



Glasgow City Region - City Deal

Cabinet

Report by Director of Regional Economic Growth

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Item 13

9th April 2019

Business Cases Approved by Chief Executives' Group

Purpose of Report:

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

Recommendations:

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

- i. the FBC element and funding requirement of £2.413m for East Renfrewshire Council's Barrhead South - Balgraystone Road Upgrade, subject to approval by Cabinet of the augmented Barrhead South – Aurs Road and Balgraystone Road OBC; and
- ii. the FBC and funding requirement of £29.689m for Renfrewshire Council's Glasgow Airport Investment Area project.

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 28th March 2019 regarding the approval of the following FBCs:
 - the FBC element and funding requirement of £2.413m for East Renfrewshire Council's Balgraystone Road Upgrade, subject to approval by Cabinet of the augmented Barrhead South – Aurs Road and Balgraystone Road OBC; and
 - the FBC and funding requirement of £29.689m for Renfrewshire Council's Glasgow Airport Investment Area project.
- 2.2 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.
- 2.3 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.
- 2.4 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. Barrhead South – Balgraystone Road Upgrade FBC

- 3.1 This is a Full Business Case for East Renfrewshire Council's Barrhead South – Balgraystone Road Upgrade project with a funding requirement of £2.413m. This investment will be used to upgrade local road infrastructure and open up development sites for follow-on investment.

- 3.2 This FBC was approved by the CEG pending the approval of the augmented Outline Business Case for the wider Outline Business Case for Barrhead South, which is submitted to Cabinet for consideration on 4th April 2019.
- 3.3 Following approval by the Cabinet of the augmented OBC 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 Airport Investment Area FBC

- 4.1 This is a Full Business Case for Renfrewshire Council's Glasgow Airport Investment Area project with a funding requirement of £29.689m. This investment will be used to fund transport infrastructure – road improvements and realignment, a new road bridge, a new cycle/pedestrian bridge, and pedestrian and cycle paths – that will support the follow-on development of a number of opportunity sites within the area.
- 4.2 The project is consistent with the augmented GAIA 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. Renfrewshire Council is required to update the CEG, via the PMO, once relevant CPO's have been concluded and all relevant licences required to carry out the work are in place.

5. Recommendations

- 5.1 Cabinet is invited to note the Business Cases approved by the Chief Executives' Group within the latest reporting period:
- i. the FBC element and funding requirement of £2.413m for East Renfrewshire Council's Barrhead South - Balgraystone Road Upgrade, subject to approval by Cabinet of the augmented Barrhead South – Aurs Road and Balgraystone Road OBC; and,
 - ii. the FBC and funding requirement of £29.689m for Renfrewshire Council's Glasgow Airport Investment Area project.