GLASGOW CITY REGION CABINET.

Item 1
11th June 2024

Minutes of meeting held on 7th May 2024 by video conference.

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Gordan Low, East Dunbartonshire Council; Councillor Owen O'Donnell, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Iain Nicolson, Renfrewshire Council; Councillor Joe Fagan, South Lanarkshire Council; and Councillor Martin Rooney, West Dunbartonshire Council.

Apologies: Councillor Jim Logue, North Lanarkshire Council; and A Russell, Renfrewshire Council.

Attending: M Hughes (Clerk); A Davie, East Dunbartonshire Council; S Quinn, East Renfrewshire Council; S Millar, C Edgar, W Hart, C MacKenzie and N McColl, Glasgow City Council; K Rush, J Allen, C Keaveny, P Kilby, M McNally and J Thompson, Glasgow City Region; L Long, Inverclyde Council; B Walker, Renfrewshire Council (substitute for A Russell); P Manning, South Lanarkshire Council; P Hessett, West Dunbartonshire Council; V Davidson, Strathclyde Partnership for Transport; Professor Sir J McDonald and K Kane, Glasgow Economic Leadership; and R Jones, Ernst & Young LLP.

Minutes of previous meeting approved etc.

1 There was submitted the minutes of 13th February 2024.

After consideration, the Cabinet approved the minutes, having heard

(1) Jane Thompson provide verbal updates regarding the Regional Transport Strategy and the City Deal Reprogramming Exercise; and

(2) Kevin Rush provide a verbal update regarding the resources around the integration of the Clydeplan Authority staff into the Glasgow City Region Programme Management Office.

Member Authority final infrastructure grant allocations 2023/24 – Position agreed etc.

2 There was submitted a report by the Director of Regional Economic Growth regarding a proposed final allocation of the infrastructure grant 2023/24 to each Member Authority (MA), advising

(1) that as a result of prior year accelerated grant funding increasing the grant award for the years 2020/21 and 2021/22, the 2023/24 grant was much smaller than usual as agreed with the Scottish Government at £15m and that this smaller grant had rendered an interim allocation unsound, as it could

have distorted the allocations over the full year and the allocation was, therefore, based on the full year financials from the Quarter 4 Project Status Reports;

(2) that the approach in relation to allocation of grant in 2023/24 included in the report, was based on each MAs cumulative actual spend levels reported in the Quarter 4 Project Status Reports and this approach was consistent with that for prior year main grant allocations considered by the Finance Strategy Group;

(3) that grant funds allocated to MAs could not be in excess of eligible expenditure incurred; and

(4) of the proposed final infrastructure grant allocations for 2023/24, together with expenditure incurred, grants received to date and grant ceiling, as detailed in the report.

After consideration, the Cabinet

(a) noted the report; and

(b) approved the proposed final allocation of the infrastructure grant 2023/24 to each MA.

Internal audit review of stakeholder engagement and managing relationships noted – Instruction to Head of Audit and Inspection.

3 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review across the Glasgow City Region and for individual City Deal projects, of the arrangements in place for stakeholder engagement and managing relationships and highlighting the 2 recommendations, as detailed in the report.

After consideration, the Cabinet

(1) noted the contents of the report; and

(2) instructed the Head of Audit and Inspection to submit a further report regarding the implementation of the actions contained in the Action Plan within the report.

Internal audit review of financial monitoring arrangements noted.

4 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review across the Glasgow City Region City Deal Programme of the arrangements in place covering financial monitoring and reporting carried out by the Programme Management Office and Member Authorities.

After consideration, the Cabinet noted the contents of the report and that based on the audit work carried out, assurance could be taken that the control environment was satisfactory.

Internal audit follow-up report noted.

5 There was submitted and noted a report by the Head of Audit and Inspection, Glasgow City Council, providing an update on follow-up audits on action taken to implement audit recommendations which had previously been agreed following the findings of a review in respect of project procurement strategies.

Internal audit plan 2024/25 approved etc.

6 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, seeking agreement to implement the Glasgow City Region Cabinet annual audit plan for 2024/25, advising

(1) of the areas to be included in 2024/25, together with the main control risks associated with those areas, as detailed in appendix 1 to the report;

(2) that the main output of internal audit in 2024/25 would be the Head of Audit and Inspection's Annual Governance Statement, as detailed in the report;

(3) that the indicative fee for the cost of this audit work during 2024/25 was £23,300;

(4) of the current status of each of the 3 audit reviews which had so far been undertaken within the 2023/24 audit plan, as detailed in the report; and

(5) that the Cabinet would be kept up-to-date with any significant changes to the audit plan in 2024/25.

After consideration, the Cabinet approved the implementation of the Glasgow City Region audit plan for 2024/25 and approved the cost of the audit fee of £23,300.

Ernst & Young External Annual Audit Plan 2023/24 – Position agreed.

7 There was submitted a report by the Director of Regional Economic Growth regarding Ernst & Young LLP Glasgow City Region Cabinet Joint Committee Annual Audit Plan for 2023/24, which

(1) summarised its assessment of the key challenges and the main risk areas facing the Glasgow City Region Cabinet Joint Committee; and

(2) detailed the audit work that would be carried out by Ernst & Young LLP to address those issues.

After consideration and having heard R Jones, Ernst & Young LLP, the Cabinet approved the Glasgow City Region Cabinet Joint Annual Audit Plan for 2023/24, together with the audit fee of £10,560.

Quarterly performance report noted etc.

8 There was submitted a performance report by the Director of Regional Economic Growth for Quarter 4 2023/24 providing an overview as at 31st March 2024 of the progress of the City Deal Programme, Regional Economic Strategy Action Plan and City Region Team workplan.

After consideration, the Cabinet

(1) noted the report and a verbal update by Jane Thompson on the Glasgow City Council - Wellpark Link Change Control Request, during which she highlighted the tender valuation completion w/c 13th May 2024, the contract award w/c 27th May 2024, the construction site start w/c 22nd July 2024 and the construction completion w/c 28th October 2024; and

(2) approved the change controls requests in respect of the following Infrastructure Programme projects, all as detailed in the report:-

(a) Glasgow City Council – Collegelands Calton Barras; and

(b) Glasgow City Council – Collegelands Calton Barras – Meat Market Roads and Infrastructure.

Glasgow City Region UK Shared Prosperity Fund – Update noted – Submission of report to UK Government approved.

9 There was submitted a report by the Director of Regional Economic Growth summarising the Glasgow City Region's (GCR) UK Shared Prosperity Fund (UKSPF) activity to the end of the financial year 2023/24 and providing the UK Government (UKG) with an update on the level of spend and any carry forward of 2023/24 underspend into 2024/25, together with a summary of the outputs and outcomes, advising

(1) that the GCR Programme Management Office (PMO), on behalf of the 8 Member Authorities (MAs) and PMO delivery, was required to provide the UKG with 6-monthly progress reports on UKSPF spend and activity;

(2) that the 6-monthly report provided the UKG with information across a number of headings, including, overall programme summary, outputs and outcomes across the 3 priority themes and Multiply and expenditure profile over the 3 years of the programme;

(3) of the expenditure summary for GCR UKSPF in 2023/24, as detailed in the report;

(4) that to the end of the financial year 2023/24, the GCR MAs, together with the GCR PMO, had spent in excess of £25m UKSPF grant which equated to 82% of the overall UKSPF grant allocation over the 2 years and spend had taken place across the 3 priority themes of Communities and Place, Supporting Local Business and People and Skills, together with the dedicated numeracy programme – Multiply;

(5) that spend had continued to increase quarter on quarter with MAs considering delivery to now be at full capacity, with details of spend across each priority theme and Multiply as detailed in Appendix 1 to the report;

(6) that the PMO was not concerned about that spend profile, as there were valid reasons where MAs had not been able to achieve 80% spend, as detailed in the report;

(7) that in order to draw down UKSPF grant allocations in advance of spend for 2024/25, the UKG had put in place a tiered requirement based upon the percentage of cumulative grant spend in the 2 preceding financial years, with the level of grant spend in 2023/24 and percentage of the 2024/25 allocation that could be draw down ahead of spend, as detailed in the report;

(8) that as GCR had achieved a spend of 82% to date, and that with UKG approval, GCR would be able to draw down 100% of the grant for 2024/25 ahead of spend;

(9) that the full suite of outputs and outcomes to the end of 2023/24 would be submitted to the UKG as part of the 6-monthly report, with a selection of those, as detailed in Appendix 2 to the report; and

(10) that following approval by Cabinet the GCR PMO would submit the 6-monthly report to the UKG on 7th May 2024 and would continue to press the UKG for clarity on UKSPF programme conclusion, or the availability of an extension, with the GCR having expressed to the UKG that a decision was required by June 2024 to enable effective planning for any future programme, so as to not impact on programme delivery.

After consideration, the Cabinet

(a) noted the Glasgow City Region UK Shared Prosperity Fund 6-monthly report; and

(b) approved submission of the report to the UK Government.

Date of next meeting noted.

10 The Cabinet noted that the next meeting would take place on Tuesday, 11th June 2024 at 0930 hours in the City Chambers, Glasgow.