

Supplementary Agenda



Meeting of West Dunbartonshire Council

Date: Wednesday, 26 April 2017

Time: 17:00

Venue: Council Chamber,
Clydebank Town Hall, Dumbarton Road, Clydebank

Contact: Craig Stewart
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Dear Member

ITEMS TO FOLLOW

I refer to the agenda for the above meeting which was issued on 12 April 2017 and now enclose a copy of **Item 7** which was not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

Note referred to:- /

Submit report by the Strategic Lead – Regeneration noting the progress with the implementation of the Glasgow City Region City Deal and the Council's City project.

Distribution:-

Provost Douglas McAllister
Councillor Denis Agnew
Councillor George Black
Councillor Jim Bollan
Councillor Jim Brown
Councillor Gail Casey
Councillor Jim Finn
Councillor William Hendrie
Councillor David McBride
Councillor Jonathan McColl
Councillor Michelle McGinty
Councillor Patrick McGlinchey
Councillor Marie McNair
Councillor John Millar
Councillor John Mooney
Councillor Ian Murray
Councillor Lawrence O'Neill
Councillor Tommy Rainey
Councillor Gail Robertson
Councillor Martin Rooney
Councillor Kath Ryall
Councillor Hazel Sorrell

Chief Executive
Strategic Director of Transformation & Public Service Reform
Strategic Director of Regeneration, Environment & Growth
Chief Officer of West Dunbartonshire Health & Social Care Partnership

Date of issue: 20 April 2017

WEST DUNBARTONSHIRE COUNCIL**Report by the Strategic Lead for Regeneration****Council: 26 April 2017**

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 and the Council's City project.

2. Recommendations

- 2.1** It is recommended that Council:

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

3. Background

- 3.1** The Glasgow City Region City Deal Infrastructure programme equates to £1.13bn of investment for 20 projects over a ten year period. These projects are progressing and have reached various stages from Strategic, Outline and Full Business cases stages of approval.
- 3.2** The Outline Business Case for the Exxon site project was approved at Council on 22 February 2017 and subsequently presented and commended by the PMO at City Region Chief Executives' meeting, and recently approved at the City Region Cabinet on 11 April 2017.

4. Main Issues

- 4.1** With approval granted by the City Deal Cabinet the Council will now progress the Outline Business Case (OBC) as approved to a Final Business Case (FBC) due for completion in December 2019. The maximum budget available for the production of the FBC is £2.948m
- 4.2** The Council will also, as part of this process, continue to negotiate heads of terms with ExxonMobil in order to complete a legal agreement in relation to the transfer of the site into Council ownership. The next planned meeting with ExxonMobil is on 25 April 2017.
- 4.3** Meetings with third party landowners have taken place over the last few weeks and these discussions to reach an acceptable outcome will now continue as part of the production of the FBC. Appendix 1 provides the proposed layouts of the western and eastern access which were included within the OBC.

- 4.4** The access routes presented in the OBC continue to be updated following discussions with SEPA where an appropriate solution to flooding for the site has been discussed and with Transport Scotland in relation to connections to and any impact upon the A82. A further meeting with Network Rail is planned for 24 April 2017 to discuss the routes over and under the main railway line at each end of the site.
- 4.5** It is now clear that the most viable design solution, achieved through consultation with statutory bodies, in particular for the western access to the site can only be delivered by the acquisition of land from third parties, all of whom have been made aware of this fact. Appendix 2 shows latest arrangement for the proposed routes for the west and east access points.
- 4.6** As part of the Pre-Application Notice (PAN) a community consultation event will take place at Bowing Town Hall on 5th and 6th May 2017 to ensure the community have the opportunity to view the proposed plans for the development. This will include the latest layouts for the site access as presented in Appendix 2.
- 4.7** Progress with negotiations both with ExxonMobil and with other landowners will be included in regular updates to Council albeit subject to commercial confidentiality.

5. Glasgow City Region Programme Updates

- 5.1** The following projects were approved by Cabinet on 11 April 2017:
- a) Glasgow City Council- Full Business Case for Cowlairs Bridge as part of the Canal and North Gateway Project.
 - b) Glasgow City Council- Full Business Case for Camlachie Burn as part of Metropolitan Glasgow Strategic Drainage Partnership (MGSDP) project.
 - c) West Dunbartonshire Council- Outline Business Case for Exxon Site Development Project.
- 5.1.1** The action plan for the delivery of the City Region Economic Strategy was considered and approved by the City Region Cabinet on 11 April 2017.
- 5.1.2** On 4 April 2017 Scottish Government launched an inquiry for written evidence in relation to City Region deals. The remit of the Inquiry is *“To explore rationale, prioritisation and value for money in relation to city region deals, including the progress to date of city region deals in delivering job creation and economic growth, and the structure and governance of city region deals in Scotland.”* Submissions are to be sent no later than 2 May 2017.

5.2 Commission on Urban Growth

- 5.2.1** Representatives of the Commission and the PMO met with external advisors on 7 March 2017. Responding to the role of the National Evaluation Panel, who are charged with setting out the evaluation for the infrastructure projects.
- 5.2.2** The Commission are liaising with SQW (the consultants appointed to establish and progress the work of the National Panel) to provide inputs into the panel's evaluation work. A National Panel meeting was held in London on the 22 March 2017 where the respective roles of the Commission and Panel will be further considered. Local Authorities are awaiting feedback.
- 5.2.3** As regards the locality evaluation frameworks being developed by SQW, the Commission will ensure that the Glasgow City Region locality framework reflects issues such as inclusive growth, given the policy priorities set out by the Scottish Government (and local authorities). A presentation on the forthcoming work of the Commission and related timescales will be provided at a subsequent City Deal Chief Executives' meeting in the near term.

5.3 National Evaluation Panel

- 5.3.1** The National Evaluation Panel is in "start-up" mode. The PMO has supplied SQW with data regarding the development and implementation of Glasgow City Region City Deal. SQW has indicated that of the eleven city deals within their locus, Glasgow is comparatively well advanced. Representatives of SQW had a familiarisation visit on 10 March 2017 and visited projects in Glasgow, Renfrewshire and East Renfrewshire. Further visits are anticipated.

5.4 Finance Group Update

- 5.4.1** The grant conditions for the 2016/17 Infrastructure Grant between the Scottish Government and City Region have now been resolved and it is anticipated that funds will be distributed mid-April.
- 5.4.2** The revised Assurance Framework is being finalised and will be taken to a subsequent Chief Executive's meeting. The UK and Scottish Governments have not signed off the business case guidance that was approved by the Chief Executives' Group in 2017. Renewed guidance is under development to inform the business case development and until then current guidance and appraisal criteria remain in place.

5.5 Labour Market Working Group (LMG) Update

- 5.5.1** From inception to financial year end (24/08/15 - 31/03/17) Working Matters in West Dunbartonshire has engaged with 134 people, with 76 people taking up the service; this is fewer than anticipated at this stage of delivery.

It was previously reported in February that the challenges and issues facing the Working Matters project as a result of low client referral numbers from the DWP would be raised through the Glasgow City Region Programme Liaison Group, where Scottish and UK Governments are present.

- 5.5.2** The low client referral numbers has resulted in the development of an agreed plan with DWP to improve referrals. This plan includes the possibility of an extension of the programme timescale that will focus on ensuring participants engaged are supported to secure work.
- 5.5.3** In addition to contributing towards the general, wider 'City region' development plan we have pursued additional activity, including:
- raising the issue with local DWP to increase referrals;
 - reviewing our Westlink caseload to identify potential participants outwith the DWP referral route (those in receipt of ESA looking for work);
 - staging an event to increase the number of participants; and
 - allocating additional staff on a short term basis to support existing staff team with emphasis on job matching (with a focus on getting people into work).
- 5.5.4** This approach will lead to clearer lines of referral, increased numbers, and more participant activity. A further report on this approach will come back to the Council.

6. West Dunbartonshire Council City Deal Project

- 6.1** The WDC City Deal project for the Exxon site has funding of £27.897m over the next seven years. The project has progressed through to the Outline Business Case stage and work will now commence on development of the Final Business Case for December 2019.
- 6.2** As part of the remediation process, ExxonMobil are obliged to provide the Council with a remediation strategy and a method statement. These have not as yet been received. The next stage of the process is the production of the Environmental Impact Assessment (EIA) based on that remediation strategy. This is an important next stage of the project which will inform the Council's view as to the value of the site and may influence the negotiations.
- 6.3** The main focus of expenditure over the next six months will be on the production of the EIA and critical studies/expertise which will be necessary investment to ensure that the project remains on programme. This is expected to require up to £0.400m from the budget of £2.948m approved at Council on 22 February 2017. The Council will be updated following completion of the EIA outlining any further expenditure to be incurred.

7. People Implications

- 7.1** There are a number of senior officers involved in the City Deal initiative across services of the Council and as part of the project board.
- 7.2** Further time from existing staff being involved in the project development and subsequent delivery over the next six years duration of this important project will be necessary. In addition a specific project management role for the City Deal Exxon project within the Capital Investment Team of Regeneration has been filled and this will be funded by the City Deal budget.

8. Financial Implications

- 8.1** On 26 August 2015, £0.500m was approved at Council for the City Deal Exxon project. A further £0.150m was approved at the 22 February 2017 Council meeting in advance of the City Deal Cabinet approving the OBC on 11 April 2017 with funding of £2.948m (£0.150m forms part of this). As at 31 March 2017 the total project Capital expenditure was £0.546m.
- 8.2** The anticipated spend on the City Deal Exxon project for the following financial years are as follows:
- 2017/18 £1.198m; and
 - 2018/19 £1.750m.

It is important to highlight that the project is seeking to spend the minimum amount of budget necessary to conclude the EIA and securing an agreement on the transfer of land from ExxonMobil to the Council. It is estimated that the production of this EIA will not exceed £0.300m (with an additional £0.100m for critical studies/expertise) from the recently approved £2.948m.

- 8.3** The Council's contribution towards the operations of the City Deal Programme Management Office for period 2017/18 is £55,910; this will be funded from the budget identified at 8.2 above.

9. Risk Analysis

- 9.1** There are a number of risks associated with the project, the main risk being that Council spends funds identified, at risk, and an agreement cannot be reached with ExxonMobil; third party landowners; or the project does not get Cabinet approval. A further significant risk is in relation to the failure to deliver the anticipated GVA outcomes, either as a single project, or as part of the wider GVA expectation arising from the whole City Deal investment across the Glasgow City Region area. There are a number of mitigation actions that have been outlined in the OBC and this risk register will continue to be monitored as the project progresses towards a FBC.

10. Equalities Impact Assessment

- 10.1** An Equalities Impact Assessment was produced and included within the recent OBC. An updated Equalities Impact Assessment will be developed as part of the Final Business Case.

11. Strategic Environmental Assessment

- 11.1** A baseline Environmental Impact Assessment has been completed for the Exxon site and surrounding access points. The baseline informs the fuller Strategic Environmental Assessment which will be available for consideration to the Council by December 2017.

12. Consultation

- 12.1** Consultation with all key stakeholders is progressing as we are working towards the Full Business Case. The pre-application planning notice which was submitted includes the consultation process which will take place with the local community at Bowling Village Hall on 5 and 6 May 2017. Meetings with third party landowners are continuing as is the engagement with all appropriate statutory bodies.

13. Strategic Assessment

- 13.1** This report contributes to the Council's Strategic Priorities and in particular towards economic growth and employability.

Jim McAloon
Strategic Lead, Regeneration
Date: 11 April 2017

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Appendices:	Appendix 1 - Access Route Layout - as per OBC Appendix 2 - Access Route Layout - Latest version
Background Papers:	Glasgow City Region City Deal – Council updates on the following dates: 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







