

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY AND RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE	Subject: Glasgow City Region City Deal Programme Update
From: HEAD OF PLANNING & REGENERATION SERVICES	
Date: 19th May 2016	Ref: 1856/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 within the Glasgow City Region (GCR) City Deal programme since the last report presented to the Committee on the 25th of February 2016.

2. GCR Programme Update

- 2.1 Following an extensive brand development consultation exercise with input from all member authorities, Committee should note the wording change to "Glasgow City Region - City Deal". This brand was selected to better reflect the greater metropolitan area, heightening the profile of the region and status of the City Deal to assist in attracting future investment. A GCR City Deal logo and website are now in development and due for consideration at the next GCR Cabinet in June 2016.
- 2.2 A review of the Assurance Framework, which is the core GCR City Deal governance document is currently underway to improve its applicability. North Lanarkshire submitted detailed comments for consideration to the Programme Management Office (PMO) and pending Scottish and UK Government approval a revised document will be implemented in the summer. Key areas for review will focus on inclusion of an infrastructure project reserve list, refreshing business case appraisal criteria and updating governance structures to incorporate the National Evaluation Panel and range of thematic support groups.
- 2.3 The City Deal economic development group have commissioned a new regional economy strategy to support the future ambition and direction of the GCR City Deal. This strategy will follow on from the existing Clyde Valley Economic Strategy, covering the 2016 to 2030 period and is anticipated to be finalised this summer.
- 2.4 Initial feedback has also been received on the research commission tasked with examining enterprise activity across the GCR. Findings to date have reiterated the importance of city-regions to economic prosperity, recognised that city region boundaries are "functional urban areas" as opposed to defined council boundaries and identified the landscape of enterprise activity across the region is currently cluttered. The second stage of the research is due in June and will further explore options available to the GCR Cabinet to improve enterprise activity across the region based on lessons from elsewhere.
- 2.5 Audit arrangements have been further developed, with Glasgow City Council Internal Audit formally appointed as the audit function of the GCR Cabinet. An Audit plan for 2016/17 has now been agreed and a member authority audit support group established to support the delivery of the City Deal, exchange audit knowledge, information and best practice.

3. Glenboig Link Road Update

- 3.1 An Outline Business Case (OBC) for the Gartcosh Business Park to Glenboig Link Road project has been submitted to the PMO for consideration by the Cabinet on the 7th June. A copy of the full OBC is available in the member's library. The OBC seeks approval to progress expenditure of up to £1.5m in 2016/17 to support project enabling works with regard service diversions, land acquisition, tender action, design and management input.
- 3.2 North Lanarkshire Council are taking forward delivery of the Glenboig Link Road project. The Banks Group and other third parties continue to support the Council with project delivery through the provision of design information, background reports, technical and design support and the preparation of a management plan for the required ecological mitigation measures.
- 3.3 Pending OBC approval, it is intended to commence the procurement process for the project in June 2016. The estimated construction costs are below the EU threshold value for works contracts.
- 3.4 Subject to the satisfactory conclusion of associated voluntary land acquisitions to take forward the project a Full Business Case (FBC) will be submitted to the PMO in August for consideration by the Cabinet in October. The FBC will contain the returned tender prices from the earlier procurement exercise and will seek approval for all necessary funding to implement the project, in order that contracts can be awarded. This process is in line with GCR City Deal governance.
- 3.5 Subject to FBC approval, it is anticipated that works will commence on site in December '16 with a construction period of six months.

4. Labour Market and Innovation Strands

- 4.1 The Working Matters project delivered by Routes to Work continues to make good progress, having received 105 referrals with 72 agreeing to engage in the project, the highest engagement rate achieved of all City Deal member authorities. The number of participants that have entered employment remains at 3 (North Lanarkshire's target for over the three year project is 462 engagements and 69 jobs). The cohort for project referrals is currently being reviewed by the Department of Work and Pensions with a view to incorporating pre Work Programme candidates.
- 4.2 MediCity Scotland was formally launched on the 17th of March 2016. With dedicated management now in post the facility has actively begun working with medtech start-up businesses through their business acceleration programme. Revenue funding agreements between the project sponsor BioCity Scotland and both the Council and Scottish Enterprise have also now been finalised.

5. Financial Update

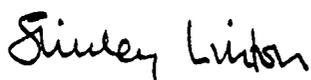
- 5.1 As part of the £1.13bn City Deal Infrastructure Fund, £172.463m of funding relates to North Lanarkshire projects, with £23.596m of this total to be funded by the Council. The Council has submitted its final grant claim for 2015/16 to the PMO totalling £0.290m, as well as future expenditure profiles. The Council estimates it will spend in the region of £3.9m on infrastructure projects in 2016/17.
- 5.2 With regards to the Working Matters scheme, the Council has been allocated £0.459m of funding from the total £4.5m City Deal programme, with member councils asked to provide match funding to support the project. In 2015/16 the Council, via Routes to Work, has expended £0.090m on the project, with £0.058m of this total to be claimed against the GCR grant. Match funding is now secured from Council reserves for this project.

- 5.3 For innovation strand of City Deal, the Council will support MediCity Scotland with revenue funding of £0.439m over the first two years of the project. For 2015/16 match funding of £0.088m will be provided via Council reserves, with full spend expected against this total following receipt of the end of year claim. Funding of £0.220m representing anticipated 2016/17 funding will be provided through Council reserves.
- 5.4 The Council has established an in-house City Deal team with an annual budget of £0.806m, which was anticipated to be funded on a largely 50:50 basis between capitalised City Deal project costs and earmarked reserves. For 2015/16, due to a delay in staff members commencing employment, costs totalled £0.380m an underspend of £0.426m against budget. These were broadly split on the aforementioned 50:50 basis. Based on the current staffing structure, the Council's in-house City Deal team costs will not exceed the £0.806m budget in 2016/17.

6. Recommendations

6.1 It is recommended that Committee

- (i) Note the content of the report and GCR City Deal Programme update; and
- (ii) Homologate the decision to submit the Outline Business Case for the Glenboig Link Road project to the Programme Management Office on the 22nd of April for consideration by the GCR Chief Executive Group on the 25th of May and progression to the GCR Cabinet on the 7th of June 2016.



Shirley Linton
Head of Planning & Regeneration Services

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