



## Glasgow City Region – City Deal

### Cabinet

### Report by Director of Regional Economic Growth

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## Item 11

9th April 2019

### North Lanarkshire Council Programme Realignment

#### Purpose of Report:

The purpose of this report is to set out a proposal from North Lanarkshire Council (NLC) to modify their programme of City Deal funded activity.

#### Recommendations:

Cabinet is invited to:-

1. note the content of the paper;
2. note that Cabinet approved the Pan Lanarkshire Orbital Transport Corridor SBC in December 2017 which indicated that the additional costs for this project may be funded from several sources including a review and re-scoping of the current NLC projects;
3. note the findings of the programme economic impact assessment review exercise completed by North Lanarkshire Council (NLC) which demonstrates that this modified programme will deliver £14.6m more in GVA than the current NLC programme;
4. agree in principle to the movement of £6.1m from the A8/M8 Corridor Access Improvements SBC and £60.1m from the Gartcosh/Glenboig CGA SBC to the Pan Lanarkshire Orbital Transport Corridor SBC subject to NLC presenting a fully Green Book compliant Outline Business Case which fully demonstrates the economic benefits of the project; and
5. agree that NLC progress with the development of an Outline Business Case for the Ravenscraig Infrastructure Access subproject and draw down a further £4m of GCR City Deal infrastructure funding as part of the overall £189m Pan Lanarkshire Orbital Transport Corridor SBC to support this next stage of work.

## **Purpose**

1. The purpose of this report is to set out a proposal from North Lanarkshire Council (NLC) to modify their programme of City Deal funded activity.

## **Proposal**

2. The full proposal from NLC is set out in Appendix 1. It seeks to modify NLC's current infrastructure programme, prioritising higher economic return on investment within their existing programme.
3. The proposal seeks to retain the three broad SBCs in North Lanarkshire, but reduce the number of subprojects from 12 to 6. It also seeks to reprofile City Deal funding in favour of the Pan Lanarkshire Orbital SBC to generate the best return on investment at this time.
4. The removal of Tax Increment Finance (TIF) funding from the Ravenscraig Infrastructure Access project has had a major impact on the ability of North Lanarkshire Council to deliver inclusive economic growth in the area.
5. The removal of TIF is considered a major technical challenge for delivery of the overall Pan Lanarkshire Orbital project. Given this challenge and the clear economic benefits which can be attributed to the Ravenscraig Infrastructure Access project, the PMO is satisfied that this modified programme has the capacity to deliver more GVA to the city-region than the existing programme.
6. An economic assessment of the overall Ravenscraig Infrastructure Access project demonstrates its clear value to the local, regional and Scottish economy and it is estimated that the full project would deliver a total of 6,700 gross jobs and £360m per annum in GVA.
7. Initial economic analysis notes that the City Deal funded subproject will generate **£14m** more in GVA than the elements which are being removed from other projects and therefore can generate a better return for the programme than those projects.
8. In order to fully satisfy the requirements of the Assurance Framework, NLC will develop fully Green Book compliant OBCs which will be required to demonstrate the benefits to cost ratio for the whole programme of this investment, and those will be brought back to Cabinet for approval in due course.

## **Process and Governance**

9. It is recognised that there are exceptional circumstances in relation to this project, given the assumptions which were made about TIF funding when the initial City Deal project selections were made in 2013/4. The economic benefits from the TIF funded element were also included within the Glasgow City Region baseline assessment in 2014 and the removal of TIF represented a major economic shock to NLC.

10. North Lanarkshire Council notified Cabinet that the removal of TIF presented a major challenge and brought a revised SBC for the Pan Lanarkshire Orbital project to Cabinet in December 2017. This included the previously TIF funded element at Ravenscraig within Pan Lanarkshire.
11. The CEG on 30<sup>th</sup> November 2017 agreed that North Lanarkshire Council should carry out further analysis on project finance and funding prior to submission of an Outline Business Case to Cabinet. This proposal is NLC's response to that request.
12. Cabinet approved the SBC in December 2017 and it noted that the "additional cost may be funded from several sources including a review and re-scoping of the current NLC projects".
13. Part 2, 4.3.4 of the Assurance Framework notes that "investment decisions will ultimately remain the remit of the Cabinet".
14. Part 2 of the Assurance Framework also notes:
  - 6.2 *Should an Approved Project encounter technical conditions which are likely to significantly compromise the successful delivery of the project, the Member Authority will have a period of time (determined by the Cabinet) to design and implement a corrective action plan to deliver a modified project which represents an equivalent ratio of costs to benefits for the overall Programme; and*
  - 6.4 *Where a Member Authority wishes to materially change a project at any stage of the approval process this will be analysed by the PMO in terms of its potential impact on the GVA of the City Deal as outlined in the Programme Business Case and a recommendation will be made by the PMO to the Cabinet, via the Chief Executives' Group taking account of the overall impact on the Programme objectives.*
15. These paragraphs are also repeated at Part 2, 7.5.2 and 7.5.3 in the revised Assurance Framework currently out for consultation with partners.
16. In addition, the UK and Scottish Governments confirmed at the Annual Conversation meeting with Glasgow City Deal representatives on 18<sup>th</sup> February 2019 that they were supportive of changes to projects to ensure the best return at the point of investment, providing that these changes were in line with the agreed Assurance Framework.
17. Table 1 below sets out the relevant sections of the Assurance Framework and notes that the process which has been followed is in line with City Deal governance requirements.

**Table 1: Assurance Framework Guidance**

Assurance Framework (Part 2)	Process followed
<i>5.3.4 Investment decisions will ultimately remain the remit of the Cabinet.</i>	Consideration given at Cabinet in December 2017 and revised programme to be presented in April 2019.
<p><i>6.2 Should an Approved Project encounter technical conditions which are likely to significantly compromise the successful delivery of the project, the Member Authority will have a period of time (determined by the Cabinet) to design and implement a corrective action plan to deliver a modified project which represents an equivalent ratio of costs to benefits for the overall Programme</i></p>	<p>The removal of Tax Increment Financing from the Ravenscraig Infrastructure Access project is considered a major financial technical condition which significantly comprises the successful delivery of the Pan Lanarkshire Orbital project.</p> <p>NLC notified Cabinet of this issue in December 2017 and brought forward a revised SBC which incorporated Ravenscraig Infrastructure Access into the Pan Lanarkshire Orbital project.</p> <p>Cabinet approved the SBC which noted that <i>“the additional cost may be funded from several sources including a review and re-scoping of the current NLC projects”</i>.</p> <p>CEG in November 2017 also asked North Lanarkshire Council to prepare a report with further analysis on the project finance and funding to CEG prior to submission of an outline business case submitted to Cabinet.</p> <p>This proposal is NLC’s response to that instruction and represents a corrective action plan designed to maximise economic impact and provide the best return on investment for the overall programme.</p> <p>Therefore the PMO is happy to recommend to CEG and Cabinet that this approach is in line with both the existing and proposed revised Assurance Framework.</p>

<p><i>6.4 Where a Member Authority wishes to materially change a project at any stage of the approval process this will be analysed by the PMO in terms of its potential impact on the GVA of the City Deal as outlined in the Programme Business Case and a recommendation will be made by the PMO to the Cabinet, via the Chief Executives' Group taking account of the overall impact on the Programme objectives.</i></p>	<p>The initial economic analysis carried out across the NLC programme indicates that removal of the subprojects as set out the attached Appendix will see a reduction in GVA of <b>£93.4m</b>. The Ravenscraig Infrastructure Access sub-project will generate <b>£108m</b> in GVA. Therefore prioritising investment in Ravenscraig as part of the Pan Lanarkshire Orbital project will generate an additional <b>£14.6m</b> for the programme.</p> <p>It should be noted that detailed economic analysis is carried out at Outline Business Case stage and more detail on the benefits will be available at that stage.</p> <p>Therefore this paper seeks an in principle agreement to reprofile the NLC programme subject to a fully Green Book compliant Outline Business Case which fully demonstrates the benefits of the Pan Lanarkshire Orbital project.</p>
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## Financial Implications

18. The City Deal funded element of the proposal will remain at £172.4m (£148.9 in City Deal Grant (86%) and £23.5m in NLC Contribution (14%)). However, NLC will contribute a further £29.7m towards the Pan Lanarkshire Orbital project increasing the total investment across the three SBCs to £202.2m. The grant allocation to NLC will not change as part of this proposal.

## Conclusion

19. The PMO considers this proposal:
- to be in line with the provisions within the Assurance Framework;
  - has the potential to generate an additional £14.6m GVA for the City Deal programme; and
  - reflects on the Cabinet and both governments' aspirations to ensure flexibility in the programme and make decisions at the point of investment to ensure best value for money and return on investment.

## Recommendation

20. Cabinet is invited to:-
1. note the content of the paper;

2. note that Cabinet approved the Pan Lanarkshire Orbital Transport Corridor SBC in December 2017 which indicated that the additional costs for this project may be funded from several sources including a review and re-scoping of the current NLC projects.
3. note the findings of the programme economic impact assessment review exercise completed by North Lanarkshire Council (NLC) which demonstrates that this modified programme will deliver £14.6m more in GVA than the current NLC programme;
4. agree in principle to the movement of £6.1m from the A8/M8 Corridor Access Improvements SBC and £60.1m from the Gartcosh/Glenboig CGA SBC to the Pan Lanarkshire Orbital Transport Corridor SBC subject to NLC presenting a fully Green Book compliant Outline Business Case which fully demonstrates the economic benefits of the project; and
5. agree that NLC progress with the development of an Outline Business Case for the Ravenscraig Infrastructure Access subproject and draw down a further £4m of GCR City Deal infrastructure funding as part of the overall £189m Pan Lanarkshire Orbital Transport Corridor SBC to support this next stage of work.

### Glasgow City Region City Deal

#### North Lanarkshire Council Infrastructure Programme – Programme Modification and Associated Revised Economic Impact Assessment

##### 1. Purpose of the Report

- 1.1 The following report provides further evidence relating to the economic impact of proposed modification to the current North Lanarkshire City Deal Infrastructure Programme in favour of investment in strategic road infrastructure at Ravenscraig and consideration of the effect on the wider GCR Programme Economic Case.
- 1.2 This paper was requested by the GCR Chief Executive Group (CEG), following the GCR Cabinet approval in December 2017 of the revised Pan Lanarkshire Orbital Transport Corridor Strategic Business Case (SBC) and a further report prepared by North Lanarkshire Council (NLC) for the January 2019 CEG, outlining an associated programme realignment proposal.
- 1.3 Whilst supportive of the economic benefits that could be realised through public sector investment in the Ravenscraig Infrastructure Access (RIA) subproject, the CEG sought further clarification on the additional economic impacts that would be created through its inclusion within the North Lanarkshire City Deal Programme.

##### 2. Ravenscraig Regeneration Context

- 2.1 At 455 hectares, Ravenscraig is one of Europe's largest brownfield regeneration sites and accounts for 13% of the regions vacant and derelict land. Addressing resident proximity to dereliction is one of the key measures identified in supporting Scottish Government's Inclusive Growth agenda and some of Scotland's most deprived communities<sup>1</sup> are located within the boundary of the Ravenscraig site.
- 2.2 Currently 43% of all GCR vacant and derelict land is within a top 15% SIMD datazones, compared with 29% nationally. Prioritising GCR City Deal investment to support the regeneration of the Ravenscraig site will directly address wider Government Policy areas including the Inclusive Growth Agenda, National Planning Policy and commitment to reduce the prevalence of derelict land.
- 2.3 Given the scale and challenging ground conditions pertaining to the Ravenscraig site, the requirement for public sector investment has been historically recognised. During the early development of the GCR City Deal infrastructure programme an approved Tax Incremental Finance (TIF) scheme was in place to fund the scope of the road infrastructure works encompassed within the RIA

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<sup>1</sup> Scotland's highest ranking/top 5% SIMD communities of Craigneuk (54<sup>th</sup> and 57<sup>th</sup>) and Forgewood within the immediate boundary of the Ravenscraig site.

subproject. Consequently the RIA proposal did not form part of North Lanarkshire's original Pan Lanarkshire Orbital Transport Corridor SBC in terms of the financial ask, however the approved TIF investment and associated commercial development were assumed within the overall GCR City Deal Programme and baseline economic modelling exercise with formed part of the original GCR City Deal.

- 2.4 In response to the subsequent withdrawal of the TIF scheme in 2015<sup>2</sup> and with the support and clear direction from Scottish Government in recognition of the national importance of regenerating the Ravenscraig site, the RIA subproject was put forward for inclusion in the GCR City Deal Programme, with a revised Pan Lanarkshire Orbital Transport Corridor SBC being approved by Cabinet in December 2017. In recognition that the GCR Infrastructure Programme was fully committed, the revised SBC approval was granted at that time with no increase in grant allocation. NLC was tasked instead to identify solutions to address the financial gap resulting from the addition of the RIA subproject.
- 2.5 The RIA subproject will provide all the necessary strategic road infrastructure required to unlock the development of the revised Ravenscraig Masterplan which includes the following development components<sup>3</sup>:
- 3,000 housing units
  - 19,000 sqm office space;
  - 63,000 sqm industrial space;
  - 30,000 sqm retail space;
  - 5 primary schools and associated nursery provision;
  - Extension to Ravenscraig Regional Sports Facility; and
  - New 7ha town centre park.
- 2.6 Delivery of the revised Ravenscraig Masterplan concept “Forging a new Place, A New Future” will be led by Ravenscraig Limited, a joint venture between Scottish Enterprise, Tata Steel and Wilson Bowden Developments.

### **3. NLC Infrastructure Programme Modification**

- 3.1 North Lanarkshire's City Deal infrastructure programme is currently encompassed within three broad SBCs as outlined:
- A8/M8 Corridor Access Improvements
  - Gartcosh/Glenboig Community Growth Area; and
  - Pan Lanarkshire Orbital Transport Corridor.
- 3.2 NLC seeks to modify their current infrastructure programme, prioritising higher economic return investment within the same three broad SBCs as outlined in **Section 3.1**. This proposal alongside an additional £29.7m NLC capital

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<sup>2</sup> Original retail component (58,000 sqm with anchor experiential shopping component) identified as not viable by Ravenscraig Ltd due to changes in retail sector. Associated Non Domestic Rates could not be generated by the site to support TIF borrowing.

<sup>3</sup> Development Components reflect September 2018 submission of Revised Ravenscraig Masterplan.



contribution will provide the necessary gap funding to deliver the RIA subproject, increase programme investment and enable an acceleration of the NLC Programme. **Figure A** provides an illustration of the proposed changes to the NLC City Deal Infrastructure Programme, with the number of subprojects shifting accordingly from 12 to 6.

**Figure A: NLC Programme Modification Overview**

Current NLC Programme (£172.5m)		Modified NLC Programme (£202.2m)	
GCR Contributions = £149m (86%)		GCR Contributions = £149m (73.7%)	
NLC Contributions = £23.5m (14%)		NLC Contributions - £53.2m (26.3%)	
A8/M8 Corridor Access (3 Subprojects)	Holytown Link Rd	A8/M8 Corridor Access (2 Subprojects)	Eurocentral Park & Ride/Share
	Orchard Farm Roundabout		Orchard Farm Roundabout
Glenboig/Gartcosh CGA (6 Subprojects)	Glenboig Link Rd	Glenboig/Gartcosh CGA (1 Subproject)	Glenboig Link Rd (Completed)
	Gartcosh Station Park & Ride		
	M80 Park & Ride		
	A80 Link Rd		
	Cardowan to Lochend Link Rd		
	Kilgarth/Gartsherrie Link Rd		
Pan Lanarkshire Orbital Transport Corridor (3 Subprojects)	Motherwell TC Interchange	Pan Lanarkshire Orbital Transport Corridor (3 Subprojects Unchanged)	Motherwell TC Interchange
	East Airdrie Link Rd		East Airdrie Link Rd
	Ravenscraig Infrastructure Access		Ravenscraig Infrastructure Access

#### 4. Economic Benefits: Ravenscraig Infrastructure Access (RIA)

- 4.1 To better understand the net additional economic impacts which prioritisation of the RIA subproject brings to the wider NLC programme, an independent economic assessment has been completed for the land use elements stemming from the regeneration of the Ravenscraig site and the results are as summarised in **Table 1**. This is an important assessment for the GCR Programme, as noted in **Section 2.3**, the RIA subproject and associated economic benefits were included within the original GCR Programme Reference case.
- 4.2 It is important to note that in addition to the land use based economic outputs identified in **Table 1** for the RIA subproject, there will be additional positive transportation economic efficiency (TEE) benefits realised. This is as a consequence of the RIA subproject addressing a significant missing road link within the wider Pan Lanarkshire Orbital Transport Corridor (SBC). TEE analysis will be further undertaken as part of the future OBC development of the RIA subproject.
- 4.3 Given this subproject is currently at SBC stage, the economic appraisal outlined in **Table 1** has been extremely prudent in its assumptions and attributed only 30%<sup>4</sup> of the net additional economic benefits anticipated by the delivery of the revised Ravenscraig Masterplan to the RIA subproject. The counterfactual and wider 70% development impacts (net direct economic impacts) are therefore excluded from the assessment, but would form part of the revised GCR economic baseline.
- 4.4 Should investment be supported through the proposed NLC programme modification the wider gross economic benefits deliverable by the realisation of the Revised Ravenscraig Masterplan account for a **total of 6,700 gross jobs and £360m per annum in GVA**.

<b>Table 1: RIA Subproject Economic Impact Appraisal</b>			
	<b>NLC</b>	<b>GCR</b>	<b>Scotland</b>
<b>Permanent Employment Impacts</b>			
Gross FTE Jobs	2,000		
Net FTE Jobs	600	700	600
Gross GVA	£108m		
Net GVA	£29m	£34m	£33m
Gross Wages	£45m		
Net Wages	£13m	£15m	£14m
<b>One-off Construction Impacts</b>			
Gross PYE Jobs	3,100		
Net PYE Jobs	1,900	3,200	5,100
Gross GVA	£194m		
Net GVA	£115m	£201m	£320m
Gross Wages	£79m		

<sup>4</sup> 30% figure identified by EKOS Ltd as best practice given the wider private sector development that will take place to deliver the development of the Ravenscraig Site.

Net Wages	£47m	£82m	£130m
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EKOS Ltd Appraisal of Ravenscraig Revised Masterplan (2019)

- 4.5 The net additional economic impacts which investment in the RIA subproject could realise for the NLC City Deal Programme are significant, with 2,000 permanent gross jobs and an annual uplift in gross GVA of £108m. Notably due to the scale of the Ravenscraig proposals, the net additional impacts at a Regional and national level exceed local authority level impacts, particularly in relation to construction activity.

## 5. Net Additional Economic Impacts – NLC Programme Modification

- 5.1 In addition to understanding the net additional economic benefits that could be realised through inclusion of the RIA subproject, at the request of the CEG, NLC have also completed an assessment of the associated impact resulting from the reduction in scope of the SBCs as outlined in **Figure A**. This holistic assessment will illustrate the wider impact on the overall NLC and GCR programme.
- 5.2 Utilising the available GCR top down programme level GVA targets set for North Lanarkshire as part of the original KMPG modelling exercise, an assessment has been made on the overall programme effect of the proposed NLC modification as detailed in **Table 2** below.

<b>Table 2: Programme Modification - EIA Assessment</b>	
<b>A8/M8 Corridor Access SBC</b>	
- Original GVA Target	£123.3m
- Revised GVA Target (75%)	£92.5m
- Variance Total SBC GVA	£30.8m
<b>Gartcosh/Glenboig CGA SBC</b>	
- Original GVA Target	£69.6m
- Current GLR GVA Target <sup>5</sup>	£7.3m
- Variance Total SBC GVA	£62.6m
<b>Combined GVA Variance</b>	£93.4m
<b>Ravenscraig Infrastructure Access GVA</b>	£108m
<b>Net NLC Programme Effect</b>	£14.6m

All GVA Targets are shown as annualised totals.

- 5.3 Beginning with the A8/M8 Corridor Access SBC. Given that 2 of the 3 subprojects will remain within this overall SBC heading, a prudent assumption of a 25% reduction in the economic impacts has been assumed. This reduction reflects the nature of the subproject to be reprioritised, which is known to deliver more TEE type benefits and its land use economic benefits are considered lower than its comparative subprojects.
- 5.4 This modification to the A8/M8 Corridor Access subproject creates an assumed reduction of £30.8m in GVA. Future OBCs for both Orchard Farm Roundabout

<sup>5</sup> Latest Glenboig Link Road Annualised Net Additional GVA figure from PBA Consultants as part of the Augmented OBC/FBC Submission.

and Eurocentral Park, Ride and Share subprojects will be developed alongside detailed HMT Green Book compliant economic cases as part of the agreed GCR City Deal appraisal process to further substantiate this assessment.

- 5.5 The Gartcosh/Glenboig CGA SBC will see the most change from 6 to 1 subproject within the proposed NLC Programme modification. Unlike some other GCR Community Growth Area (CGA) Projects, only one subproject - the Glenboig Link Road subproject which is now complete and part of the current SWQ Gateway preparation, was directly associated with addressing market failure to encourage residential development of the CGA. The remaining 5 subprojects contained within the original SBC as outlined in Figure A were tasked with supporting principally additional regional freight growth or improved transport connectivity within this area of the GCR.
- 5.6 The net change assumed to the Gartcosh/Glenboig CGA SBC is a reduction in £62.6m in GVA from the original GCR economic modelling exercise. A considerable proportion of this GVA would have been attributed to further regional freight development at Gartsherrie<sup>6</sup>. Following an extensive regional freight assessment in connection with SPT, this investment has been proven to be premature within the current 20 year lifespan of the GCR City Deal.
- 5.7 **Table 2** therefore shows the combined GVA variance as a result of NLC programme modification is considered to be in the region of £93.4m. This will be more than offset by the inclusion of the RIA subproject estimated at delivering £108m in GVA from operational impacts alone as previously summarised in **Table 1**.
- 5.8 The net additional impact on the NLC and GCR programme through the modification of the NLC Programme and prioritisation of the RIA subproject will be positive, generating a minimum of a further £14.6m in GVA per annum as outlined in **Table 2**. As noted in **Section 4.2**, this assessment excludes the further positive TEE benefits which the RIA subproject will realise alongside the considerable net additional construction impacts outlined in **Table 1**.

## 6. Financial Implications

- 6.1 In consideration of the significance of the RIA subproject to the wider North Lanarkshire and GCR Infrastructure Programme, approval is sought to realign £6.1m from the A8/M8 Corridor Access SBC and £60.1m from the Gartcosh/Glenboig CGA SBC to the Pan Lanarkshire Orbital Transport Corridor SBC. The financial impact of this request in terms of the overall NLC City Deal Programme is summarised in **Table 3**.

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<sup>6</sup> Gartsherrie Link Road which would have supported further regional freight development was the largest of the Gartcosh/Glenboig CGA subprojects at a total project cost of £37.2m

<b>Table 3: Overview NLC City Deal Programme Modification</b>	
Original NLC City Deal Infrastructure Programme	£172,463,000
- NLC GCR City Deal Grant Allocation (86%)	£148,956,293
- NLC Contributions (14%)	£23,506,707
Modified NLC City Deal Infrastructure Programme	£202,225,726
- NLC GCR City Deal Grant Allocation	£148,956,293
- NLC Contributions	£23,506,707
- Additional NLC Capital Contribution	£29,767,726
- Combined NLC Contributions (26.3%)	£53,269,433

- 6.2 As with budget movements across other Member Authority SBCs to date, this change is being requested on the basis of strengthening the North Lanarkshire and GCR Programme Business Case. NLC is seeking **no additional funding** as part of this request and this programme modification. The City Deal funded element of the proposal will be accommodated within the financial limits of the existing £149m grant allocation as shown in **Table 3**.
- 6.3 The City Deal funded element of the proposal will remain at £172.4m (£149m in City Deal grant and £23.5m in NLC contributions). However, NLC will contribute a further £29.7m towards the Pan Lanarkshire Orbital Transport Corridor project, increasing total investment across the three SBCs to £202.2m. The programme changes outlined will result in raising the NLC investment levels in City Deal infrastructure activity from 14% to 26.3%. **Table 4** provides a summary breakdown by subproject of the modified NLC City Deal Infrastructure programme.

<b>Table 4: Modified NLC City Deal Infrastructure Programme</b>	
<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>

## 7. Recommendation

- 7.1 It is proposed that the Chief Executives' Group agree this paper is submitted to the next GCR Cabinet with the following recommendations:

1. note the content of the paper;

2. note that Cabinet approved the Pan Lanarkshire Orbital Transport Corridor SBC in December 2017 which indicated that the additional costs for this project may be funded from several sources including a review and re-scoping of the current NLC projects.
3. note the findings of the programme economic impact assessment review exercise completed by North Lanarkshire Council (NLC) which demonstrates that this modified programme will deliver £14.6m more in GVA than the current NLC programme;
4. agree in principle to the movement of £6.1m from the A8/M8 Corridor Access Improvements SBC and £60.1m from the Gartcosh/Glenboig CGA SBC to the Pan Lanarkshire Orbital Transport Corridor SBC subject to NLC presenting a fully Green Book compliant Outline Business Case which fully demonstrates the economic benefits of the project; and
5. agree that NLC progress with the development of an Outline Business Case for the Ravenscraig Infrastructure Access subproject and draw down a further £4m of GCR City Deal infrastructure funding as part of the overall £189m Pan Lanarkshire Orbital Transport Corridor SBC to support this next stage of work.