

# North Lanarkshire Council Report

## Enterprise and Growth Committee

approval  noting

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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 Infrastructure subprojects alongside wider progress made within the labour market and innovation strand.

The creation of the Regional Economic Partnership in 2018 has brought a renewed focus to wider regional economic performance issues. This report therefore also seeks to highlight current activity to refresh the regional economic strategy and associated action plan.

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### Recommendations

It is recommended that the Committee:

- 1) Note the approval of the augmented Outline Business Case for the Motherwell Town Centre transport Interchange subproject;
- 2) Note recent progress of North Lanarkshire City Deal infrastructure sub projects;
- 3) Note the current MediCity performance position and proposed Working Matters Successor project; and
- 4) Note the emerging refresh of the Glasgow City Region Economic Strategy and associated action plan.

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### The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (5) Grow and improve the sustainability and diversity of North Lanarkshire's economy

## 1. Background – NLC City Deal Programme

1.1 The Glasgow City Region (GCR) City Deal is an agreement between the UK and Scottish Governments and the eight GCR Local Authorities, with the sole focus of creating additional economic growth. The 20 year GCR Deal was accepted by Council Leaders on 20 August 2014 and incorporated:

- implementing a £1.13bn Infrastructure Fund to improve the regional transport network, regenerate sites for economic use and improve public transport provision;
- supporting growth in the life sciences sector;
- helping small and medium enterprises to grow and develop;
- establishing programmes to support the unemployed; and
- piloting new ways of boosting the incomes of low wage employees.

1.2 Council obtained GCR Cabinet approval on the 9<sup>th</sup> of April 2019 to modify the scope of our initial £172.5m infrastructure programme to ensure our investment continued to deliver the maximum economic benefit alongside supporting the regeneration of the Ravenscraig site. A summary of the new £202.2m North Lanarkshire 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>

1.3 In addition to the Infrastructure Fund, the City Deal included labour market and innovation strands to support regional economic growth. North Lanarkshire benefited from £1m of capital investment to support the creation of MediCity Scotland, a new dedicated Medical Technology centred business incubation facility within the BioCity Life Sciences campus, Newhouse. Furthermore, the Council was awarded £455,000 of revenue funding to deliver the “Working Matters” employability scheme from August 2015 for three years to support long-term unemployed North Lanarkshire residents back into employment or training.

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

### **2.1 Motherwell Town Centre Interchange (MTCI)**

- 2.1.1 As approved at Committee on 9 May 2019, an augmented Outline Business Case (OBC) for the Motherwell Town Centre Transport Interchange (MTCI) project was submitted to the GCR Cabinet to meet revised business case appraisal criteria. The OBC was approved on 4 June 2019 and allows for the further development of the £3.8m project which comprises a new station access lane with taxi rank, drop-off and disabled parking arrangements; expanded bus stop capacity on Muir Street and improved bus waiting facilities; public realm improvements including an expanded station forecourt and improved pedestrian crossing arrangements.
- 2.1.2 The City Deal investment complements the proposed redevelopment of Motherwell Train Station. The Enterprise Projects Team continues to work closely in partnership with ScotRail Alliance and SPT to ensure that all aspects of the project are coordinated and works phased to minimise disruption to town centre customers and commuters as far as possible. The MTCI project is programmed to commence mid 2020, following on from the station refurbishment contract, subject to GCR Cabinet Full Business Case approval.
- 2.1.3 The complementary park and ride and active travel element of the MTCI project will be delivered in 2019/20 through additional funding from SPT, Air Quality Management Fund and the Council's Cycling Walking Safer Streets budget. This project will realise 80 additional car parking spaces within existing Town Centre car parks alongside footpath and cycle path improvements and new signage between Strathclyde Park and the station.

### **2.2 Ravenscraig Infrastructure Access (RIA)**

- 2.2.1 The RIA subproject provides all the necessary strategic road infrastructure to support the development of the recently approved Ravenscraig Masterplan. Given the approval of the Ravenscraig masterplan on 24 June 2019, it is proposed that a single OBC will be submitted to the GCR Cabinet in the first quarter of 2020/21. As previously approved by Committee, to support the commercial case for the OBC and future partnership working, Council officers are now working with Ravenscraig landowners (Ravenscraig Ltd) to develop an infrastructure agreement to support the delivery of the project and realisation of the economic benefits from future redevelopment of the site.
- 2.2.2 With regards to the RIA North, work to assemble the site and finalise the specimen design continues with the drainage design services now awarded and the geo-technical and geo-environmental services being procured. Similarly, work on RIA South continues to advance with geo-environmental services completed and geo-technical services well underway. The council now seeks to appoint a multidisciplinary team to develop the detailed engineering and landscape design, and to provide contract management and quantity surveying services.
- 2.2.3 The Council continues to positively engage with Network Rail as they progress through their feasibility work to inform the appropriate type of crossing for the Westcoast mainline.

## **2.3 East Airdrie Link Road (EALR)**

2.3.1 As reported previously, the original 2018 multi-disciplinary lead consultant appointment for East Airdrie Link Road had been suspended. This commission has now been terminated and a new approach to delivering the sub project is being implemented. The initial work will be progressed through the procurement of consultants to undertake the key options generation and appraisal stage of the project. This new procurement will be appointed in September and benefits from information gathered both during and subsequent to the initial consultant's commission. Traffic surveys and transport modelling support have also been commissioned to underpin modelling assumptions for the greater Pan Lanarkshire Orbital Transport Corridor.

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

2.4.1 With the initial Working Matters project now complete, further consideration has been given to the utilisation of underspend to create a one year successor programme. The Council's Employability Team have prepared a proposal that will focus on ex-offenders and if approved could become operational from the 1<sup>st</sup> of August 2019. Total projects costs are estimated at £88,080 with 67% of match funding from DWP grant and the remaining £29,271 project funding from Council revenue as previously approved by Committee.

2.4.2 This 8 month project will look to engage with 32 clients and achieve the following positive outcomes for this vulnerable group:

- 3 anticipated to progress to volunteering;
- 8 anticipated to progress to employment; and
- 24 anticipated to obtain a vocational certificate.

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 now been 24 wider workshops/events delivered to the med-tech community in topical areas and 53 companies receiving intensive support through the project. Early results from these activities and support include 22 new med-tech products being developed and launched, approximately £11.8m of private sector investment in supported companies has been recorded and 111 new jobs created in high growth start-ups.

## **2.5 Regional Performance Management**

2.5.1 A refresh of the 2016 GCR Economic Strategy and Action Plan is underway following a changing political and economic landscape, Brexit and a renewed focus on inclusive growth and sustainability. The strategy takes a long term view to 2035 of the collective action required by all partners to deliver greater economic success for GCR and the country. The new Regional Economic Partnership will utilise this refresh to ensure the strategy is fit for purpose alongside this new regional governance model. It is anticipated this work will be complete in October 2019 for GCR Cabinet approval.

2.5.2 The aim of the strategy is to enable successful placemaking and sustained and inclusive economic growth. The existing 3 year action plan set out 51 actions which will be refined for a sharper focus on fewer actions to realise emerging regional objectives. The second 3 year action plan will therefore be updated in line with the strategy to focus on key challenges including:

- need for more businesses;
- to support existing businesses to explore new markets;
- to support those furthest from employment;
- to be ready for the changing nature of the economy;
- to take a place-based approach;
- more integration of planning and infrastructure investment; and
- to take advantage of the tangible short term opportunities

2.5.3 A detailed quantitative overview of the GCR economy has been completed to provide the socioeconomic context for regions programme business case. The Regional Strategic Assessment (RSA) provides analysis of how well the Glasgow City Region and the local authority areas within it are performing comparatively, relatively, and absolutely against a range of outcome indicators and will be used as the evidence base to support the refreshed Regional Economic Strategy and Action Plan.

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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 revenue implications of the Working Matter Successor programme is likely to be in the region £29,271 which is lower than originally approved by committee. Project costs will be met through earmarked reserves.

## 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.
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A handwritten signature in black ink, appearing to read 'P. Humphries'.

**Pamela Humphries**  
**Head of Planning and Regeneration**