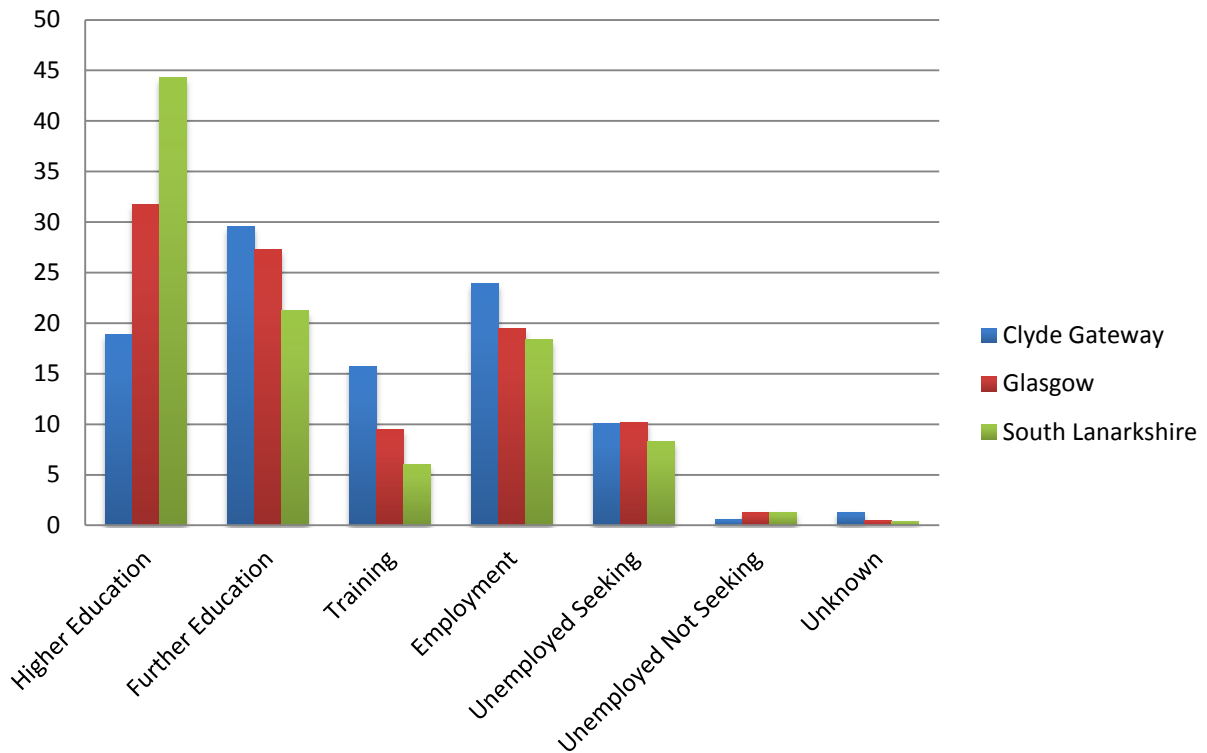
	2007/08	2010/11	Latest (2011/12)	% Change 2007/08- Latest	% Change 2010/11- Latest
<b>Clyde Gateway</b>	85.0	82.0	88.1	+3.6	+7.4
<b>Glasgow</b>	83.3	86.9	88.0	+5.6	+1.3
<b>South Lanarkshire</b>	88.1	87.9	89.9	+2.0	+2.3
<b>Scotland</b>	86.4	88.8	89.8	+3.9	+1.1

*Source:* Scottish Neighbourhood Statistics (Datazones definition) cited in McTier, A, and McGregor, A (2014)

While the proportion entering a positive destination differs little, the types of destinations entered do. Figure 6.6, which compares Clyde Gateway to Glasgow and South Lanarkshire, shows:

- Clyde Gateway have higher proportions entering training, employment and (to a lesser extent) further education than Glasgow and South Lanarkshire; and
- A much smaller proportion, however, enter higher education.

Figure 6.6 Destinations of School Leavers, 2011/12



Source: Scottish Neighbourhood Statistics (Datazones definition) cited in McTier, A, and McGregor, A (2014)

For adult qualifications, the 2011 Census is referred to. Table 6.23 shows the highest level of qualifications held by residents aged 16 and above. It shows that:

- Almost half (46%) of the Clyde Gateway's adults had no formal qualifications, which was the highest proportion across the comparator areas; and
- The proportion of Clyde Gateway adults with Level 1 qualification is in line with the comparator areas, but the proportions with Level 2 and Level 4 and above qualifications are notably lower. This could be an outcome of local residents entering employment rather than continuing into FE or HE, and the nature of the jobs entered (i.e. lower skilled jobs with minimal accredited training attached to them).

**Table 6.22 Highest Level of Qualification (% of Adults)**

	No Quals	Level 1	Level 2	Level 3	Level 4 and Above
<b>Clyde Gateway</b>	46.0	23.1	9.3	8.3	13.3
<b>Glasgow</b>	32.0	19.7	13.4	9.0	25.9
<b>South Lanarkshire</b>	29.0	23.8	14.6	10.5	22.0
<b>Scotland</b>	26.8	23.1	14.3	9.7	26.1

Note: Level 1 = Standard Grade, SVQ Level 1 or 2, or equivalent.

Level 2 = Higher Grade, Advanced Higher Grade, SVQ Level 3 or equivalent.

Level 3 = HNC, HND, SVQ Level 4 or equivalent.

Level 4 = Degree, Postgraduate qualifications, SVQ Level 5 or equivalent.

### 6.2.3.2 HEALTH & DEPRIVATION

A major contributor to the higher ESA/IB claimant rate in the Clyde Gateway is the health of local residents. Using 2011 Census data, the poorer health of Clyde Gateway's residents is noted as follows:

- On **perception of general health**, just 68% of Clyde Gateway adult residents feel that their health is 'very good' or 'good'. This is significantly below the rates for Glasgow (78%), South Lanarkshire (80%) and Scotland (82%); and
- On the **prevalence of a long-term health problem or disability**, 31% of Clyde Gateway adult residents state that their day-to-day activities are affected a lot or a little. This is above the rates for Glasgow (23%), South Lanarkshire (21%) and Scotland (20%).

In terms of the characteristics of ESA/IB claimants, Table 6.23 provides a breakdown by age, gender, duration of claim and health issues for the 3,080 ESA/IB claimants living in the Clyde Gateway in August 2013:

- By age, 46% are 50 years old or over, which is a much higher proportion of older claimants than the JSA proportion of 17%;
- By gender, 56% are male;
- By duration of claim, 34% had a claim duration of over 2 years, and a further 27% for between 1 and 2 years; and
- By health issue, 55% had a mental health issue.



**Table 6.23 Age and Duration of Claim of Clyde Gateway ESA/IB Claimants, 2013**

	Number	%
<b>16-24 Year Olds</b>	160	5.2
<b>25-49 Year Olds</b>	1,520	49.3
<b>50 Years and Over</b>	1,405	45.5
<b>Gender</b>		
<b>Male</b>	1,725	55.9
<b>Female</b>	1,360	44.1
<b>Duration of Claim</b>		
<b>Less than 6 months</b>	655	21.2
<b>6-12 months</b>	555	18.0
<b>1-2 years</b>	820	26.6
<b>2-5 years</b>	505	16.4
<b>5 years +</b>	550	17.8
<b>Medical Condition</b>		
<b>Mental health</b>	1,690	54.8
<b>Nervous system</b>	115	3.7
<b>Respiratory or circulatory</b>	220	7.1
<b>Muscoskeletal</b>	355	11.5
<b>Injury / poisoning</b>	120	3.9
<b>Other</b>	585	19.0
<b>Total</b>	<b>3,085</b>	<b>100.0</b>

Source: NOMIS DWP WPLS data (Datazones definition) cited in McTier, A, and McGregor, A (2014)

### 6.3 APPENDIX C ECONOMIC IMPACT ASSESSMENT CALCULATIONS

Included as separate MS Excel documents, as follows:

1. Construction Employment and GVA, All Projects;
2. Operational Employment and GVA, All Projects;
3. Employment Additionality, All Projects;
4. GVA Additionality, All Projects;
5. Cost-Benefit, Gross, All Projects;
6. Cost-Benefit, Net, Clyde Gateway Level, All Projects;
7. Cost-Benefit, Net, Scotland Level, All Projects;
8. Cost per Job, All Projects.