

[redacted]

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From: [redacted]  
Sent: 17 December 2013 10:41  
To: [redacted]; [redacted]  
Subject: FW: Transport Scotland  
Attachments: City Deal Transport Infrastructure A4.pdf; 2013 12 10 Medium list for Transport Scotland.xls

For awareness

[redacted]

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From: [redacted]  
Sent: 17 December 2013 10:17  
To: [redacted]  
Cc: [redacted]  
Subject: FW: Transport Scotland

[redacted]

Just for awareness at this stage given the range of discussions that have taken place with Glasgow.

[redacted]

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From: [redacted]  
Sent: 17 December 2013 10:15  
To: [redacted]  
Cc: [redacted], [redacted], [redacted]  
Subject: FW: Transport Scotland

[redacted]

To see. I am not sure our offer was quite as specific as helping to 'appraise potential projects' but let's just take this at face value and consider what we might say to Glasgow at a meeting in the New Year.

[redacted]

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From: [redacted]  
Sent: 17 December 2013 09:17  
To: [redacted]

1

Cc: [redacted]  
Subject: FW: Transport Scotland

Dear [redacted]

I refer to our recent meeting about our proposed Infrastructure Fund, in which you kindly offered to help us appraise potential projects. I am enclosing our draft project list and a simple map, positioning the transport schemes across

the region. I should stress that the projects have not had any wider consultation at this stage and are for internal discussion only.

We would be happy to arrange a follow up meeting early in January, and [redacted] will contact your office directly to take this forward.

Regards

[redacted]

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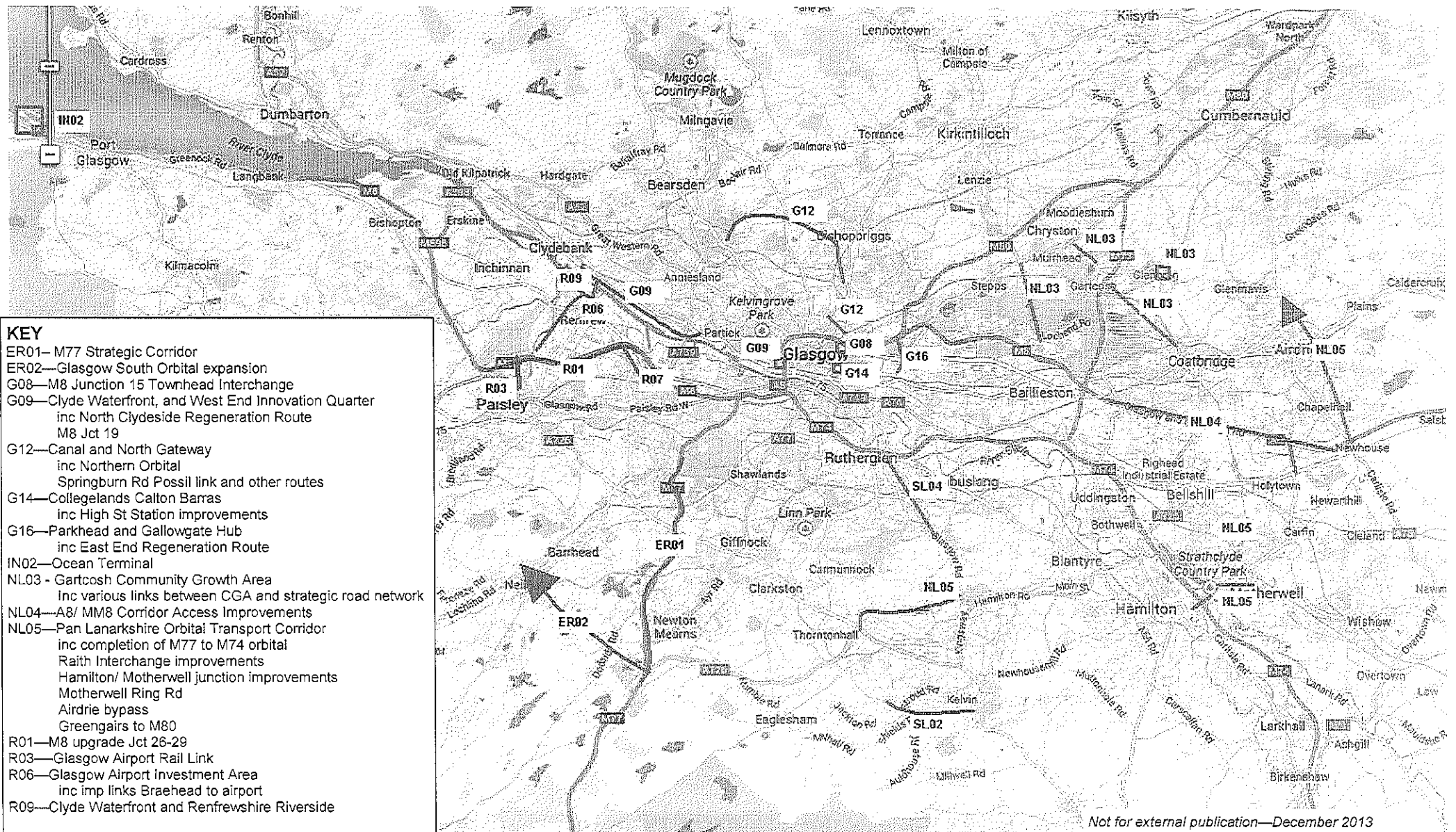
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\*\*\*\*\* This email has been received from an external party and has been swept for the presence of computer viruses.

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# CLYDE VALLEY INFRASTRUCTURE FUND: MAIN TRANSPORT INTERVENTIONS



## Clyde Valley Infrastructure Projects: Medium list of projects

Ref #	Lead authority	Project name	Description	Sector	Capex (avg) £m
CG01	Clyde Gateway	Rutherglen	Historic town centre regeneration (incl commercial space) in South Lanarkshire	Site remediation	£76.3
CG02	Clyde Gateway	Dalmarnock / Bridgeton	Commercial and residential developments opened up by the Commonwealth Games	Site remediation	£163.9
CG03	Clyde Gateway	National Business District, Shawfield	Opportunity for large scale business park 3 mi from Glasgow City Centre	Site remediation	£37.8
ED01	East Dunbartonshire	Sustainable Tourism	Enhancing environmental assets as sustainable tourism destinations	Tourism	£10.0
ED02	East Dunbartonshire	Westerhill Business Park	Redevelopment of brownfield sites and road infrastructure	Site remediation	£28.0
ER01	East Renfrewshire	M77 Strategic Corridor/Jct 5	Joint work by GCC / East Renfrewshire Council to develop the M77 Corridor	Transport: Roads	being calculated
ER02	East Renfrewshire	Glasgow Southern Orbital (GSO) Expansion	Developing wider connections across City Region	Transport: Roads	being calculated
G01	Glasgow City	Metropolitan Glasgow Drainage Strategic Partnership	Surface water management interventions to reduce flooding	Site remediation	£50.0
G05	Glasgow City	City Centre Public Realm	Substantial public realm improvements throughout the city centre and a strategy for public realm including implementation of traffic management, bus priority and cycle infrastructure	Mixed-use	£100.0
G08	Glasgow City	M8 J15 Townhead Interchange	Rationalising the existing junction layout to accommodate the absence of the East Flank motorway scheme and facilitate development around a simplified junction complex to inc new bus halt and environmental improvements to key gateway	Transport: Roads	£6.0
G09	Glasgow City	Govan and Clyde Waterfront Regeneration	Quay wall works to prevent flooding and enable mixed use developments / transport improvements	Site remediation	£84.8
G12	Glasgow City	Canal and North Gateway	Regeneration area near the West End including canal, CHP, cycle bridges, road improvements	Site remediation	£104.8
G13	Glasgow City	Northern Orbital Route	Development of a strategic road link around the north of City that could take a proportion of East Dumbartonshire traffic off the constrained corridors of Maryhill Road & Balmore Road / Saracen Street.	Transport: Roads	£75.0

G14	Glasgow City	Collegelands Calton Barras Action Plan	Key regeneration area which links the City Centre to the East End and Clyde Gateway.	Transport: Public	£28.0
G16	Glasgow City	Parkhead and Gallowgate Hub	Further investment to unlock the regeneration of northern end of the East End development area	Transport: Roads	£115.0
G17	Glasgow City	Camlachie Burn Upgrade	Site improvements including culvert improvements to open up vacant and derelict land	Site remediation	£5.0
G21	Glasgow City	Glasgow University Business Hub	Building on University Masterplan to create shovel ready space for business investment associated with University	Site remediation	£4.0
G24	Glasgow City	TRAs	Glasgow's 7 Transformational Regeneration Areas (TRAs) - regen and housing developments for disadvantaged neighbourhoods	Mixed-use	£55.0
IN01	Inverclyde	Inchgreen	Re-development of Inchgreen port into a renewable energy hub	Energy	£6.5
IN02	Inverclyde	Ocean Terminal	Re-development of cruise liner tourism facilities	Tourism	£9.8
IN05	Inverclyde	Inverkip	Redevelopment of Inverkip Power Station for a mix of employment / residential developments	Site remediation	£2.5
NL03	North Lanarkshire	Gartcosh Community Growth Area	Roads infrastructure serving the Community Growth Area (CGA)	Transport: Roads	£40.3
NL04	North Lanarkshire	A8/M8 Corridor Access Improvements	Improved road/ cycling/ public transport access to businesses along the A8/M8 corridor	Transport: Roads	£7.5
NL05	North Lanarkshire	Pan Lanarkshire Orbital Transport Corridor	Road capacity and bus improvements (M80, M74 and M77)	Transport: Roads	£75.0
NL06	North Lanarkshire	Commercial Development Portfolio	Development of 7 new sites and refurbishment of 1 existing industrial provision	Site remediation	£37.0
R01	Renfrewshire	M8 Upgrade between Junctions 26 - 29	Improvements to the M8 between Junctions 26 & 29 on the M8 at Glasgow Airport	Transport: Roads	£60.0
R03	Renfrewshire	Glasgow Airport Rail Link	Improvements and construction of a rail link onwards to the airport	Transport: Public	£180.0
R04	Renfrewshire	Paisley Town Centre North and Airport Surface Access	This project seeks to improve connectivity between Paisley Town Centre and Glasgow Airport	Transport: Public	£160.0
R05	Renfrewshire	Paisley Heritage Assets Investment Programme	Delivering strategic investment in Paisley town centre heritage and tourism led regeneration	Tourism	£52.5
R06	Renfrewshire	Glasgow Airport Economic Investment Areas	This project seeks to open up and improve access for economic development locations adjacent to the airport	Site remediation	£26.1

R07	Renfrewshire	M8 J26 Deanside/Hillington Park	Road improvements plus industrial and business development opportunities exist	Transport: Roads	£20.0
R09	Renfrewshire	Clyde Waterfront & Renfrew Riverside	The development of transport infrastructure, would improve connectivity and increase linkages, unlocking development potential along the river corridor.	Transport: Roads	£24.2
SL02	South Lanarkshire	Greenhills Road/A726 Dual Carriageway	Improvements to A726 dual carriageway	Transport: Roads	£15.0
SL04	South Lanarkshire	Cathkin Bypass	New relief road and bus measures through Cathkin	Transport: Roads	£21.0
SL05	South Lanarkshire	Community Growth Areas (CGAs)	Three Community Growth Areas (CGA) located at Newton, East Kilbride and Hamilton	Mixed-use	being calculated
SL08	South Lanarkshire	Stewartfield Way	Upgrade of Stewartfield Way to full dual carriageway	Transport: Roads	£60.0
SL09	South Lanarkshire	Strategic Investment Sites	Site and infrastructure improvements to key sites near East Kilbride	Site remediation	£60.0
SPT02	SPT	Strathclyde Bus Investment Programme	Bus investment programme along strategic transport corridors	Transport: Public	£250.0
WD01	West Dunbartonshire	Queens Quay	Regen of 98 acres of derelict land along the Clyde	Site remediation	£20.0
WD02	West Dunbartonshire	Exxon Site	Regen of 81 acres of derelict land along the Clyde	Site remediation	£10.0
WD03	West Dunbartonshire	Lomond Canal	Navigable canal link from Dumbarton Harbour to Loch Lomond	Transport: Active	£77.8
WD05	West Dunbartonshire	Bowling Basin	New canal bridge, residential development, and public realm	Mixed-use	£25.0
WD08	West Dunbartonshire	Lomondgate Strategic Economic Investment Location	Regeneration response to a major closure (mixed use development)	Site remediation	£20.0

From: [redacted]  
Sent: 20 December 2013 11:54  
To: [redacted]  
Cc: [redacted]; [redacted]  
Subject: note of the City Deal meeting with Glasgow City Council

[redacted]

Apologies for the tardiness of this. I attach a note of the recent meeting. Happy to take any amends. Once you are content, I can share with OCEA (probably [redacted] unless you or [redacted] suggest someone else).



Glasgow City Deal  
2013 12 10 N...

[redacted]

## Meeting Note

<b>Who</b>	██████████ (GCC); ██████████ (KPMG); ██████████ (GCC), ██████████ (DG Finance); ██████████ (SG, Finance) and ██████████ (SG, Cities)
<b>When</b>	10 December 2013
<b>Purpose</b>	Glasgow City Region: Infrastructure Fund and City Deal

## Discussion

- ██████████ outlined the background to the work. Its roots began in 2009 with the Glasgow Economic Commission which made a number of recommendations including the creation of an Infrastructure Investment Board – something which does not yet exist. About a year ago, the now Glasgow Economic Leadership, with the experience of the TIF and looking to the core cities, decided to engage KPMG to progress the recommendation and test the concept of an infrastructure investment Fund.
- At the outset, KPMG was felt to have asked some penetrating questions about the existing approach to Infrastructure Investment and they had made some profound recommendations with respect to the geography of the investment (when compared with the local authority boundary). They found both the Glasgow Economic Leadership and SPT positive strengths, but they noted that the CPP for the Clyde Valley was focused on the recommendations of the Arbutnot Review and would need to increase its Governance role (if it were to take on oversight of an infrastructure investment fund).
- The KPMG work focusses on maximising the impact of GVA but also taking into account 2 programme minimum. These are:
  - Delivering a geographical spread of benefits (at half the GVA impact);
  - The most disadvantaged 25% of areas would need to get greater than the average jobs impact from the investment. This includes areas such as Barrhead, Lesmahagow and Hillhead in Kirkintilloch.
- Projects under consideration are within a 5 year time frame of starting construction. There are 3 main areas of focus: transport, regeneration (including decontamination of land, site preparation, flood risk mitigation) and housing (new stock and not replacement stock).
- They started out with a long list of potential projects across the 8 Clyde Valley local authorities. This was reduced to a medium list by considering the capacity of each project to create jobs. The 43 projects on the medium list total some £2.2 billion of investment (although exact costs still need verified).



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- They include things such as:
  - A Cruise ship terminal at Inverclyde to allow larger ships to dock rather than having to anchor out in the river.
  - Junction 15 of the M8 which would allow the Royal Infirmary better access.
  - Junction 28/29 of the M8 in Renfrewshire which forms part of the master plan for Glasgow Airport.
  - Housing land opening up at Sighthill via a new bridge over the M8 and adding district heating infrastructure to the site.
- The medium list will now be put into an economic model based on the one used by SPT and similar to the Transport Scotland approach. It's a land use and planning model. At the same time a parallel piece of work will look at all of the costs to make sure that the projects are being compared on a like for like basis. The approach also will look at inter-related impacts of adjacent projects and will rank the projects over the next 30 years. Because projects are being considered on the basis of GVA per £ invested, costs outside the city centre may be cheaper and therefore projects outside the city centre may prove more cost effective. One example highlighted was the proposed SPT bus corridor which is expected to have very positive job impacts. There will also be a "common sense" check too for the gaps between infrastructure projects.
- Once each project is considered individually through the modelling there will be a modelling of the final package as a whole. ██████████ asked how the scale of the shortlist would be decided and ██████████ responded that by mid-February he expected two papers to be ready to be considered by Leaders. The first would be the ranked list of projects and the second would set out how to capitalise an investment fund.
- Local Authorities propose to contribute to the fund on a population share basis and there will need to be political agreement at local authority level to this.
- A conversation will be needed with Scottish Government regarding technical issues with respect to borrowing/asset ownership, non-ring-fenced capital grant (UK Government has given some English City Deal recipients a 10 year funding certainty).
- The financial work stream is therefore expected to have some propositions to take to the Scottish Government in that timeframe. Looking at some of the other examples, Manchester was quoted as having a 90p uplift in GVA for every £1 of investment whereas West Yorkshire had a £1 uplift for every £1 investment: this was expected to be a permanent GVA uplift delivered over the next 30 years. The anticipated impact of a Glasgow investment was felt to be of comparable scale.

- Glasgow is keen to make a case for payment by results and will take the results of the modelling and disassemble this to work out how much of the anticipated GVA uplift will flow to UK Government and how much could be expected to flow to Scottish Government. [REDACTED] noted that they were keen to see something that actually works rather than what could be considered to be the “fix” that was agreed for the Greater Manchester approach (namely top slicing DEL budgets to fund the payments).
- [REDACTED] noticed that there were a range of things that would need to be worked through and that the following was not an exhaustive list:
  - TIF has been wholly devolved and the risk on the non-domestic rates pool has been wholly on Scottish Government. Ministers have set a limit on the exposure through the TIF pilots and it would be for Ministers to consider whether non-domestic rates income was in or out of scope. It was felt that Ministers might not be keen to include this.
  - The Barnett Formula is guided by something called a “Statement of Funding Policy” that was last refreshed in 2010. It was noted that this has been designed for spend and there is no real case law regarding income.
  - The Scotland Act provides for a Scottish rate of income tax but for most of 2015 to 2020, Scottish Government is in a less flexible space regarding this: we are not exposed either to the upside or the downside risks. Negotiations are ongoing with the UK Government about what happens thereafter.
  - All that said, [REDACTED] [REDACTED] noted that we can start to have conversations, to understand what Glasgow and the Clyde Valley are planning to do and to discuss borrowing capacity and risk handling ([REDACTED] was suggested as a good point of contact).
  - We would also speak with some of the Economists.
- [REDACTED] suggested there might be potential for a 5 year review point whereby HMT got all of the upside for the first 5 years and Scottish Government got some of the upside thereafter.
- Alyson Stafford suggested looking at a range of scenarios over different timespans.
- She also noted that Revenue Scotland will collect Landfill Tax and the new Land and Property Transaction Tax whereas HMRC will collect the Scottish rate of Income Tax. And she pointed out that there are other mechanisms that should be considered as part of any discussion, including for example the National Housing Trust which is levering in private funding through a range of mechanisms, including guarantees.
- [REDACTED] noted that the calculated GVA returns were based on cost to the fund of the Public Sector investment. Thus the more Private Sector investment that can be levered in, the greater the impact of the Public Sector investment and the higher up the prioritisation a given project would sit.

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- [REDACTED] noted that what was being described set out a compelling case: Glasgow and the Clyde Valley may choose to adopt this approach in any event. She queried whether or not payment by results was perhaps the icing on the cake.
- [REDACTED] said that payment by results would be important in the sell to the smaller authorities and that it provided a mechanism to accelerate investment into the projects.
- [REDACTED] asked Glasgow to keep Morag Watt and Andrew Watson sighted on their ongoing dialogue with HMT.
- It was noted that there has been press coverage about Aberdeen also seeking and being offered a City Deal and that they had pre-qualified for the UK Government housing guarantee. [REDACTED] noted that guarantees only impacted when and if they were called in; there was no general rule regarding them.

### Next Steps

- Make links with [REDACTED] (done)
- Make contact with economists

[REDACTED]  
20 Dec 2013



## DRAFT Clyde Valley Infrastructure Fund - Summary

<b>Summary: Number of projects and capex</b>			
	<b>Number</b>	<b>Capex (£m)</b>	<b>Percent</b>
Clyde Gateway	3	278	13%
East			
Dunbartonshire	2	38	2%
East			
Renfrewshire	2	0	0%
Glasgow City	11	628	28%
Inverclyde	3	19	1%
North Lanarkshire	4	160	7%
Renfrewshire	7	523	24%
South			
Lanarkshire	5	156	7%
SPT	1	250	11%
West			
Dunbartonshire	5	153	7%
<b>Total</b>	<b>43</b>	<b>£2,204</b>	<b>100%</b>

*Note: Costings not provided for 3 projects*

<b>Summary: By type of project</b>			
	<b>Number</b>	<b>Capex (£m)</b>	<b>Percent</b>
Transport: Roads	14	519	24%
Transport: Public	4	618	28%
Transport: Active	1	78	4%
Site remediation	16	730	33%
Mixed-use	4	180	8%
Tourism	3	72	3%
Energy	1	7	0%
<b>Total</b>	<b>43</b>	<b>£2,204</b>	<b>100%</b>

## Clyde Valley Infrastructure Projects: Medium list of projects

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WD01	West Dunbartonshire	Queens Quay	Regen of 98 acres of derelict land along the Clyde	Site remediation	£20.0

[redacted]

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From: [redacted]  
Sent:  
To: Copy to: as email  
Cc:  
[redacted]  
23 April 2014 17:26  
[redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted];  
[redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted];  
[redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted];  
Subject:  
Importance: Briefing for [redacted] phone call with [redacted] on City Deals  
High

Please find attached the briefing for this call tomorrow.

As always, please get in touch if you need anything further.

[redacted]

Deputy First Minister and Cabinet Secretary for Infrastructure, Investment & Cities

<i>Engagement Title</i>	Telephone call to Councillor [REDACTED] Leader, Glasgow City Council.
<i>Venue</i>	Room T423 Parliament <b>We have agreed with the Council that your Private Office will call the Leader's office on [REDACTED]</b>  Contact is [REDACTED] Secretary to Councillor Matheson. Email [REDACTED]
<i>Date and Time of Engagement</i>	Date: Thursday 24 April 2014 Time: 13.45 – 14.00
<i>Background/Purpose</i>	Cllr. Matheson requested this conversation to discuss City Deals.
<i>Relevance to Core Script</i>	Wealthier & Fairer
<i>Briefing</i>	Annex A Overview & Agenda Annex B B1 Update and Briefing provided by Glasgow 23 April B2 City Deals B3 Text of DFM letter to UK Government 10 April B4 SG Press Release 17 March  Annex C C1 Scottish Cities Alliance investment work C2 Infrastructure Investment C3 Significant Investment in Glasgow
<i>Media Interest</i>	None expected, this will be a private phone call.
<i>Official Support</i>	[REDACTED] [REDACTED] [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

23 April 2014





## OVERVIEW

You wrote to Greg Clark, UK Minister of State for Cabinet Office (Cities and Constitution) on 10 April, copied to Glasgow City Council [REDACTED] to stress the benefit of Scottish Government's early involvement in development of the Glasgow Clyde Valley City Deal.

Councillor Matheson requested this conversation on 11 April. Some limited background briefing was provided on 23 April (Annex B2). A suggested agenda is overleaf.

GCC officials approached us on 22 April inviting you to attend a Q&A session on 8 May following a cabinet meeting of the English Core Cities. The panel will comprise [REDACTED] Leader of Manchester City Council and [REDACTED]. We agreed to explore your diary and are currently taking advice from SPADS and Comms.

## Background

- We understand that UKG Ministers met Glasgow City Council on 2 April to discuss the Glasgow Clyde Valley City Deal. We were not invited to join the discussions and – despite earlier indications of a three-way deal – latest indications are the UKG is focussing on options in reserved areas (DWP and BIS).
- That said, an “Earnback” payment by results model for infrastructure investment is still very much Glasgow’s ambition.
- UKG has not been very forthcoming in recent conversations at official level, simply promising to engage following the 2 April. We continue to pursue engagement and further information from UKG and Glasgow.

## Outcomes

We are looking for the phone call to:

- Open discussions on SG’s potential role in a Glasgow Clyde Valley City Deal
  - Yield information on the scale and nature of the City Deal plans
  - Provide an updated prioritised list of possible infrastructure investment
  - Provide details of any developing “ask” of SG
  - Clarify next steps
- [REDACTED]

## SUGGESTED AGENDA

Possible points to make in bold

### 1. Introductory remarks

- Had a very positive meeting of the Scottish Cities Alliance on 2 April. Hope that [REDACTED] fed back the very substantial progress being made and that [REDACTED] will be able to make the next meeting in June.
- [REDACTED] will be aware of DFM's letter to [REDACTED] (10 April) which was copied to [REDACTED]
- Pleased that [REDACTED] got in touch.
- Keen for constructive and productive engagement to deliver better outcomes for the people of Glasgow/ Clyde Valley and Scotland as a whole.

### 2. Update on the Glasgow Clyde Valley discussions with UKG

[REDACTED] expected to provide a flavour of the paper at Annex B2.

- Would be helpful to have sight of the emerging prioritised list of possible infrastructure investments, so that we can begin to think about how they might dovetail with some of the projects in SG's own Infrastructure Investment Plan

### 3. Expected "ask" of SG [NOTE: shared in confidence at official level]

Expect [REDACTED] to raise:

Additional consent to borrow to deliver projects they don't own & where accounting regulations do not enable them to spend (eg motorway junctions) – AWPR is an example of where this has happened elsewhere

- **Ministers would look positively on applications for consent to borrow of a Capital nature of the sort provided in the example above.**
- **Willing to consider – as long as within rules of propriety.**
- **Each project would be considered on a case by case basis.**

Commitment to revisit the way money is allocated

- **Would need to fit with the overall landscape of LA allocations**
- **The Scottish Government preference will always be to have a fair and equitable settlement for all councils that is based on local needs and gives the maximum opportunity to deliver strong local services for local people and will continue to work closely with COSLA to ensure that is achieved.**

Clarification around SG's intended approach to capital allocations  
(understand they are seeking confirmation that the approach adopted won't change)

- **We only have confirmation from HMT of budgets up to 2015-16, so somewhat constrained, but understand the need for forward planning for investment.**
- **The distribution of the Scottish Government General Capital Grant support to local government is subject to agreement with COSLA, but can confirm that there are currently no plans to change that distribution.**

Agreement that the SG will work with treasury to allow treasury to pass money through SG to GCC (and presumably the other city deal councils)

[The issue here is if HMT top slice the Scottish Block to offset any provision they might allocate to GCC]

- **Happy to work with HMT, as long as money is genuinely additional to Scotland.**

#### **4. Next Steps**

Would be helpful to clarify next steps.

## CITY DEALS

### GLASGOW

- Following the Chancellor's announcement of a Glasgow Clyde Valley City Deal in the Autumn Statement, the UK Government Budget Paper (19 March) stated that the UKG "is in detailed discussion with Glasgow to develop a city deal that will drive employment and economic development across the city region. **Glasgow has identified infrastructure, strengthening the local labour market, and support for business growth as priorities**, and good progress is being made in determining how best the government can support Glasgow to take forward this ambitious plan."
- SG officials have engaged regularly with UKG but this has yielded little over and above the paragraph published in the paper. **GCC met with UK Government Ministers on 2 April to discuss the Deal**. We have had no further feedback from UKG over the Easter recess. We will continue to pursue engagement and further information from both Glasgow and UKG.

### KEY POINTS

- Most aspects of City Deals relate to areas of devolved policy: housing, transport, regeneration, economic development, etc
- To date, each deal has been bespoke although there is a push to develop a core package of measures that would form the basic offer in any deal.
- Of most interest in Scotland has been Greater Manchester's payment by results "Earnback" model in wave 1. Glasgow City Council has been pressing both the Scottish and the UK Governments for a deal for Glasgow and the Clyde Valley.
- Scottish Government position is that it is prepared to consider any good suggestions that help deliver sustainable economic growth in Scottish cities so long as Scotland not disadvantaged by the financial terms.
- Glasgow City Council has held preliminary discussions with Scottish Government officials (including PermSec and DG Finance).
- Since the Autumn Statement [REDACTED] (Chief Secretary to the Treasury) has been reported in the Press & Journal as being prepared to offer Aberdeen a City Deal.

### BACKGROUND

City Deals are a policy of UKG for English cities. First announced in Dec 2011, there have been 2 "waves" of deals: an initial wave covering the 8 core cities with a further wave of 20 cities and their wider areas invited to negotiate a City Deal in February 2013. All the wave 1 deals have been announced and most of the wave 2 deals.

The deals package together a range of interventions and flexibilities aimed at delivering increased economic impact in a defined geographic area (generally the Local Enterprise Partnership area of which there are 39 that span England).

[REDACTED]

**TEXT OF DFM LETTER TO GREG CLARK MP ISSUED 10 APRIL**

**GLASGOW AND CLYDE VALLEY CITY DEAL**

The budget statement on 19 March and prior to that, the December Autumn statement, stated that UKG was working with Glasgow City Council to develop a city deal. [REDACTED] letter to the Director General Finance on 5 December noted that *"The Chief Secretary is keen that the Treasury and other Whitehall departments work with the Scottish Government and local delivery partners to explore how UK Government support in reserved areas can help to develop a package tailored to Glasgow's circumstances, recognising that many of the elements of City Deals in England are devolved responsibilities in Scotland. To that end, Ministers here would be grateful if some consideration could be given to how we might begin structuring that work, if your Ministers are content to explore options."*

I am content with this proposal, but have yet to see any follow-through on the detail. I understand that Glasgow has prioritised infrastructure, strengthening the local labour market, and support for business growth. All are areas that span devolved and reserved competences and in the current constitutional set up, as acknowledged in the letter, both Scottish and UK Governments have a part to play in supporting Glasgow and its Clyde Valley neighbours deliver increased economic growth.

The Scottish Government is always prepared to explore options that deliver outcomes that benefit the Scottish people, cities and Scotland as a whole. On that basis, we are prepared to explore with you what a city deal might mean in terms of Glasgow & the Clyde Valley. A much more effective outcome is likely if we are involved in the thinking at the outset, particularly as any City Deal based on funding being allocated from the Scottish DEL or relating to devolved policy would need to be agreed with Scottish Ministers.

I would therefore welcome advice on, and involvement in, discussions and proposals that are being developed and any plans to set these out publically. The Scottish Government is keen to participate in three-way conversations between Cabinet Office and Glasgow /Clyde Valley – both at Ministerial and at official level. I believe that form of constructive engagement would be proper and productive in contrast to the current position in which we hear about progress from public speeches – such as the one from Lord Wallace of Tankerness at the COSLA conference on 14 March. That is not the way to build and deliver better outcomes for the people of Glasgow and the Clyde Valley, nor Scotland as a whole.

**SG PRESS RELEASE ISSUED 17 MARCH 2014**

**Scottish Government ready to discuss City Deal with Westminster.**

The Scottish Government has again repeated its readiness to discuss Glasgow's proposals to further stimulate economic growth and infrastructure in the city through a City Deal with the UK Government, Deputy First Minister Nicola Sturgeon has said.

In advance of Wednesday's UK Budget statement Ms Sturgeon emphasised that ahead of independence any City Deal for Glasgow must build on both Scottish and Westminster government support. She urged the ██████████ to discuss proposals for Glasgow and the Clyde Valley, and take into account that many aspects of City Deals are already devolved.

The proposals, which could allow cash invested by councils to be earned back through income tax, corporation tax, VAT and PAYE contributions, were announced in the UK Government's Autumn Statement 2013 but the proposals have yet to be discussed in detail with the Scottish Government.

Ms Sturgeon said:

"The Scottish Government is committed to ensuring that our cities and their regions make the fullest possible contribution to sustained economic recovery. That's why we are keen to explore options that deliver benefits for Scotland's people and cities.

However, for Glasgow's City Deal status to work effectively and in the best interests of people in Glasgow the UK Government needs to consult fully with Scottish Ministers and properly explore the options for boosting growth in the city.

The Chancellor has to acknowledge that City Deals schemes in England include responsibilities which are devolved in Scotland. This needs to be taken into account and I would like a guarantee that Westminster will discuss with us how to tailor any package to Glasgow's circumstances.

Additionally, any City Deal which impacts on Scotland's budget cannot solely be made by Westminster, there needs to be negotiation and an agreement with Scottish Ministers.

Despite the UK Government's proposals it is only the full powers of independence that will enable us to make sure infrastructure and economic growth in Glasgow, and all our cities, can be properly supported and sustained.

With independence we can properly use all the economic levers other countries in Europe take for granted, and grow the working population, increase productivity, boost exports and innovation and reindustrialise Glasgow and the Clyde Valley's economy."

## **CITIES INVESTMENT: SCOTTISH CITIES ALLIANCE WORK**

### **1. City Investment Plans and associated funding frameworks.**

- Work contracted to PWC in August 2013. The city plans have been finalised and were approved by Leadership Group on 2 April.

### **2. City Deals**

- Commission was awarded to KPMG in January and work is well underway. A single Investment Steering Group oversees both this and the PWC work above to ensure no overlap and maximum complementarity. Final report will be tabled at Leadership Group on 17 June.

### **3. Sector Asset Mapping.**

- This work looked at the strengths of the key growth sectors of the GES in each of the city regions. The work is largely complete and has been used in the development of the City Investment Plans.

### **4. Priority Sites**

- This work drew together priority investment sites from across each city and has been used in investor pitches as well as in the development of the City Investment Plans.

### **5. Investment Promotion**

- An investment promotion strategy and action plan have been developed and approved by the cities.
- The Alliance attended MIPIM for the first time on 11 March 2014. A full evaluation is underway but initial feedback has been very positive.
- The Alliance has secured a place at the inaugural MIPIM UK event taking place in London in October 2014.

### **6. European Structural Funds**

- Priorities for the 2014-2020 European Structural Fund Programme are now under consideration by Scottish Ministers. The Alliance has a lead delivery role in the Smart Cities proposal.

### **7. Low Carbon Investment**

- Delivery Group are also considering bringing the existing sustainability work under the aegis of the investment workstream to better identify and integrate collaborative low carbon investment opportunities.





**CITIES INVESTMENT: INFRASTRUCTURE INVESTMENT – GENERAL NOTE**

- **We are maximising our capital spending and supporting an investment led recovery** despite our capital DEL budget being reduced by 26.3% in real terms between 2010-11 and 2015-16 (excluding financial transactions consequentials which have to be repaid back to HMT).
- **We have sought to maintain continuity of investment plans** by supporting major infrastructure priorities such as the:
  - **Forth Replacement Crossing (£1.4bn- £1.45bn)** which at its peak will directly support 1,200 jobs;
  - **New South Glasgow Hospitals (£842m)** which at its peak will support 1,500 jobs on site; and
  - **Scotland's Schools for the Future Building Programme (£1.25bn)** which will deliver 67 new or refurbished schools by 2017-18 and which is estimated to support on average approximately 1500 jobs at any one time throughout the duration of the programme.
- **We are using all levers at our disposal to maximise investment and support economic growth** and our spending plans will ensure spending is targeted as effectively as possible.
  - **Between 2013-14 and 2015-16 our total capital investment will exceed £11 billion** through a combination of our capital budget, new borrowing powers in 2015-16, revenue funded investment through Non-Profit Distributing (NPD) programme, Regulatory Asset Base (RAB) rail enhancements, capital receipts and allocating some resource funding to capital assets.
  - Our investment of more than £8bn over next two years (2014-15 to 2015-16) will support around 50,000 full time equivalent jobs.

<b>£ million (cash)</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>TOTAL</b>
Capital DEL	2,508	2,690	2,665	7,863
NPD programme	185	809	932	1,926
RAB enhancements	220	449	428	1,097
Capital Receipts	84	80	63	227
Resource to Capital Switch	243	165	67	475
Borrowing	0	0	296	296
<b>Total estimated capital investment</b>	<b>3,240</b>	<b>4,193</b>	<b>4,451</b>	<b>11,884</b>

- **In addition to this £11 billion total estimated capital investment directly supported by SG**, we continue to facilitate investment by others, such as house builders and housing associations through the National Housing Trust, and local authorities through Tax Incremental Financing.
- **It is estimated that each additional £100m of public sector capital spending in 2013-14** supports around 1,300 full time equivalent Scottish jobs, just over half of which are in construction.

## INFRASTRUCTURE INVESTMENT IN GLASGOW

- **New South Glasgow Hospitals and Laboratory Facility Project (£842m)** - provision of new adult and children's hospital in Glasgow - currently in construction. In November 2012 the Health Secretary opened the new £90 million Laboratory which is just one part of the overall project. The new laboratory is one of the most modern facilities in the UK, enabling ground-breaking research and pioneering treatments to be developed.
- **M8, M73, M74 Network Improvements NPD** (total overall capital investment of **£439m**) - enhancements to support M74 completion and M8 Baillieston to Newhouse Schemes. Part of SG's £2.5 billion NPD investment programme. Started construction in February 2014.
- **City of Glasgow College NPD** (total overall capital investment of **£228m**) - creation of a merged estate for three Glasgow city centre colleges. Part of SG's £2.5 billion NPD investment programme. Currently in construction.
- **Glasgow School of Art: Estate Redevelopment Phase 1 (£50m)** - part rebuild to make the School more suitable for modern usage - became operational in January 2014.
- **Edinburgh to Glasgow Rail Improvement Programme (£650m)** - Comprehensive programme of improvements to Scotland's railway infrastructure. Currently in construction. Programme includes transformation of Glasgow Queen Street station.
- **HMP Glasgow** - in planning.
- **Glasgow Subway Modernisation** - Scottish Government providing up to £246 million in capital funding to Strathclyde Partnership for Transport (SPT) to ensure delivery of the £287.5m modernisation programme. Currently in construction
- **'Scotland's Schools for the Future Programme' (£1.25bn)** - programme will deliver 67 new or refurbished schools by 2017-18. Glasgow City Council has the following four projects in Glasgow:
  - Garrowhill - currently in construction.
  - Glendale - expected to start construction April 2015
  - St Brendan's/Kelso Nursery - expected to start construction June 2014
  - Garscadden Primary School - expected to start construction June 2014

## TAX INCREMENTAL FINANCING

- **Glasgow City Council's Buchanan Quarter (£80m)** - final approval on 25 October 2012 and **construction started in February 2013**. Project will reinvigorate Glasgow city centre and is expected to lever in £310 million in private investment and create almost 1,500 jobs. Plans include improvements to George Square and Upper Dundas Street that will be completed before the Commonwealth Games in 2014. The Royal Concert Hall and Buchanan Street will be upgraded, the Cathedral Street bridge strengthened and access to Queen Street station improved.

Depending on progress with TIF pilots, the Scottish Government will consider bringing forward primary legislation to roll out TIF more widely across Scotland.

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[redacted]

From: [redacted]  
Sent: 14 May 2014 16:17  
To: [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted];  
[redacted]; [redacted]; [redacted]; [redacted];  
Cc: [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted];  
Subject: RE: Glasgow Clyde Valley City Deal Briefing Session  
All

I now attach the slides presented last week by [redacted].



Glasgow City  
Region SG 8may...

Regards,  
[redacted]

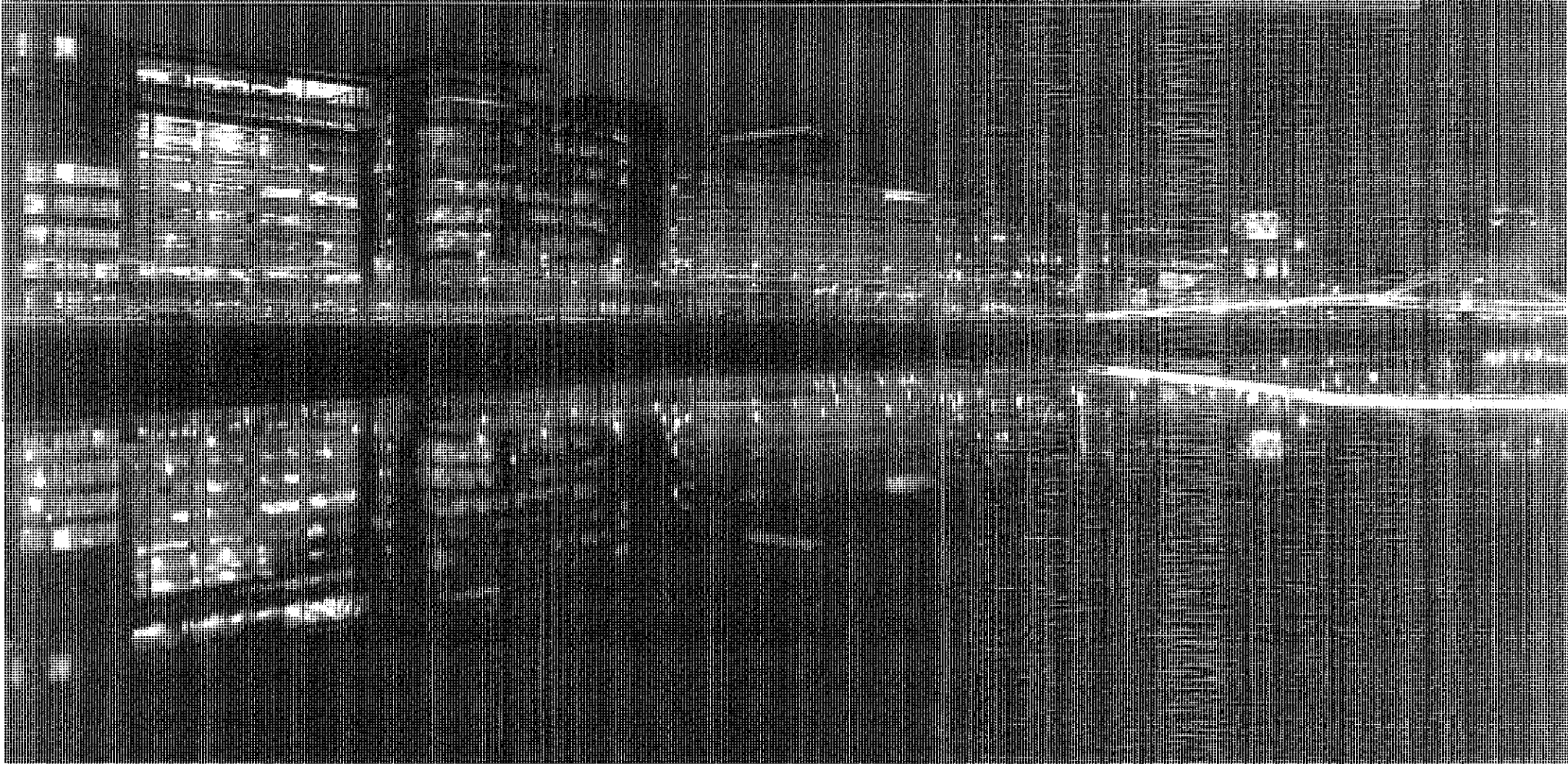
[redacted]

-----Original Appointment-----

From: [redacted]  
Sent: 28 April 2014 16:32  
To: [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted];  
[redacted]; [redacted]; [redacted]; [redacted]; [redacted]; #  
Subject: Glasgow Clyde Valley City Deal Briefing Session  
When: 08 May 2014 15:00-17:00 (UTC) Dublin, Edinburgh, Lisbon, London. Where: TBC  
(Glasgow City Centre)

# Glasgow City Region City Deal

31 March 2024



Inverclyde  
council

East  
Renfrewshire  
council



sustainable thriving achieving  
East Dunbartonshire Council  
[www.eastdunbarton.gov.uk](http://www.eastdunbarton.gov.uk)

SOUTH  
LANARKSHIRE  
council

North  
Lanarkshire  
Council

Renfrewshire  
Council

West  
Dunbartonshire  
Council

Glasgow  
City Region  
City Deal

An aerial photograph of the Glasgow City Region, showing a dense urban area with a mix of residential and commercial buildings, interspersed with green spaces and water bodies. The text 'Glasgow City Region' is overlaid in white on the left side of the image.

# Glasgow City Region

- Population 1.8m (34% of Scotland)
- 35% of Scottish Jobs
- 36% of GVA (£36bn in 2011)
- The only Conurbation of scale in Scotland
- Strong track record of joint work
- Clear vision for action



# Turning Vision into Action

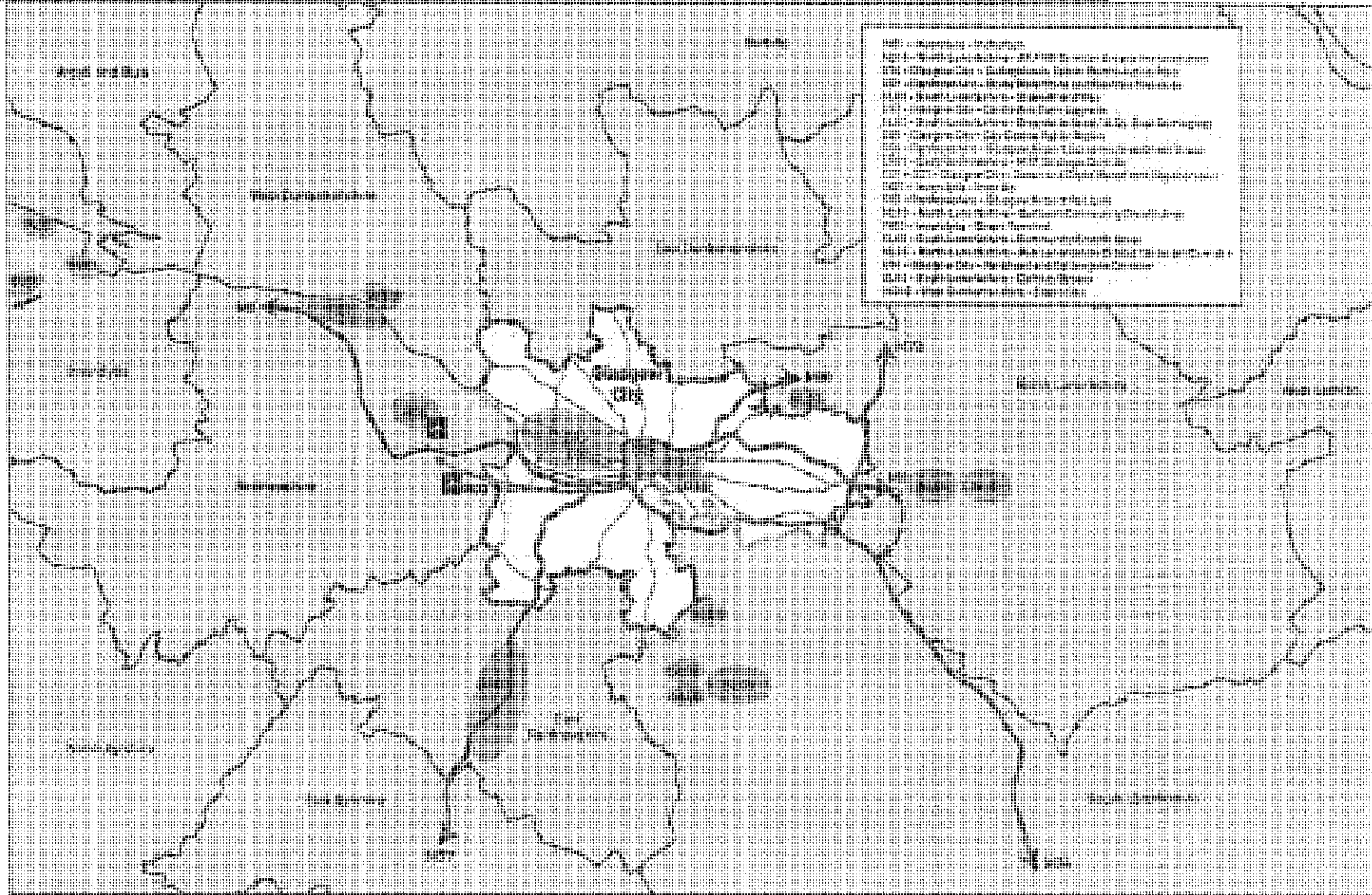
- Our vision is for us to be a fast-growing, competitive region with strong international links. Our actions are driven by:
  - The Glasgow Economic Leadership
    - Industry led action plans for our key sectors
  - Clyde Valley Infrastructure Fund
    - Long term strategy for economic infrastructure
  - Economic Strategy for the Region
    - Regional collaboration and research on Labour Markets



# City Deal Proposal

- Rooted in local Strategy
- Long Term Commitment
- Sound Governance
- Initial Infrastructure impacts over 20 years
  - 21,000 additional jobs
  - £1.7bn GVA uplift
- Second round of impacts of same scale
- New Innovation facilities to support for up to 1,000 FTE
- C.10,000 assisted per annum in Labour Market activity

# Key Project Locations







# Infrastructure Fund – Our Offer

- As the core of our City Deal proposal, Glasgow City Region is poised to deliver a £1.35bn Infrastructure Fund
- Projects have been selected after a rigorous modelling and prioritisation process to ensure maximum growth achieved per £ spent.
- The Fund Partners will provide £1bn of prudential borrowing
- The Fund Partners will re-invest GVA Payment by Results funding from central Government into a further 10 year programme of investment as a rolling fund – potentially doubling the GVA employment and productivity gains



## Infrastructure Fund – Our Ask

- The Fund Partners are seeking a payment by results deal with 2 key components:
  - a direct stimulus payment of £ 350m – taking the OBR view that £1 of infrastructure spend delivers a 35p increase in tax take
  - A GVA payment by results element – on the basis that this programme of investment will drive GVA growth and thus national tax receipts
- The £350m will add to the £1bn from local authorities – creating the initial 10 year £1.35bn Fund.
- The Fund Partners propose that GVA PBR payments begin after around 60% of our programme is completed.
- We are proposing the establishment of a Commission to validate our impacts



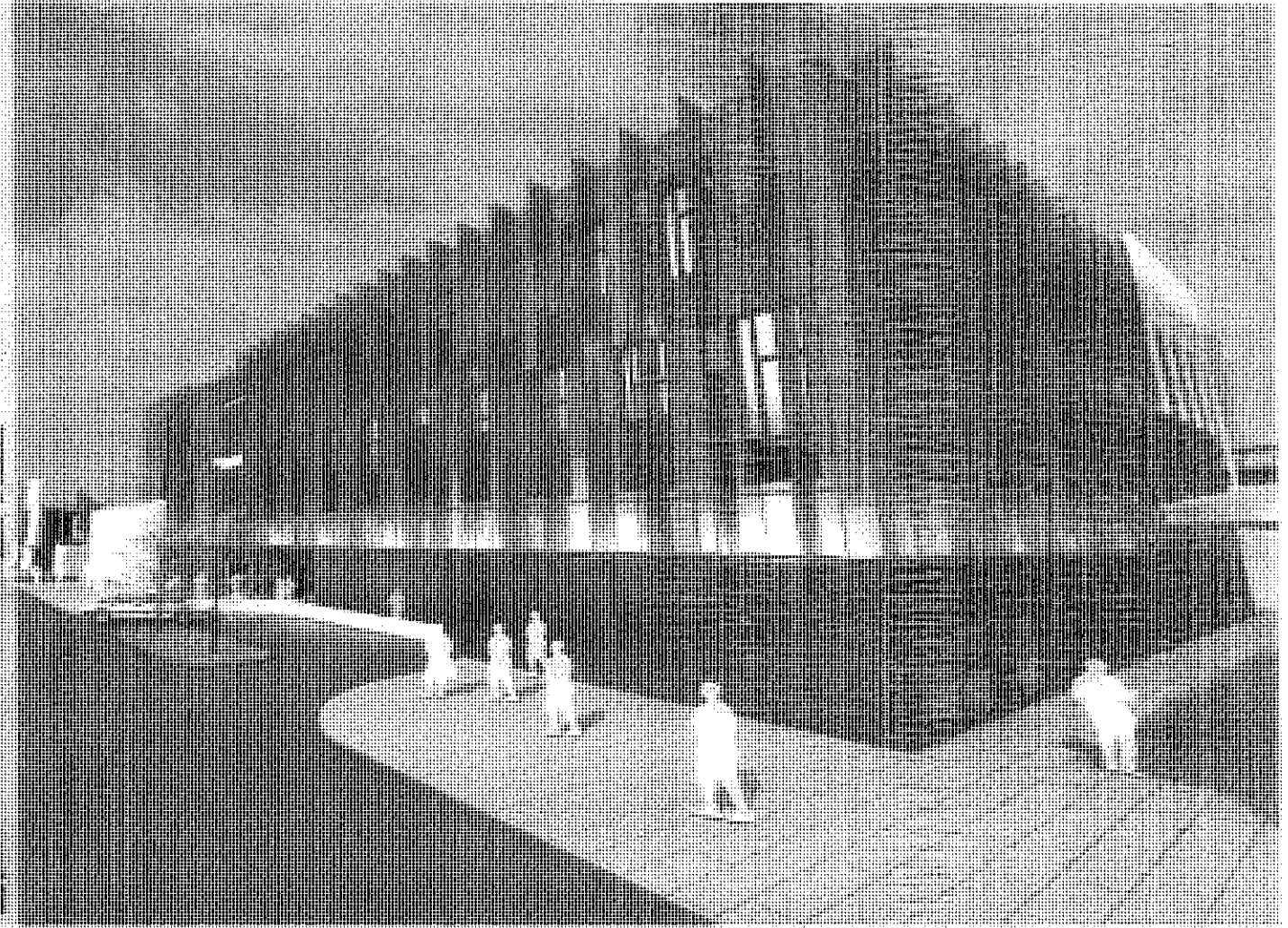
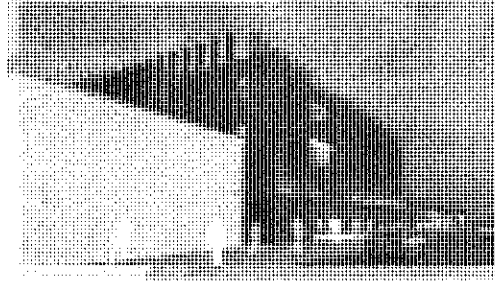
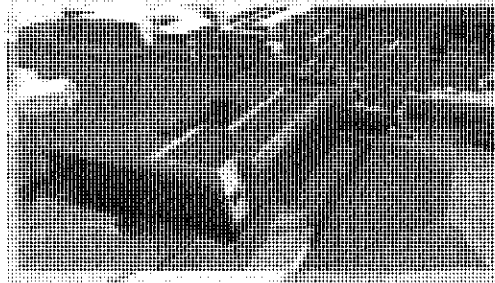
# Innovation and Growth

- *We Will:*
  - Establish the Life Sciences Innovation Cluster
  - Implement Integrated Incubation and Start Up
  - Secure the Future City Demonstrator Legacy
- *We are seeking:*
  - 33% Capital contribution to new facilities

# South Hospital Campus

## Imaging Centre of Excellence

Imaging Centre of Excellence





# Labour Market Programme

- We will put in place a Programme consisting of :
  - Youth Gateway
    - Network of Centres across Region
    - First point of contact for Young People not in a positive destination
  - ESA pre and post Work Programme
    - Positive outcomes prior to WP referral
    - Gateway to health, skills and other interventions
    - Research and learning for future WP design
  - In Work Progression
    - Tackles underemployment and in work poverty
    - Strong employer and sector role
- We are seeking:
  - A five year agreement to share costs and research results
  - A joint management agreement with DWP

# City Deal – Proposal Summary

## We Will

- Establish Governance and Management structures
- Undertake c.£1bn borrowing for infrastructure
- Fully implement and match fund Life Sciences strategy
- Match fund and implement Incubation and FCD legacy
- Commission and manage longitudinal studies on incubation and FCD legacy
- Match fund and implement Labour Market programme
- Jointly commission (with DWP) evaluation study on Labour Market Programme

## We are seeking

- Establishment of independent commission on Urban Economic Growth
- c.£350m Stimulus package for infrastructure.
- Payment by Results to the value of Prudential Borrowing
- 50% Capital contribution to Life Sciences Cluster
- 50% Capital contribution to new Graduation space
- 5 year revenue commitment to FCD Legacy
- 50% contribution to Labour market programme over 5 years

# City Deal Strategy Board

Leaders of the 3 Authorities

## Independent Commission on Urban Economic Growth

Q&P Glasgow City Region

Infrastructure  
Project Management Office

Glasgow Economic Leadership

Glasgow Valley Partnership  
Local Enterprise Group

Integrated Investment  
Programme

Innovation and Growth Sector

Urban Renewal Programme

[redacted]

From: [redacted]  
Sent: 16 May 2014 15:59  
To: [redacted];  
Cc: [redacted];  
Subject: Glasgow Clyde Valley City Deal - update  
[redacted]

I attach a short update for [redacted] on engagement with Glasgow City Council following her call to [redacted] on the City Deal. A copy of a slide pack presented by Glasgow City Council is attached for completeness.



Glasgow City  
Region SG 8may...



Glasgow City Deal  
2014 05 16 U...

Regards,  
[redacted]



[redacted]

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From: [redacted]  
Sent: 11 July 2014 16:34  
To: [redacted]; [redacted]; [redacted]  
Subject: 8  
Attachments: 2014 07 11 GCR Project Summaries.pdf

[redacted]

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cutting through complexity

DRAFT FOR DISCUSSION

# Glasgow City Region Infrastructure Fund: Project Summaries

July 2014

## Basis of Preparation

This document has been prepared in accordance with the terms of our engagement, exclusively for the benefit and internal use of Glasgow City Council ('GCC') and does not carry any right of publication or disclosure to any other party.

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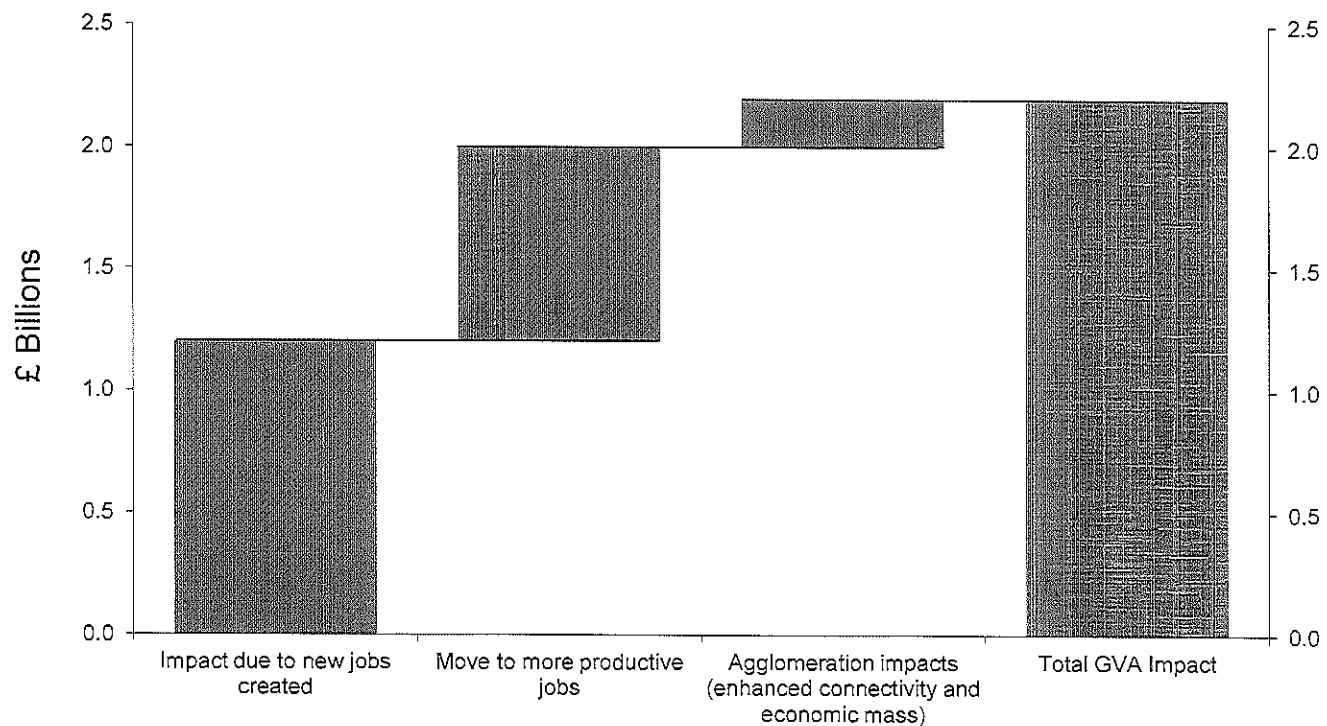
The information in this document is based upon publicly available information, information provided to us by GCC and information provided to us on a non-attributable basis from third parties. It reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this report, we have relied upon and assumed, without independent verification, the accuracy and completeness of the information upon which the report is based, including that available from public sources and that provided by third parties.

## Summary

- The Glasgow City Region Infrastructure Fund (GCR IF) will initially comprise investment of £1.1bn in 20 strategic projects across the region, delivery of which will unlock potential for significant economic growth.
- During the 10-year construction period, approximately 15,000 employment opportunities are expected to be created.
- This 10-year programme is then anticipated to deliver a permanent GVA uplift of £2.2bn per annum to the Glasgow City region, equivalent to a sustainable uplift of over 4% in annual production. This is made up of a £1.4bn jobs impact (c28,000 permanent new jobs will be created) and £800m in productivity improvements.
- Over the 40-year lifetime of the Fund, these GVA benefits will total c£156bn. The Scottish economy will benefit by £1bn per annum in GVA terms, an increase of 0.94%.
- This growth is expected to create an additional £20.7bn in tax revenue for the UK.

# Economic impact of Fund

## GVA Impacts



# Project descriptions

Prioritised projects			
Name	Capex	Summary	Benefits
Inchgreen	£9.4m	<ul style="list-style-type: none"> <li>■ Inchgreen Port is identified within Scotland's national planning frameworks (NPF3 and N-RIP) as a facility capable of delivering growth in offshore renewables.</li> <li>■ The Masterplan will redevelop the area for a mixed use port, manufacturing, and marine leisure development. The works relate to land remediation, access works, and pier upgrading.</li> </ul>	<ul style="list-style-type: none"> <li>■ Development of Inchgreen will create a strategic hub for renewables and specialist marine devices (e.g. R&amp;D, testing, manufacturing) for the West of Scotland.</li> <li>■ This would also spur regeneration in the Clyde Waterfront area.</li> </ul>
A8/M8 Corridor Access Improvements	£9.0m	<ul style="list-style-type: none"> <li>■ Construction of a new road link from the A775, extend park and ride facilities, create new walking and cycling routes, build a Freight Park, and provide supporting infrastructure for bus services.</li> </ul>	<ul style="list-style-type: none"> <li>■ Businesses in the area have identified lack of access to key sites as a barrier to employment; this project would improve access to key strategic employment sites along the A8/M8 corridor.</li> <li>■ This includes sustainable access for areas of high deprivation.</li> </ul>
Collegelands Calton Barras	£27.0m	<ul style="list-style-type: none"> <li>■ The area benefits from its proximity to the City Centre and location on key east-west arterial routes.</li> <li>■ However investment is required to complete the Collegelands Masterplan, station upgrades to High Street and Glasgow Green, and public realm improvements to the Calton neighbourhood.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Calton area and Collegelands form a key regeneration area which links the City Centre to the East End and Clyde Gateway.</li> <li>■ Investment will provide new office space, parking facilities, student accommodation for nearby Strathclyde University, and public transport links.</li> </ul>
Clyde Waterfront & Renfrew Riverside	£78.3m	<ul style="list-style-type: none"> <li>■ Includes a package of interventions centred around the construction of a Northern Development Road, which links to a river crossing between Renfrew and Yoker.</li> <li>■ This would also include enhancement of the strategic green network links between Braehead, Renfrew and Paisley.</li> </ul>	<ul style="list-style-type: none"> <li>■ The development of transport infrastructure would improve connectivity and unlock development potential, and take advantage of the economic opportunities afforded by the proximity of Glasgow Airport.</li> <li>■ This would play a key role in increasing economic opportunities and regeneration, while significantly enhancing the existing transport networks.</li> </ul>

# Project descriptions

Prioritised projects			
Name	Capex	Summary	Benefits
Stewartfield Way	£62.2m	<ul style="list-style-type: none"> <li>Upgrades to the entire length of Stewartfield Way to full dual carriageway from the junction with the A726, Glasgow Southern Orbital, to a new junction with the A725 trunk road, east of Whirlies Roundabout.</li> </ul>	<ul style="list-style-type: none"> <li>The project will have a positive effect on the economy of East Kilbride by making the town a more attractive employment location.</li> <li>The scheme will also provide a strategic corridor between Ayrshire, Lanarkshire and Lothian to facilitate personal and freight connections to the Irish ferry ports and Prestwick Airport.</li> </ul>
Metro Glasgow Drainage	£45.8m	<ul style="list-style-type: none"> <li>Realignment of watercourse channel to increase flow capacity and achieve self cleaning velocities for a 430m stretch at Shettleston Road/Rigby Street.</li> </ul>	<ul style="list-style-type: none"> <li>This will open up access to large parcels of land that are currently vacant or derelict.</li> </ul>
Greenhills Road / A726	£23.1m	<ul style="list-style-type: none"> <li>Widening the A726 to dual carriageway standard from Calderglen Country Park to the Torrance Roundabout and Greenhills Road from the Torrance Roundabout to Auldhouse Road.</li> </ul>	<ul style="list-style-type: none"> <li>The project forms part of the Local Transport Strategy with the objective of improving the economy. It will also complement existing Council led interventions in improving walking, cycling and public transport infrastructure.</li> </ul>
City Centre Public Realm	£199.2m	<ul style="list-style-type: none"> <li>Substantial public realm improvements throughout the city centre.</li> <li>This will also include implementation of traffic management, bus priority and local cycle infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>The project builds on significant improvements in the lead up to the Commonwealth Games and will deliver public realm improvements and improved access to employment via the final phase of the East End Regeneration Route.</li> </ul>
Glasgow Airport Investment Areas	£51.4m	<ul style="list-style-type: none"> <li>This project seeks to open up and improve access for economic development locations adjacent to the airport via road infrastructure and brown field site development.</li> </ul>	<ul style="list-style-type: none"> <li>The project and resulting development will deliver a significant area of serviced industrial and business development plots, with the supporting roads and related infrastructure, and will help the regeneration of the wider area which has high concentrations of deprivation.</li> </ul>

# Project descriptions

Prioritised projects			
Name	Capex	Summary	Benefits
M77 Strategic Corridor	£44.0m	<ul style="list-style-type: none"> <li>A joint strategic project between Glasgow City &amp; East Renfrewshire Council to develop the M77 Corridor including: junction improvements; a green bus lane; and new park and ride facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Transport improvements would enable the strategic development opportunities at Silverburn, Darnley, Cowglen, Greenlaw, Dams to Darnley Country Park and Maidenhill.</li> </ul>
Clyde Waterfront Regeneration	£113.9m	<ul style="list-style-type: none"> <li>Clyde Waterfront is identified as a national priority, with opportunities to build on the creative quarter at Pacific Quay, the SECC and Conference Centre, Riverside Museum, and Hydro Arena.</li> <li>Further development will improve active travel and public transport links, as well as site regeneration and river quay improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Area regeneration will tackle issues of substantial deprivation and dislocation endemic to the area.</li> <li>The project will also contribute towards the introduction of smart technology infrastructure being taken forward with the University and its Future City demonstrator partners.</li> </ul>
Inverkip	£3.8m	<ul style="list-style-type: none"> <li>Area regeneration associated with the re-development of the a large brownfield site (former Inverkip Power Station) for a mix of economic and employment uses and residential development including leisure. This includes land remediation and development of waterfront access.</li> </ul>	<ul style="list-style-type: none"> <li>Housing-led regeneration and tackling underutilised vacant and derelict land / brownfield land as part of the area's overall economic development strategy.</li> </ul>
Gartcosh Community Growth Area	£43.8m	<ul style="list-style-type: none"> <li>Development of roads infrastructure to improving transport links to the Community Growth area .</li> </ul>	<ul style="list-style-type: none"> <li>Transport infrastructure will support the regeneration of Gartcosh Business Park and the Freightliner Depot at Gartsherrie.</li> </ul>
Ocean Terminal	£14.2m	<ul style="list-style-type: none"> <li>Greenock Ocean Terminal has become an important cruise port and a major player in Scottish tourism as a gateway for overseas visitors but demand is exceeding capacity.</li> <li>Works would allow the quay to be extended and develop derelict land as part of the Ocean Terminal Facility.</li> </ul>	<ul style="list-style-type: none"> <li>Creating additional quay capacity is central to unlocking the potential for cruise tourism and ensuring both the Greenock Ocean Terminal and cruise activity can continue to grow and capture economic value for Scotland and the Region.</li> </ul>



# Project descriptions

Prioritised projects			
Name	Capex	Summary	Benefits
Community Growth Areas (CGAs)	£62.3m	<ul style="list-style-type: none"> <li>Development of three Community Growth Areas (CGA) located at Newton, East Kilbride and Hamilton. They represent strategic housing land release identified through the Glasgow and Clyde Valley Strategic Development Plan.</li> </ul>	<ul style="list-style-type: none"> <li>The potential output from the three sites is: Newton 1,500, Hamilton 2000 and East Kilbride 2,500 – collectively 6000 units.</li> </ul>
Pan Lanarkshire Orbital Transport Corridor	£119.7m	<ul style="list-style-type: none"> <li>Joint project between North &amp; South Lanarkshire Roads Authority, providing road capacity and bus improvements that will link the residential and commercial prospects arising from the M80, Cumbernauld, Airdrie, Newhouse, Eurocentral, Holytown, New Stevenston, Ravenscraig, Motherwell, M74, Hamilton, East Kilbride and the M77 in East Renfrewshire.</li> </ul>	<ul style="list-style-type: none"> <li>The SPT West of Scotland Conurbation Public Transport Study already identified a need for strategic improvements along this corridor – this project will deliver transport connectivity improvements across Lanarkshire and the Clyde Valley region</li> </ul>
Cathkin Bypass	£21.6m	<ul style="list-style-type: none"> <li>Provision of a new relief road and quality bus measures through Cathkin with associated pedestrian and cycling improvements.</li> </ul>	<ul style="list-style-type: none"> <li>This project and the wider Pan Lanarkshire Orbital Transport Corridor (PLOTTC) proposals contribute to the Regional Transport Strategy's priorities of "Improving cross city and cross-region links on strategic corridors".</li> <li>The project is anticipated to have a positive economic impact in terms of access to services and employment through the provision of a strategic route through the area.</li> </ul>

# Project descriptions

Prioritised projects			
Name	Capex	Summary	Benefits
Exxon Site	£27.9m	<ul style="list-style-type: none"> <li>■ This project relates to an 81 acre site between the main Glasgow to Dumbarton railway line which was formerly occupied by the Esso Petroleum Company. The site provides a unique development opportunity for employment creating mixed-uses along the waterfront.</li> <li>■ Significant investment is required to deliver the new road access and junction improvements (estimated at about £10M) and for decontamination works, substantial site raising works, and the provision of services and utilities.</li> </ul>	<ul style="list-style-type: none"> <li>■ Redevelopment of this major site has the potential to bring significant investment to the area, which currently experiences high levels of deprivation.</li> </ul>
Glasgow Airport Rail Link	£144.3m	<ul style="list-style-type: none"> <li>■ This project covers the emergent projects arising from the STAG appraisal process investigating improved off road surface access from Paisley Town Centre/Gilmour Street Station and Glasgow Airport.</li> </ul>	<ul style="list-style-type: none"> <li>■ Delivery of a direct rail link to Glasgow Airport would potentially benefit all of Scotland through improved public transport accessibility to the Airport.</li> </ul>
Strathclyde Bus Investment Programme	£30.0m	<ul style="list-style-type: none"> <li>■ A package of bus corridors including fast link corridors, smart ticketing, and designated bus lanes.</li> </ul>	<ul style="list-style-type: none"> <li>■ The bus initiatives will provide connectivity improvements to key areas of the wider conurbation by providing fast, frequent, high capacity, reliable, high quality services to provide level of service provided by rail on other corridors.</li> <li>■ It will improve accessibility for all purposes and to all 'opportunities' and provide connectivity and improved integration of modes.</li> </ul>



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[redacted]

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From: [redacted]  
Sent: 27 March 2014 10:49  
To: [redacted]  
Subject: Recent discussions  
Attachments: CVI-CH Fund Application Form Inchgreen 020813.pdf; CVI-CH Fund Application Form Inverkip.pdf; CVI-CH Fund Application Form Ocean Terminal 020813.pdf

[redacted] I refer to our recent discussions in connection with state aid issues for the attached projects. As discussed I would appreciate if you could cast your eye over the attached pro-formas and let me know your thoughts. Thanks for your assistance in this matter.

Regards  
[redacted]  
[redacted]

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[redacted]

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From: [redacted]  
Sent: 03 April 2014 13:42  
To: [redacted]  
Subject: RE: Recent discussions  
Stuart

Apologies for not being able to respond sooner and thanks for sending these proposals to me. I've addressed the main areas where there may be State aid involved as follows:

In summary, State aid is a European Commission term which refers to forms of public assistance, given to undertakings on a selective basis, which has the potential to distort competition and affect trade between Member States of the European Union. The State aid rules are set by the EC and comprise various articles of the Treaty on the Functioning of the European Union (TFEU), Regulations, Frameworks and Guidelines - which set out what aid can be given and under which circumstances. The EC governs Member States' compliance with these rules and many aid measures must be notified to the Commission for approval. Ignoring the rules can result in the Commission viewing aid as unlawful and possibly subject to repayment - by the aid recipient. It is possible that any non-compliant public funding of these projects would be subject to complaint from competitors in a variety of fields and the risk of State aid would appear relatively high in all of these projects and should be addressed when finalising plans

#### Inverkip

Public funding of development of land for future commercial use is probably free of State aid provided that investment will result in 'general' infrastructure which cannot be commercially exploited (this includes such as walkways, parks, lanes, roads). If, however, the land being developed is already owned by a private undertaking (such as a landowner/developer) and is intended for future commercial use (such as sale of land for housing, harbour usage fees, business rentals etc.), then funding those parts of the project will probably represent State aid as it may provide an advantage to that beneficiary and distort trade/competition.

If the land is currently owned by the Local Authority and will be subsequently sold to the private sector, then any sale must take place at market rates to avoid State aid.

Any undertakings who subsequently rent or use land or premises on the site must be charged market rates for use, lest there may be State aid to those companies as well is not intended to benefit specific undertaking/s in a way that will provide them with an economic advantage. Provided will benefit from that investment

#### Inchgreen

This site is owned by Clydeport, a private economic undertaking, so any public investment which has the potential to be commercially exploitable is likely to be State aid. Any spend would be specific to Clydeport and they will have the opportunity to generate increased revenue on the back of this public funding, thereby distorting competition and trade.

As such, any public funding going into this project will have to be compatible with EU State aid rules and the level of private sector contribution will be crucial in assessing compatibility. There are certain State aid guidelines and frameworks which permit public funding up to specific aid intensities for some of the activities listed in this project. If the public sector wishes to fund the project beyond these limits, the project would have to be fully notified to the European Commission for their approval before the project could proceed. This can be a lengthy process of around a year.

#### Ocean Terminal

This site is also owned by Clydeport, so the same principles apply to this project as that at Inchgreen. Of the estimated costs of just under £10m, it would appear all are 'commercial' in nature and are likely to confer an economic advantage on Clydeport if publicly funded – State aid would almost certainly be present in this funding.

Section C9 in the project plan outlines a potential JV approach. If done properly this would be a solution which would minimise the possible presence of State aid under the Market Economy Investor Principle. This same approach may be appropriate for other 'City Deal' projects which involve significant public investment in commercially exploitable infrastructure.

I hope this initial view is helpful. If you want us to look at any further issues we are happy to help either yourself or any of your colleagues in the other local authorities who might be contemplating similar projects.

Best regards

[redacted]

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From: [redacted]  
Sent: 27 March 2014 10:49  
To: [redacted]  
Subject: Recent discussions

[redacted]

I refer to our recent discussions in connection with state aid issues for the attached projects. As discussed I would appreciate if you could cast your eye over the attached pro-formas and let me know your thoughts. Thanks for your assistance in this matter.

Regards

[redacted]

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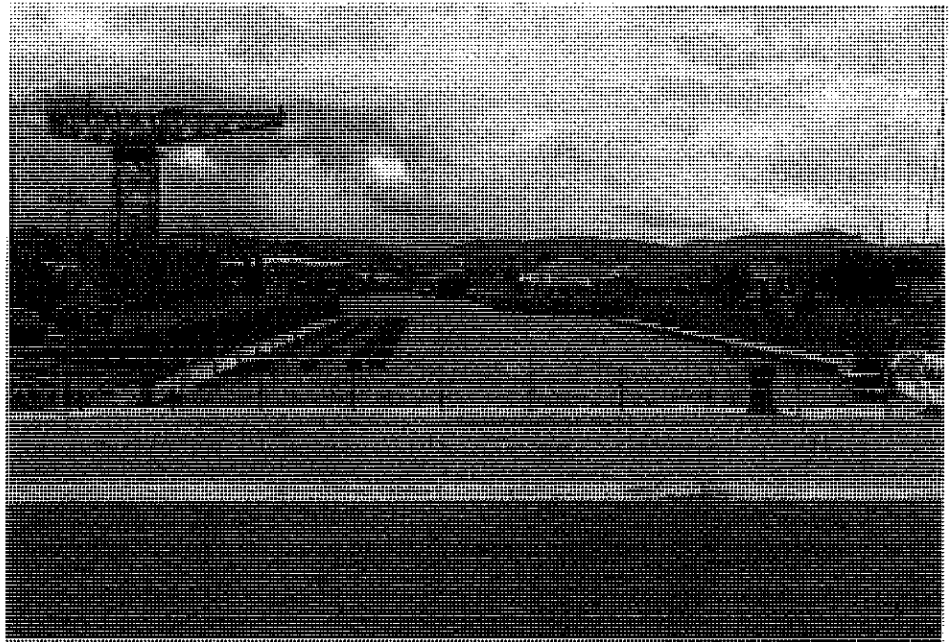
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CLYDEPORT



# Inchgreen

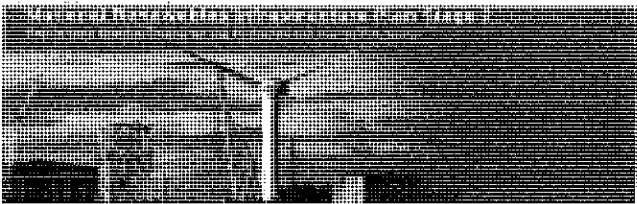
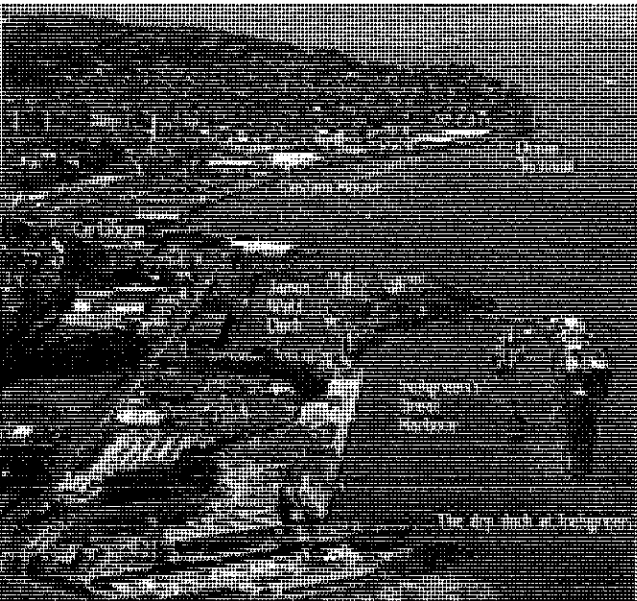
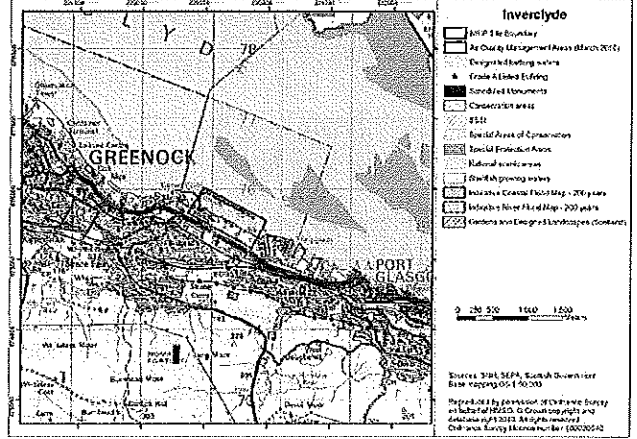
## Clyde Valley Infrastructure Fund

Submission by Inverclyde Council  
August 2013



Project information required

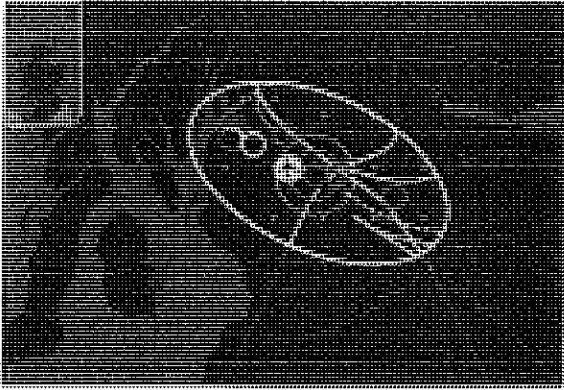
**Section A – Project details**

<p>1) Project name</p>	<p><b>National Renewables West of Scotland Hub</b> Inchgreen, Greenock</p>
<p>2) Type of Project</p> 	<p>Economic Development and Regeneration associated with National Renewable Infrastructure Plan with focus on Marine Devices with impacts at National, City Region &amp; Local level</p>
<p>3) Project Description</p> 	<p>Greenock's Inchgreen port is identified within the draft National Planning Framework 3 (Draft*) and National Renewable Infrastructure Plan (N-RIP) as a facility capable of exploiting the potential of the national key growth industry of offshore (marine) renewables. The Inchgreen facility's 200,000 square metres, whilst impressive, is a potential limiting factor in engaging with and attracting major manufacturing and assembly operations to Inverclyde and the West of Scotland.</p> <p>The Inchgreen facility combined with the adjacent dock infrastructure makes for a strong proposition, for single use and to create a West of Scotland Renewable Cluster enhancing the economic growth potential of Inverclyde but also supporting and strengthening Scotland's strategic offer in this key growth sector. It is crucial that this project should be assessed from both the local and the national perspectives as Inverclyde is best-placed for challenging the very strong proposition of Belfast for projects off the west coast of Scotland and north-west England. Inverclyde, with the current Inchgreen facilities combined with a readied James Watt Dock can meet that challenge on behalf of Scotland.</p>
<p>Extract from NRIP</p> <p>Site Map: Inverclyde</p> 	<p>The Inchgreen Masterplan promotes the re-development of the area for a mixed use port/ manufacturing/ marine leisure development. This submission relates to the port/manufacturing enabling works supporting NPF3 and N-RIP.</p>
<p>Extract from NPF3</p> <p>*Where NPF3 is referenced this refers to the Consultation Draft</p>	<p>The works relate to:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Land remediation</li> <li><input checked="" type="checkbox"/> Enhancement of Access</li> <li><input checked="" type="checkbox"/> Demolition and Site Clearance</li> <li><input checked="" type="checkbox"/> Preparation of Development Plots</li> <li><input checked="" type="checkbox"/> Services</li> </ul>

Clyde Valley – Infrastructure Fund

<p>4) Promoting authority and contact details of sponsor.</p>	<p><b>Inverclyde Council</b> working in partnership with: Clydeport / Riverside Inverclyde URC (Ri) Contact Details: [REDACTED] [REDACTED] [REDACTED] Inverclyde Council [REDACTED] [REDACTED] [REDACTED]</p>												
<p>5) Has this project been committed to by the Authority – if so please give details.</p>	<p>Inverclyde Council and its partners, are focussed on promoting economic regeneration and securing new inward investment for the Inverclyde economy is evidenced in their partnership working within Inverclyde Renewables Alliance Group (IRAG), established in 2009. The potential for the expansion of the N-RIP Inchgreen proposition to include adjacent sites is included in Inverclyde’s sector marketing brochure "Think Inverclyde" which has been produced with the full co-operation of the 3 parties.</p> <p>To realise this potential, dialogue between the parties has focussed on developing the masterplan for Inchgreen and identifying viable market based activity that supports inward investment and sustainable growth. Detailed approvals from Inverclyde Council have not been submitted at this time.</p>												
<p>6) Project components (i.e. breakdown of works to be undertaken by section) and timeline (where known).</p>	<p>Development of Inchgreen will create a West of Scotland key strategic hub for renewables with the primary focus on specialist marine devices (eg R&amp;D, testing, manufacturing and assembly). Main elements include</p> <table data-bbox="911 1536 1410 1749"> <tr> <td>Quay &amp; Pier Upgrading</td> <td>£3.5million</td> </tr> <tr> <td>Demolitions</td> <td>£0.5million</td> </tr> <tr> <td>Remediation</td> <td>£1.5 million</td> </tr> <tr> <td>Site Works/Utilities/Services</td> <td>£0.5million</td> </tr> <tr> <td>Access Improvements</td> <td>£0.5million</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>£6.5 million</b></td> </tr> </table>	Quay & Pier Upgrading	£3.5million	Demolitions	£0.5million	Remediation	£1.5 million	Site Works/Utilities/Services	£0.5million	Access Improvements	£0.5million	<b>TOTAL</b>	<b>£6.5 million</b>
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**Section B – Project geography, benefits summary and status**

<p>1) Location of project (provide map, if available) and estimated number of people it is expected to affect.</p> <p>Extract from NRIP</p> 	<p>Greenock Inchgreen Grid Reference:</p> <p>Development of NPF3 / NRIP / Renewable Energy Facilities on the Clyde would support economic activity at a national, regional, city region and local level in a key growth sector in which Glasgow's R&amp;D /Higher Educational sectors are heavily involved.</p>
<p>2) Which locations would stand to benefit from implementation of the project? <i>Be as specific as possible geographically and state the nature of the anticipated benefits.</i></p>	<p>Glasgow is one of Scotland's key hubs for the renewable energy sector and is home to</p> <ul style="list-style-type: none"> <li>• Technology &amp; Innovation Centre (TIC) at Strathclyde University. The TIC forms part of the International Technology &amp; Renewable Energy Zone in Glasgow (ITREZ).</li> <li>• Offshore Renewable Energy (ORE) Catapult including the Carbon Trust, National Renewable Energy Centre (Narec), and Ocean Energy Innovation</li> <li>• CEERE Centre of Engineering Excellence for Renewable Energy</li> </ul> <p>NPF2and NPF3 noted the priority for regeneration in the Clyde Corridor (Clyde Gateway and Clyde Waterfront) and the continuing challenges associated economic growth, social and economic inclusion, environment and nationally significant concentrations of vacant and derelict land. Key issues identified include the supporting of investment in renewable energy.</p> <p>With ITREZ's high profile global R&amp;D centre early successes, there is a growing hub of companies now capitalising on Scotland's offshore renewables opportunities, establishing Glasgow and the West of Scotland as an international centre for excellence for research and development, design and engineering of renewables.</p> <p>10 minutes west along the River Clyde (and within 20 minutes of Greenock), Steel Engineering and ANDRITZ HYDRO Hammerfest have become</p>

	<p>leading companies in marine renewables' manufacturing and development.</p> <p>There is therefore the potential for a major River Clyde cluster branding for end-to-end marine renewables solutions : R&amp;D in Glasgow; device development in Hillington (ANDRITZ HYDRO Hammerfest); steel fabrication in Renfrew (Steel Engineering), and deep water, dry dock, large scale manufacturing in Greenock. This River Clyde Cluster would reposition the Inverclyde economy within Scotland's key emerging industry, providing significant opportunity and economic benefit via employment opportunities and supply chain linkage – not only to Inverclyde but with Kilmarnock, Irvine, Hamilton, Dumbarton, Paisley, Glasgow etc all being within an hour's commute to Greenock, then the socio-economic benefits would reach well beyond Inverclyde. Greenock's ports, infrastructure and connectivity lends itself well to being the core of the West of Scotland/River Clyde cluster.</p> <p>The Development Strategy for Inchgreen and wider area promotes the quay as a specialist engineering and deployment base securing advantage from its location; deepwater facilities; quays and supply chain links in marine engineering.</p>
<p>3) What problems does the project overcome/address?</p>	<p>Investment at Inchgreen will create a facility – combined with the adjacent port area capable of supporting a full range of marine engineering and renewable sector activities including:</p> <ul style="list-style-type: none"> <li>• Deployment facility</li> <li>• Test facility</li> <li>• Centre for Marine Engineering             <ul style="list-style-type: none"> <li>• Manufacturing &amp; assembly operations</li> <li>• Operations and maintenance</li> </ul> </li> </ul> <p>The project addresses NRIP and the lack of port/harbour infrastructure to support investment in the Renewable Energy sector in the Clyde /Glasgow Metropolitan Area.</p> <p>It delivers a market ready proposition for the renewable sector developed around the existing infrastructure associated with:</p> <ul style="list-style-type: none"> <li>• Dry Dock 304.8m x 47.5m</li> <li>• Water depth over keel blocks: 13.7m</li> <li>• Quayside 420m long</li> <li>• Reinforced Module Mat 100m x 80m</li> <li>• Hard Standing Area 60m x 95m</li> </ul> <ul style="list-style-type: none"> <li>• Min depth at waterfront (low tide) 8.2m</li> </ul>

Clyde Valley – Infrastructure Fund

	<ul style="list-style-type: none"> <li>• Max depth at waterfront (high tide) 11.3m</li> <li>• Distance to open water 8 km</li> <li>• Min water depth in channel to open water 8m</li> <li>• Services/facilities</li> </ul>
<p>4) Project status (concept, feasibility, business case).</p>	<ul style="list-style-type: none"> <li>• Masterplan Stage</li> <li>• Initial Feasibility Stage</li> <li>• Stakeholder Engagement</li> </ul> <p>Develop of the masterplan and strategy has involved Inverclyde Council / Riverside Inverclyde URC / Clydeport / Scottish Enterprise and members of the IRAG Group</p>
<p>5) Is the project part of a wider improvement programme and if so how does it integrate with the programme?</p>	<p>Inverclyde is a strategic location for your offshore renewables' business. With the International Technology &amp; Renewable Energy Zone (ITREZ) in Glasgow city centre</p> <p>- a global research and development hub, bringing business and academia;</p> <p>Steel Engineering, ANDRITZ HYDRO Hammerfest, Doosan Babcock and Maritime Craft Services all within a 20 minute radius; and Clydeport, 2020 Renewables, Jenda Energy, Ferguson Shipbuilders, JLES, Sanmina-SCI, Sangamo, Serco Marine Services and James Walker Devol Engineering already in Inverclyde.</p> <p>NRIP focussed port and harbour facilities would form part of wider strategies at the following levels:</p> <p><b>National:</b>  Economic Development Strategy  National Renewable Infrastructure Plan  Low Carbon Economic Strategy  2020 Routemap for Renewables in Scotland</p> <p><b>Regional:</b>  Metropolitan Glasgow  Glasgow Economic Development Strategy</p> <p><b>Local:</b>  Inverclyde Economic Regeneration Strategy &amp; Action Plan</p> <ul style="list-style-type: none"> <li>• Support regeneration in Greenock /Port Glasgow</li> <li>• Inverclyde Renewable Energy Strategy  Riverside Inverclyde Regeneration Strategy  Clyde Waterfront Masterplan</li> </ul>

## Section C – Project costs

1) What is the estimated total capital cost of the project and over what timeframe will this be incurred?	<p>Main elements include</p> <table border="0"> <tr> <td>Quay &amp; Pier Upgrading</td> <td>£3.5million</td> </tr> <tr> <td>Demolitions</td> <td>£0.5million</td> </tr> <tr> <td>Remediation</td> <td>£1.5 million</td> </tr> <tr> <td>Site Works/Utilities/Services</td> <td>£0.5million</td> </tr> <tr> <td>Access Improvements</td> <td>£0.5million</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>£6.5 million</b></td> </tr> </table>	Quay & Pier Upgrading	£3.5million	Demolitions	£0.5million	Remediation	£1.5 million	Site Works/Utilities/Services	£0.5million	Access Improvements	£0.5million	<b>TOTAL</b>	<b>£6.5 million</b>
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<b>TOTAL</b>	<b>£6.5 million</b>												
2) What price base has been used?	2012 Construction Cost Base												
3) Does the cost estimate include optimism bias <sup>1</sup> ? If yes, what was the percentage used and on which guidance was this based?	Optimism Bias currently allowed for at 20-30% based on variable % on the elements of the scheme proposal marine environment and design stage.												
4) Has an assessment been made of the ongoing operating/maintenance costs of the project (over the lifetime of the asset)? If yes, provide relevant details.	Operating agreements will be linked to the wider operation of Clydeport's facility at Greenock and the management of the enhanced facilities.												
5) Has an assessment been made relating to the procurement costs of the project? If yes, provide relevant details including how the project is expected to be procured.	Full OJEU Procurement												
6) Has an assessment been made of the ongoing revenue implications of the project (including potential operating deficits)? If yes, provide relevant details – identify potential funding relating to operating deficits.	<p>Agreement on the operational management and Business Case are dependent upon the form of funding support and the equity / operational management of the asset.</p> <p>Potential private sector participation and operation of infrastructure assets will require assessment under State Aid regulations and referral for advice to the State Aid unit.</p>												
7) Has an assessment been made relating to the renewal costs of the project (over the lifetime of the asset)? If yes, provide relevant details.	N/A												
8) When was the last review of the costs undertaken? When is the next review scheduled?	2012												

<sup>1</sup> Cost uplift percentages for generic project categories which should be used in the absence of more robust primary data/evidence.

Clyde Valley – Infrastructure Fund

9) Is any funding currently committed to the project (provide details including potential timing and source of funding/constraints and conditionality)?	<p>Funding options are being developed to offer a phased market ready facility. Agreement on funding and the identification of funding support is important to the Business Case and the scope of work addressed under the masterplan.</p> <p>Funding options have been identified through a combination of funds from Clydeport / Riverside Inverclyde and NRIP support subject to the ri operating plan and development programme.</p>
10) What is the scope for sourcing third party contributions (provide details and values where known)?	Private sector support funding is under review

**Section D – Project appraisal and governance**

Please attach any relevant information relating to previous appraisals of the project, including feasibility studies and business cases. Please include financial models/analyses where available.

<p>1) What level of appraisal work has been carried out on the project to date?</p>	<p>Initial Scoping  Market Assessment</p> <ul style="list-style-type: none"> <li>▪ NRIP Appraisal</li> <li>▪ SE/SDI Appraisal</li> </ul> <p>Client /Stakeholder Review  Feasibility Assessment</p> <ul style="list-style-type: none"> <li>▪ Outline Business Case</li> <li>▪ Marine Engineering Assessment</li> </ul> <p>o Operational Requirements  o Quay Assessment/ Options</p> <ul style="list-style-type: none"> <li>▪ Site Option Assessment</li> </ul> <p>o Inchgren  o Access &amp; Circulation  o Mixed Use Activity  Quay Design Proposal</p>
<p>2) Has the project been assessed through a recognised appraisal model? For example STAG for transport projects. If yes please identify which process and model were used, and please append results of the appraisal.</p> <p>If no describe the process followed and append any supporting papers.</p>	<p>The appropriate assessment model is dependent in part on the Business Case and funding support. Potentially suitable models:</p> <ul style="list-style-type: none"> <li>▪ SE Business Support Model</li> <li>▪ DLG Model</li> <li>▪ STAG Assessment</li> </ul>
<p>3) Provide information on the anticipated changes in journey time between key destinations, or at locations affected by the project during peak periods (if relevant). Specify by mode. Information can be expressed in % or absolute terms.</p>	<p>N/A</p>
<p>4) What governance procedures are in place for the project?</p>	<p>RI / Feasibility Stage  Project Assessment Stage</p>



**Section E - Planning and development**

<p>1) Does the project unlock (e.g. via planning consent) a housing or commercial development?</p> <p>If yes, provide details of:</p> <ul style="list-style-type: none"><li>a) scale – number of house/residential units by type (if relevant) and/or floor space by type of commercial property (if relevant);</li><li>b) location;</li><li>c) property values;</li><li>d) land ownership; and</li><li>e) anticipated timings.</li></ul>	<p>No</p>
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Clyde Valley – Infrastructure Fund

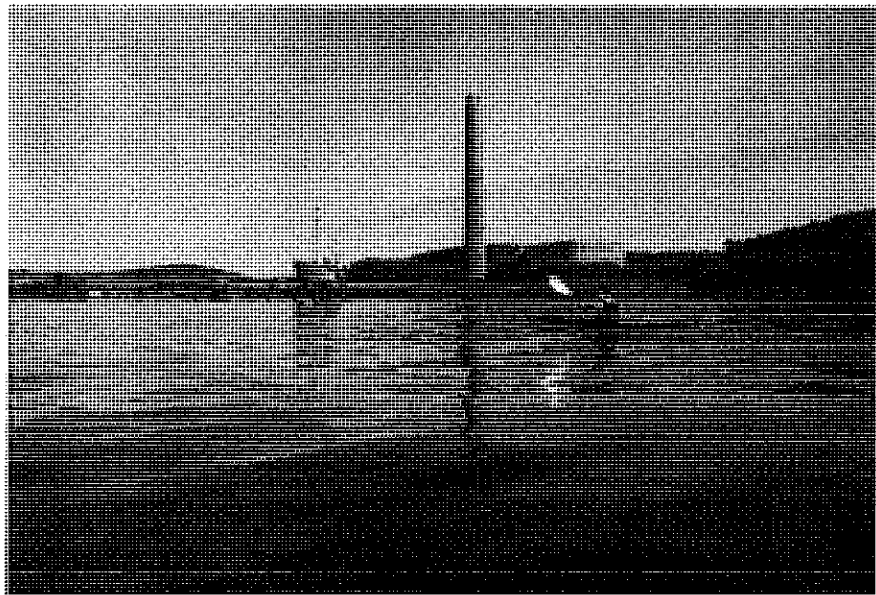
6) Provide a summary of the findings of the consultation and any recommended actions resulting.	Consultation focussed on Outline Business Case and Feasibility Study Options based on delivery and consent risk; programme and funding support and securing Inward Investment interest linked with presentations to SDI /SE
7) Please identify any barriers to delivery.	Funding
8) Has a risk assessment been completed for the project?	Outline
9) Is Primarily Legislation required for the project? If yes, has the legislation been applied for and enacted?	No
10) Are Transport and Works Act Powers required to deliver the project? If yes, have the power been applied for and awarded?	No

***Bus project and rail projects only***

1) Would the project impact on public transport fares? If yes, provide details of expected impacted on fares by mode and area.	
2) Please identify any changes to the capacity of services (specify by service and time period).	

Inverclyde  
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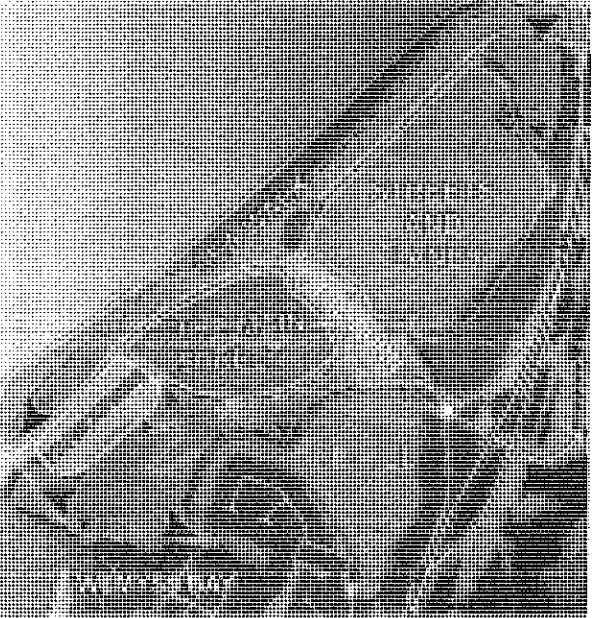
# Inverkip

## Clyde Valley Infrastructure Fund

Submission by Inverclyde Council  
August 2013

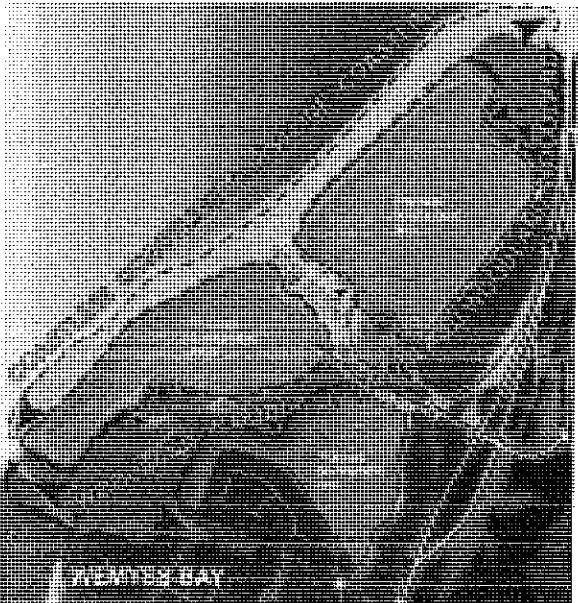
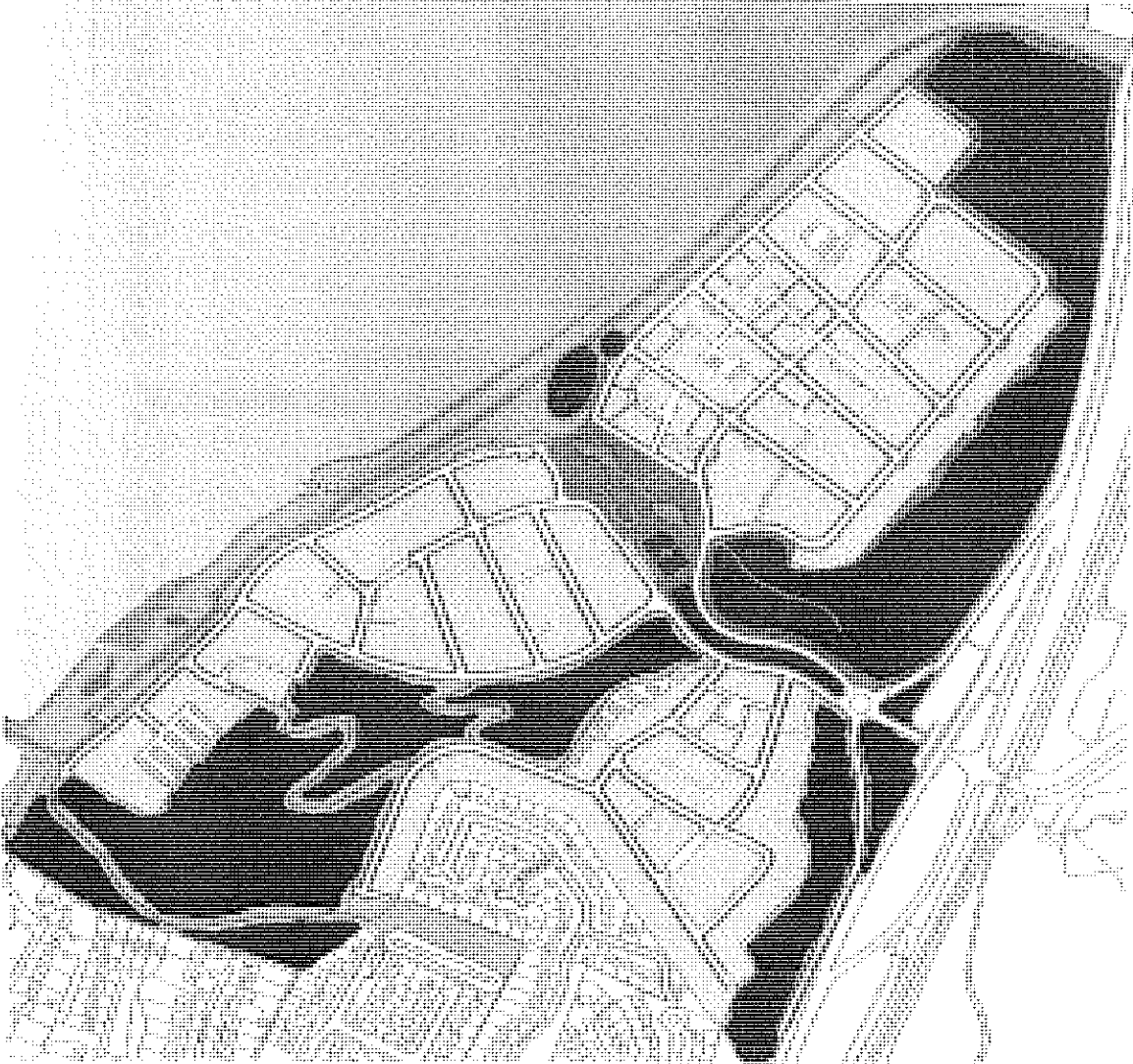
Project information required

**Section A – Project details**

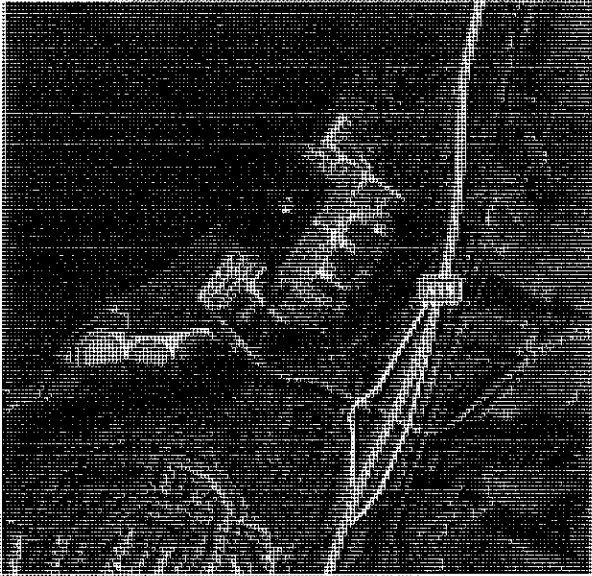
<p>1) Project name</p>	<p><b>Inverkip</b> Mixed Use Brownfield Regeneration</p>
<p>2) Type of Project</p> 	<p>Area Regeneration associated with the re-development of the former Inverkip Power Station for a mix of economic and employment uses and residential development including leisure.</p>
<p>3) Project Description</p> 	<p>Inverkip is a large strategic brownfield site offering significant opportunity for re-use and capacity to make a significant contribution to the provision of quality residential development through the development of brownfield land.</p> <p>Strategically located the site is challenged by the need to address significant infrastructure constraints that introduce high levels of abnormal costs restricting market opportunity.</p> <p>The development of the site requires a public-private partnership to unlock the potential and ensure this extensive brownfield site can be developed and a successful new place quality established around a mixed use settlement create a new waterfront hub for Greenock and the lower Clyde. A public-private partnership can release new investment and create a vibrant new mixed use waterfront location.</p> <p>The works proposed within the ‘public element’ relate to:</p> <ul style="list-style-type: none"> <li>• Land remediation</li> </ul>

Clyde Valley – Infrastructure Fund

	<ul style="list-style-type: none"> <li>• Development of waterfront access</li> <li>• Support for off-site waterfront connections</li> </ul> <p>The private sector will develop:</p> <ul style="list-style-type: none"> <li>• Mixed Use Redevelopment             <ul style="list-style-type: none"> <li>- Residential</li> <li>- Commercial</li> <li>- Marine tourism / Leisure / Cultural</li> </ul> </li> </ul>								
<p>4) Promoting authority and contact details of sponsor.</p>	<p><b>Inverclyde Council</b>          Contact Details:          [REDACTED]          [REDACTED]          [REDACTED]          [REDACTED]          [REDACTED]          [REDACTED]</p>								
<p>5) Has this project been committed to by the Authority – if so please give details.</p>	<p>Inverclyde Council and its partners, are focussed on promoting economic regeneration and securing new inward investment for the Inverclyde economy.</p> <p>Housing led regeneration and tackling underutilised vacant and derelict land / brownfield land resources is an important part of the economic development strategy.</p> <p>Funding support and brownfield /land remediation support for development has been discussed between Inverclyde Council / Riverside Inverclyde (URC) and the developer. No detailed business case has been submitted at this time and no consideration or approvals of support funding have not been considered at this time by either Inverclyde Council or RI.</p>								
<p>6) Project components (i.e. breakdown of works to be undertaken by section) and timeline (where known).</p>	<p>Development of Inverkip will secure development of xx acres (xxha) of brownfield land and create opportunity for new employment and enterprise activity in a new waterfront location.</p> <p>Main elements include</p> <table data-bbox="853 1653 1348 1794"> <tr> <td>Remediation</td> <td>£1.5 million</td> </tr> <tr> <td>Site Works/Utilities/Services</td> <td>£0.5million</td> </tr> <tr> <td>Access Improvements</td> <td>£0.5million</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>£2.5 million</b></td> </tr> </table>	Remediation	£1.5 million	Site Works/Utilities/Services	£0.5million	Access Improvements	£0.5million	<b>TOTAL</b>	<b>£2.5 million</b>
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<b>TOTAL</b>	<b>£2.5 million</b>								



**Section B – Project geography, benefits summary and status**

<p>1) Location of project (provide map, if available) and estimated number of people it is expected to affect.</p> 	<p>Inverkip Inverclyde Grid Reference:</p>
<p>2) Which locations would stand to benefit from implementation of the project? <i>Be as specific as possible geographically and state the nature of the anticipated benefits.</i></p>	<p>Significant area renewal for Greenock and Inverclyde area wide regeneration. Wider city region benefits associated with:</p> <ul style="list-style-type: none"> <li>• River Clyde regeneration</li> <li>• Clyde waterfront Growth Corridor</li> <li>• Marine/ leisure / tourism across City Region</li> </ul> <p>Benefits associated with:</p> <ul style="list-style-type: none"> <li>• City region economic development</li> </ul> <p>Addressing deprivation /exclusion</p>
<p>3) What problems does the project overcome/address?</p>	<p>Investment in Inverclyde and the Urban Regeneration Area(URC) has stalled due to the high cost of delivering market viable schemes that need to address on and off-site infrastructure weaknesses and land remediation costs.</p> <p>Quality place-making and creating sustainable success for new waterfront development requires a public-private partnership</p>
<p>4) Project status (concept, feasibility, business case).</p>	<p>Develop of the development framework &amp; masterplan has involved the developer in detail consultation with key stakeholders including Inverclyde Council / Riverside Inverclyde URC / / Scottish Enterpriseand local communities</p>



	<p>including:</p> <ul style="list-style-type: none"> <li>• Inverkip &amp; Wemyss Bay Community Council</li> <li>• 3 Day Community consultation Event</li> </ul> <p>The development has been advanced to pre-planning consultation and outline market / business case reporting and includes:</p> <ul style="list-style-type: none"> <li>• Masterplan Report</li> <li>• Market Analysis</li> <li>• Stakeholder Engagement</li> </ul>
<p>5) Is the project part of a wider improvement programme and if so how does it integrate with the programme?</p>	<p>The development accords with the Development Plan and has strong policy links to a range of national / regional and local policy.</p> <p><b>National:</b>          Economic Development Strategy          National Renewable Infrastructure Plan          Low Carbon Economic Strategy          2020 Routemap for Renewables in Scotland</p> <p><b>Regional:</b>          Metropolitan Glasgow          Glasgow Economic Development Strategy</p> <p>Glasgow and Clyde Valley Strategic Development Plan 2012:</p> <ul style="list-style-type: none"> <li>• The Clyde Waterfront is supported as a Strategic Development Location where economic activity, housing, tourism, fixed and green infrastructure, culture, leisure, education, health, public transport are all supported designed to revitalise the River Clyde Section of the Development Corridor.</li> </ul> <p><b>Local:</b>          Inverclyde Economic Regeneration Strategy &amp; Action Plan</p> <ul style="list-style-type: none"> <li>• Support regeneration in Greenock /Port Glasgow</li> <li>• Inverclyde Renewable Energy Strategy</li> <li>•</li> </ul> <p>Riverside Inverclyde Regeneration Strategy</p> <p>Clyde Waterfront Masterplan</p>

	<p>Inverclyde Local Plan 2005</p> <ul style="list-style-type: none"> <li>Support mixed use development at former Inverkip Power Station</li> </ul> <p>Inverclyde Local Development Plan, Proposed Plan May 2013:</p> <ul style="list-style-type: none"> <li>Former INverkip power station retained as a major development opportunity on the Firth and Clyde Coast.</li> </ul>
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**Section C – Project costs**

<p>1) What is the estimated total capital cost of the project and over what timeframe will this be incurred?</p>	<p>Main elements include</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Remediation</td> <td style="text-align: right;">£1.5 million</td> </tr> <tr> <td>Site Works/Utilities/Services</td> <td style="text-align: right;">£0.5million</td> </tr> <tr> <td>Access Improvements</td> <td style="text-align: right;">£0.5million</td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: right;"><b>£2.5 million</b></td> </tr> </table>	Remediation	£1.5 million	Site Works/Utilities/Services	£0.5million	Access Improvements	£0.5million	<b>TOTAL</b>	<b>£2.5 million</b>
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Site Works/Utilities/Services	£0.5million								
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<b>TOTAL</b>	<b>£2.5 million</b>								
<p>2) What price base has been used?</p>	<p>2012 Construction Cost Base</p>								
<p>3) Does the cost estimate include optimism bias<sup>1</sup>? If yes, what was the percentage used and on which guidance was this based?</p>	<p>Optimism Bias currently allowed for at 15-25% based on variable % on the elements of the scheme proposal with higher optimise weighting given to ground and site conditions. .</p>								
<p>4) Has an assessment been made of the ongoing operating/maintenance costs of the project (over the lifetime of the asset)? If yes, provide relevant details.</p>	<p>The operational and maintenance costs associated with the development will be carried by the developer and /or factor associated with the development.</p> <p>Areas of adopted road /footway/cycleway and public realm will be subject to endowment funds.</p>								
<p>5) Has an assessment been made relating to the procurement costs of the project? If yes, provide relevant details including how the project is expected to be procured.</p>	<p>Full OJEU Procurement</p>								
<p>6) Has an assessment been made of the ongoing revenue implications of the project (including potential operating deficits)? If yes, provide relevant details – identify potential funding relating to operating deficits.</p>	<p>Assessment of ongoing revenue costs indicate positive cost benefits to the Council/ Public Funds in domestic and non-domestic rates and fulfilment of planning aspirations associated with Clyde Waterfront walkway/cycleway and heritage trail.</p> <p>Business Case are dependent upon the form of funding support and the equity / operational</p>								

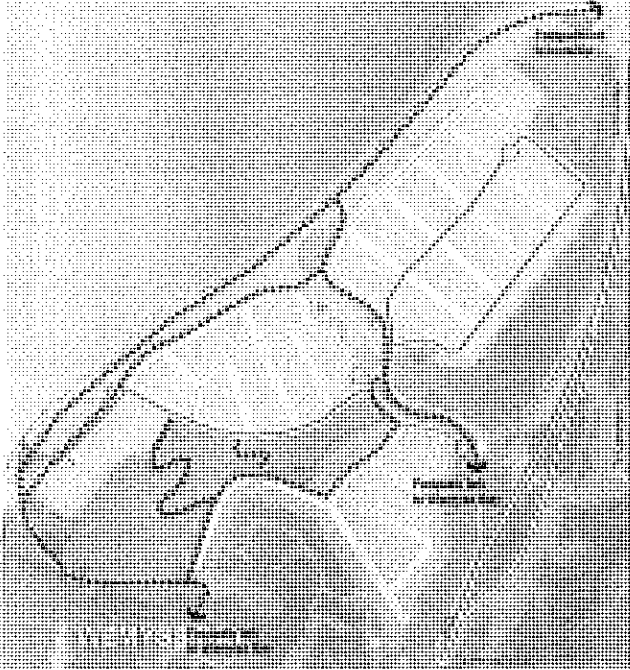
<sup>1</sup> Cost uplift percentages for generic project categories which should be used in the absence of more robust primary data/evidence.

Clyde Valley – Infrastructure Fund

	<p>management of the asset.</p> <p>Potential public sector support focuses on public infrastructure and strategic public access /public realm and remediation of brownfield land.</p> <p>A review of detailed funding will be submitted to the State Aid Advisory Unit.</p>
<p>7) Has an assessment been made relating to the renewal costs of the project (over the lifetime of the asset)? If yes, provide relevant details.</p>	<p>N/A</p>
<p>8) When was the last review of the costs undertaken? When is the next review scheduled?</p>	<p>2012</p>
<p>9) Is any funding currently committed to the project (provide details including potential timing and source of funding/constraints and conditionality)?</p>	<p>The project partners have committed to regeneration and reducing the extent and blight associated with brownfield land across the Inverclyde Council area.</p> <p>Funding options have been identified through a combination of funds from the developer and Riverside Inverclyde subject to approvals and operating plan and development programme acceptability.</p>
<p>10) What is the scope for sourcing third party contributions (provide details and values where known)?</p>	<p>The development is private sector led and will be funded through a development agreement between the developer and Clydeport.</p> <p>Public support funding is addressing barriers to investment arising from brownfield and infrastructure constraints and delivering quality place-making in terms of strategic access and waterfront connections.</p>

**Section D – Project appraisal and governance**

Please attach any relevant information relating to previous appraisals of the project, including feasibility studies and business cases. Please include financial models/analyses where available.

<p>1) What level of appraisal work has been carried out on the project to date?</p> 	<ul style="list-style-type: none"> <li>Initial Scoping</li> <li>Market Assessment</li> <li>Client /Stakeholder Review</li> <li>Feasibility Assessment             <ul style="list-style-type: none"> <li>▪ Outline Business Case</li> <li>▪ Marine Engineering Assessment</li> <li>▪ </li> </ul> </li> <li>o Masterplan</li> <li>o Quay Assessment/ Marina Options</li> <li>o Access &amp; Circulation             <ul style="list-style-type: none"> <li>• Quay Design Proposal</li> <li>• Marine Leisure facilities</li> </ul> </li> </ul>
<p>2) Has the project been assessed through a recognised appraisal model? For example STAG for transport projects. If yes please identify which process and model were used, and please append results of the appraisal.</p> <p>If no describe the process followed and append any supporting papers.</p>	<p>The appropriate assessment model is dependent in part on the Business Case and funding support. Potentially suitable models:</p> <ul style="list-style-type: none"> <li>▪ SE Business Support Model</li> <li>▪ DLG Model</li> </ul>
<p>3) Provide information on the anticipated changes in journey time between key destinations, or at locations affected by the project during peak periods (if relevant). Specify by mode. Information can be expressed in % or absolute terms.</p>	<p>N/A</p>
<p>4) What governance procedures are in place for the project?</p>	<p>RI / Feasibility Stage Project Assessment Stage</p>

**Section E - Planning and development**

<p>1) Does the project unlock (e.g. via planning consent) a housing or commercial development?</p> <p>If yes, provide details of:</p> <ul style="list-style-type: none"> <li>a) scale – number of house/residential units by type (if relevant) and/or floor space by type of commercial property (if relevant);</li> <li>b) location;</li> <li>c) property values;</li> <li>d) land ownership; and</li> <li>e) anticipated timings.</li> </ul>	<p>Yes</p> <p>Masterplanning for Inverkip has been advanced through community consultation and pre-planning application stage dialogue with Inverclyde Council.</p> <p>A Mixed-Use residential and commercial waterfront development framework has identified a mixed use development comprising residential, commercial and marine leisure components.</p> <p>The development proposals are based around:</p> <ul style="list-style-type: none"> <li>• Harbourside &amp; Sea Walk</li> <li>• New Local Centre &amp; Main Street</li> <li>• Streets &amp; Lanes</li> <li>• The Hill</li> <li>• Green Network Proposals</li> </ul> <p>The development extends from Wemyss Bay settlement boundary north addressing the whole of the former Inverkip Power Station site bounded by the A78 to the east and Firth of Clyde to the west.</p> <p>Development of Inverkip involves establishing a new residential neighbourhood between Inverkip and Wemyss Bay creating a new place quality and waterfront residential neighbourhood.</p> <p>Land ownership is with Iberdrofa with public access and public realm space currently severely restricted but with opportunity to complete the Clyde Walkway and secure public access as part of the national walkway/cycleway (Route XX)</p> <p>A development programme focussed on 2016-2024 representing 30-40 units /annum is dependent upon advanced infrastructure works programmed 2014-2016.</p>
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**Section F – Delivery**

<p>1) Delivery timescale – provide an indicative start date for construction (if applicable), taking account of relevant programme milestones.</p>	<p>Infrastructure stage:</p> <p>Summer 2014/ Spring 2015</p> <p>The developments requires the completion of SPG’s statutory demolition and site clearance / remediation works that are programmed for Spring 2013 –Spring 2014 and which involve the demolition of all structures; piers / buildings and infrastructure.</p> <p>A Planning Permission in Principle and Matters Specified in Condition (MSC) Applications are being advanced.</p> <table border="0"> <tr> <td>Masterplan</td> <td>Q2 2013</td> </tr> <tr> <td>Feasibility/Agreement</td> <td>Q3 2013</td> </tr> <tr> <td>Detailed Scheme Design</td> <td>Q4 2013</td> </tr> <tr> <td>Procurement</td> <td>Q4-2013</td> </tr> <tr> <td>Consents &amp; Approvals</td> <td>Q1 2014</td> </tr> <tr> <td>Infrastructure Works</td> <td>Q2 2014</td> </tr> </table>	Masterplan	Q2 2013	Feasibility/Agreement	Q3 2013	Detailed Scheme Design	Q4 2013	Procurement	Q4-2013	Consents & Approvals	Q1 2014	Infrastructure Works	Q2 2014
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Detailed Scheme Design	Q4 2013												
Procurement	Q4-2013												
Consents & Approvals	Q1 2014												
Infrastructure Works	Q2 2014												
<p>2) Delivery timescale – provide indicative date for completion of the project, taking account of relevant programme milestones.</p>	<p>See above</p>												
<p>3) Would the project require a third party operator? If yes, has a strategy been considered (i.e. extension to existing contract etc)?</p>	<p>The development will be market led and deliver strategic level regeneration for Inverclyde and the Wemyss / Inverkip area. The site will be managed and operated by the developer with residential sales supported by site /residential factoring.</p>												
<p>4) Which organisation(s) would own the capital assets created/adjusted by the project? Would ownership revert at any point during the project lifetime and if so to whom?</p>	<p>Developer / Landowner</p>												
<p>5) Has the project been subject to public/stakeholder consultation?</p>	<p>Inverclyde Council and Riverside Inverclyde have consulted extensively in developing masterplan proposals and included statutory</p>												

Clyde Valley – Infrastructure Fund

	consultation in developing the Urban Design Guide as statutory supplementary guidance.
6) Provide a summary of the findings of the consultation and any recommended actions resulting.	Strong support for waterfront mixed-use development with key stakeholders subject to maintaining public access and connectivity along the waterfront and associated with historical structures /docks. Keen interest to ensure development of high urban quality recognising the prime value of the waterfront. Support for stronger leisure and cultural offer on the waterfront.
7) Please identify any barriers to delivery.	Infrastructure Ground conditions Listed Building / Structures Ground remediation
8) Has a risk assessment been completed for the project?	Outline only. Risk assessment will need to be further informed by detailed site investigations.
9) Is Primarily Legislation required for the project? If yes, has the legislation been applied for and enacted?	No
10) Are Transport and Works Act Powers required to deliver the project? If yes, have the power been applied for and awarded?	No

**Bus project and rail projects only**

1) Would the project impact on public transport fares? If yes, provide details of expected impacted on fares by mode and area.	
2) Please identify any changes to the capacity of services (specify by service and time period).	

Clyde Valley – Infrastructure Fund

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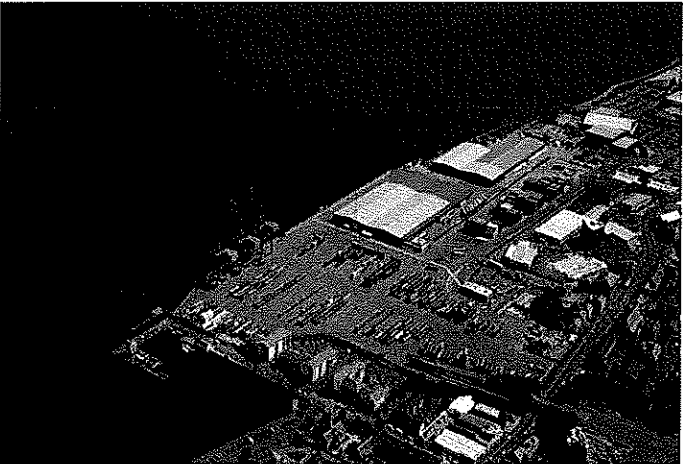
# Ocean Terminal

## Clyde Valley Infrastructure Fund

Submission by Inverclyde Council  
August 2013

Project information required

Section A – Project details

<p>1) Project name</p>	<p><b>Clyde International Cruise Liner Facility</b> Ocean Terminal, Greenock</p>
<p>2) Type of Project</p> 	<p>Economic Development and Regeneration associated with Cruise Liner Tourism with impacts at National, City Region &amp; Local level</p>
<p>3) Project Description</p>  	<p>Greenock Ocean Terminal has become an important cruise port and a major player in Scottish tourism as a gateway for overseas visitors. The facility operates within the Container Terminal at Greenock and offers a dedicated cruise terminal facility operating from the deepwater Ocean Terminal. Capacity is limited by the multi-use nature of the Princess Quay which forms the main deepwater quay for the multi-user port. Cruise liner demand exceeds port capacity with Clydeport, Riverside Inverclyde, and Inverclyde Council keen to expand capacity and develop additional facilities reflecting current and future market demand. Creating additional quay capacity is central to unlocking the potential for cruise tourism and ensuring both the Greenock Ocean Terminal and cruise activity can continue to grow and capture economic value for Scotland and the Region.</p> <p>The development proposal is at Feasibility Stage with marine engineering studies and outline masterplanning complete that would allow the quay to be extended and derelict and under-utilised land (former Albert Dock infill area) to be brought back into productive use as an integral part of the Ocean terminal Facility. Land based works would involve some rationalisation of; access and parking (coach /public transport /visitor); port operational and maintenance facilities; internal port circulation to create a facility with capacity to handle Panamax/ SuperPanamax vessels with high quality step-ashore transit facilities with high capacity throughput and full passenger handling facilities. Further development of the Cruise Terminal an/or relocation form part of the masterplan options.</p>

Clyde Valley – Infrastructure Fund

<p>4) Promoting authority and contact details of sponsor.</p>	<p><b>Inverclyde Council</b> working in partnership with:  Clydeport / Riverside Inverclyde URC (Ri)  Contact Details:  ██████████  ██  ██████████  ████████████████████  ██████████  ██████████</p>												
<p>5) Has this project been committed to by the Authority – if so please give details.</p>	<p>Inverclyde Council are with Clydeport and Ri keen to promote economic regeneration and secure new inward investment in the Inverclyde economy.</p> <p>Dialogue between the parties has focussed on developing a viable, economically supportable and sustainable scheme. Detailed approvals from Inverclyde Council have not been submitted at this time.</p>												
<p>6) Project components (i.e. breakdown of works to be undertaken by section) and timeline (where known).</p>	<p>Development of the Greenock Ocean Terminal together with new/extended Cruise Liner Terminal Facilities is required to secure a sustainable future for Cruise Liner Tourism activity to Glasgow and the Clyde.</p> <p>Main elements include</p> <table data-bbox="914 1097 1439 1310"> <tr> <td>Princes Pier</td> <td>£4.6million</td> </tr> <tr> <td>Albert Dock Area Remediation</td> <td>£1.2million</td> </tr> <tr> <td>Site Works/Utilities/Services</td> <td>£0.8million</td> </tr> <tr> <td>Access Improvements</td> <td>£0.8million</td> </tr> <tr> <td>Tourism Facilities (CLT)</td> <td>£2.4million</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>£9.8million</b></td> </tr> </table>	Princes Pier	£4.6million	Albert Dock Area Remediation	£1.2million	Site Works/Utilities/Services	£0.8million	Access Improvements	£0.8million	Tourism Facilities (CLT)	£2.4million	<b>TOTAL</b>	<b>£9.8million</b>
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**Section B – Project geography, benefits summary and status**

<p>1) Location of project (provide map, if available) and estimated number of people it is expected to affect.</p>	<p>Greenock Ocean Terminal Grid Reference:</p> <p>Development of a Cruise Liner Facility on the Clyde would support economic activity at a national, regional, city region and local level.</p>
<p>2) Which locations would stand to benefit from implementation of the project? <i>Be as specific as possible geographically and state the nature of the anticipated benefits.</i></p>	<p>Marine tourism and Cruise Liner Activity is a global hi-growth business sector with Europe exhibiting major growth since 2001 with Passenger Nights increasing by c300% in North Europe.</p> <p>Benefits are national and regional with very significant positive economic gains for the Glasgow Metropolitan Area and Inverclyde.</p> <p>In 2010 the Scottish Government report ‘Scotland Cruise Tourism &amp; the Future’ (GP Wild Intl.) noted:</p> <ul style="list-style-type: none"> <li>• 267,000 cruise tourists use Scottish ports</li> <li>• Edinburgh &amp; Invergordon lead ports</li> <li>• 5 ports account for 83% market</li> <li>• Scotland attracts only 49% N Europe</li> </ul> <p>Economic Benefits by 2029 subject to investment in facilities is identified as:</p> <ul style="list-style-type: none"> <li>• Visits 1.06million</li> <li>• Direct Expenditures £156.7million</li> <li>• FTE employment 1,549</li> </ul> <p>Total Impacts</p> <ul style="list-style-type: none"> <li>• Total Output £429.5million</li> <li>• Employee Compensation £90.5million</li> <li>• FTW Employment 2494</li> </ul>
<p>3) What problems does the project overcome/address?</p>	<p>Inadequate Cruise Liner Facilities in Scotland that restrict access to the ‘Marquee’ destination ports of Edinburgh and Glasgow and restrict the appeal, market growth and economic gains for our city regions.</p> <p>Major growth is predicted in the North European market both within existing cruise operators and by attracting major operators. Two of the top ten Cruise companies currently do not have destinations in Scotland</p>

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	<p>Scotland requires a 'circle of ports' offering quality cruise facilities with international visitor access to the 'marquee destinations of Glasgow and Edinburgh. Developments and feasibility studies are currently underway in Edinburgh and in the highlands.</p>
<p>4) Project status (concept, feasibility, business case).</p>	<p><b>Feasibility Stage / Outline Business Case</b></p> <p>Concept Scheme developed          Feasibility Studies undertaken by Clydeport including design, cost and business case assessments.          State Aid inquiries progressed          Funding Review undertaken</p>
<p>5) Is the project part of a wider improvement programme and if so how does it integrate with the programme?</p>	<p>Cruise Terminal facilities would form part of wider strategies at the following levels:</p> <p><b>National:</b>          Economic Development Strategy          National Tourism Strategy          Urban Regeneration Area policy</p> <p><b>Regional:</b>          Metropolitan Glasgow          Glasgow Economic Development Strategy          Glasgow Tourism Strategy to 2016</p> <ul style="list-style-type: none"> <li>• Grow tourism revenue by 60-80%</li> <li>• Grow tourism employment to 40,000</li> </ul> <p><b>Local:</b>          Inverclyde Economic Regeneration Strategy &amp; Action Plan</p> <ul style="list-style-type: none"> <li>• Support regeneration in Greenock /Port Glasgow</li> <li>• Inverclyde Tourism Strategy</li> </ul> <p>Riverside Inverclyde Regeneration Strategy</p> <ul style="list-style-type: none"> <li>• Clyde Waterfront Masterplan</li> </ul>

**Section C – Project costs**

<p>1) What is the estimated total capital cost of the project and over what timeframe will this be incurred?</p>	<p>Inverclyde Council have working with Riverside Inverclyde to promote economic development on the Clyde Waterfront</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Princes Pier</td> <td style="text-align: right;">£4.6million</td> </tr> <tr> <td>Albert Dock Area Remediation</td> <td style="text-align: right;">£1.2million</td> </tr> <tr> <td>Site Works/Utilities/Services</td> <td style="text-align: right;">£0.8million</td> </tr> <tr> <td>Access Improvements</td> <td style="text-align: right;">£0.8million</td> </tr> <tr> <td>Tourism Facilities (CLT)</td> <td style="text-align: right;">£2.4million</td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: right;"><b>£9.8million</b></td> </tr> </table> <p>Options exist for Building re-use /conversion and phased investment in facilities including alternative levels of site development/access</p>	Princes Pier	£4.6million	Albert Dock Area Remediation	£1.2million	Site Works/Utilities/Services	£0.8million	Access Improvements	£0.8million	Tourism Facilities (CLT)	£2.4million	<b>TOTAL</b>	<b>£9.8million</b>
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<b>TOTAL</b>	<b>£9.8million</b>												
<p>2) What price base has been used?</p>	<p>Construction Cost Base, 2012</p>												
<p>3) Does the cost estimate include optimism bias<sup>1</sup>? If yes, what was the percentage used and on which guidance was this based?</p>	<p>Optimism Bias currently allowed for at 20-35% based on variable % on the elements of the scheme proposal marine environment / limited SI information and design stage.</p>												
<p>4) Has an assessment been made of the ongoing operating/maintenance costs of the project (over the lifetime of the asset)? If yes, provide relevant details.</p>	<p>Operating agreement on the Princes Quay are linked to the wider operation of Clydeport's facility at Greenock and the management of the new quay.</p>												
<p>5) Has an assessment been made relating to the procurement costs of the project? If yes, provide relevant details including how the project is expected to be procured.</p>	<p>Full OJEU Procurement</p>												
<p>6) Has an assessment been made of the ongoing revenue implications of the project (including potential operating deficits)? If yes, provide relevant details – identify potential funding relating to operating deficits.</p>	<p>Agreement on the operational management and Business Case are dependent upon the form of funding support and the equity / operational management of the asset.</p>												
<p>7) Has an assessment been made relating to the renewal costs of the project (over the lifetime of the asset)? If yes, provide relevant details.</p>	<p>N/A</p>												
<p>8) When was the last review of the costs undertaken? When is the next review scheduled?</p>	<p>2012</p>												

<sup>1</sup> Cost uplift percentages for generic project categories which should be used in the absence of more robust primary data/evidence.

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9) Is any funding currently committed to the project (provide details including potential timing and source of funding/constraints and conditionality)?	<p>Agreement on funding and identification of funding support is important to the Business Case and plan. In principal funding support has been identified through a combination of funds from Clydeport / Riverside Inverclyde / Others</p> <p>Potential private sector participation and operation of infrastructure assets will require assessment under State Aid regulations and referral for advice to the State Aid unit. A JV arrangement with port operator compliant with funding and State Aid issues would form a core element of project governance and inform the Business Plan.</p>
10) What is the scope for sourcing third party contributions (provide details and values where known)?	See above.

**Section D – Project appraisal and governance**

Please attach any relevant information relating to previous appraisals of the project, including feasibility studies and business cases. Please include financial models/analyses where available.

<p>1) What level of appraisal work has been carried out on the project to date?</p>	<p>Initial Scoping                      Client /Stakeholder Review                      Feasibility Assessment</p> <ul style="list-style-type: none"> <li>• Outline Business Case</li> <li>• Marine Engineering Assessment                             <ul style="list-style-type: none"> <li>○ Operational Requirements</li> <li>○ Quay Assessment/ Options</li> </ul> </li> <li>• Site Option Assessment                             <ul style="list-style-type: none"> <li>○ Albert Dock</li> <li>○ Access &amp; Circulation</li> <li>○ Regeneration / Place Quality</li> </ul> </li> <li>• Quay Design Proposal/Option</li> </ul>
<p>2) Has the project been assessed through a recognised appraisal model? For example STAG for transport projects. If yes please identify which process and model were used, and please append results of the appraisal. If no describe the process followed and append any supporting papers.</p>	<p>The appropriate assessment model is dependent in part on the Business Case and funding support. Potentially suitable models:</p> <ul style="list-style-type: none"> <li>• SE Business Support Model</li> <li>• DLG Model</li> <li>• STAG Assessment</li> </ul>
<p>3) Provide information on the anticipated changes in journey time between key destinations, or at locations affected by the project during peak periods (if relevant). Specify by mode. Information can be expressed in % or absolute terms.</p>	<p>N/A</p>
<p>4) What governance procedures are in place for the project?</p>	<p>RI / Feasibility Stage                      Project Assessment Stage</p>



**Section E - Planning and development**

<p>1) Does the project unlock (e.g. via planning consent) a housing or commercial development?</p> <p>If yes, provide details of:</p> <ul style="list-style-type: none"> <li>a) scale – number of house/residential units by type (if relevant) and/or floor space by type of commercial property (if relevant);</li> <li>b) location;</li> <li>c) property values;</li> <li>d) land ownership; and</li> <li>e) anticipated timings.</li> </ul>	<p>Potential</p> <p>Clydeport and RI have been discussing wider masterplan opportunity to re-configure areas of Clydeport’s operational Container Terminal and promote area regeneration associated with port / leisure/ waterfront interface including existing buildings; car parks circulation routes.</p> <p>Inverclyde Council working with RI have been undertaking area based regeneration of the Greenock Town Centre; Greenock Waterfront and key buildings/spaces in partnership with key land and commercial interests.</p> <p>A Clyde Waterfront Masterplan and Supplementary Planning Guidance has guided place-making and sustainable planning of the waterfront.</p> <p>The Clyde International Cruise Liner Facility would act as a driver for local area regeneration and commercial and residential waterfront development could be anticipated.</p>
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## Section F – Delivery

<p>1) Delivery timescale – provide an indicative start date for construction (if applicable), taking account of relevant programme milestones.</p>	<p>End 2014/ Start 2015</p> <p>Development of the Princes Quay will potentially require a HRO and Marine Licence. Port PD Rights exist for port activity.</p> <p>Port infrastructure developments require a consent/approval process subject to PD under Harbour Revision Orders agreed with Transport Scotland and Marine Scotland.</p> <table border="0"> <tr> <td>Masterplan / OBC</td> <td>Q3 2013</td> </tr> <tr> <td>Feasibility/Agreement</td> <td>Q3 2013</td> </tr> <tr> <td>Detailed Scheme Design</td> <td>Q4 2013</td> </tr> <tr> <td>Consents &amp; Approvals</td> <td>Q1 2014</td> </tr> <tr> <td>Procurement</td> <td>Q2-2014 – Q3 2014</td> </tr> <tr> <td>Construction</td> <td>Q1 2015</td> </tr> </table>	Masterplan / OBC	Q3 2013	Feasibility/Agreement	Q3 2013	Detailed Scheme Design	Q4 2013	Consents & Approvals	Q1 2014	Procurement	Q2-2014 – Q3 2014	Construction	Q1 2015
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<p>2) Delivery timescale – provide indicative date for completion of the project, taking account of relevant programme milestones.</p>	<p>See above</p>												
<p>3) Would the project require a third party operator? If yes, has a strategy been considered (i.e. extension to existing contract etc)?</p>	<p>Operational Management would be managed by Clydeport as port authority</p>												
<p>4) Which organisation(s) would own the capital assets created/adjusted by the project? Would ownership revert at any point during the project lifetime and if so to whom</p>	<p>TBC</p>												
<p>5) Has the project been subject to public/stakeholder consultation?</p>	<p>Stakeholder consultation has involved:  Inverclyde Council (Officer Group)  Clydeport  Riverside Inverclyde  Scottish Enterprise  State Aid Support Team</p>												
<p>6) Provide a summary of the findings of the consultation and any recommended actions resulting.</p>	<p>Consultation focussed on Outline Business Case and Feasibility Study Options based on delivery and consent risk; programme and funding support</p>												
<p>7) Please identify any barriers to delivery.</p>	<p>Funding</p>												
<p>8) Has a risk assessment been completed for the project?</p>	<p>Outline</p>												
<p>9) Is Primarily Legislation required for the project? If yes, has the legislation been applied for and enacted?</p>	<p>No</p>												

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10) Are Transport and Works Act Powers required to deliver the project? If yes, have the power been applied for and awarded?	No
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*Bus project and rail projects only*

1) Would the project impact on public transport fares? If yes, provide details of expected impacted on fares by mode and area.	
2) Please identify any changes to the capacity of services (specify by service and time period).	