



Glasgow City Region - City Deal

Cabinet

Report by Director of Regional Economic Growth

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Item 7

4th June 2019

Business Cases Approved by Chief Executives' Group

Purpose of Report:

This report updates Cabinet on the Full Business Cases approved by the Chief Executives' Group within the latest reporting period.

Recommendations:

Cabinet is invited to note the Business Cases approved by the Chief Executives' Group within the latest reporting periods:

- i. the FBC element and funding requirement of £1.079m for South Lanarkshire Council's Hamilton Community Growth Area – Woodfoot Road Transport Corridor Junction Improvements project;
- ii. the FBC element and funding requirement of £2.686m for Glasgow City Council's Canal and North Gateway – Full Business Case 5 – Speirs Lock: Landscape Link and Port Dundas: North Canal Bank Street project;
- iii. the FBC element and funding requirement of £6.1m for Glasgow City Council's MGSDP South East Glasgow Surface Water Management Plan project; and,
- iv. the FBC element and funding requirement of £4m for Inverclyde Council's Ocean Terminal Marine Works project, subject to the subsequent Cabinet approval of the Ocean Terminal Augmented Outline Business Case.

1. Background

- 1.1 The Cabinet in October 2017 agreed the process to approve Full Business Cases (FBC) would be delegated to the Chief Executives' Group (CEG), providing the Programme Management Office (PMO) and CEG is content that the FBC does not represent a substantial change from the approved OBC.
- 1.2 The submission of business cases for appraisal is considered as confirmation that the Member Authority approves the inclusion of the business case as part of the City Deal programme as stated in the Glasgow and Clyde Valley City Deal Assurance Framework (10 March 2015) in section 4.11.

2. Appraisal Process

- 2.1 This paper informs the Cabinet on the decision from the CEG on 25th April 2019 regarding the approval of the following:
 - the FBC element and funding requirement of £1.079m for South Lanarkshire Council's Hamilton Community Growth Area – Woodfoot Road Transport Corridor Junction Improvements project.
- 2.2 The CEG on the 29th May 2019 gave approval of the following:
 - the FBC element and funding requirement of £2.686m for Glasgow City Council's Canal and North Gateway – Full Business Case 5 – Speirs Lock: Landscape Link and Port Dundas: North Canal Bank Street project;
 - the FBC element and funding requirement of £6.1m for Glasgow City Council's MGSDP South East Glasgow Surface Water Management Plan project; and,
 - the FBC element and funding requirement of £4m for Inverclyde Council's Ocean Terminal Marine Works project, subject to the subsequent Cabinet approval of the Ocean Terminal Augmented Outline Business Case.
- 2.3 The business cases were evaluated against updated appraisal criteria that aligns with the requirements of the latest version of H.M. Treasury Green Book. The comments of the UK & Scottish Governments were incorporated into the development of the updated appraisal template.
- 2.4 A full financial analysis has been carried out as part of the evaluation of the business case. The drawdown of this funding will be completed on the basis of actual eligible expenditure, in association with the grant drawdown principles outlined within the Assurance Framework.
- 2.5 For each of the FBCs approved by the CEG in this reporting period, the approval is conditional upon the Member Authority augmenting the relevant OBC and FBC documents in order to address any areas identified in the recent H.M. Treasury Green Book appraisal. Until the OBC and FBC are augmented

to meet the criteria within the revised Green Book appraisal template and these are submitted to the PMO then the Member Authority is proceeding at risk.

3. South Lanarkshire Council – Hamilton Community Growth Area – Woodfoot Road Transport Corridor Junction Improvements

3.1 This is a Full Business Case for South Lanarkshire Council's Hamilton Community Growth Area – Woodfoot Road Transport Corridor Junction Improvements project with a funding requirement of £1.079m. This investment will be used to fund transport infrastructure – new and improved carriageway and junctions, improved footpaths and associated infrastructure – that will support follow-on housing developments within the area.

3.2 This project will move into the construction phase which will be monitored by the Member Authority and progress will be reported via the PMO report.

4. Glasgow City Council - Canal and North Gateway – Full Business Case 5 – Speirs Lock: Landscape Link and Port Dundas: North Canal Bank Street

4.1 This is a Full Business Case for Glasgow City Council's Canal and North Gateway – Full Business Case 5 – Speirs Lock: Landscape Link and Port Dundas: North Canal Bank Street project with a funding requirement of £2.686m. This investment will be used to fund enhanced public realm, new road network and cycle route.

4.2 The project is consistent with the augmented Canal and North OBC that was approved by Cabinet on the 11th December 2018.

4.3 Following approval from the Chief Executives' Group this project will move into the construction phase which will be monitored by the Member Authority and progress will be reported via the PMO report.

5. Glasgow City Council - MGSDP South East Glasgow Surface Water Management Plan

5.1 This is a Full Business Case for Glasgow City Council's MGSDP South East Glasgow Surface Water Management Plan project with a funding requirement of £6.1m. This investment will be used to fund blue-green infrastructure which will remove drainage constraints and reduce the risk of flooding to local homes and carriageway. This investment is expected to unlock 1.3ha for land for residential housing.

5.2 The project is consistent with the augmented Canal and North OBC that was approved by Cabinet on the 14th August 2018.

5.3 Following approval from the Chief Executives' Group this project will move into the construction phase which will be monitored by the Member Authority and progress will be reported via the PMO report.

6. Inverclyde Council – Ocean Terminal Marine Works FBC

- 6.1 This is a Full Business Case for Inverclyde Council's Ocean Terminal Marine Works project with a funding requirement of £4m. This investment will be used to fund a pontoon and marine works that will facilitate the creation of a dedicated cruise terminal berth.
- 6.2 This FBC was approved by the CEG pending the approval of the augmented Outline Business Case for the wider Ocean Terminal project, which is submitted to Cabinet for consideration on 4th June 2019.
- 6.3 Following approval from the Chief Executives' Group and Cabinet this project will move into the construction phase which will be monitored by the Member Authority and progress will be reported via the PMO report.

7. Recommendations

- 7.1 Cabinet is invited to note the Business Cases approved by the Chief Executives' Group within the latest reporting period:
- the FBC element and funding requirement of £1.079m for South Lanarkshire Council's Hamilton Community Growth Area – Woodfoot Road Transport Corridor Junction Improvements project;
 - the FBC element and funding requirement of £2.686m for Glasgow City Council's Canal and North Gateway – Full Business Case 5 – Speirs Lock: Landscape Link and Port Dundas: North Canal Bank Street project;
 - the FBC element and funding requirement of £6.1m for Glasgow City Council's MGSDP South East Glasgow Surface Water Management Plan project; and,
 - the FBC element and funding requirement of £4m for Inverclyde Council's Ocean Terminal Marine Works project, subject to the subsequent Cabinet approval of the Ocean Terminal Augmented Outline Business Case.