

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead for Regeneration

Council: 26 February 2020

Subject: Glasgow City Region City Deal - Update

1. Purpose

- 1.1** To note the progress with the implementation of the Glasgow City Region, City Deal.

2. Recommendations

- 2.1** It is recommended that Council:

- i) notes the progress of the Glasgow City Region (GCR); and
- ii) notes progress with the Council's City Deal project for the Exxon site.

3. Background

- 3.1** The Glasgow City Region City Deal Infrastructure programme equates to £1.13bn of investment during period 2015-2035. Projects are progressing and have reached various stages from Strategic, Outline and Full Business Case stages of approval.

4. Main Issues

- 4.1** As reported at previous Council papers, delays are being experienced by ExxonMobil in procuring and delivering the remediating of the site. This unfortunately has led to delays in reaching a commercial agreement and the finalisation of the Environment Impact Assessment.
- 4.2** A Proposal of Application Notice (PAN) consultation event related to the Planning Permission in Principle (PPiP) for the remediation of the site is taking place at Bowling Village Hall on 24 and 26 February 2020.

5. Glasgow City Region City Deal Update

- 5.1** The Glasgow City Region, Chief Executives' Group met on 30 October 2019, 26 November 2019, and 30 January 2020 and approved the following projects:
- i) Glasgow City Council - Waterfront West End Innovation Quarter - Improving Connectivity between Glasgow University and Queen Elizabeth University Hospital - Active Travel North - with funding of £1.915m approved.
 - ii) Glasgow City Council - FBC - Canal and North Gateway - Speirs Lock: Garscube Toll & Links with funding of £0.213m approved.

- iii) Inverclyde Council - FBC for Ocean Terminal - Terminal Building with funding of £4.893m approved.
- iv) Glasgow City Council - FBC - Canal and North Gateway - Sighthill M8 Pedestrian Bridge with funding of £14.85m approved.
- v) Glasgow City Council - FBC - Metropolitan Glasgow Strategic Drainage Partnership (MGSDP) - Drumchapel Surface Water Management Plan (SWMP) with funding of £5.28m approved.

5.2 The Glasgow City Region Cabinet met on 11 February 2020 and approved the following project:

- i) East Dunbartonshire Council - SBC- Place and Growth Programme in partnership with Strathclyde Partnership for Transport with a total budget of £30.4m funding of £0.7m approved for the production of the Outline Business Case.

5.3 Glasgow City Region Programme Status

5.3.1 A report from the Programme Management Office (PMO) related to the Audit Scotland report on Scottish City Deals was been presented to Cabinet on 11 February 2020, link:

<http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocument.s.asp?submissionid=96615>

The scope of the Audit Scotland report was all City Deals in Scotland, and it made a number of generic observations and recommendations.

5.3.2 This PMO report described above sets out a summary of the key messages within the report together with recommendations for the Scottish Government and Local Authorities. A status update on the Glasgow City Region City Deal arrangements has also been included in relation to this report outlining the mechanisms that are already in place. Given that this report was only considered by the City Deal Cabinet on 11 February 2020, a separate report outlining how the Council's arrangements, largely already satisfy these recommendations, will be provided to a future committee meeting.

5.3.3 The benefits realisation governance arrangements have been improved to ensure follow-on investment delivered by City Deal projects are strengthened through our links with the City Deal Programme and partner organisations. The remit of the Economic Delivery Group (EDG) has its role and remit extended by Cabinet to monitor the benefits realisation and the Regional Partnership will assume overall responsibility for supporting the delivery of benefits realisation and securing follow-on investment for City Deal projects.

5.3.4 At the Cabinet meeting on 11 February 2020 the People and Skills portfolio delivered a presentation updating on the progress being made in that respective portfolio. The presentations are available as background papers.

5.4 Finance Group Update

- 5.4.1** At the Financial Group meeting on 28 January 2020 it was noted that the first Gateway Review process is underway involving a sample of early projects. The outcome of the Gateway Review will "unlock" the next £250m for the next 5 years. The Gateway Review is linked to spend versus planned spend and it was reported that spend for the first 5 years will be higher than the grant funding received, and the next 5 years looks to be on track to meet the next 5 year spending target.
- 5.4.2** An item of discussion was raised regarding the use and timing of potential project underspends and the potential allocation of these to other projects requesting additional funding. As previously reported to Council, West Dunbartonshire has requested additional funding for the Exxon site project and a couple of other Councils have requested additional funding. Some Councils have indicated potential underspends, but the question as to when do such underspends become officially agreed has not been determined. This issue will be discussed at the next Finance Group.

5.5 Labour Market Working Group (LMG) Update

- 5.5.1** A West Dunbartonshire's proposal has been developed jointly between Working4U and Work Connect. The project is on course to recruit and support 45 people who are considered to be some distance from the labour market. Alongside Working 4U, Work Connect will provide ongoing support for the group with the aim to build their confidence and resilience.
- 5.5.2** The initial intention was that the programme would continue until march 2020, however it is expected that funding will be available until June 2020. The team are considering additional support for the participants in order for further assistance towards learning and employment opportunities.

6. West Dunbartonshire Council City Deal Project

- 6.1** ExxonMobil representatives met with Council officers on 14th January 2020 to discuss the progress being made of the procurement and implementation of the site remediation strategy. Following this Officers and ExxonMobil discussed their respective program of works to allow a degree of shared access. This would facilitate early access for the Council to areas of the site that will be remediated by ExxonMobil.
- 6.2** The Council continues to engage with landowners through a number of discussions and will also be engaging widely through the consultation event highlighted at 4.2. The next stage of site investigations in relation to roads infrastructure and flood management will involve access to these sites. All landowners will be contacted in advance to minimise any disruptions.
- 6.3** The refreshed Outline Business Case (OBC) for the Exxon site project was approved at Council on 28 November 2018, approved at the Chief Executives' group on 31 January 2019, and also approved at Cabinet on 12

February 2019. With ExxonMobil site remediation works being delayed and subsequent delays in an agreement being reached on a potential site transfer there will likely be an impact on the submission date of the Final Business Case (FBC). Officers are looking at a refresh of the programme of works. This will be reported back to Council when available.

- 6.4** As highlighted in previous Councils reports the Officers have entered into a confidentiality agreement with ExxonMobil and are not able to release any commercially sensitive information to members at this stage. When Council is being asked to make decisions regarding the transfer of the ExxonMobil site into Council ownership all necessary information will be provided to ensure Members can make an informed decision.

7. People Implications

- 7.1** There are a number of senior officers involved in the City Region initiative across services of the Council and as part of the project board.

8. Financial Implications

- 8.1** The expenditure for the City Deal project during 2019/20 is £0.140m. As at 31 January 2020 the total project Capital expenditure was £1.477m. Spend continues to be minimised to avoid irrecoverable costs should the project not proceed in its current form.
- 8.2** The OBC approved budget expenditure for the City Deal Exxon project remains at £2.948m. This will provide sufficient funding to take us to the Final Business Case.

9. Risk Analysis

- 9.1** There are a number of project risks associated with the development at the ExxonMobil project site and these are contained within the risk register of the refreshed OBC and updated by the officers project board.

10. Equalities Impact Assessment

- 10.1** An Equalities Impact Assessment is not necessary for this report.

11. Consultation

- 11.1** Consultation with all key stakeholders is progressing as we continue to work as part of the Glasgow City Region.
- 11.2** A Proposal of Application Notice related to the planning permission in principle for the Exxon site is being arranged at Bowling Village Hall on the 24 and 26 February 2020 to consult with the community and interested parties.
- 11.3** Regular communication is produced regarding progress with the Glasgow City Region on the website <http://www.glasgowcityregion.co.uk/>.

12. Strategic Assessment

12.1 At its meeting on 25 October 2017, the Council agreed that one of its main strategic priorities for 2017 - 2022 is:

- A Strong local economy and improved employment opportunities

12.2 The proposals within this report are specifically designed to deliver on this priority.

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Date: 12 February 2020

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Appendix: Nil

Background Reports: Portfolio Groups presentations

Background Papers: Glasgow City Region City Deal - Council updates on the following dates: 30 October 2019, 28 August 2019, 29 May 2019, 14 February 2019, 28 November 2018, 29 August 2018, 27 June 2018, 31 May 2018, 5 March 2018, 20 December 2017, 25 October 2017, 30 August 2017, 28 June 2017, 26 April 2017, 22 February 2017, 21 December 2016, 26 October 2016, 31 August 2016, 29 June 2016, 27 April 2016, 24 February 2016, 16 December 2015, 25 August 2015.

Wards Affected: All