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<b>Report To:</b>	<b>Environment and Regeneration</b>	<b>Date:</b>	<b>29 August 2024</b>
<b>Report By:</b>	<b>Director, Environment &amp; Regeneration</b>	<b>Report No:</b>	<b>E+R/24/08/03/SJ/JH</b>
<b>Contact Officer:</b>	<b>Jennifer Horn</b>	<b>Contact No:</b>	<b>01475715573</b>
<b>Subject:</b>	<b>Glasgow City Deal: Inverkip Final Business Case Submission</b>		

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## **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 Final Business Case for the City Deal project at Inverkip. The project will make infrastructure improvements on the A78 which will facilitate the development of the former Inverkip Power Station which has been a vacant site since the mid 2000s.
- 1.3 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:
- Approves the submission of the Final Business Case to the City Deal Programme Management Office
  - Following required City Deal approvals, delegate authority to the Director of Environment and Regeneration, in consultation with the Head of Legal, Democratic, Digital and Customer Services and the Chief Financial Officer to conclude the required statutory approvals, conclude the construction contracts and secure the increased City Deal grant contribution to allow delivery of the project.

**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 vacant Inverkip Power Station. Whilst not the primary function of the project it is hoped that it will also help address traffic safety issues on the A78.
- 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. In late 2023 the E&R committee and City Deal Cabinet approved the Outline Business Case which detailed the change in project delivery responsibility to Inverclyde Council.
- 3.3 The scope approved in the Outline Business case included the following elements:
- Signalised junction Main Street (North) on A78
  - Signalised junction Harbourside (Kip Marina) on A78
  - 3 leg signalised Roundabout at Development on A78 at Brueacre
- 3.4 By delivering the infrastructure improvements noted above the project will unlock the development of the Inverkip Power Station.

### **4.0 CURRENT POSITION – Final Business Case**

- 4.1 Since the Outline Business Case there have been changes proposed elements of the project scope which has evolved to include:
- Signalised junction Main Street (North) on A78
  - Signalised junction Harbourside (Kip Marina) on A78
  - Formation of T-junction at Brueacre on the A78 enabling new access to the former Inverkip Power Station site involving partial widening and local re-alignment of the A78 carriageway to tie into the proposed bellmouth site access
- 4.2 The principal change to the proposed works from the OBC relates to the detailed design of the Brueacre Junction, now proposed is the creation of a T- junction, rather than roundabout. This represents the outcome of further design development and transport modelling around future capacities which concluded that for a roundabout junction to be viable a significantly increased footprint would be required. Through review and optioneering, T-Junction with subsequent traffic signals and pedestrian crossing emerged as the revised preferred and most cost-effective option – ensuring that overall project objectives and benefits could be realised.
- 4.3 Construction of new traffic signals and staggered pedestrian crossing to facilitate access to the Inverkip Power Station development site at the T-junction is not required until the house numbers reach 200 units on site, this also applies to the closure of the existing northbound slip road to the junction.
- 4.4 Inverkip is a regional regeneration priority that recognises the need to address vacant and derelict land, open a significant redevelopment opportunity site, 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.
- 4.5 The Inverkip City Deal project will provide many benefits which support the strategic needs of Inverclyde and the wider city region. The project benefits additional to the road infrastructure work include:
- 650 residential properties
  - 400 construction jobs and 120 jobs in follow on development

- £28m construction gross value added impact
- £4m annual ongoing operational gross value-added impact for Inverclyde and £6m for City Region

4.6 This paper seeks approval to request funding of £3.6m from the Glasgow City Region Infrastructure Programme towards the £4.15m A78 transport improvements linked to the development of the Inverkip Power Station Site.

<b>Cost &amp; Contribution Summary:</b>		
<b>Funding</b>	<b>Sum</b>	<b>% Split</b>
<b>City Deal Funding</b>	<b>£3.58m</b>	<b>86.3%</b>
<b>Inverclyde Council Contribution (RAMP &amp; Capital Programme)</b>	<b>£0.57m</b>	<b>13.7%</b>
<b>TOTAL</b>	<b>£4.15m</b>	<b>100%</b>

- 4.7 The total project cost has increased by £350k since OBC stage. The increase in cost is due to inflationary construction costs, additional time required on site to ensure a works phasing programme that is acceptable to Transport Scotland minimising traffic impact, some additional professional fees and contingency.
- 4.8 Two of Inverclyde's three projects have completed physical works: Inchgreen and Greenock Ocean Terminal. It is proposed that the Inverkip project utilises an element of the unallocated funds available to us within the City Deal programme to secure funding for the full cost of the project.
- 4.9 As part of the City Deal funding model the member authority, Inverclyde Council is required to make an approximate 14% contribution to the project. While the increased cost changes the MA % given that it is less than 1% of a change the service will pursue the funding make up detailed above.
- 4.10 The proposed construction work is due to commence in Q4 24/25 and be completed by Q3 25/26.
- 4.11 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: | Environment and Regeneration Director |
| Project Sponsor:            | Head of Regeneration and Planning     |
| Senior Project Officers:    | Physical Regeneration Manager         |
|                             | Roads Manager                         |
|                             | Team Leader (Consultancy)             |
|                             | Procurement Manager                   |
|                             | Legal Services Manager                |
- 4.12 Monitoring of the project and liaison with the Glasgow City Region Project Management Office will be carried out by the Physical Regeneration Manager.
- 4.13 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. Updates on progress within the City Deal Programme will continue to be reported through the Environment and Regeneration Committee.

#### 4.14 NEXT STEPS

If this paper is approved, the Final Business Case will be submitted to the Glasgow City Region Project Management Office and once approved by them the project will progress to conclude the contract and onto construction.

### 5.0 IMPLICATIONS

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

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
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

One off Costs

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report</b>	<b>Virement From</b>	<b>Other Comments</b>
	City Deal: Inverkip	24/25 25/26	£4.15m	N/A	Funding made up of £3.58m City Deal Grant and £580k from the RAMP/Capital Programme

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
N/A					

#### 5.3 Legal/Risk

None.

#### 5.4 Human Resources

None.

## 5.5 Strategic

The proposal supports the Partnership Plan and the Economic Development Strategy in support local business.

## 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:

x	YES – Assessed as relevant and an EqIA is required.
	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.

### (b) Fairer Scotland Duty

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.
X	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.
X	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.

## 5.7 Environmental/Sustainability

Summarise any environmental / climate change impacts, positive or negative, which relate to this report.

None.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

## 5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

## 6.0 CONSULTATION

6.1 None

## 7.0 BACKGROUND PAPERS

7.1 Draft FBC (Private).