

**WEST DUNBARTONSHIRE COUNCIL**

**Report by the Strategic Lead for Regeneration**

**Council: 16 December 2020**

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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); and
  - ii) notes 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** The Cabinet approved the Interim Performance report at Appendix 1 from the Programme Management Office (PMO) with a number of highlights identified at 5.2.
- 4.2** The Glasgow City Region Economic Recovery Plan, entitled Recover Rebuild Renew can be found at Appendix 2.

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

- 5.1** At GCR Cabinet meeting on 6 October 2020 the Ravenscraig Infrastructure Access project Outline Business Case (OBC) in North Lanarkshire Council was approved following approval by Chief Executives' Group on 24 September 2020. The OBC secured £4.2m of funding from existing NLC City Deal allocation that will allow the project to progress. The project will be developed as four Final Business Cases which are under development.
- 5.2** The GCR Cabinet met on 8 December 2020 and approved the Interim Performance Report from the PMO. The full report can be found at Appendix 1. With the challenges presented by the Covid-19 pandemic all member authorities have completed reviews of their City Deal projects and have confirmed all projects are to proceed and have submitted Change Control Requests providing new timescales for the vast majority of projects, providing a refreshed schedule for the Programme.

**5.2.1** A total of 15 Change Control Request (CCR) have been submitted as part of the recovery planning process. Project delays have been identified and range for many months up to a number of years, in particular for GCC Integrated Public Realm projects with delays until 2028. There has been no additional financial costs identified at this stage, however difficult see how this can being avoided with cost of inflation to be considered.

**5.2.2** All CCR recommendations for approval are subject to updated expenditure profiles for each project being submitted to the PMO with Q4 2020/21 returns and any future changes to Scope, Benefits and Finance related to these changes being submitted for approval.

**5.3** The GCR Cabinet approved the review of Governance Structures. This report set out findings and suggested improvement actions from the first phase of Glasgow City Region's governance structure review, carried out through interviews with Cabinet members, discussions at groups meetings and an online survey for stakeholders.

**5.3.1** The improvement actions will be incorporated within the updated Assurance Framework which will be submitted for Cabinet approval in February 2021.

**5.3.2** Additional recommendations from a second phase of the review will be reported to Cabinet in early 2021 and will be shaped primarily by the outcome of the Cabinet's considerations regarding additional powers and the development of the Regional Economic Strategy (RES). The Governance Review report is provided as a background paper.

**5.4** At GCR Cabinet also considered an internal audit review paper was noted which provided a review of Governance Compliance with four opinions expressed:

- 1) The control environment is satisfactory i.e. audit testing found no concerns with the control environment.
- 2) A reasonable level of assurance can be placed upon the control environment i.e. audit testing found no major weaknesses in the control environment but some improvements could be made.
- 3) A limited level of assurance can be placed upon the control environment i.e. improvements are necessary to ensure the control environment is fit for purpose.
- 4) The control environment is unsatisfactory i.e. significant improvements are required before any reliance can be placed upon the control environment.

The Programme Management Office (PMO) will progress these recommendations and will report progress to the GCR Cabinet.

## **5.5 City Region Recovery Plan**

**5.5.1** At the City Region Cabinet on 8 December 2020 an Economic Recovery plan in response to Covid-19, entitled Recover Rebuild Renew was presented and approved. The economic recovery plan identifies a ten-year, £5bn scheme including a housing energy efficiency retrofit programme that would support 75,000 jobs. Proposals for a regional skills programme and identifying skills opportunities and in-demand jobs in the post-COVID economy also feature, along with plans to continue lobbying government for additional support, expanding active travel and public transport options, and

enhancing help for those made redundant in order to get them back into work or training. The updated Recovery Plan is attached as Appendix 2.

**5.5.2** It is anticipated that a refreshed Regional Economic Strategy will be published in 2021 and this will set out the longer term objectives to restart the Regional Economy. This will build on the foundations set out in this Recovery Plan, adapting to the challenges of living with or post-Covid-19.

**5.5.3** The ten actions identified in the updated plan are aligned with the previous set of actions approved by Cabinet on the 11 August 2020 and reflect the national policy announcements from the UK Government and Scottish Government over recent months, and the activity that is underway in Glasgow City Region to respond to Covid-19.

**5.5.4** Beneath the ten actions a series of supporting tasks and enablers have been identified, and lead delivery partners assigned ownership.

**5.5.5** Updates and progress reports on the Recovery Plan actions will be provided to meetings of the Glasgow City Region Chief Executives' Group, Regional Partnership, Cabinet and provided as an update to Council.

## **5.6 Renfrew Bridge Project**

**5.6.1** The £90.6m City Deal funded Clyde Waterfront and Renfrew Riverside (CWRR) Project consists of a new "opening bridge" in the location of Meadowside Street, Renfrew linked to a new road network which links to Dock Street in Clydebank in the north. The roads and bridge will include segregated provision for walking and cycling and will enable improved public transport links.

**5.6.2** Following evaluation of the initial tender for the Design & Construct Contract the project team concluded negotiation meetings early June 2020. Responses to the invitation to submit a mock tender were returned on 28 August 2020. The negotiated change to scope were made in September 2020 with the final ITT issued in October 2020.

**5.6.3** Considerable progress has been made clearing/partially clearing a number of planning conditions to allow contractor to commence site works on award. All conditions have now been signed off by Glasgow City Council and West Dunbartonshire Council to allow site start.

**5.6.4** Consultant appointed to explore opportunity to dispose of dredged material offshore or within Lobnitz Dock, have engaged with Marine Scotland (MS) to explore options for cost savings on project. A new MS licence application is ready to submit requesting offshore disposal of arising.

## **5.7 Finance Group Update**

**5.7.1** The finance sub-group last met on 20 October 2020. It was reported that the programme currently has a projected underspend of £1m, however due to Covid-19 all projects are currently under review as project delay may result in cost increases and delays.

- 5.7.2** The approach for use of any City Deal identified underspend will revert to the Finance sub-group which will consider following reviews as part of project recovery plans. This is an important process as the Council seeks to secure access to any wider underspend for our Exxon project which is currently seeking an additional £6.153m.

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

- 5.8.1** The Council's proposal developed jointly between Working4U and Work Connect has successfully achieved the initial target to recruit and support 43 people who were considered to be some distance from the labour market. Alongside Working 4U, Work Connect provided ongoing support for the group that aimed to build their confidence and resilience. The support provided included:

- Specialised person-centred needs analysis;
- low level psychological interventions with a health professional;
- Provision of healthy activities to promote healthy living;
- reinstating executive cognitive functioning; and
- Delivery of behavioural activation activity.

- 5.8.2** The initial intention was that the programme would finish in March 2020. However further funding was confirmed and extended until August 2020. This enabled the Council to deepen the partnership approach and provide further assistance and access to learning and employment opportunities. As a result, the partnership is in a much stronger position to design and deliver specialist employability services for people with challenging life circumstances, that prevent them from considering employment as a viable option.

- 5.8.3** A Skills and Employment Futures Report was presented at the GCR Cabinet on 8 December 2020 by Professor Alan McGregor from the University of Glasgow. The presentation was supported by a briefing paper which makes a number of recommendations to the GCR Cabinet, this has been provided as a background paper.

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

- 6.1** A Council report entitled 'ExxonMobil Commercial Agreement' was approved on 24 June 2020. Officers have been in dialogue with 3<sup>rd</sup> party land-owners to progress the land transfer and are proceeding with procurement of a lead contractor to deliver the City Deal project as agreed. The Final Business Case is due in December 2021.
- 6.2** The Planning Permission in Principal application for the Exxon project will be presented to the Planning Committee on 13 January 2021 for consideration. The project is still planned for completion by the end of 2025.
- 6.3** ExxonMobil have been working with their contractors and have completed additional site testing and trial pits to confirm the approach to allow commencement of the remediation works at centerfield in accordance with their approved remediation strategy.

- 6.4** The procurement strategy continues to progress inline with the agreed programme. After the completion of a extensive market research exercise and subsequent scored options appraisal a recommended procurement strategy was presented to the Exxon project board on 30 October 2020.
- 6.5** The procurement strategy focused on identifying the best route to the market and the most suitable contractual approach. The board approved both recommendations and early supplier engagement and the feasibility stage has commencement with workshops scheduled for January 2021.

## **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 2020/21 is currently at £506k. As at 30 November 2020 the total project Capital expenditure was £2.018m.
- 8.2** The approved budget to date for the City Deal Exxon project is £3.448m. This will provide sufficient funding to take us to the Final Business Case which will be completed by December 2021

## **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 project board on a regular basis.

## **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 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.

**Jim McAloon**  
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**Date: 09 December 2020**

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**Appendix:** Appendix 1 –Glasgow City Region Interim Performance Report October 2020 -18 November 2020  
Appendix 2 – GCR Economic Recovery Plan

**Background Reports:** GCR Governance Review Phase One Report  
Futures Report - Skills Recommendations

**Background Papers:** Glasgow City Region City Deal - Council updates on the following dates:, 26 August 2020, 26 February 2020, 30 October 2019, 28 August 2019, 29 May 2019, 14 February 2019, 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, 21 December 2016, 26 October 2016, 31 August 2016, 29 June 2016, 27 April 2016, 24 February 2016, and July 2020 Members Bulletin.  
ExxonMobil Commercial Agreement 24 June 2020  
Glasgow City Region City Deal - Exxon Site Refreshed Outline Business Case 28 Nov 2018  
Glasgow City Region City Deal - Update and Exxon Site Outline Business Case 22 Feb 2017  
Clyde Valley City Deal - Update and Strategic Business Case- Council 24 June 2015  
Clyde Valley City Deal Update - Council 16 December 2015  
Clyde Valley City Deal Update - Council 25 August 2015  
Appointment of Strategic Services to Support West Dunbartonshire Council's City Deal Project- IRED 18 March 2015  
Clyde Valley City Deal- Governance- Council 17 December 2014  
Glasgow City Region City Deal- Council 13 August 2014  
“City Deal Initiative” Clyde Valley Investment Fund- Council 30 April 2014 (Memorandum of Understanding)  
Clyde Valley Community Planning Partnership – City Deal Initiative – Council 28 August 2013  
Equalities Impact Assessment November 2018  
Environmental Impact Assessment - [DC20/088 – Planning Application – Documents](#)

**Wards Affected:** All