

AYRSHIRE ECONOMIC JOINT COMMITTEE

MEETING – 24 MAY 2021

REPORT BY THE CHIEF EXECUTIVE, NORTH AYRSHIRE COUNCIL

SUBJECT:

Great Harbour, Irvine

PURPOSE OF REPORT

1. To update on the development of proposals for Ayrshire Growth Deal investment in the Great Harbour, Irvine.

RECOMMENDATIONS

2. **The Ayrshire Economic Joint Committee is asked to note the:**
 - a) Progress of the Great Harbour to Full Business Case following the verbal approval of Scottish Government of the Outline Business Case in May 2021;
 - b) Note that the written approval from Scottish Government remains outstanding;
 - c) Engagement with the community to seek their input into the developing proposal.

INTRODUCTION

- 3.1 The report updates the Committee on work to develop proposals for Irvine Harbourside through the Maritime Mile project, supported by funding of £14M through the Ayrshire Growth Deal.
- 3.2 The Maritime Mile proposals involve an investment in placemaking, destination development and tourism through three activity hubs, including:
 - The development of a maritime hub including the creation of event and exhibition space alongside new slip ways and moorings.
 - The development/promotion of an events/arts/leisure/commercial activity zone; and,
 - A major new play/park facility at Irvine Beach Park.
- 3.3 The proposals support the wider development of Irvine Harbourside, with the wider project to be known as the Great Harbour. The area will be developed as a visitor destination and will enable a step change in the number of visitors attracted to Irvine, supporting additional business investment and employment.
- 3.4 The Council has developed concept designs for the Maritime Mile in accordance with the Ayrshire Growth Deal business case process and the adopted Local Development Plan. An Outline Business Case has recently been approved by the Scottish Government, allowing the proposals to be developed in more detail to Full Business Case stage.

DESCRIPTION OF PROJECT

- 4.1 The Great Harbour is a key tourism led regeneration, placemaking and destination development project. Concept design work has been developed to build on earlier community engagement as well as proof of concept work on the tourism potential of the area by Glasgow Caledonian University.
- 4.2 The Great Harbour includes the entire Irvine Harbourside and Beach Park area between the railway station and coast and including the southern end of the Ardeer Peninsula. Historically the area saw major investment through Irvine Development Corporation in the Beach Park and Harbourside Housing Conservation Area. More recently, the area has seen successful investment by local businesses, while the Council are currently constructing a social housing development of 71 units.
- 4.3 Within this, the Maritime Mile area connects Irvine town centre in the east, to the beach in the west. The funding secured for the Maritime Mile through the AGD will be focused on three hub areas. The AGD investment through the Maritime Mile project will seek to enable or lever further private sector investment in the area, including commercial, leisure/tourism and residential development in line with the adopted Local Development Plan. The plan attached at Appendix 1 illustrates the proposals for the Maritime Mile which are described further below.

AGD Investment - The Maritime Mile

- 5.1 The Maritime Mile will see a significant investment in placemaking that is intended to be an enabler for wider investment. It will offer an enhanced visitor experience and draw people into the Harbour Waterfront and Beach Park. Key aims for the Maritime Mile include:
- Improved connections between the town centre and the Beach Park through enhanced public realm and park/greenspace.
 - The creation of hubs for activity that drive, visitors (with a range of interests), investment and employment; and,
 - Support for the Council's Community Wealth Building strategy through the creation of jobs, expansion of local businesses and best use of land and assets.
- 5.2 The Design Concept for the Maritime Mile includes three activity hubs, described below:
- i) **Coastal Hub**
- This aims to create improved facilities for play and outdoor activity through the provision of a new play facility within the Beach Park. The development framework will also make provision for the development of projects in the longer term including:
- the re-use of the Pilot House,
 - the re-development of the Beach Pavilion as a commercial café
 - a facility for the Coastwatch organisation
 - new residential development on land allocated within the adopted LDP
 - consideration of a future for the Big idea building

ii) Marina/Arts/Events/Food Hub

This will see the creation of enhanced public realm within the Central Harbourside area which contains the Harbour Arts Centre/Watersports Club/Ship Inn and GRO. A new waterfront Plaza will help to support events and better access to marine activities through an upgrading of the existing pontoons and slipways.

The former Harbourmasters Office and land to the rear offers the potential to accommodate new business in food production and sale, and to help create an area that increasingly becomes a destination for its food offer.

iii) Maritime HUB

The Maritime Hub will aim to create expanded facilities for the National Maritime Museum Scotland, with a broadening of its offer through new exhibitions, and additional event and exhibition space including space for the NMMS Arts Collection. NMMS are developing proposals for an application to the Heritage Lottery Fund within a view to securing a funding contribution towards the capital investment required. It is envisaged that new facility will be developed adjacent to the existing Puffer Café.

Wider Development Framework

- 6.1 As noted above, the Maritime Mile proposals will be the first phase of development within the wider Great Harbour area. The proposals will create an enhanced place, increased visitor numbers and hence a context for additional private sector investment. The Great Harbour area will include provision for commercial and residential development opportunities, with the exact scale and location of these to be considered further through public engagement. This will inform the production of a development framework for the area.
- 6.2 It is recognised that any development framework will require careful consideration of parking and road infrastructure, given the potential development of areas currently occupied by parking. Parking provision of at least an equivalent level will require to be provided. In addition, any new road or parking infrastructure will require to consider:
- Access to areas of demand to ensure that parking is located where it is required.
 - The requirement of users or special interest groups.
 - The impact of any development on open spaces.
 - Cost, avoiding costly investment in additional road infrastructure if this can be avoided; and,
 - Creating an improved pedestrian and active travel environment.
- 6.3 Specific consideration will be given to parking and access through a transport assessment.

Public Engagement and Next Steps

- 7.1 Approval for an Outline Business Case for the Maritime Mile proposals was indicated by the Scottish Government in May. That provides approval for the principle of the proposals and associated expenditure and will allow the proposals to proceed to

detailed design work and the tender returns required for Full Business Case approval/project implementation.

- 7.2 As part of this process the Maritime Mile concept will be the subject of public engagement, building on earlier engagement in 2017. This will also inform work to develop a development framework for the Great Harbour area which will be presented to the Council's Planning Committee for approval.
- 7.3 The long-term nature of the proposals should be recognised, with some of the proposals (e.g. commercial leisure, residential) following initial investment in placemaking, while the proposals for NMMS will require additional feasibility and funding support. It is envisaged that initial priorities for detailed design will include:
- Beach Park Play facility.
 - Marine/Arts/Events/Food hub including the development of the former Harbourmasters House and placemaking improvements.
 - NMMS feasibility; and,
 - Transport assessment, considering the impact of the proposals on parking and access in details.

FINANCIAL IMPLICATIONS

8. The budget for investment in the Maritime Mile project within the Great Harbour is £14.0m (AGD £9m / NAC £5m).

£150k for first stage works; the remaining balance up to FBC stage is £485k (total expected cost to FBC is £635k).

In addition, a significant level of flexibility or contingency has been allowed for, reflecting the early stage of project development at Outline Business Case stage.

LEGAL IMPLICATIONS

9. Officers continue to work with external partners in the context of agreed Memorandum of Understandings.

Where the proposals involve the development of land adjacent to Irvine Harbour, the proposals will require to recognise legal conditions relating to the effective operation of the Harbour.

HUMAN RESOURCES IMPLICATIONS

10. There are no human resource implications arising from the report.

EQUALITY IMPACT ASSESSMENT

11. The Maritime Mile will support the regeneration of the Harbourside and Beach Park, supporting local businesses and creating new Community Wealth Building employment and business opportunities. All proposals will ensure compliance with the Equality Act.

CONSULTATIONS

12. The proposals have discussed within NAC, and key partners including NPL and National Maritime Museum. As part of the next stage a more comprehensive engagement is planned.

APPENDICES

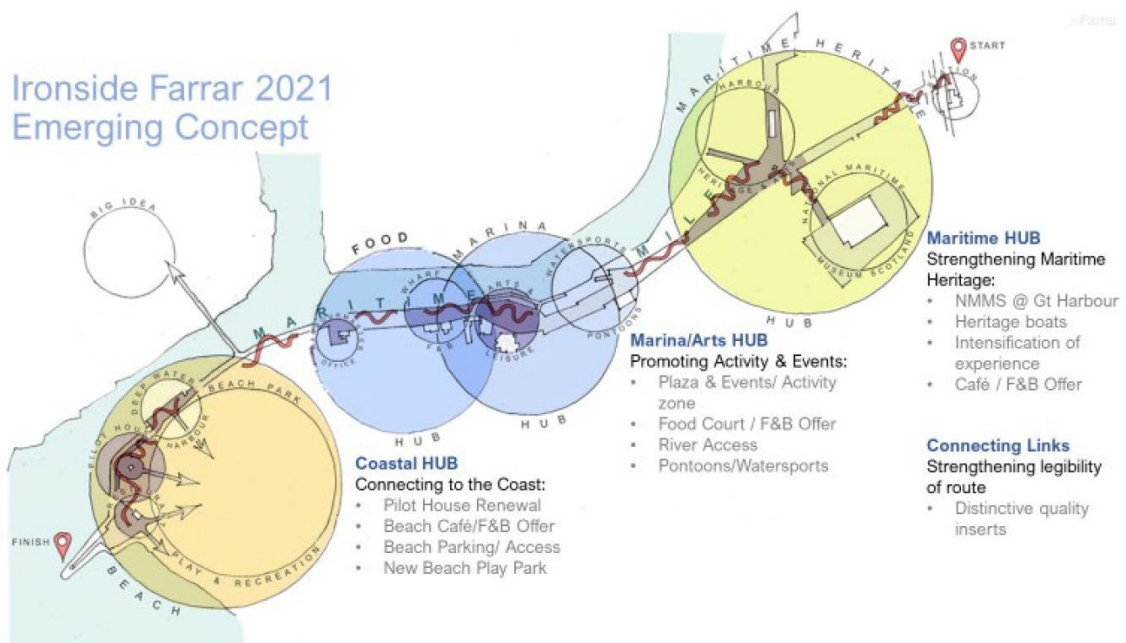
Appendix 1 – Maritime Mile Concept Plan

Appendix 2 – Great Harbour OBC

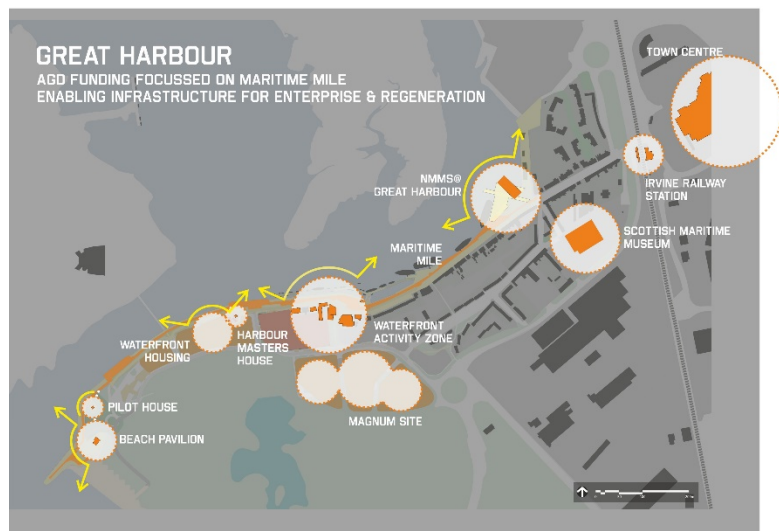
Background Papers:

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Appendix 1 – Maritime Mile Concept Plan



Ayrshire Growth Deal



GREAT HARBOUR Outline Business Case (OBC)

Version No: 021
Issue Date: 26th February 2021

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
001 Draft	20.09.19	NAC revised Project Scope (GH) & Project Board	NAC G Hunter
002 Draft	07.11.19	NAC post S Govt/SE/ VS – Board feedback	NAC G Hunter
003 Draft	12.11.19	NAC Post GH Board Meeting / Moffat Update	NAC G Hunter
004 Draft	18.11.19	NAC Additional Input (GH)/ Cost Sign-Off (GH)	NAC G Hunter
005 Draft	25.11.19	Conf Call – GH/Nmcl Proof Check	NAC G Hunter
006 Draft	28.11.19	GH Updates	NAC G Hunter
007 Draft	10.12.19	ELT Review forwarded by GH	NAC G Hunter
008 Draft	11.12.19	GH Edit to Exec Summary	NAC G Hunter
009 Draft	16.12.19	Added in Appendices	NAC G Hunter
010 Draft	17.12.19	Corrections /Additions JMCL/Ncl/GH	NAC G Hunter
011 Draft	21.01.20	ELT comment & PM / PMO comment	NAC G Hunter
012 Final	23.01.20	ELT comment & PM / PMO comment	NAC G Hunter
013 Final	24.01.20	Delete PMO / EIA Ref. and E&M.	NAC G Hunter
014 Final	30.01.20	Updated Financial Expenditure Detail	NAC G Hunter
015 Final	05.03.20	Scot Gov & PMO Feedback responses	NAC G Hunter
016 Final	09.03.20	Scot Gov & PMO Feedback responses	NAC G Hunter
017 Final	23.04.20	PMO Feedback Amendments	NAC G Hunter
018 Final	10.06.20	PMO Feedback Amendments. Amnd Ekos.	NAC G Hunter
019 Final	17.07.20	PMO Feedback Amendments.	NAC G Hunter
020 Final	25.08.20	PMO Feedback Amendments.	NAC G Hunter
021 Final	26.02.21	Design Dev. & PMO Feedback.	NAC G Hunter

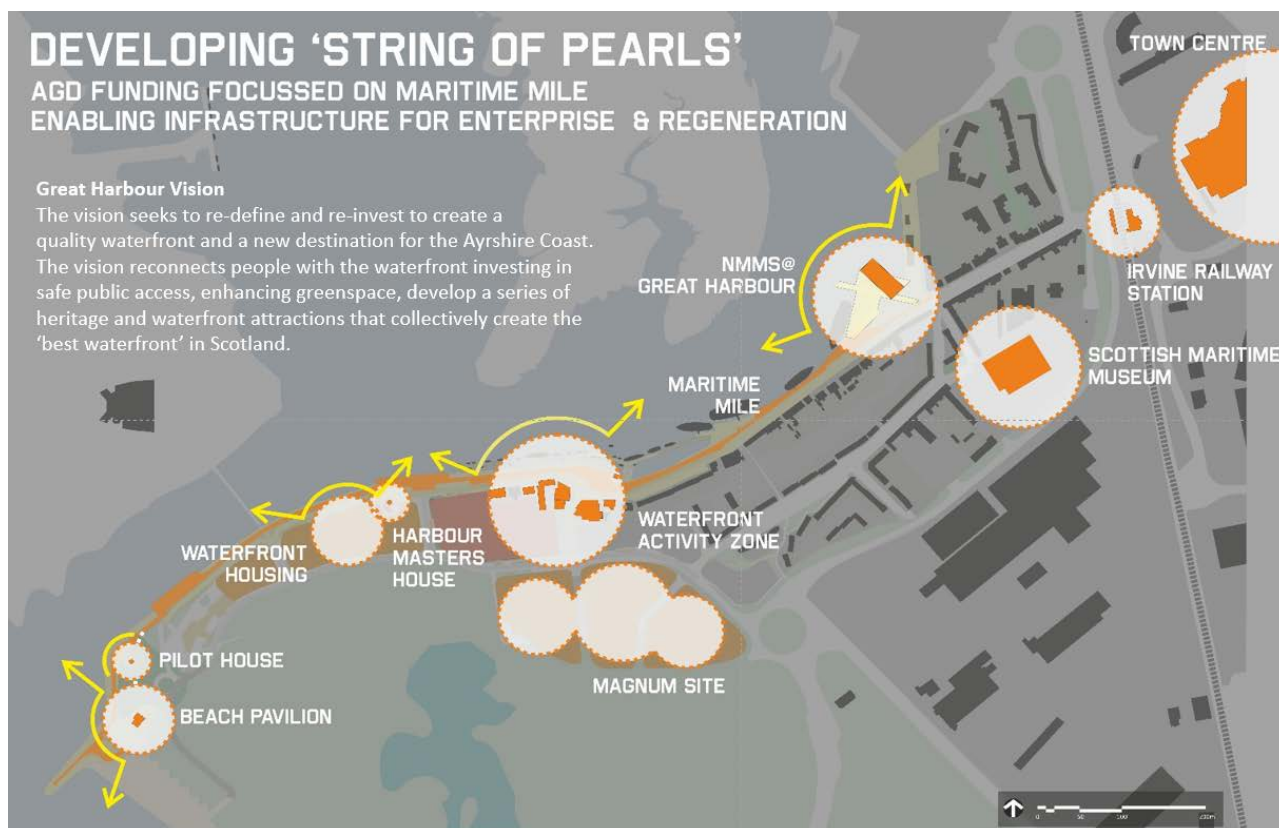
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Developing Place



EXECUTIVE SUMMARY

This report provides the Outline Business Case (OBC) for the Great Harbour project (as set out in the Ayrshire Growth Deal Heads of Terms) and which has been developed by North Ayrshire Council with input and support from commercial, institutional and community partners.

The OBC seeks approval to invest £16.0 million in the Great Harbour Project in Irvine with committed funding secured from AGD Scottish Government £9.0m and AGD North Ayrshire £5.0m and £2.0m uncommitted funding subject to working with NPL in finalising agreements for support funding from the Scottish Landfill Communities Fund.

Description

The Great Harbour project is a transformational project. It will create a new national and regional waterfront destination transforming the tourism and the visitor potential of Ayrshire and the Clyde Coast. The project addresses a regional perspective and is aligned with the Regional Growth Strategy, Community Wealth Building programme.

Great Harbour and the area of Harbourside, Beach Park and Coast is North Ayrshire and Irvine's greatest asset. Investment in the Great Harbour is about 'world class / best in class' investment in place that can support area regeneration. Regeneration requires partner activity unlocked through the catalyst of enabling infrastructure (AGD investment).

The project will transform Ayrshire's tourism offer, secure area-wide regeneration, with a strong focus on community, led by NAC's regional approach on community wealth building and importantly, creating a destination of national appeal. The project will use the AGD funding to unlock wider partner investment (commercial / residential/leisure) in the Great Harbour including future partnership aims in re-purposing the Big Idea site, extending the appeal of the National Maritime Museum, developing a National Centre for Play and developing the Ayrshire Coastal Path. The project deliverables include:

Direct AGD Investment

- a new national / regional waterfront destination at Great Harbour
- quays and a unique waterfront boardwalk with direct marine access
- slipway and active leisure marine access points
- provision for play, active leisure, active travel
- waterfront and town-to-waterfront gateways
- comprehensive streetscape enhancement
- National Ayrshire Coastal Path connections
- community enterprise /community wealth building programme
- investment in a key visitor destination supporting the Coig, route development work

Indirect Partner Investment

- open market waterfront homes
- affordable homes (71No.)
- a care and older people / special needs facility
- enterprise and arts retail workshop facilities

Future Leverage Investment

- re-purposing of the Big Idea / Resort -Village / National Play Facility
- existing business investment for growth
- new specialist waterfront gallery space (NMMS)
- possible market interest in a hotel development and aligned activities
- opportunities for the southern section of the Ardeer peninsula

Private and public sector developments form key elements of the Great Harbour Masterplan. AGD funded elements focus on the enabling place infrastructure as a catalyst for wider investment and the programme for Community Wealth Building/Community Enterprise. Private, public and 3rd sector investment will follow associated with housing, community and 3rd sector business, tourism and destination development.

The Maritime Mile will be the catalyst and driver for the Great Harbour transformation. The Maritime Mile as the focus builds on the unique qualities of place creating a national waterfront destination focussed on a series of dynamic event spaces linked by a floating boardwalk offering marine access.

Animated by boats, people, events and activities the waterfront is transformed into a 'happening place' that is inclusive and appealing to both visitors and residents, families and special interest user groups. A summer Festival-of-the-Coast, heritage, sailing and watersport events and the more day-to-day arts, book and local food events will animate the spaces. Activity will give the Great Harbour a profile with national reach through the Year of Coasts and Waters 2020 and specific funding, including Events Scotland and Scottish Government direct support for the Coig and North Ayrshire tourism.

It should be noted that the majority of AGD/Council funding is aligned with the Maritime Mile concept. This is specifically designed to act as an enabler for the secondary and wider private sector investment within the Great Harbour. The Maritime Mile whilst ambitious in intent, is designed to showcase the potential for the wider beachpark and harbour area. This will support secondary private investment through a traditional public sector role in addressing market failure in the destination and potential of the Great Harbour area. This work is supported through independent proof of concept work undertaken by NAC as part of the AGD due diligence on this initiative.

The masterplan and proof of concept studies in addition include for:

Harbourside Commercial & Public Sector Investment (Leveraged Investment by Others)

Commercial developments with major new investment in the accommodation, food and beverage and hotel offer provided through a new 60-80 bed hotel and new investment in commercial restaurants and food beverage outlets.

This will be complimented by social housing (NAC SHIP Programme) and private sector waterfront housing (NAC-NPL partnership) developing new and inclusive neighbourhoods building on the strength of the existing harbourside community and including local convenience retail.

Re-purposing & Developing Big Idea site (Leveraged Investment by Others)

Commercial private sector investment re-developing and re-purposing the Big Idea as a National Centre for Play and key destination hub linking the coast, beach park with the Ayrshire Coastal Walk and Coig.

The vision envisages a major new facility creating an all-weather visitor attraction creating a new focus for the coast, beach park and Ayrshire Coastal Path. NPL are in addition, seeking to extend the Big Idea and develop a resort village.

The AGD will be the catalyst for change. The major investment programme will build the destination and create the enabling infrastructure to support commercial investment within a phased programme. The key AGD investment phases are tabulated below with future commercial phases advancing in parallel as commercial funding and development agreements allow. This is presented here to demonstrate the intent of the project to provide catalytic change in the funding of core elements intended to kickstart private investment and support Community Wealth Building.

Phase	AGD Project Element
Phase 1	Maritime Mile £10.034million 2022-2024 AGD £7.0m / NAC £3.03m NAC Cost Plan 2020
Phase 2	Community Enterprise Fund / Pilot house - Park Play £ 3.966million 2024-2026 AGD £1.0m / NAC £1.0m / 3 rd Sector £1.5m NAC Cost Plan 2020
Phase 3	Infrastructure / Site Works / Workshop Units £ 2.0million 2024-2027 AGD £1.0m / NAC £0.5m / 3 rd Sector £0.5m NAC Cost Plan 2020

* Updated based on latest design costs. No material change.

A summarised project description is set out in Appendix L

Strategic Case

The following summarise the strategic drivers for this investment with the associated national, regional and local strategy, plan or policy listed below:

UK Policy Agenda Economic	Scottish Government Policy Economic Regeneration Inclusive Growth Place	Ayrshire Regional Policy Economic Regeneration Inclusive Growth Locality Planning & Place
Economic Development Strategy (DFiD 2018)	Scotland's Economic Strategy	Ayrshire Regional Economic Strategy (RES)
	Achieving a Sustainable Future: Regeneration Strategy	NAC Council Plan
	Place Principle	Community Wealth Building (CWB)
	Scottish Planning Policy	NAC Social Enterprise Strategy
	Outlook 2030 (Nat. Tourism Strategy)	NAC Local Development Plan
	Creating Places	NAC Community Planning (SOA)
	Place Standard 2	NAC ED&R Strategy
	Building Stronger Communities	NAC Place Directorate Plan
	Skills Development (RSIP)	NAC Inclusive Growth Diagnostic
	Place Standard 2	LOIP: Irvine Locality Plan
	Designing Streets	Harbourside Community Plan
	Marine Tourism Strategy (ATG)	NAC Making Waves Action Plan
	Cycling Action Plan for Scotland	NAC The Coig Initiative
	National Walking Strategy	NAC Local Transport Strategy
	Awakening the Giant: Marine Strategy + Giant Strides (Update MTS 2020)	North Ayrshire Naturally Active
	SE Business Plan 2019 – 2022 'Building Scotland's Future Today	NAC Local Housing Strategy
	SIMD 2020, SIMD 2016 referenced	NAC Inclusive Growth Diagnostic

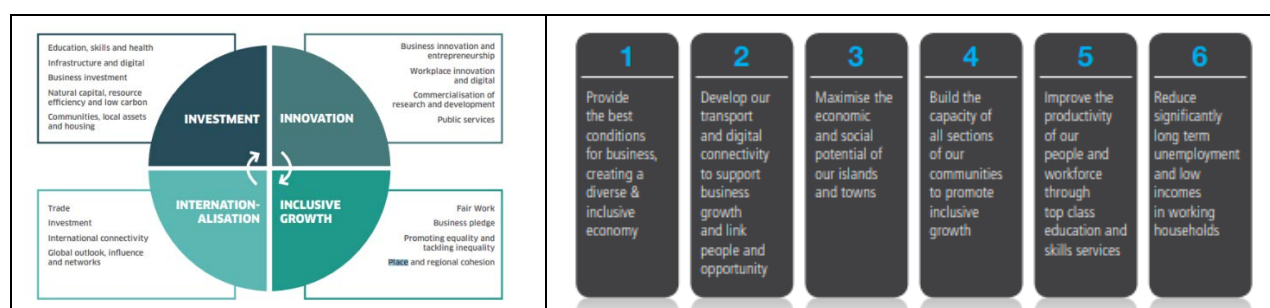
Setting Investment Objectives

The Investment Objectives for this project are set out below:

No.	Objectives
1	<i>To unlock the economic potential within the Clyde Coast creating a regional destination at Irvine Harbourside that supports inclusive economic growth through an approach that focuses on Community Wealth Building.</i>
2	<i>To secure area wide regeneration based on the developing the special qualities of place alongside community participation within a place-based regeneration framework, building on the legacy of the Irvine Development Corporation and advancing NAC objectives on regeneration and a strategic Vision for Irvine.</i>
3	<i>To address place infrastructure deficiencies that constrain investment developing the enabling infrastructure to address market failure created by commercial values that restrict private sector investment. Showcasing the potential through a high quality approach to destination development.</i>
4	<i>To lock in at a local level, the benefits of economic development to ensure NAC communities are actively engaged and supported through enterprise support, skills development, training, community enterprise supporting inclusive growth & community wealth building.</i>
5	<i>To enhance an existing Ayrshire coastal location celebrating a nationally significant approach to place quality and building a destination developed around a Maritime Quarter / Maritime Mile / National Maritime Museum creating a new profile, footfall and spend to the town and supporting wider Marine Tourism objectives.</i>

Regeneration Need & Opportunities for Community Wealth Building

It is widely acknowledged that the Ayrshire economy has under-performed over the last few decades. Low levels of economic growth have seen the region diverge significantly from Scotland and the UK. Over the last 20 years, the number in employment has fallen by 10% and the economy has struggled to make the transition to a more knowledge and services-based economy.



Ensuring all parts of Scotland benefit from sustainable economic growth and contribute to it is essential to Scotland's prosperity and cohesion. Place making and place quality alongside inclusive growth are recognised as a key component of economic strategy and reflect key issues of equality and our socio-economic duty. Regeneration and projects supporting community wealth building are increasingly utilising holistic place-based approaches based on the Place Principle.

Securing area regeneration and inclusive growth are key issues for North Ayrshire. North Ayrshire faces a range of challenges including: – High unemployment 12,530 people are claiming “out-of-work” benefits; Lack of jobs employment rate of 64.1%; Deprivation a quarter of our area is in Scotland's 15% most disadvantaged. The Strategy for North Ayrshire 2016 – 2025 identifies the challenge of: Low skills 12% of our population have no qualifications; and, population decline 3.6% projected population decline to 2026. SIMD Data is available on the SIMD <https://simd.scot/2016/#/simd2016/BTTTTT/9/-4.0000/55.9000/>. The economic and regeneration goals set out in the Council's regeneration strategy are outlined below:

North Ayrshire with Scottish Government are advancing a major programme around Community Wealth Building further developing the Inclusive Growth Diagnostic toolkit. The objective is to identify key factors that prevent many in our communities from benefitting from economic growth and allow this to set priorities for investment. Community Wealth and the IGD will help to inform spending priorities and inform new approaches to regeneration planning and skills development within local communities.

The AGD Programme Management Office is currently working with AGD Project Leads to develop a consistent programme approach to ensure that inclusive growth, equalities and community wealth building outcomes are embedded in each AGD business case. This approach will ensure explicit commitment to how the project will achieve inclusive growth and reduce inequality.

North Ayrshire has significant opportunity to develop its marine environment, coast, beach and related leisure and tourism opportunities. Visitscotland (2016) record a steady increase in domestic tourism volume and value for coastal locations in Scotland. Domestic trips to coastal locations have increased by 6%, while expenditure has increased 9%. North Ayrshire also have opportunity in community arts led area regeneration. Irvine has a strong local arts / creative arts base. WASP studios / Harbourside Arts Centre / Harbourside Festival of light / NMM Arts (SMMART) and numerous smaller groups. Irvine Community Arts (ICA) would focus on international visiting exhibitions / collections / modern arts / maritime & public arts and artistic output from artists in residence.

Economic Case

The OBC develops earlier SBC and Draft OBC documents. The scope and long-list / short-list options have been developed with a stronger spatial and regeneration focus based on Harbourside, community and neighbourhood growth and inclusive, Community Wealth Building and partnership working. The recommended proposals build on place and locality to create and define the destination. The short-listed options are tabulated below:

Assessment of Options

Options 1 Do Nothing	Options 2 Core Site Physical Enhancement Harbourside	Options 3 (Recommended) Promoting a Regeneration Partnership for Harbourside	Options 4 Extended Regeneration Partnership: Harbourside- Ardeer
Existing <ul style="list-style-type: none"> Limited local investments associated with property and local commercial activity Negates partnership arrangement with NPL. 	Place Enhancement <ul style="list-style-type: none"> Maritime Mile – Place Quality Support for Enterprise Investment Platforms Animation / Events Community Outcomes 	Destination Development <ul style="list-style-type: none"> Maritime Mile – Place Quality Waterfront Village NMMS & Arts Cultural Offer Investment Platforms Housing (Private/Social) Community Regen / CWB & Outcomes Marine Hub for Clyde & Connections to Coig 	Ardeer Unlocking Regional Growth <ul style="list-style-type: none"> Ardeer Access Big Idea – Resort Village Maritime Mile Resort Village Investment Platforms Housing Community Outcomes
Investment Level: AGD-NAC £0 Partnership Funding £0 Leverage £0	Investment Level: AGD-NAC £10+million Partnership Funding £0 Leverage £16-18million	Investment Level: AGD-NAC £14million Other Funding £2million Leverage £85-100million	Investment Level: AGD-NAC £14+million Other Funding £10million Leverage £100-140million
Delivery Timescale: AGD Funded Elements Leverage Elements	Delivery Timescale: 2022-2023 2023-2030	Delivery Timescale: 2022-2025 2020-2035	Delivery Timescale: 2022-2028 2020-2040

Detailed discussions have been advanced with NPL, as a commercial investment partner, together with local business interests and investors. These parties have contributed to the Proof-of-Concept reporting and advised on investment levels. Based on the Proof-of-Concept work, the scale of potential leverage in terms of additional development (enabled through AGD investment) is indicated in the table above. This broadly comprises: Resort Village (£20m); Hotel (£2m); Social Housing (£13m); Open Market / Infill Housing (£26m); Commercial (£2m); NMMS Community Arts (£12m); Big Idea (£6m). Investment across leverage projects could be anticipated 2020-2040. Discussions are ongoing with public and private sector investor interests to further develop projects and co-ordinate masterplanning. NAC maintain a Partner Tracker around investment proposals and their status.

Assessment of Benefits / Beneficiary's

Objective	Benefits for Public Sector	Benefits for Communities	Benefits for Private Sector
1. Economic Growth	<ul style="list-style-type: none"> • Inward investment • Enterprise activity • Community wealth 	<ul style="list-style-type: none"> • Employment opp. • Skills development • Community wealth 	<ul style="list-style-type: none"> • Partnership investment • Tourism sector growth • SME enterprise • Visitation/Footfall/Spend
2. Area Regeneration	<ul style="list-style-type: none"> • Economic sustainability • Health & wellbeing • Inclusion / Community capacity 	<ul style="list-style-type: none"> • Regional regeneration • Destination tourism development • Economic equity • Community Wealth 	<ul style="list-style-type: none"> • Platforms for investment • Skilled labour force • Investment confidence • Visitation/Footfall/Spend
3. Place Infrastructure	<ul style="list-style-type: none"> • Upgraded public realm • Enhanced Neighbourhoods • Sustainable Places 	<ul style="list-style-type: none"> • Quality of place • Stronger / safer neighbourhoods • Sustainability 	<ul style="list-style-type: none"> • Quality of place • Civic infrastructure • Platforms for investment • Investment sites
4. Community Growth	<ul style="list-style-type: none"> • Supports LOIP outcomes • Engaged / inclusive community • Stronger neighbourhoods • Area regeneration 	<ul style="list-style-type: none"> • Community wealth & empowerment • Participation • Inclusive Place • Jobs / Skills / Learning 	<ul style="list-style-type: none"> • Demand for goods and services • Growing population • Safe neighbourhoods • Market confidence
5. Create a Destination	<ul style="list-style-type: none"> • Clyde / Ayrshire Tourism • Marine Tourism • Active Leisure 	<ul style="list-style-type: none"> • Place quality • Civic pride • Animation & events 	<ul style="list-style-type: none"> • Tourism / coast development • Promoting Ayrshire / Clyde • Destination value

North Ayrshire Council are working with the Scottish Government to explore community wealth building as an approach to deliver inclusive growth across the region. This involves working with partnerships of public and private sector anchor institutions, focussing on their role in the local and regional economies as employers, purchasers, asset owners and enablers of wider economic activity. The development of AGD projects will actively promote wealth building across Ayrshire to maximise the benefits of economic activity for local communities by:

- considering how procurement activity can be better used to support local economic activity; and
- helping local enterprises to supply goods and services relative to the delivery of projects and keep money within communities.

AGD projects will focus on opportunities to use procurement practice a to help increase local spending and support Community Wealth Building and Inclusive Growth across North Ayrshire linked to the Ayrshire Growth Deal funding supporting small and medium enterprises in the across the Ayrshire region.

Overall Assessment

The assessment of options has been supported through internal / external presentations and consultations and Proof of Concept studies (Moffat Centre). The evaluation of project proposals has included presentations to Great Harbour Board; Scottish Government /Scottish Enterprise (Tourism) /Visitscotland; and consultation with private/community/3rd sector partners and stakeholders through the NAC Tourism Industry work. Project board members together with the project team and key stakeholders over a series of facilitated workshops evaluated and scored the primary options. The summary result is tabulated below:

Evaluation Results (scored 1-5 with 5 best)	Options 1 Do Nothing	Options 2 Core Site Physical Enhancement Harbourside	Options 3 Promoting a Regeneration Partnership for Harbourside	Options 4 Extended Regeneration Partnership: Harbourside-Ardeer
Economic appraisals	2	1	4	4
Impacts/ Benefits	2	2	4	4
Risk appraisal	4	2	2	1
Overall ranking	3	4	1	2
Project Proposal			Recommended	

The assessment concludes that the Regeneration Partnership approach based on a strong place-based regeneration framework will deliver the strongest outcomes (economic/social/environmental). Local engagement and LOIP coordination demonstrate significant opportunities for regeneration through community and 3rd sector participation, building additional community capacity / community wealth. The recommended options deliver widest benefits at least risk.

North Ayrshire are developing pioneering approaches to regeneration in partnership with Scottish Government building a major inclusive growth initiative based on Community Wealth Building (CWB). Community Wealth Building and regeneration is coordinated through a cross-directorate partnership. Private sector participation is supported through the NAC/NPL Partnership Agreement with interest in developing open market housing, commercial, resort and commercial leisure developments.



Assessment of Economic Outputs

The net level impacts measure the change that will be generated through the project, taking account of the knock-on effects within the economy – the additionality factors; deadweight, displacement, leakage and multipliers. Net effects are considered at the Ayrshire and Scotland geographic levels.

Moving from Gross to Net Effects

- **deadweight/additionality** - the proportion of total outputs/outcomes that would have been secured anyway in the absence of the public sector intervention;
- **leakage** - the number or proportion of outputs/outcomes that benefit economies outside the target geographies – local, regional, and national;
- **displacement** - the number or proportion of outputs/outcomes that reduce outputs/outcomes elsewhere in within the target geographies. These effects can occur in product markets or in labour markets; and

These 'additionality factors' have been assessed based on the following ready reckoner:

Additionality Factors Ready Reckoner	
None/ Negligible	0%
Low	up to 25%
Moderate	26% - 50%
High	51% - 75%
Very high	76% - 100%

- **multipliers** - supply chain and income effects. These are sourced from Scottish Input/Output Tables. It is assumed that Ayrshire level multipliers are 50% of the Scottish level multipliers.

Net Marine Construction Impacts

Table 8 below summarises the one-off net discounted marine construction impacts that could be generated by the project. Results are presented at the Ayrshire and Scotland levels.

Table 8: Net Discounted Marine Construction Impacts

Region	PYEs	FTEs ¹	Gross Discounted GVA
Ayrshire	50	50	£7m
Scotland	100	100	£14m

Net Visitor Impacts

Table 9 below presents the anticipated net FTEs generated by tourism activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 9: Visitor Impacts – Net FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	140	180	3650
Scotland	110	145	2910

¹ PYEs are converted to FTEs based on Ayrshire construction sector (SIC07 section F) employment patterns sourced from NOMIS. It is assumed that 2 part-time employees equate to 1 FTE and that sole traders/proprietors equate to 1 FTE.

Table 10 below summarises the net discounted GVA impacts that could be generated by the project through increased activity in the marine tourism sector. Results are presented at the 15-year and 25-year time horizons and at the Ayrshire and Scotland levels.

Table 10: Visitor Impacts – Net Discounted GVA

Region	2035	2045
Ayrshire	£34m	£57m
Scotland	£29m	£48m

¹ PYEs are converted to FTEs based on Ayrshire construction sector (SIC07 section F) employment patterns sourced from NOMIS. It is assumed that 2 part-time employees equate to 1 FTE and that sole traders/proprietors equate to 1 FTE.

Net Housing Impacts

Table 11 presents the anticipated net FTEs generated by expenditure from new housing units (retail sector employment). FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 11: Housing Impacts – Net FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	4	6	100
Scotland	2	3	40

Note: Average annual and peak FTEs round to the nearest whole.

Table 12 presents the anticipated net GVA generated by expenditure from new housing units (retail sector GVA). GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 12: Housing Impacts – Net Discounted GVA

Region	2035	2045
Ayrshire	£1m	£2m
Scotland	£0.5m	£1m

Note: Figures rounded to the nearest £0.5m.

Net Ongoing Impacts

Tables 13 and 14 summarise the net ongoing FTEs (sum of visitor and housing generated FTEs) and net ongoing GVA (sum of visitor and housing generated GVA), respectively.

Table 13: Net Ongoing FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	145	190	3750
Scotland	115	150	2950

Table 14: Net Discounted Ongoing GVA (Cumulative, at 15 and 25 years)

Region	2035	2045
Ayrshire	£35m	£60m
Scotland	£29m	£49m

Commercial Case

Procurement strategy

The procurement strategy will follow the Council's Standing Orders in respect of procurement and/or those of the AGD Regional Model. NAC has commissioned design and technical work associated with design development and will appoint specialists under its Services Framework to secure the necessary professional support. The commissioned services post SBC / Draft OBC include:

- Site investigation, technical engineering; consultation & stakeholder engagement
- Environmental planning & planning/consenting services; engagement
- Place focussed external civic, public realm design and landscape architectural services;
- Marine development / Marine Engineering / Structural Engineering
- Project Coordination / Engagement & Project Management services
- Procurement strategies designed to ensure local benefit through a Community Wealth Building approach.

Potential for risk transfer

The general principle is to ensure that risks should be passed to the "party best able to manage them", subject to value for money (VFM). The potential allocation of risks are tabulated within the main report. All design services include collateral warranties and are covered by professional indemnity insurances.

Financial Case

Financial expenditure

Summary of financial appraisal.

Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
£ millions	£	£	£	£	£	£	£	£	£

Capital	0.25m	1.0m	3.0m	4.25m	4.0m	1.5m	1.0m	1.0m	£16.0m
Revenue									
Total	0.25m	1.0m	3.0m	4.25m	4.0m	1.5m	1.0m	1.0m	£16.0m

AGD Scottish Govt.	0.0m	0.805m	1.930m	2.090m	2.250m	0.960m	0.640m	0.325m	£9.0m
AGD NAC	0.250m	0.195m	1.070m	1.160m	1.250m	0.540m	0.360m	0.175m	£5.0m
Partners (SLCF advised -yet to be confirmed funding)				1.0m	0.5m			0.5m	£2.0m
Total	0.25m	1.0m	3.0m	4.25m	4.0m	1.5m	1.0m	1.0m	£16.0m

Overall affordability and balance sheet treatment

The proposed investment in the project is £16.0 million invested in phases. The major phase is in 2022/2024 involving the delivery of the Maritime Mile. Drawdown of AGD funds for both S Govt /NAC is highest 2022/2023. All AGD investment (AGD/NAC) is completed by end 2027. Funding contributions advised through NPL but not formally concluded include funds contributing to environmental works associated with Scottish Landfill Communities Fund (SLCF).

Management Case

Project management arrangements

Overall responsibility for the delivery of the project will rest with NAC Director of Growth & Investment (Karen Yeomans) reporting to the Chief Executive. All personnel will be experienced and professionally qualified in their respective roles.

The project will be managed in accordance with NAC project management procedures. Robust procedures will be in place to ensure the effective management and delivery of the project. The Senior Responsible Officer & dedicated Project Manager within NAC is currently George Hunter. A dedicated project manager will be appointed to lead the project following conclusion of business cases. The Project Board is led by the Director of Growth & Investment supported by Heads of Service within Place Directorate; Communities Directorate; and Finance & Corporate. A full multi-disciplinary and experienced Design Team will be procured and appointed to advance the project to completion.

Benefits realisation and risk management

The project performance data including deliverables, outputs and outcomes will be recorded and monitored through the Council's and wider regional Capital Programme management system. Benefits will also be logged within the Community Benefits commitments within contracts. The Monthly Project Board meetings will oversee performance and monitoring including reporting to the Executive Leadership Team (ELT) and the Ayrshire Economic Partnership.

Performance reporting will be provided in accordance with established governance arrangements. The PMO will provide reports to the CEOs/Directors Group, the REP and the Economic Joint Committee. These will provide updates on a monthly, quarterly and annual basis to the UK and Scottish Governments.

Risk Management

A risk assessment and risk management system has been adopted. Risk management ensures risks will be managed by the assigned project owner in close consultation with the appointed Great Harbour Project Manager. The PM will maintain a risk register for all elements of the project. The Risk Register is a live/working tool with risk owners identified and will be updated every 4 months. The SRO will be responsible for ensuring that risk assessment, risk actions and management are integrated with the project management and contract delivery of the project. This aligns with regional reporting through the Regional Economic Partnership and is consistent across Ayrshire Growth Deal projects to manage risk at programme level.

Post the original OBC Submission (Nov 2019) the global pandemic Covid-19 has created unprecedented socio-economic and health impacts on the UK. A Covid 19 lockdown was instigated by the Scottish government in March 2020 with phased relaxations in June/July/August with continuing disruption and changes to 'normal' activity throughout 2020/2021 and potentially 2022 anticipated. The potential impacts on AGD project management and risks are very uncertain at this time. Programme and project timescales, costs, project benefits and risks may all be impacted. NAC will keep under review and report as soon as the scale and scope of Covid-19 risks are clearer (see also NAC Partner/Investment Tracker).

Project evaluation & monitoring arrangements

Arrangements for Evaluation & Monitoring (E&M) including a Post Implementation Review (PIR) and Project Evaluation Review (PER) have been established in accordance with NAC internal reporting and best practice. Detailed agreement and a protocol for E&M will be agreed within the Project Plan. As above, the Ayrshire Economic Partnership will monitor the reporting of performance.

Recommendation

The Business Case at Outline Business Case stage recommends investment of £16.0million in Great Harbour (£14m AGD funding plus £2m support funding SLCF-NPL not yet formally committed) advancing a partnership project that includes coordinated place and community-based programmes to deliver area regeneration, supporting community wealth building and enabling enterprise activity and delivering inclusive growth. This will create a new waterfront destination on the Ayrshire coast that will drive secondary private sector investment in a successful Great Harbour.

Signed:

Date: 26th February 2021

George Hunter on behalf of Investment and Growth Directorate NAC

Senior Responsible Project Owner

1.0 INTRODUCTION

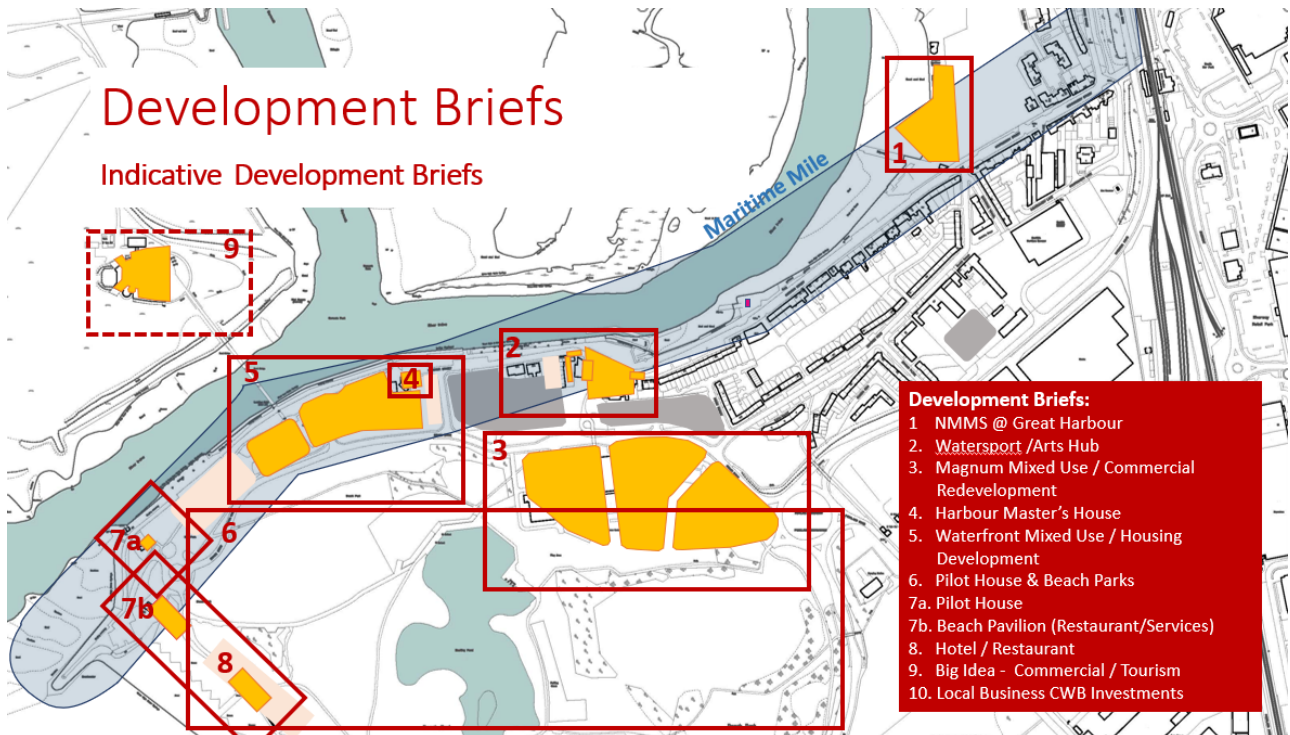
1.1 Ayrshire Growth Deal

- 1.1.1 This document sets out the Outline Business Case for Great Harbour under the terms of the Ayrshire Growth Deal. The project involves the development of the Harbourside in Irvine. The project is a partnership project with development, 3rd sector and community organisations.
- 1.1.2 The Outline Business Case is to approve the investment of £16.00m of funding (AGD Growth Deal £9.0m / NAC £5.0m / 3rd Sector £2.0m) to support economic regeneration of Harbourside within a framework defined by the place principle. Earlier SBC/OBC and Template submissions pre-Heads of Terms have involved significantly larger scale investments that have been discounted to an absolute focus on deliverability and value for money. The focus of investment is delivering enabling place infrastructure capable of supporting regeneration and tourism objectives and delivering a range of place development projects.

Investment Costs	Outline Business Case Stage (SBC/OBC) 2016-2017	Outline Business Case Stage (OBC Feb 2021)
AGD Scottish Government Funding	£36-48 million	£9.0 million
AGD North Ayrshire Council Funding	£0 million	£5.000 million
Partner Funding / SLCF 3 rd Sector (confirmation yet to be finalised)	£TBC million	£2.0m
TOTAL	£36-48 million	£16.00 million

1.2 Business Case

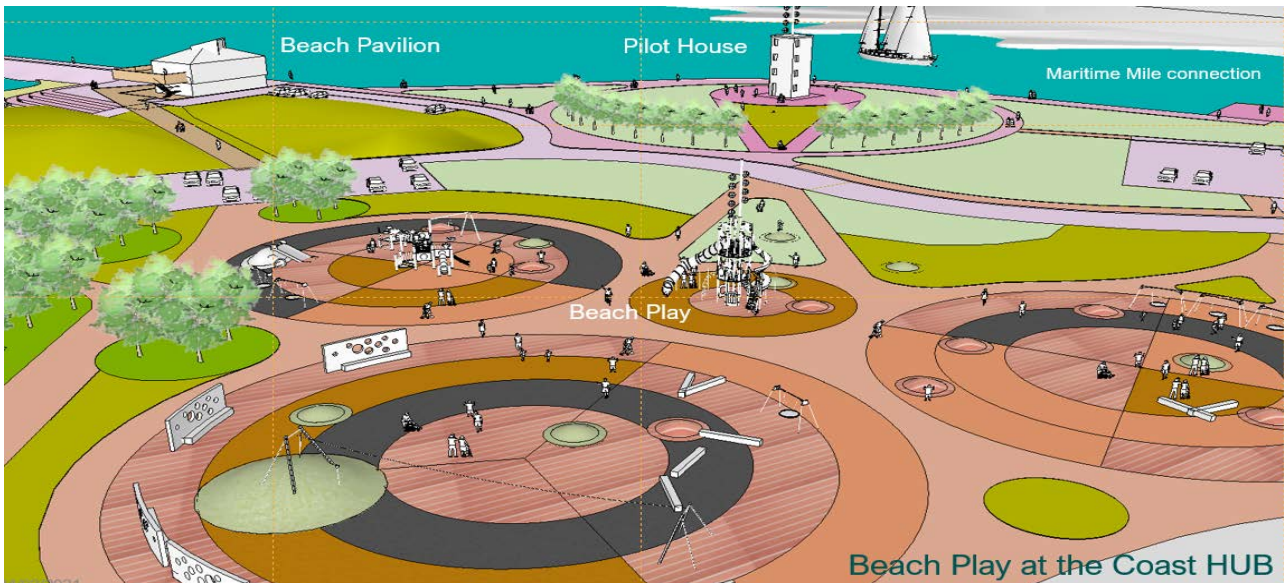
- 1.2.1 This document represents the Outline Business Case (OBC) for the project. The Ayrshire Growth Deal Framework defines the purpose of the OBC as part of staged approval process in which the project detail, level of analysis and its readiness for delivery and implementation are sufficiently advanced to allow a full and independent project appraisal.
- 1.2.2 The Business Case has been compiled to meet the requirements of the Ayrshire Growth Deal Framework. This document has been structured to ensure transparency of the processes applied and an auditable account of the proposals. This document has been split into the following sections which track requirements as set out within the AGD Framework and Green Book Guidance:
- **Strategic Case** - To document why the project is required, what the project is, how it fits in with the AGD Programme and the wider local and national policy context and how it is intended to be implemented.
 - **Economic Case** - Options Appraisal & Preferred Option - To demonstrate how the preferred solution has been chosen and that all potential options were identified and compared, resulting in a preferred option that achieves all objectives and delivers best value for money and setting out the economic case and impact of the project.
 - **Commercial Case** - To document the involvement of other parties and identify any challenges or risks this may present.
 - **Financial Case** - To identify the forecast capital and revenue expenditure and income over the period of the project.
 - **Management Case** - To identify the team that will deliver the project, the proposed procurement process and the project schedule and includes a sustainability assessment
- 1.2.3 The document has sought to retain a simple legibility. Text seeks to be clear and succinct and tabulated where possible. Extended material and supporting evidence are provided in Appendices.



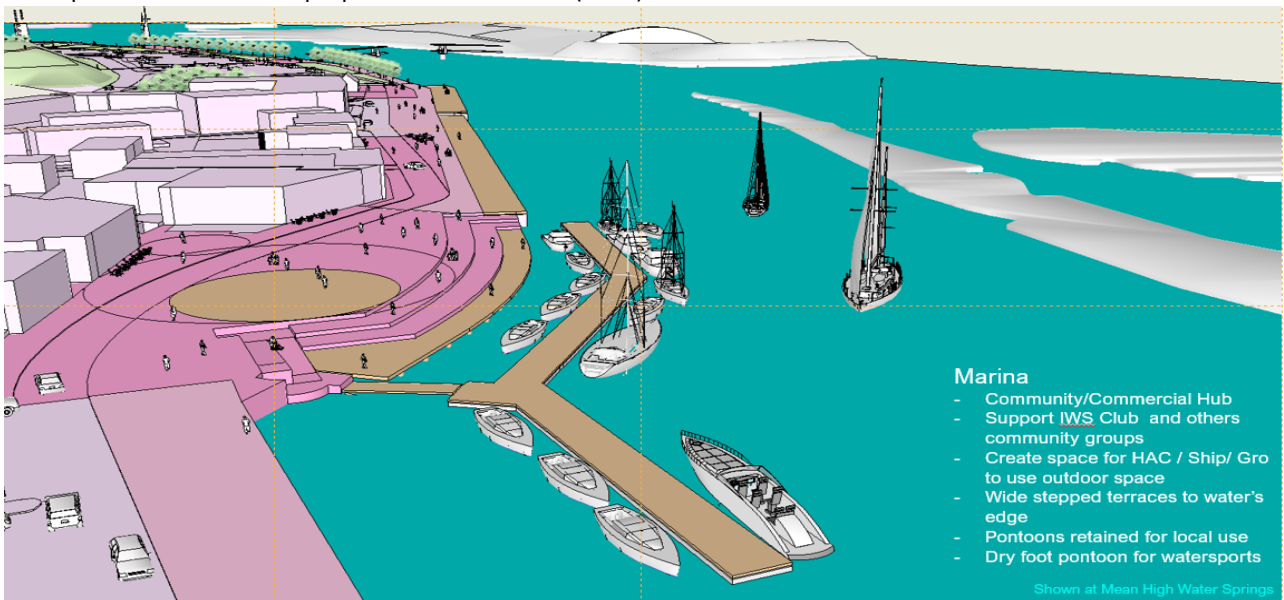
Draft Spatial Plan Supporting Business Case & Defining Development Briefs (2021) -10 Project Elements



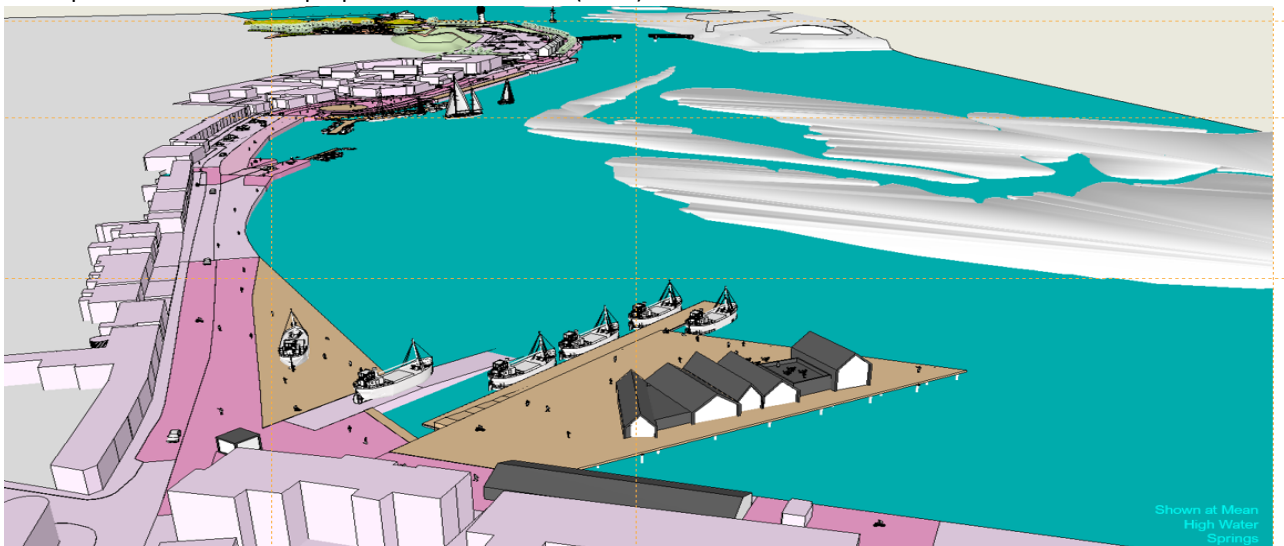
Draft Concept Masterplan for Maritime Mile Supporting Business Case (2021)



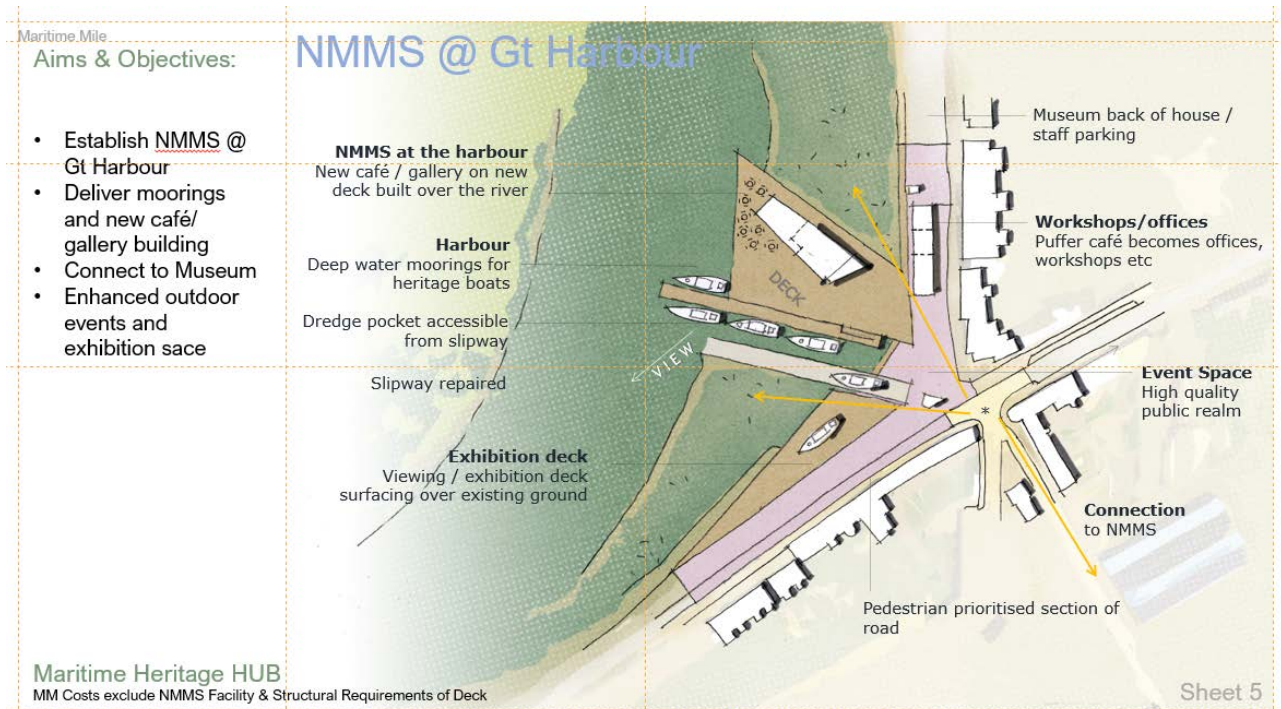
Conceptual Visualisation of proposed Maritime Mile (2021)



Conceptual Visualisation of proposed Maritime Mile (2021)



Conceptual Visualisation / Options of proposed Maritime Mile (2021)



Conceptual Visualisation / Options of proposed Great Harbour(2021)



Conceptual Visualisation / Options of proposed Great Harbour (2021)

2.0 STRATEGIC CASE

2.1 Introduction

- 2.1.1 The AGD Heads of Terms were agreed with Scottish and UK Governments in March 2019. The Outline OBC Case (2017) set out a project ambition that has since been refined and developed in consultation with partners and stakeholders creating a more targeted suite of projects within a more defined geography and with outcomes focussed on place-based regeneration.
- 2.1.2 The Great Harbour Project investments have been developed through the varied stakeholder groups and with investment targeted at:
- Comprehensive re-development of Harbourside Waterfront
 - Development of a Maritime Mile incorporating a Community Marina
 - Development of new homes and supporting leisure/retail / play and associated public realms
 - Small enterprise/workshop space (bldg. conversion /new build) for artists/crafts/tourism
 - Upgrading of Active Travel Routes, Coastal Path / Beach Park facilities - play / Inventors Bridge
 - Enterprising Communities Programme
- 2.1.3 A key part of the work in development of the project has been working with partners and local stakeholders. This has included engagement across a range of groups and included:
- AGD / PMO Team
 - NAC Growth & Investment & Place Directorates
 - NAC Economic Development & Regeneration Team – part of Place Directorate
 - NAC Physical Environment Team – part of Place Directorate
 - NAC Commercial Team - part of Place Directorate
 - NPL Developments: Business & Strategic Site Development Team
 - Key Advisors/Stakeholders (S. Govt / Visitscotland /Scottish Enterprise)
 - Key Market Sector Stakeholder / Business Leader Engagement / Hoteliers /Development Partners
 - National Maritime Museum (NMMS) on Marine / Heritage and Arts led Regeneration
 - Harbourside Wide Stakeholder Workshops
 - Community Planning Partners incl: Ayrshire College / NHS / SDS / SPT / PoliceScotland /
 - Statutory Consultees incl: SNH / SEPA / HSE / HES - Other incl. Crown Estate / MS-LOT / RNLI
 - Regeneration Partner Consultees incl: Scottish Enterprise / Sustrans / NPL /
 - Community Partners incl: COAST/ Sailing Club / Fullarton CA / Community Groups /Coastwatch
 - Ayrshire Community Trust / TACT
 - Utility & Statutory Authority Technical Updates

Further engagement with stakeholder groups is planned. This will include local community interests in Irvine harbourside and Ardeer and special interest and user groups who have expressed an interest in the proposals.

2.2 Strategic Need

- 2.2.1 The Great Harbour represents a long-standing goal of policy that in original form dates back to the economic and development strategy and masterplan for Irvine New Town. Harbourside has long been recognised as Irvine's best 'place' asset. Promoted for Phase 3-4 of the New Town the ambitions for a quality waterfront celebrating the towns coastal location were never realised. Irvine Vision (NAC 2016) identified the importance and value of regenerating Irvine Harbourside as a priority project for Irvine.
- 2.2.2 Irvine is a town working to re-define its purpose and regional role. Established to address regional housing needs the Scottish new towns pre-dated contemporary environmental and place-based thinking. Adopting a potentially simplistic 'quality housing will support quality communities' approach place quality and viable civic and community infrastructure was often omitted creating dormitory neighbourhoods. Place making

and place quality alongside community well-being are today recognised as a key component of economic strategy. Addressing economic equity through regeneration programmes that can support inclusive growth and promote holistic place-based approaches have demonstrated proven success. Place-making is embodied within the National Planning Framework in its ambition to create high quality, diverse and sustainable places that promote community wellbeing and attract investment.

2.3 Socio-Economic Challenges and Needs

- 2.3.1 This section provides a summary of the socio-economic baseline and sets the context within which the longer-term impact of the proposed development will be measured. The baseline also delivers a current and prospective overview of the area.

2.4 Economic Baseline for Ayrshire

2.4.1 *Demographic Overview*

In 2018, the total population across Ayrshire was 369,670, with North Ayrshire accounting for 37% of residents. North Ayrshire's population was 135,280, which was 0.4% lower from the previous year. This trend was contrary to the rest of Scotland, where an increase of 0.2% was seen over the same period. The majority of the population across each of the three Ayrshire were those aged 45-64 (30%), whereas those aged 75 and over were the smallest group (10%). There has nonetheless between 1998 and 2018 been an almost 40% increase in the latter in North Ayrshire and, similarly, a 42% increase in those aged 65-74. This trend of an ageing population reflects that of Scotland as a whole.²

- 2.4.2 The population of North Ayrshire lives across a mix of town and rural communities on the mainland and two island communities, Arran and Cumbrae³. In North Ayrshire 39% of residents live in 20% of the most deprived areas of Scotland, representing the fourth highest incidence of deprivation in Scotland, and a third of children in the area live in poverty, a situation second only to Glasgow. Deprivation is directly linked to a higher prevalence of complex individual problems such as mental ill health, increased drug and alcohol problems, criminality, lower life expectancy, illness in later life and poorer outcomes for children.

2.4.3 *Employment*

In 2018-19 three quarters of the working age population in North Ayrshire were economically active, which was slightly below the rate for Scotland as a whole. Of these 70.4% were in employment, with the vast majority being employees, while 5.8% were unemployed. The employment rate for North Ayrshire was below that of Scotland and correspondingly the unemployment rate was above.⁴

- 2.4.4 In 2017 North Ayrshire had a total of 48,000 workforce jobs and a job density of 0.58, which was well below Scotland's density of 0.81⁵. 40,000 of these were employee jobs with 65% being full-time and 35% part-time. The gross weekly pay for a full-time worker in North Ayrshire was £563.6 in 2018, which was slightly above the Scottish average⁶. The largest proportion of jobs in North Ayrshire was in Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (17.5%); however, 15% were employed in Human Health & Social Work Activities with a further 11.2% in Manufacturing. In 2016, the marine tourism sector in Scotland employed 27,900 people. The marine sector in North Ayrshire employed 1,800 people in 2016, which accounted for 2% of all employment in the sector. Furthermore, 7,300 people were employed in marine tourism in the Clyde area, which has remained relatively stable since 2014.^[1]

2.4.5 *Business Base*

Reflecting the broader national economy, Ayrshire relies on micro and small businesses. Nine out of ten businesses in North Ayrshire employ fewer than 10 people. North Ayrshire has a smaller service sector than Scotland as a whole but has relative strength in manufacturing and construction. Two growth sectors form a strong basis of the North Ayrshire economy: tourism and food and drink, with the latter also strong in South Ayrshire and relatively strong in East Ayrshire.

² National Records of Scotland Population Estimates (2018)

³ North Ayrshire Council CSWO Report (2016-17)

⁴ Office for National Statistics – Labour Supply (2018-19)

⁵ Office for National Statistics – Labour Demand (2017)

⁶ Office for National Statistics – Labour Supply (2018)

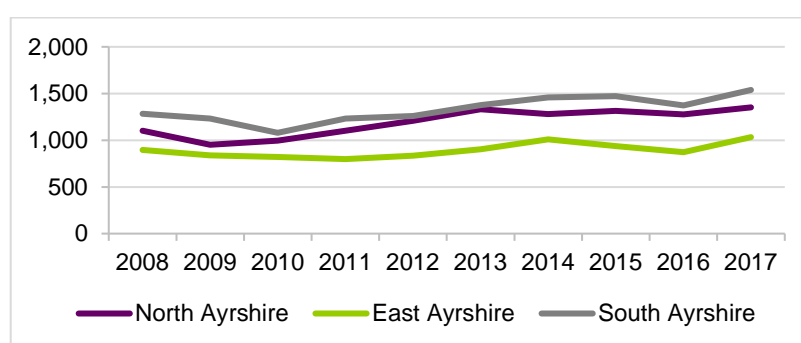
^[1] Scotland's Marine Economic Statistics – Marine Scotland (October 2018)

2.4.6 North Ayrshire had in 2018 a total of 3,270 registered enterprises. The vast majority (2,900 or 88.7%) of these were micro businesses employing up to 10 and followed by 310 small businesses employing 10 to 49 accounting for 9.5%. Medium and large enterprises, which employ 50 or more, represented together less than 2% of the total business base. This split is very similar to Scotland as a whole where 87.9% of registered enterprises are micro.⁷

2.4.7 In North Ayrshire, the majority of businesses (16%) were found in Professional, scientific & technical industries, followed by Construction (15%) and and, thereafter, Accommodation & food services (10%). A similar picture was seen when looking at micro businesses, however, for large enterprises all were concentrated in Manufacturing.

2.4.8 GVA/productivity

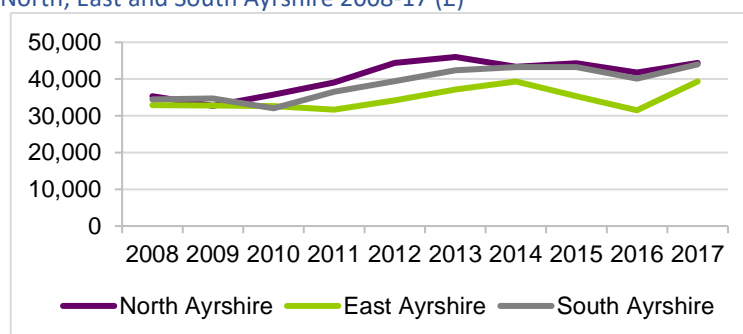
GVA in Ayrshire in 2018 was £6.6bn, 5% of total national output (£134.7bn)⁸. North Ayrshire's GVA was £1,351.7m. Figure 3.1 compares the GVA of all the Ayrshire local authority areas and indicates that North Ayrshire had the second highest GVA at all points between 2008 and 2017, but the fastest growth rate.



Source: Scottish Annual Business Statistics

2.4.9 North Ayrshire had the highest GVA per head of the three Ayrshire sub-council areas; a trend similar over most of the period 2008-17. However, all rates were lower than the Scottish average of £49,693 in 2017⁹. In 2017 North Ayrshire had a GVA per head of £44,386, which was an increase of 25.5% from 2008.

GVA per head North, East and South Ayrshire 2008-17 (£)



Source: Scottish Annual Business Statistics

2.4.10 Tourism and Marine Tourism

Across Ayrshire as a whole, the tourism sector had the second highest levels of employment, accounting for 14,800 jobs in 2018. In 2017, North Ayrshire employed 4,100 in the sustainable tourism industry. Sustainable tourism employment in all Ayrshire local authority areas have increased since 2008.

2.4.11 In 2018 there were 370 registered enterprises in sustainable tourism in North Ayrshire, accounting for 28% of all businesses in the region. Of these, 85% were either micro or small, while medium and large businesses together accounted for 8%. This split has remained relatively unchanged since 2008.

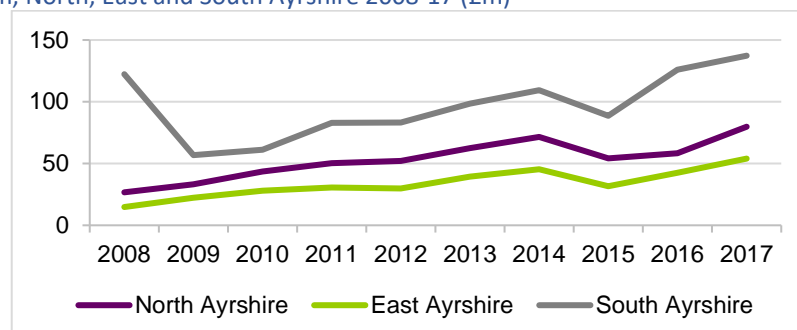
⁷ Office for National Statistics – UK Business Counts (2018)

⁸ Regional Skills Assessment Ayrshire – Summary Report (SDS, 2018)

⁹ <https://www2.gov.scot/Topics/Statistics/Browse/Business/SABS/ScotSection>

- 2.4.12 The sustainable tourism industry in North Ayrshire generated in 2017 £79.8m GVA, which was an increase of 199% since 2008 (Figure 4). Of the three Ayrshire local authority areas, South Ayrshire had a considerably higher GVA of £137.3m in 2017. This has been the same over the period 2008-17, despite a large decrease in 2008.¹⁰

GVA Tourism, North, East and South Ayrshire 2008-17 (£m)



Source: Scottish Annual Business Statistics

- 2.4.13 In 2016, the marine tourism sector in Scotland employed 27,900 people. Figure 3.6 illustrates the decrease (of 6%) from 2015, but an overall 15% increase in the longer run since 2008¹¹. By comparison, the marine sector in North Ayrshire employed 1,800 people in 2016, which accounted for 2% of all employment in the sector. Furthermore, 7,300 people were employed in marine tourism in the Clyde area, which has remained relatively stable since 2014¹².
- 2.4.14 /In 2016, Scottish marine tourism overall generated £554m GVA, accounting for 0.4% of Scotland's economy as a whole and 1.4% of the marine economy. This has increased by 22% since 2008 as illustrated in Figure 3.7. Furthermore, the Clyde region generated £128m GVA in 2016, corresponding to 23% of the total and ranking second highest out of 11 regions¹³. GVA per head for the Scottish marine tourism sector in 2016 was £19,864, which accounted for 38% of the marine economy as a whole¹⁴. GVA per head for marine tourism has been fluctuating since 2008 with numbers peaking in 2014. Nevertheless, there has from 2008 until 2016 been an overall increase in GVA per head of 6%.

2.5 Visitor Trends

- 2.5.1 In 2016, an average of 78,000 overseas tourist trips were made to Ayrshire & Arran, which accounted for just under 3% of the Scottish total. Of these the majority of tourists came from either the US or Germany and the fewest from Sweden and Spain. Furthermore, an average of 434,000 nights were spent in Ayrshire & Arran, corresponding to an average stay of 5.6 nights. In comparison, 21,229,000 nights were spent in Scotland and the average stay was 7.7 nights.¹⁵ The number of UK visitors to Ayrshire & Arran was substantially higher with an average of 615,000 trips in 2016. 2,173,000 nights were spent resulting in an average stay of 3.5 nights; a lower average than for overseas visitors. Scotland had an average of 11,514,000 trips, 3,876,000 nights and average stay of 3.4 nights.¹⁶ For UK visitors, the vast majority (77%) of trips made to Ayrshire & Arran were holidays. This was also the primary reason for visiting the region for overseas tourists (51%), however, with a relatively high proportion also visiting friends and relatives (33%). In 2016, overseas tourists spent a total of £38 million in Ayrshire & Arran, of which £26 million were spent by American visitors. Total spend in Scotland was in comparison £1,850 million for the same year. Domestic visitor spend in Ayrshire & Arran meanwhile was £169 million, which accounted for just under 6% of domestic visitor spend in Scotland (£2,897 million). In both cases, the majority of this spending came from English visitors.

¹⁰ <https://www2.gov.scot/Topics/Statistics/Browse/Business/SABS/LATables/Tourism-by-LA>

¹¹ Scotland's Marine Economic Statistics – Marine Scotland (October 2018)

¹² Scotland's Marine Economic Statistics – Marine Scotland (October 2018)

¹³ Scotland's Marine Economic Statistics – Marine Scotland (October 2018)

¹⁴ <https://www.gov.scot/publications/scotlands-marine-economic-statistics/pages/14/>

¹⁵ https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers-2/insights---tourism-in-scotlands-regions-2016_update-may-18.pdf

¹⁶ https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers-2/insights---tourism-in-scotlands-regions-2016_update-may-18.pdf

- 2.5.2 In addition to harbours and marine facilities, Ayrshire is home to several significant leisure facilities, including the National Watersports Centre based on the Isle of Cumbrae, and the National Sports Training Centre in Largs. The National Watersports Training Centre¹⁷ is one of a number of Royal Yachting Association approved schools across Scotland. It is used by a variety of people, including schools and corporate clients.

2.6 Moffat Centre Assessment – Visitor Profile

- 2.6.1 The Moffat Centre has assessed and reviewed proposals and advised and aligned the development of design proposals with visitor needs. The Moffat Centre advise that the understanding of visitation must be cognisant of the generating markets which remain overwhelmingly Scottish and UK domestic (circa 95%).
- 2.6.2 This location and the developments suggested will build on a foundation of local users, residents and day visitors. The combination of offers is predicated upon cross referral and multiple use by consumers of two or more facilities. The local residential population which incorporates a large number of families and younger residents is combined with a balanced mid-life and later-life market share. This is going to be supplemented by day visitors and central belt residents who can access the location by road and rail access.
- 2.6.3 *Discretionary Spend and Capturing Visitor Spending*
The discretionary leisure expenditure at a local level whilst challenging and set in a context of a degree of macro-economic uncertainty is preserved around child and play activity. Low level discretionary expenditure tends to grow as residents reduce major international holiday expenditure and focus on domestic activities that catalyse expenditure. Accordingly, hospitality in a family context and the extension into play and activities is relatively low risk.
- 2.6.4 The location already attracts the family and child demographic, and this provides an immediate expenditure multiplier through carers, parents, grandparents are invariably present. The complimentary range of offers e.g. coast, maritime mile, beach park, National Maritime Museum, Irvine conservation old town and national play centre provide a range of pull factors and expenditure possibilities.
- 2.6.5 Given the local profile and day visitor catchment the immediate population provides a baseline of fairly resilient, although less affluent than visitors from elsewhere. The forecast growth of day and domestic tourism, (given the likely reduction in international holiday taking); means that new offers and extending appeal has to continue. The planned growth in residential accommodation will reinforce this extending local markets and local discretionary expenditure. This will then be supplemented by day visitation and local visitors drawn to the range of offers and appeal.
- 2.6.6 *Future Growth & Refreshing Destination Proposition*
As the destination development matures it is expected that increasing numbers of Scots visitors from beyond the central belt and English visitors (particularly from the north of England) are to be expected. The least growth will be evident in the international market although with improved visitor activities and offers appeal will begin to be manifest. (Proof of Concept Study, Moffat Centre 2019)

The development of a hotel with significant hospitality, meeting, conference and leisure facilities can serve to attract a wider catchment in terms of national and international business and leisure visitation. This can alter, and growth is feasible however this is the most challenging market segment for this location.

2.7 Strategic and Policy Context for the Project

2.7.1 National Policy

The project is justified through the strategic planning context set out in Scottish Planning Policy and National Planning Framework 3 which:

- Supports area regeneration to address nationally significant and longstanding issues of disadvantage;
- Identifies sustainable development and use of the coast and marine environment to deliver economic and social benefits for island and coastal communities and supporting quality of life and underpin important economic sectors like tourism, outdoor recreation and food and drink.
- Recognises the importance of Outdoor recreation throughout the coastal and marine area

¹⁷ <https://www.nationalcentrecumbrae.org.uk/>

2.7.2 *Ayrshire Regional Economic Partnership*

The Ayrshire Councils have developed a regional approach to build on all the area's assets and key sectors to grow the economy. The Regional Economic Partnership has coordinated the submissions and requirements of the Ayrshire Growth Deal. Great Harbour is a partnership approved AGD project.

The partnership identified and agreed a series of strategic priorities, which reflect our vision and ambition for what we want our economy to be by 2030. Taking a place and asset based approach to the strategy, and building on our strategic priorities, we have identified 6 areas of transformational growth, where the strategy sets out how we can position Ayrshire as sector-leading in Advance Manufacturing, Aerospace/space, Blue Economy, Clean Energy/Decarbonisation, Rural and Islands Economy, and the Visitor Economy, by capitalising on the geographical, environmental and sectoral advantages Ayrshire currently offers.

The Strategy also outlines how we can optimise the building blocks of the Ayrshire economy, so they offer the best platform to delivering our vision. This will focus on business growth accelerator, skills, digital ecosystem, connectivity, and thriving communities.

2.7.3 *North Ayrshire Local Development Plan*

The adopted Local Development Plan (LDP) acts as the land use expression of 'A Better Life' a vision defined within the Single Outcome Agreement. The Council Plan sets out the framework to make North Ayrshire 'the place to be' in order to provide a better life for our residents, businesses and visitors and deliver on our commitments within the SOA. Key relevant strategic policies relate to Population (STRAT1); Regeneration (STRAT3); Tourism (STRAT4) and Environment (STRAT5).

2.7.4 This section of the Business Case explains how the project aligns with the vision, objectives and policies of relevant national, regional and local policy documents and with the AGD.

2.7.5 *Strategic fit with National and Regional Policy*

Scottish Government Strategic Objectives and Outcomes

2.7.6 The Government has five objectives that underpin its core purpose - to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. Objectives include Wealthier & Fairer / Healthier / Safer & Stronger / Smarter / Greener.

2.7.7 In addition to the National Objectives, the Scottish Government has 16 National Outcomes. They define priorities and set a structure for delivery of national objectives. Great Harbour's contribution includes:

- **We have tackled the significant inequalities in Scottish society** – The proposed development will create new and significant additional economic activity for NAC and the city region, contributing to improving access to the labour market for the poorest and most disadvantaged and tackling significant inequalities in the area.
- **We live in well-designed, sustainable places where we are able to access the amenities and services we need** – The proposed development will represent an environmentally, socially and economically sustainable place providing increased levels of employment for people in the area and attracting and retaining the skills/talent required to achieve sustainable economic growth.
- **We value and enjoy our built and natural environment and protect it and enhance it for future generations** – The proposed development will have significant positive land-use impacts on the local community, and on the natural and built environment.
- **We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others**
The proposed development supports LOIP and Community and Locality Planning within an area of significant deprivation

2.7.8 Scotland's Economic Strategy (March 2015) sets four priorities for growth including:

- **Investing** in our people and our infrastructure in a sustainable way;
- Fostering a culture of **innovation** and research and development;

- Promoting **inclusive growth** and creating opportunity through a fair and inclusive jobs market and regional cohesion; and
- Promoting Scotland on the **international** stage to boost our trade and investment, influence and networks.

2.7.9 The tabulated summary below sets out how the proposed development fits with the main national and regional policy and/or strategy documents

National Policy and Strategies		
Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Great Harbour Project
Scotland's Economic Strategy	Published by Scottish Government on 3 March 2015. Sets out an overarching framework for a more competitive and fairer Scotland and forms the strategic plan for existing and all future Scottish Government policy.	The Strategy supports business growth in Scotland's key sectors with a distinct competitive advantage: Food and Drink, Financial and Business Services, Life Sciences, Energy, Tourism and Creative Industries
Scottish Enterprise Strategic Framework Updated in 2019 (SE Business Plan 2019 – 2022 'Building Scotland's Future Today')	Scottish Enterprise Strategic Framework sets out the priorities and areas of focus of Scottish Enterprise.	The Business Plan builds Scotland's Economic Strategy with a focus on: Quality Jobs, Inclusive Growth, Accelerating Growth, Inward Investment, Partnership working.
National Planning Framework 3	Spatial expression of Economic Strategy	Supports regeneration; sustainable places; outdoor recreation/ tourism
Inclusive Growth / CWB Programme	Major CWB piloted in NA supporting inclusive growth	Working to secure common approach within AGD
Scottish Planning Policy	Scottish Government principles underpinning the planning system.	The SPP supports the Scottish Government's commitment to increasing sustainable economic growth and sustainable development.
Marine Tourism Strategy (2015)	Awakening the Giant + Giant Strides 2020-2025	"By 2020 Scotland is a marine tourism destination of first choice for a high quality, value for money and memorable customer experience delivered by skilled and passionate people".
Tourism Scotland 2020 (Updated March 2020) Updated in 2020 Outlook 2030 replaced Tourism 2020	Scottish Tourism Alliance	The national tourism strategy was launched with an ambition to grow visitor spend by £1bn to 2020. Tourism is one of Scotland's key economic contributors with overnight visitors generating in excess of £4.5bn annually and day visitors contributing a further £6.2bn, giving a total spend close to £11bn (2011 figures).

Awakening the Giant Giant Strides ATG + GS 2020-2025	National Marine Strategy	Working in partnership to maximise growth in Marine Tourism across Scotland. Major Growth sector identifies significant growth opportunities for Ayrshire
Regional & Local Policy and Strategies		
Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Great Harbour Project
Ayrshire Regional Economic Strategy (RES) 2020	Ayrshire Regional Economic Strategy defines the Regional Economic Partnership strategy	The strategy supports an ambition to transform Ayrshire including developing the regional tourism potential of Ayrshire.
Community Wealth Building (New programme with S Govt.)	A commitment to exploring the potential for community wealth building as an approach to deliver inclusive growth.	Reshaping initiatives to integrate the CWB into KPI's / outcomes and targeting special needs
ED&R Regeneration Strategy (Board ceased 2020 roles incorporated in RES and CWB)	Promotion of sustainable and inclusive economic development across North Ayrshire & Region	Refreshed strategy promotes local action and recognises key role of tourism and place development
Awakening the Giant – Action Plan (Clyde)	National Marine Strategy	Working in partnership to maximise growth in Marine Tourism across Scotland
Single Outcome Agreement (SOA)	Promoting economic equality and stronger, healthier and more active communities	NAC are piloting within Locality Planning stronger links between LOIP and Place outcomes to support inclusive growth and stronger communities.
Irvine Locality Plan (LOIP)	Irvine locality Plan covers the key communities of Harbourside and Fullarton	Priorities identified LOIP are employment & economy; mental health; traffic & parking; influence & sense of control
Local Development Plan (LDP)	Local Development Plan frames the policy and programme for Planning	LDP supports regeneration of Harbourside and strengthening of Harbourside as a key location for destination development
Irvine Vision	Irvine Vision identified 5 strategic project opportunities and drivers including Harbourside	Great Harbour was identified as a priority place project for development and delivery of the Irvine Vision
Making Waves Marine Tourism Action Plan	North Ayrshire and Arran tourism performance in 2016 saw over 1.7m visits and spend of over £186m (up by over 6% on 2015)	Marine and Coastal Tourism activity is absolutely key to North Ayrshire, already directly supporting local jobs, encouraging visitors and helping promote the area as a great place to work, live and play. We believe it can play an even bigger role.

Harbourside Masterplanning Charrette	Consultation charrette under S Govt Mainstream Charrette Programme	Site/Location specific engagement charrette using Place Standard to identify local place-based issues
Maritime Mile Place Making Masterplan	Masterplan for Great Harbour and Maritime Mile developed as part of Irvine Vision & AGD	Detailed design proposals to develop the 'destination' based on a place-making and inclusive approach.
NAC Local Transport Strategy	Policy framework for connecting communities and policy around transport services and provision	Promoting modal shift, positive encouragement for active travel, reduced car dependency
North Ayrshire Naturally Active	Policy framework to support more active, healthier communities (physical/mental) through access to outdoors and active travel	Promoting active communities, walking, cycling and access to water

2.8 Existing Context

- 2.8.1 Irvine was developed as a New Town (1966-1996) and has excellent strategic transport / utility infrastructure. Irvine Bay Regeneration Company was set up in 2006, one of the second generation of Scottish URCs. The sites to the west and north west of Irvine, adjacent to the Rivers Irvine and Garnock, represent a phase of the Irvine New Town that was never progressed.
- 2.8.2 A recent Your Town Audit of Irvine by Scotland's Towns Partnerships and EKOS (December 2016) shows that Irvine is an 'Interdependent town' being somewhat reliant on other places, particularly for access to jobs (both in absolute number and in range).

The audit identifies the need to focus investment activity in Irvine as the regional capital for North Ayrshire and notes the lack of a broader leisure mix in the town. The reports recognise the benefits that would be generated by attracting a wider mix of uses to the town – residential, leisure, cultural, business – which would help to sustain existing and grow future business activity. Importantly the town needs to:

- re-assert its coastal relationship
- re-discover its strongest assets in the Harbourside, River Irvine Waterfront
- promote and recreational tourism and active leisure on the Coast.

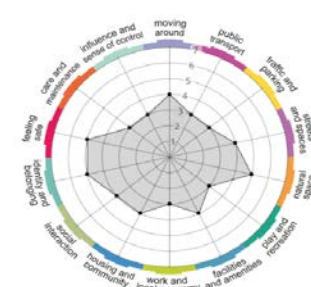
2.8.3 *Locality Outcomes Improvement Plan*

There are 6 Locality Partnerships in North Ayrshire. Great Harbour is in the Irvine Locality. The Partnerships include Elected Members, Community Council Chairs, community representatives, and Community Planning Partnership officers.

- 2.8.4 The Locality Plan and partnership structure is supported by North Ayrshire Council and the Community Planning Board. They therefore have the support of the Council, NHS Ayrshire and Arran, Police Scotland, Scottish Fire and Rescue Services, The Third Sector Interface, Ayrshire College, Skills Development Scotland, and Scottish Enterprise, amongst other partners.
- 2.8.5 The local priorities have been decided by each locality and were based on information gathered about their own local area. This includes national data, local statistics and the views of local people through the people's panel survey (link to it from this) and by using the place standard tool to identify need. The Irvine Locality Partnership priorities are:

Irvine Locality (LOIP) Priorities

1. **Employment and Economy**
2. **Mental Health**
3. **Traffic and Parking**
4. **Influence and Sense of Control**



2.8.6 The first Locality Partnership event took place on 15 June 2019. During this event, the Locality Partnership used the Place Standard Toolkit. The Great Harbour Project seeks to address Place Standard issues in the Great Harbour associated with:

- Moving Around /-Active travel / Traffic & Parking / Streets & Spaces / Natural Space
- Play & Recreation / Facilities & Amenities / Work & Local Economy / Housing & Community
- Social Interaction / Identifying & Belonging / Safe / Care & Maintenance / Influence & Control

2.8.7 NAC has recently completed a Place Standard 2 Workshop with key officers' groups combining Place / Regeneration / Community teams. The workshop reviewed the Great Harbour cross-cutting place/regeneration/community issues with a view to closer integration of delivery team working.

2.8.8 *Community & 3rd Sector*

The Third Sector Interface is The Ayrshire Community Trust and the Arran Community and Voluntary Service which act as the link between the Community Planning Partnerships and the community and voluntary organisations in North Ayrshire.

2.8.9 *Commercial & Secondary Investment*

NPL are landowners with development interest for the Ardeer peninsula and the Big Idea. NPL are keen to promote and support commercial investment both within the Harbourside and associated with redevelopment and re-purposing the Big Idea building. NPL and NAC have completed a partnership agreement to facilitate commercial investments and marketing and support secondary investment associated with the Great Harbour.

2.9 **Project Objectives and Contribution to the Growth Deal**

2.9.1 NAC and the wider Ayrshire and Clyde Coast authorities seeks to build on the special qualities of the Clyde and Coast in terms of its tourism offer developing the Clyde as a tourism destination of national and international value.

2.9.2 The Clyde coast and marine tourism are well placed to contribute to the attractiveness of Scotland and to benefit from an increased share of national and international tourism activity with significant long-term economic benefits at national, regional and local levels.

2.9.3 The project will deliver a tourism destination supporting area regeneration bringing increase local spend in an area of significant deprivation and support both Harbourside and town centre regeneration in Irvine.

2.9.4 Objectives have been developed with the Steering Group and through Stakeholder Workshops. The objectives are SMART (Specific, Measurable, Attainable, Realistic, Time-related) and can be linked to milestones or targets. The overall aims of the investment are;

- To drive area wide, town and town centre regeneration in an area of significant and long-standing deprivation;
- To support SME growth in tourism and support / service sector industry with a strong focus on integrated destination development celebrating the coast and opportunities for marine tourism,

delivering key elements of the Scottish Government supported Awakening the Giant strategy through a direct link with wider AGD work supporting Marine Tourism.

- To invest in a key place asset, create a national waterfront destination tourism supporting tourism activity complimentary with regeneration and place-making for the Harbourside, creating a significant new waterfront destination on the West coast of Scotland.

2.9.5 The project seeks to address long-standing issues facing Ayrshire's economy supporting transformational, step change growth in an existing important sector both to Ayrshire, the Clyde and Scotland.

2.9.6 The Investment Objectives for this project are set out below:

Objective 1:

To unlock the economic potential within the Clyde Coast creating a regional destination at Irvine Harbourside that supports inclusive economic growth through an approach that focuses on Community Wealth Building

This will be demonstrated through increased visitor numbers / footfall/ visitor spend and user/customer and community feedback and surveys.

Key Baseline Data Against Which to Measure the Impact of the Project

Number of visitors:	circa 750,000 (estimated Moffat Centre)
Number of tourism businesses on Harbourside:	9 currently

Objective 2:

To secure area wide regeneration based on developing the special qualities of place alongside community participation within a place-based regeneration framework, building on the legacy of the Irvine Development Corporation.

Key Baseline Data Against Which to Measure the Impact of the Project

Number of tourism businesses on Harbourside:	9 currently
Number of 3 rd sector groups operating from Harbourside	5 currently

Objective 3:

To address place infrastructure deficiencies that constrain investment developing the enabling infrastructure to address market failure created by commercial values that restrict private sector investment. Showcasing the potential through a high quality approach to destination development

Key Baseline Data Against Which to Measure the Impact of the Project

Number of new house starts in past 5-year period:	150
Number of new retail/tourism outlets in past 5-year period	2-3

Objective 4:

To lock in at a local level, the benefits of economic development to ensure Ayrshire communities are actively engaged and supported through enterprise support, skills development, training, community enterprise supporting inclusive growth & community wealth building.

Key Baseline Data Against Which to Measure the Impact of the Project

Number of local jobs created in Harbourside in past 5-year period	XX jobs
Number of local residents from LOIP area employed in construction /jobs in past 5-year period	

Objective 5:

To enhance an existing Ayrshire coastal location celebrating a nationally significant approach to place quality and building a destination developed around a Maritime Quarter / Maritime Mile / National Maritime Museum creating a new profile, footfall and spend to the town and supporting wider Marine Tourism objectives.


Key Baseline Data Against Which to Measure the Impact of the Project

Number of visitors:	circa 750,000 (estimated Moffat Centre)
Number of tourism businesses on Harbourside:	9 currently

Ayrshire Growth Deal Project Name	Regional Drivers to Inclusive Growth													
	Intermediate & Advanced Skills	Local Jobs	Health	Basic Digital Skills	Soft & Basic Skills (work-readiness)	Business Support (non-financial)	Childcare	Sustainable Working Population	Structure of Economy (Sectors/Industries)	Advanced Digital Skills/Innovation	Access to Finance	Business Premises	Digital Connectivity	Transport (people to jobs)
Spaceport Infrastructure														
Aerospace & Space Innovation Centre (ASIC) inc Visitor/STEM Engagement Hub														
Prestwick Enabling Infrastructure - Roads														
Prestwick Commercial Workspace & Infrastructure														
i3 Advanced Manufacturing Space														
i3 Digital Processing Manufacturing Centre														
Industrial Marine Science and Environmental Centre (IMSE)														
The Great Harbour, Irvine Harbourside-Ardeer														
Marine Tourism														
Hunterston Strategic Development Area														
HALO Kilmarnock														
Ayrshire Engineering Park (Moorfield)														
Ayrshire Manufacturing Investment Corridor (AMIC)														
National Energy Research Demonstrator (NERD)														
Digital Subsea Cable														
Digital Infrastructure														
Working for a Healthy Economy														
Ayrshire Skills Investment Fund														
Community Wealth Building														

Ayrshire Growth Deal Project Name	Spaceport Infrastructure	Enabling Infrastructure - Roads	Commercial Workspace & Infrastructure	Aerospace and Space Innovation Centre (ASIC) inc Visitor/STEM	i3 Advanced Manufacturing Space & Digital Processing Manufacturing	HALO Kilmarnock	Ayrshire Engineering Park (Moorfield)	Ayrshire Manufacturing Investment Corridor (AMIC)	National Energy Research Demonstrator (NERD)	Hunterston Strategic Development Area	Marine Tourism	Industrial Marine Science and Environmental Centre (IMSE)	The Great Harbour, Irvine Harbourside - Ardeer	Digital Subsea Cable	Digital Infrastructure	Working for a Healthy Economy	Ayrshire Skills Investment Fund	Community Wealth Building
Spaceport Infrastructure	3	3	3	3	1	1	1	1	0	0	0	0	0	2	3	2	2	2
Prestwick Enabling Infrastructure - Roads	3	3	3	3	0	0	0	0	0	0	1	0	0	1	1	1	1	2
Prestwick Commercial Workspace & Infrastructure	3	3	3	3	2	1	1	1	1	1	0	0	0	2	3	2	2	2
Aerospace & Space Innovation Centre (ASIC) inc Visitor/STEM Engagement Hub	3	3	3	3	1	1	1	1	1	1	0	0	0	2	3	3	3	2
i3 Advanced Manufacturing Space & Digital Processing Manufacturing Centre	1	0	2	1	1	2	2	1	2	0	0	0	0	2	3	2	2	2
HALO Kilmarnock	1	0	1	1	1	1	1	1	0	0	0	0	0	2	2	2	2	2
Ayrshire Engineering Park, Moorfield	1	0	1	1	2	1	2	1	0	0	0	0	0	2	3	2	2	2
Ayrshire Manufacturing Investment Corridor (AMIC)	1	0	1	1	2	1	2	1	1	0	0	0	0	2	2	2	2	2
National Energy Research Demonstrator (NERD)	0	0	1	1	1	1	1	1	1	0	1	0	1	2	3	2	2	2
Hunterston Strategic Development Area	0	0	1	1	2	0	0	1	1	1	2	1	2	2	3	2	2	2
Marine Tourism	0	1	0	0	0	0	0	0	0	0	1	2	2	2	2	2	2	2
Industrial Marine Science and Environmental Centre (IMSE)	0	0	0	0	0	0	0	0	1	2	2	2	1	2	3	2	2	2
The Great Harbour, Irvine Harbourside - Ardeer	0	0	0	0	0	0	0	0	0	1	2	1	2	2	2	2	2	2
Digital Subsea Cable	2	1	2	2	2	2	2	2	2	2	2	2	2	3	2	2	2	2
Digital Infrastructure	3	1	3	3	3	2	3	3	2	3	2	3	2	3	2	3	2	2
Working for a Healthy Economy	2	1	2	3	2	2	2	2	2	2	2	2	2	2	2	2	3	3
Ayrshire Skills Investment Fund	2	1	2	3	2	2	2	2	2	2	2	2	2	2	2	2	3	3
Community Wealth Building	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3	3	3

Relationship	Number of Points
Primary Relationship (Absolutely Contingent)	3
Secondary Relationship (Strong obvious link)	2
Tertiary Relationship (Weak link)	1
No Relationship	0

<div> MOFFAT CENTRE  </div> <div>FOR TRAVEL & TOURISM BUSINESS DEVELOPMENT</div>			
Moffat Centre Visitor Forecasts (2018-2028)			
Attractions and 'Pull' Factors	2018 Visitation	2023-4 Visitation	2027-28 Visitation
Visitation Scottish Maritime Museum	65,000	85,000 (with art collection)	100,000
Food and Beverage Attractions	330,000	475,000	650,000
Scottish National Centre for Play (Forecast)		125,000	175,000
Irvine Retail / Old Town	150,000	230,000 (with Maritime Mile)	320,000
Beach Park South	175,000	235,000 (with sculpture and play)	265,000
Beach Park North (Ardeer Peninsula)		65,000 (accessible with sculpture)	90,000
General Day Visitors	150,000	275,000	400,000
Visiting Friends and Relatives	87,000	150,000	200,000
Hotel (Accommodation, Food, Beverage, Leisure, Meetings / Conferences)		26,000	34,000
SUB- TOTAL	957,000	1,666,000	2,209,000
Less Duplicate Counting*	181,000	316,000	419,000
TOTAL	776,000	1,350,000	1,790,000

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Moffat Centre – Proof of Concept Report – Visitation Projections, 2019. Supported by NAC Tracker 2021.

Masterplan Level Review (PoC)

Design Element	Key Footfall Drivers	Capacity for Additional Visits
Maritime Mile	Physical enhanced place	Medium
	Board Walk – River Quays	Med-High
	Marine Exhibits & NMMS	Medium
	Visitor Services (F&B/Eve Economy)	Med-High
	Events (National /Regional)	Medium
Enterprise	Local organisations & groups	Low - Medium
	Visitor Services (F&B/Eve Economy)	Med-High
	Events (Local)	Low
Housing	Resident population	Low
	Visiting Friends & Relatives	Low
Big Idea	National Centre for Play	High
	National Sculpture Trail	Med-High
	Resort Village	High
	Skypark – Regional Outdoor Play	Med-High
	Coastal Walkway (Ayrshire)	Medium
	Events (National / Regional)	Medium
Commercial / Leisure	Hotel / Restaurant	Med-High
	Food & Beverage Offers	Medium
	Artisan Workshops	Low

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Moffat Centre – Proof of Concept Report – Visitation Projections against Masterplan Elements. 2019. Supported by NAC Tracker 2021.

	SMART Objectives				
Objective	Specific	Measurable	Attainable	Realistic	Time-bounded
<i>To unlock the economic growth potential & secure Community Wealth</i>	Objective seeks to secure sustainable and inclusive growth for Harbourside - an area of significant deprivation and with significant potential for place-making	Measurable by tracking benefits (CWB) / local access to jobs /skills / training and the number of users / visitors to Harbourside and the level of commercial / 3 rd sector activity	Working with partners to secure targeted CWB benefits. Project exploits the waterfront setting recognised as Irvine's strongest place asset.	Working to secure pan AGD approach to CWB. Market review and Proof of Concept Work by Moffat Centre supports projected visitor numbers	Project programmed to be complete by 2027, impacts forecast to be attained in full by 2035.
<i>To secure area wide regeneration</i>	Objective seeks to: generate inclusive growth and new jobs / GVA from destination and place-making. Specific outputs tabulated.	Measurable by tracking the number of visitors, jobs and number of 3 rd sector groups operating from Harbourside. Target groups with special needs/ inclusive growth opportunity	Employment will be generated by visitor related activity and by indirect off-site visitor spend.	Analysis can track direct on-site jobs and use proxy spend to track off-site jobs. GVA will be estimated on sector average.	Project programmed to be completed by 2027, impacts forecast to be attained in full by 2035.
<i>To address place infrastructure deficiencies</i>	Objective seeks to: build a Clyde waterfront destination that supports new investment and creates a commercial climate for future investment	Measurable by assessing wider investment including new businesses / new house starts / other investment	Partnership arrangements exists to act as a catalyst for private investment. Engagement and work with existing businesses supports communication around local opportunities	Location has seen very limited investment since IDC with public investment enabling private investment on defined sites	Project programmed to be completed by 2027, impacts forecast to be attained in full by 2035.
<i>To spread the benefits of economic development by Inclusive Growth & Community Wealth Building</i>	Objective seeks to: work with Community Planning Partners and the parallel work in the LOIP. Integrated projects to secure jobs, develop access to jobs (construction/tourism/) and build skills alongside community capacity	Embedding key outcomes of CWB in KPI's . Measurable by requiring Community Benefits element in contracts; local jobs and training and monitoring construction (PYE) and wider employment (FTJE)	NAC will develop Employment and Skills development programme linking LOIP/Business Team, SDS and Employment Service	Community Wealth Building will target specific needs /groups to ensure inclusive growth. NAC will develop Employment and Skills development programme linking LOIP/Business Team, SDS and Employment Service	Project programmed to be completed by 2027, impacts forecast to be attained in full by 2035.
<i>To enhance an existing Ayrshire coastal destination</i>	Objective seeks to: build a Clyde waterfront destination and raise the quality of experience for both residents and visitors with a focus on the Maritime Mile	Measurable by gathering feedback from operators and visitors on the quality of their experience. Measurable in terms of footfall / visitor spend / dwell time / etc.	Market review and Proof of Concept Work by Moffat Centre supports projected visitor numbers	Market review and Proof of Concept Work by Moffat Centre supports projected visitor numbers	Project programmed to be completed by 2027, impacts forecast to be attained in full by 2035.

2.10 Dependencies and Constraints

2.10.1 The potential project dependencies and constraints are linked to technical, consenting and licencing issues associated with the works associated with the quays, marine works and environmental consents. These are substantially mitigated by the fact that development is within the area under control of North Ayrshire Council and NPL as the Harbour Authority. The site has no environmental designations but sits opposite a SSSI designated by Scottish Natural Heritage. The main dependencies and constraints relate to:

- Partnership working with NPL / NMMS / Harbour Authority (NPL)
- Stakeholder engagement and partnership working with local groups / communities.
- Concluding Development Agreement between partnership NAC/NPL
- Consents and Licenses

2.11 Stakeholder Engagement

- 2.11.1 Stakeholder engagement has progressed from the Irvine Vision (2016) to charrettes and workshops associated with Working for Irvine Together (2016); Harbourside Masterplanning (2017) to the development of Locality Planning (Irvine Locality-2018) Place 2 Workshop 2019. Workshops with National Maritime Museum, a key project partner, have been extended to include Creative Scotland, A&DS, Scottish Natural Heritage, Sustrans and other interest groups. Concept design development has been progressed and shared with a Steering Group (Council / NPL / Business/ 3rd Sector / LOIP) and being advanced to community engagement with stakeholder groups and linked to parallel regulatory engagement associated with planning/ Harbour Order engagement and consenting.
- 2.11.2 NAC as part of the area Regeneration Strategy have established a range of mechanisms to support community and stakeholder engagement. This has involved a range of events working with local groups. An extensive participatory engagement process is programmed for Q1 2020.

Stakeholder Group	Contribution	Expectation/Demand	Engagement to date
Local Authorities			
North Ayrshire Council	Project Sponsor	Project Sponsor	Project Sponsor
AGD Governance			
The Cabinet	Project Coordination	Interaction as required	Ongoing meetings and reports
Executive Leadership Team (ELT)	Project Coordination	Interaction as required	Ongoing meetings and reports
AGD Project Management Office (PMO)	Project Coordination	Interaction as required	Regularly informed of progress through ongoing meetings and reports
Growth & Investment Directorate	Project Coordination	Interaction as required	NAC Director Lead Director
Place Directorate	Project Coordination	Interaction as required	NAC Exec. Director
Communities Directorate	Project Coordination	Interaction as required	NAC Exec. Director
Lead Officers Support Group	Project Coordination	Interaction as required	NAC officer
Finance & Corporate Support Directorate	Project Coordination	Interaction as required	NAC officer

Partner Stakeholders	Contribution	Expectation/Demand	Engagement to date
NPL Development UK	Regeneration Partner	Commercial (MEIP) partner supporting commercial development and investment	Partnership Agreement NAC/NPL. Board Members for Great Harbour. Advisor on Harbour issues
NAC CWB Representative	Regeneration Partner	Ensuring CWB and inclusive growth embedded in programme and project outcomes	Ongoing and regular liaison throughout development and delivery of the project through Great Harbour Board
National Maritime Museum	Regeneration Partner	Active partner associated with heritage / tourism/ visitor opportunities and operation of the Maritime Mile.	Ongoing and regular liaison throughout development and delivery of the project through Great Harbour Board
Community Planning Partners & LOIP Irvine	Regeneration Partner	Input across CPP and LOIP activity for area regeneration and support to communities	Ongoing and regular liaison throughout development and delivery of the project through Great Harbour Board
The Ayrshire Community Trust	Consultee	Advise and inputs on community activity and community aspirations	Anticipate input to consultations and next stage design development
Sustrans	Consultee	Advise and inputs on active travel / integration into place and potential funding	Anticipate input to consultations and next stage design development
Community Stakeholders			
Fullarton Community Association	Key Stakeholder	Partner for consultation and community activity	Consultation events and through LOIP. Harbourside Masterplan Stage 1
Harbourside Sailing Club	Key Stakeholder	Partner for community water-based activity	Design input on Slipway / Maritime Mile and watersport
Coastwatch	Key Stakeholder	Partner for coast/ Pilot Ho. and Beach Park	Design input on Maritime Mile and connections
Harbourside Business Group	Key Stakeholder	Promoting coordinated group to support masterplan	Ad-hoc meetings / liaison with individual owners
Harbourside Heritage Group	Key Stakeholder	Promoting coordinated group to support masterplan	Ad-hoc meetings / liaison with individual interest groups
Harbourside Arts Group (HAC)	Key Stakeholder	Promoting coordinated group to support masterplan	Ad-hoc meetings / liaison with individual interest groups
Other Stakeholders			
SNH	Environment	Regional / designated site advice	
SEPA	Environment	Environmental advice& scope of requirements	
HES	Listed buildings and ancient monuments	Heritage advice and scope of requirements	

2.12 Risk Assessment (see Section 4.0)

- 2.12.1 Understanding and managing project risk is a key part of Project Management. Pro-active management of risk supports successful implementation and improves productivity and efficiency of delivery. A full risk assessment has been undertaken with risks identified and set out in detail in the Risk Register attached in Appendix. Risk updates include focus on Inclusive Growth outcomes and Covid-19. Risks assessment is covered in Section 4.0.

3.0 ECONOMIC CASE

3.1 Economic Case

- 3.1.1 Driving growth and securing additional economic activity and national, regional and local value supports the regeneration of Irvine developing a facility and destination with impact across Ayrshire and the wider Clyde.
- 3.1.2 Major initiatives have been advanced within North Ayrshire through the partnership of NAC and Irvine Bay (URC 2006-2016) driving a transformational programme to ensure Irvine Bay and the three towns contribute to a successful, vibrant economically active place that is a great place to live, work and celebrate a destination on the Clyde.
- 3.1.3 North Ayrshire has the opportunity and the capacity to make a strategic contribution to national and regional economic performance and goals and develop a new sense of place based on its coast, maritime heritage and as a key node within the wider tourism offer (Coig / North Ayrshire Coastal Path / Marine Tourism). Adding value and developing the regional economy requires:
- identification of new economic activity to support and facilitate the growth of existing businesses and support regeneration
 - new place-based innovation supporting diversification of the economy; strengthening neighbourhoods and communities and building on the distinctiveness of place
 - investing in the enabling infrastructure to create additional capacity that can support sustainable economic activity and drive additional value (local, regional, national)
- 3.1.4 NAC through the Growth Deal and with Ayrshire and Community Planning partners is advancing a series of transformational initiatives to ensure capacity for growth and enable economic re-structuring. These include business space, employment initiatives, digital initiatives, skills development and place-making. A Regional Skills Investment Plan for Ayrshire will be developed in the context of the Ayrshire Regional Economic Development Strategy which will take account of the long-term economic growth aspirations of the AGD.

3.2 Critical Success Factors - Key Deliverables for Success

- 3.2.1 Great Harbour and the area of Harbourside, Beach Park and Coast is North Ayrshire and Irvine's greatest asset. Investment in the Great Harbour is about 'world class / best in class' investment in place that can support area regeneration. Regeneration requires partner activity unlocked through the catalyst of enabling infrastructure (AGD investment). The project deliverables include:

Direct AGD Investment

- a new waterfront destination
- quays and waterfront boardwalk with marine access
- slipway and active leisure marine access point
- provision for play, active leisure / e-bikes
- waterfront and town -to-waterfront gateways
- site infrastructure
- National Ayrshire Coastal Path connections
- community enterprise support programme

Indirect Partner Investment

- affordable homes (71No.)
- open market waterfront homes
- a care and older people / special needs facility
- enterprise and arts retail workshop facilities

Future Leverage Investment

- Re-purposing of the Big Idea / Resort -Village / National Play Facility
- Hotel and related leisure / small conference / hospitality services
- Existing business investment for growth

3.2.2 Leverage investment has been identified through the project steering group. This includes NPL (owners Big Idea); Hotel Operator and with input provided by Harbourside business operators. The hotel interest has been identified as a private sector opportunity by existing business operators within the Ayrshire market. It is recognised that leverage will lag the enabling investment and be subject to a detailed business case. Market interest is currently being shown in the Ship Hotel and with positive commercial activity associated with recent new businesses supporting the visitor market.

3.2.3 The investment will support national, regional and local policies to boost tourism numbers, spend and market penetration whilst supporting local regeneration. The project will deliver tourism growth in the growing sector of activity leisure increasing visitor spend in the West of Scotland; increase local spend in an area of significant deprivation and support town, town centre and Harbourside regeneration.

3.3 Measuring Success

3.3.1 The SMART objectives illustrate tangible success parameters that can be further examined as a measure of project performance. The summary schedule below provides indicative targets that would constitute success. The project's performance would be measured as part of the evaluation and monitoring programme providing information on construction employment, supply chain contracts; visitor numbers; developer investment in commercial/workshop floorspace, and permanent employment.

Indicator	Level Required	Reporting	Target	Timeframe
AGD Infrastructure	Infrastructure completed within timeframe and on budget	Annual	As programme	By 2027
NPL Investment	Investment Contributions to Great Harbourside within timeframe and on budget	Annual	£2m	By 2027
NAC Housing Investment	Housing investment and housing completions	Annual	£13m NAC 70 units	By 2027 & 5 yearly
Annual Tourism Visitor	Day Visitor – Annual Uplift and Total Visitors to Great Harbour and wider Coig Initiative	2 yearly	574,000 day visitors	2027 and thereafter
Construction Impact	Gross construction jobs (person years) Ayrshire Level:	Annual	50 FTE	By 2027
	Construction GVA:	Annual		By 2027
Operational Impact	Day Visitor – Annual Uplift and Total Visitors to Great Harbour	Annual		By 2027 & 5 yearly
	Annual Additional Marine Activity (Martina/ Boating Activity)	Annual		By 2027 & 5 yearly
	Additional Local Spend (10 Local Business Survey)	3 yearly		By 2027 & 5 yearly
	Number of Additional / 3rd Sector Events	Annual	5 / annum	By 2027 & 5 yearly
	Active Travel Activity	Annual		By 2027 & 5 yearly

3.4 Inclusive Growth & Community Wealth Building

Community Wealth Building is an alternative approach to traditional economic development, which seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base. CWB seeks to use the economic levers available to local authorities and other 'anchor institutions' such as the NHS, further and higher education institutions, and larger private sector organisations, to support their local economies. The Centre for Local Economic Strategies (CLES) define anchor institutions as bringing 'wealth in the form of jobs and supply chains; they are rooted in place and as such are vital to the functioning of our local economies'.

At the centre of the community wealth building approach there are five pillars for harnessing existing resources. These pillars are:

1. Procurement - Progressive procurement develops dense local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise.
2. Employment - Recruitment from lower income areas, commitment to paying the living wage and building progression routes for workers are all examples of the actions anchor institutions can take to stimulate the local economy and bring social improvements to local communities.
3. Land and Assets - Anchors are often major land holders and can support equitable land development and the development of under-utilised assets for community use.
4. Financial Power - Local Wealth Building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally.
5. Democratic Ownership of the Local Economy - Cooperatives, mutually owned businesses, SMEs and municipally owned companies enable the wealth generated in a community to stay in that locality.

The Heads of Terms (HoT) for the AGD included £3m for a regional Community Wealth Building Fund. Based on the evidence reviewed, we believe there is real opportunity for Ayrshire to be a pioneer in the local wealth building approach in Scotland. The three Councils are already embarking on their own CWB journeys but by working together believe we can deliver change across Ayrshire as a whole by working with our anchor institutions. This will be achieved through taking a pan-Ayrshire approach to shift the culture and approach of traditional economic development to enable and facilitate place based local economic development. The CWB Fund will deliver a regional approach to working with anchor institutions to:

- Work within localities to facilitate CWB activities on procurement, employment, assets and ownership.
- Promote Fair Work practices and position Ayrshire as a Fair Work region.
- Support and fund social enterprises, employee ownership and supplier development.
- Encourage and support anchors, and wider AGD projects leads, to ensure their procurement practices and community benefits approach align to wider Ayrshire inclusive growth, community wealth building and locality priorities.

North Ayrshire Council are in themselves a key anchor institution and opportunities to procure local suppliers for the delivery of project elements of projects like the Great Harbour will be key to the success of a community wealth building approach allied to the growth deal. This work is in line with the commitment made in the 2017 Programme for Government. The development of AGD projects will actively promote wealth building within Ayrshire. The Great Harbour proposal aims to have an impact across a number of inclusive growth drivers which were identified as part of the Ayrshire Inclusive Growth diagnostic work. The tabulated summary (previously illustrated) highlights the inclusive growth drivers in green that are relevant to the Great Harbour project. The proposals are Seeking to maximise the benefits of economic activity for local communities by:

- Integrating emerging work within the Inclusive Growth Diagnostic and Community Wealth Building programme at a regional level to the detail delivery of Great Harbour
- considering how procurement activity can be better used to support local economic activity; and
- helping local enterprises to supply goods /services relative to projects like the Great Harbour

The AGD Programme Management Office is currently working with AGD Project Leads to develop a consistent programme approach to ensure that inclusive growth, equalities and community wealth building outcomes are embedded in each AGD business case. This approach will ensure explicit commitment to how the project will achieve inclusive growth and reduce inequality.

3.5 Project Monitoring

- 3.5.1 Arrangements for Evaluation & Monitoring (E&M) including a Post Implementation Review (PIR) and Project Evaluation Review (PER) have been established in accordance with NAC internal reporting and best practice.
- 3.5.2 The Council has established mechanisms to monitor the performance of physical regeneration projects and is accustomed to preparing annual monitoring assessments to report progress against a range of economic development and environmental targets.
- 3.5.3 The project will be managed in accordance with NAC project management procedures. Robust procedures will be in place to ensure the effective management and delivery of the project. The Senior Responsible Officer & dedicated Project Manager within NAC is George Hunter. The Project Board is led by the Director of Growth & Investment supported by Heads of Service within Place Directorate; Communities Directorate; and Finance & Corporate. A full multi-disciplinary and experienced Design Team will be procured and appointed to advance the project to completion.

3.6 Evidence of Delivering Successful Projects

- 3.5.1 NAC has the skills, resources, capacity and established capability to deliver the project. NAC in partnership with Irvine Bay URC has delivered a range of major projects similar in scope, scale and complexity. Additional detail can be provided. A short-list of projects is tabled below:

Project	Value	Delivery Team	Time/Budget
I3 Strategic Business Development	£5m	Economy & Communities	Yes
Saltcoats Public Realm	£2m	Place / PMI	Yes
Irvine Civic Square (Bridgegate) /High Street & Leisure Centre	£20m	Place Leisure Facilities PMI	Yes
Place Regeneration & Community Partnerships	£10m	Communities Place	Yes
I3 Strategic Business Development	£5m	Economy & Communities	Yes

- 3.5.2 The Council's Growth and Investment and Regeneration Teams has also sought and secured external funding and delivered a number of medium and large-scale physical regeneration projects over the past 5 to 10 years. The Council can demonstrate experience and specialist competency in developing, delivering and monitoring physical regeneration projects, meeting the requirements of grant funders, adhering to grant conditions and partnership delivery.

3.6 Project Options

3.6.1 Options for Area Regeneration

North Ayrshire Council's Economic Development and Regeneration Strategy and ED&R Board has been a major driver for successful regeneration across the NAC area.

NAC continues to confront challenges of deprivation and economic exclusion that result from long-term changes to the industrial base and industrial re-structuring. This has resulted in limited economic opportunity with low levels of employment, relatively fewer businesses and significantly lower job density than the Scottish average (0.66 jobs per working age adult NA; 0.79 Scotland). Of the 114 SIMD data zones in NA, 41 are in the lowest 15% in Scotland = 36% of all NA data zones. The situation in Irvine and Harbourside is even

more pronounced with over three-quarters of all data zones ranked in the bottom 15%. [SIMD Data 2020 Provides Updated Information go to - https://simd.scot/#/simd2020/BTTFTT/9/-4.0000/55.9000/](https://simd.scot/#/simd2020/BTTFTT/9/-4.0000/55.9000/)).

NAC are committed within the Council Plan, ED&R Strategy and through the Community planning Partnership (LOIP) to secure the regeneration of Irvine and the Harbourside / Fullarton areas addressing inequality and reflecting our socio-economic duty. Locality based approaches and collaborative joined-up working across the Community Partnership and in close engagement and the active participation of communities represents the most sustainable route to regeneration.

Recommendation: Place and Locality Planning based regeneration using the Place Principle as a framework for partner and community participation and engagement. Secure close integration Place and LOIP planning.

3.6.2 *Options for Tourism & Destination Development*

Coastal and maritime tourism has become a major economic sector for countries with accessible and attractive coastlines and is considered to be one of the fastest growing forms of tourism. In global terms, the marine tourism market was worth £50 billion in 2018, and is anticipated to grow 7% to £ 80+ billion by 2025. It is a broad sector, including organisations that operate in accommodation and hospitality, transport, travel organisers, and local tourist offices.

Both eco-tourism and sustainable tourism are emerging as alternatives to mass tourism. Eco-tourism is concerned with ecological conservation and educating travellers on local environments (Bogside Flats SSSI) and natural surroundings (beach, sand-dune, coastal eco-systems). The sustainable tourism industry focuses on travel that has minimal impact on the environment and local communities. This largely means supporting locally managed business (thus having a positive economic impact on local communities) and participating in activities that do not harm the environment or exploit local culture. Protecting local marine resources is one of the most urgent needs in promoting sustainable tourism.

Great Harbour is looking to attract a broad spectrum of visitors. It will seek to capture current tourism trends extending the traditional coast / active leisure / walkers/cyclists, surfers, kayakers, museum enthusiasts, cultural enthusiasts and family interest based on coast and play. NAC are currently within their Marine Tourism strategy undertaking work on consumer markets and wider baseline assessment for opportunities associated with the blue economy.

The rationale is to invest in place and the enabling infrastructure to develop a stronger 'destination offer' developing a more clearly defined destination and a strategy to attract day visitors to the area and to maximise local spending. This will capitalise on the growth of activity leisure, outdoor authentic experiences, artisan food and drink, event activity and waterfront/community/WASP arts to attract additional visitors to the area. An enhanced leisure and tourism offer could also contribute to reversing the de-population of North Ayrshire and the region by making the area a more attractive place to live and visit. This reflects the ambitions of the ED&R Strategy and Irvine Vision.

Recommendation: Develop a 'destination management approach' to the waterfront building a strong and distinctive offer with diverse visitor appeal. Develop a strong marketing awareness building alongside parallel initiatives (Arran / The Coig/ etc).

3.6.3 *Options for Place-Making and Masterplanning*

The Harbourside is Irvine's greatest asset and the area of greatest opportunity. The partnership with the National Maritime Museum Scotland and key third sector/community organisations create the opportunity to embed place-making with regeneration and destination development. NMMS has a key role in developing the destination and operating visitor attractions within the Maritime Mile. The Place-Making Brief and Masterplan approach connects place/community/activity to support growth that is inclusive, appealing, sustainable and makes the most of the asset.

Critically this needs to be best-in-class / world-class if Great Harbour is to function as a regional/local destination and create additional value. The place-making challenge is to build on the strongest elements of the asset; protect and enhance the special qualities of place and create transformational change with strong visitor appeal whilst meeting local needs and aspirations.

Recommendation: Develop a new re-purposed ‘marine, leisure activity waterfront’ with barrier-free access to the water, positive support for active travel and capable of supporting a diverse range of activity, enterprise and appeal.

3.7 Benefits & Beneficiaries

3.7.1 The benefits generated by the project are summarised in the Benefits Realisation Profile attached as Appendix. The benefits fall into the following categories:

- | | |
|------------------|--|
| • Infrastructure | Enabling Infrastructure creating destination |
| • Investment | Partner and leveraged investment |
| • Employment | Construction and Tourism related jobs |
| • Community | Regeneration and community capacity and levels of participation |
| • Enterprise | Enterprise activity (business/3 rd sector /community) |
| • Environmental | Enhanced public realm / waterfront / biodiversity |
| • Marine Access | Barrier free access |
| • Other | Active Travel / Traffic Management |

3.7.2 The analysis of benefits has been prepared in line with the emerging AGD Growth Deal Assurance Framework. The benefits are closely linked to the project objectives which put enterprise, regeneration and place development as key objectives.

3.8 Assessment of Counterfactual and Preferred Options

3.8.1 The Great Harbour project is developing a new market by transforming an under-developed local asset into a regional and national destination. Market activity alone cannot achieve the project objective.

3.8.2 Market failure (externalities: delivery of public infrastructure) acts as a barrier to investment and prevents the opportunities being captured and/or project investment being delivered. The project focus is on addressing the enabling public place-based infrastructure to develop the essential qualities of the location, facilitate economic activity, regenerate communities and build a destination. These define the economic case for intervention. It is recognised that developing Place Infrastructure will require more than physical interventions and involve wider socio-economic support to encourage activity, participation and visitor infrastructure services.

3.8.3 The economic impact of the project at a local authority, Ayrshire Region and national level will be assessed by the Council. This will follow submission of the OBC to the Ayrshire PMO Team. Without Growth Deal funding to leverage wider regeneration investment, the counterfactual analysis would conclude that area economic status / visitor activity / visitor spend / place quality will remain unchanged.

3.8.4 The options analysis did not identify any other high-quality localities or destinations in Ayrshire/ Irvine that could be developed to support Irvine regeneration – there are no other credible alternative locational options that provide the infrastructure (marine/land/transport) required or provide a similar boost to coastal tourism.

3.9 Market Failure

3.9.1 Market failure arises when a market mechanism fails to deliver economically efficient or optimum outcomes. HM Treasury identifies market failure and equity considerations as the key reasons for public sector intervention (investment) in the market – with the focus on addressing the root cause rather than the effect or symptom. Market failure is defined “... where the market has not and cannot of itself be expected to deliver an efficient outcome”.

3.9.2 The market failure rationale is as follows:

- Market externalities, where there is a reduced incentive for the private sector provision of public realm infrastructure as they are unable to fully commercialise the direct financial and wider

strategic benefits that the investment will provide. Without AGD funding, there is insufficient return/ rationale for private sector to deliver the project; and

- Equity – there are high levels of economic and social deprivation and dereliction within the area. Over-arching Scottish Government economic policy identifies investing in people/ place / infrastructure/ assets, promoting inclusive growth as two of its four key priorities.

Summary of anticipated outcomes in terms of built development from recommended option.
Planning Option 3.

Period	Baseline	By 2027	By 2032	By 2037
PROJECTED VISITOR NUMBERS¹				
Baseline Visitor Numbers	776,000			
Projected Visitor Numbers		1,350,000	1,790,000	1,790,000
FLOORSPACE² (New m²)				
Class 1 Retail	0	150	300	300
Class 3 Food & Drink		150	300	300
Class 7 Hotels			0	5,000
Class 8 Residential Institutions		5,000	5,000	5,000
Class 9 Houses		11,000	25,000	25,000
Class 10 Non-Residential Institutions			150	150
Class 11 Assembly & Leisure			5,000	5,000
Sui Generis (Upgraded/Amended Space)			5,000	5,000
PUBLIC REALM³ (see also Table- Page XX)				
New Public Realm Created		c8,000m ²	c8,000m ²	c8,000m ²
New Active Travel Routes & connections		c4,000m	c4,000m	c4,000m
New Event / Multi-Use Activity Space		3 No.	3 No.	3 No.

1 Moffat Centre Tourism Visitor Number Assessment (reviewed NAC tracker2021 | 2. Masterplan Based Assumptions | 3 Maritime Mile Cost Plan

3.10 Economic Impact

3.10.1 A benefits assessment review will be completed by North Ayrshire Council. The preferred intervention option indicates the following outputs/outcomes can be secured by the project by 2027. The Ekos Economic Assessment (2016) has been updated to support the OBC.

3.10.2 This section presents the detailed economic impact assessment. A summary and description of economic indicators and terminology used within the assessment is provided below.

3.10.3 Definitions

Employment

- **Full Time Equivalent (FTE) jobs** – used to measure the direct employment created as a result of the project, considered to be an equivalent post that is contracted to 30+ hours per week for a period of 10 years. It is assumed that 2 part-time jobs equals 1 full-time job; and
- **Person Year Equivalent (PYE) jobs** – this method allows the number of people on-site over the whole construction period (which will vary over the period between full-time, part-time, permanent, temporary and contract) to be estimated as an annual (or yearly) equivalent job – job years.

Economic Contribution

- **GVA** – a measure of economic output that considers the value of goods and services produced before allowing for depreciation or capital consumption. GVA measures the income generated by businesses after the subtraction of input costs, but before costs such as wages and capital investment.

$$\text{GVA} = \text{operating profit} + \text{staff costs} + \text{depreciation} + \text{amortisation}$$

Construction and operational GVA impacts are calculated using average sector coefficients from the Scottish Annual Business Statistics. This is undertaken separately and profiled over the 25-year project appraisal period.

In presenting the EIA results, all impacts have been rounded to avoid 'spurious accuracy' and all GVA figures have been discounted at 3.5% as per HM Treasury Green Book guidance. All annual employment estimates are rounded to the nearest 5, cumulative employment estimates to the nearest 10 and GVA estimates are rounded to the nearest £1m, unless noted otherwise.

3.10.4 Gross Impacts

The gross level impacts measure the overall change in the economy that are estimated to be generated through the project. These are reported below for the impacts associated with construction, tourism effects and housing.

Gross Construction Impacts

To estimate the gross impacts resulting from construction, a marine construction turnover to GVA ratio of 82%¹⁸ is utilised. To estimate employment a turnover per job coefficient of £171,494¹⁹ is utilised. The construction activity is expected to take place from 2020 to 2027 with associated capital expenditure phased as outlined in **Table 1**.

Table 1: Capital Expenditure

2020	2021	2022	2023	2024	2025	2026	2027
£0.25m	£0.25m	£3m	£5m	£4m	£1.5m	£1m	£1m

Table 2 summarises the gross PYEs and Gross Discounted GVA generated by marine construction activity. Note that these are one-off impacts.

Table 2: Gross Construction Impacts

Sector	PYEs	FTEs ²⁰	Gross Discounted GVA
Marine Construction	90	90	£12m

Gross Visitor Impacts (Tourism)

The impacts from the increased number of visitors are generated through:

- the increased spend in the area arising from a greater number of visitors drawn to North Ayrshire as a result of the new Great Harbour, including:
 - international overnight visitors
 - domestic overnight visitors; and
 - day trip visitors.
- subsequent creation of tourism jobs supported by visitor spend.

The Moffat Centre for Travel and Tourism Business Development visitor number estimates included in the OBC indicate that by 2027 there will be an additional 574,000 visitors and by 2032 an additional 1,014,000 visitors compared to a baseline.

We assumed the new visitors will have the same profile as historic data as indicated by the VisitScotland Ayrshire and Arran Factsheet 2018. We also assume spend per trip coefficients is in line with this same data. Visitor breakdown and coefficients are presented below in **Table 3**.

¹⁸ Scotland's Marine Economic Statistics, 2017.

¹⁹ Scotland's Marine Economic Statistics, 2017. Up rated to 2019 prices.

²⁰ PYEs are converted to FTEs based on Ayrshire construction sector (SIC07 section F) employment patterns sourced from NOMIS. It is assumed that 2 part-time employees equate to 1 FTE and that sole traders/proprietors equate to 1 FTE.

Table 3: Ayrshire and Arran Visitor Profile

Type of Visitor	Proportion of Total	Spend per Visitor
International Overnight	1%	£131.11
Domestic Overnight	6%	£56.59
Day Trip	93%	£37.23

A turnover per FTE coefficient of £102,900 is used to estimate FTE jobs created in the marine tourism sector, and a GVA per FTE coefficient of £23,677 is used to estimate GVA generated by visitor activity²¹.

Table 4 presents the anticipated gross FTEs generated by tourism activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 4: Visitor Impacts – Gross FTEs

	Average Annual	Peak Annual	25-year Cumulative
FTEs	300	390	7790

Table 5 presents the anticipated gross discounted GVA impacts directly associated with tourism. GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 5: Visitor Impacts – Gross Discounted GVA

	2035	2045
Gross Discounted GVA	£68m	£113m

Gross Housing Impacts

The impacts from the increased number of residents are generated through:

- One-off spend on household furnishings for new units; and
- Ongoing annual spend of new residents.

This spend will support job creation in the retail sector.

The project will create 25,000 sqm of new living space. Assuming a mix of 2 and 3 bedroom apartments at 75 sqm and 100 sqm respectively and a roughly even split, there will be 140 new 2 bedroom units and 145 new 3 bedroom units resulting in a total of 285 new units. As per the OBC, 11,000 sqm of living space or 125 units will be completed by 2027 with the remaining units completed by 2032. We assume a phased in occupancy profile, with all units occupied by 2034 and until the end of the appraisal period (2045).

Based on ONS data and adjusting for local spending patterns we estimated that each unit will spend £2,500 on furnishing the year it is first occupied, and spend an additional £6,500 annually.

Table 6 presents the anticipated gross FTEs generated by new household activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 6: Housing Impacts – Gross FTEs

	Average Annual	Peak Annual	25-year Cumulative
FTEs	10	15	240

Table 7 presents the anticipated economic impacts directly associated with new housing (retail sector employment). GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 7: Housing Impacts – Gross Discounted GVA

	2035	2045
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²¹ Based on Scottish Annual Business Statistics SIC07 divisions: 47, 55, and 56.

Gross Discounted GVA	£2m	£5m
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3.10.5 Net Impacts

The net level impacts measure the change that will be generated through the project, taking account of the knock-on effects within the economy – the additionality factors; deadweight, displacement, leakage and multipliers. Net effects are considered at the Ayrshire and Scotland geographic levels. Note that the net impacts presented in this section include direct, indirect and induced impacts.

Moving from Gross to Net Effects

- **deadweight/additionality** - the proportion of total outputs/outcomes that would have been secured anyway in the absence of the public sector intervention
- **leakage** - the number or proportion of outputs/outcomes that benefit economies outside the target geographies – local, regional, and national
- **displacement** - the number or proportion of outputs/outcomes that reduce outputs/outcomes elsewhere in within the target geographies. These effects can occur in product markets or in labour markets; and

These ‘additionality factors’ have been assessed based on the following ready reckoner:

Additionality Factors Ready Reckoner	
None/ Negligible	0%
Low	up to 25%
Moderate	26% - 50%
High	51% - 75%
Very high	76% - 100%

- **multipliers** - supply chain and income effects. These are sourced from Scottish Input/Output Tables. It is assumed that Ayrshire level multipliers are 50% of the Scottish level multipliers.
- After adjusting for additionality factors, this section presents the estimated Net Impacts generated by the project.

Net Marine Construction Impacts

Table 8 summarises the one-off net discounted marine construction impacts that could be generated by the project. Results are presented at the Ayrshire and Scotland levels.

Table 8: Net Discounted Marine Construction Impacts

Region	PYEs	FTEs ²²	Gross Discounted GVA
Ayrshire	50	50	£7m
Scotland	100	100	£14m

Net Visitor Impacts

Table 9 presents the anticipated net FTEs generated by tourism activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 9: Visitor Impacts – Net FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	140	180	3650
Scotland	110	145	2910

Table 10 summarises the net discounted GVA impacts that could be generated by the project through increased activity in the marine tourism sector. Results are presented at the 15-year and 25-year time horizons and at the Ayrshire and Scotland levels.

²² PYEs are converted to FTEs based on Ayrshire construction sector (SIC07 section F) employment patterns sourced from NOMIS. It is assumed that 2 part-time employees equate to 1 FTE and that sole traders/proprietors equate to 1 FTE.

Table 10: Visitor Impacts – Net Discounted GVA

Region	2035	2045
Ayrshire	£34m	£57m
Scotland	£29m	£48m

Net Housing Impacts

Table 11 presents the anticipated net FTEs generated by expenditure from new housing units (retail sector employment). FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 11: Housing Impacts – Net FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	4	6	100
Scotland	2	3	40

Note: Average annual and peak FTEs round to the nearest whole.

Table 12 presents the anticipated net GVA generated by expenditure from new housing units (retail sector GVA). GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 12: Housing Impacts – Net Discounted GVA

Region	2035	2045
Ayrshire	£1m	£2m
Scotland	£0.5m	£1m

Note: Figures rounded to the nearest £0.5m.

Net Ongoing Impacts

Tables 13 and 14 summarise the net ongoing FTEs (sum of visitor and housing generated FTEs) and net ongoing GVA (sum of visitor and housing generated GVA), respectively.

Table 13: Net Ongoing FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	145	190	3750
Scotland	115	150	2950

Table 14: Net Discounted Ongoing GVA (Cumulative, at 15 and 25 years)

Region	2035	2045
Ayrshire	£35m	£60m
Scotland	£29m	£49m

3.10.6 Ayrshire Growth Deal and Leveraged Investment

Assuming that the total cost of the project is £16m with £14m invested through the Ayrshire Growth Deal (AGD) and a further £2m through private leveraged investment (LI), we calculate the net impacts attributed to each funding sourced based on their respective proportion of the total project cost.

Table 15 presents net construction impacts (PYEs, FTEs, GVA) which are attributed to AGD and leveraged investment contributions.

Table 15: Attribution of Net Construction Impacts

Region	PYEs		FTEs		GVA	
	AGD	LI	AGD	LI	AGD	LI
Ayrshire	50	10	40	10	£6m	£1m
Scotland	90	10	8	10	£12m	£2m

Table 16 presents net ongoing impacts (average annual FTEs, 25-year cumulative FTEs, and 25-year cumulative GVA) which are attributed to AGD and leveraged investment contributions.

Table 16: Attribution of Net Ongoing Impacts

Region	Average Annual		25-year Cumulative		GVA	
	AGD	LI	AGD	LI	AGD	LI

Ayrshire	125	20	3250	490	£52m	£8m
Scotland	100	15	2570	390	£43m	£6m

3.10.7 Impact Ratio and Cost per FTE Job

The total (construction plus ongoing) discounted net GVA benefits are assessed against the total discounted public sector costs. The ratios for are presented below in **Table 17**, overleaf, for the Ayrshire and Scotland levels and at the 15-year and 25-year time horizons.

Table 17: Impact Ratios

Region		2035	2045
Ayrshire	GVA Benefit	£42m	£67m
	Public Sector Cost	£12m	£12m
	Impact Ratio	3.4	5.4
Scotland	GVA Benefit	£43m	£63m
	Public Sector Cost	£12m	£12m
	Impact Ratio	3.5	5.1

Note: GVA and cost figures round to nearest £m. Impact ratio based on non-rounded values.

Table 18 presents cost per FTE job estimates and the Ayrshire and Scotland levels and at 15 years and 25 years.

Table 18: Cost per FTE Job

Region		2035	2045
Ayrshire	FTEs	1880	3650
	Public Sector Cost	£12m	£12m
	Cost per FTE	£7,000	£3,000
Scotland	FTEs	1480	2950
	Public Sector Cost	£12m	£12m
	Cost per FTE	£8,000	£4,000

3.10.8 Wider Benefits

The project delivers a high number of jobs (3650 FTEs) over 25 years to Ayrshire many of which will be located in Irvine where 23 of its 45 data zones are amongst the top 20% most deprived in Scotland (SIMD 2020). NAC's Community Wealth Building programme will work alongside the Great Harbour Project Board to identify and deliver inclusive growth benefits targeting special needs and improving access to jobs, skills, training, etc. Creating employment opportunities in highly deprived areas is consistent with Scottish Government's inclusive growth goals.

Further, the types of jobs created by the project are primarily in retail and accommodation which are medium to low skilled and therefore be accessible to the local labour force. Also of note is the potential population increase driven by the new housing development which, under full occupancy, could support approximately 700 new residents.

4.0 COMMERCIAL CASE

4.1 Commercial Case

- 4.1.1 This commercial case for delivery of the project sets out the involvement of other parties and identifies the key challenges and risks. The project investment is on land owned by NAC. No land transfers or acquisition is required. NAC will deliver the project which is primarily a regeneration and infrastructure project with any market elements (open market housing / commercial workshop space) set within a Market Economy Investor Principle arrangement (MEIP).
- 4.1.2 Engagement along with an on-going activity around consultation and coordination with key public and private sector stakeholders (NAC Regulatory Services / NPL / NMMS / CPP / Crown Estates / Marine Scotland / Local Stakeholder Groups /etc) is well advanced and will be maintained ensure the project is delivered and coordinated with wider programmes and stakeholder interests. Key stakeholders with an interest in the marine infrastructure design (Marine Scotland, Scottish Environment Protection Agency (SEPA) / NAC Planning, and other stakeholders will continue to influence the development of the project and the environmental mitigation measures associated with the infrastructure.
- 4.1.3 A Basis of Design document was developed for the project in November 2016. Its purpose is to define the Basis of Design for the Concept Design of the strategic infrastructure works required for the site and be the approved source of input data for the project team. It defines the criteria to be used for the design of each element of the works as follows:
- Public Realm Destination Waterfront;
 - Marine and Land-Based Engineering
 - Regeneration (Neighbourhoods / Community Enterprise/ Visitor Facilities)
 - Active Travel & Green Networks
- 4.1.4 Within the Council, the delivery specification is being determined in accordance with the requirements of the various regulatory and service departments involved in the project, including:
- Growth and Investment Directorate
 - Place Directorate
 - Economic / Commercial Development
 - Planning and Building Standards
 - Technical Services
 - Environment
 - Estates
 - Communities Directorate
 - Connected Communities
 - Education
 - Health & Social Care Partnership
 - Finance & Corporate Support
 - Corporate and Legal
 - Audit
 - Procurement
- 4.1.5 The Basis of Design and the wider output specification will continue to be developed with these partners as the proposals for delivery are developed in more detail following approval of this OBC.

4.2 Project Partnership NAC /NPL

North Ayrshire Council has developed a partnership agreement with NPL Group. The partnership agreement was approved by NAC and NPL Board during June 2019 and establishes a partnership framework for investment in Harbourside and the Great Harbour project. The Partnership provides for:

- A joint approach to masterplanning both Ardeer Peninsula and Irvine Harbour
- A commitment to considering the development of future commercial activity
- An agreed approach re destination synergies
- An approach based on maximising external funding opportunities

The partnership agreement is provided in the Appendix A.

NPL Group (UK) Ltd (Company number SC444462) have a long-term interest in developing the Great Harbour (both Harbourside and Ardeer). NPL Group's registered office address is First Floor, 183 St. Vincent Street, Glasgow, G2 5QD. NPL Group is the UK's leading group of privately-owned brownfield regeneration, remediation and land development companies. For 20 years, this privately owned group of companies has been carefully put together, refined to create a clear strategy and supported by a simple and repeatable business model. NPL's portfolio covers the entirety of the UK across a multitude of client sectors where a strong covenant to manage liability exits for FTSE 100 companies has and continues to provide the company with a constant stream of land opportunities.

NPL Developments (separate company in the NPL Group) is able to draw on the expertise and resources of the Group to complement its activities and optimum use of land. NPL Developments delivers high-profile residential, commercial, industrial and retail development projects throughout the UK. Our inclusive, non-confrontational partnership approach results in the optimum use of land coupled with benefits for local communities. NPL Developments has a focus on regeneration, developing sites both on NPL owned assets and in partnership with landowners. NPL Developments adds significant uplift value to land. We forge strong partnerships with a variety of clients and retain a commitment to the communities we work with.

NPL Developments are seeking within the partnership to advance:

- Open-market residential waterfront housing
- Supporting retail and mixed use and commercial development
- Leisure and tourism-based developments
- Marketing / promotion of the Big Idea site / Investment & Redevelopment incl. immediate environs

4.3 Project Delivery - Direct Deliverables

- 4.3.1 The project will be delivered by the partners and be led by NAC Place Team. NAC through the Place Team will have overall Project Management responsibility for all elements of the project. NAC through the Place Team will develop and implement the Contract Works for the project core infrastructure.
- 4.3.2 The infrastructure created or upgraded by the project will be adopted as public assets on completion, including the both marine and land-based infrastructure with associated
- 4.3.3 Project management and the construction of all project elements will be procured and managed by NAC. The works comprising this project will be defined into a single major works contract delivered within a NEC3 Form of Contract.
- 4.3.4 The project is expected to be delivered in the period from 2022 to 2027 with the facility and wider regeneration programmes fully operational by 2027.

4.4 Funding Options and Payment Arrangements

- 4.41 Partnership working, marketing and discussions with NPL Group will help enable additional investment within the Great Harbour at the national level will be advanced post OBC.

- 4.4.2 Payments to external parties (i.e. contractors, etc.) will be made upon the satisfactory completion of tasks and upon the reaching of pre-agreed milestone points in the project. The exact payment points will be agreed between NAC and its appointed contractors in accordance with the terms and conditions agreed at appointment and the requirements of the Construction Act.

4.5 Risk Allocation and Transfer

- 4.5.1 NAC have ownership of the majority of the identified risks as defined in the Risk Register attached as Appendix. However, in some instances the ownership of risks is also shared with key stakeholders. As project promoter NAC takes responsibility for overall risk management and mitigation throughout the project delivery process. The outline of the currently identified risk categories along with more generic risks associated with a project are set out over:

- 4.5.2 Risk management and the advance awareness and management of risk are the active part of the Risk Register that identifies the approach to mitigation and the risk owners. The Risk Register is a multi-user live document managed and maintained by the Project Manager with inputs from all design/ planning and delivery teams.

- 4.5.3 The Risk Register is pro-active and identifies mitigation measures and control actions with key issues advised to the Project Board. The Great Harbour top 5 risks to successful implementation are:

- Consensus across Partners / Stakeholders / Community cannot be secured on detailed aspects of the masterplan and the integration of public realm, waterfront, new housing and amended streetscape
- Project outcomes and KPI's fail to be delivered with investment not securing more inclusive growth and/or reducing poverty by increasing the income of people in deprived areas or protected characteristic groups
- Changes to capital costs including impact of Covid-19 on costs/programme and/or associated with changing scope or inappropriately quantified cost provisions and allowances for Optimism Bias (OB)
- Agreement on technical approach to quays / pontoons and land connections cannot be agreed with key stakeholders (e.g. MS-LOT/ NAC Planning creates timescale delays).
- Revenue implications and Business Case provisions not satisfied. Covid-19 and any AGD/Council/Partners delays decision on approval of Business Case as project progresses. The Covid epidemic (Feb 2021 remains a major risk to private sector / hospitality and leisure investment across Ayrshire. Time periods and the scale/nature of recovery are not possible to define at this time. Impacts may be longer term and increase levels of risk to the programme and delivery of outcomes. Private sector investment is anticipated to be adversely impacted. Specific impacts on the Great Harbour are primarily post 2027 impacts on leverage investment in the Big Idea and Ardeer Bridgehead. Redirection of arts and Lottery Funding may impact on NMMS proposals.

- 4.5.4 Detail on risk management, summary risk registers, arrangements for risk transfer and risk management and mitigation are provided in the Commercial Case (Section 4.0)

DELIVERING REGENERATION – All Project elements Risk Assessment

AGD Projects	Project	AGD Funded	Partnership Risk	Funding Risk	Delivery Risk	Governance Risk	Outcomes Risk
Maritime Mile	Waterfront Public Realm	Yes					
	Harbour Gateway	Yes					
	Community Marina	Yes					
	Plaza / SHIP Hub	Yes					
	Pilot House / Play	Yes					
Area Regeneration	Public Housing +CH	No					
	CWB / IG Outcomes - CEF	Yes					
	Open Market Homes	No					
	Hotel /Retail / Enterprise	No					
	SME Bus. Upgrades	No					
	Site Infr/Abnormals	Yes					
	W'shop/Artisan Units	Yes					
Ardeer	Community Ent. Fund	Yes					
	Big Idea – Nat. Play	No					
	Big Idea Resort Village	No					
Low Risk		Medium Risk		High Risk			

RISKS AND MITIGATIONS

RISK	MITIGATION
Consensus across Partners / Stakeholders / Community Bodies or regulatory and consenting authorities not secured	NAC have completed a formal Partnership Agreement between NAC /NPL and agree a joint masterplan approach. The next step is to develop a Development Agreement to frame commercial/operational detail around investment. Next Steps in engagement and integration of LOIP/Community Planning needs to address wider vision and address issue of housing and investment at Big Idea
Project outcomes and KPI's fail to be delivered with investment not securing more inclusive growth and/or reducing poverty by increasing the income of people in deprived areas or protected characteristic groups	The AGD Programme Management Office is currently working with AGD Project Leads to develop a consistent programme approach to ensure that inclusive growth, equalities and community wealth building outcomes are embedded in each AGD business case. This approach will ensure explicit commitment to how the project will achieve inclusive growth and reduce inequality.
Changes to capital costs associated with changing scope or inappropriately quantified cost provisions and allowances for Optimism Bias (OB)	Detailed Technical Studies to inform design and a fully detailed / itemised cost plan with formal calculation of OB based on technical studies. NAC undertaken further 2020-2021 Cost & Design Review. Costs include Contingency & OB. Approved in formal RIBA Stage 2 Gateway. Future Design Team to include Cost Consultancy Detailed assessment of Contingency & OB
Agreement on technical approach to quays / pontoons and land connections cannot be agreed with key stakeholders (e.g. MS-LOT/ Planning creates timescale delays;	Development of Partnership / Operator Plan and detailed GANTT Programme Ensuring programme allows time for engagement and approvals. PPiP route minimises risks and ensures full engagement with statutory bodies and community. NAC in discussion with Harbour Authority. Dev Briefs drafted for Gt Harbour.
Revenue implications and Business Case provisions not satisfied. PMO/Council delays decision on approval of Business Case AGD Business Case Fails	Development of OBC in accordance with Green Book guidance Partner/Stakeholder Risk Assessment to include early market input/ partner & commercial review by Board. Review CAPEX and OPEX costs

	NAC require OBC Approvals to advance Next Stages. Delays impacts on programme. Review Governance arrangements and develop Development Agreement (NAC/NPL)
Project delay and macro-economic impact of Covid-19 and recovery. Covid-19 Impacts on contract values/ programme	Although there may be some delay to project arising from Covid 19 recovery, early analysis identifies that the need for the project is unlikely to be diminished (in fact the need may be greater). Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the facility meets needs.
Topic / Project Element	Risk Owner
Maritime Mile Packages	
Inclusive Growth Benefits / Community Wealth Building	NAC
Design Proposals	NAC
Commissioning / Internal Approvals / OBC Approval / Political	NAC
Facility /Destination Management & Operation	NAC
Demand / Residual value	NAC
Delay to programme due to number of Governance levels - Board, Council, PMO, AGD	NAC
Agreement on technical approach with key stakeholders creates timescale delays	NAC
Detailed design / site investigations /technical reviews reveal conditions that will significantly	NAC
New facility fails to deliver the desired levels of economic activity and GVA forecast	NAC
Insufficient funding due to unforeseen complexity site	NAC
Necessary statutory approvals for development cannot be gained or are delayed	NAC
Excessive liabilities associated with contaminated land / marine sediments	NAC
Environmental constraints (e.g. Designations) critically limits the extent	NAC
Procurement / Contract Appointment / Contract default risks	NAC
Operational Management / Safety / Maintenance Liability	NAC
Community Regeneration Packages	
Community engagement extended and delays agreement on scope of packages	NAC
Community engagement seeks significant amendments to proposals	NAC
Additional project ideas require additional time / amendment to programme	NAC
Community Enterprise terms / arrangements not supported	NAC
Additional groups seek engagement / New proposals require testing	NAC
Commercial / Regeneration Packages	
Masterplanning / PPiP Delivery / Approvals	NAC / NPL
Community engagement seeks significant change /amendment to proposals	NAC/ NPL
Design Proposals (Housing & Commercial) and Detailed Approvals	NPL / Other
Demand / Commercial Viability / Residual Values	NPL / Other
Contract default	NPL
Delay to programme due to number of Governance levels - Board, Council, PMO, AGD	NAC/NPL
Insufficient funding due to unforeseen complexity site	NPL
Necessary statutory approvals for development cannot be gained or are delayed	NPL
Excessive liabilities associated with contaminated land	NPL/NAC
Environmental constraints (e.g. Designations) critically limits the extent	NPL/NAC
Construction Delivery / Safety / Maintenance Liability	NPL

- 4.5.5 The Risk Register will be kept under regular review during the project development, detailed design and implementation. The Risk Register is maintained by the Project Manager. During this period some risks may be dealt with and closed off from the Risk Register, new risks may be identified, or ownership of risks may be reallocated. The Risk Register will consequently be a live document and risk ownership could consequently change.

4.6 Procurement and Community Benefits Strategy

4.6.1 The procurement strategy forms part of the project development and is integrated in the gateway approval stages for projects.

4.6.2 Industry standard terms and conditions will be utilised, with suitable Client amendments to reflect appropriate risk positions, most likely NEC3; Contracts will be evaluated on the basis of the Most Economically Advantageous Tender.

4.6.3 The AGD Programme Management Office is currently working with AGD Project Leads to develop a consistent programme approach to ensure that inclusive growth, equalities, and community wealth building outcomes are embedded in each AGD business case. This approach will ensure explicit commitment to how the project will achieve inclusive growth and reduce inequality. Procurement and contract arrangements to secure inclusive community benefits and ensure fair working practices will follow the AGD Procurement Strategy and the AGD Community Benefits Strategy. Community Benefits will be standardised across the three authorities. The Project will be delivered and managed NAC. All contract opportunities will be advertised via the Public Contracts Scotland portal/website Inclusive growth benefits are highlighted in Appendix H.

4.7 Contracting Arrangements

4.7.1 Project management and the construction of all project elements will be procured and managed by NAC. The works comprising this project will be defined into a single major works contract delivered within a NEC3 Form of Contract. The contract will take the form of a Traditional Contract with B&Q and priced schedules to minimise risk and reflect the scope of works.

4.8 Community Benefits

4.8.1 The nature of the work involved in the Maritime Mile; Residential Housing; Wharf & Quay Upgrades; Public Realm will generate a range of opportunities for skills development, training, work experience, apprenticeship and full-time work opportunities as well as potential for progression between them particularly associated with the residential works and building related work packages. Community benefits can include a wide range of social, environmental and economic initiatives which are secured as part of a public-sector procurement exercise. Often the most tangible benefits are those secured through targeted employment and support for small and medium enterprises.

4.8.2 Skills development, training and recruitment mechanisms to engage the long-term or young unemployed to take up the opportunities are an important part of the contract arrangements and the development of a Community Wealth and Project Outcomes Benefit Plan.

The contract will require tenderers to submit clear and deliverable proposals on the community benefit programme / Community wealth building measures and coordination of pre-employability programmes ahead of site work. Detail will be confirmed in the FBC Benefits Realisation Plan Monitoring of community benefit outcomes will be undertaken as part of specific contract management processes and reported to the PMO as part of the contract reporting obligations. Community Benefit will include:

- Developing contract links with employment and jobs
- Creating employment and skills access supporting inclusive growth
- Creating opportunities for young people and trainee / apprenticeship positions
- Creating opportunity for SME businesses and local supply chains
- Supporting Locality Planning (LOIP) outcomes
- Protecting and enhancing environmental assets

4.8.3 All relevant consultant appointments include contractual obligations to provide relevant community benefits. Community benefits included within this project include work placement training, school visits, and careers events.

5.0 FINANCIAL CASE

5.1 Overall Project Approval

- 5.1.1 The project has been identified £16.0million. The Outline Business Case submission has been ratified by the Executive Leadership Team of NAC in November 2019.
- 5.1.2 The project has been developed post the 2017 Outline Business Case to further develop the options and optimise the scope of investment packages, dependencies and relationship with area regeneration.
- 5.1.3 Detailed engagement with stakeholders and specifically NPL / Community Planning Partners / ED&R Board and community stakeholders has allowed design development to be progressed building on technical studies/ proof of concept and design development.

Investment Costs	Outline Business Case Stage (OBC) 2017	Outline Business Case Stage (OBC Oct 2019-21)
AGD Scottish Government Funding	£48 million	£9.0 million
AGD North Ayrshire Council Funding	£0 million	£5.000 million
Partner Funding / 3 rd Sector <small>SCLF to be confirmed</small>	£TBC million	£2.0m
TOTAL	£48 million	£16.00 million

- 5.1.4 Costs are inclusive of allowances for optimism bias (Landside/Marine 10-25%) and contract contingency (10%) which provide mitigation against project and design risks. These reflect the level of detail and technical / site investigation studies to date as assessed and reported by the Lead Consultant. Cost estimates have been updated alongside design development (RIBA Stage 2) for the OBC. Engineering and QS estimates include for consultancy fees, project management and monitoring requirements. NAC have reviewed the cost plan (Regeneration / PMI Team and consider it robust.

5.2 Summary of Project Costs (Tables in Blue now Superseded)

- 5.2.1 The initial capital cost estimates for the project were established during preliminary studies to establish the AGD project costs in 2017. A Cost review has been undertaken and Cost updated to 2021 (see Tables 5.3) Development work for the project has included:
- Site Investigations
 - Marine Assessment – Irvine & Garnock
 - Structural / Quay Wall and Gabion Engineering Assessments
 - Design Development to RIBA Stage 2
 - Project Programme and Contract Assessment
 - Design & Cost Review (RIBA Stage 2a) / Board & Council Gateway Approvals
- 5.2.2 Detailed technical assessments have informed the understanding allowing for updated and revised capital costs for a mid-point programme construction year of 2022/23. Cost estimates are presented below. NAC are committed to delivering the project within the available budget. It is envisaged that the budget of £16.0m will be sufficient but if the detailed design work highlights additional items a detailed staged Value Engineering process will be initiated with a view to restoring the project to budget. All cost and cost risk will be reported to the Council and PMO through the OBC/FBC stages.

2019/2020 Cost plan – Superseded

MARITIME MILE (PHASE 1) Item LUC/Cost Based to 2023/2024 LUC / NAC Cost Plan 2019	Optimis m Bias (%)	Optimism Bias (£m 2017)	Summary Cost
1. Maritime Mile Package			
Montgomery Street - Railway Zone	10	163,155	£1.16m
Site Prep			
Hard Surfaces & Paths			
Infrastructure			
Features & Detailing			
Maritime Museum Zone	20		£0.45m
Features & Detailing			
Puffer Café Water Zone	20-25		£4.36m
Site Prep			
Hard Surfaces & Paths			
Infrastructure			
Features & Detailing			
Ship Inn Plaza	10		£2.94m
Site Prep			
Hard Surfaces & Paths			
Infrastructure			
Features & Detailing			
Wharf to Inventors Bridge	10		£1.85m
Site Prep			
Hard Surfaces & Paths			
Infrastructure			
Features & Detailing			
Contingency			£incl.
Fees & Associated Costs			£incl.
PROJECT TOTAL			£10.8m

- 5.2.3 A number of capital cost items are provisional. These are subject to ongoing design work, (dredging detail / pontoon ask / environmental mitigation and it is not possible to fully quantify the construction costs of them at this time. OB provides cover for cost risk.

COMMUNITY ENTERPRISE (PHASE 2) Item NAC Q4 2019 Cost Plan	Optimis m Bias (%)	Optimism Bias (£m 2017)	Summary Cost
2. Community Enterprise /			
Community Enterprise Fund	0		£250,000
Development Officer Part-time			
Community Projects			
Coastal Walkway	20		£750,000
Connections to NCR 7			
Inventors Bridge Upgrade			
Sky Park	20		£1,600,000
Site Prep			
Infrastructure			
Play Facility			
Contingency			£340,000
Fees & Associated Costs			£312,000
PROJECT TOTAL			£3,252,000

ENABLING INFRASTRUCTURE (PHASE 3) Item NAC Q4 2019 Cost Plan	Optimis m Bias (%)	Optimism Bias (£m 2017)	Summary Cost
3. Infrastructure			
Enabling Infrastructure	20		£1,000,000
Site Prep / Abnormals			
Site Servicing			
Workshop Units	20		£700,000
Artisan Workshop / Craft Units 500m ²			
Servicing Fit-Out			
Contingency (£169,000
Fees & Associated Costs			£70,000
PROJECT TOTAL			£1,948,000

5.3 NAC COST REPORT UPDATE – Great Harbour & Maritime Mile 2021

Post Deal Ratification – Design Development Cost Review - Replaces previous Tables.

Maritime Mile (Phase 1)			
AGD Fund Allocation DEC 2020		Costs for Concept Design Review 2021	
Item LUC/Cost Based to 2023/2024 LUC / NAC Cost Plan 2019 Maritime Mile Cost Review 2020	Summary Cost Approved OBC V20	Description	Cost Estimates Feb 2021
Montgomery St - Railway <i>Incl:</i> Deep clean & maintenance	£1.16M	Montgomery St – Station <i>Incl:</i> Wayfinding Signage Pavement Graphics	£0.107M
Maritime Museum Zone <i>Incl:</i> Deep clean & maintenance	£0.45M	M Museum Connection <i>Incl:</i> Wayfinding Signage Pavement Graphics Cleaning	£0.107M
NMMS @ Puffer Café <i>Incl:</i> Site Prep Hardsurface & Paths Infrastructure Features & Detailing	£4.36M	Harbour HUB <i>Incl:</i> Site Prep Hardworks & Street Furniture Signage & Wayfinding New Deck & pontoons Slipway Repairs Features & Detailing Kiosk & Winch building Refurb Lighting Dredging <i>Excl:</i> Café/Gallery Building & Utilities Repairs to Harbour Wall Modifications to Puffer Café	£6.157M
Ship Inn Plaza to Wharf <i>Incl:</i> Site Prep Hard Surfaces & Paths Infrastructure Features & Detailing	£2.94M	Marina/Arts HUB <i>Incl:</i> Site Prep Hardworks & Street Furniture Signage & Wayfinding New Plaza & HMO Square River Terrace & Deck Dry Foot pontoons Slipway Repairs Features & Detailing Kiosk Refurb Lighting	£3.395M

		Off-Street Car Parking <i>Excl:</i> Wharf Repairs/Removal New pontoons/ Repairs Harbour Wall Repairs	
Wharf to Coast <i>Incl:</i> Site Prep Hard Surfaces & Paths Infrastructure Features & Detailing	£1.85m	Connecting Link <i>Incl:</i> Site Prep Signage & Wayfinding Street Furniture Lighting	£0.268M
<i>Inclusions</i> Design Contingency Fees & Associated Costs PM Costs Optimism Bias <i>Exclusions</i> Construction Inflation		<i>Inclusions</i> Design Contingency Fees/Associated Costs 10% PM Costs 5% Optimism Bias <i>Exclusions</i> Construction Inflation	£ incl £ incl £ incl £ incl
Project Total Phase 1	£10.8M	Project Total Phase 1	£10.034M
Balance c/o to Phase 2	£0.776M		

Community Enterprise (Phase 2)

AGD Fund Allocation DEC 20		Costs for Concept Design Review 2021	
Item NAC Q4 2019 Cost Plan	Summary Cost Approved OBC V20	Description	Cost Estimates Feb 2021
Community Enterprise Fund Development Officer (part-time) Community Projects	£0.25M	excl	0
Coastal Walkway Connections to NCR 7 Inventors Bridge Upgrade	£0.75M	Coastal HUB Beach Park Play Facility Pilot House Park Connections	£1.945M
Sky Park – Play Facility	£1.60M		
Design Contingency	£0.34M	Contractors Prelims Design Contingency Construction Inflation Optimum Bias	£1.15M
Fees & Associated Costs	£0.31M	Fees/Associated Costs NAC PM Costs	£0.377M
Project sub-total Phase 2	£3.25M	Public Realm Total Phase 2	£3.472M
Balance from Phase 1	+£0.776M		

Revised Total Phase 2	£4.016M	Public Realm Total Phase 2	£3.472M
Balance within Phase 2	£0.544M		
Phase 3 (Infrastructure)			
AGD Fund Allocation DEC 20		Costs for Concept Design Review 2021	
ENABLING INFRASTRUCTURE (PHASE 3) Item NAC Q4 2019 Cost Plan	Summary Cost Approved OBC V20	Description	Cost Estimates Feb 2021
Enabling Infrastructure Road Realignment Car Parking	£1.0M	Excl	£0
NMMS & Great Harbour NMMS Gallery/Workshop / Craft Units	£0.7M	Excl	£0
		Excl	
Contingency	£0.17M	Excl	£0
Fees & Associated Costs	£0.07M	Excl	£0
PROJECT TOTAL	£1.948M	No spend	£0

5.3 Project Finance Summary

Project Finance Overview		
Business Case Cost Plan		Sum £ Totals
Great Harbour Project		
Approved Baseline Project		£14,000,000
AGD Heads of Terms (S Govt) Approval		£9,000,000
NAC Cabinet Funding Approvals		£5,000,000
Private/3 rd Sector (SCLF – to be confirmed)		£2,000,000
Project Budget		£16,000,000
AGD Direct Investment in AGD Supported Projects		
AGD Growth Deal Grant		£9,000,000
Council Funding		£5,000,000
Third Party Contributions (SCLF- to be confirmed)		£2,000,000
Total Available Funding		£16,000,000
Section 3 - Summary of Project Costs		
Phase 1 – Maritime Mile	£10,800,000	LUC / NAC Cost Plan 2019
Phase 2 – Community Enterprise	£3,252,000	
Phase 3 – Enabling Infrastructure	£1,948,000	
Optimism Bias 15-25%		
Total	£16,000,000	
Phasing of Project Expenditure		
Year		
1	2020-2021	£0
2	2021-2022	£1,250,000
3	2022-2023	£3,000,000
4	2023-2024	£4,250,000
5	2024-2025	£4,000,000

6	2025-2026	£1,500,000
7	2026-2027	£1,000,000
8	2027-2028	£1,000,000
	Total	£16,000,000
Project Expenditure on Non-Council Assets		
Estimated Expenditure on Assets not Council Owned (third party land acquisition costs)		£0.00
Section 4 - Ongoing Revenue Implications		
Full Year Revenue/ Operational Implications		Detailed in FBC
Main Financial Dependencies		
<ul style="list-style-type: none"> • NAC Approvals • Capital Funding from the AGD secured through FBC Approvals • Achievement of milestones as defined by linked to funding of AGD • Finalising agreement on SLCF investment of £2.0m as eligible works (NPL) 		

Main Financial Risks
<ul style="list-style-type: none"> ■ Design / Technical Studies add costs beyond OB/ Contingency ■ Slippage or delay in the programme incurring additional costs ■ Insufficient funding and/or additional funding requirement due to unforeseen complexity ■ Insufficient availability of non-financial resources for project delivery ■ Risk of key milestones/outcomes not being achieved ■ Risk that the project does not proceed as an AGD project thereby any costs incurred fall fully on NAC

5.3.1 *Expenditure on Assets Not Council Owned*

All land is owned by NAC or the NMMS (Scottish Government)

5.3.2 *Ongoing Revenue Implications*

Maintenance and management of public realm Marine boardwalk and areas of civic and amenity space. NAC costs linked to Place – Maintenance of Physical Environment.

5.4 **Main Financial Dependencies & Risks**

5.4.1 The project is dependent upon the funding from the AGD and NAC. Contingency sums and Optimism Bias (OB) of an appropriate level to the scale and complexity of the works OBC stage levels are calculated at +25% for marine works and 15%+ for landside. These are additional to contingency/ preliminaries within the contract cost estimates.

5.4.2 The Financial Risks have been set out in detail in the Risk Register in Appendix.

6.0 MANAGEMENT CASE

6.1 Project Governance

6.1.1 In 2018, the Ayrshire Councils agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal. This included a commitment to:

- promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland.
- provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to disperse monies on an Ayrshire basis.
- encourage the meaningful involvement of private sector partners as well as the public sector.
- adopt a structure that should be as simple as possible, but be capable of adaptation as required.
- recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.

6.1.2 What has been implemented is a structure which has a new Joint Committee with ultimate control over key strategic and investment decisions. This comprises of Councillors from the three authorities with some representation from partners and business. Below this is a Sub-Committee which will progress the day to day business of both the Regional Economic Partnership and Growth Deal. This Sub-committee comprises members from the Joint Committee, as well as more extensive representation other sectors. Standard narrative around programme governance below.

The three Ayrshire Councils (East, North and South) have agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Regional Economic Partnership, namely:

- to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland.
- to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to disperse monies on an Ayrshire basis.
- To encourage the meaningful involvement of private sector partners as well as the public sector.
- The structure should be as simple as possible, but be capable of adaptation as required; and
- To recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.

The governance for the AGD programme includes the following:

- The Economic Joint Committee – comprising Elected Members, representatives from SE, SDS, business and education.
- The Ayrshire Regional Economic Partnership Board – comprising Elected Members, representatives from public sector partners including SE, SDS, HIE, VisitScotland, HE, FE, the third sector and the business community.

These committees have oversight of the AGD both at a programme level and in terms of approval of detailed business cases for individual projects as well as continued monitoring and evaluation of the AGD programme post Deal document sign off.

It is anticipated that over time the 3 Councils will develop more regional responses to the needs of our businesses and communities to complement the AGD investment.

- 6.1.3 A Project Plan addressing the detailed project management and delivery of the Great Harbour project is in development by NAC. Resourcing and staff availability have not allowed all details of PM arrangement to be concluded at this time. Detail will be submitted post lodging of the OBC.

6.2 Financial Stewardship

- 6.2.1 East Ayrshire Council, as Accountable Body and Lead Authority, will implement and manage the financial procedures of the Ayrshire Growth Deal as agreed with both the UK and Scottish Governments. Senior officers from each Council and including East Ayrshire Council's Section 95 Officer will be tasked with providing assurance of the Ayrshire Growth Deal Programme finances and will ensure that all funding requirements are met. The financial management of the Growth Deal Programme will also reflect the financial regulations and procedures of East Ayrshire Council.

- 6.2.2 The Programme Management role within the Regional Economic Partnership team will be hosted by East Ayrshire Council and they will work collaboratively with all regional partners to ensure that the role of Accountable Body is aligned with all regional partners and to ensure that all partners fully understand their roles, responsibilities and obligations to the Ayrshire Growth Deal.

- 6.2.3 As the Accountable Body, East Ayrshire Council will provide a regularly updated and accessible view of the project finances for the duration of the Deal. The key responsibilities of project management function will include:

- Provision of such administrative and technical support services as may be required by the Economic Joint Committee and Ayrshire Regional Economic Partnership Board.
- Facilitating engagement with and by stakeholders.
- Monitoring, review and update the AGD Project Business Case.
- Scrutiny of proposed business cases and make recommendations to the REP and Economic Joint Committee.
- The team will provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such as other documentation as is required from time to time.

- 6.2.4 The team will analyse and report on the impact of the delivery of AGD projects and the overall AGD, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments.

6.3 Financial Controls and Procedures

- 6.3.1 East Ayrshire Council, as the Accountable Body has robust financial processes and procedures in place which will be applied to the management of this Deal funding. Roles, responsibilities and reporting lines will be clearly set out so that governments and partners understand the extent of the role of Accountable Body. The Accountable Body will report all financial information relating to the Ayrshire Growth Deal Programme on a quarterly basis to both Governments and to a format agreed by all partners at the outset. On an annual basis, a consolidated report on the AGD will be provided to both Governments – this will encapsulate the performance of the component projects against projected outputs and outcomes as well as presenting financial analysis against spend profiles. A system of change control will be implemented to ensure that any changes to forecasts and projections are reported in a consistent manner and through the Accountable Body as part of the quarterly and annual reporting processes.

- 6.3.3 The Accountable Body will ensure that both internal and external audit of the finances of the Ayrshire Growth Deal and these audit reports will be reported to the Economic Joint Committee, the Ayrshire Regional Economic Partnership Board, the UK and Scottish Governments and all partners. The Accountable Body will put in place an agreement with each Deal partner to ensure that the utilisation of grant funding for each individual project complies with the purpose of the grant as set out in the terms and conditions of the grant offer between the Scottish Government and the Accountable Body. The AGD funding will only be released once full business cases have been approved by both the UK and Scottish Governments and payment will be retrospective on receipt of all required reporting and claims information. Financial profiles

within full business cases will be key to the payment of Deal funding across the project phases and annually.

6.4 NAC Management Procedures

- 6.4.1 NAC has established internal governance arrangements for the management of its AGD project(s) organised through Programme and Project Boards. The NAC Project Board has overall authority and responsibility for Project Delivery including the Business Case prior to submission to the NAC Executive Leadership Group for approval and prior to submission to the Programme Management Office (PMO).
- 6.4.2 The Board has a Project Management responsibility but no decision-making powers, except through the delegated powers possessed by officers in attendance. The Project Board provides a mechanism for accountable Project Management delivered by regular progress reporting and updates and coordination of all design teams and initiatives associated with infrastructure, employability, business and innovation strands. The Project Board will be responsible for coordinating activities and between officers and Elected Members. The AGD Project Board meets and reports to NAC Cabinet on a regular basis.

6.5 Project Responsibility

- 6.5.1 The AGD Project Board will co-ordinate the delivery of the project. The key project roles have been allocated as follows:

• Project Sponsor: NAC Chief Executive	Craig Hatton
• Project Director: NAC Executive Director Growth & Investment	Karen Yeomans
• Chief Financial Officer NAC Executive Director Finance & Corporate Support	Mark Boyd
• Senior Responsible Officer & Project Manager: NAC Manager: Tourism & Coastal Economy	George Hunter

- 6.5.2 The Project Sponsor leads the Executive Leadership Team with the Project Board Chaired by the Project Director and has overall authority for those matters delegated to officers to progress.

6.6 Risk Management (see Section 4.0)

- 6.6.1 All risks that could affect the successful implementation of the project have been identified and are set out in detail in the Risk Register attached as Appendix. This includes details of risk owners, risk evaluation and mitigation measures. The Risk Register is a dynamic document that provides a tool to manage and control risks in an open, accountable and auditable manner. The Risk Register is owned, reviewed and approved by the Project Board.
- 6.6.2 The Council has adopted an AGD Programme Risk Management Strategy which mirrors the wider AGD Risk Management Strategy and also complements the broad principles of NAC's Corporate Risk Management Strategy. The Council will adhere to the 'Escalating and Reporting Structure' as detailed in the Assurance Framework Part 3, Section 5.5. Roles and Responsibilities in relation to risk are outlined in the AGD Risk Management Strategy. The project will be managed in a comprehensive manner consistent with the AGD risk management requirements whilst also following internal risk management principles and procedures.

6.7 Scored Assessment, Risk Likelihood, Probability and Mitigating Actions

- 6.7.1 The detailed project Risk Register has been developed to identify project risks which are scored on initial and residual risk probability and impact. Key controls and procedures, mitigating actions, the lead responsibility and the timescale for regular review for each identified risk have also been identified. Risk

analysis, identification and estimation for the project have been undertaken. Risk estimation has been calculated by assigning values to the probability and impact of a risk against the set guidance criteria provided. The top five risks for the project have also been identified.

- 6.7.2 Existing, escalating or new risks are recorded and monitored by the Project Board. The Project Board maintain a formal Issues Log which is reviewed and updated regularly by the Project Manager. Monthly updates on project risks and issues are provided to the Programme Management Office through project status and issues log reporting.

6.8 Roles and Responsibilities

- 6.8.1 The project manager has overall responsibility for managing project risk, including keeping the project risk register and issues log up to date, regular reporting to the Project Board and to the Programme Management Office. The project manager will work closely with contract administrators during contract implementation periods to ensure that all risks and issues are identified, recorded and monitored; to identify and implement mitigation actions and to identify and record any programme and/or financial implications resulting from Early Warnings and Compensation Events.
- 6.8.2 North Ayrshire Council will procure and appoint a full Design Team (all professional services) to advance the Great Harbour Proposals to detailed implementation. The appointment will be a NEC-3 Professional Services Contract requiring a lead consultant supported by a full design team with full PI cover and including a commitment to Community Benefits. The scope will include:
- Project Management / Cost Consultancy / CDM – Principal Designer
 - Design Professionals (Landscape Architect / Engineer / Architect / Planner / Environment etc)
 - Consultation / Engagement / Regeneration specialist

6.9 Other Legal Matters for Consideration

- 6.9.1 *State Aid*
The project is considered to have no State Aid risk and would not fall within the State Aid rules. Investment with partners will follow Market Economy Investment Principle (MEIP) and will be set out within a Development Agreement to provide an accountable framework for commercial agreements, procurement and cost reporting.
- 6.9.2 *Competition*
There are no issues anticipated in relation to competition.
- 6.9.3 *Land Ownership*
Land is owned by NAC / NPL / NMMS
- 6.9.4 *Third Party Arrangements*
A Partnership Agreement has been agreed between NAC /NPL (see Appendix). The Partnership Agreement will be developed into a more formal project-based Development Agreement. Detail will be provided with FBC
- 6.9.5 *Legal Challenge*
No legal challenge to the project is anticipated.
- 6.9.6 *Local Authority Powers*
NAC possesses all the necessary powers to deliver this project.
The Council will use its powers, including under the Local Government (Scotland) Act 1973 or the Roads (Scotland) Act 1984, Local Government (Scotland) Act 1994 and the Local Government in Scotland Act 2003 as appropriate to deliver the project.

6.9.7 *Planning Permission / Other Consents*

There are no legal obstacles to the development of the project. The site is located on public land and allocated within the Local Development Plan for leisure use. An application for Planning Permission and a Marine Licence will be submitted in late 2019. The consenting process will include:

- Planning consent for the Maritime Mile and associated externals
- Harbour Order for Marine works incl. dredging
- Advertisement Application if required
- Listed Building Consent
- CAR Licence (SEPA)

6.9.8 *Environmental Impacts*

The environmental impacts of the project have been scoped and assessed. The proposal is to advance the Great Harbour Masterplan as a PPiP Planning Application. A detailed EIA Screening will be completed as part of the PPiP Application. Early dialogue with NAC Planning and Environmental/Technical Services (Place Directorate) has been undertaken.

The project will observe all obligations under relevant environmental legislation and all appropriate measures including the requisite legal agreements, licenses and mitigation plans will be undertaken to ensure compliance with all relevant environmental legislation and planning requirements.

Developments in the future may include development linked to the Big Idea and on land at Ardeer. These works and any adopted masterplan for the wider development of Ardeer would be envisaged to be advanced either through a PPiP Planning Application or as a Masterplan Proposal supported by a Strategic Environmental Assessment (SEA) / Environmental Impact Assessment (EIA) as appropriate.

Appendix A – NPL Partnership Agreement

Memorandum of Understanding

between

NPL (Scotland) Limited

and

North Ayrshire Council

re the Great Harbour Project

1 Definitions

In this Memorandum of Understanding the following defined terms are used:

Agreed Business Plan means a business plan agreed between the parties for the delivery of the Project or a phase of the Project, including details of the parties involved, funding, timescales and governance required to deliver the Project or phase thereof.

Ayrshire Growth Deal or **AGD** means the joint commitment of East Ayrshire Council, North Ayrshire Council, South Ayrshire Council the Scottish and UK Governments to work collaboratively to deliver a Deal that will help transform the Ayrshire economy, as more particularly detailed in the Heads of Terms entered into between these parties dated 8 March 2019.

Ayrshire Growth Deal Funding or **AGD Funding** refers to the commitment under the heading 'Tourism Programme' in the aforementioned Heads of Terms dated 8 March 2019 for the Scottish Government to invest up to £9million for the development and regeneration of the Great Harbour, Irvine Harbourside and Ardeer, alongside an additional £4 million from North Ayrshire Council to create a unique coastal destination comprising a number of key assets to attract new visitors to the area and create jobs. This will include £6 million for the Maritime Mile, which will fund public realm improvements, waterfront pontoons and wharf redevelopment works, helping to create an animated and aspirational waterfront. These commitments are subject to obtaining the approval of the Ayrshire Economic Joint Committee to a final business case for the project.

Execution Date means the date following agreement of an Agreed Business Plan, on which a formal joint venture agreement and other associated documentation in connection with formation of the LLP and the joint venture between NPL and NAC is executed on behalf of NPL and NAC;

Great Harbour means Irvine Harbour and wider areas in the vicinity thereof, including the Property;

Irvine Harbour means the area under the control of NPL as harbour authority;

LLP means a limited liability partnership to be formed by NPL and NAC and used as the corporate vehicle for the joint venture;

Masterplan means the overall plan for the Project

MOU means this Memorandum of Understanding;

NAC means North Ayrshire Council, a local authority constituted in terms of the Local Government etc. (Scotland) Act 1994 and having its headquarters at Cunninghame House, Friarscroft, Irvine KA12 8EE;

NAC Property means those parts of the ground shown delineated in red on the plan annexed hereto which are either owned or under the control of NAC, which areas lie on the south bank of the river Irvine and are known as the Maritime Mile and/or Harbourside, Irvine;

NPL means NPL (Scotland) Limited, a company incorporated in Scotland with Registered No. SC269486 and having its Registered Office at 1st floor, 183 St Vincent Street, Glasgow, G2 5QD;

NPL Property means those parts of the ground shown delineated in red on the plan annexed hereto which are either owned by NPL or lying under its control as harbour authority for Irvine Harbour, which areas are known as the Ardeer peninsula and Irvine Harbour.

Project shall have the meaning as given to it in paragraph 2.1;

Property means the NAC Property and the NPL Property;

2 The Great Harbour Project Vision

- 2.1 NAC and NPL are the two major landowners in the area known as Great Harbour and, in addition, NPL is the Harbour Authority in respect of Irvine Harbour. Together they have created a shared vision to redevelop the Property in a manner that effects a transformational change for the Great Harbour and the Ayrshire economy. This shared vision is to regenerate the Property to establish the Great Harbour area as a destination of choice for both leisure activities and businesses and for families to live and work. In doing this a vibrant and thriving community will be created which will provide economic, social and cultural benefits to both the immediate area and, importantly, Ayrshire as a whole (**the Project**).
- 2.2 The parties acknowledge that the Project will play a significant part in helping deliver the wider Ayrshire Economic Strategy. AGD Funding has been provided to support this.
- 2.3 It is acknowledged that the Project is an ambitious and complex one that will require significant capital investment, and which will be delivered over a number of phases over an extended time period. The nature, extent and phasing of the different aspects of the Project will likely vary with time, availability of funding, including AGD funding and macro socio-economic factors and other influences. Potential components of the Project could include: -
- The Maritime Mile to run from Irvine Train Station bridge to the wooden wharf next to the Irvine Watersports club. Possible works include opening up the waterfront including redesign of the Puffer Café compound, working with the Maritime Museum to create a new visitor attraction, showcasing the vessels owned by the Museum in a new waterfront setting, provision of new berthing facilities and upgrading of the existing slipways.
 - The Big Idea and Inventors Bridge: works could include a refit of the Big Idea, to provide a new Irvine Contemporary Arts venue and multi-use destination, showcasing the art works owned by the Maritime Museum, repair the Inventors Bridge, providing dedicated access to the Big Idea.
 - Scotland's Playground at the Skypark: An all-weather barrier free play facility that is unique to the west of Scotland and commercially feasible.
 - To elevate Harbourside as a major tourist destination including the development of a successful high quality harbourside hotel and restaurant to ensure that visitors extend their visit the full length of the Maritime Mile.
 - Further commercial opportunities aimed at increasing visitor numbers
 - Private housing:- high quality waterfront housing as a complementary addition to the planned social housing.
 - A road bridge to cross the River Irvine to the Ardeer peninsula to facilitate the development of tourism and leisure development, supported by housing;
 - On the north end of the Ardeer peninsula accessed from Stevenston there is the potential for an industrial hub for major industrial and engineering processes.
- 2.4 The parties recognise that they are the ideal partners to undertake the Project by virtue of their respective ownerships, the role of NPL as Harbour authority, the expertise that NPL can bring in decontamination, the AGD funding which NAC can bring, and their joint desire to

create the Great Harbour as a destination of choice sufficient to attract further investment to fund a road bridge across the River Irvine to secure the regeneration of the Ardeer peninsula. As it is likely that each party will invest significant management time, contribute significant resources and other professional costs in developing a Masterplan and Agreed Business Plan or Plans for the Project, the parties have agreed to give the undertakings contained in clause 5 and 6 to facilitate such investment and cost.

3 Masterplan

- 3.1 The parties agree to jointly commission and fund in equal proportions a Masterplan for the Property to inform the final business case required to obtain AGD Funding, and any Agreed Business Plan or Plans for any other phase of the Project. The parties will jointly agree the brief for such work which will include the following work:-

Phase One of the master planning works will consider the key factors required for the Great Harbour to become a successful destination. This will be a discrete 'Proof of Concept' which should consider best practice surrounding the Scottish Government 'Place Standard' and other relevant methodologies for place & destination development, whilst critically considering the unique selling points of the Great Harbour and the proposals under consideration. It will seek to confirm the approach to date and act as an evidence base for the further development of bespoke project. It will include the following;

- An overview of key markets, trends and recent developments in the visitor attractions sector in the UK and in Scotland;
- An assessment of current proposals, within the context of delivering a transformational waterfront destination;
- A number of case studies of waterfront visitor attractions which are successful in delivering different aspects of the visitor attraction experience – interpretation /activity, catering, retail and events, drawing key lessons for future Great Harbour attractions;
- Examples of innovative approaches which are transferrable to the Great Harbour environment and lessons learned (e.g. Helix/Dundee);
- Critical success factors, including those that might apply to specifically urban/rural/waterfront attractions;
- Consideration of how attractions are financially supported/commercially viable – specific to the Great Harbour and funding models that could be supported;
- An understanding of the domestic and international tourism markets and how they can generate enough business for the Big Idea/Skypark proposals based on existing and future forecasts & trends;
- Analysis of local tourism statistics and surveys that illustrate visitor behaviour within the region and their perceived willingness to travel to a new attraction;
- The impact of seasonality in visitor numbers and their impact on the Big Idea business model;
- The potential impact of the Coig route proposals on the Great Harbour; and
- An analysis of the event potential within the Great Harbour, liaising with local stakeholders.
- Consideration of the access to the Ardeer peninsula, the potential uses it might serve and the potential land-take required for this
- The extent to which the project would support the Ayrshire Economic Strategy;

Phase two, will advance to more technical and detailed work on the individual components. Critically, it will be guided and informed by Phase One, in terms of scale, ambition and focus. Phase two will consider Vision, Planning, Governance and Financing requirements to further develop the unique proposals. It will also consider phasing and speed of delivery, as key to the realisation of the destination.

- 3.2 Both the content of any final business case for AGD Funding and the timing of its submission will be for NAC to determine, although the agreement of NPL is required to proposals which impact on financial, land or other resources owned or occupied by NPL.

4 Agreed Business Plan, Governance and Joint Venture Arrangements

- 4.1 Phase 2 of the Masterplan will consider the governance required by the parties to jointly take forward the Project, or phases thereof, and the extent to which other parties, such as the Scottish Maritime museum might be involved. Neither party shall be bound to implement and fund implementation of the Masterplan.
- 4.2 Following joint approval of the Masterplan, in the event the parties wish to take the Project or phases thereof forward they will jointly commission and fund in equal proportions an Agreed Business Plan.
- 4.3 As part of agreement of any Agreed Business Plan, it is acknowledged by NAC that NPL will require to carry out appropriate due diligence on the NAC Property (including: site investigations and surveys, examination of title and lease documentation, preparation of environmental/site investigation reports, and general review of the work carried out by external consultants to date). NAC will provide to NPL promptly upon request (insofar as it has not already done so) (i) all such documentation and information; and (ii) access to the NAC Property (or any part(s) thereof) for the purpose of carrying out site investigations and surveys and will provide prompt and full responses to enquiries raised by NPL in the course of the due diligence in order to facilitate rapid conclusion of this process. All financial appraisals produced by or on the instructions of NAC to date will be provided to NPL for the purpose on an open-book basis. NAC will procure, to the extent that it is able, that all relevant reports relative to the NAC Property which have been prepared for the benefit of NAC will be re-addressed to NPL, NAC and the LLP.
- 4.4 As part of agreement of any Agreed Business Plan, it is acknowledged by NPL that NAC will require to carry out appropriate due diligence on the NPL Property (including: site investigations and surveys, examination of title and lease documentation, preparation of environmental/site investigation reports, and general review of the work carried out by external consultants to date). NPL will provide to NAC promptly upon request (insofar as it has not already done so) (i) all such documentation and information; and (ii) access to the NPL Property (or any part(s) thereof) for the purpose of carrying out site investigations and surveys and will provide prompt and full responses to enquiries raised by NAC in the course of the due diligence in order to facilitate rapid conclusion of this process. All financial appraisals produced by or on the instructions of NPL to date will be provided to NAC for the purpose on an open-book basis. NPL will procure, to the extent that it is able, that all relevant reports relative to the NPL Property which have been prepared for the benefit of NPL will be re-addressed to NPL, NAC and the LLP.
- 4.5 In the event that the parties wish to implement the Agreed Business Plan through a joint venture, then it is anticipated that the joint venture vehicle will be an LLP established between NPL and NAC on a 50:50 basis such that each of NPL and NAC will have a 50% interest in the LLP and accordingly the right to 50% of the capital and profits of the LLP. It is also anticipated that all decisions of the LLP Board will require to be passed unanimously. As part of agreeing an Agreed Business Plan, the parties will seek tax advice to confirm the LLP as the most appropriate choice of vehicle for the joint venture. It is also possible that separate limited liability companies which would be wholly owned by the LLP (SPVs) may be used to undertake specific projects or develop discrete areas of land.
- 4.6 A formal LLP agreement will be entered into between NPL and NAC in respect of any such LLP and the conduct of the joint venture. This shall cover all appropriate matters usually covered by a joint venture agreement for a project of this nature including management and

decision making, ongoing funding requirements, distributions and/or debt repayment, corporate governance issues dispute resolution, final completion and termination provisions.

- 4.7 The LLP agreement will include usual and appropriate warranties for a joint venture transaction of this nature including in respect of the joint venture parties (power and capacity etc.), the LLP and the Property to provide comfort in respect of matters relating to the LLP or the Property on which NPL or NAC (as appropriate) are unable to satisfy themselves either through the legal, environmental and technical due diligence investigations or through reliance upon reports relating to the LLP or the Property.
- 4.8 The LLP agreement will set out the respective roles and responsibilities of NAC and NPL in relation to the Project. It is anticipated that NPL will provide the day to day development advice and management of the Property – including administration, accounting and LLP designated member services – on a nil cost basis – the LLP agreement will contain further details of such services. Project and estate management services to the LLP will be instructed by the LLP Board and it is agreed that NPL will be entitled to tender for the provision of such services to the LLP.
- 4.9 Any specialist planning/environmental services, and any other technical support beyond what is to be provided by way of project and estate management services, will be provided by independent consultants to be recommended by NPL but appointed by the LLP Board.
- 4.10 The LLP will require to maximise community wealth and as part of this to adopt supply chain arrangements and local job/training classes as part of its procurement processes which are directed towards ensuring that North Ayrshire residents and businesses benefit fully from the investment associated with the Project. The LLP will comply with all procurement processes and state aid rules applicable to the joint venture.

5 Project Support

- 5.1 NPL shall, at its own cost and expense, make available to NAC the services of a person with experience in similar regeneration projects to provide reasonable assistance and support to NAC to assist with the preparation of the Masterplan, final business case for the AGD and Agreed Business Plan.

6 Title to the Property

- 6.1 NAC undertakes to NPL that it shall not:
 - 6.1.1 sell transfer or create any estate or interest in the NAC Property to anyone other than to the LLP or an SPV;
 - 6.1.2 advertise for sale or market the NAC Property whether itself or through its agents;
 - 6.1.3 invite offers from or enter negotiations with anyone other than NPL for the sale or other disposal or lease of the NAC Property;
 - 6.1.4 enter into any agreement, understanding or arrangement with anyone other than NPL to deal with the NAC Property;
 - 6.1.5 allow anyone other than NPL to inspect or obtain a survey or valuation of the NAC Property except to the extent necessary for the purposes of the participation of the Project in the AGD ;
- except and to the extent permitted by NPL.

- 6.2 Without prejudice to NPL's duties as harbour authority for Irvine Harbour, NPL undertakes to NAC that it shall not:
- 6.2.1 sell transfer or create any estate or interest in the NPL Property to anyone other than to the LLP or an SPV;
 - 6.2.2 advertise for sale or market the NPL Property whether itself or through its agents;
 - 6.2.3 invite offers from or enter negotiations with anyone other than NAC for the sale or other disposal or lease of the NPL Property;
 - 6.2.4 enter into any agreement, understanding or arrangement with anyone other than NAC to deal with the NPL Property;
 - 6.2.5 allow anyone other than NAC to inspect or obtain a survey or valuation of the NPL Property except to the extent necessary for the purposes of the participation of the Project in the AGD;
- except and to the extent permitted by NAC.
- 6.3 Clauses 6.1 and 6.2 shall be binding upon and enforceable by NPL and NAC during the period from signature of the MOU until the earlier of (i) the Execution Date and (ii) the date the parties agree to terminate this MOU
- 6.4 Either party shall be entitled to terminate this agreement at a date two years and three months after execution of the MOU, on giving three months written notice to the other party. In that event, 6.1 and 6.2 shall no longer be binding and enforceable by NPL and NAC from that date. In the event the MOU is not terminated it shall continue on a year to year basis until either party terminate it by giving three months written notice to the other party.

7 Legal effect

- 7.1 Save as provided in clause 6.3 this document is a summary of the terms of the prospective LLP Agreement between NPL and NAC and as such, the terms hereof are not, and are not intended to be, legally binding.
- 7.2 The following clauses are, in addition to this sub-clause, legally binding and enforceable by the parties: clauses 5.1, 6.1, 6.2, 6.3 and 6.4

8 Counterparts

- 8.1 These Heads of Agreement may be executed in any number of counterparts and by each of the parties on separate counterparts.
- 8.2 Where executed in counterparts, unless otherwise agreed between the parties, these Heads of Agreement shall not take effect until each of the counterparts has been delivered in accordance with the Legal Writings (Counterparts and Delivery) (Scotland) Act 2015.

9 Costs

Each of the parties shall be responsible for their own costs and expenses in relation to the negotiation of this MOU and thereafter the negotiation and execution of the LLP Agreement and all other associated documentation.

10 LAW

The parties agree that these Heads of Agreement shall be governed by and construed in accordance with the laws of Scotland and hereby submit to the exclusive jurisdiction of the Scottish Courts:

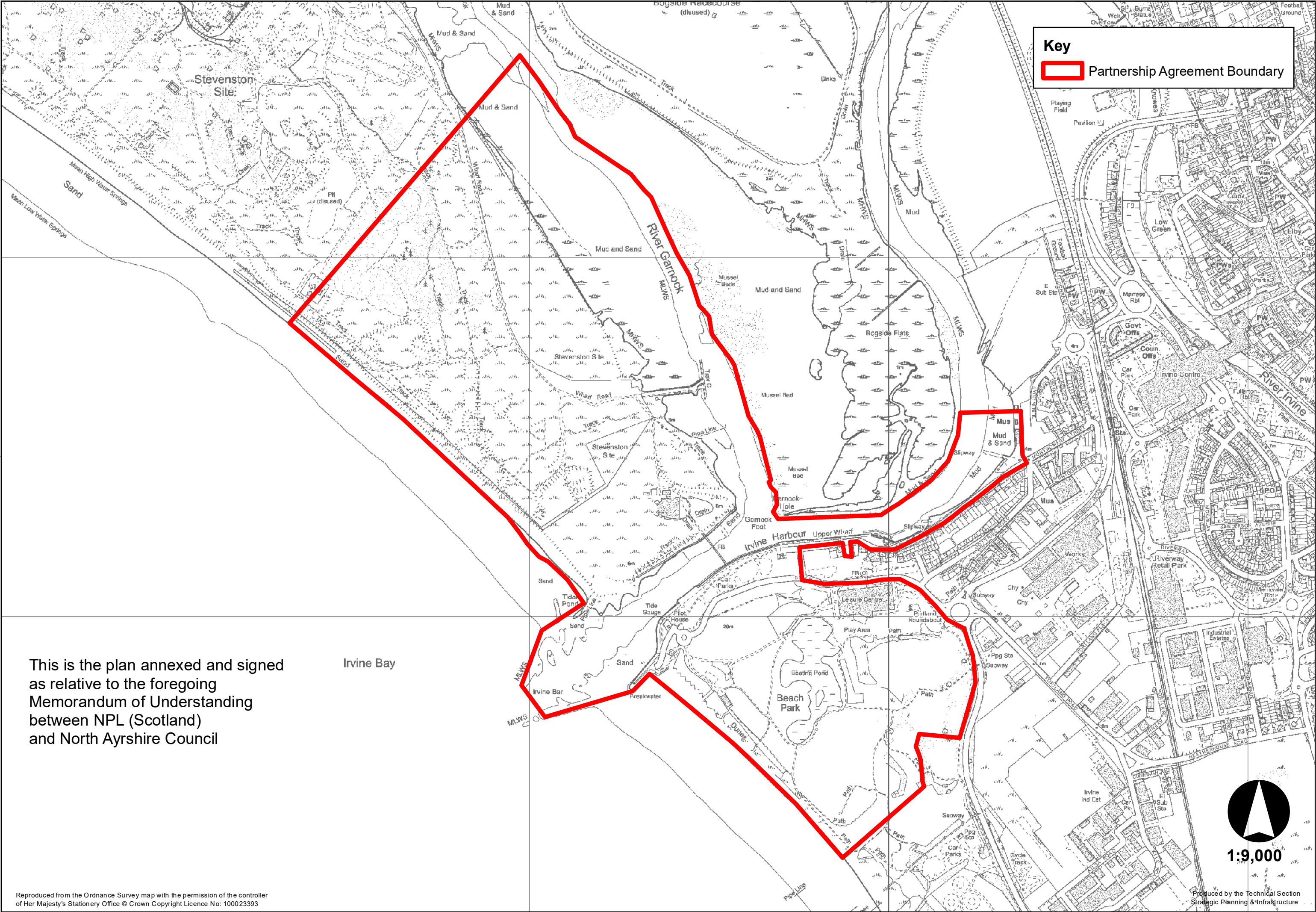
IN WITNESS WHEREOF these presents consisting of this and the preceding five pages are executed as follows:

.....(NPL Authorised signatory)

.....(NPL witness)

.....(NAC Proper Officer)

Final tracked 9-08-17

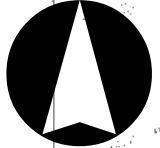


Key

 Partnership Agreement Boundary

This is the plan annexed and signed as relative to the foregoing Memorandum of Understanding between NPL (Scotland) and North Ayrshire Council

Irvine Bay



1:9,000

Appendix B – Risk Register

AGD PROJECT RISK REGISTER

Project Title: Irvine Great Harbour Member Authority: North Ayrshire Council Project Location: Irvine Harbourside Project Sponsor: North Ayrshire Council Manager: George Hunter Date Updated: 29.07.20															
														Last Reporting Period: OBC	
Risk Ref	Status	Risk Category	Risk Description		Inherent Impact	Inherent Probability	Inherent Risk Score	Inherent Rank	Owner	Controls Action	Resid Impact	Resid Risk Score	Resid. Rank	Date Checked	Movement in Period
			Challenge	Impact											
		Objectives & Project Outcomes													
OBJ01	Open		Partner objectives and specific operational needs (NAC/NPL/ NMMS) are incompatible impacting on partner agreement(s)	Partner agreements fundamental. Partner are key part of delivery of Great Harbour. Project would require amendment or not proceed	5	1	5		NAC/NPL/N MMS	NAC/NMMS long term agreement. A NAC/NPL Partnership Agreement has been agreed. Operating arrangements to be based on Development Agreement	1	3		Nov-19	reduction
OBJ02	Open		Partners assess market (housing /commercial/Big Idea) as not reflecting strategic objectives / offering ROI and determine not to proceed	Partners to move forward agree Development Agreement and conclude Masterplan Studies	5	2	10		NAC/NPL/N MMS	Partners agreement on project need.	2	10		Nov-19	no change
OBJ03	Open		Partner boards fail to conclude partner agreement	Masterplan to be developed to confirm scale/extent of supporting investment. Elements of project don't proceed	5	2	10		NAC/NPL/N MMS	Heads of terms drafted. Boards advised. Final details/lease terms to be concluded	2	10		Nov-19	no change
OBJ04	Open		Project OBC and Detailed Business Case (Masterplan Stage) assumptions prove to be wrong. Project scope amended and outcomes amended or deferred.	Masterplan to be developed to confirm scale/extent of supporting investment. Elements of project don't proceed	5	3	15		NAC/NPL/N MMS	OBC and detailed Business Case for partner operations require regular updating/ testing and validation.	3	12		Nov-19	reduction
OBJ05	Open		Covid-19 impacts on visitor destination. Investor confidence in the destination reduced. Impacts on critical mass and leverage investment.	Reduced visitors	4	3	12		NAC	NAC to monitor	2	9		Jun-20	new
CON		Contractual													
CON01	Open		Developer Agreement and details on procurement and governance (financial / operational) not secured	Partnership and Development Objectives cannot be met	5	2	10		NAC /NPL	Discussions advanced NPL. Partnership agreement on Business Case /Operating Plan	2	10		Nov-19	reduction
CON02	Open		City Deal funding is not secured	Scheme fails. Partner Objectives cannot be met	5	2	10		NAC	Heads of Terms agreed. Submission Templates with PMO. Project support advised S Govt / SE / Visitscotland.	2	5		Nov-19	reduction
CON03	Open		Proposals not compatible with Cost Plan / Funding and AGD Programme	Scope of Work non-deliverable	4	3	12		NAC	Design Development/ Tytechnical Studies and Cost planning within Project Management	2	8		Dec-19	reduction
CON04	Open		Contract scope and consenting issue conflict. Marine/marine Interface unclear.	Works unable to secure consents	4	2	8		NAC	NAC completed Technical Studie. Appointed specialist advisors	2	6		Dec-19	reduction
ENV		Environmental													
ENV01	Open		EIA Scoping identifies significant environmental impact not capable of mitigation	Programme delays caused by consenting requirements	4	2	8		NAC	Initial Environmental Scoping.Early consultation concluded. No Major issues.	1	6		Nov-19	reduction
ENV02	Open		Statutory Consultees concerns with key elements of development	Need to adjust scheme components to be compliant & address stakeholder concerns	3	3	9		NAC	All statutory consultees contacted. No significant issues or in principle objections raised	1	3		Nov-19	reduction
ENV03	Open		Piled structure complications. Dredge material / site land or other land/ marine issues identified within the development site creating abnormal development costs	Challenges to Cost Plan. Scope of project requires amendment.	3	3	9		NAC	Technical studies completed. SI required. Requires addressing in Stage 4 Design	3	3		Nov-19	No change
ENV04	Open		Protected species and/or habitat identified or issues with SSSI identified	Designations and protected species require addressing & have statutory protection	3	3	9		NAC	Phase 1 Habitat and Protected Species Survey completed. Consultation with SNH secures in-principle support.	1	2		Nov-19	reduction
ENV05			Cumulative impact assessment required on intensification of use and / or wider port/and concerns relating to Ardeer	Wider cumulative impacts increasingly sought for sensitive designated sites	3	3	9		NAC	Scope of Project for Ardeer scaled back. Proposals cover Big Idea area only.	2	9		Oct-19	reduction
ENV06	Open		Blue Billy Bing and historic contaminated sites impact on abnormals and extent of build development	Further SI Required	3	4	12		NAC	Desk Studies completed. NAC completing further assessments. New housing includes SI	2	8		Oct-19	reduction
FIN		Financial													
FIN01	Open		Concept is unsupported by strategic funders and consenting authorities	Scheme fails	5	2	10		NAC	Strong support evidenced at Board meetings. Proof of Concept (Moffat Centre) and NPL Partnership supportive	2	6		Dec-19	reduction
FIN02	Open		Economic case (OBC/FBC) & needs assessment not satisfied. More detail required including VIM and OPEX.	Undermines / weakens project justification and AGD support	4	3	12		NAC	Economic impact and needs assessments advanced though OBC with PMO. Modelling to be undertaken by PMO	2	9		Nov-19	reduction

Risk Ref	Status	Risk Category	Risk Description		Inherent Impact	Inherent Probability	Inherent Risk Score	Inherent Rank	Owner	Controls Action	Resid Impact	Resid Risk Score	Resid. Rank	Date Checked	Movement in Period
			Challenge	Impact											
FIN03	Open		Increase in capital costs as technical/design stages completed. Unforeseen problems during construction process, leading to further unexpected costs. Inadequate Optimism Bias	Impact on economic justification. Change in scope, specification, programme	4	3	12		NAC	Optimism Bias provided for in OBC. Costs need to define final project budgets.	2	10		Jun-20	No change
FIN04	Open		State Aid conflicts restrict funding and partnership approach	Private/public sector partnership based on MEIP Arrangements	5	3	15		NAC	NPL Development Agreement to clarify. State Aid advice no issue	1	3		Oct-19	reduction
FIN05	Open		OPEX / Revenue agreement arise. Issues for future operational costs .	Revenue streams very limited. Capital investment to secure revenue neutral design.	4	3	12		NAC	NAC to review revenue / operational management.	3	9		Dec-19	new
H&S		Health & Safety													
H&S01	Open		Marine access and control over access involves H&S Issues a	Design issue. Needs assessment at Design Stage recost, programme and consenting	4	2	8		NAC	Principal Designer responsibility	1	8		Dec-19	reduction
H&S02	Open		Construction of Quay / Boardwalk create significant issues re public access	Design coordination	3	2	6		NAC/NPL	Review access. Inventors Bridge and Boardwalk	1	2		Dec-19	reduction
H&S03	Open		Harbour safety requirements cannot be satisfied	Public support and statutory obligations change	3	1	3		NAC/NPL/NMMS	Health and Safety Planning needs to address all User Issues	1	1		Dec-19	new
H&S04	Open		Pontoon arrangements issue for berthing need to develop marina/berthing governance / insurances	Details of operational safety confirmed	3	1	3		NAC/NPL	TBC	1	1		Dec-19	new
P/S		People / Social													
P/S01	Open		Wider stakeholders and community interests not fully engaged in the process	Major objections to development.	3	3	9		NAC	Major Consultation /Engagement planned for Q1 2021	1	9		Jun-20	no change
P/S02	Open		Needs of Special Interest Groups (ISC /Coaswatch/Others) not satisfied	Further discussion required	2	3	6		NAC	Major Consultation /Engagement planned for Q1 2021	2	6		Jun-20	reduced
P/S03	Open		Public / stakeholder concern at Ardeer and environmental designations and changes to parking/ intensification of use	NAC to consider level of use / current capacities	2	3	6		NAC	Major Consultation /Engagement planned for Q1 2021	2	6		Jun-20	no change
PIA04	Open		Covid-19 impacts on visitor destination. Reducing visitor numbers. Impacts short and medium term.	Reduced visitors	4	3	12		NAC	NAC to monitor	2	6		Jun-20	new
P/A		Physical / Assets													
PIA01	Open		Masterplan to ensure AGD / Partner and Stakeholder Needs are aligned	Impacts on scheme scope & content.	4	2	8		NAC	Updated masterplan jointly to be advaced NAC/NPL and NMMS. Asset control to be formalised within Development Agreements	2	6		Nov-19	reduction
PIA02	Open		Design specification to ensure new Quay/ Wharf / Puffer.	Design co-ordination	3	2	6		NAC/NMMS	Early discussion with NMMS and design team	1	6		Sep-17	reduction
PIA03	Open		Land required for or agreements required with Crown Estate.	Marine Lease	5	2	10		NAC	Early discussion with Crown Estate. No issues	1	5		Dec-19	new
POL		Political													
POL01	Open		Political interests determine project represents poor value for public investment	Lack of political support (SGov / IC / TS / Community)	4	3	12		NAC	NAC completed pre AGD Submission with S Govt/SE /Visitscotland. All supportive.	1	2		Dec-19	
POL02	Open		LDP process fails to support Mixed Use in this location and/or masterplan: place issues not supported	planning consent not supported	4	2	8		NAC	Pre-Application consenation complete.	1	4		Jun-20	reduction
POL03	Open		Polical change / delays to programme due to approvals and support	Political agreements.	4	2	8		NAC	Board and ELT Reporting	1	2		Dec-19	reduction
PRO		Professional													
PRO01	Open		Public Procurement required. Procurement fails to secure competent professional team	Scheme fails to secure approvals and adverse impacts on programme / cost.	3	2	6		NAC	NAC to procure and appoint specialist team Frameworks used to appoint consultants.	1	2		Jun-20	reduction
PRO02	Open		Professional team lack the skills and project management expertise to address client requirements	scheme fails to secure approvals and adverse impacts on programme / cost.	4	1	4		NAC	Team expertise and nature of work allows high level of confidence in professional team	1	4		Jun-20	reduction

Risk Ref	Status	Risk Category	Risk Description		Inherent Impact	Inherent Probability	Inherent Risk Score	Inherent Rank	Owner	Controls Action	Resid Impact	Resid Risk Score	Resid. Rank	Date Checked	Movement in Period
			Challenge	Impact											
PRO03	Open		Risk Assessment under estimates risks and specific local requirements and marine issues	Risk profile higher than assessed	3	3	9		NAC	Full integrated design team Risk Workshop required to assess risks holistically	2	2		Dec-19	Reduction
PRO04	Open		Design under-estimates site / client requirements / environmental conditions and scope changes at Contract Stage	Scope change adds to cost / programme	4	3	12		NAC	Experienced professional team with clear Brief and defined client requirements	2	4		Dec-19	new
REG		Regulatory													
REG01	Open		Consents to proceed not secured	Project can't proceed as presently conceived	3	2	6		NAC	Dialogue well advanced with statutory/regulatory bodies (MS-LOT /NAC Planning)	1	6		Nov-19	
REG02	Open		Regulatory authorities impose conditions and / or S75 limiting development	Impact son viability of project	3	1	3		NAC	Dialogue well advanced with statutory/regulatory bodies (MS-LOT /NAC Planning)	1	3		Nov-19	
REG03	Open		Wider Irvine Local Network traffic management required	Operational circulation / traffic management review	2	2	4		NAC	Proposals demonstrate betterment over existing and safer, more accessible network with benefits across all modes	1	1		Nov-19	
REG04	Open		Statutory Consultees concerns with key elements of development	Need to adjust scheme components to be compliant & address stakeholder concerns	2	3	6		NAC	Dialogue well advanced with statutory/regulatory bodies (MS-LOT /NAC Planning)	1	1		Nov-19	
REP		Reputation													
REP01	Open		NAC enter into development agreement(NAC/NPL) and project doesn't proceed	Loss of reputation / loss of momentum	2	1	3		NAC	NAC/NPL Heads of Terms on Dev Agreement required	1	3		Jun-20	no change
REP02	Open		NAC enter into Development Agreement and NPL radically amend/cant deliver project	Loss of reputation / loss of momentum	3	2	6		NAC	Core elements of the project (Pontoon / Public Realm/ etc) all agreed.	1	3		Jun-20	reduction
REP03			Partnership interest no longer supported. Private partners withdraw. Determine not to proceed under AGD	Loss of reputation / loss of momentum	3	3	4		NAC /NPL	Masterplan work being advanced	2	6		Jun-20	reduction
S/T		Schedule / Timescales													
S/T01	Open		Project programme amended by statutory consents /requirements	Delay and costs risks	2	3	6		NAC	Programme reflects current understanding on statutory consultations. Project Execution requires detailing in OBC /FBC	1	6		Oct-19	no change
S/T02	Open		Project timescales unrealistic and require extending. Note Covid-19 implications on programme currently unknown.	Cost increases, reduction in partner/stakeholder support/ impact on outcomes	3	2	6		NAC	Detailed GANTT Programming including dependencies nwith NAC PM	2	6		Oct-19	no change

Appendix C

Benefits Logic Chain

GREAT HARBOUR: Project activities, outputs and outcomes

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>£14 of funding AGD £9million NAC £ 5 million</p> <p>Leverage Funding Circa £85m- £100, 2040 (Leverage assumptions based on benchmarking equivalent projects)</p>	<ul style="list-style-type: none"> • Award grant fund through Community Enterprise Fund • Planning applications submitted • Cycle path development or improvement • Develop and improve pedestrian links • New pedestrian/cycle bridges • Public realm improvement work • Site remediation work • Road surface improvements • Junction improvements on motorway/major roads • New link/access roads developed • Construction of SUDS • Drainage system improvement work • Implementation of Surface Water Management Plans • Improved junctions to enhance access to sites • New junctions to open up access to sites • New roundabouts or other traffic management schemes • Business Support 	<ul style="list-style-type: none"> • Public Realm created and Enhanced (length of 1.5km) • Road enhanced (1.5Km) • Junctions (5 Improved) • Cycle Routes created/enhanced (1.5km) • Pedestrian Routes enhanced (1.5km) • 1 Pedestrian/cycle bridges enhanced • 1 (potential) Road Bridge • Total Area reclaimed, (re)developed or assembled /Total Area of Opportunity Sites 6 (Ha) • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (6Ha) • Food and Drink (2800 sq m) • Hotels and Hostels (2000 sq m) • Assembly and Leisure/shops (5000sq m) • Individuals supported into work • Jobs safeguarded • Individuals increasing skills • Private businesses supported • Social enterprises supported • Social enterprises created • Increase in visitor numbers • Increase in visitor expenditure • New marina berths created • New tourism events supported 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • land unlocked for development • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Average house price uplifts • Increased supply of commercial space • Strengthening key business clusters • Increased employment • Increased GVA • Reduced congestion • Improved road safety • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • Increased drainage capacity • CO2 savings via modal shift • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the locality 	<ul style="list-style-type: none"> • Increase employment opportunities through a supply of local jobs • Improve soft and basic employability programmes by creating employment opportunities that can be capitalised by entrants to the workforce • Embed community wealth building into placemaking approach • Increase visitor numbers • Increase dwell time of visitors • Increase expenditure of visitors • Increase population of Great Harbour by providing a range of housing opportunities that create sense of community, footfall and demand for goods and services • Create diversity in great harbour population demographic • Create a nationally recognised visitor destination • Generate commercial opportunities through place making approach and lever private sector investment • Increase in GVA across region • Improve the health of communities across the region by improving active travel and outdoor leisure opportunities sand connecting in with regional tourism programmes and coastal path development • Supporting increase in available space for Business Premises to be

			<ul style="list-style-type: none"> • Renewed & Celebrated Place & Identity • Growth in local community (LOIP) / stronger neighbourhoods / inclusion • Positive feedback from local/Irvine/Visitor feedback • Increased Activity / Animation /Community Participation/etc • 1 New Waterfront Hotel/Restaurant • 3 Existing Businesses Growing/Expanding • 5+ New Small Businesses • Stronger Arts-Crafts-F&B-Retail-Visitor connections • 75+ New Affordable Homes • new Open Market homes / new residents • 1 No. Annual Festival of Irvine Event • Locals -Walk the Mile –Value & Use Asset • 200,000 visitors –voting with their feet/wallets/reviews • 5 SMEs supported • 21-43FTE People from Employability & Skills Programme Accessing Jobs 	<ul style="list-style-type: none"> • capitalised by inward investment and local entrepreneurialism • providing place infrastructure to Inward investment opportunities
--	--	--	--	--

NOTE: Floorspace/buildout estimates to match previously supplied, with some additional space included for leverage investment aspirations (outlined in OBC). Also note minor variation as a result of grouping of expected land uses. Floorspace not directly related to AGD funding not included in build out profile. Additional floorspace leverage based on reasonable assumptions and benchmarking of commercial floorspace availability.

Appendix D

Project Milestones

Project Milestones	Great Harbour
Gateway 0 Establishment of project governance <ul style="list-style-type: none"> Strategic Business Case RIBA Stage 0 – Project Definition 	✓
Gateway 1 Sign-off concept delivery/ objectives <ul style="list-style-type: none"> Outline Business Case RIBA Stage 1-2: Concept Design 	March 2021
Gateway 2 Sign-off scheme/ objectives <ul style="list-style-type: none"> RIBA Stage 3-4 – Technical Design 	Q4 2021
Gateway 3 Sign-off capital spend/ contract appt <ul style="list-style-type: none"> Final Business Case RIBA Stage 4a – Tender Action and Reporting 	Q2 2022
Gateway 4 Sign-off constructed scheme (Post FBC) <ul style="list-style-type: none"> RIBA Stage 5-6 – Construction and Handover 	Q4 2022
Gateway 5 Reporting outputs/outcomes/CWB (Post FBC) <ul style="list-style-type: none"> AGD Evaluation/Monitoring RIBA Stage 7 - Operational Project 	2024
Milestones Source	Gateway March 2021
STATUS	<ul style="list-style-type: none"> On Track

Appendix E

Climate Change Adaptation

Checklist for Proposals - Climate Change Adaptation & Net Carbon

The Climate Change (Scotland) Act 2009 received Royal Assent on August 4, 2009. The Act provides a statutory framework for greenhouse gas emission reductions and it includes duties on Scottish public bodies. Addressing climate change and developing initiatives and projects that contribute to a Climate Change Strategy and Zero Carbon is increasingly important and needs to be embraced at all levels of activity from government through to individual action.

Climate change adaptation involves building resilience within communities, neighbourhoods, and settlements to reduce the negative consequences of adverse climate events and reduce carbon and other greenhouse gas emissions. Climate change and extreme weather events have already impacted on many aspects of our environment and society, including impacts on buildings and property, health, agriculture, forestry, transport, water resources and energy demand.

A Climate Change Emergency has been advised by Scottish Government and it is a statutory duty for all Ayrshire Councils. Notwithstanding global agreements and UK national policy initiatives the impacts of climate change in Scotland will include but are not limited to:

- Increase in extreme weather events (storms / high winds / heavy precipitation / wetter and warmer seasons etc);
- Increase in flood risk and the need for flood risk management;
- Impacts on coasts and the marine environment including coastal erosion and inundation;
- Disruption to transport, energy, digital and infrastructure networks adversely impacting on business and service resilience;
- Higher temperatures in summer increasing the demand for water; reducing water availability and drying out soils;
- Impacts on building design and the need to retrofit carbon reduction and climate change adaptation measures;
- Buildings overheating, especially in urban areas, will pose health risks at home and reduce workplace productivity;
- Changes to land-use and landscape quality including heritage assets;
- Plant sensitivity to higher temperatures/wetter winters and changes to planting and growing seasons will require adjustments to greenspace management.

Climate change impacts are likely to include extreme temperature changes resulting in the increased risk of flooding, drought and other extreme weather events. These will create risks and opportunities for example: impacts on transport infrastructure notably road condition, damage to buildings from storms, impact on local ecosystems and biodiversity, changing patterns of disease, impacts on planning and the local economy and public health. Disadvantaged and vulnerable groups and individuals are more likely to be adversely affected impacting on social equity, community wealth and inclusion.

The Intergovernmental Panel on Climate Change (IPCC) assesses the science of climate change and has recently reported the requirement to maintain global temperature increases to below 2°C. This globally recognised target has influenced various domestic and international policies, with a common theme of reducing carbon emissions, to bring a halt to global temperatures rises.

Public Bodies Climate Change Reporting Duties: the Scottish Government introduced an Order in 2015 which requires public bodies to submit an annual report detailing our compliance with the climate change duties. North Ayrshire is a signatory of the Covenant of Mayors (CoM). The criteria commitments include securing carbon reduction of 40% by 2030 and increasing resilience to climate change. We aim to achieve a 40% reduction in carbon emissions North Ayrshire wide by 2030, based on a 2005 baseline year. This would equate to a reduction of 581,000 tonnes CO₂ across North Ayrshire in total. Action in North Ayrshire is focussed on Governance, Performance Framework and Action under 5 Workstreams. Local initiatives, projects and plans are encouraged to assess and address their contribution to the Carbon Management Plan. since 2005.

High Level Checklist for Climate Change Adaptation

RAG Assessment Stage 1

The checklist initiates a review process to promote an early assessment of the plan, programme or project referred below as a 'project'.

This is simply a checklist to increase awareness and promote a conversation with key partners and stakeholders and forms the first stage in any Climate Change Assessment. Any wider issues, dependencies, study requirements and impacts should be captured in the notes section and form part of a detailed project review process embedded in the project engagement and delivery plan.

<p>Could climate change affect your project, directly or indirectly?</p> <ul style="list-style-type: none"> Refer to possible climate change risks and impacts Can you identify local needs and vulnerable groups or populations at higher risk? 	
<p>Does the project promote long-term / irreversible change and provide benefits in the long-term (>10 years) or could be anticipated to have other long-term consequences?</p> <ul style="list-style-type: none"> Decisions with long-term consequences are likely to be more sensitive to climate change 	
<p>Could project support net carbon/zero carbon objectives/targets & how might these be assessed/captured/ modelled?</p> <p>Decisions with long-term consequences should secure positive contributions climate change</p>	
<p>Could the project possibly constrain other stakeholder's ability to manage climate risks?</p> <ul style="list-style-type: none"> If so, have they been involved in the decision-making process? 	
<p>Has climate change already been accounted for at a strategic level? SEA / LDP / etc</p> <p>If so, was consideration of climate change adequate and still relevant?</p>	
<p>Could project be designed to positively contribute to reducing climate risks?</p> <ul style="list-style-type: none"> Secure net/zero carbon; reduce flood risk; support biodiversity; improve community resilience, reduce energy use, support public transport and active travel, improve energy efficiencies, air quality and/ or other measures Refer to possible measures and benefits 	
<p>Could your project contribute to increasing climate risks?</p> <ul style="list-style-type: none"> Does it contribute to carbon footprint; urban heating; increase flood risks; increase car dependency, impact on sustainable place making, increase energy or water consumption, etc? Refer to possible risk impacts 	
<p>Could project be designed to positively contribute to reducing climate risks?</p> <ul style="list-style-type: none"> Reducing flood risk; supporting biodiversity; improving community resilience, reducing energy use, supporting public transport and active travel, improving energy efficiencies, air quality or other environmental parameters Refer to possible benefits 	
<p>Have opportunities for climate change been considered as part of the project development process?</p> <ul style="list-style-type: none"> Refer to information on opportunities and review process 	
<p>If climate change introduces risks are these important to the project, can options be identified that manage these risks to acceptable levels. Are there opportunities for mitigation and carbon off-setting?</p> <ul style="list-style-type: none"> Can options be defined in a flexible manner to take account of changes in climate over time? Refer to risk management measures in the Climate Management Strategy 	
<p>Have you addressed climate change risks and risk management measures as part of the Policy, Business Case / Environmental Impact Assessment (EIA) / Design Statement for your development?</p>	
<p>Supporting Climate Change Adaptation to Energy Use and Carbon Reduction</p> <p>Have Land allocations/ masterplans/ buildings been designed to provide a quality and resilient environments with minimal energy and carbon use over their lifetimes</p>	
<p>Supporting Climate Change Adaptation to Flood Risk</p> <ul style="list-style-type: none"> Have drainage systems (SUDs) been designed with sufficient capacity to cope with heavier rainfall events expected over their lifetimes, taking account of climate change? 	
<p>Supporting Climate Change Adaptation to Water Resources</p> <ul style="list-style-type: none"> Does your development provide best practice in water efficiency and management? 	
<p>Supporting Climate Change Adaptation to Energy Use and Carbon Reduction</p> <ul style="list-style-type: none"> Have Land allocations/ masterplans/ buildings been designed to provide quality and resilient environments with minimal energy and carbon use over their lifetimes 	
<p>Supporting Climate Change Adaptation to Waste & Circular Economy</p> <ul style="list-style-type: none"> Does the design of your development address waste; resource consumption and recycling? 	
<p>Supporting Climate Change Adaptation to Health & Well Being / Community Resilience /Active Travel</p> <ul style="list-style-type: none"> Does the design of your development address key issues for your community and place-making? 	
NOTES / REFERRALS & PRIORITY ACTIONS — Please use additional pages	

Appendix F

Economic Impact Assessment



Economic Impact Assessment- Irvine Great Harbour Redevelopment

Report for North Ayrshire Council

February 2020

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V. 5

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1. Introduction

This economic impact assessment (EIA) has been prepared on behalf of North Ayrshire Council (NAC) to measure the economic impact generated through the proposed redevelopment of the waterfront area along the River Irvine in the town of Irvine.

The EIA has been informed by the associated Draft Outline Business Case and third party data sourced from official government databases. The EIA represents an independent analysis carried out by EKOS Ltd to support NAC in securing funding from the Ayrshire Growth Deal.

Project Proposition

NAC is seeking to secure capital funding from the Ayrshire Growth Deal for the redevelopment of the waterfront area, known as Great Harbour, along the River Irvine in the town of Irvine on the North Ayrshire Coast.

The project consists of numerous marine engineering and construction activities to bolster the marine infrastructure, shopping offer, museum offer, recreational facilities and accommodation offer to promote increased tourism in the area. The project also includes a new housing development.

The total cost of the project is £16.0 million. The project will generate impacts from three main channels:

- construction activity;
- tourism impacts arising from visitor spend; and
- new housing impacts arising from resident spend.

2. Economic Impact Assessment

This section presents the detailed economic impact assessment. A summary and description of economic indicators and terminology used within the assessment is provided below in **Section 2.1**.

2.1 Definitions

Employment

- **Full Time Equivalent (FTE) jobs** – used to measure the direct employment created as a result of the project, considered to be an equivalent post that is contracted to 30+ hours per week for a period of 10 years. It is assumed that 2 part-time jobs equals 1 full-time job; and
- **Person Year Equivalent (PYE) jobs** – this method allows the number of people on-site over the whole construction period (which will vary over the period between full-time, part-time, permanent, temporary and contract) to be estimated as an annual (or yearly) equivalent job – job years.

Economic Contribution

- **GVA** – a measure of economic output that considers the value of goods and services produced before allowing for depreciation or capital consumption. GVA measures the income generated by businesses after the subtraction of input costs, but before costs such as wages and capital investment.

$$\text{GVA} = \text{operating profit} + \text{staff costs} + \text{depreciation} + \text{amortisation}$$

Construction and operational GVA impacts are calculated using average sector coefficients from the Scottish Annual Business Statistics. This is undertaken separately and profiled over the 25-year project appraisal period.

In presenting the EIA results, all impacts have been rounded to avoid 'spurious accuracy' and all GVA figures have been discounted at 3.5% as per HM Treasury Green Book guidance. All annual employment estimates are rounded to the nearest 5, cumulative employment estimates to the nearest 10 and GVA estimates are rounded to the nearest £1m, unless noted otherwise.

2.2 Gross Impacts

The gross level impacts measure the overall change in the economy that are estimated to be generated through the project. These are reported below for the impacts associated with construction, tourism effects and housing.

2.2.1 Gross Construction Impacts

To estimate the gross impacts resulting from construction, a marine construction turnover to GVA ratio of 82%¹ is utilised. To estimate employment a turnover per job coefficient of £171,494² is utilised. The construction activity is expected to take place from 2020 to 2027 with associated capital expenditure phased as outlined in **Table 1**.

Table 1: Capital Expenditure

2020	2021	2022	2023	2024	2025	2026	2027
£0.25m	£0.25m	£3m	£5m	£4m	£1.5m	£1m	£1m

Table 2 summarises the gross PYEs and Gross Discounted GVA generated by marine construction activity. Note that these are one-off impacts.

Table 2: Gross Construction Impacts

Sector	PYEs	FTEs ³	Gross Discounted GVA
Marine Construction	90	90	£12m

2.2.2 Gross Visitor Impacts (Tourism)

The impacts from the increased number of visitors are generated through:

- the increased spend in the area arising from a greater number of visitors drawn to North Ayrshire as a result of the new Great Harbour, including:
 - international overnight visitors;
 - domestic overnight visitors; and

¹ Scotland's Marine Economic Statistics, 2017.

² Scotland's Marine Economic Statistics, 2017. Upated to 2019 prices.

³ PYEs are converted to FTEs based on Ayrshire construction sector (SIC07 section F) employment patterns sourced from NOMIS. It is assumed that 2 part-time employees equate to 1 FTE and that sole traders/proprietors equate to 1 FTE.

- day trip visitors.
- subsequent creation of tourism jobs supported by visitor spend.

The Moffat Centre for Travel and Tourism Business Development visitor number estimates included in the OBC indicate that by 2027 there will be an additional 574,000 visitors and by 2032 an additional 1,014,000 visitors compared to a baseline. We assumed the new visitors will have the same profile as historic data as indicated by the VisitScotland Ayrshire and Arran Factsheet 2018. We also assume spend per trip coefficients is in line with this same data. Visitor breakdown and coefficients are presented below in **Table 3**.

Table 3: Ayrshire and Arran Visitor Profile

Type of Visitor	Proportion of Total	Spend per Visitor
International Overnight	1%	£131.11
Domestic Overnight	6%	£56.59
Day Trip	93%	£37.23

A turnover per FTE coefficient of £102,900 is used to estimate FTE jobs created in the marine tourism sector, and a GVA per FTE coefficient of £23,677 is used to estimate GVA generated by visitor activity⁴.

Table 4 presents the anticipated gross FTEs generated by tourism activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 4: Visitor Impacts – Gross FTEs

	Average Annual	Peak Annual	25-year Cumulative
FTEs	300	390	7790

Table 5 presents the anticipated gross discounted GVA impacts directly associated with tourism. GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 5: Visitor Impacts – Gross Discounted GVA

	2035	2045
Gross Discounted GVA	£68m	£113m

⁴ Based on Scottish Annual Business Statistics SIC07 divisions: 47, 55, and 56.

2.2.3 Gross Housing Impacts

The impacts from the increased number of residents are generated through:

- One-off spend on household furnishings for new units; and
- Ongoing annual spend of new residents.

This spend will support job creation in the retail sector.

The project will create 25,000 sqm of new living space. Assuming a mix of 2 and 3 bedroom apartments at 75 sqm and 100 sqm respectively and a roughly even split, there will be 140 new 2 bedroom units and 145 new 3 bedroom units resulting in a total of 285 new units. As per the OBC, 11,000 sqm of living space or 125 units will be completed by 2027 with the remaining units completed by 2032. We assume a phased in occupancy profile, with all units occupied by 2034 and until the end of the appraisal period (2045).

Based on ONS data and adjusting for local spending patterns we estimated that each unit will spend £2,500 on furnishing the year it is first occupied, and spend an additional £6,500 annually.

Table 6 presents the anticipated gross FTEs generated by new household activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 6: Housing Impacts – Gross FTEs

	Average Annual	Peak Annual	25-year Cumulative
FTEs	10	15	240

Table 7 presents the anticipated economic impacts directly associated with new housing (retail sector employment). GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 7: Housing Impacts – Gross Discounted GVA

	2035	2045
Gross Discounted GVA	£2m	£5m

2.3 Net Impacts

The net level impacts measure the change that will be generated through the project, taking account of the knock-on effects within the economy – the additionality factors; deadweight, displacement, leakage and multipliers. Net effects are considered at the Ayrshire and Scotland geographic levels. Note that the net impacts presented in this section include direct, indirect and induced impacts.

Moving from Gross to Net Effects

- **deadweight/additionality** - the proportion of total outputs/outcomes that would have been secured anyway in the absence of the public sector intervention; Deadweight is accounted for through the counterfactual analysis as per Green Book guidance - existing visitor baseline numbers have been excluded and the impacts from new visitors only are included for additionality.
- **leakage** - the number or proportion of outputs/outcomes that benefit economies outside the target geographies – local, regional, and national;
- **displacement** - the number or proportion of outputs/outcomes that reduce outputs/outcomes elsewhere in within the target geographies. These effects can occur in product markets or in labour markets; and

These 'additionality factors' have been assessed based on the following ready reckoner:

Additionality Factors Ready Reckoner	
None/ Negligible	0%
Low	up to 25%
Moderate	26% - 50%
High	51% - 75%
Very high	76% - 100%

- **multipliers** - supply chain and income effects. These are sourced from Scottish Input/Output Tables. It is assumed that Ayrshire level multipliers are 50% of the Scottish level multipliers.

Displacement is taken at 75% Scotland level and 50% Ayrshire level; Leakage is taken at 0% Scotland and 25% Ayrshire. Multipliers are taken at 1.5 Scotland and 1.25 Ayrshire. After adjusting for additionality factors, this section presents the estimated Net Impacts generated by the project.

2.3.1 Net Marine Construction Impacts

Table 8 summarises the one-off net discounted marine construction impacts that could be generated by the project. Results are presented at the Ayrshire and Scotland levels.

Table 8: Net Discounted Marine Construction Impacts

Region	PYEs	FTEs ⁵	Gross Discounted GVA
Ayrshire	50	50	£7m
Scotland	100	100	£14m

2.3.2 Net Visitor Impacts

Table 9 presents the anticipated net FTEs generated by tourism activity. FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 9: Visitor Impacts – Net FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	140	180	3650
Scotland	110	145	2910

Table 10 summarises the net discounted GVA impacts that could be generated by the project through increased activity in the marine tourism sector. Results are presented at the 15-year and 25-year time horizons and at the Ayrshire and Scotland levels.

Table 10: Visitor Impacts – Net Discounted GVA

Region	2035	2045
Ayrshire	£34m	£57m
Scotland	£29m	£48m

⁵ PYEs are converted to FTEs based on Ayrshire construction sector (SIC07 section F) employment patterns sourced from NOMIS. It is assumed that 2 part-time employees equate to 1 FTE and that sole traders/proprietors equate to 1 FTE.

2.3.3 Net Housing Impacts

Table 11 presents the anticipated net FTEs generated by expenditure from new housing units (retail sector employment). FTEs are presented at average annual, peak annual and 25-year cumulative measures.

Table 11: Housing Impacts – Net FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	4	6	100
Scotland	2	3	40

Note: Average annual and peak FTEs round to the nearest whole.

Table 12 presents the anticipated net GVA generated by expenditure from new housing units (retail sector GVA). GVA is presented as the cumulative total measured at a 15-year and a 25-year time horizon.

Table 12: Housing Impacts – Net Discounted GVA

Region	2035	2045
Ayrshire	£1m	£2m
Scotland	£0.5m	£1m

Note: Figures rounded to the nearest £0.5m.

2.3.4 Net Ongoing Impacts

Tables 13 and 14 summarise the net ongoing FTEs (sum of visitor and housing generated FTEs) and net ongoing GVA (sum of visitor and housing generated GVA), respectively.

Table 13: Net Ongoing FTEs

Region	Average Annual	Peak Annual	25-year Cumulative
Ayrshire	145	190	3750
Scotland	115	150	2950

Table 14: Net Discounted Ongoing GVA (Cumulative, at 15 and 25 years)

Region	2035	2045
Ayrshire	£35m	£60m
Scotland	£29m	£49m

2.3.5 Ayrshire Growth Deal and Leveraged Investment

Assuming that the total cost of the project is £16m with £14m invested through the Ayrshire Growth Deal (AGD) and a further £2m through private leveraged investment (LI), we calculate the net impacts attributed to each funding sourced based on their respective proportion of the total project cost.

Table 15 presents net construction impacts (PYES, FTEs, GVA) which are attributed to AGD and leveraged investment contributions.

Table 15: Attribution of Net Construction Impacts

Region	PYEs		FTEs		GVA	
	AGD	LI	AGD	LI	AGD	LI
Ayrshire	50	10	40	10	£6m	£1m
Scotland	90	10	8	10	£12m	£2m

Table 16 presents net ongoing impacts (average annual FTEs, 25-year cumulative FTEs, and 25-year cumulative GVA) which are attributed to AGD and leveraged investment contributions.

Table 16: Attribution of Net Ongoing Impacts

Region	Average Annual		25-year Cumulative		GVA	
	AGD	LI	AGD	LI	AGD	LI
Ayrshire	125	20	3250	490	£52m	£8m
Scotland	100	15	2570	390	£43m	£6m

2.3.6 Impact Ratio and Cost per FTE Job

The total (construction plus ongoing) discounted net GVA benefits are assessed against the total discounted public sector costs. The ratios for are presented below in **Table 17**, overleaf, for the Ayrshire and Scotland levels and at the 15-year and 25-year time horizons.

Table 17: Impact Ratios

Region		2035	2045
Ayrshire	GVA Benefit	£42m	£67m
	Public Sector Cost	£12m	£12m
	Impact Ratio	3.4	5.4
Scotland	GVA Benefit	£43m	£63m
	Public Sector Cost	£12m	£12m
	Impact Ratio	3.5	5.1

Note: GVA and cost figures round to nearest £m. Impact ratio based on non-rounded values.

Table 18 presents cost per FTE job estimates and the Ayrshire and Scotland levels and at 15 years and 25 years.

Table 18: Cost per FTE Job

Region		2035	2045
Ayrshire	FTEs	1880	3650
	Public Sector Cost	£12m	£12m
	Cost per FTE	£7,000	£3,000
Scotland	FTEs	1480	2950
	Public Sector Cost	£12m	£12m
	Cost per FTE	£8,000	£4,000

2.3.1 Wider Benefits

The project delivers a high number of jobs (3650 FTEs) over 25 years to Ayrshire many of which will be located in Irvine where 23 of its 45 data zones are amongst the top 20% most deprived in Scotland (SIMD 2020). Creating employment opportunities in highly deprived areas is consistent with Scottish Government's inclusive growth goals.

Further, the types of jobs created by the project are primarily in retail and accommodation which are medium to low skilled and therefore be accessible to the local labour force. Also of note is the potential population increase driven by the new housing development which, under full occupancy, could support approximately 700 new residents.

Appendix G

Equality Impact Assessment

Ayrshire Growth Deal Equality Impact Assessment including Fairer Scotland Duty



Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on the Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [Interim Guidance for Public Bodies](#) in respect of the Duty was published by the Scottish Government in March 2018.

Please note that the term 'project' is used throughout and applies to policies, strategies, provisions, criteria, functions, practices, budget savings and activities, including the delivery of services.

If you require assistance please contact:

East Ayrshire Council	Alyia Zaheed	alyia.zaheed@east-ayrshire.gov.uk
North Ayrshire Council	Andrew Hale	andrewhale@north-ayrshire.gov.uk
South Ayrshire Council	Geraldine McGivern	Geraldine.McGivern@south-ayrshire.gov.uk

Section One: Project Details*

Name of Project	Great Harbour – Maritime Mile
Lead Officer (Name/Position)	George Hunter (Senior Manager – Growth & Investment) North Ayrshire Council
Support Team (Names/Positions) including Critical Friend	Neale McIlvanney (Strategy & Programme Manager – Growth & Investment) North Ayrshire Council
What are the main aims of the project?	To unlock the economic potential within the Clyde Coast creating a regional destination at Irvine Harbourside that supports inclusive economic growth through an approach that focuses on Community Wealth Building. 2 To secure area wide regeneration based on the developing the special qualities of place alongside

	<p>community participation within a place-based regeneration framework, building on the legacy of the Irvine Development Corporation and advancing NAC objectives on regeneration and a strategic Vision for Irvine. 3 To address place infrastructure deficiencies that constrain investment developing the enabling infrastructure to address market failure created by commercial values that restrict private sector investment. Showcasing the potential through a high quality approach to destination development. 4 To lock in at a local level, the benefits of economic development to ensure NAC communities are actively engaged and supported through enterprise support, skills development, training, community enterprise supporting inclusive growth & community wealth building. 5 To enhance an existing Ayrshire coastal location celebrating a nationally significant approach to place quality and building a destination developed around a Maritime Quarter / Maritime Mile / National Maritime Museum creating a new profile, footfall and spend to the town and supporting wider Marine Tourism objectives</p>
What are the intended outcomes of the project	<p>The Great Harbour project is a transformational project. It will create a new national and regional waterfront destination transforming the tourism and the visitor potential of Ayrshire and the Clyde Coast. The project addresses a regional perspective and is aligned with the Regional Growth Strategy, Community Wealth Building programme. Great Harbour and the area of Harbourside, Beach Park and Coast is North Ayrshire and Irvine's greatest asset. Investment in the Great Harbour is about 'world class / best in class' investment in place that can support area regeneration. Regeneration requires partner activity unlocked through the catalyst of enabling infrastructure (AGD investment). The project will transform Ayrshire's tourism offer, secure area-wide regeneration, with a strong focus on community, led by NAC's regional approach on community wealth building and importantly, creating a destination of national appeal. The project will use the AGD funding to unlock wider partner investment (commercial / residential/leisure) in the Great Harbour including future partnership aims in re-purposing the Big Idea site, extending the appeal of the National Maritime Museum.</p> <p>The project deliverables include: Direct AGD Investment</p> <ul style="list-style-type: none"> • a new national / regional waterfront destination at Great Harbour • quays and a unique direct marine access

	<ul style="list-style-type: none"> • slipway and active leisure marine access points • provision for play, active leisure, active travel • waterfront and town-to-waterfront gateways • comprehensive streetscape enhancement • National Ayrshire Coastal Path connections • community enterprise /community wealth building programme • investment in a key visitor destination supporting the Coig, route development work
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Section Two: What are the Likely Impacts of the Project?

Will the project impact upon the whole population of Ayrshire or a specific council area and/or particular groups within the population (please specify the equality groups)	<p>Increased levels of investment, including FDI</p> <ul style="list-style-type: none"> • Uplift in commercial rental/sales values (£) • Average house price uplifts • Increased supply of commercial space • Increased employment • Increased GVA • Reduced congestion • Improved road safety • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • Increased drainage capacity • CO2 savings via modal shift • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • Improved business productivity • Businesses attracted to the locality
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Consider the 'Three Key Needs' of the Equality Duty

Which aspects of the project eliminate unlawful discrimination, harassment and victimisation?

The proposals have been developed in concept utilising the Scottish Government Place Standard toolkit, which ensured the strategic objectives of the project were influenced by, and delivered, concept proposals that will result in a regeneration programme that is fundamentally inclusive and removes barriers to participation and engagement with the place, in terms of increasing employment opportunities through a range of investment opportunities ranging from public and private sector developments, larger investment proposals, support for SME scale private commercial enterprises, and community entrepreneurialism and ownership of the economy – particularly through community workshops. The physical impact of the proposals will also promote equality of opportunities.

While the harbourside is currently a primary local attraction, which draws footfall to the beach, beach park, harbourside walk and a small number of local businesses, the implementation of the project will provide infrastructure that makes the accessibility of the place significantly greater, with improved surfacing, improved access to the water environment, reduction in the dominance of road based layouts in favour of multi-generational, accessible outdoor leisure/play facilities. A new beach front facility will house current coast watch, and provide amenities and commercial potential to create jobs, linking with the pilot house to support wide engagement with the heritage of the place, and partnership with the maritime museum will support further access to heritage and community-based learning opportunities.

Which aspects of the project advance equality of opportunity between people who share a relevant protected characteristic and those who do not?

The interaction with the regional skills programme and community wealth building will promote and wider the accessibility to the opportunities throughout the growth deal and beyond, and it is considered that this is a critical relationship throughout project development and implementation to secure the added value to the capital investment.

The proposals have been developed in concept utilising the Scottish Government Place Standard toolkit, which ensured the strategic objectives of the project were influenced by, and delivered, concept proposals that will result in a regeneration programme that is fundamentally inclusive and removes barriers to participation and engagement with the place, in terms of increasing employment opportunities through a range of investment opportunities ranging from public and private sector developments, larger investment proposals, support for SME scale private commercial enterprises, and community entrepreneurialism and ownership of the economy – particularly through community workshops. The physical impact of the proposals will also promote equality of opportunities.

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Which aspect of the project foster good relations between people who share a protected characteristic and those who do not? (Does it tackle prejudice and promote a better understanding of equality issues?)

The proposals have been developed in concept utilising the Scottish Government Place Standard toolkit, which ensured the strategic objectives of the project were influenced by, and delivered, concept proposals that will result in a regeneration programme that is fundamentally inclusive and removes barriers to participation and engagement with the place, in terms of increasing employment opportunities through a range of investment opportunities ranging from public and private sector developments, larger investment proposals, support for SME scale private commercial enterprises, and community entrepreneurialism and ownership of the economy – particularly through community workshops. The physical impact of the proposals will also promote equality of opportunities.

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Have any cross-cutting impacts been identified from other Council Services or Partner Agencies? (Multiple discrimination or accumulated effects of multiple proposals on a protected characteristic group)

No

Island Proofing

Island Proofing is about considering the particular needs and circumstances of island communities when public sector organisations exercise their functions and make decisions. This process includes a range of issues such as access to services, digital connectivity, employment and access to education; transport and access to goods and services.

Not applicable.

Considering the following Protected Characteristics and themes, what likely impacts or issues does the project have for the group or community?

Please outline evidence in relation to impacts identified. List any likely positive and/or negative impacts. If negative impacts are identified, can these be mitigated or lessened?

Protected Characteristics	Evidence	Positive/Negative Impacts	Mitigating Factors
Age: Issues relating to different age groups e.g. older people or children and young people	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.
Disability: Issues relating to disabled people	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.
Gender Reassignment – Trans/Transgender: Issues relating to people who have proposed, started or completed a process to change his or her sex	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Neutral	<ul style="list-style-type: none"> Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage Ongoing engagement with communities teams through LPP and cultural and heritage lead officer.

Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Neutral	<ul style="list-style-type: none"> Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage Ongoing engagement with communities teams through LPP and cultural and heritage lead officer.
Pregnancy and Maternity: Issues relating to woman who are pregnant and/or on maternity leave	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.
Protected Characteristics	Evidence	Positive/Negative Impacts	Mitigating Factors
Race: Issues relating to people from different racial groups,(BME) ethnic minorities, including Gypsy/Travellers	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Neutral	<ul style="list-style-type: none"> Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage Ongoing engagement with communities teams through LPP and cultural and heritage lead officer.

Religion or Belief: Issues relating to a person's religion or belief (including non-belief)	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place 	Neutral	<ul style="list-style-type: none"> • Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage • Ongoing engagement with communities teams through LPP and cultural and heritage lead officer.
Sex: Gender identity: Issues specific to women and men/or girls and boys	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place 	Neutral	<ul style="list-style-type: none"> • Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage • Ongoing engagement with communities teams through LPP and cultural and heritage lead officer.
Sexual Orientation: Issues relating to a person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place 	Neutral	<ul style="list-style-type: none"> • Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage • Ongoing engagement with communities teams through LPP and cultural and heritage lead officer.

<p><u>Children's Rights</u> Issues and impacts affecting children's rights*</p> <p>*for more information please email – andrewhale@north-ayrshire.gov.uk</p>	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.
<p>Health</p> <p>Issues and impacts affecting people's health</p>	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.

Protected Characteristics	Evidence	Positive/Negative Impacts	Mitigating Factors
<p>Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections. Further information can be found here</p>	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place • Proof of concept baseline 	<p>Positive</p>	<p>None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.</p>

Socio-Economic Disadvantage			
	Evidence	Impact	Mitigating Factors
Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.
Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Positive	<ul style="list-style-type: none"> Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage Integration with skills and CWB programmes will provide mechanism to deliver benefits
Material Deprivation: Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	<ul style="list-style-type: none"> Place standard toolkit application Project scoping Relationship to LPP priorities and other spatial frameworks in place Proof of concept baseline 	Neutral	<ul style="list-style-type: none"> Identify examples of best practice in strategic scale public realm project in terms of displaying positive impacts on the characteristic group and embed in technical design stage Integration with skills and CWB programmes will provide mechanism to deliver benefits

Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)	<ul style="list-style-type: none"> • Place standard toolkit application • Project scoping • Relationship to LPP priorities and other spatial frameworks in place • Proof of concept baseline 	Positive	None identified. Though progression to technical design will be driving by overall project objectives to ensure inclusive nature of place will be embedded in solutions.

Section Three: Evidence Used in Developing the Project

<p>Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? Who did you involve, when and how?</p>	<ul style="list-style-type: none"> • Consultation with community planning partnership (various occasions and at various for a e.g. LPP meeting and leadership group (involving multiple agencies and community reps throughout 2020) • Significant historic engagement with communities through the development of the Irvine Vision (throughout 2015) • Alignment of consultation through participation in a development consultation for social housing provision in the Great Harbour (public consultation and exhibition event in 2019) • Statutory consultation processes undertaken through LDP2 development (at main issues report stage in 2017 and proposed plan stage in 2019) • Continuous local business engagement (over several years) • Proof of concept work to inform the assumptions around the impact of the projects and target market for deriving benefits (2019)
<p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify <i>what</i> research was carried out or data collected, <i>when</i> and <i>how</i> this was done.</p>	<ul style="list-style-type: none"> • LDP2 and background/evidence documents to inform strategic land use proposals for the place • SIMD data – indicating pockets of deprivation and indicating spatial relationship • Locality Planning Partnership – contains full socio-economic and demographic profile of the area, which informed
<p>Partners data and research In assessing the impact(s) set out in Section 2 what evidence has been provided by partners? Please specify partners</p>	<ul style="list-style-type: none"> • Locality Planning Partnership: Locality profile • Community: Feedback through consultations listed above • Local Business: partnership arrangements with major landowner and harbour authority and information from various local businesses
<p>Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p>	<ul style="list-style-type: none"> • Although there is a predicted neutral impact on the following groups (sex, gender, race and marriage), it is predicted that the inclusive nature of the physical development works will improve physical and engagement potential of the place for all groups. Progression of the project to technical design may benefit from additional analysis of impact on these groups.

Section Four: Detailed Action Plan to address identified gaps in:

a) evidence and

b) to mitigate negative impacts

No.	Action	Responsible Officer(s)	Timescale
1	Identify best practice of placemaking and physical regeneration public realm works, including leisure and outdoor play space, and its impact on characteristic groups including sex, gender, marriage and race and incorporate measures to secure accessibility of the place to those groups where possible. It is not currently predicted that there are any adverse impacts, and impacts are likely to be positive.	George Hunter	December 2021
2			
3			
4			
5			

Note: Please add more rows as required.

Section Five - Performance monitoring and reporting

Considering the project as a whole, including its equality and diversity implications:

When is the project intended to come into effect?	24/25
When will the project be reviewed?	Ongoing and through AGD monitoring and project and programme delivery steering groups

Which Panel will have oversight of the project?	As above.
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Section 6

Ayrshire Growth Deal



Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Project: Great Harbour (Maritime Mile)

Name of Project Lead George Hunter

Email of Project Lead georgehunter@north-ayrshire.gov.uk

Date of Assessment February 2021

This project will assist or inhibit the Council's ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

1. Summary of project aims

To deliver a place-based regeneration programme providing infrastructure to support secondary and tertiary investment proposals that will combine to transform the area into a regional and national destination and sustainable place with an increased and wide range of employment opportunities, a range of investment opportunities, access to quality outdoor space and cultural, heritage and learning opportunities.

2. Summary of how the project will eliminate discrimination

The physical proposals as described in the assessment provide a significant improved accessibility the key attributes of the place such as employment opportunities (which will grow), outdoor play and leisure facilities, access to the water environment and access to the culture and heritage of the locality, thereby providing extensive place-based learning opportunities for local and deprived communities. The project will enable an agenda-free place, with multiple component to enable and encourage all population characteristic groups to access and enjoy to locality and place.

3. Summary of how the project will advance equality of opportunity

The project is fundamentally a programme of infrastructure improvements to the place to make it physically more inclusive by generating opportunities to access play, outdoor leisure, water environment, harbour walk and access culture and heritage assets and one of the core project drivers is enabling increased accessibility to the physical and socio-economic components of the project.

4. Summary of how the project will foster good relations

There is a core community component to the project, which will see it deliver a community wealth building regeneration scheme at a locality scale. The project will enable increased investment opportunities targeted at large commercial leisure offers, but also to support local scale entrepreneurialism and community participation and ownership of the economy of the place, which will promote diversity and inclusiveness, ultimately delivering an organic and balanced, sustainable demographic within the place.

5. Summary of how the project considers Socio-Economic Disadvantage (Fairer Scotland Duty)

The project actively seeks to reduce and tackle poverty and socio-economic disadvantaged communities within the region and locality and the proposal is for enabling infrastructure to create the conditions for the place to thrive in a sustainable manner supported by secondary and tertiary employment and investment opportunities.

6. Summary of how the project considers the needs of island communities

Note applicable

7. Summary of Key Action to Mitigate Negative Impacts

a. Actions and Timescales

No negative impacts are identified, however an action to research and identify best practice related to the implementation of major scale public realm regeneration initiatives implementation and alignment with key characteristic groups is identified, and this should be carried out as part of the development of a technical design and to inform the final business case (by Dec 21)

Project Lead George Hunter

Signed (electronically) George Hunter

Appendix H

IG and CWB Template

NAC – Ayrshire Growth Deal
GREAT HARBOUR PROGRAMME – IG and CWB Template for Great Harbour

Inclusive Growth Ambition/Objective	How?	IG Barrier	IG Action Plan	CWB pillar	CWB theme	Equalities/Excluded Group
To unlock the economic potential within the Clyde Coast creating a regional destination at Irvine Harbourside that supports inclusive economic growth through an approach that focuses on Community Wealth Building. This will be demonstrated through increased visitor numbers / footfall/ visitor spend and user/customer and community feedback and surveys.	Key Baseline Data Against Which to Measure the Impact of the Project Number of visitors: circa 750,000 (estimated Moffat Centre) Number of tourism businesses on Harbourside: 9 currently	<ul style="list-style-type: none"> Business Premises Transport people to work) Business support Soft and basic skills (work – readiness) Aspirations Community empowerment Childcare Health 	<ul style="list-style-type: none"> Maximising benefits for Ayrshire's business base. Maximising benefits for business and people through skills investment. Maximising benefits for people – Fair Work. Maximising benefits for places/communities. Maximising benefits for equalities groups. 	<ul style="list-style-type: none"> Fair employment Land and Assets Plural ownership 	<ul style="list-style-type: none"> Enhancing local spend Promote and embed fair work Democratic ownership and diverse business models Maximise local assets Inclusive resilient economy Business-led inclusive growth 	<ul style="list-style-type: none"> Age Disability Pregnancy and Maternity Children's rights Health Human rights Poverty Low wealth Deprivation
Objective 2: To secure area wide regeneration based on developing the special qualities of place alongside community participation within a place-based regeneration framework, building on the legacy of the Irvine Development Corporation.	Key Baseline Data Against Which to Measure the Impact of the Project Number of tourism businesses on Harbourside: 9 currently Number of 3rd sector groups operating from Harbourside 5 currently	<ul style="list-style-type: none"> Business Premises Transport people to work) Business support Soft and basic skills (work – readiness) Aspirations Community empowerment Childcare Health 	<ul style="list-style-type: none"> Maximising benefits for Ayrshire's business base. Maximising benefits for business and people through skills investment. Maximising benefits for people – Fair Work. Maximising benefits for places/communities. Maximising benefits for equalities groups. 	<ul style="list-style-type: none"> Land and Assets 	<ul style="list-style-type: none"> Enhancing local spend Promote and embed fair work Democratic ownership and diverse business models Maximise local assets Inclusive resilient economy Business-led inclusive growth 	<ul style="list-style-type: none"> Age Disability Pregnancy and Maternity Children's rights Health Human rights Poverty Low wealth Deprivation

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Objective 3: To address place infrastructure deficiencies that constrain investment developing the enabling infrastructure to address market failure created by commercial values that restrict private sector investment. Showcasing the potential through a high-quality approach to destination development	Key Baseline Data Against Which to Measure the Impact of the Project Number of new house starts in past 5-year period: 150 Number of new retail/tourism outlets in past 5-year period 2-3	<ul style="list-style-type: none"> Business Premises Transport people to work) Business support Soft and basic skills (work – readiness) Aspirations Community empowerment 	<ul style="list-style-type: none"> Maximising benefits for Ayrshire's business base. Maximising benefits for business and people through skills investment. Maximising benefits for people – Fair Work. Maximising benefits for places/communities. Maximising benefits for equalities groups. 	<ul style="list-style-type: none"> Land and Assets Financial power Plural ownership 	<ul style="list-style-type: none"> Enhancing local spend Democratic ownership and diverse business models Maximise local assets Inclusive resilient economy Business-led inclusive growth 	<ul style="list-style-type: none"> Age Disability Pregnancy and Maternity Children's rights Health Human rights Poverty Low wealth Deprivation
Objective 4: To lock in at a local level, the benefits of economic development to ensure Ayrshire communities are actively engaged and supported through enterprise support, skills development, training, community enterprise supporting inclusive growth & community wealth building.	Key Baseline Data Against Which to Measure the Impact of the Project Number of local jobs created in Harbourside in past 5-year period XX Number of local residents from LOIP area employed in construction /jobs in past 5-year period	<ul style="list-style-type: none"> Transport people to work) Business support Soft and basic skills (work – readiness) Aspirations Community empowerment Childcare Health 	<ul style="list-style-type: none"> Maximising benefits for Ayrshire's business base. Maximising benefits for business and people through skills investment. Maximising benefits for people – Fair Work. Maximising benefits for places/communities. Maximising benefits for equalities groups. 	<ul style="list-style-type: none"> Procurement Fair employment Financial power Plural ownership 	<ul style="list-style-type: none"> Promote and embed fair work Democratic ownership and diverse business models Maximise local assets Inclusive resilient economy Business-led inclusive growth 	<ul style="list-style-type: none"> Age Disability Pregnancy and Maternity Children's rights Health Human rights Poverty Low wealth Deprivation
Objective 5: To enhance an existing Ayrshire coastal location celebrating a nationally significant approach to place quality and building a destination developed around a Maritime Quarter / Maritime Mile / National Maritime Museum creating a new profile, footfall and spend to the town and supporting wider Marine Tourism objectives.	Key Baseline Data Against Which to Measure the Impact of the Project Number of visitors: circa 750,000 (estimated Moffat Centre) Number of tourism businesses on Harbourside: 9 currently	<ul style="list-style-type: none"> Business Premises Transport people to work) Business support Soft and basic skills (work – readiness) Aspirations Community empowerment Childcare Health 	<ul style="list-style-type: none"> Maximising benefits for Ayrshire's business base. Maximising benefits for business and people through skills investment. Maximising benefits for people – Fair Work. Maximising benefits for places/communities. Maximising benefits for equalities groups. 	<ul style="list-style-type: none"> Land and Assets 	<ul style="list-style-type: none"> Enhancing local spend Promote and embed fair work Democratic ownership and diverse business models Maximise local assets Inclusive resilient economy Business-led inclusive growth 	<ul style="list-style-type: none"> Age Disability Pregnancy and Maternity Children's rights Health Human rights Poverty Low wealth Deprivation

Appendix I
Visitor Tracker

NAC – Ayrshire Growth Deal

GREAT HARBOUR PROGRAMME – VISITOR NUMBER TRACKER – 2021 Update V02 (following MMStudy)

MOFFAT CENTRE VISITOR FORECASTS (2018-2028)					
TOURISM & VISTOR DATA					
Proof of Concept Study undertaken for North Ayrshire Council by Moffat Centre – Prof. John Lennon					
Attractions and 'Pull' Factors	2018 Visitation Estimate and/or As Advised	Moffat Centre Projected Visitation By 2027	Moffat Centre Projected Post 2027-Visitation	NAC Tourism Reconciliation / Project Development	NAC Current Status Tracker
Visitation Scottish Maritime Museum	65,000	85,000 (with art collection) + 20,000	100,000	High Confidence Moffat Centre predicted 120,000 NMMS rapidly developing Arts NMMS full partner MM NMMS secured S Govt support NMMS applying Lottery Funding New Arts Facility Visitor @Gt Harbour offers potential for significant uplift.	Positive NMMS fully engaged Visitor numbers look conservative
Food and Beverage Attractions	330,000	475,000 +145,000	650,000	High Confidence Existing businesses seeking to reinvest. These include Gro Expansion HM House SHIP New Offer New Puffer Café New HAC	Positive Existing Business Expansion Significant new investment anticipated before 2027
Scottish National Centre for Play (Forecast)		125,000	300,000	Prog. Slippage Deferred. NAC don't control timescales. Concept	Repurposing Big Idea No progress COVID Impact Programme/Concept outwith NAC Major element in Visitor No. post 2027. Must be considered at risk
Irvine Retail / Old Town	150,000	230,000 (with Maritime Mile) +80,000	320,000	Med Confidence Covid Impacts High Street Impacts Public Trans Impacts	NAC major investment in Place Upgrading of Town Centre Town Centre investment Uplift impacted by Covid Impacts unclear

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Beach Park South	175,000	235,000 (with sculpture and play) +60,000 + 125,000	265,000	High Confidence Additional 125,000 replacing National Centre for Play >2027 Significant area to drive additional visits and footfall. New Play Facility Visitor 200,000	Amended MM proposals place stronger emphasis on Beach Park South. Proposals include: Upgraded Beach Park / New Pilot House Park New Regional Play Facility Beach Pavilion Proposals would significantly add to visitor numbers. Local 3 rd Sector organisations also add to activity/vibrancy
Beach Park North (Ardeer Peninsula)		65,000 (accessible with sculpture) +0	155,000	Prog. Slippage . NAC don't control timescales. Concept	Predicated by repurposing Big Idea. Opening of the Inventors Bridge. No progress NPL Linked to National Centre Play COVID Impacted Programme/Concept outwith NAC Major element in Visitor No. post 2027. Must be considered at risk
General Day Visitors	150,000	275,000 +125,000	400,000	High Confidence MM Project more strongly aligned on attractions / visitor needs New Place quality Staycations	Maritime Mile focussed on delivering local/regional /national attractions as part of destination. Stronger offer for Day Visitors Combination of Play / Park/ Greenspace / Heritage
Visiting Friends and Relatives	87,000	150,000 +63,000	200,000	Med-High Confidence Covid-19 v Staycations	Covid Impacts unclear over Med Term Short term benefits with 'staycations' local short breaks / holidays. Increase in 'experience' and active leisure.

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Hotel (Accommodation, Food, Beverage, Leisure, Meetings / Conferences)		26,000 +26,000	34,000	High Confidence New Place quality Staycations Robertson Foundation interest in Hotel. NPL commercial development positive	Positive Existing Business Expansion Ship Inn Marina Inn New Restaurant Beach Pavilion Significant new investment anticipated before 2027
SUB- TOTAL	957,000	1,666,000	2,209,000		
Additional Visitors		584,000		OBC advises 574,000	Medium-High confidence On-tracker with AGD Investment (MM) and Partner Projects to secure additional visitors by 2027 Covid uncertainty – with lack of clarity around Short/Med/Long term impact. Ayrshire particularly badly impacted. Impacts post 2027 and future of Big Idea / Development of Major Visitor Based Attraction unclear.
Less Duplicate Counting*	181,000	316,000	419,000		
TOTAL	776,000	1,350,000	1,790,000		
Additional Visitors		574,000	1,014,000		

- ❖ Based on Moffat Centre Visitor Assessment and Projections 2019 (Proof of Concept Report)
- ❖ Updated / Tracked G&I (NAC)

Appendix J

Partner Tracker

NAC – Ayrshire Growth Deal
GREAT HARBOUR PROGRAMME - PARTNER TRACKER - 2021 Update V03

Partner	Contact		Potential Funding	Status
NMMS	David Mann CEO 07403009768	<p>NMMS Board Member – Gt Harbour Programme Board NMMS committed to NMMS@Gt Harbour NMMS seeking development of the Harbour Project Cluster in MM NMMS seeking Lottery Funding for Arts/Gallery /Educational space - Submission to Lottery Mar 2021 - Feasibility Study funded Scottish Govt. Funding via NAC - Board Supported / Approved December 2020 NMMS engaged in Stage 1 Gateway Project Approval Report to ELT Feb 2021</p> <p>Roles: Development Partner Development Funding Operational Partner</p>	<p>Circa £4-5m CAPEX</p> <p>Circa £10m OPEX Operational Support Funding over 25 years</p> <p>Revenue Support Retained NMMS</p> <p>Additional opportunity: Increase CAPEX Increase commercial activity Increase events Role in Pilot House</p>	Positive Strong participation
NPL Dev.	Simon Towers Director 07771893856	<p>NPL Board Member – Gt Harbour Programme Board NPL / NAC operate within MoU 2019-2022 NPL seeking full Development Agreement NPL seeking 'Lead' Development Partner Role NPL are Harbour Authority</p> <p>NAC & NPL need to define roles - Developer (Harbourside) - Developer (Ardeer Bridgehead / Big Idea /Other) - Harbour Authority NPL potential contribution via Env. Trust Funds seeking to develop Open Market Housing / Mixed Use Dev. - NPL engaged in Stage 1 Gateway Project Approval NPL developing Business Case & JV Structure for review</p> <p>Roles: Development Partner (Housing) Development Partner (Commercial) Harbour Authority</p>	<p>Housing /commercial Investment</p> <p>Circa £20-25- £30m CAPEX</p> <p>Circa £5m OPEX Operational Support Funding over 25 years</p> <p>Env. Trust Funds Potential £2million</p> <p>Additional opportunity: Increase CAPEX Increase commercial activity</p> <p>Further opportunities repurposing Big Idea / Ardeer Bridgehead / Commercial</p>	Positive Seeking to define roles and future procurement
Robertson Foundation	Mr G Spiers CEO 07925310347	<p>Investment Interest Robertson Foundation seeking Development project Major Leisure Development - Hotel & Conference Centre</p>	<p>Hotel /Commercial Investment</p> <p>Circa £60-£80m CAPEX</p>	Early Engagement Scope to be confirmed.

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		<ul style="list-style-type: none"> - Activity Leisure - Wet Play – Pool - Sports & Gym Centre Identified Magnum site Seeking Development Agreement NAC Detailed proposals to NAC Estates Land Purchase with Development Agreement <p>NAC need to define scope and procurement arrangements</p> <p>Roles: Development Partner (Hotel / Leisure / Commercial)</p>	<p>Circa £25m OPEX Operational Support Funding over 25 years</p> <p>Additional opportunity: Increase CAPEX Increase commercial activity</p> <p>Scope not currently fully understood. Awaiting OBC / Business Case detail. Architects Concept Detail issued</p>	
Crown Estate Scotland	Tom Mallows Dev. Officer 0131 460 7650	<p>Investment Interest CES keen to invest in Ayrshire CES funding for Blue Economy / Leisure / Marine Positive dialogue on NMMS ambitions / project Potential role with Beach Facility / Community / Coastwatch</p> <p>NAC / CES agreed MoU Partnership Funding model - Development Agreement NAC need to define scope and procurement arrangements</p> <p>CES identified as a strong potential public sector / commercial investment partner. Aligned interest in Gt Harbour. Wider involvement</p> <p>Roles: Development Partner (Coastal / Marine Project Funding)</p>	<p>Investment Circa £2-4m CAPEX</p> <p>Coastal Communities Fund future project programme</p> <p>Additional opportunity: Increase CCF Dredging Harbour Marine Education CWB</p>	Early Engagement Scope to be confirmed.
NPL Ardeer	Simon Towers Director 07771893856	<p>NPL Board Member – Gt Harbour Programme Board NPL / NAC operate within MoU 2019-2022 NPL own Ardeer / Big idea / Innovators Bridge NPL Harbour Authority</p>	<p>Housing /commercial /Big idea Investment Circa £20-30m CAPEX</p> <p>Circa £10m OPEX (??) Operational Support Funding over 25 years</p> <p>Most focus on: - Leisure Development - Housing Development - Tourism / Lodge Big Idea</p>	<p>Seeking to define scope and how all parties facilitate sustainable investment / development.</p> <p>Challenges in geography / LDP / scope</p>

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			<p>Probable significant lag time Big Idea market responsive 2030+</p> <p>Additional opportunity: Increase CAPEX Increase commercial activity</p> <p>Further opportunities repurposing Big Idea / Ardeer Bridgehead / Commercial</p>	outwith Gt Harbour.
Gt Harbour Business community	Gordon Rennie Marco Edge Cheryl Lamont	<p>Investment interest. Expansion Plans</p> <p>Gro Artisan Coffee Extend Premises Outdoor Eating / Waterfront Seating Acquisition Harbour Master's House</p> <p>Vanilla Joe's Extend Premises Outdoor Eating / Waterfront Seating Acquisition Harbour Master's House</p> <p>SHIP Inn Potential sale and new owner/manager /investor Integration in Masterplan Framework – Expansion</p> <p>Puffer Café Redevelopment Re-purpose existing building Develop new Waterfront Facility within NMMS@gt Harbour</p> <p>Coastwatch Integrate with Commercial Beach Offer Grd Floor new Beach Pavilion facility Education /Training/first Aid / CCTV / Café-Outlet</p>	<p>Investment Circa £1-5m CAPEX</p> <p>Strong CWB elements Key Local Artisan activity</p> <p>Timescales/Support & scope not currently clear</p> <p>Additional opportunity: Local Enterprise Community Enterprise CWB</p>	
Total Partner Investment	Best Guess	<p>Emerging activity Triggered in part by AGD Ratification / OBC / Masterplan and Engagement with partners.</p>	<p>Advancing Circa £35 million</p> <p>Potential Circa £50million</p>	

Appendix K

Interdependencies

NAC – Ayrshire Growth Deal

GREAT HARBOUR PROGRAMME – 2021 Update

Annexe 1 –Interdependencies for the Great Harbour Outline Business Case

Project Interdependencies

The AGD proposes a set of projects that sit alongside each other and are reinforcing in their impact and contribution to the shared vision for Ayrshire. A case of the whole being greater than the sum of the parts. In this important respect the AGD needs to be seen as a cohesive programme sitting alongside partners' day to day delivery both supporting and enhancing that activity. It has been identified there is a need to understand project interdependencies, both to assess the anchor projects within the AGD and also to aid discussion with Governments and partners.

A heat map has been produced which shows the strength of relationship between projects allowing partners to clearly understand the role of each project to support the whole Ayrshire Growth Deal.

While the Great Harbour project is not dependent on any other project, there are particularly strong links with the following projects:

- **Marine Tourism** – this will complement the coastal and regional tourism infrastructure and marine tourism capacity of the region.
- **Digital Infrastructure** – by improving the connectivity local businesses will not be restricted from using robotics or digital programmes which require excellent connectivity connections
- **Ayrshire Skills Investment Fund** –The fund will add flexibility and responsiveness to the skills system to enable local populations to access employment opportunities generated, particularly through providing market entry skills, including digital
- **Working for a Healthy Economy** – the AMIC centre can provide support to the Working for a Healthy Economy project by providing a platform to educate and train the clients enrolled

Annexe x outlines the key activity that will take place to ensure close working with these projects and also the benefits that will come of this close integration.

<i>Project link</i>	What is the link	Key actions to maximise link	Expected benefits of the link	Targets
<i>Ayrshire Skills Investment Fund</i>	The fund can help support people on the programme to develop skills. The Ayrshire Skills Investment Fund will add flexibility and responsiveness to the skills system to address the locality employment needs and providing access to skills, such as digital competence. It can also ensure that disadvantaged sectors of the community have access to career opportunities within the marine sector.	<ul style="list-style-type: none"> • Set up referral routes from the project • Working group oversees both projects and responsible for integration • Joint discussions with Ayrshire, College and UWS to ensure a collaborative approach which will benefit both projects. 	<ul style="list-style-type: none"> • Direct link to skills training that is not currently available • Support to prepare those out of labour market to new jobs 	
<i>Project link</i>	What is the link	Key actions to maximise link	Expected benefits of the link	Targets
<i>Marine Tourism</i>	Across Ayrshire as a whole, the tourism sector had the second highest levels of employment, accounting for 14,800 jobs in 2018. In 2017, North Ayrshire employed 4,100 in the sustainable tourism industry. Sustainable tourism employment in all Ayrshire local authority areas have increased since 2008. The investment in the Ayrshire Growth Deal Marine Tourism Programme provides over £20m investment to make a step change in the provision of marine tourism infrastructure across the region. While the projects are not interdependent, there is merit in a programme board arrangement retaining strategic oversight of the programme to deliver programme benefits	<ul style="list-style-type: none"> • A programme Board is established for Marine Tourism, which will capture links between the projects • Sharing of learnings and studies which would benefit the programme. 	<ul style="list-style-type: none"> • Sharing of information and resource. • Collaboration on projects which can be developed with mass benefit to the wider manufacturing sector in Ayrshire. • Delivery of network of infrastructure within the Clyde Coast to support step change in infrastructure provision. 	<ul style="list-style-type: none"> •
<i>Project link</i>	What is the link	Key actions to maximise link	Expected benefits of the link	Targets

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Digital Infrastructure	The Digital Infrastructure programme will provide the high-speed data handling capability to Ayrshire. The landing point for the cable is potentially located at Irvine Beach and routed to i3 at Irvine, bringing potential investment opportunities.	<ul style="list-style-type: none"> Set up referral routes from the project The Great Harbour Programme board should oversee the development of a framework for Great Harbour to maximise potential for investment opportunities and should consider the potential of the digital infrastructure programme 	<ul style="list-style-type: none"> Information sharing 	<ul style="list-style-type: none">
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Project link	What is the link	Key actions to maximise link	Expected benefits of the link	Targets
Working for a Healthy Economy	The programme will support access to employment opportunities and retention of people in work, which will benefit supporting local people access opportunities arising from the Great Harbour programme.	<ul style="list-style-type: none"> Set up referral routes from the project Working group oversees both projects and responsible for integration. 	<ul style="list-style-type: none"> Additional support for the Working for a Healthy Economy Initiative. 	<ul style="list-style-type: none">

Appendix L: Project Description

2 Project Description

2.1 What is the project about?

This project comprises part of an expansive investment programme to secure The Great Harbour as a major regional destination. Growth Deal components of the investment programme will commit £14m to a phased programme of works which will lead the physical transformation of the wider location by implementation of the maritime mile project. Additional Growth Deal funding will create capacity to support community participation in commercial opportunities at the maritime mile.

The development of The Great Harbour will create a unique coastal destination comprising a number of key assets to attract new visitors to the area and create jobs.

The initial investment will deliver the 'Maritime Mile' which will drive the Great Harbour transformation. The Maritime Mile will build on the unique qualities of place, creating a national waterfront destination focussed on a series of dynamic event spaces. These will include heritage, arts, maritime and outdoor active leisure and activity hubs, providing an animated waterfront that connects from town centre to coast, to achieve a regional waterfront destination that will transform the tourism and the visitor potential of Ayrshire and the Clyde Coast. The Maritime Mile will unlock a series of secondary development opportunities which will contribute to the creation of a premium regional coastal destination that delivers Community Wealth Building opportunities.

2.2 Why is it being undertaken?

The Great Harbour project is developing a new market by transforming an under-developed local asset into a regional and national destination. Market activity alone cannot achieve the project objective. Market failure (externalities: delivery of public infrastructure) acts as a barrier to investment and prevents the opportunities being captured and/or project investment being delivered. The project focus is on addressing the enabling public place-based infrastructure to develop the essential qualities of the location, facilitate economic activity, regenerate communities and build a destination. These define the economic case for intervention. It is recognised that developing Place Infrastructure will require more than physical interventions and involve wider socio-economic support to encourage activity, participation and visitor infrastructure services. Without Growth Deal funding to leverage wider regeneration investment, the counterfactual analysis would conclude that area economic status / visitor activity / visitor spend / place quality will remain unchanged. The options analysis did not identify any other credible alternative locational options that provide the infrastructure (marine/land/transport) required or provide a similar boost to coastal tourism.

2.3 How does it fit within the wider deal?

The Ayrshire Councils have developed a regional approach to build on all the area's assets and key sectors to grow the economy. The Regional Economic Partnership has coordinated the submissions and requirements of the Ayrshire Growth Deal. Great Harbour is a partnership approved AGD project. The partnership identified and agreed a series of strategic priorities, which reflect our vision and ambition for what we want our economy to be by 2030. Taking a place and asset based approach to the strategy, and building on our strategic priorities, we have identified 6 areas of transformational growth, where the strategy sets out how we can position Ayrshire as sector-leading in Advance Manufacturing, Aerospace/space, Blue Economy, Clean Energy/Decarbonisation, Rural and Islands Economy, and the Visitor Economy, by capitalising on

the geographical, environmental and sectoral advantages Ayrshire currently offers. The Strategy also outlines how we can optimise the building blocks of the Ayrshire economy, so they offer the best platform to delivering our vision. This will focus on business growth accelerator, skills, digital ecosystem, connectivity, and thriving communities.

2.4 How it will work

The project delivery will largely take the form of strategic scale public realm infrastructure being developed to form three key hubs for maritime, community/arts, and coastal leisure zones. This will be supported by funding to support community arts workshops. This will act as a strategic enabler for a Great Harbour strategic framework that will identify a series of secondary and tertiary investment opportunities and locations and provide strategic briefs for those locations and a programme of activity to enable those community, commercial and market activities.

2.5 How it will be delivered

Project governance is established to lead the project, via and appointed design team, to a technical design for the project, which will be implemented as a first phase of the Great Harbour programme. Running concurrently with the continued project development, the wider Great Harbour Framework will be developed – build on a community engagement strategy to facilitate the delivery of additional investment to follow on consecutively from the project delivery.

2.6 Outcomes

- To unlock the economic growth potential & secure Community Wealth
- To secure area wide regeneration
- To address place infrastructure deficiencies
- To spread the benefits of economic development by Inclusive Growth & Community Wealth Building
- To enhance an existing Ayrshire coastal destination

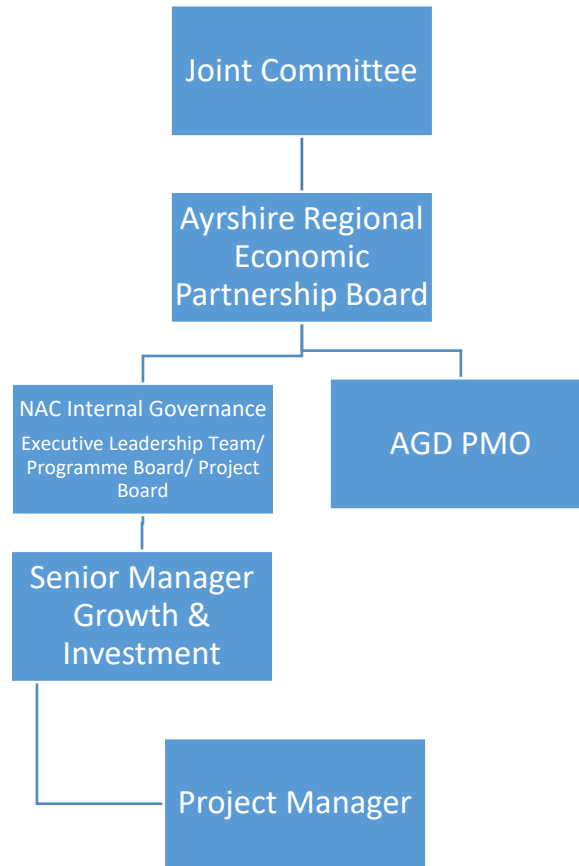
2.7 Who will use it and why

A strategic evidence baseline was developed to inform the project and targeting a significant uplift in the potential for the Great Harbour to become a strategic regional and national scale destination, capable of drawing significant visitor numbers from the domestic market. However, the value in the project, will be the combined benefit of the potential for visitor increase, combined with the local employment opportunities generated, housing opportunities, opportunities to benefit local deprived communities by providing accessible high-quality outdoor space, access to water environment, history and cultural learning opportunities.

2.8 The headline financials

The total value of the project is £14million, with £9m allocated from Scottish Government and £5m investment contribution from North Ayrshire Council.

Appendix M: Organisation Chart



Appendix N: AGD Community Benefits Statement

AGD Business Cases – Regional Community Benefits Statement

Community Benefits

Community Benefits have been a key component of public procurement policy and practice in Scotland for more than ten years.

To embed best practice and drive public bodies to consider Community Benefits clauses in procurement, The Procurement Reform (Scotland) Act 2014 established a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice.

The Reform Act requires public bodies, including Ayrshire Growth Deal (AGD) Partners, to consider how their procurement activity can improve the economic, social and environmental wellbeing of their communities.

Community Benefits are one of a range of social and environmental requirements that can be included in public contracts, contributing to national outcomes on sustainability including, but not limited to, employment, learning, skills, supply chain development and community engagement.

Contractors, suppliers and Service Providers appointed through AGD projects must demonstrate their organisations' commitment to providing Community Benefits within Ayrshire, over and above their obligations to deliver on the core purpose of a contract.

In accordance with guidance of the Reform Act and always in a relevant and proportionate manner, applicable appointments, through AGD projects, which require procurement activity, will be subject to Community Benefits requirements.

Community Benefits Themes

Through their separate procurement activities and where possible, AGD Partners are committed to assisting both young and unemployed people by encouraging access to quality sustainable employment and providing skills and training opportunities. Organisations appointed to AGD projects must therefore be able to demonstrate their commitment to integrate trainees and long-term unemployed persons into the labour market, without distinction to sex, marital status, race, ethnic origin or political or religious beliefs.

AGD projects will also bring together an extensive range of experienced Professionals who, with minimal sacrifice of time, could provide useful learning and knowledge exchange opportunities for various groups of people in our Ayrshire communities and over a wide range of subject areas and expertise. Organisations appointed to AGD

projects must therefore be able to demonstrate their commitment in providing learning opportunities across the wider Ayrshire community.

Community Benefits pledges from AGD projects should also have a focus on supporting and developing Ayrshire's existing business base and building on this with the aim of increasing the number of new business start-ups and growing sustainable businesses. The long-term sustainable development of Ayrshire's SME business base is vital and AGD Partners recognise the need to support the development of the SME sector through the use of a procurement approach which maximises SME exposure to procurement opportunities.

As such and through the procurement phases of any AGD project, contracting organisations will be asked to consider the following objectives when committing to the delivery of Community Benefits:

- Improving Education and Skills. For example, creation of apprenticeships or delivering knowledge exchange and presentations in schools or community groups.
- Improving Local Employability. For example, creation of new jobs, recruitment of the long-term unemployed, disadvantaged or young people.
- Work Experience Placements/Programmes. For example, providing work experience placements to those in education.
- Delivering Training and Development in the Community. For example, mentoring - private sector suppliers can offer support, normally as part of their CSR activity, where they can offer training and guidance to local organisations and individuals.
- Community Consultation - giving the local community an opportunity to express an opinion and possibly influence the design and delivery of a project or service in an area.
- Enhancing & Improving Local Community and Environmental Projects. For example, providing volunteers or donations to local initiatives.
- Sponsorship and Charity Work
- Supply Chain, Supported Business, Third Sector and Voluntary Initiatives. For example, offering Small and Medium Enterprises and Voluntary Sector organisations opportunities to provide goods, works and/or services as part of a contract.

Tracking & Reporting Community Benefits

Organisations who are successful in being awarded a contract through an AGD project will have their Community Benefits pledges evaluated on an ongoing basis, throughout the duration of their contract and through each of the AGD Partners' contract management procedures, using a shared Community Benefits tracking system.

Along with providing an excellent, flexible and accessible record of business information for those organisations appointed to Growth Deal projects, the AGD Partners' shared, online Community Benefits Tracker will ensure a consistent approach is applied to the monitoring of Community Benefits pledged through AGD procurement.