
Report To:	Environment & Regeneration Committee	Date:	31 August 2023
Report By:	Director, Environment and Regeneration	Report No:	ENV049/23/SJ/JH
Contact Officer:	Jennifer Horn	Contact No:	01475 7145573
Subject:	Glasgow City Deal: Inverkip Outline Business Case Submission		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to seek approval for the submission of the Outline Business Case for the City Deal project at Inverkip.
- 1.3 This report links to the Inverkip Project Update report that was previously considered by this committee, that highlighted increases in costs from the Strategic Business Case and revised scope and design.
- 1.4 The Inverkip City Deal project will make infrastructure improvements on the A78 at Inverkip which will facilitate the development of Inverkip Power Station which has been a vacant site for many years.
- 1.5 This report outlines the scope of the project, the costs, benefits, delivery, and management of the project.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the committee:
- approve the submission of the Outline Business Case to the City Deal Infrastructure Programme and delegate authority to the Director of Environment and Regeneration for any drafting changes required by the Glasgow City Region Project Management Office;
 - following required City Deal approvals, approve progression of the project towards Full Business Case, including the detailed design of junction.

Stuart Jamieson
Director, Environment & Regeneration

3.0 BACKGROUND AND CONTEXT

- 3.1 The Inverkip City Deal project is an infrastructure project which seeks to unlock follow on economic investment through the development of the Inverkip Power Station.
- 3.2 The project was first developed in 2014, when there was the intention that the project would be undertaken by Scottish Power Energy Networks who are the owners of the Power Station.
- 3.3 The scope approved in the Strategic Business Case included the following elements:
- A 3 leg roundabout at Main St Inverkip
 - Lengthen Slip way Northbound
 - Lengthen Slip way Southbound
 - 5 leg Roundabout at bottom of slip roads not on the A78
- 3.4 Since 2014 there have been changes on the proposed management of the project, with the Council now leading on project development and main construction works. In addition, there have been changes to the scope which has evolved to include:
- Signalised junction Main Street (North) on A78
 - Signalised junction Harbourside (Kip Marina) on A78
 - 3 leg Roundabout at Development on A78
- 3.5 Since 2014, the total project costs have increased from £3.25m which was approved at Strategic Business Case. As outlined in the Inverkip Project Update Paper presented to this committee, Officers have worked to value engineer the project and reduce the cost, which now £3.8m.
- 3.6 This paper seeks approval to submit the Outline Business Case, which is based on the above cost and the revised plans, to the Glasgow City Region for approval.

4.0 PROPOSALS

Outline Business Case

- 4.1 The Outline Business Case seeks approval to request funding of £3.25m from the Glasgow City Region Infrastructure programme towards the £3.8m A78 transportation improvements linked to the development of Inverkip Power Station Site.
- 4.2 Inverkip is a regional regeneration priority that recognises the need to address vacant and derelict land, address housing needs supporting population growth and secure economic and environmental benefit. The project addresses the restricted network and junction capacity on the A78 trunk road at locations in and around Inverkip. The project will release investment and enable the development of a 43 hectare brownfield site at the former Inverkip Power Station, providing for up to 650 houses and 3,000 sqm commercial / community / office floorspace and 3,000 sqm of outdoor community formal activity space, including children's play facilities. In addition, the scheme protects and enhances 25ha of the local Green Network
- 4.3 The project will unlock the development potential of Inverkip Power Station by delivering the following infrastructure improvements:
- Signalised junction Main Street (North) on A78
 - Signalised junction Harbourside (Kip Marina) on A78
 - 3 leg Roundabout at Development on A78
- 4.4 The Inverkip City Deal project will provide many benefits which support the strategic needs of Inverclyde and the wider city region. The project benefits are presented in the table below. At

Outline Business Stage it is not possible to fully quantify all the benefits that will be delivered by the project or indirectly by opening the site. In particular, the scale and exact nature of the economic benefits cannot be fully determined until the land-use strategy for the site has been developed in detail as the current Masterplan evolves to detailed plans. In determining benefits, maximum development of the site is assumed.

Description of benefit to be achieved	Outputs to be achieved		Date when outputs to be achieved in full
	Inverclyde	Scotland	
New Residential Units	650	650	2034
Commercial and industrial floorspace	2,400 sqm	2,400 sqm	2030
Outdoor community activity space (incl. play facilities)	3,000 sqm	3,000 sqm	2029
Private Sector Leverage Investment (NPV)	£98m	£98m	2033
Total PYE construction Employment	400 jobs	1,100 jobs	2034
Annual retail and leisure expenditure by residents	£15m	£15m	2033
Jobs supported in retail and leisure industries by resident expenditure	120 jobs	190 jobs	2034
On-site jobs in new commercial / industrial space	20 jobs	20 jobs	2031
Total Construction GVA Impact	£28m	£56m	2034
Annual ongoing operational GVA impact	£4m	£8m	2033

- 4.5 In developing and reviewing the proposals since previous Strategic Business Case, the total project cost has risen. The total project cost and City Deal Funding sought were previously £3.25m. As previously presented to this committee in the Inverkip Project Update paper, the total project costs have now risen to £3.8m. The City Deal funding sought remains £3.25m and the additional funding requirement is requested through Council contribution of £300k and other external funding sources. This is presented in the table below:

City Deal	£3,250k
External roads funding (SPT, Cycling Walking Safer Streets)	£250k
Inverclyde Council (capital pressures budget)	£300k
Total	£3,800k

- 4.6 As part of the City Deal funding model the member authority, Inverclyde Council is required to make a 14% contribution to the project. The ask in the Inverkip Project Update paper of £300k from the capital budget will be the Council's 14% contribution.
- 4.7 The Inverkip City Deal Project will be managed by the Regeneration Service in partnership with the Roads Service who will project manage the delivery of the physical works. The following roles have been assigned:

Senior Responsible Officer:
Project Sponsor:

Environment and Regeneration Director
Head of Physical Assets

Senior Project Officers:

Regeneration Manager
Roads Manager
Team Leader (Consultancy)
Procurement Manager
Legal Services Manager

- 4.8 To develop the project to this stage the Roads Service has utilised the Scape procurement framework to engage the consultant Atkins and contractor Balfour Beatty to develop the designs and costs.
- 4.9 Monitoring of the project and liaison with the Glasgow City Region Project Management Office will be carried out by the Regeneration Service.
- 4.10 With regards to project governance, the Senior Responsible Officer (SRO) will chair the Project Board and has overall authority for those matters delegated to officers to progress. For those matters not expressly delegated to officers, the Council and its committees provide guidance and oversight. Reports on progress within the City Deal Programme will continue to be reported through the Environment and Regeneration Committee.

NEXT STEPS

- 4.11 If the funding model is approved, the Outline Business Case will be submitted to the Glasgow City Region Project Management Office by the 15 Sep 2023 for presentation to Chief Executive Group on the 25 October and Glasgow City Region Cabinet on 7 November 2023.
- 4.12 Following GCR approval, the Environment and Regeneration Directorate will progress the Inverkip City Deal project towards Full Business Case, which will include finalising design of the junctions and appropriate agreements with Scottish Power Energy Networks. The FBC will be presented to Environment and Regeneration Committee and then to the GCR cabinet in the new year.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	x	
Legal/Risk	x	
Human Resources		x
Strategic (Partnership Plan/Council Plan)	x	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing	x	
Environmental & Sustainability	x	
Data Protection		x

5.2 Finance

The Capital Programme contribution will require approval from the Policy & Resources Committee.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Capital Programme	City Deal	2024/25	3,250		Original allocation
RAMP		2024/25	250		
Capital Programme	Contingency	2023/25	300		Funding from £4.0m Reserves allocation subject to P+R approval

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					All ongoing maintenance will be the responsibility of Transport Scotland

5.3 Legal/Risk

External Legal Advisors have been appointed to support the development of legal agreements between Scottish Power (Generation) Assets Limited and the Council.

The Council will act as agent for SPGAL for the procurement of the roundabout through the SCAPE framework. A Legal Agreement will be put in place to set out governance arrangements.

The final proposals will be subject to Transport Scotland approval.

5.4 Human Resources

None.

5.5 Strategic

Should the project not be delivered this will impact on the Strategic regeneration aims and outcomes for Inverclyde Council and the Glasgow City Region

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

✓	<p>YES – Assessed as relevant and an EqIA is required and will be made available on the Inverclyde Council website: https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments</p>
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	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.
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(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report’s recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
✓	NO – Assessed as not relevant under the Fairer Scotland Duty.

(c) Children and Young People

Has a Children’s Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
✓	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children’s rights.

6.0 CONSULTATION

6.1 None.

7.0 BACKGROUND PAPERS

7.1 Outline business case will be distributed to Members Lounge.