

**WEST DUNBARTONSHIRE COUNCIL**

**Report by Chief Officer (Regulatory & Regeneration)**

**Council: 22 June 2022**

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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

ii) notes progress of the Council's City Deal project for the Exxon site and approves submission of a change request to the City Region Project Management Office to delay the submission of the Full Business Case until June 2023

iii) approves drawing down additional costs for producing the Full Business Case from the approved £3.448m to £5.126m; and

iv) notes the Council's support for a Green Freeport bid as detailed in paragraphs 5.3-5.7.

**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 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. The cost of producing the Full Business Case, which will be delayed until June 2023, has increased and it is proposed that further funding be drawn down to meet the increased cost. ExxonMobil are currently remediating the site with extensive plant, equipment, and personnel on site, however officers are exploring the potential to undertake some works in advance of taking occupation of the Exxon site following its remediation, and will report back to Council with options.

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

- 5.1** The Glasgow City Region Chief Executives' Group met on 28 April 2022. The performance report for Quarter 4 of 2021/22 was presented and is available as a background paper on request. The report provides key highlights during the period, a comprehensive update across the City Region groups and sub-groups, highlights of each City Deal infrastructure funded project and any associated approval, a project status report, the overall budget position, and the programme risks and issues.
- 5.2** The Business Intelligence Hub at Glasgow City Region provide informative Economic Briefings on a regular basis. The April 2022 briefing can be found at the following link <https://glasgowcityregion.co.uk/ih-briefings/> and can also be made available on request.

## **Green Freeport Bid**

- 5.3** Agreement was secured from the Chief Executives Group for the Director of Regional Economic Growth to access available Programme Management Office underspend from 2020/21 and 2021/22 to contribute to the costs of communication and marketing activity in support of the Green Freeport bid.
- 5.4** The proposed submission will be taken to Glasgow City Region Cabinet on 16 June for approval prior to the submission deadline on 20 June. The proposal is that Glasgow City Region submit a multi-site bid centred around the following:
- Mossend
  - Glasgow Airport
  - Clyde – four sites all in single ownership within Inverclyde, WDC and GCC (Ocean Terminal/Inchgreen, Bowling and Rothesay Dock and KG5).
- 5.5** The four Clyde sites are all owned by Clydeport and whilst not one single site (which would be preferable under the terms of the prospectus) the partners consider that this mitigates the risk of ineligibility as it can be presented as a site under single ownership. The inclusion of other sites on the Clyde, whilst it would expand the impact of the Green Freeport, may increase the likelihood of the whole bid being rendered non-compliant.
- 5.6** From a West Dunbartonshire standpoint this means that land at Scotts Yard in Bowling and Rothesay Dock in Clydebank will be included in the bid. With the completion of the new Clydebank bridge West Dunbartonshire will also have good access to the Greenport sites at Glasgow Airport. As part of the application process the Council has been asked to submit a letter of support for the bid prior to its formal submission. The Council will be indicating in same and at the Cabinet meeting that the submission should seek to open discussions with the Scottish and UK Governments over the inclusion of future key regeneration projects cabinet, including the City Deal Exxon project site and the Carless Scottish Marine Technology Park, potentially

forming part of a wider Green Freeport zone as these regeneration projects develop.

- 5.7** Agreement was secured from the Chief Executives Group for the Director of Regional Economic Growth to access available Programme Management Officer underspend from 2020/21 and 2021/22 to contribute to the costs of communication and marketing activity in support of the Green Freeport bid.

### **Home Energy Retrofit**

- 5.8** The Council through its leadership role in Housing and Equalities Portfolio has an important role in the Home Energy Retrofit programme. As part of the process to develop a future funding ask to support the acceleration of retrofit activity in Glasgow City Region, the Programme Management Office has been engaging with member authorities to gather information about current investment coming to the City Region through existing Scottish Government funding streams. This has helped the Programme Management Office to identify a number of key challenges that member authorities face in delivering the existing retrofit such as short term funding to be delivered in tight timescales, challenge of mixed tenure housing, engagement with Registered Social Landlords, and a shortage of qualified contractors.
- 5.9** In order to understand the current level of public awareness, as well as people's future intentions around retrofit and clean energy for their homes, the Programme Management Office (PMO) has been working with the Glasgow City Council Household Survey team to include a series of questions within the forthcoming survey that will be carried out during the summer 2022. In order to support supply chain development, the PMO has been working with Scottish Enterprise (SE) and Skills Development Scotland to progress work on mapping the local supply chains for delivering retrofit at scale. This will require engagement with member authorities on their existing retrofit contracts and local supply chain/ procurement arrangements.
- 5.10** Electrical Vehicle Charging Infrastructure is currently in the final stages of an Options and Appraisals Study for publicly accessible Electric Vehicle Charging Infrastructure (EVI) requirements for the Glasgow City Region. The first draft has been produced with the study due to be available shortly. The study will highlight existing charging provision across the GCR and will include demand forecasting for additional charge points. The study will also look at potential locations for further EVI installation, tariffs and high level financing options for attracting private sector investment. The study is part of Scottish Future's Trust and Transport Scotland Pathfinder project and will serve as the first stage in identifying the scale of further EVI required to meet future demand and the role for the private and public sector in delivery of EVI.

### **Shared Prosperity Fund**

- 5.11** The UK Shared Prosperity Fund (SPF) funding allocation has been announced and the City Region Programme Management Office has identified a lead officer to oversee the regional approaches with local Council delivery being the preferred approach. Appendix One contains the Members Briefing on progress to date which was circulated in May.

**5.12** The Glasgow City Region Chief Executive's Group met on 17 March 2022 and approved a final business case request as follows:

- i) Inverclyde Council Full Business Case- Inchgreen 11.5ha regeneration site with deep water access to the Clyde. The project is a partnership project (Joint Venture) between Inverclyde Council and Clydeport Operations Limited on a vacant and underutilised brownfield site between Port Glasgow and Greenock. It incorporates parallel initiatives to promote Inchgreen Dry Dock (Clydeport Operations Ltd) and Redevelopment of the Platers Shed supported through the Clyde Mission Programme (£1.365m). Final Business Case total cost is £9.47m with Glasgow City Deal contribution of £8.108m and Inverclyde Council contribution of £1.319m.

**5.13** The Glasgow City Region Chief Executive's Group met on 28 April 2022 and approved two change control requests as follows:

- i) East Renfrewshire Council- Aurs Road Realignment Project. A six months delay to Final Business Case and construction start date at March 2023 with completion estimated at March 2024. Delays experienced in securing 3<sup>rd</sup> Party private land and concluding key stakeholder agreement. No change to project costs identified.
- ii) North Lanarkshire Council- Orchard Farm Roundabout. A two month delay in submission of Outline Business Case from June 2022 to August 2022 with subsequent delay to Final Business Case submission to October 2022. The construction commencement is November 2022 and completion of construction estimated at April 2023. No change to project costs identified.

### **Renfrew Bridge Project**

**5.14** The £90.6m 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 (RNDR), to the south. The Renfrew North Development Road will run between Meadowside Street, and Argyll Avenue Renfrew to link with Inchinnan Road.

**5.15** Since the last report the Contractor has continued to: develop the detailed designs for the project, based on the consented specimen design; undertaken additional site investigations; completed exploratory tests on utility locations in the project area; completed the general site clearance and established the site compounds.

**5.16** 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.

**5.17** The second Project newsletter is due to be published soon. This will be accessible by those who registered 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.

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

**6.1** The pre-construction agreement with Balfour Beatty, who are appointed to deliver the Design and Build of the Exxon Infrastructure project, is now progressing to the next stage and the agreement for the detailed design start is imminent.

**6.2** The Council approved budget for the project is £34.05m, of which the City Deal Cabinet has approved to spend of £3.448m to complete the Final Business Case. The Final Business Case requires a) all land ownership of the Council or agreements in place, b) detailed design and consents achieved and c) fixed construction cost from the contractor showing that the works are affordable within the City Deal grant or funding committed from the Council.

**6.3** The current estimated funding to reach the Final Business Case stage is £5.126m, which includes the detailed design fee, pre-construction services, Network Rail expected spending on the Western Underpass design and utility diversion fees to enable the construction of the transport link alterations at the Western road access and at the Dunglass Roundabout. It is therefore proposed to draw down further funds from City Deal to allow the completion of the Final Business Case.

**6.4** Given the delay to the completion of the Final Business Case (FBC), the Council requires to notify the City Deal Programme Management Office via a change request form stating we wish to change the FBC submission date from November 2022 to June 2023. The FBC Case will be brought before Council for consideration and approval, prior to submitting it to City Deal Programme Management Office.

**6.5** It is anticipated that the FBC approval will trigger the Exxon City Deal infrastructure construction contract approval and start, however there is a significant saving identified for bringing the construction start to early 2023, which is outwith the current Esso site boundary i.e. starting the road junction construction at the Western Access to the site which would also significantly benefit the local access to Dumbarton from the A82 and increase the Health& Safety for road users. This option will be further explored to maximize any potential saving with a further report to Council identifying the implications of such an approach.

**6.6** Asset Management continue to progress agreements which are being drawn up with the 3rd party land owners. Once agreements in principal are agreed these will be brought before Council for consideration.

## **7. People Implications**

**7.1** 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.

## **8. Financial Implications**

**8.1** 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 £4,578. The total project Capital budget expenditure is currently £2.685m.

**8.2** The approved budget to date for the City Deal Exxon project is £3.448m, however costs for development and delivery of the Full Business Case have increased to £5.126m, therefore it is proposed that the additional cost is drawn down from City Deal allocation. The overall Council approved project budget is £34.05m. This is continually monitored and changes to this will be reported to Council.

## **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 Outline Business Case 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 as it is providing an update on previously agreed actions.

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

**11.3** Wider communication is produced regarding progress of the Glasgow City Region at its 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.

**Peter Hessett**  
**Chief Officer – Regulatory & Regeneration**  
**Date: 8 June 2022**

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**Appendix:** Appendix 1- Shared Prosperity Fund Elected Members Briefing May 2022

**Background Papers:** [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

