

WEST DUNBARTONSHIRE COUNCIL**Report by: Chief Officer - Roads & Neighbourhood (Shared Service)****Council: 22 June 2022**

Subject: Levelling Up Fund Round 2 - Proposed Bid**1. Purpose**

- 1.1** This report seeks Council approval to submit a bid to the UK Levelling Up Fund by the round 2 deadline of 6th July 2022.

2. Recommendations

- 2.1** It is recommended that Council:

- i) Approves the proposed bid submission comprising the Clydebank Transportation Hub and the Carless Access Road (Scottish Marine Technology Park);
- ii) Notes that should Carless Access Road not be able to proceed further due to the assessment of the state aid position the Kilbowie Roundabout project will be developed for submission: and
- iii) Authorises the commencement of the procurement processes relating to the projects included in the bid.

3. Background

- 3.1** The first round of the Levelling Up Fund was announced at the 2020 Spending Review with an aim to support communities in realising this vision. By focusing on capital investment in local infrastructure and building on and consolidating prior programmes such as the Local Growth Fund and the Towns Fund, the first round of the Levelling Up Fund supported £1.7 billion of projects in over 100 local areas across all corners of the UK, delivering over £170 million of funding in Scotland.

- 3.2** The Levelling Up Fund is a capital fund to address systemic weaknesses in the economies of the UK's towns and cities. Bids are invited by 6th July 2022 for round 2 of Levelling Up Funding which focuses on local transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. The Fund is jointly managed by HM Treasury (HMT) and UK Government departments.

3.3 The Levelling Up Fund Round 2 Guidance was published in March, and further clarifications issued by Government during the following weeks. As such, Councils had limited time to work up bids, less time than would normally be taken to develop projects of this nature.

4. Main Issues

4.1 Levelling Up Funding will focus on projects requiring up to £20m. One successful bid per MP area is allowed over the duration of the LUF programme to 2024/25. Funding re-submissions to subsequent rounds are acceptable following an unsuccessful bid. Having one MP aligned with our local authority boundary, the Council can only receive a maximum of one award of up to £20M. Exceptionally, there is also scope for larger high value transport projects. Bids above £20m and below £50m will be accepted for transport projects only, such as road schemes. They will be subject to a more detailed business case process and will need to score highly overall. Bids in excess of £20 million must be **90% Transportation based projects**. Again as above, having one MP, the maximum number of awards that the Council could receive would be one. In both cases securing the support of the local MP is advised but not essential.

4.2 West Dunbartonshire Council were successful, as part of round 1, in securing funds for a project requiring up to £20m with the Dumbarton Town Regeneration project. Therefore it is proposed to submit a bid for a large scale Transportation Project as part of round 2.

4.3 The Levelling Up Funding Bids can be submitted as a package of two or three projects, as long as their component elements are aligned and represent a coherent set of interventions.

4.4 The second round of the Levelling Up Funding is open to projects that can demonstrate spend from the Fund during the 2022-23 financial year. All funding provided from the Fund is to be spent by 31 March 2025, and by 2025-26 on an exceptional basis, therefore favouring shovel ready projects that are at an advanced stage of development or can be developed in the timescale.

4.5 Should the submission be unsuccessful it may be resubmitted for consideration for Levelling Up Fund 3.

4.6 There is a three-stage approach to the competitive Levelling Up Funding assessment and decision making:

- **Stage 1 Gateway:** This stage is pass/fail. It requires confirmation of some Levelling Up Funding expenditure in 2022-23.

- **Stage 2 Assessment and Shortlisting:** Bids will be assessed against four equally weighted criteria. A short-list will be developed from the highest scoring bids and those who score at least average or above on strategic fit, value for money and deliverability:
 - **Characteristics of the place** – each local authority is categorised 1-3 based on the funding assessment metrics, with West Dunbartonshire Council in Category 1.
 - **Deliverability** - will be gauged by the availability of supplementary finance, management and commercial cases, with bids which demonstrate investment (or start delivery) in financial year 2022-23.
 - **Strategic fit with local and Fund priorities** –should be addressed in the submission strategic case and should include stakeholder support.
 - **Value for money** – an economic case is required to explain project benefits and how it represents value for money.

- **Stage 3 Decision Making:** Following bid assessment and moderation, Ministers will make funding decisions. This is expected in Autumn 2022.

5. Options Appraisal

- 5.1 With a short turnaround between being provided with the details of the Funds at the end of March and the 6th July deadline, officers produced a range of prospective bids that could potentially meet Levelling Up Funding eligibility criteria and assessed which would be at a sufficiently advanced stage to submit a bid in round 2. This process entailed drawing up a long list of 9 prospective bids and agreeing a scoring mechanism that reflected Levelling Up Funding criteria as well as Council’s corporate priorities. With input from senior officers across all relevant Services, projects were then ranked 1st to 9th, with Clydebank Transport Hub ranked number 1 and Carless Access Road, Scottish Marine Technology Park, ranked number 2.

It has been identified that there may a risk to delivery of the Carless Access Road in relation to state aid and the detail of this is contained within section 11.2 of the report. Should legal advice assess that the Carless Access Road can not be progressed due to the state aid position it is proposed to include the third ranked project which is Kilbowie Roundabout Improvements.

The prospective projects considered are outlined on the table below:

Rank	Prospective Project	Comments
1	Clydebank Transport Hub	Strong support from SPT, forms part of Clydebank Master Plan with initial designs and costing already completed. Links well with LUF2 themes
2	Carless Access Road (Scottish Marine Technology Park)	Supports regeneration and local development plan 2 and links with LUF2 themes
3	Kilbowie Roundabout Improvements	Would improve connectivity, bus priority, reduce congestion and emissions. Limited design information at current stage. Links well to LUF2 themes
4	A813 Road, Cycle and Footway Improvements	Currently phase 1 funding available from Sustrans. Requires land purchase. Does not have economic benefit assessment
5	A813 Ladyton Junction Improvement	Linked to above project but only at concept stage
6	A811 Walking and Cycle Improvements	Several issues with purchasing of adjacent land and final design and economic benefits still to be concluded
7	Alexandria Gyratory	Supported by Alexandria masterplan. Would need significant design work and further consultation
8	A812 Improvements	Would be difficult to deliver within timescales
9	Levengrove Park Bridge	No existing business case. Doesn't align to criteria

6. Clydebank Transport Hub

- 6.1** Clydebank Rail and Bus Stations are located adjacent to each other on Chalmers Street, immediately south of Clydebank Town Centre. Both stations are located within a constrained road network which is expected to exceed its operational capacity in the coming years, with the public transport and active travel networks providing the only real options to support the regeneration and inclusive economic growth that is expected to take place within Clydebank and the wider Dunbartonshire area.
- 6.2** From an infrastructure point of view, the existing rail station facilities are non-compliant by the current standards (“Design Standards for Accessible Stations1”). The rail station facilities are not fit for purpose as they do not facilitate adequate access and egress for mobility impaired users.

- 6.3** In terms of passenger demand, the existing facilities are currently catering for 400k rail passengers and 2 million bus passengers per year. There are a number of major regeneration development proposals in the vicinity of the rail and bus stations as well as in the wider Clydebank area. These are all expected to contribute to increased bus and rail demand, with an increase to 700k rail passengers and 2.5 million bus passengers by 2029.
- 6.4** The Transport Hub will incorporate Clydebank Central Station, the bus station and infrastructure for active travel to encourage walking and cycling. The main objective being enhanced bus facilities, improved footways and public realm space. It will compliment and integrate with the railway station improvements providing better disabled access to both platforms.
- 6.5** The Improved Transport Hub supports the long term regeneration vision for Clydebank by establishing the North – South link between Queens Quay Titian Boulevard – Hume Street and potential enhancement of Abbotsford Road to the Forth and Clyde canal / National Cycle route and the shopping centre. The scheme offers enhanced access and egress for all mobilities to Sylvania Way and Alexander Street.
- 6.6** The strategic need for a new transport hub in Clydebank has been identified through a full review of the existing, and emerging, national, regional and local policy and an in depth look at the previous studies which have been carried out in the Clydebank Area which relate to transport network in Clydebank. It supports the long-term vision of Clydebank and the delivery of regional and local policy aspirations for the town and wider area of West Dunbartonshire
- 6.7** The proposed Clydebank Transport Hub will support regeneration within Clydebank, helping to create a sense of place / identity and reducing the sense of severance with the railway line and the A814 Glasgow / Dumbarton Road, while also improving accessibility and personal security. In terms of environmental benefits, the proposed transport hub is expected to remove a total of almost one million car km from the road network over the 25-year assessment period as a result of new users switching from car to more sustainable modes. This will reduce carbon and greenhouse gas emission and will therefore improve the air quality in Clydebank as well as the primary destination for trips from Clydebank (Glasgow) and will therefore aid in combatting the current 'Climate Emergency'.
- 6.8** The development of the transport hub will also support the realisation of the benefits from the wider housing and employment developments at sites such as Queens Quay and the Playdrome Site by ensuring the station provides a gateway experience and integrates these areas with the town centre. In addition bus services will be extended to facilitate Queens Quay.
- 6.9** The project aligns with the key objectives of the Levelling Up Fund 2, namely:

- Promote economic growth by building, enhancing, managing and maintaining transport services, infrastructure and networks to maximise their efficiency.
- Promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network.

6.10 The Local Delivery Plan 2 which outlines the Development Strategy for Clydebank Town Centre was approved by Council on 19th December 2018 lists the creation of a transport interchange at Chalmers Street to support development and improve accessibility of key sites in the town centre and Queens Quay as a key priority.

7. Carless Access Road

7.1 The project will provide improved road infrastructure, connectivity and accessibility into the currently derelict site of the former Careless Oil Terminal and support the future development of the Scottish Marine Technology Park (SMTP) by the Malin Group.

7.2 North Clyde Riverbank, including the infrastructure required to deliver the proposed Scottish Marine Technology Park (SMTP) and connectivity projects along the Riverbank, was ranked number 2. SMTP is currently the most transformational proposed regeneration project in West Dunbartonshire. An economic impact assessment undertaken by Stantec for the Malin Group (owners of the site) concludes that the development would create 986 jobs, if fully realised, and add £125.4 million annually to West Dunbartonshire's economy.

7.3 The redevelopment of the site benefits from a strong local policy support and West Dunbartonshire Local Development Plan 2 which includes a Carless development strategy and a number of site specific policies:-

- To remediate the Carless site to enable redevelopment for business and industrial uses, appropriate commercial uses and, where appropriate and justified, housing and day-to-day convenience retail uses;
- To provide a secondary access point to the site where residential development is proposed on site H2(33) Carless and to upgrade the existing access to serve the business and industrial and mixed-use areas of the site;
- To use development of the site to enhance the Green Network;
- To protect the Forth and Clyde Canal and its setting; and
- To ensure no adverse effect on the integrity of the Special Protection Area (SPA) or on the objectives of designation and the overall integrity of the Site of Special Scientific Interest (SSSI).

7.4 The long-term development strategy for Carless requires a flexible approach to delivery of the site; enabling the remediation, infrastructure provision and new development to meet market conditions and overcome the challenges presented by site conditions.

- 7.5** A residential development will only be supported when a new access from Dumbarton Road has been provided to serve the residential development. As part of the bid project a new access into the site will be included and open up the site for further redevelopment potential.
- 7.6** It is fully aligned with the Clyde Mission Agenda (2019), the Scottish Government's Programme for Scotland 2020-2021 and aspirations for a more circular economy per the Scottish Government's Economic Strategy (2015). By enabling local employment opportunities for residents of Dalmuir and Mountblow, the SMTP will also contribute towards the creation of a 20-minute neighbourhood, an ambition of the Programme for Scotland 2020-2021
- 7.7** As well as providing redevelopment of 17.7 ha of vacant land on the banks of the River Clyde the development is expected to bring 750 net additional jobs to the area including high paid, high-skilled jobs associated with marine technology and providing a positive effect in the local economy.
- 7.8** The project aligns with the following objective of the LUF2:
- Promote economic growth by building, enhancing, managing and maintaining transport services, infrastructure and networks to maximise their efficiency.
- 7.9** A review of baseline economic conditions identified several challenges which the proposed development can help to address, namely:
- A decreasing population and a relatively low working age (16-64 years) population compared to the national average;
 - A high proportion of deprivation, both in overall rank and across individual domains;
 - A high economic activity rate and a high unemployment rate indicative of a high proportion of those looking for work;
 - Lower median full time gross annual pay in West Dunbartonshire compared to the wider Glasgow City Region (GCR) and Scotland; and
 - A high out-commuting profile to Glasgow City and Argyll and Bute.

8. Kilbowie Roundabout Improvements

- 8.1** The Kilbowie Roundabout is a key transport interchange on the A82 linking Clydebank with both local and further connections. The roundabout is signalised and the traffic signals are close to the end of their design life. There is an opportunity to redesign the roundabout to improve the public realm and sustainable transport and active travel facilities.

The project aims to:

- Improve access to key destinations in West Dunbartonshire
- Reduce congestion

- Improve connectivity to jobs, education and leisure
- Prioritise bus movement
- Support active travel
- Improve air quality
- Encourage economic investment

9. People Implications

- 9.1** Existing staff resources across several Services will be required to develop and submit the application for funding. Should the Levelling Up Funding application be successful, additional development resources will be required to deliver the project in the required timescale. Development costs can be capitalised and will be costed for the lifetime of the project and included in the Levelling Up Funding application.

10. Financial and Procurement Implications

- 10.1** Levelling Up Funding requires at least a 10% funding contribution from the applicant. With the combined total cost of the Clydebank Transport Hub and Carless Access Road bid estimated at £25m, the Council has had positive discussions with both SPT and Marlin Group (Owner of the Carless Development Site) in relation to funding to deliver the projects and confirmation of a funding contribution from both is expected to be confirmed in the coming weeks. The Procurement timescales, though challenging are considered achievable within the programme timeframe, and approval is sought to commence procurement processes to deliver the projects should the bid be successful.

11. Risk Analysis

- 11.1** For Levelling Up Funding the principal risk would be the failure to deliver the programme of projects by end 2024/25, leading to consequent withdrawal of Levelling Up Funding and leaving the Council with financial exposure. Delivery of the programme relies on several factors, including but not limited to:
- Reaching a suitable design solution for both projects that provides the desired outcomes whilst remaining on time and on budget; and
 - Delivery timescales for the Clydebank Transport hub. The initial design and preferred options are completed but will need further consultation with Network rail in regards to mobility access into the station.
- 11.2** It is recognised that the Carless Access Road project will need to address the requirements of the UK Government's new Subsidy Regime which was introduced through the Subsidy Control Act 2022 which was enacted on 28th April 2022. Projects where there may be significant benefit to one or more identifiable parties will need to demonstrate either

that they do not constitute a subsidy or if they do, that the subsidy is of a type permitted by the Law. The new legislative regime is substantially different from the preceding State Aid rules under which block exemptions from the general State Aid principles were available for certain types of infrastructure – e.g. ports and airports.

It is proposed to take specialist legal advice on the matter as the consequences of not addressing the subsidy regime correctly may include refusal of the grant application or a requirement for the recipient to repay the whole sums provided. There is funding available to obtain such advice within the project development funding.

As noted above, if the advice indicates that the Carless Access Road is likely to constitute a non-permitted subsidy, or there is insufficient time within the window for submission of Levelling Up Fund bids to resolve any significant concerns, it is proposed that the bid be submitted with the Kilbowie Roundabout Improvements project as the second project in place of the Carless Access Road.

- 11.3** Risk will be mitigated by availability of a suitable level of resource to progress the project components, taking a project management approach to design and delivery and early agreement with the key stakeholders

12. Equalities Impact Assessment (EIA)

- 12.1** Screening and impact assessments will be carried out on specific projects elements as they are further developed.

13. Consultation

- 13.1** The Clydebank Transport Hub and redevelopment of the former Carless Oil Terminal have been subject to previous consultation through the development of the Clydebank Master Plan and Local Development Plan (LDP2), with the latter approved by the Council's Planning Committee on 19th September 2018. In addition planning consent has already been sought and granted for the Scottish Marine Technology Park (DC19/0469).
- 13.2** An Options Appraisal exercise of the Clydebank Transport Hub was carried out in conjunction with Strathclyde Partnership for Transport and WSP Consultants along with an outline business case with the findings presented to Elected Members on 16th January 2019 with support provided for the preferred design option.
- 13.3** In arriving at the recommended bid engagement is being undertaken with Martin Docherty-Hughes MP.
- 13.4** Officers across Legal, Finance, Cultural Services, Planning, Regeneration, Housing, Sustainability and Roads and Transportation have had an input to the scoring process for the selection of Levelling Up Funding bid.

14. Strategic Assessment

14.1 At its meeting on 25 October 2017, the Council agreed that its five main strategic priorities for 2017 – 2022. The projects included in the Levelling Up Funding supports West Dunbartonshire in developing a strong local economy and improved employment opportunities as well as supporting individuals, families and carers living independently and with dignity.

- Delivering a key regeneration objective with associated job creation and business development objectives.
- Supporting businesses to develop their workforce, products and services.

Gail Macfarlane
Chief Officer – Roads and Neighbourhood Services
14 June 2022

Person to Contact: Liam Greene.
Liam.greene@west-dunbarton.gov.uk

Appendices: None.

Background Papers: None.

Wards Affected: Ward 4 – Kilpatrick,
Ward 5 – Clydebank Central,
Ward 6 – Clydebank Waterfront.