

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Executive****Council: 31 August 2022**

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 seek approval to accelerate the drawdown of increased design costs required for the delivery of the Full Business Case for the Council's Exxon Infrastructure Project.

2. Recommendations

- 2.1** It is recommended that Council:

- i) notes the progress of the Glasgow City Region programme;
- ii) notes progress on the Council's City Deal project for the Exxon site and approves submission of a Project Change Request to the City Region Project Management Office for accelerated drawdown of £2.99M (subject to minor price revisions) required to deliver the Full Business Case;
- iii) agrees to meet the accelerated drawdown from the agreed capital budget contribution of £9.64M should the Project Change Request be refused by the Project Management Office
- iv) notes the revised target date for the submission of the Full Business Case of June 2023

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.
- 3.2** Previous reports, listed in background papers, have identified progress of the Council's City Deal project at the Exxon site.

4. Main Issues

- 4.1** The Council is progressing the Exxon Project, which includes working with Balfour Beatty via the Scape Framework as part of the pre-construction agreement to allow the detailed design elements of the project to commence and provide greater certainty regarding the budget position. It

was reported to June Council that the cost of producing the Full Business Case, which will be delayed until June 2023, had increased and it is proposed that further funding be drawn down to meet the increased cost. The figure reported to June Council has been superseded by a more recent updated cost provided by the contractor.

Glasgow City Region City Deal Update

- 4.2** The Glasgow City Region (GCR) Chief Executives' Group met on 9 June 2022 and a GCR Cabinet meeting was held a week later. Agenda items included a presentation of Green Freeports bid and Shared Prosperity Fund, both addressed elsewhere on this report. The agendas for both meetings also included the launch of the Clyde Peatlands project and the Home Energy Retrofit project.
- 4.3** The most recent Chief Executive's Group meeting was held on 11 August. Items discussed included an update on Shared Prosperity Fund, a regional approach to Electric Vehicle charging infrastructure, creation of a new Clyde Climate Forest, and a proposal to establish an Anchor Network for Community Wealth Building. An evaluation of North Lanarkshire Council's Outline Business Case for A8/M8 Corridor Access improvements was submitted for consideration.

West Dunbartonshire Council City Deal Project

- 4.4** The pre-construction agreement with Balfour Beatty, who were appointed to deliver the design and build contract for the Exxon Infrastructure project, is progressing to the next stage and the agreement for the detailed design start is imminent. In late July 2022 Balfour Beatty provided an updated feasibility offer including design costs to the Council, which have been reviewed by the Exxon Project Board.
- 4.5** The Exxon Project Board recommends to Council to progress with a design cost that includes the transport infrastructure elements (eastern and western junction improvements to A82, new eastern overbridge and spine road and related flood mitigation measures), the commercial platform developments, basic utility services under the spine road service corridor, riverside pathway, wider core path and landscape elements to help address the terms of the conditions attached to the planning permission in principle and the approved masterplan. The transport infrastructure and platform design has a firmed up cost, however the contractor is currently only able to provide high level design cost for the utility, core path and landscape elements. Consequently the overall design cost stated below might have to be revised. The contract for the design package requires to be agreed as soon as possible, as it impacts on the timescales for securing planning permission and possession Network Rail line for the Western Underpass construction that will have consequences for the overall programme
- 4.6** Notwithstanding minor revisions explained above, the estimated cost to reach Final Business Case (FBC) is now £6.44m, compared to the previously agreed FBC delivery cost of £3.45M. The required additional accelerated

funds to carry out the design is therefore £2.99m. The Council will progress a Project Change Request to City Deal Project Management Office (PMO) to draw down the additional funding. If the PMO do not approve the request it is proposed that the balance is taken from the approved WDC contribution to the City Deal project, approved by Council on 22 February 2017 and at the City Region Cabinet on 11 April 2017, and subsequently approved as a refreshed Outline Business Case at Council on 28 November 2018. The design package will provide certainty on total construction costs and allow the Council to prioritise and take decisions on what can be constructed in the future.

- 4.7** It is not anticipated that City Deal will approve additional funding for the components of the design package that relate to landscape and core path development as these are outwith the original scope of the Outline Business Case. Therefore these capital costs will need to be funded by the Council. Landscaping and path development are planning conditions that the Council is required to fulfil and we are currently exploring additional funding sources to meet the construction costs of these components. Having a developed design will demonstrate a greater degree of deliverability to potential funders.
- 4.8** The delays in completing the Final Business Case are related to covid impacting on remediation timescales and a change in design scope to include increased flood mitigation measures. The Final Business Case will be brought before Council for consideration, prior to submitting it to City Deal.
- 4.9** A separate report on securing land from 3rd party land owners is brought to Council for consideration.

Green Freeport Bid

- 4.10** Scotland's Green Freeports are free economic zones (FEZ) that include rail, sea or air. Organisations within the Green Freeport zone can benefit from tax breaks and lower business tariffs, forming part of the UK Government's Levelling Up agenda and the Scottish Government's Economic Strategy 2022. The joint government objectives for Green Freeports in Scotland are:
- To promote regeneration and high-quality job creation
 - To promote decarbonisation and a just transition to a net zero economy
 - To establish hubs for global trade and investment
 - To foster an innovative environment.
- 4.11** The Glasgow City region bid is a partnership between the public sector (the 8 Local Authorities in the City Region) and the private sector. It is a trimodal bid involving sea freight at Greenock Ocean Terminal, Glasgow Airport and Mossend rail terminal. The land included in the bid includes sites in Inverclyde, Renfrewshire, Glasgow, North Lanarkshire and West Dunbartonshire. In West Dunbartonshire the sites included in the bid are adjacent to Bowling Basin and Rothesay Dock in Clydebank, both owned by Peel Ports.
- 4.12** Five bid applications from regions across Scotland were submitted to the UK and Scottish Governments for review on 20 June 2022, from which two

successful Regional Bids will be selected with each asked to develop a more detailed business case. The outcome of the bidding process is expected to be announced by late summer, currently anticipated to be 31 August. In addition to the Clyde Green Freeport bid, 4 other bids have been submitted:

- Aberdeen City and Peterhead Green Freeport
- Opportunity Inverness and Cromarty Firth
- Firth of Forth Green Freeport
- Orkney Green Freeport

Shared Prosperity Fund

- 4.13** A report will be presented to the Housing and Communities Committee on 22 August to note the Council's proposed approach to the development of Glasgow City Region Investment Plan for Shared Prosperity Fund.
- 4.14** The UK Shared Prosperity Fund (UKSPF) is the UK Government's main funding to replace European Union Structural Funds. The concept of the UKSPF was first outlined in 2017, but very little substantive information was made available until some 'pre-launch guidance' was published in February 2022. This was followed up by the publication of a full prospectus in April 2022 by the UK Government.
- 4.15** The prospectus for the fund outlines the overarching aims of building pride in place and increasing life chances. The three year fund has three core investment priorities that will guide the development of activities and how the funds should be allocated. These are Communities and Place; Supporting Local Business; and People and Skills. Lead authorities such as West Dunbartonshire Council are strongly encouraged to collaborate with their neighbouring authorities to develop regional investment plans. The Council is working in partnership with Glasgow City Region partners. A Glasgow City Region Head of Shared Prosperity Fund has been appointed and a working group of the UKSPF Officer leads in each local authority has been established and now meets on a regular basis to take the Regional Investment Plan forward.
- 4.16** West Dunbartonshire share has been allocated by the UK Government in proportion to the population and level of need. West Dunbartonshire has been awarded a notional allocation up to £3,895,815. The Council's approach has been to develop interventions in all three investment priority areas. A sequential approach has been established to identify the appropriate mix of priorities that are consistent with the outputs and outcomes set out by the UKSPF guidelines. This approach prioritises and builds on existing commitments. This includes:
- Reviewing existing activity where continuity beyond European Structural fund end dates is an issue and identify what can be supported through UKSPF. For example the current employability service is delivered with European Structural Funds that end in June 2023;

- Review existing plan priorities and consulting with stakeholders and partners to identify eligible activity from those plan priorities that could be delivered within the budget constraints.
- Proposed expenditure by heading is shown on the table below:

Priority	£Total	% of core	Activity (Outcome indicator number)
Community and Place	944,222	30%	<ul style="list-style-type: none"> • Shopfront and Small Business Improvement Grants (S1); • Pride in Place – Supporting Community Gardens 4 sites (S3); • Improvement and upgrade of CCTV Infrastructure (S4) • Community Pantry Network (S9), Community Consultation (S9), Community based communication (S9).
Business	500,000	16%	Grant based initiatives for: <ul style="list-style-type: none"> • Enhancing West Dunbartonshire’s Tourism Events & Attractions (S14); • Business Recovery & Growth (S15); • Towards Net Zero (S15); • Expert Help for Businesses (S20); • Early Stage Growth (S25);
People and Skills	1,728,824	54%	<ul style="list-style-type: none"> • Employment support for economically inactive people (S31); • Employability programmes & advice - No One Left Behind agenda (S35); • Competitive grant fund for specialist employability support and local skills needs (S36); • Case managed support for young people (S39); • Programme management and admin.
Multiply	672,771	Ring fenced by UKSPF Guidelines	<ul style="list-style-type: none"> • Courses designed to increase confidence with numbers (S42); • Courses aimed at encouraging people to upskill to access jobs/careers (S45); • Additional relevant maths modules in vocational courses (S46); • Innovative programmes delivered with employers (S47); • Intensive& flexible courses targeted at those without Level 5 maths (S48); • Courses designed to help people use numeracy to manage money (S49); • Provision developed in partnership with community organisations (S51).

Clyde Bridge

- 4.17** The City Deal funded Clyde Waterfront and Renfrew Riverside 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 the north and the new Renfrew North Development Road, to the south. The Renfrew North Development Road will run between Meadowside Street, and Argyll Avenue Renfrew to link with Inchinnan Road.
- 4.18** The Contractor maintains a website with regular updates on the project. This can be accessed at: www.graham.co.uk/clyde-waterfront
- 4.19** Since the last report the Contractor has continued to develop the detailed designs for the project, based on the consented specimen design and continued dialogue with key stakeholders and landowners. Previously agreed accommodation works and boundary fencing is also being undertaken for landowners within the project area.
- 4.20** To maximise the opportunities for local businesses, all sub-contracts over £10,000 are being advertised on the Public Contract Scotland website. Currently the following notices are posted:
- Clyde Waterfront and Renfrew Riverside (CWRR) New Clyde Bridge Provision of Deep Soil Mixing Works
 - CWRR New Clyde Bridge Provision of Band Drain & CMC Works
 - CWRR Provision of Earthworks Package
- 4.21** Next stages of works include submission of design drawings to West Dunbartonshire Council officers for the road and drainage designs within the West Dunbartonshire area and discussions with Planning Officers regarding detailed design elements of the bridge.
- 4.22** Newsletters are accessible by those who register for further updates after the issue of the first newsletter to over 3,500 residents and businesses in the local area. Posters advising the project website address were also delivered to public buildings in the project area. A link to register for updates is contained within the project webpage noted above.

5 People Implications

- 5.1** There are a number of senior officers involved in the Glasgow City Region wider programme as identified at City Region Update paper at Council on 26 August 2021.

6. Financial Implications

- 6.1** The expenditure for the City Deal project during 2021/22 was £444,415 as at end of May 2022 the current expenditure for 2022/23 stands at £79,614. The total project Capital budget expenditure is currently £2.760m.

6.2 The approved budget to date for the City Deal Exxon project is £3.45m, however costs for development and delivery of the Full Business Case have increased to £6.44m, therefore it is proposed that the additional cost is drawn down from City Deal allocation as described above. The overall Council approved project budget is £34.05m. This is continually monitored and changes to this following the progression of a detailed design package will be reported to Council.

7. Risk Analysis

7.1 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 Outline Business Case and updated by the project board on a regular basis.

8. Equalities Impact Assessment

8.1 An Equalities Impact Assessment is not necessary for this report.

9. Consultation

9.1 Consultation with all key stakeholders is progressing as we continue to work as part of the Glasgow City Region.

9.2 Legal Services, Finance and Procurement are regularly consulted through their participation in the Exxon project board.

9.3 Wider communication is produced regarding progress of the Glasgow City Region at its website <http://www.glasgowcityregion.co.uk/>

10 Strategic Assessment

10.1 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

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

Peter Hessett

Chief Executive

Date: 17 August 2022

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Appendix: None

Background Papers: UK Shared Prosperity Fund Report to Housing and Communities Committee 22 August 2022
[GCR Interim Performance Report- 18 Nov 2021](#), [GCR Education Improvement Collaborative/West Partnership Improvement Plan 2021/22](#), Glasgow City Region City Deal – 29 Council updates since February 2016, March 2021 Elected Members briefing- Renfrew Bridge, July 2020 Members Bulletin.
ExxonMobil Commercial Agreement 24 June 2020.
Glasgow City Region City Deal - Exxon Site Outline Business Cases 22 Feb 2017 and 28 Nov 2018 (Refreshed).
Clyde Valley City Deal - Update and Strategic Business Case- Council 24 June 2015.
Clyde Valley City Deal Update- Council 25 Aug 2015 and 16 Dec 2015.
Clyde Valley City Deal- Governance- Council 17 Dec 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