

# North Lanarkshire Council Report

## Enterprise and Growth Committee

approval  noting

Ref EPT/KB

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## North Lanarkshire City Deal Programme Update

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### Executive Summary

The North Lanarkshire City Deal Programme Update seeks to inform Enterprise and Growth Committee of the current status of North Lanarkshire City Deal activity following on from the realignment of the Council's infrastructure programme which was approved by the Glasgow City Region (GCR) Cabinet on the 9<sup>th</sup> of April 2019.

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### Recommendations

It is recommended that the Committee:

- 1) Note the content of the report and current status of the modified North Lanarkshire City Deal infrastructure programme;
- 2) Agree to officers developing an infrastructure agreement between the Council and Ravenscraig Limited which will support the future delivery of the Ravenscraig Infrastructure Access project and formalise future economic benefits to be achieved from Ravenscraig Redevelopment;
- 3) Homologate the decision to participate within the Working Matters employability Successor Programme for 2019/20 and allocate associated additional match funding contributions;
- 4) Note the submission of the augmented Outline Business Case (OBC)/Full Business Case (FBC) for the completed Glenboig Link Road subproject following wider review by the GCR Project Management Office (PMO) of all previously approved outline business case submissions; and
- 5) Approve the future submission of the Motherwell Town Centre Transport Interchange augmented OBC for future consideration by the GCR Cabinet.

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### Supporting Documents

**The plan for North Lanarkshire** **Ambition Statement 5:** Grow and improve the sustainability and diversity of North Lanarkshire's economy

## 1. Background – Modified NLC Infrastructure Programme

1.1 The Council obtained GCR Cabinet approval on the 9<sup>th</sup> of April 2019 to modify the existing infrastructure programme to ensure our investment continued to deliver the maximum economic benefit for both North Lanarkshire and the wider region. This modified programme enables the delivery of the Ravenscraig Infrastructure Access (RIA) subproject which completes the Pan Lanarkshire Orbital Transport Corridor.

1.2 The Council's City Deal infrastructure programme remains encompassed within the three broad Strategic Business Case (SBC) themes as outlined below, however the number of subprojects has changed from 12 to 6:

- A8/M8 Corridor Access Improvements;
- Gartcosh/Glenboig Community Growth Area; and
- Pan Lanarkshire Orbital Transport Corridor.

1.3 A summary of the new Council City Deal infrastructure programme is provided in **Table 1**.

<b>A8/M8 Corridor Access Project</b>	<b>£6,478,521</b>
- Eurocentral Park, Ride/Share	£4,278,521
- Orchard Farm Roundabout	£2,200,000
<b>Gartcosh/Glenboig CGA</b>	<b>£6,223,205</b>
- Glenboig Link Road	£6,223,205
<b>Pan Lanarkshire Orbital Transport Corridor</b>	<b>£189,524,000</b>
- Motherwell TC Transport Interchange	£3,800,000
- East Airdrie Link Road	£84,724,000
- Ravenscraig Infrastructure Access	£101,000,000
<b>Total NLC City Deal Programme</b>	<b>£202,225,726</b>
<b>Total NLC City Deal Grant Allocation</b>	<b>£148,956,293</b>
<b>Total NLC City Deal Contributions</b>	<b>£53,269,433</b>

1.4 The modified City Deal Programme increases the scale and scope of investment leading to an increase in total project costs from £172.5m to £202.2m. With the GCR Infrastructure Fund fully committed, this created an additional £29.7m funding gap which the Policy and Strategy Committee on 21<sup>st</sup> March 2019 agreed the Council would meet. Total Council capital investment has therefore increased from £23.5m to £53.3m in the overall North Lanarkshire City Deal infrastructure programme.

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## **2. Report: City Deal Programme Update**

### **2.1 Pan Lanarkshire Orbital Transport Corridor**

- 2.1.1 An augmented Outline Business Case (OBC) for the Motherwell Town Centre Transport Interchange project has been prepared and will be submitted for future consideration by the GCR Cabinet to meet the latest, revised business case appraisal criteria. The project will complement the planned investment by ScotRail Alliance in Motherwell Rail Station and comprises improvements to bus facilities and bus stop capacity on Muir Street; revised arrangements for taxis, station drop-off and disabled parking and an active travel route between the station and Strathclyde Park. The estimated project cost is £3.8m and covers all costs from feasibility to completion, including feasibility studies; design work; site investigation work; construction works and project management.
- 2.1.2 The Council's Enterprise Projects Team continues to work closely in partnership with ScotRail Alliance and SPT to ensure that all aspects of the project are coordinated. The Muir Street works are programmed to commence in 2020, subject to Full Business Case approval, to coordinate with ScotRail's works at Motherwell Station. The works will be phased to minimise disruption to town centre customers and commuters as far as possible. The park and ride element of the project will now be funded by SPT and will be delivered during 2019/20. Further engagement with local members will be programmed over coming months on the proposals and programme and it is intended to devise a joint communication plan with ScotRail for local businesses and the community.
- 2.1.3 The RIA subproject is now formally part of the Council's City Deal infrastructure programme and it is proposed will form a future single OBC submission to GCR Cabinet in the final quarter of 2019. The RIA subproject provides all the necessary strategic road infrastructure to support the development of the Ravenscraig Masterplan which is due to be considered by Full Council. To support the commercial case for the OBC and future partnership working arrangements going forward, Council officers will now work with Ravenscraig landowners (Ravenscraig Ltd) to develop an infrastructure agreement to support the delivery of the project and realisation of the economic benefits that will stem from future redevelopment of the site.
- 2.1.4 Looking firstly at the RIA North element, recent progress to support the finalisation of the specimen design has been progressing with completion of an environmental baseline review and updated topographical survey. Similarly work on RIA South has advanced with geo-environmental services completed and geo-technical services recently awarded. The Council continues to engage with Network Rail as they progress through their feasibility work to inform the appropriate type of crossing for the Westcoast mainline.
- 2.1.5 The multi-disciplinary lead consultant appointment for East Airdrie Link Road has been suspended pending review by Council officers due to concerns over the affordability of the current fee estimate. An update on the next steps with regards to taking forward the feasibility and development of this subproject will be made to the next Enterprise and Growth Committee. Traffic counts and transport modelling support has been commissioned in the interim to ensure progress in this area and to underpin modelling assumptions for the greater Pan Lanarkshire Orbital Transport Corridor.

## **2.2 Gartcosh/Glenboig Community Growth Area**

- 2.2.1 The Glenboig Link Road opened to the public in June 2018 and the majority of outstanding defects have now been addressed by the contractor. The financial implications of the increased contract period and wider contract management issues remain ongoing and will be reported in due course. The Council have made an assessment of the final account which is with the Contractor. The Contractor has not accepted the assessment and the Council are to be advised of the Contractor's approach to this position. The Council have appointed external legal support and expert advisors to provide guidance.
- 2.2.2 Works to restore the areas of the Gartcosh Local Nature Reserve affected by the road construction are now complete and the newt tunnel monitoring period has commenced. Show homes are nearing completion at the Hayhill Access Road with Muir Homes Phase 1 construction progressing.
- 2.2.3 The augmented OBC/FBC for this subproject was approved by GCR Cabinet on the 9<sup>th</sup> of April 2019.

## **2.3 A8/M8 Transport Corridor**

- 2.3.1 Within the A8/M8 Corridor Access Improvements, the key projects of Eurocentral Park and Ride and Orchard Farm/M8 roundabout continue to be developed. Feasibility work is being undertaken at Eurocentral to assess site conditions and design options in conjunction with Transport Scotland and SPT. The Enterprise Projects team remain in ongoing dialogue with local landowners and their wider development proposals to inform any future contributions that would be made to support the construction of the Orchard Farm Roundabout.

## **2.4 Labour Market and Innovation Update:**

- 2.4.1 The Working Matters project delivered by Routes to Work is now complete, having received 929 referrals with 401 agreeing to engage in the three year pilot project since its inception in late August 2015. Ninety five participants within North Lanarkshire have now successfully entered employment following participation in the project and the Council has exceed its original jobs target.
  - 2.4.2 Due to wider programme underspend a one year successor programme to the Working Matters project has been developed to utilise available DWP grant (circa £370,000). The Council has committed to participating within the successor programme which would complement existing Council Employability Service provision and a further match funding of circa £50,000 was confirmed to enable the progression of this programme in the new financial year 2019/20.
  - 2.4.3 The MediCity Scotland project continues to progress successfully against targets set by both the Council and project funding partner Scottish Enterprise. There have been 24 wider workshops/events delivered to the med-tech community in topical areas and 54 companies receiving intensive support through the project. Early results from these activities and support include 15 new med-tech products being developed and launched, approximately £7.3m of private sector investment in supported companies has been recorded, 93 jobs created in high growth start-ups and 4 direct jobs within MediCity itself.
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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland**

3.1.1 The City Deal Cabinet has agreed that Inclusive Growth is to be fully embedded within the City Deal delivery and that it is also committed to supporting the delivery of the Fairer Scotland Action Plan. As part of the Assurance Framework review, it is intended that guidance will be issued to set out the arrangements for complying with City Deal duties under the Fairer Scotland Action Plan. The Assurance Framework will also require that Inclusive Growth benefits are fully integrated and demonstrated at a project and programmed level through the business case development, delivery and ongoing monitoring.

#### **3.2 Equality Impact Assessment**

3.2.1 An Equality Impact Assessment has been carried out for the North Lanarkshire City Deal Programme.

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### **4. Implications**

#### **4.1 Financial Impact**

4.1.1 The modified City Deal Infrastructure Programme within North Lanarkshire will result in additional capital investment of £202.2m as summarised in **Table 1**. This investment is offset by future grant income of £149m from UK and Scottish Government (*76% intervention rate*) leaving a potential balance of £53.2m to be met by the Council (24% contribution). The above financial implications of the City Deal are incorporated within the Council's Long Term Financial Plan and budgetary implications have been approved by Policy and Strategy Committee.

4.1.2 The GCR City Deal Infrastructure Fund is fixed at £1bn in terms of both additional Scottish Government and UK Government capital funding support. At present, the GCR Infrastructure Programme is also fully committed, with no member authority reporting any level of non-deliverability to their existing project delivery programme to date

#### **4.2 HR/Policy/Legislative Impact**

4.2.1 With a population of 1.8m, the GCR is critical to the Scottish and UK and Scottish economy. Accounting for 32% of national GVA and 29% of Scotland's businesses, GCR offers a unique conurbation of scale with a highly skilled labour market and facilities to compete on an international stage. City Deal allows its partner Local Authorities to exploit the collective economic power and opportunities generated by the region. The GCR City Deal and Governance structure is an integral component of the wider Glasgow City Region Economic Strategy and Action Plan (2017-2035).

#### **4.3 Environmental Impact**

4.3.1 All infrastructure projects developed by the Council as part of the GCR City Deal will be subject to relevant environmental and sustainability appraisal and as part of subsequent planning application approvals and procurement.

4.3.2 Furthermore to adhere with HM Treasury Greenbook best practice, each iteration of project business case seeking GCR City Deal funding will include a review of the sustainability considerations.

#### 4.4 Risk Impact

4.4.1 The risk and mitigation management of North Lanarkshire's City Deal activity is incorporated within Council's City Deal programme risk register which is reviewed by the City Deal Steering Group.

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### 5. Measures of success

5.1 As the second largest Local Authority within the GCR, North Lanarkshire's residents and businesses will directly benefit from the City Deal through:

- creation of 2,000 new workplace jobs, representing a 1.6% uplift in the future jobs growth forecast for North Lanarkshire;
- a significant share of some 15,000 temporary construction jobs anticipated to be generated by the development of the Infrastructure Investment Fund projects – construction being a predominant local employment sector;
- estimated 9.2% of North Lanarkshire working age residents having heightened access to employment opportunities within the wider GCR area;
- additional tender opportunities as a result of GCR City Deal investment for North Lanarkshire Business and SME's;
- community benefits derived from all GCR City Deal contracts awarded over £50,000; and
- a proportionate share of the £2.2bn per annum Gross Value Added (GVA) increase in the GCR area over the lifetime of City Deal, equivalent to 4% uplift in the region.

5.2 The Council in conjunction with the other Member Authorities and Project Management Office are developing a monitoring evaluation framework to ensure compliance with the City Deal requirement for performance management. This will allow the Council to report on progress on achieving the targets and benefits and to demonstrate best value.

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