



## **Glasgow City Region - City Deal**

### **Cabinet**

### **Report by Director of Regional Economic Growth**

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## **Item 8**

**11th February 2020**

### **Business Cases Approved by Chief Executives' Group**

#### **Purpose of Report:**

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

#### **Recommendations:**

Cabinet is invited to note the following Full Business Cases (FBC) approved by the Chief Executives' Group within the latest reporting period:

- (1) the FBC and funding requirement of £1.915m for Glasgow City Council's Waterfront and West End Innovation Quarter – Improving Connectivity between Glasgow University and Queen Elizabeth University Hospital (QUEH) - Active Travel North project;
- (2) the FBC and funding requirement of £0.213m for Glasgow City Council's Canal and North Gateway – Speirs Lock: Garscube Toll and Links project;
- (3) the FBC and funding requirement of £4.893m for Inverclyde Council's Greenock Ocean Terminal – Terminal building project;
- (4) the FBC and funding requirement of £14.85m for Glasgow City Council's Canal and North Gateway FBC7 – Sighthill M8 Pedestrian Bridge; and
- (5) the FBC and funding requirement of £6.0m for Glasgow City Council's Metropolitan Glasgow Strategic Drainage Partnership (MGSDP) - Drumchapel Surface Water Management Plan

## **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 are 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 City Region City Deal Assurance Framework 2019.

## **2. Appraisal Process**

- 2.1 This paper informs the Cabinet on the decisions from the CEG meetings of 30th October, 26th November 2019 and 30th January 2020 regarding the approvals of the following:
  - (1) the FBC and funding requirement of £1.915m for Glasgow City Council's Waterfront and West End Innovation Quarter – Improving Connectivity between Glasgow University and Queen Elizabeth University Hospital (QEUE) - Active Travel North project;
  - (2) the FBC and funding requirement of £0.213m for Glasgow City Council's Canal and North Gateway - Speirs Lock: Garscube Toll & Links project;
  - (3) the FBC and funding requirement of £4.893m for Inverclyde Council's Greenock Ocean Terminal – Terminal building project;
  - (4) the FBC and funding requirement of £14.85m for Glasgow City Council's Canal and North Gateway FBC7 – Sighthill M8 Pedestrian Bridge; and
  - (5) the FBC and funding requirement of £6.0m for Glasgow City Council's Metropolitan Glasgow Strategic Drainage Partnership (MGSDP) - Drumchapel Surface Water Management Plan
- 2.2 The business cases were evaluated against appraisal criteria that aligns with the requirements of the latest version of HM Treasury Green Book.
- 2.3 A full financial analysis has been carried out on all FBCs as part of the evaluation of the business cases. The drawdown of funding will be completed on the basis of actual eligible expenditure, in association with the grant drawdown principles.

## **3. Glasgow City Council – Full Business Case – WFWEIQ – Improving Connectivity between Glasgow University and QEUE - Active Travel North**

- 3.1 This is a Full Business Case for Glasgow City Council's Waterfront and West End Innovation Quarter – Improving Connectivity between Glasgow University and QEUE - Active Travel North project with a funding requirement of £1.915m.

This funding will be spent on project management fees, consultants and construction. This funding request is within the overall project funding allocation that has already been approved.

3.2 The project is consistent with the augmented WFWEIQ OBC that was approved by Cabinet on 11th December 2018.

3.3 The 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 – Full Business Case - Canal and North Gateway - Speirs Lock: Garscube Toll & Links**

4.1 This is a Full Business Case for Glasgow City Council's Canal and North Gateway – Speirs Lock: Garscube Toll and Links project with a funding requirement of £0.213m. This funding will be spent on management fees and construction costs. This funding request is within the overall project funding allocation that has already been approved.

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

4.3 The 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. Inverclyde Council – Full Business Case – Greenock Ocean Terminal – Terminal Building**

5.1 This is a Full Business Case for Inverclyde Council's Greenock Ocean Terminal – Terminal building project with a funding requirement of £4.893m to increase total City Deal funding to £5.693m for the Terminal Works, including the £0.8m approved at SBC stage. This funding will be spent on professional fees, project management costs and construction costs. This funding request is within the overall project funding allocation that has already been approved.

5.2 The project is consistent with the augmented Greenock Ocean Terminal OBC that was approved by Cabinet on 4th June 2019.

5.3 The 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. Glasgow City Council's Canal and North Gateway FBC7 – Sighthill M8 Pedestrian Bridge**

6.1 This is a Full Business Case for Glasgow City Council's Canal and North Gateway – Sighthill M8 Pedestrian Bridge FBC project with a funding requirement of £14.85m. This funding will be spent on project management and design, consultants, other third party costs and construction. This funding

request is within the overall project funding allocation that has already been approved.

6.2 The project is consistent with the augmented Canal and North Gateway OBC that was previously approved by Cabinet.

6.3 The 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. Glasgow City Council's Metropolitan Glasgow Strategic Drainage Partnership (MGSDP) – Drumchapel Surface Water Management Plan (SWMP)**

7.1 This is a Full Business Case for Glasgow City Council's (GCC) MGSDP – Drumchapel SWMP project with a funding requirement of £6.0m.

7.2 The total cost of the project is £7.55m, of which £6.0m is funded from City Deal Grant and GCC's Member Authority contribution and a further £1.55m from Scottish Water.

7.3 The Drumchapel SWMP FBC is part of the MGSDP OBC which has total City Deal funding of £40.2m, of which a total of £27.69m has previously been approved for other elements of the OBC.

7.4 The scope and benefits are consistent with the MGSDP OBC that was previously approved by Cabinet. The £6.0m of City Deal funding for this project component is more than the estimated City Deal funding of £5.3m which was stated within the approved OBC. GCC has advised that it is working to manage the expenditure in the project to ensure that costs are managed within the approved OBC project budget.

7.5 This funding will be spent on feasibility costs, project management, design, preliminaries, site clearance, utilities, drainage, earth and concrete works and landscaping.

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

**8. Recommendations**

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

- (1) the FBC and funding requirement of £1.915m for Glasgow City Council's Waterfront and West End Innovation Quarter – Improving Connectivity between Glasgow University and QEUH - Active Travel North project;
- (2) the FBC and funding requirement of £0.213m for Glasgow City Council's Canal and North Gateway – Speirs Lock: Garscube Toll and Links project;

- (3) the FBC and funding requirement of £4.893m for Inverclyde Council's Greenock Ocean Terminal – Terminal building project;
- (4) the FBC and funding requirement of £14.85m for Glasgow City Council's Canal and North Gateway FBC7 – Sighthill M8 Pedestrian Bridge; and
- (5) the FBC and funding requirement of £6.0m for Glasgow City Council's Metropolitan Strategic Drainage Partnership - Drumchapel Surface Water Management Plan.