
To: LEADERSHIP BOARD

On: 25 April 2018

Report by: Director of Development and Housing

Heading: City Deal Update – Clyde Waterfront & Renfrew Riverside and Glasgow Airport Investment Area

1. Summary

- 1.1 This report provides an update on the considerations that have been given, since the Leadership Board on 21 February, to the potential for a revised Clyde Waterfront and Renfrew Riverside project to maximise the economic potential and impact of the existing GAIA project.
- 1.2 The proposals outlined to the Leadership Board on the 21st February, followed the December 2017 announcement by the Scottish Government that the National Manufacturing Institute for Scotland (NMIS) is to be located at Netherton Farm within the Glasgow Airport Investment Area (GAIA), one of the City Deal projects led by this Council on behalf of the City Region.
- 1.3 The potential of the GAIA site for Renfrewshire and the City Region has been radically altered by the Scottish Government announcement, being the only facility of its kind in the country and has the strong potential to lever in and attract significant international investment creating thousands of jobs for the local and regional economy.
- 1.4 The review takes account of the significantly updated context and seeks to maximise the opportunity offered by the proposed National Manufacturing Institute for Scotland and other emerging new economic development opportunities in the area between Paisley Town Centre and Glasgow Airport. It sets out the proposed way forward for the existing Clyde Waterfront &

Renfrew Riverside (CWRR) project and for developing a separate business case for complementary GAIA project.

2. Recommendations

2.1 It is recommended that the Board:-

- i) Note the contents of this report and the update provided to the Glasgow City Region Cabinet on the 10th April 2018;
 - ii) Note the outcome of the preliminary economic assessment of the revised project scope as approved by Board on 21st February 2018.
 - iii) Note that the Council will continue to progress the current CWRR project to Full Business Case stage in line with previous board approvals at November 2016;
 - iv) Note that as previously approved by the Board, that a separate business case will continue to be developed for a complementary GAIA project.
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3. Background

- 3.1 The Glasgow City Region City Deal Infrastructure Fund Programme, with an overall value of £1.13billion, includes a significant investment on three infrastructure projects in the Renfrewshire area, together with additional investment into employment support through labour market projects.
- 3.2 A report was brought to the 21st February Leadership Board that set out the changing context for the Glasgow Airport Investment Area Project (GAIA) in light of the Scottish Government's announcement in December 2017 that the National Manufacturing Institute for Scotland (NMIS) is to be located at Netherton Farm within GAIA and the emerging proposal for the Advanced Manufacturing Innovation District Scotland – AMIDS (to include GAIA, Inchinnan Business Park and Westway).
- 3.3 As outlined in the 21st February report, the potential of the GAIA site for Renfrewshire and the City Region has been radically altered by the Scottish Government announcement, being the only facility of its kind in the country and has the strong potential to lever in and attract significant international investment creating thousands of jobs for the local and regional economy.

- 3.4 In this context, it was proposed and agreed by the Board that the authority be sought from the City Region Cabinet to progress a review of the existing Clyde Waterfront Renfrew Riverside business case, reflecting this significantly updated context and seeking to maximise the opportunity offered by the proposed National Manufacturing Institute for Scotland and other emerging new economic development opportunities in the area between Paisley Town Centre and Glasgow Airport.

4. Review of CWRR business case and amended GAIA scope

- 4.1 Since the previous Leadership Board in February, officers have commenced early consideration and preliminary work linked to the review of the CWRR business case and GAIA scope within the context of ensuring that the currently allocated available City Deal funding is used to its best effect, within the overall existing City Deal governance and approval processes, while maximising the opportunities for the City Region and Renfrewshire that will flow from NMIS/AMIDS.
- 4.2 Initial development work has confirmed that as expected there is considerable economic merit in developing an amended scope for GAIA, to better connect NMIS/AMIDS to Paisley and Renfrewshire, providing much improved access to the new job opportunities for Renfrewshire residents, including from the Gallowhill and Shortroods areas. This would also open up new development sites within Paisley North/GAIA South and enhance the opportunities that will arise from the West College Scotland campus redevelopment and from the redevelopment of the Chivas site. It would also link in with the other significant investment plans of the Council in and around Paisley.
- 4.3 The preliminary work undertaken to assess the potential comparative economic impact of a revised scope project, has included consideration of potential additional development sites that could be brought through a revised project and a review of the previous transport assessment work undertaken for GAIA south. This preliminary work has provided sufficient indication at this stage that, whilst significant economic benefits could be delivered by a revised project, it is unlikely that an amended GAIA scope would deliver similar or greater economic growth benefits in comparison to that forecast from the original CWRR project. As outlined to the Board previously, in the context of the limitations of the existing City Deal funding, delivery of a revised project scope for GAIA would have implications for delivery of the existing CWRR project. As such, under existing City Deal governance arrangements, the economic impact analysis for a revised project scope would have to be able to demonstrate an equivalent or better ratio of costs to economic benefits for the overall programme.

- 4.4 The current CWRR project, as set out in the Outline Business Case approved by Leadership Board on 30 November 2016, was one of the best performing of all the City Deal projects in the initial City Deal programme assembly process. In addition to the significant GVA growth that it delivered to the City Region, it also performs very well in transport economic terms, delivering a significantly positive cost- benefit ratio. It also better connects communities on both sides of the river to employment, education and healthcare opportunities.
- 4.5 Work that has been undertaken on the development of the AMIDS proposition has shown the importance of connecting the NMIS/AMIDS development to the wider community. While this would also apply to the amended GAIA scope proposal, the new opening bridge across the Clyde will connect the wider City Region communities to the job opportunities, aiding in the inclusive growth agenda. It would also assist existing businesses (including SMEs) to be better connected to NMIS/AMIDS, allowing businesses across the City Region to benefit from the innovation and collaboration opportunities presented by NMIS/AMIDS.
- 4.6 Taking account of this updated information leads to an informed conclusion that there remains a very strong case for delivery of the existing CWRR project that is unlikely to be outweighed by the benefits that would flow from a City Deal business case for the amended scope GAIA project. In the context of the wider City Deal programme and taking account of the financial risks to the Council previously outlined to the Board, it is now the intention to continue with progressing the CWRR project to full business case. Members will however be aware that the planning application for the project was called in by the Scottish Ministers and that determination of the application is awaited, and is fundamental to the delivery of the project.
- 4.7 Preliminary work undertaken by the City Deal team has reinforced that there is a strong economic case for an expanded scope for the existing GAIA City Deal project and that work should continue to develop a business case which fully explores the opportunities to include the elements for Paisley North/GAIA South set out in the previous Board report. The key outputs from this work will be of considerable strategic interest to both the Council and the City Region Cabinet in considering how to maximise the opportunities arising from NMIS/AMIDS for both Renfrewshire and the City Region to deliver inclusive economic growth.
- 4.8 In this context the Glasgow City Region Cabinet meeting of 10th April 2018 was provided with an update on the potential of NMIS/AMIDS to have a transformational effect on the City Region economy, the importance of connecting the City Region to the job opportunities at NMIS/AMIDS and

ensuring inclusive growth and the proposal to review of the CWRR / GAIA business case.

5. Next Steps

- 5.1 As outlined above there remains significant potential economic advantage in continuing to develop a business case for an amended GAIA scope project, including the elements that were set out in Section 3.11 of the previous Board report. It is recommended that this work continues to develop a business case for these elements with the intention of reporting back to members as required.

Implications of the Report

1. **Financial** – the proposals outlined in this report will be met from within existing approved city deal resources.
2. **HR & Organisational Development** – N/A
3. **Community/Council Planning** – The delivery of the City Deal projects are a key component of the Council's ambitions, and those of its partners, to provide the economic infrastructure locally to grow the Regional economy.
4. **Legal** – the project will continue to be developed in line with the City Deal assurance framework.
5. **Property/Assets** – the proposals contained in this report would continue to support the delivery and development of significant property and assets in Renfrewshire.
6. **Information Technology** – N/A
7. **Equality & Human Rights** -
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

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8. **Health & Safety** – N/A
 9. **Procurement** – the recommencement of the CWRR project will involve the planned procurement of the design and build of the bridge from Renfrew to Yoker, as contained in the existing CWRR City Deal project.
 10. **Risk** – *the extent of the risks previously flagged in the 21st February report will be mitigated through the proposed recommencement of the CWRR project as outlined in this report.*
 11. **Privacy Impact** – N/A
 12. **COSLA Policy Position** – N/A
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List of Background Papers

Author: Director of Development and Housing