

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer - Regeneration and Regulatory****Council: 26 October 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 agree expenditure on the Western Underpass design and construction on the Exxon site ahead of the Final Business Case approval by Glasgow City Region, anticipated to be in June 2023

2. Recommendations

- 2.1** It is recommended that Council:

- i) notes the progress of the Glasgow City Region programme;
- ii) approves expenditure of £5.74M on design and construction of the Western Underpass prior to approval of the Full Business Case, anticipated to be in 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. In August Council approved the submission of a Project Change Request to Glasgow City Region (Project Management Office to accelerate up to £2.99M of finance to complete the Full Business Case and to defer the submission of the Final Business Case until June 2023. Council are currently asked to approve design and construction work on the Western Underpass prior to approval of the Full Business Case in order to comply with the overall programme of works on the Exxon Project site, and in particular the rail line possession scheduled for December 2023.

West Dunbartonshire Council City Deal Project

- 4.2** 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.
- 4.3** The contract for the Western Underpass design and build package requires to be agreed as soon as possible, as it impacts on the timescales for the originally agreed Network Rail line possession, which allows the Western Underpass construction. Failing to secure the line possession will have consequences for the overall programme and cost.
- 4.4** To enable Council officers to finalise the Network Rail contract, approval is sought from Council to agree expenditure on the Western Underpass design and construction ahead of the Full Business Case approval by the Glasgow City Region. The current estimate of the total value of design and construction for the Western Underpass is £5.36M plus £0.38M for licencing costs. Between December 2022 and June 2023, the design cost is anticipated to be a maximum of £0.50M value. The Full Business Case Approval is June 2023 (City Deal Cabinet Approval date to be confirmed). The contract is subject to the Sheepfold land transfer negotiation, which is currently underway. Western Underpass Design & Build programme as follows:
- Network Rail – Story Construction Ltd Design & Build contract finalised in November 2022
 - design would progress from early December 2022 to May 2023
 - pre-construction work on site would start from June 2023 to December 2023
 - 5 days line possession starting at Christmas 2023.
- 4.5** While the Council is being requested to agree the payment of these costs in advance of approval of the Full Business Case the design and construction of the Western Underpass were always accounted for in the costs require to complete the project and so, while they have been the subject of construction inflation, they are not unknown additional costs.

Glasgow City Region City Deal Update

- 4.5** The Glasgow City Region Chief Executives' Group met on 22 September 2022. The main agenda item was the Interim Performance Report, which included reference to a recent Briefing on the Cost of Living Crisis undertaken by the Intelligence Hub and acknowledgement of West Dunbartonshire Council's Project Change Request, approved by Council in August, to draw down additional funding to complete the Full Business Case for the Exxon and to defer the submission of the Full Business Case until June 2023. The Change Request will be reported to Glasgow City Region Cabinet on 8 November.

Green Freeport Bid

- 4.6** Scotland's Green Freeports are free economic zones 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.

4.7 The Glasgow City region bid is a partnership between the public sector (the 8 Local Authorities in the City Region) and the private sector. The bid involves 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.

4.8 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 awaited. 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

4.9 The Glasgow City Region Shared Prosperity Fund investment Plan has been submitted to UK Government on behalf of the Member Authorities. Approval by UK Government is anticipated in October.

Clyde Bridge

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

4.11 The Contractor maintains a website with regular updates on the project. This can be accessed at: www.graham.co.uk/clyde-waterfront

4.12 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. Site preparation is underway on the south

side of the river to allow road works to commence.

- 4.13** To maximise the opportunities for local businesses, all sub-contracts over £10,000 are being advertised on the Public Contract Scotland website. In addition to previously posted and awarded contracts, the following notices are currently posted:

[CWRR Drainage Works to Argyll Avenue Renfrew](#)

[CWRR New River Clyde Bridge, Steel Dolphin, associated furniture and walkway works](#)

- 4.14** 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.
- 4.15** 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 £0.44M as at beginning of October 2022 the current expenditure for 2022/23 stands at £0.99M.
- 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 agreed at August Council. The overall Council approved project budget is £34.05m within which the costs for the design and underpass have been accounted for. 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. The recommendation in this report mitigates a project risk that relates to the timing of the agreement and

finalisation of the contract with Network Rail on the western underpass, to allow Network Rail time to appoint suitable contractors for design and construct to comply with the timescale for the wider Exxon programme. The award of the contract in advance of the Final Business Case considerably mitigates the risk of delay and costs associated with missed possession of the line in December 2023.

8. Equalities Impact Assessment

- 8.1** An Equalities Impact Assessment is not necessary for this report as it is an update on a previously reported project.

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.

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Date: 3 October 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