

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY AND RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE	Subject: Glasgow Clyde Valley City Deal Programme Update
From: ACTING EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES	
Date: 25th February 2016	Ref: 1846/KB

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Policy and Resources (Regeneration & Infrastructure) Sub Committee with an update on progress made by Glasgow Clyde Valley (GCV) City Deal programme since the last report presented to the Committee on the 5th of November 2015.

2. GCV City Deal Programme Business Case

- 2.1 The GCV City Deal programme business case was approved by the Cabinet on the 15th of December 2015. This is a live document that will be subject to annual review and serves two core purposes:

- establishes how the GCV City Deal programme will deliver the expected cumulative outputs across the three strands and numerous individual member authority projects; and
- clarifies how the GCV City Deal programme will be delivered and managed, through the programme plan and programme governance arrangements.

3. GCV City Deal Cumulative Transport Assessment

- 3.1 As previously advised, Scottish Government have sought further cumulative transport assessment of the GCV City Deal infrastructure programme. A new Strathclyde Regional Transport Model is anticipated to be developed by late summer 2016 to underpin this cumulative assessment. All transportation projects within the GCV City Deal will then be appraised to better understand their regional impact.
- 3.2 The possibility of developing a local model to evaluate the cumulative impact of the East Airdrie Link Road / Stewartfield Way / M77 projects is being pursued with South Lanarkshire Council and East Renfrewshire Council. This local model would be expected to generate results in advance of the Regional Model and demonstrate local transport impacts from project delivery to support individual member authority outline business case development. Costs and timescales for the provision of this local model are presently being explored with member authorities.

4. Glenboig Link Road Update

- 4.1 As previously reported to Committee, the Gartcosh Business Park to Glenboig Link Road project is being prioritised to accelerate development of the Gartcosh/Glenboig Community Growth Area. An outline business case is required to progress City Deal funding for this specific project and this work is nearing completion.

- 4.2 Two key programme delays have arisen that will impact upon the timescale for the Council's delivery of the link road project. The most significant issue is the commercial decision by the Banks Group to withdraw as lead developer from the project and their wider development interests in the Community Growth Area. The second issue is a lengthening of lead in times and revision of procedures for member authorities to submit business cases to the City Deal PMO.
- 4.3 A revised programme for the Glenboig Link Road is currently being developed to reflect this significant change in stakeholder interest. It will include re-examining positions on all necessary statutory and funding approvals, design finalisation, procurement timescales and mitigation requirements. The Banks Group have confirmed they will support the Council where possible in the delivery of the Link Road through exchange of key information; however no further financial investment or significant staffing resources will be made available by the company.

5. GCV City Deal Labour Market Strand Update

- 5.1 As reported previously the Working Matters project commenced on 25th August 2015. The project is being delivered by Routes to Work in North Lanarkshire and by the end of December 2015 had engaged with 57 participants. This is a positive start in relation to meeting the target of 462 engagements over the three year project period. The Working Matters Operational Group which monitors the overall delivery of the programme in the GCV City Deal Area meets four weekly and includes representation from North Lanarkshire.
- 5.2 In relation to the Youth Gateway Initiative North Lanarkshire, along with the other partner authorities, is reporting on its current activities related to tackling youth unemployment in the GCV area. The Youth Gateway is currently being led by Renfrewshire Council and involves no additional financial resources.
- 5.3 The Employment and Skills Working Group (ESWG) received approval from the Cabinet to develop a Glasgow and Clyde Valley Skills Plan and incur expenditure of up to £16,000. This plan will be undertaken in partnership with Skills Development Scotland and is anticipated to be complete for summer 2016.
- 5.4 Core activities of skills plan that will shape the workplan of the ESWG include:
- collate existing evidence and map current provision across the region;
 - interrogate future demand in key sectors, identify replacement demand in high job areas and anticipated growth through City Deal investment; and
 - seek to influence supply by member authorities, agencies, FE colleges and others.

6. Developing Regional Economic Strategy

- 6.1 Following two workshops with GCV Chief Executives there was widespread agreement on the important role of the GCV region in driving economic growth in Scotland, both now and in the future. All GCV Leaders will be involved in agreeing the workplan to develop a Regional Economic Strategy.

7. Financial Update

- 7.1 As members will be aware, the City Deal established a £1.13bn Infrastructure Fund to support the delivery of investment in the region's infrastructure. £1bn of funding will be provided by the UK and Scottish Governments with a minimum of £130m to be invested by the local authority members of the City Deal. Of this funding, £172.463m relates to three infrastructure projects within the NLC area. It is anticipated NLC will be required to fund £23.596m of this, with the remainder being financed from the City Deal grant. It is expected that the Council will drawn down in the region of £300,000 this financial year.

- 7.2 As previously advised, the Council will provide revenue funding of £0.439m for the MediCity project, with Scottish Enterprise contributing £0.673m. Following a request from Scottish Enterprise the Council's revenue funding for the project is to be phased over the first two years, commencing autumn in 2015. The Council's 2015/16 and 2016/17 funding elements will be met through reserves with the funding source for the final tranche of circa £0.150m still to be secured.
- 7.3 DWP funding of £4.5m has been made available for the Working Matters scheme across GCV, with North Lanarkshire to receive £0.459m to achieve outcomes over three years. The Council will also be required to provide match funding over three years (£0.520m) for the Working Matters project with match funding for 2015/16 provided through earmarked reserves. Funding for the remaining element, totalling £0.347m is to be subject to a review by Planning & Regeneration Services encompassing current work programme funding.

8. Recommendations

- 8.1 It is recommended that Committee
- (i) Note the content of the report and GCV City Deal Programme update;
 - (ii) Note to the programme delay with respect to the Glenboig Link Road project;
 - (iii) Note £0.347m of Council match funding for the Working Matters project and £0.150m for the MediCity project has still to be secured; and
 - (iv) Agree that further reports will be made to the Policy and Resources (Regeneration and Infrastructure) Sub Committee on the development of GCV City Deal in due course.



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Local Government Access to Information Act: for further information please contact Kate Bryson, Programme Leader: City Deal & Ravenscraig TIF on 01236 632854.