

**North Lanarkshire Council - Infrastructure Programme realignment – Position agreed – Declaration of interest.**

**13** There was submitted a report by the Director of Regional Economic Growth regarding a proposal by North Lanarkshire Council (NLC) to modify its programme of City Deal funded activity, advising

- (1) of the full proposal from NLC, detailed in Appendix 1 of the report, which sought to modify NLC's current infrastructure programme by seeking to realign £6.1m from the A8/M8 Corridor Access Improvements Strategic Business Case (SBC) and £60.1m from the Gartcosh/Glenboig Community Growth Area SBC, and draw down a further £4m of GCR City Deal Infrastructure funding as part of the overall £189m Pan Lanarkshire Orbital Transport Corridor SBC;
- (2) that the proposal sought to retain the 3 broad SBCs in North Lanarkshire, but to reduce the number of sub-projects from 12 to 6, seeking to re-profile City Deal funding in favour of the Pan Lanarkshire Orbital SBC to generate the best return on investment at this time;
- (3) that initial economic analysis noted that the City Deal funded Ravenscraig Infrastructure Access (RAI) sub-project would generate £14m more in GVA than the elements that were being removed from other projects and therefore could generate a better return for the programme than those projects;
- (4) that in order to fully satisfy the requirements of the Assurance Framework, NLC would develop fully Green Book compliant Outline Business Cases (OBC) that would be required to demonstrate the benefits to cost ratio for the whole programme of this investment, which would be submitted to Cabinet for approval in due course;
- (5) that it had been recognised that there were exceptional circumstances in relation to this project due to the removal of the Tax Increment Finance (TIF) funding from the RAI sub-project and it was noted that the process which had been followed was in line with City Deal governance requirements consistent with the provisions within the Assurance Framework, all as detailed in the report; and
- (6) that the City Deal funded element of the proposal would remain at £172.4m (£148.9m in City Deal Grant (86%) and £23.5m in NLC contributions (14%)), however, NLC would contribute a further £29.7m towards the Pan Lanarkshire Orbital project, increasing the total investment across the 3 SBCs to £202.2m, with no change to the NLC grant allocation.

After consideration, the Cabinet

- (a) noted
  - (i) its previous approval of the Pan Lanarkshire Orbital Transport Corridor SBC in December 2017, which indicated that the additional costs for

this project might be funded from several sources, including a review and re-scoping of the current NLC projects; and

- (ii) the findings of the programme economic impact assessment review exercise completed by NLC which demonstrated that this modified programme would deliver £14.6m more in GVA than the current NLC programme; and

(b) agreed

- (i) in principle, to the movement of £6.1m from the A8/M8 Corridor Access Improvements SBC and £60.1m from the Gartcosh/Glenboig Community Growth Area SBC to the Pan Lanarkshire Orbital Transport Corridor SBC, subject to NLC presenting a fully Green Book compliant OBC that fully demonstrated the economic benefits of the project; and
- (ii) that NLC progress with the development of an OBC for the RIA sub-project 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.

Councillor Kelly declared an interest in this item and took no part in the decision thereon.