



Glasgow City Region – City Deal

Cabinet

Report by Director of Regional Economic Growth

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City Deal Reprogramming Exercise Update

Purpose of Report:

This paper presents Cabinet with an update on the Reprogramming Exercise including the support being provided by the City Deal Programme to the Clyde Metro scheme and related Glasgow Airport Access Project (GAAP), and outlines proposals for the reallocation of remaining GAAP City Deal funds to support the development of new City Deal projects.

Recommendations:

The Cabinet is invited to:

- a) Note the contents of this paper;
- b) Agree that the City Deal funded studies and business cases completed by Renfrewshire Council for the Glasgow Airport Access Project be used to inform the Clyde Metro Scheme development and continues to represent eligible expenditure;
- c) Note in December 2023, the Chief Executives' Group, under the authority delegated to it by the Cabinet in April 2020, agreed to allocate £12.155m of the approved business case stage funding from the City Deal Glasgow Airport Access Project (GAAP) to Glasgow City Council to promote and accelerate business case development of Clyde Metro proposals towards key gateway decisions;
- d) Note Strathclyde Partnership for Transport (SPT) is to be the lead organisation for the Case for Investment development stage for Clyde Metro;
- e) Discuss any conditions and/or requirements which should be included as part of the invitation to submit Expressions of Interest for the New Regional Project; and
- f) Agree to the reallocation approach set out at Section 4.

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1. Introduction

- 1.1 This paper presents Cabinet with an update on the Reprogramming Exercise including the support being provided by the City Deal Programme to the Clyde Metro scheme and related Glasgow Airport Access Project (GAAP), and outlines proposals for the reallocation of remaining GAAP City Deal funds to support the development of new City Deal projects.

2. Background

Moving Beyond Glasgow Airport Access Project to Clyde Metro

- 2.1 In April 2020, the Glasgow City Region Cabinet agreed to pause the work which was being undertaken by Renfrewshire Council on the Glasgow Airport Access Project to allow a review of the Connectivity Commission's recommendation on a regional metro scheme and the wider opportunities this could lever. The Cabinet also agreed that the remaining GAAP business case development funding (i.e. £12.155m of the £15.149m approved at Strategic and Outline Business Case) could be used by Glasgow City Council to support feasibility studies for the proposed Metro, with decisions regarding the use of the funding delegated to the Chief Executives' Group.
- 2.2 Since April 2020, a Metro Feasibility Study, led by Glasgow City Council, was established to work on key areas of transformational objectives, economic narrative and transport governance, and operator models to inform and complement the second Strategic Transport Projects Review (STPR2). This supported securing Clyde Metro as a recommendation by Scottish Government in December 2022 as a key priority for future transport investment.
- 2.3 In February 2023, the Chief Executives' Group (CEG) was advised that the Clyde Metro recommendation contained within STPR2 meant the scope of the GAAP was contained within the wider Clyde Metro network development options and delivery phasing. Both Renfrewshire Council and Glasgow City Council agree that the delivery of a wider Clyde Metro network provides multiple corridor connectivity opportunities - able to join up key locations such as hospitals, employment zones and transport hubs. This offers significant regeneration and economic benefits as part of wider transformational opportunities.
- 2.4 The CEG was advised of assessments on the Accelerated Delivery Workstreams proposed by Glasgow City Council which identified that additional, critical work should be commissioned, concurrent to the Case for Investment approach as set out by Transport Scotland. The purpose of the additional workstreams is to accelerate early phases of work which will assess and identify suitable corridors for potential Clyde Metro routes. In June 2023, Transport Scotland advised the Clyde Metro Programme Steering Group that the Case for Investment will now encompass the original scope of work with the Accelerated Delivery Workstreams, into a single programme approach.
- 2.5 The Case for Investment is the next key stage in the development of Clyde Metro. The Client Delivery Group (Transport Scotland, Strathclyde Partnership for Transport (SPT) and Glasgow City Council) continues to develop the programme mobilisation approach to deliver the Case for Investment outputs. The Case for Investment will set out the Strategic Business Case for the project and arrangements for the initial delivery phases. The Case for

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Investment will establish the preferred Clyde Metro network, the mode (i.e. tram/light rail/etc) and the phasing of the corridors. It will also take forward work to improve sustainable transport access to Glasgow Airport, and longer-term plans for future phases of the Metro.

- 2.6 Previous studies undertaken prior to April 2020 by Renfrewshire Council with the GAAP City Deal funding, including the GAAP Outline Business Case for a fixed link between Paisley Gilmour Street and Glasgow Airport, will form important inputs to assess the dominant regional economic and social value benefits and will assist to inform the criteria and selection process for the first phase of the Clyde Metro. Cabinet is asked to agree that the City Deal funded studies and business cases completed by Renfrewshire Council for the Glasgow Airport Access Project be used to inform the Clyde Metro Scheme development and continues to represent eligible expenditure.

Interim Metro Governance Arrangements

- 2.7 Progress continues to be made on the development of the interim Clyde Metro governance arrangements. A Project Board has been constituted which replaces the previous Client Delivery Group. Terms of Reference are currently being revised for the interim governance arrangements associated with Clyde Metro - namely the Political Oversight Group and Programme Steering Group. The Programme Steering Group met on 27 October 2023 and confirmed that the lead role for the development for the Case for Investment stage will move to Strathclyde Partnership for Transport (SPT), working alongside Glasgow City Council, on behalf of Glasgow City Region, and Transport Scotland. The emerging allocation of workstreams is as follows:

- SPT:
 - Programme-level Strategic Business Case
 - Strategic Environmental Assessment
 - Preliminary Engineering Statement
 - Integrated Transport Approach – Metro interaction with other transport modes/initiatives
 - Operational and Delivery Model/Governance
- Glasgow City Council for Glasgow City Region:
 - Transformation programme
 - Stakeholder management
 - Corridor Masterplan Study
 - Funding and Commercial Strategy
- Transport Scotland
 - Project assurance, technical advice and support.

Funding the Clyde Metro Case for Investment

- 2.8 Transport Scotland sought funding options to progress the Case for Investment stage. SPT has confirmed that £2.2m is available to support future work on the Metro subject to their Partnership approval.

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- 2.9 Under the delegated authority granted by the April 2020 Cabinet, the December 2023 Chief Executives' Group (CEG) has agreed to contribute £12.155m of GAAP City Deal funds as a regional contribution to the Clyde Metro's Case for Investment development with funding to be managed by Glasgow City Council (GCC).
- 2.10 This funding will accelerate the transformation agenda. It will take forward the development of corridor masterplans and transformative impacts modelling and appraisal to contribute to the evidence gathering needed to support the urban development requirements. It is anticipated this work will be undertaken after completion of the preliminary options analysis to develop the Strategic Business Case and network infrastructure options.
- 2.11 With the wider Clyde Metro scheme expected to take forward work to improve sustainable transport access to Glasgow Airport, and longer-term plans for future phases of the Clyde Metro, an opportunity has arisen for the reallocation of the remaining £129.145m of original GAAP funding. The City Region PMO is currently in discussion with SG and UKG regarding potential reallocation options aimed at supporting the wider objectives of the Scottish Government's National Strategy for Economic Transformation, the UK Government's Levelling-Up Strategy and Glasgow City Region's Regional Economic Strategy (RES).

3. Current Proposals for Reallocation

- 3.1 There are two main elements to the proposal being considered with governments. There are summarised in A and B below.

A: New Regional Project. Government have requested that 50% (£64.57m) of funds be allocated towards a new, regional project of significant scale, allowing the Deal to support new opportunities/address new priorities which have emerged since initial City Deal programme assembly exercise in 2013/14.

B: New and Existing Local Projects. GCR has proposed that the remaining 50% (£64.57m) be reallocated to Member Authorities for new local project activity and to support delivery of existing City Deal projects which have faced unprecedented cost pressures resulting from externalities (e.g. construction inflation, Covid impacts etc).

4. Proposed Reallocation Approach

- 4.1 The existing Assurance Framework sets out the governance processes which should be followed for reallocation. Two separate exercises would require to be undertaken for element A and B. These are set out below.

A: New Regional Project. In order to identify this new project, it is proposed that, as required by the Assurance Framework, the Programme Prioritisation Framework (PPF) process is commenced. It should be noted, the PPF process is being commenced subject to final approval by governments for the funds to be reallocated. The process would see the following proposed steps:

- a) Feb 13 Cabinet agrees that the PMO will issue an invitation to Member Authorities (and where relevant, Third Parties) to submit an Expression of Interest (EOI) for any Proposed Project, with Cabinet input provided to any conditions and/or requirements (such as requests for specific types of projects required to meet the

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Region's economic priorities at the time) it wishes to include as part of the invitation.

- b) The PMO will issue the invitation and template to the Member Authorities (MAs) by Friday 23 Feb 2024.
- c) MAs will have a 12-week period to complete and return submissions by Friday 17 May 2024.
- d) Submitted EOIs will be assessed and scored by the PMO, with input from Support Groups as required. Each Proposed Project will then be allocated an overall score based on the summation of the scores within each of the key components. This scoring will be used to rank/prioritise each of the Proposed Projects.
- e) A Programme Prioritisation Appraisal Report will be circulated to Chief Executives on 31 May 2024 and presented to the 6 June 2024 Chief Executives' Group. The report will outline the results of the assessment/scoring exercise and the recommended New Regional Project. The number of Projects which are selected will be dependent on the amount requested in the EOIs received, for example, should no single large-scale Proposed Project with a cost of £64.57m be identified through the process, multiple Projects may be considered.
- f) The Programme Prioritisation Appraisal Report will also be shared with the UK Government and Scottish Government on 31 May 2024 for inclusion in Government decision-making processes for the period to 17 July 2024.
- g) Following CEG review and input, the Programme Prioritisation Appraisal Report will be considered at a Special Cabinet meeting in w/c 10 June 2024.
- h) Following Cabinet review and input, the revised Programme Prioritisation Appraisal Report will be shared with the UK Government and Scottish Government for inclusion in Government decision-making processes to 17 July 2024. Governments' decision on the overall proposals to be provided to 17 July PLG meeting.
- i) Where approval has been gained from governments, a report will be presented to CEG 25 July 2024 outlining the governments' decision and seeking agreement from CEG on the New Regional Project which should be recommended to Cabinet.
- j) A report will be presented to 6 August Cabinet outlining the governments' decision and seeking approval for the New Regional Project. Any approved Project will be given an equivalent status to those on the Initial Project List identified via the initial Programme Assembly Exercise in 2013 and will be invited by the Cabinet to proceed to Business Case development stage.
- k) A New Regional Project Strategic Business Cases must be submitted to the PMO in order that they can be approved by 5 November 2024 Cabinet at the latest.

B: New and Existing Local Projects. The second key element of the proposal is to reallocate the remaining uncommitted £64.57m of City Deal funding as per the below approach:

- l) Member Authorities will be invited to request additional Infrastructure Grant Funds for **existing City Deal projects** through the business case submission process. Where OBCs and FBCs were approved prior to these cost increases, revised business cases should be submitted for appraisal, setting out the updated Economic and Financial cases with specific reference to the additional inflationary costs faced. The following additional eligibility will apply:

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- a. funds must be used for projects which are not yet complete i.e. cannot be applied retrospectively to completed projects; and
- b. funds must not be used to address borrowing costs.
- m) Business Case Approval Reports will be presented to the Chief Executives' Group outlining the PMO's appraisal of the updated Economic and Financial Cases with a recommendation to approve additional Infrastructure Grant Funds where relevant.
- n) All business cases must be submitted to the PMO in order that they can be approved by 5 November 2024 Cabinet at the latest.
- o) Where additional funding is approved for existing projects, the amount shown in the City Deal Infrastructure Grant allocation in the financial monitoring appendices of the Quarterly Performance Report will be restated to show the revised amount of City Deal funding for that project.
- p) Requests for funding for new local projects will also be considered from Member Authorities. This will be restricted to the 'capped' amount at approx. 106.6% of its 'initial' City Deal grant allocation. Proposals will require to be developed via the business case development process with OBCs for these projects also requiring to be approved by 5 November 2024 Cabinet.

4.2 The key milestones are summarised below.

Key milestones	Dates
A: New Regional Project	
Cabinet agrees to reallocate £64.5m to MAs for new and existing local projects and invites Expressions of Interest (EOI) for New Regional Project	13/02/24
The PMO will issue the invitation and EOI template	23/02/24
EOI submission deadline	17/05/24
Programme Prioritisation Appraisal Report shared with UK/Scottish governments	31/05/24
Programme Prioritisation Appraisal Report presented to Chief Executives' Group	06/06/24
Programme Prioritisation Appraisal Report considered at Special Cabinet meeting	w/c 10 June 2024
Revised Programme Prioritisation Appraisal Report shared with UK/Scottish governments	17/06/24
Government Decision Making Period	31/05/24-17/07/24
Programme Liaison Group meeting	17/07/24
Report presented to CEG outlining the governments' decision/seeking agreement for New Regional Project to be recommended to Cabinet	25/07/24
Cabinet invite New Regional Project to proceed to Business Case development stage	06/08/24
New Regional Project Strategic Business Case to be submitted for approval for Nov 2024 Cabinet	05/11/24
B: New and Existing Local Projects.	
Lead Officers to provide initial indication of how reallocated funds would be used. Which business cases will they be resubmitting	02/02/24
Information shared with governments for inclusion in Write Round briefing	09/02/24
All New and Existing Local Project(s) business case(s)/revised business cases to be submitted for approval for Nov 2024 Cabinet	05/11/24

5. Recommendation

5.1 The Cabinet is invited to:

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- a) Note the contents of this paper;
- b) Agree that the City Deal funded studies and business cases completed by Renfrewshire Council for the Glasgow Airport Access Project be used to inform the Clyde Metro Scheme development and continues to represent eligible expenditure;
- c) Note in December 2023, the Chief Executives' Group, under the authority delegated to it by the Cabinet in April 2020, agreed to allocate £12.155m of the approved business case stage funding from the City Deal Glasgow Airport Access Project (GAAP) to Glasgow City Council to promote and accelerate business case development of Clyde Metro proposals towards key gateway decisions;
- d) Note SPT is to be the lead organisation for the Case for Investment development stage for Clyde Metro;
- e) Discuss any conditions and/or requirements which should be included as part of the invitation to submit Expressions of Interest for the New Regional Project; and
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