

Glasgow and Clyde Valley Cabinet**Report by Head of Programme Management Office****PMO Evaluation –
Glasgow City Council Strategic Business Cases****Purpose of Report:**

Glasgow City Council, as a Member Authority, has submitted the following Strategic Business Cases for consideration by Glasgow and Clyde Valley Cabinet:-

Strategic Business Case – Canal and North Gateway;
Strategic Business Case – City Centre Enabling Infrastructure Public Realm Programme;
Strategic Business Case – Clyde Waterfront and West End Innovation Quarter;
Strategic Business Case – Collegelands Calton Barras; and
Strategic Business Case – Metropolitan Glasgow Strategic Drainage Partnership.

The Business Cases have been considered and approved by the Chief Executives' Group for submission to Cabinet.

Recommendations :

It is proposed that the Cabinet:-

- (1) agree that Glasgow City Council be invited to proceed to develop the projects submitted to the next stage of development through the preparation of an Outline Business Case for each, subject to them developing aspects of the Business Case to meet in full the business case criteria going forward;
- (2) note that Glasgow City Council will continue to take cognisance of the emerging outcomes of the SAF and the detail of the Programme Business Case; and
- (3) approve the funding for each project as follows:-
 - (a) Canal and North Gateway - £898,000;
 - (b) City Centre Enabling Infrastructure Public Realm Programme - £148,000;
 - (c) Clyde Waterfront and West End Innovation Quarter - £654,000;
 - (d) Collegelands Calton Barras - £730,000; and
 - (e) Metropolitan Glasgow Strategic Drainage Partnership - £848,000.

1. Purpose :

- 1.1 Glasgow City Council, as a Member Authority, has submitted Strategic Business Cases for the following projects for consideration by Glasgow and Clyde Valley Cabinet:-

Canal and North Gateway;
City Centre Enabling Infrastructure Public Realm Programme;
Clyde Waterfront and West End Innovation Quarter;
Collegelands Calton Barras; and
Metropolitan Glasgow Strategic Drainage Partnership.

These Business Cases were considered by the Chief Executives' Group on 5th August 2015 when it was agreed that they should be submitted to Cabinet for approval.

2. Background:

- 2.1 The Executive Summary for each project is attached as Appendices 1 to 5. These describe the strategic need for the projects, the options which have been considered to address the area's development constraints and the outline of a proposed solution for each.

3 PMO Assessment

- 3.1 The projects have been reviewed against the business case criteria outlined within the Assurance Framework which aims to provide a level of technical checking, and to identify areas where further analysis or planning is required to develop the project to the next level of detail. These technical checks will be discussed with Glasgow City Council and will form the basis of development work going forward.
- 3.2 The Strategic Business cases have also been assessed for "strategic fit" against the main objectives of the City Deal overall, namely:
- (i) To increase economic growth while reducing economic inequality and disparities between people and places.
 - (ii) To improve connectivity within the Glasgow City region through infrastructure investment.
 - (iii) To support a growing population.
 - (iv) To provide high quality locations for investment and economic activity.
- 3.3 The projects are aligned with these objectives and the project outputs can be more fully defined at the Outline Business Case stage.
- 3.4 The Programme Business Case is in development in parallel with our appraisal of this project. The outcomes of the SAF and Programme Business case process will further inform the development of these project business cases as they are developed to an Outline Business Case.

3.5 The SAF exercise is complete the recommendations from this analysis will continue to be developed within the Programme Business Case.

3.6 Finance

The estimated total cost of each project and the funding sought through each Strategic Business Case is as follows:-

<i>Project</i>	<i>Total estimated cost</i>	<i>Funding sought through SBC</i>
Canal and North Gateway	£83,680,000	£898,000
City Centre Enabling Infrastructure Public Realm Programme	£115,520,000	£148,000
Clyde Waterfront and West End Innovation Quarter	£113,900,000	£654,000
Collegelands Calton Barras	£27,000,000	£730,000
Metropolitan Glasgow Strategic Drainage Partnership	£45,800,000	£848,000

3.7 Legal

The Member Authority should ensure close liaison and co-operation with the Legal and Procurement Support Group, and the Legal Sub Group in particular, to ensure that all outstanding legal issues are recognised and addressed appropriately at a Project and Programme level.

4. Recommendations:

4.1 It is proposed that the Cabinet:-

- (1) agree that Glasgow City Council be invited to proceed to develop the projects submitted to the next stage of development through the preparation of an Outline Business Case for each, subject to them developing aspects of the Business Case to meet in full the business case criteria going forward.
- (2) note that Glasgow City Council will continue to take cognisance of the emerging outcomes of the SAF and the detail of the Programme Business Case.
- (3) approve the funding for each project as follows:-
 - (a) Canal and North Gateway - £898,000;
 - (b) City Centre Enabling Infrastructure Public Realm Programme - £148,000;

- (c) Clyde Waterfront and West End Innovation Quarter - £654,000;
- (d) Collegelands Calton Barras - £730,000; and
- (e) Metropolitan Glasgow Strategic Drainage Partnership - £848,000.

Glasgow City Council Strategic Business Case – Canal and North Gateway

1.0 EXECUTIVE SUMMARY

1.1 Strategic Need for the Project

Glasgow is Scotland's largest urban economy and one of the fastest growing cities in the UK. The city currently contributes nearly £18billion Gross value Added (GVA) to the national economy each year and, after a long period of decline, is experiencing robust population growth that is above the national average and predicted to accelerate in coming years (cited by National Records of Scotland).

To further this growth, the Canal and North Gateway is a regeneration priority for Glasgow, with significant inherent assets and development potential to be exploited, in order to positively contribute to the city's economy.

The strategic aim of City Deal investment in the Canal and North Gateway is to:

Promote sustainable economic growth through regenerating the Canal and North Gateway as a dynamic integrated mixed-use new city neighbourhood that is a focus for cultural industries, connected to the city centre and centred on a vibrant 'Canal Quarter'.

The Canal and North Gateway occupies a strategic location in the city. Centred around the terminus of the Forth & Clyde Canal and adjacent to the city centre, the area offers considerable potential to capitalise on its many inherent key assets and proximity to key drivers of growth. This includes knowledge based industries on the edge of the city centre, a growing cultural industries cluster particularly around Speirs Locks, a unique canal-side environment, considerable vacant development opportunity sites, and new leisure and recreational facilities that are bringing activity to the area. Additionally, a momentum of change now exists in the area associated with current development proposals, such as new headquarters for the National Theatre of Scotland starting on site April 2015 and the first phase of housing for the ambitious new sustainable residential neighbourhood at Sighthill Transformational Regeneration Area (TRA) that has already commenced on site.

The implementation of Sighthill TRA is a Council and Scottish Government priority, and its Masterplan to transform this deprived community to a high quality vibrant new residential neighbourhood, capitalising on its proximity to the city centre, was approved by the Council in April 2014. Both bodies have committed substantial finance to the project which has accelerated its regeneration, along with investment

from the Glasgow Housing Association. City Deal investment in the Canal and North Gateway will contribute towards the delivery of the infrastructure components of the Sighthill Masterplan.

The Canal and North Gateway also strategically acts as a 'gateway' to north Glasgow and a potential catalyst for its regeneration and growth. North Glasgow is a priority for regeneration in recognition of its ongoing post-industrial physical and socio-economic blight; characterised by large areas of vacant and derelict land, poor and failing infrastructure and fragmented communities that suffer persistent multiple deprivation, as reflected in their continuing position in the lowest SIMD rankings.

The regeneration vision for the Canal and North Gateway has been developed collaboratively with stakeholders through extensive partnership working in recent years. To this end, the area has been the focus of investment for the Council and its regeneration partners, in particular the Scottish Government and Glasgow Housing Association in relation to Sighthill TRA and the Glasgow Canal Regeneration Partnership.

However, despite this activity and the area's strategic and locational advantages, this part of the city still faces a number of significant physical infrastructure challenges which present a major barrier to investment. These include vacant and derelict sites with poor ground conditions, lack of drainage capacity, poor environmental quality and existing transport infrastructure arrangements which hinder accessibility by walking, cycling and public transport within the site and disconnect the area from the city centre and surrounding communities despite close geographical proximity. In particular, the M8 presents a significant barrier to access to/from the city centre.

City Deal investment in the Canal and North Gateway concentrates on addressing the poor internal and external connectivity of the area, the site preparation needs of its vacant sites and quality of place improvement. These interventions are interdependent and need to be considered holistically, as the success of the Canal and North Gateway requires the whole area to be regenerated in a co-ordinated and complementary way.

Whilst there is commitment by the Council and partner agencies to the delivery of projects, such as Sighthill TRA and those within Canal Action Plan, there remains a significant gap in the funding required to deliver the strategic infrastructure needed to stimulate and support these individual projects. City Deal investment in enabling infrastructure will allow pervading barriers to investment to be overcome, thus addressing market failure and stimulating market interest to allow this part of City to realise its economic potential.

An additional development constraint in relation to a lack of drainage capacity in the area is considered under the City Deal project for the Metropolitan Glasgow Strategic Drainage Plan (MGSDP) North Glasgow Integrated Water Management Scheme (NGWIMS).

The accelerated regeneration timescales for the delivery of Sighthill TRA schedules infrastructure works to commence in 2015. As such, consultants have already been appointed to prepare the Full Business Case for the Sighthill component of the Canal and North Gateway.

1.2 Options Appraised

A range of options were considered prior to the decision to support the selected City Deal interventions, ranging from 'do nothing' option to 'maximum investment' option. The options were appraised primarily against the ability to unlock the area's development potential and create GVA, with additional consideration given to potential wider regeneration benefits.

- Option 1 - Do Nothing
- Option 2 – Do Minimum – Scaled back investment
- Option 3 - Access Improvements only or Site Remediations only
- Option 4 - Project proposal - Full intervention
- Option 5 – Full intervention higher specification

1.3 Proposed Solution

Do nothing, minimal or partial intervention were considered not viable options, as they would not address the strategic scale of challenges and the fragmentation evident across the area that necessitates a holistic solution. The following interventions proposed through City Deal were considered to be the only credible, and economically efficient, way to unlock investment and growth and allow the area to realise its full economic potential and to become a thriving and fully functioning city district. The proposed interventions are grouped as the following projects:

- Sighthill Remediation and Servicing - to prepare the area for the creation of a new residential community with attendant commercial and other facilities
- Sighthill Access and Circulation Roads - to improve connection to the City Centre, surrounds and throughout the site;
- Sighthill Bridges - to reconnect this area with City Centre and other parts of the Canal and North Gateway area;
- Port Dundas Access and Remediation - to deliver key development sites , in particular Dundashill and build on leisure and other recent investment;

- Speirs Locks, Canal and Dobbies Loan Access Improvements - to improve connections throughout the area and with the city centre and support the developing creative and cultural industries, and
- Cowlairs Access and Remediation - to enhance its connection to the rest of the Canal and North Gateway and prepare the site for development.

By bringing forward these proposals under City Deal, the Canal and North Glasgow Gateway will receive the crucial complementary investment in the area's supporting infrastructure to effect the necessary 'step change' towards realising its regeneration vision and consequent economic potential.

1.4 Forecast cost

The forecast cost of the City Deal interventions as proposed is estimated at £74m or CAPEX £83.68m. Full cost of Sighthill project alone is £174.2m with £114.3 already committed and £59.9m proposed through City Deal.

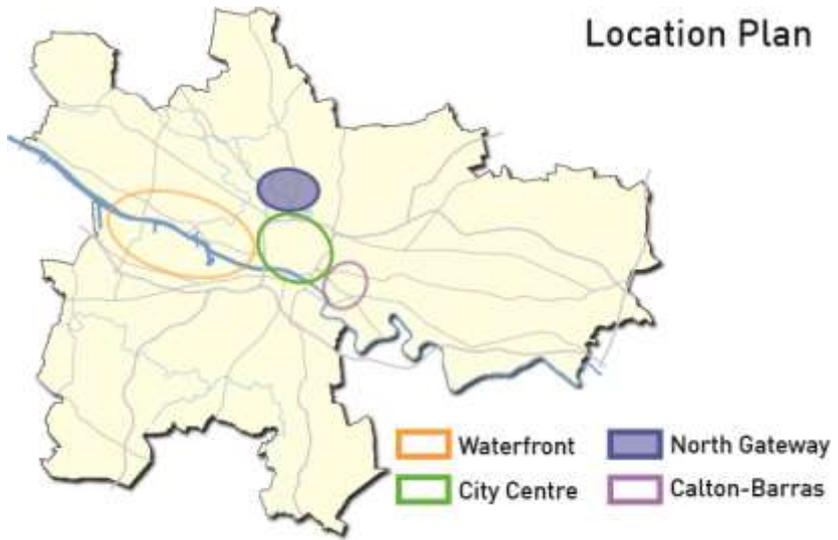
1.5. Contingency Plan

Without this City Deal funding the Council will continue to work with partner agencies, communities and the private sector to promote the regeneration of the Canal and North Gateway, with particular focus on progressing Sighthill. Projects will be promoted and sites developed in an ad hoc and incremental way, with reduced investment. The Council will produce the Glasgow North Strategic Development Framework (SDF) as part of the new City Development Plan and seek to use this spatial planning process to build further momentum of development activity and regeneration. While this process is important, without the public investment required to lever private sector activity, the area will not attract the growth in business and jobs and opportunities, such as City Deal affords.

1.6 Project Team and Project Management Arrangements

Glasgow City Council has established a City Deal Executive Group supported by a Governance Framework which outlines the management and approvals process for all City Deal projects. This Governance Framework details how the City Deal Programme will be managed by Glasgow City Council in order to ensure its effective delivery and comply with the Assurance Frameworks and Governance Structure of The Glasgow and Clyde Valley City Deal, further details are provided at Section 8.

Location Plan



Glasgow City Council Strategic Business Case – City Centre Enabling Infrastructure: Public Realm Programme

1.0 EXECUTIVE SUMMARY

- 1.1 Glasgow is Scotland's largest and most dynamic city. The city centre is the heart of the city's economy and life, and it provides residents and visitors with a unique mix of culture, leisure, retail, entertainment and employment opportunity. In particular, Glasgow city centre is critical to the regional and national economies. It occupies the number one retail ranking in the UK after London's West End, and is the second most important financial centre in the UK. It generates 34% of the city's GDP and is the location of over 150,000 jobs. It also attracts over 100,000 commuters and over 75,000 vehicles every weekday. It has a resident population of over 28,000, and hosts over 40,000 students in Higher and Further Education facilities in the city centre.
- 1.2 Glasgow city centre has weathered the recession since the 2008 economic crash, however its progress and growth opportunities require ongoing strategic focus and commitment. As such, a new City Centre Strategy was developed and launched in late 2013, aiming to set a new direction for Glasgow city centre that will ensure it maintains its crucial role as the key employment generator within Scotland. The Strategy concentrates on supporting and delivering opportunities that promote growth and investment.

The Placemaking Agenda

- 1.3 Critical to these aspirations is the delivery of a quality external environment that effectively attracts investment and enables development. This is not simply about provision of high quality street surfacing. It is about delivering a Placemaking agenda that responds to identified needs for joined-up, integrated infrastructure that fulfils a number of objectives. These include: improving connectivity and legibility across the city centre; upgrading gateway points to create a greater sense of arrival to the city centre; and developing integrated infrastructure that enables and encourages development and investment, including a greater level of mixed-use commercial activity. This has led to the development of the Enabling Infrastructure Public Realm programme which is the subject of this Business Case. Market failures require works of this nature to be driven and funded by the public sector, and this is outlined in detail in section 4.

- 1.4 The Glasgow City Centre Enabling Infrastructure Public Realm programme is therefore of critical importance to the city centre. It responds to identified industry demands for high quality external environments and integrated services, and meets the objectives of key strategies as outlined in section 2. Without City Deal, there is no other funding that would permit delivery of this essential Enabling Infrastructure Public Realm programme
- 1.5 Glasgow City Council is delivering an initial phase of the Enabling Infrastructure Public Realm programme in the Sauchiehall District as a proof of concept. Funding has been secured from the capital budget and the Stage 2 (concept design) contract was externally awarded in March 2015. This project will take 3-4 years to deliver in full however lessons will be learned incrementally, and these will be factored into the strategic development of the wider programme of activity as it is scoped out during 2015 – 2016.

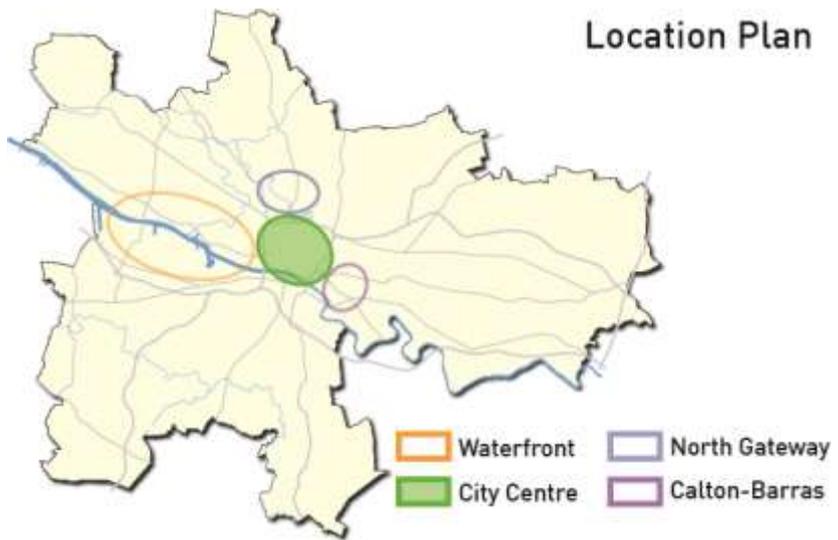
Strategic Need for the Project

- 1.6 Specifically, the Enabling Infrastructure Public Realm programme will deliver a key strategic objective of the City Centre Strategy's District Strategy: the Avenues. The establishment of principal Avenues throughout the city centre will introduce an integrated network of continuous pedestrian and cycle priority routes to connect key areas and transport nodes and link the city centre with the surrounding neighbourhoods, including those subject of the parallel Glasgow City Deal Business Cases. Avenues will be used as the binding mechanism to integrate regeneration and placemaking initiatives. They will be a visible and tangible demonstration of the City's intent to transform the quality of the environment and its readiness for climate change. It will also incorporate the creation of portals and gateways around the perimeter of the city centre to make it easier and attractive for pedestrians and cyclists to cross physical barriers, such as the M8.
- 1.7 The anticipated benefits of the programme include economic impact through increased demand for property and associated indirect benefits. Amenity and environmental benefits will also be derived, boosting civic pride, creating more inclusive and accessible places, and benefiting a wide range of stakeholders including investors, developers, designers, occupiers, public authorities, residents, city centre workers, tourists and leisure visitors. It is anticipated that these works will make a significant long-term impact on current levels of vacant floorspace in the city centre . In direct terms, the benefits cannot be fully quantified until a further iteration of this business case is produced. This is because the scale and scope of each Avenue's intervention will be determined after local investigations, analyses and stakeholder engagement

have all been undertaken. This will include mapping of the baseline economic activity of each Avenue prior to the project's options appraisal. Indicators of success are detailed in section 4.

- 1.8 Options Appraisal An overarching options appraisal was undertaken for the Enabling Infrastructure Public Realm programme, detailed in section 3. As each of the project areas are taken forward a full options appraisal will be undertaken and detailed in a further iteration of this business case. This explored various options, including:
- (i) Do nothing option
 - (ii) Do minimum
 - (iii) Do either local site specific or thematic interventions
 - (iv) Do cohesive full intervention/complete public realm improvement with specific thematic interventions – the preferred option
 - (v) Do cohesive full intervention/complete public realm improvement with specific thematic interventions using high quality materials only
- 1.9 The option of undertaking a full, cohesive intervention on the streetscape with materials selected as the strategy for each area is developed, is the preferred option, at an estimated cost of £100.3m excluding inflation. This option will form an integrated approach to delivering public realm and deliver efficiencies and scale economies through its strategic approach.
- 1.10 Glasgow City Council has established a City Deal Executive Group supported by a Governance Framework which outlines the management and approvals process for all City Deal projects. This Governance Framework details how the City Deal Programme will be managed by Glasgow City Council in order to ensure its effective delivery and comply with the Assurance Frameworks and Governance Structure of the Glasgow and Clyde Valley City Deal. Further details are provided at Section 8.
- 1.11 The points outlined above illustrate the strategic context, benefits, and value of both integrated public realm and the city centre itself. The proposed Enabling Infrastructure Public Realm programme will add significant value to these areas in the face of ongoing major economic challenges and public sector efficiencies, by delivering a new approach to public realm and placemaking that is focused on driving commercial investment and placing people at the heart of city planning.

Location Plan



Glasgow City Council Strategic Business Case – Waterfront and West End Innovation Quarter

1.0 EXECUTIVE SUMMARY

1.1 Strategic Need for the Project

The strategic objective for the proposed City Deal Investment reflects the very considerable potential of the Clyde Waterfront locality as an important area in the Glasgow and wider Glasgow and Clyde Valley area contexts. The over-arching objective is to:

HELP INCREASE SUSTAINABLE ECONOMIC GROWTH IN GLASGOW & CLYDE VALLEY CITY REGION BY REGENERATING CLYDE WATERFRONT AS AN ATTRACTIVE URBAN QUARTER THAT SUPPORTS HIGH VALUE ADDED INDUSTRIES.

The area possess some very major assets, notably the New South Glasgow Hospital as the largest hospital in Europe, Glasgow's West End, Glasgow University and Pacific Quay, a hub for digital media and communications industries in Glasgow. It is also incorporates some of the most deprived communities in Glasgow and vacant sites that are the result of major industrial shipbuilding decline. Delivering the following key objectives are fundamental to driving the potential of Clyde Waterfront. The area, both north and south of the River Clyde, can be better connected to help maximise the potential of each of the major growth areas and to extend the benefits to the surrounding City, helping to stimulate the local and city-regional economy. The key objectives for increasing GVA generating activity in the Clyde Waterfront area are:

1. To unlock the development potential of vacant sites within the locality for employment and housing purposes.
2. To exploit co-location opportunities offered by the NSGH and Glasgow University to enhance clustering and stimulate growth in the Life Science and Further Education sectors and to further connect to and maximise the benefits of existing high value added industries in the locality.
3. To spread the benefits of the City Deal investment to reduce the incidence of multiple deprivation particularly in Govan.

These Project Objectives align well with those of the wider City Deal programme, which aims to increase the net number of jobs and productivity of the City Region economy in order to achieve sustainable economic growth and to spread the benefits of that economic growth to deprived communities. The Clyde Waterfront City Deal

investment combines site remediation, increased connectivity north-south and east-west (which overcome very major physical barriers to movement) and public realm improvements to create a far more cohesive and navigable area that maximises the benefits of locality assets.

1.2 Options Appraised

A range of options have been considered prior to the decision to support the selected City Deal interventions. These options have been appraised against the likelihood of stimulating an uplift in GVA generating activity. The appraisal has also considered the fit with the wider strategic regeneration goals of addressing the extent of vacant land, the fragmentation of land use and the disconnection of the urban area from the City Centre, across and along the Clyde and between the waterfront and the West End.

- Option 1 - Do Nothing
- Option 2 - Site Remediations only
- Option 3 - Access Improvements only
- Option 4 - Project proposal (Site Remediations and Access) the preferred option

Option	Costs	GVA impact	Comments	Value for Money (Rank)
1	£0m	Neutral / potentially negative	Do nothing scenario. There is demonstrable long-standing market failure. with over 140Ha of vacant sites in the area and many having been vacant since the closure of shipbuilding yards between the mid 1970s and late 1980s.	4
2	c.£67m	Low / moderate	Without the transport and connections improvements, the site enhancements do not create a sufficient uplift in GVA.	3
3	c.£32m	Moderate	Without the site enhancements, transport and connections improvements do not create a sufficient uplift in GVA.	2
4	c.£98m	High	Only option 4 can act as a catalyst to stimulate the regeneration of the Clyde Waterfront. The strategy needs to combine site remediation and preparation with overall improvements to accessibility and connectivity.	1

1.3 Proposed Solution

This project solution aligns well with those of the wider City Deal programme, which aims to increase the net number of jobs and productivity of the City Region economy in order to achieve sustainable economic growth and to spread the benefits of that economic growth to deprived communities. The Clyde Waterfront City Deal investment combines site remediation, increased connectivity north-south and east-west (which overcome very major physical barriers to movement) and public realm improvements to create a far more cohesive and navigable area that maximises the benefits of locality assets.

1.4 Forecast Cost

The estimated total project cost is £97.9m or CAPEX of £113.9m.

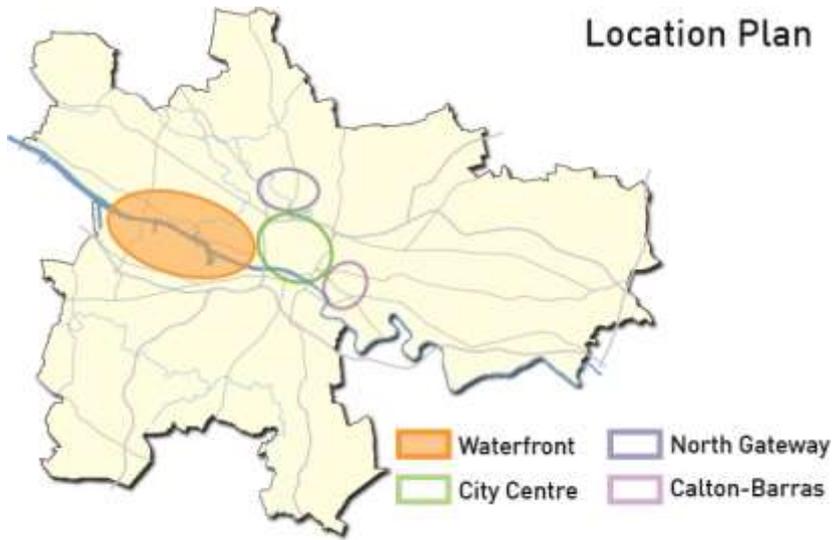
1.5 Contingency Plan

Without this City Deal funding the Council will continue to work with partner agencies, communities and the private sector to promote the renewal of the Clyde Waterfront. Projects will be promoted and sites developed in an ad hoc and incremental way. The Council will prepare the Clyde Waterfront Strategic Development Framework (SDF) and Govan Partick SDF as part of the new City Development Plan; seeking to use these spatial planning processes to build momentum of development activity and regeneration. Whilst these are important, this approach will not deliver the number of additional high value jobs and businesses that will be attracted through the City Deal investment.

1.6 Proposed Team and Project Management Arrangements

Glasgow City Council has established a City Deal Executive Group supported by a Governance Framework which outlines the management and approvals process for all City Deal projects. This Governance Framework details how the City Deal Programme will be managed by Glasgow City Council in order to ensure its effective delivery and comply with the Assurance Frameworks and Governance Structure of The Glasgow and Clyde Valley City Deal, further details are provided at Section 8.

Location Plan



Glasgow City Council Strategic Business Case – Collegelands Calton Barras

1.0 EXECUTIVE SUMMARY

1.1 Strategic Need for the Project

Glasgow is Scotland's largest urban economy and one of the fastest growing cities in the UK. The city currently contributes nearly £18billion Gross Value Added (GVA) to the national economy each year and, after a long period of decline, is experiencing robust population growth that is above the national average and predicted to accelerate in coming years (cited by National Records of Scotland). A member of the UK's Core Cities Alliance, the city has an increasingly strong national and international presence with top ranking performance in key economic sectors, including its growing cultural industries sector and is one of the UK's largest knowledge bases with a high proportion of the city's graduates choosing to work in the city.

The proposed City Deal project Collegelands: Calton Barras is located immediately to the east of Glasgow city centre. The area is considered to present a significant opportunity to capitalise on adjacent drivers of growth, including creative, education and research clusters which have benefitted from recent investment, such as:

- The University of Strathclyde and the associated science and technology innovation quarter;
- The Merchant City;
- Clyde Gateway Urban Regeneration Company;
- Collegelands Masterplan.

Glasgow City Council and its partners have delivered some positive change in recent years through the ongoing Calton Barras Action Plan and there has been investment by the private sector in delivering the first phase of the Collegelands Masterplan and by the socially rented housing sector.

However, despite this activity and the area's clear strategic and locational advantages, Collegelands: Calton Barras continues to face a number of significant challenges which present a major barrier to investment, including the amount of vacant and derelict land and the existing infrastructure arrangements which hinder accessibility, particularly from north to south. This has resulted in a sense of disconnection from the adjacent areas of growth despite close geographical proximity. In addition, the area is characterised by poor environmental quality and high indices of multiple deprivation.

1.2 Options shortlisted

Against this background, a number of preferred options to facilitate change and unlock individual sites have been identified. Possible interventions were considered through an initial SWOT analysis and include the introduction of enabling infrastructure to improve connectivity on a local, city and regional scale and site remediation and access improvements to address the vacant land and fragmentation evident across the area. Further investment in the quality of the physical environment, including the public realm and key vacant and underused buildings, is also proposed as a means to attract developer interest and assist with the repositioning and economic revival of Collegelands: Calton Barras.

The importance of key stakeholders in delivery of the preferred options is recognised as being critical to their success and, subject to the approval of this Business Case, it is intended to enter early negotiations. Full modelling and refinement of options will also be undertaken as part of further iterations of the Business Case.

1.3 Proposed Solution

The City Deal objectives set out below are considered to progress the preferred options and provide a credible response to the key issues facing Collegelands: Calton Barras. They align with proposals that will support growth and allow this area to realise its full economic potential and become a thriving and fully functioning city district.

The proposed objectives of the City Deal in the area are:

- to unlock the development potential of specific sites and deliver employment and sustainable urban regeneration;
- to attract and enable the take up of high quality jobs in growth sectors/clusters to create an economically successful place;
- to introduce enabling infrastructure and improve the centrality of key locations;
- to facilitate the continuation of economic activity from the City Centre to the Inner East End;
- To promote environmental improvements, remove dereliction and address vacant land and buildings in the Calton Barras Action Plan area and, through this, support an attractive living and working environment and enhance resilience.

1.4 Forecast cost

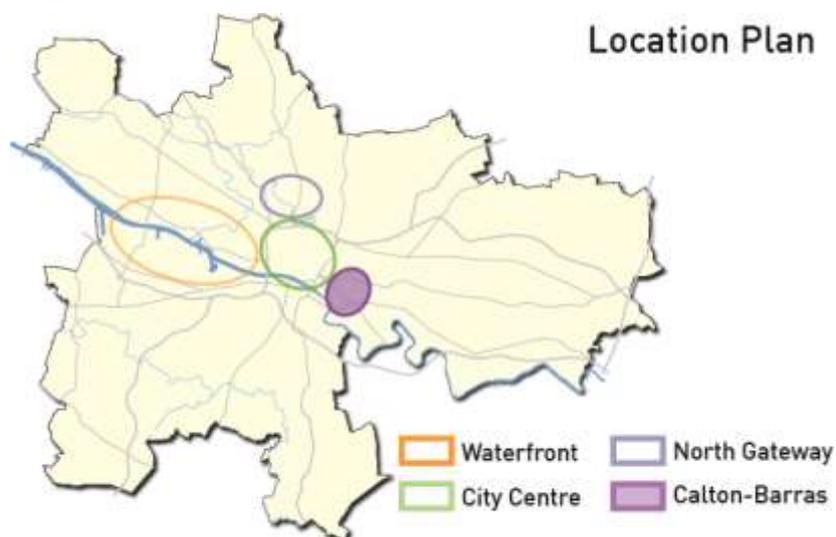
The forecast cost of the City Deal interventions as proposed is estimated at £23m. Based on the standard modelling tools used across all of the proposed City Deal proposals, the project was assessed by the modelling methodologies as increasing Gross Value Added (GVA) to the region's economy of £240m over a 20 year period for Collegelands: Calton Barras alone (or return of approximately 10:1 for investment made through City Deal). This represents a significant return on the proposed investment.

1.5 Contingency plan

In the event of the project not advancing through the City Deal programme, the City Council has identified the area as a strategic regeneration priority and will seek to promote positive change in the area through existing programmes and explore other opportunities in the area. However, it is felt that without the strategic investment which will be delivered through the proposed City Deal interventions, it is difficult to envisage how the step change that is required to unlock investment in the area will be achieved.

1.6 Proposed team and project management arrangements

Glasgow City Council has established a City Deal Executive Group supported by a Governance Framework which outlines the management and approvals process for all City Deal projects. This Governance Framework details how the City Deal Programme will be managed by Glasgow City Council in order to ensure its effective delivery and comply with the Assurance Frameworks and Governance Structure of The Glasgow and Clyde Valley City Deal, further details are provided at Section 8.



Glasgow City Council Strategic Business Case – Metropolitan Glasgow Strategic Drainage Partnership (MGSDP)

1.0 EXECUTIVE SUMMARY

The Metropolitan Glasgow Strategic Drainage Partnership (MGSDP) brings together key drainage stakeholders including Glasgow City Council, Scottish Water, SEPA and other Clyde Valley Local Authority City Deal partners. The MGSDP was formed to address the deficiencies in the cities drainage infrastructure highlighted by the 2002 storms where many of Glasgow's homes and businesses were impacted by significant flooding. The work of the MGSDP has attracted interest from other cities and towns both within and outside the UK and is considered an exemplary model of how to tackle the issues of urban flooding and partnership working.

Strategic Need

The strategic objective for the City Deal Investment into the MGSDP projects reflects the considerable benefits to be gained through investment in the drainage infrastructure across Glasgow to realise the aspiration of city growth and climate resilience. The overarching objective is to:

HELP INCREASE SUSTAINABLE ECONOMIC GROWTH IN GLASGOW & CLYDE VALLEY CITY REGION BY REMOVING DRAINAGE CONSTRAINTS TO REGENERATION AND INCREASING GVA THROUGH REDUCING THE NEGATIVE ECONOMIC IMPACT OF FLOODING.

The MGSDP Business Case sets out the required intervention needed to modernise drainage and flood management provision throughout Glasgow area to enable economic growth and unlock the development potential of numerous brownfield sites across the city. In doing so, it demonstrates the economic, social and environmental benefits of drainage and surface water management interventions. These benefits principally flow from facilitating the regeneration of brownfield sites and reducing the negative economic, social and environmental impacts of flooding. The reduction in the Annual Average Damages from flooding can be linked to an increase in GVA.

The MGSDP Business Case also responds to the need for reduced annual flooding damages which is a barrier to private and public sector investment in a number of parts of the Metropolitan Glasgow area. It has been designed to help implement the Flood Risk Management (Scotland) Act 2009, which advocates partnership working between responsible authorities that have roles to play in reducing the risk of flooding across Scotland.

The primary objectives of the MGSDP are: to contribute to increased GVA across the city region; facilitate regeneration of vacant and derelict sites through the removal of drainage constraints; and to reduce the economic and social impact of flooding. There is a very real opportunity to remove the drainage-related constraints to development and unlock developer interest by de-risking sites and reducing their development costs.

The green-blue infrastructure (infrastructure that works with the natural environment rather than against it) delivered by the MGSDP projects will support regeneration through mitigating flooding, building climate change resilience and unlocking development potential. The aesthetic, ecosystem and health benefits will also act as a further catalyst for ongoing economic investment.

Options Shortlisted

Four options have been considered for the MGSDP. These are the “do nothing”, rejected on the basis that without public sector intervention, those communities who are currently faced with an unacceptably high level of flood risk will continue to remain blighted and fail to achieve their economic potential (which includes the continued suppression of regeneration and development of vacant and derelict sites); full investment across a limited number of projects, and full investment across a wide range of projects. The two options involving full investment in projects have been rejected on the basis that beyond the optimum investment threshold there is a diminishing return from removing drainage constraints and reducing flood risk. The option to undertake less than full investment was also considered.

Project level option appraisals have been completed for the North Glasgow Integrated Water Management System and Camlachie Burn channel improvements, which will be detailed in the further iterations of this Business Case.

Option	Costs	GVA Impact	Comments	Value for Money (Rank)
1	£0m	Neutral / potentially negative	Do nothing – drainage constraints and flood damages persist.	4
2	£42m	Moderate	Drainage investment focused on delivering full solutions within a limited number of catchments.	2
3	£38m	High	Drainage investment focused on priorities across numerous catchments.	1

4	£136m	High	Drainage investment delivering full solutions across numerous catchments.	3
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Proposed Solution

The preferred option is therefore to make focused but not full investment in key projects across the city. This focused investment will deliver 14 projects to remove drainage capacity constraints and / or reduce the risk of flooding. Collectively these projects will be a key enabler for the city growth that will flow from the wider City Deal investment.

The MGSDP business case specifically links to the business case prepared for Canal and North Gateway via the North Glasgow Integrated Water Management System. This MGSDP project modifies the Forth & Clyde Canal to allow the canal to provide the drainage solution for key regeneration sites within the Canal and North Gateway area including Sighthill, Port Dundas, Dundashill, Cowlares and Hamiltonhill.

Two of the MGSDP projects have interactions with neighbouring Clyde Valley City Deal local authorities.

Forecast Cost

The forecast level of investment from City Deal to deliver the preferred option is £38.1m. This represents 28% of the funding required for the full solution option. Additional funding has already been secured from MGSDP stakeholders to supplement the City Deal investment and discussions are ongoing with other stakeholders to lever additional investment into the MGSDP programme. Where the funding required for the full solution option is not obtained, the interventions with the lowest rate of return will not be taken forward.

Contingency Plan

Without City Deal funding it is unlikely there could be the same partner commitment to the project and the approach would be more piecemeal and less strategic than is currently planned. There would be fewer projects (and a reduction in the GVA benefits) and less certainty in the funding available from other partners. City Deal investment will be a catalyst for further partner investment.

There are considerable inter-dependencies between the MGSDP projects, the other City Deal projects and growth within the city region. Without the proposed investment in drainage infrastructure, the city's capacity to support regeneration and development will be constrained thereby reducing the total economic benefits. The

incidence of flooding is also predicted to increase without this investment, which in turn will negatively impact the image of Glasgow as a place to do business.

Project Team and Project Management Arrangements

Glasgow City Council has established a City Deal Executive Group supported by a Governance Framework which outlines the management and approvals process for all City Deal projects. This Governance Framework details how the City Deal Programme will be managed by Glasgow City Council in order to ensure its effective delivery and comply with the Assurance Frameworks and Governance Structure of The Glasgow and Clyde Valley City Deal, further details are provided at Section 8.