

**WEST DUNBARTONSHIRE COUNCIL**

**Report by the Strategic Lead for Regeneration**

**Council: 28 August 2019**

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**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) 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 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** 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. The Final Business Case is anticipated no later than November 2020.

**5. Glasgow City Region City Deal Update**

- 5.1** The Glasgow City Region, Chief Executives' Group met on 29 May 2019 and approved the following projects:

- i) Glasgow City Council - Canal and North Gateway - Speirs Lock: Landscape Link and Port Dundas: North Canal Bank Street - Full Business Case with funding of £2.68m:
- ii) Glasgow City Council - Metropolitan Glasgow Strategic Drainage Partnership - South East Glasgow Surface Water Management Plan - Full Business Case with funding of £6.1m:

- iii) Inverclyde Council - Ocean Terminal - Marine Works - Augmented Outline Business Case to ensure Green Book compliance together with the Full Business Case, both approved with funding of £4m;
- iv) North Lanarkshire Council - Motherwell Town Centre Transport Interchange - Augmented Outline Business Case approved to ensure Green Book compliance and no additional funding was sought, and
- v) South Lanarkshire Council - Cathkin Relief Road - Augmented Outline Business Case approved to ensure Green Book compliance and no additional funding was sought.

**5.2** The Glasgow City Region, Chief Executives' Group met on 20 June 2019 and approved the following projects:

- i) Glasgow City Council – Collegelands Calton Barras - Meat Market Site Remediation - Full Business Case with funding of £1.151m;
- ii) Glasgow City Council – Collegelands Calton Barras - Calton Barras Action Plan Junction Improvements - Full Business Case with funding of £1.187m, and
- iii) Glasgow City Council: Clyde Waterfront West End Innovation Quarter - Central Govan Action Plan - Commercial Floorspace Development Deficit Funding 2 Govan Old Parish Church- Full Business Case with funding of £0.077m.

### **5.3 Glasgow City Region Programme Status**

**5.3.1** There was submitted a Programme Status report by the Director of Regional Economic Growth providing information on the status and progress of projects within the Glasgow City Region - City Deal Programme together with information on Programme Management Office activity for the period from 1 January to 31 March 2019. After consideration, the Group noted:

- i) that the figures provided for Quarter 4 2018/19 community benefits, secured and realised for City Deal contracts, had shown a significant improvement in performance for the delivery of community benefits consistent across all themes, as detailed in the report;
- ii) the preparations being made for Gateway Review 1, as detailed in the report, and
- iii) a number of Infrastructure Change Controls, as detailed in the report.

## **5.4 Annual Implementation Plan 2019/20**

**5.4.1** There was submitted a report by the Director of Regional Economic Growth regarding the Annual Implementation Plan (AIP) 2019/20, available as a background report, advising that:

- i) the AIP was a requirement of the Assurance Framework and provided a statement of the intentions and details of planned activity for the coming year, and
- ii) the AIP touched on aspects of the delivery of both the Glasgow City Region City Deal and the Glasgow City Region Economic Strategy, both of which were integral to the ambitious plans for inclusive economic growth.

## **5.5 Programme Business Case 2019 - Refresh**

**5.5.1** There was submitted a report by the Director of Regional Economic Growth setting out the progress to date with developing a refreshed Programme Business Case (PBC), and is available as background report, in order to ensure Green Book Compliance, to reflect the new strategic context, including the emergence of the Regional Economic Strategy and the Regional Partnership, and to ensure consistency with the Assurance Framework 2019, advising:

- i) that the development of the PBC 2019 was underway, setting out progress with the delivery of the Programme to 31st March 2019, that a working draft of the PBC 2019 had been circulated for information and the Programme Management Office had undertaken a number of developments in refreshing the PBC, as detailed in the report;
- ii) of the proposed, refreshed City Deal Programme Strategic Objectives, as detailed in the report;
- iii) that ongoing work was in progress and would be incorporated within the final version of the PBC 2019, including:
  - (a) collaboration with the Commission on Economic Growth to identify the 5 inclusive growth priorities for the Region;
  - (b) developing an up to date Financial Case to 31st March 2019, including expenditure to date and 5-year projections, and
  - (c) updating both the Commercial and Management Cases, as detailed in the report.

**5.5.2** Proposed and agreed that finalised version of the PBC 2019 would be presented to:

- i) the CE Group on 29th August 2019 for comments and final amendments;
- ii) the UK and Scottish Governments at the Annual Conversation in late September 2019 for comment, and
- iii) GCR Cabinet on 8th October 2019 for approval.

## **5.6 Regional Skills Investment Plan – Implementation approved**

At the GCR Cabinet meeting on 19 April 2019 the Regional Skills Investment Plan (RSIP)

[https://www.skillsdevelopmentscotland.co.uk/media/45678/gcr\\_regional-skills-investment-plan\\_2019-24\\_final.pdf](https://www.skillsdevelopmentscotland.co.uk/media/45678/gcr_regional-skills-investment-plan_2019-24_final.pdf) together with the implementation Plan was approved and the Cabinet were advised:

- i) that since December 2018 the RSIP had been consulted on and endorsed by major partners, as detailed in the report, and that the Glasgow City Regional Partnership had approved the finalised RSIP on 28th February 2019;
- ii) the RSIP covered a 5-year period to March 2024, incorporated a 1-year implementation plan and planned activities for years 2 to 5, with an annual review reporting on progress, as detailed in the report, and
- iii) that the RSIP would be delivered through the Skills and Employment Portfolio, with a copy of the Executive Summary and the action plan for implementation being attached as an appendix to the report.

## **5.7 Regional Digital Connectivity Strategy**

**5.7.1** The Draft Regional Digital Connectivity Strategy was presented to the Regional Partnership Board on 20 June 2019 and is available as background report. Digital Connectivity is now considered to be the ‘fourth utility’ and therefore a fundamental. Therefore, it is incumbent on Member Authorities to ensure that they are proactively encouraging and enabling the proliferation of this digital infrastructure that will allow the city region to maintain and grow the economy.

**5.7.2** The preparation of a City Region Digital Connectivity Strategy was included in the Regional Economic Strategy (Action 9.3). The Digital Connectivity Strategy outlines a number of activities that Member Authorities can undertake to ensure the proliferation of digital infrastructure deployment that will underpin inclusive economic growth across the city region.

## **5.8 Finance Group Update**

- 5.8.1** At the Financial Group meeting on 28 May 2019 it was noted that there is a significant improvement in performance for the delivery of Community Benefits consistent across all themes.
- 5.8.2** Within the general funding, the cumulative to date spend overall as at Q4 2018/19 was £156.6m. The initial 5 year projected spend was £282m and the latest 5 year projected spend is £237m representing a reduction of £45m, with the next grant payments expected to be made on 31 May 2019.
- 5.8.3** Regarding the City Deal Infrastructure Review, year 2 of the 5 year cycle is currently only projecting 72% of budget spending (cycle 1 was projected at 99.4%). Identification of additional projects is underway and allocation of funding for new projects will continue to be done on the basis of the Assurance Framework.

## **5.9 Labour Market Working Group (LMG) Update**

- 5.9.1** The Working Matters programme ended with an underspend that will be made available to Local Authorities wishing to participate in a follow on programme. The extension project will begin on approval of proposals for additional activity and will last until the end of March 2020. The proposals have yet to be validated. All but one of the partners has chosen to participate and West Dunbartonshire Council will have access to a further grant of approximately £35,000. The funding must be matched and activity should be focussed on supporting a client group that is most distant from the labour market.
- 5.9.2** West Dunbartonshire's proposal has been developed jointly between Working4U and Work Connect and will be delivered with support of local services. The Council will focus our efforts on people who have experience of long-term unemployment and health related (psychological and physical) barriers and support these participants to address these barriers. The aim is to encourage individuals to gain sufficient confidence to join 'mainstream' employability service provision. In addition to support such as building confidence, self-esteem, literacy, numeracy and physical fitness, the Council will focus on mental health-related interventions. This will include person-centred needs analysis and low level psychological interventions with a health professional.
- 5.9.3** The Council will support up to 45 people, providing intensive support and anticipate that a minimum of 15 will secure a qualification, three will benefit from volunteering and all participants will progress towards employment. Given the experience, circumstance and barriers to opportunity faced by this group it is anticipated that a very small proportion will progress directly to employment. Positive outcomes will include referral to further education and volunteering and mainstream employability services such as the European funded Employability pipeline.

## **5.10 Skills Portfolio group update**

- 5.10.1** The Regional Skills Investment Plan was approved at Cabinet on 9 April 2019. The plan can be accessed at the link below:

[https://www.skillsdevelopmentscotland.co.uk/media/45678/gcr\\_regional-skills-investment-plan\\_2019-24\\_final.pdf](https://www.skillsdevelopmentscotland.co.uk/media/45678/gcr_regional-skills-investment-plan_2019-24_final.pdf)

## **6. West Dunbartonshire Council City Deal Project**

- 6.1** Members will be aware that a briefing session was planned to take place on the 14 August 2019 to discuss the Exxon project's Environmental Impact Assessment.
- 6.2** ExxonMobil has informed the Council that they are not in a position at present to conclude their procurement approach to deliver the remediation strategy. It is hoped that clarity on the length of delay this issue will cause to our discussions will be known shortly. The proposed members briefing will then be held as soon as is practicable thereafter.
- 6.3** The Council has met with all third party landowners and discussions are progressing as planned and will progress in parallel with the Council's negotiations with ExxonMobil.

## **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 Council approved refreshed Outline Business Case for the Exxon project has an overall Council budget approval of £34.05m, with a secured City Deal contribution at 86% of original Cabinet budget of £27.897m equating to £23.991m. The projected capital cost to the Council, should no further funding be made available and secured from City Deal would be £10.059m.
- 8.2** The expenditure for the City Deal project for 2018/19 was £0.304m. As at 30 June 2019 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.
- 8.3** The OBC approved budget expenditure for the City Deal Exxon project remains at £2.948m. This will provide sufficient funding to take us to FBC, proposed for November 2020.

## **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.

## **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** Regular communication is produced regarding progress with the Glasgow City Region City Deal and the WeConnect Newsletter from July 2019 is available as a background report.

## **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.

**Jim McAloon**  
**Strategic Lead, Regeneration**  
**Date: 5 August 2019**

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<b>Appendix:</b>	Nil
<b>Background Reports:</b>	GCR Annual Implementation Plan (AIP) GCR Programme Business Case (Draft) Regional Digital Connectivity Strategy (Draft) GCR WeConnect Newsletter July 19
<b>Background Papers:</b>	Glasgow City Region City Deal - Council updates on the following dates: 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