

GLASGOW CITY REGION CABINET.

Minutes of meeting held on 25th February 2025 at the City Chambers, Glasgow

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Gordan Low, East Dunbartonshire Council; Councillor Owen O'Donnell, East Renfrewshire Council; Councillor Natasha McGuire, Inverclyde Council (substitute for Councillor Robert Moran); Councillor Louise Roarty, North Lanarkshire Council (substitute for Jim Logue); Councillor Gerry Convery, South Lanarkshire Council (substitute for Councillor Joe Fagan); and Councillor Martin Rooney, West Dunbartonshire Council.

Apologies: Ann Davie, East Dunbartonshire Council; Susanne Millar, Glasgow City Council; Councillor Robert Moran, Inverclyde Council; Councillor Jim Logue and Des Murray, North Lanarkshire Council; Councillor Iain Nicolson and Alan Russell, Renfrewshire Council; Councillor Joe Fagan and Paul Manning, South Lanarkshire Council; Peter Hessem, West Dunbartonshire Council; D McNulty, Commission on Economic Growth; and Professor Sir Jim McDonald, Glasgow Economic Leadership.

Attending: E Rodger (Clerk); H Holland, East Dunbartonshire Council (substitute for Ann Davie); S Quinn, East Renfrewshire Council; K Rush, J Allen, C Keaveny; P Kilby, M McNally, R Nimmo, A Robertson, J Robertson and J Thompson, Glasgow City Region; L Long, Inverclyde Council; L Noble, North Lanarkshire Council (substitute for D Murray); B Walker, Renfrewshire Council (substitute for A Russell); D Booth (substitute for P Manning) and A Brown, South Lanarkshire Council; A Douglas, West Dunbartonshire Council (substitute for P Hessem); K Kane, Glasgow Economic Leadership; and M Robertson, Ryden Consultants.

Minutes of previous meeting approved.

- 1 There was submitted and approved the minutes of 5th November 2024.

Various minutes noted.

- 2 There was submitted and noted the minutes of the
 - (1) Glasgow Economic Leadership Board of 8th October 2024; and
 - (2) Glasgow City Region Education Committee of 26th November 2024.

Quarterly performance report noted etc.

3 There was submitted a performance report by the Director of Regional Economic Growth for Quarter 3 2024/25 for the period to 29th January 2024, providing an overview on the progress of the City Region Team workplan, Regional Economic Strategy Action Plan updates and the City Deal Programme.

After consideration, the Cabinet

- (1) noted
 - (a) the report; and
 - (b) verbal updates regarding
 - (i) progress being made in respect of various aspects of the Reprogramming Exercise; and
 - (ii) AI Growth Zones Expression of Interest;
- (2) approved the undernoted Change Control Requests, all as detailed in the report:
 - (a) Glasgow City Council – Clyde Waterfront West End Innovation Quarter;
 - (b) South Lanarkshire Council – East Kilbride Town Centre; and
 - (c) West Dunbartonshire Council – Exxon Site Development Project; and
- (3) agreed the changes to actions in the Annual Implementation Plan, as detailed in appendices to the report.

Member Authority interim infrastructure grant allocations 2024/25 approved.

4 There was submitted a report by the Director of Regional Economic Growth regarding the proposed City Deal interim allocation of the infrastructure grant to each Member Authority (MA) for 2024/25, advising

- (1) that as a result of prior year accelerated grant funding increasing the grant award for the years 2020/21 and 2021/22, both the 2023/24 and current year grant had been smaller than usual;
- (2) that the 2024/25 grant of £30m was of sufficient size to facilitate both an interim and final grant allocation, with the interim allocation of £15m based on Quarter 3 financials and the final allocation based on Quarter 4 financials, as detailed in the report;
- (3) that the approach in relation to allocation of grant in 2024/25 was based on each MAs cumulative actual spend levels and business

case approvals reported in the Quarter 3 Project Status Reports and that this approach was consistent with that for prior year main grant allocations considered by this Group;

- (4) that grant funds allocated to MAs could not be in excess of eligible expenditure incurred; and
- (5) of the proposed final infrastructure grant allocations for 2024/25, 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 interim allocation grant infrastructure grant 2024/25 to each Member Authority.

Infrastructure Programme – West Dunbartonshire Council – Exxon Transport Infrastructure and Platform Development project scope, cost and programme Change Control Request approved – Declaration of interest.

5 There was submitted a report by the Capital Projects Manager, West Dunbartonshire Council (WDC) setting out a proposed Change Control Request relating to a change in scope for the WDC Exxon Transport Infrastructure and Platform Development project, advising

- (1) of the background to the Exxon project and of a number of factors that had directly affected the Exxon programme and cost, as detailed in the report;
- (2) that the significant cost increase had prompted a cost options review to keep the project affordable and delivering on the key funding requirements;
- (3) that as a result of the options review, the Project Board had recommended that WDC consider a reduced scope removing the construction of the eastern and western development platforms, retaining only the central development platform, and thereby reducing the City Deal funded enabling infrastructure output to one development platform, all of which had been approved by WDC on 30th October 2024, as detailed in the report;
- (4) that despite the scope reduction, the current cost had increased to £46.93m and WDC had agreed to provide an additional £2.605m to cover that cost, whilst remaining committed to achieving the full scope of the project and agreeing to bring forward the marketing to attract developers for the Eastern and Western sites;
- (5) of the impact on both the programme and the economic benefits, as detailed in the report;

- (6) that, as a result of local press, publicity and a growing awareness of the site via Glasgow City Region social media channels, there had already been approaches to WDC in advance of any market testing made by a range of businesses interested in either acquiring the entire development as a lead developer, establishing new premises, relocation or in need of expansion sites, as detailed in the report; and
- (7) of the next steps, which had included concluding the outstanding Chivas Brothers' land transfer, together with further promotion of the pre-marketing site promotional brochure.

After consideration, the Cabinet

- (a) noted
 - (i) the report;
 - (ii) the proposed strategy to accelerate the promotion of the site to achieve the overall City Deal objectives; and
 - (iii) that WDC would underwrite the cost increase of £2.605m; and
- (b) approved the change to scope, as detailed in the report.

Councillor Martin Rooney declared an interest in this item and took no part in the decision thereon.

Infrastructure Programme – South Lanarkshire Council – East Kilbride Town Centre - Outline Business Case approved – Declaration of interest.

6 With reference to the minutes of the Cabinet of 1st June 2021 approving the Strategic Business Case for South Lanarkshire Council's East Kilbride Town Centre project, there was submitted a report by the Director of Regional Economic Growth regarding the evaluation of the Outline Business Case (OBC) for the project submitted by South Lanarkshire Council, which, following evaluation by the Programme Management Office (PMO), had been considered and approved by the Chief Executives' Group on 13th February 2025 and was now being submitted to Cabinet for approval, advising

- (1) of the executive summary of the project, detailed in Appendix 1 to the report;
- (2) that South Lanarkshire Council's Executive Committee had approved the submission of the OBC on 11th December 2024, whilst also approving a further £18.1m capital funding required to meet the total project costs;
- (3) that while the Programme Management Office (PMO) appraisal considered that the OBC was consistent with the requirements of HM Treasury Green Book, it remained the case that all legal and financial risks associated with the project remained with South Lanarkshire Council;

- (4) of the funding requirements; and
- (5) of the current benefits realisation requirements being met by this project.

After consideration and having heard a presentation by Alison Brown, South Lanarkshire Council, the Cabinet

- (a) noted the report and that the PMO Appraisal and Risk Register were available on request from the Clerk; and
- (b) approved
 - (i) the Outline Business Case; and
 - (ii) £3.22m of funding to take the project through to Full Business Case.

Councillor Gerry Convery declared an interest in this item and took no part in the decision thereon.

Glasgow City Region – Enabling Commercial Space – Strategic/Outline Programme Business Case approved.

7 There was submitted a report by the Director of Regional Economic Growth regarding the evaluation of the Strategic/Outline Programme Business Case (S/OBC) for Glasgow City Region's (GCR) Enabling Commercial Space, advising

- (1) of the executive summary of the project, detailed in Appendix 1 to the report;
- (2) that the submission of this S/OBC for appraisal was considered as confirmation that GCR had approved the inclusion of the Business Case as part of the City Deal Programme, as stated in the GCR City Deal Assurance Framework 2022;
- (3) that while the Programme Management Office (PMO) appraisal considered that the OBC was consistent with the requirements of HM Treasury Green Book, it remained the case that all legal and financial risks associated with the project remained with the Member Authorities; and
- (4) of the scope, timescale, funding and current benefits realisation requirements, as detailed in the report.

After consideration and having heard a presentation by Paul Kilby, Glasgow City Region, the Cabinet

- (a) noted the report and that the PMO Appraisal and Project Risk Register were available on request from the Clerk; and
- (b) approved

- (i) the Strategic/Outline Programme Business Case; and
- (ii) £4.5m of funding (to be made available under the Director of Regional Economic Growth's delegated authority) for Member Authorities to use to support the development of their individual project's Full Business Case.

Glasgow City Region City Deal Gateway Review 2 – Update noted etc.

8 There was submitted a report by the Director of Regional Economic Growth regarding an update on the Gateway 2 Review process showing the significant progress in delivery of the programme despite the wider macro-economic climate and outlining the next steps for completion of the process, including the Challenge Session scheduled for 5th March 2025, advising

- (1) of the Gateway Review 2 process background and of the 4 key components to be evaluated for the Review, as detailed in the report;
- (2) of the background to the final report which had been completed by the Independent Evaluation Panel (IEP) based on the full set of monitoring and evaluation evidence to the IEP, which was made up of representatives from SQW, a technical panel of experts and an academic panel, as detailed in the report;
- (3) that the Glasgow City Region (GCR) Intelligence Hub and Programme Management Office had worked between March and October 2024 to provide the monitoring and evaluation evidence, as detailed in the report, and that GCR was the only Region to manage that process almost entirely in-house, and in doing so, significant lessons had been learned and capabilities grown within the regional teams;
- (4) that the IEP report had highlighted the significant progress made in the delivery of the programme despite the significant disruption to the delivery of interventions caused by a range of macro-economic factors including Brexit, the COVID-19 pandemic and the war in Ukraine;
- (5) of the Gateway Review process and final report reflections, as detailed in the report;
- (6) that the final step in the Gateway 2 process was the Challenge Session to be held on 5th March 2025 which would involve representatives from both governments, the Chief Executives' Group, senior officers and the Commission for Economic Growth, and would provide an opportunity for the Area to reflect on the findings of the Gateway Review final report, present a narrative of the last 5 years, and to outline any related challenges from the management of the Investment Fund; and
- (7) that the Challenge Session would also present the opportunity for a

collaborative discussion on the Area's progress and to look ahead at long-term investment plans.

After consideration, the Cabinet

- (a) noted the report; and
- (b) agreed that the Intelligence Hub and GCR Programme Management Office work with both governments to develop a methodology for the Gateway 3 evaluation that addressed some of the concerns and challenges experienced in the Gateway 2 process.

Programme Management Office budget and member authority recharges 2025/26 agreed etc.

9 There was submitted a report by the Director of Regional Economic Growth proposing a draft Programme Management Office (PMO) budget for 2025/26, together with member authority recharges for 2025/26, as detailed in Appendix 1 of the report, advising

- (1) that the total draft budget for 2025/26 was £2,808,003 which was an increase of £719,673 from 2024/25, as detailed in the report;
- (2) that the total member contributions for 2025/26 amounted to £1,347,438 which maintained the member recharges at 2022/23 levels continuing the no increase agreement from the 2023/24 budget, however, there would be small changes to the individual recharges due to changes in population levels, as detailed in Section 3 of the report; and
- (3) of the proposed budget impact on carried forward balances from previous years, as detailed in the report.

After consideration, the Cabinet

- (a) noted the report; and
- (b) approved the 2025/26 Programme Management Office budget and member authority recharges.

Glasgow City Region UK Shared Prosperity Fund 2025/26 – Position noted etc.

10 There was submitted a report by the Director of Regional Economic Growth providing an update on budget implications for the extension year (2025/26) of the Glasgow City Region (GCR) UK Shared Prosperity Fund (UKSPF), following the confirmation of the budget from the UK Government (UKG) in October 2024, and also including cumulative spend to the end of Quarter 3 2024/25, advising

- (1) of the background to the UKSPF, to which the UKG had committed to a year extension of the current programme which had been welcomed, however, the quantum for the extension year was significantly less than the UKSPF budget for 2024/25, as detailed in the report;
- (2) that the UKSPF 2025/26 budget had been allocated by the UKG using a six-step methodology, a summary of which was detailed in the report, together with details of the confirmed allocation by Member Authority (MA), the total for the GCR and the variance from the Year 3 (2024/25) allocation;
- (3) that in addition to the reduction in the overall UKSPF allocation for the extension year, there had also been a revision to the capital allocation, resulting in an opportunity for the MAs to each maintain a consistent level of capital expenditure across all 8 MAs, resulting in a 23.33% capital allocation for each MA, as detailed in the report; and
- (4) of the cumulative spend to Quarter 3 2025/26, as detailed in the report.

After consideration, the Cabinet

- (a) noted the report; and
- (b) agreed
 - (i) that the Regional and individual Member Authority capital allocations be set at 23.33%; and
 - (ii) the planned activity for 2025/26 would be an extension to the current Glasgow City Region UK Shared Prosperity Fund Investment Plan model.

National Wealth Fund and Glasgow City Region Strategic Partnership – Position noted.

11 There was submitted and noted a report by the Director of Regional Economic Growth providing an update on the work which was underway with officials from the National Wealth Fund (NWF) to create a Strategic Partnership with Glasgow City Region (GCR), advising

- (1) that GCR had been chosen as one of four areas across the UK to take part in a new UK Government initiative which connected regions with central government and industry expertise to support them to unlock private investment opportunities and boost local growth;
- (2) that the Chancellor of the Exchequer had announced on 24th January 2025 the new approach across the NWF and the Office for Investment, which would work with local leaders across the UK to support places to build pipelines of incoming investment and projects linked to regional growth priorities;

- (3) that the NWF, formerly the UK Infrastructure Bank, was the sovereign wealth fund of the UK and was publicly owned and operationally independent but wholly owned by HM Treasury;
- (4) that the NWF had a £27.8bn fund to invest and it partners with the private sector and local government to support projects which help crowd in private investment and drive growth, as detailed in the report;
- (5) of the 5 priority sectors that the NWF provided to local authorities delivering economic infrastructure projects, as detailed in the report;
- (6) that NWF products also included Debt, Equity and Guarantees; and
- (7) of the proposed next steps, which would include the GCR Programme Management Office (PMO) engaging with member Authorities to identify projects which could potentially benefit from the NWF's products, both in terms of advisory services and finance, as well as issuing a template to collate information about those projects, with that information on the pipeline of potential projects being shared with the NWF Local Authority Team at a joint workshop session to determine which of those projects the Strategic Partnership should prioritise for support.

Glasgow City Region Employment Land and Property – Presentation noted.

14 There was heard and noted a presentation by Mark Robertson, Ryden regarding a study of the Supply and Condition of Commercial and Industrial Buildings and Land, advising

- (1) that the study had been conducted to ascertain whether the Glasgow City Region (GCR) and its constituent local authorities areas' employment and commercial land and property was fit-for-purpose to meet demand over the next 10 years and covered the areas of
 - (a) employment property and land;
 - (b) retail;
 - (c) employment property energy efficiency; and
 - (d) vacant and derelict land; and
- (2) the GCRs employment land and property required substantial and concerted support to replenish employment land supply and modernise industrial property, address structural retail change, accommodate ongoing office market transition and deal with legacy vacancy and dereliction, all within a more restrictive financing and funding envelope.

Intra-regional inequalities – Presentation noted.

13 The Cabinet noted a presentation by Andrew Robertson, Glasgow City Region Intelligence Hub Manager in relation to intra-regional economic disparities, during which he highlighted

- (1) the differences in how the Regional economy functioned between local authorities;
- (2) data on spatial analysis in terms of the Regional picture and what the data had disclosed at local authority level in terms of
 - (a) where people lived;
 - (b) where the jobs were;
 - (c) the location of the most productive areas;
 - (d) details of the emerging sector clusters; and
 - (e) where the greatest deprivation existed; and
- (3) that in respect of the headline data at (a) to (e) above, the problems and challenges were far more acute in Inverclyde.

Glasgow City Region Investment Zone update noted etc.

14 There was submitted a report by the Director of Regional Economic Growth regarding an update on the ongoing development of the Glasgow City Region Investment Zone (GCRIZ) programme, advising

- (1) of the objectives for the GCRIZ which had been approved by this Cabinet on 7th November 2023, as detailed in the report;
- (2) that an Expression of Interest (EOI) process had been launched to both elicit interest from private sector and academic partners and to help refine the sectoral focus of the IZ, and with over 90 EOIs being submitted, the 3 remaining sectors had been identified as Advanced Manufacturing, Life Sciences and Digital Technology;
- (3) of the Open Call process which had been published in January 2024 and the methodology of which had been agreed by the GCR Chief Executives' Group on 14th March 2024, as detailed in the report;
- (4) of the 4 stages of the Open Call process, the series of broad parameters that the Strategic Assessment Panel (SAP) had operated within, with the first outcome from the SAP recommending the Sector and Geography, and following approval from this Cabinet on 11th June 2024, the Sector and Geography Gateway 2 submission had been presented to government, with

formal approval having recently been signed off from both the UK and Scottish governments;

- (5) that to support the analysis and refinement of the applications, submissions had been grouped into a number of broad categories which had led to a GCRIZ programme “short-list”, as detailed in the report;
- (6) that within the agreed GCRIZ Sector and Geography, the GCRIZ programme would focus on a number of sub-sectors, where the region already had world-leading strengths, including, Space, Advanced Semi-Conductor Packaging, Maritime and Tax Site, as detailed in the report;
- (7) of a breakdown of the proposed GCRIZ short-list and the broad headings which the short-listed programmes would be grouped under, as detailed in the report;
- (8) that following agreement from this Group, it was proposed that the next phase of the GCRIZ programme development would involve in-depth due diligence of those short-listed projects and would consider the proposed interventions, expected outputs and outcomes, together with a full budget profile, over the 10-year period of the IZ, and would also include the completion of the Gateway 4 submission;
- (9) that as part of the due diligence phase, the GCR Intelligence Hub would also undertake a further review of the economic analysis/impact of each submission, to ensure consistency of approach in measuring outcomes and impacts;
- (10) that those organisations who had not been successful in being short-listed would be contacted, with feedback being provided on their application and assessment process, as detailed in the report; and
- (11) that specialise tax advice was currently being commissioned by Renfrewshire Council, the support of which would be funded through the GCRIZ capacity allocation from 1st April 2025.

After consideration, the Cabinet

- (a) noted the report; and
- (b) agreed the proposed short-list for the Glasgow City Region Investment Zone programme and the next stage of the due diligence process.

Additional action within the Regional Economic Strategy Action Plan approved – Instruction to Glasgow City Region Programme Management Office and Intelligence Hub.

15 There was submitted a report by the Director of Regional Economic Growth proposing that Cabinet approve the inclusion of an additional action within the

Regional Economic Strategy Action Plan (RESAP) that provided a specific geographic focus on addressing challenges faced in Inverclyde, advising

- (1) of the background to the Regional Economic Strategy (RES) which had been formally launched by this Cabinet on 7th December 2021 with the RESAP approved by Cabinet on 30th August 2022 and an updated RESAP being agreed by Cabinet on 6th August 2024, approving 13 overall programmes and 47 individual actions, as detailed in Appendix 1 of the report;
- (2) that following a discussion at this Cabinet in February 2024, the GCR Intelligence Hub ('the Hub') undertook a review of the economic performance of Inverclyde and whether there was a case for designating Inverclyde as a regional priority, with the Hub subsequently demonstrating how, in contrast to all other local authority areas in GCR, Inverclyde's economy was underperforming on economic and healthy working indicators;
- (3) that recognising this underperformance, the Inverclyde Socio-Economic Task Force had been established in June 2022 with the objective of stimulating the Inverclyde economy, creating opportunities for business and residents to ensure Inverclyde was a place of choice for people to live, work and thrive which had the support of the UK Government and the Scottish Government and the membership included ministers from both governments;
- (4) that during its lifetime the Task Force had focussed on the 4 key themes of business, business premises, skills and housing; and
- (5) of the proposed next steps, proposing that Inverclyde be designated as a regional priority within the RESAP, as detailed in the report.

After consideration, the Cabinet

- (a) approved the inclusion of an additional programme in the Regional Economic Strategy Action Plan which provided a geographic focus on the challenges faced by Inverclyde; and
- (b) instructed the GCR Programme Management Office and Intelligence Hub to engage with Inverclyde Council and relevant partner organisations to develop actions to support the Inverclyde programme and bring them back to this Cabinet for approval.

Regional Home Retrofit Strategy and Action Plan 2025 – 2028 approved.

16 With reference to the minutes of 13th February 2024 providing an update on regional retrofit activity, including a commitment for a Regional Domestic Retrofit Strategy highlighting the key challenges preventing large scale retrofit, with proposed actions to support delivery, there was submitted a report seeking approval for the proposed Regional Home Retrofit Strategy and Action Plan 2025-28 (RHRSAP), advising

- (1) that the RHRSAP had been developed across the last 12 months in collaboration with all 8 Member Authorities (MAs) and partner agencies, as detailed in the report;
- (2) of the aim of the RHRSAP, which was to reaffirm the ambition of MAs to deliver retrofit activity whilst providing a call to action for agencies, including the Scottish Government, to create the landscape necessary to support large scale retrofit and unblock challenges faced by delivery agencies at the forefront of this action;
- (3) that, in addition to reducing carbon emissions, delivering a retrofit programme at scale offered significant economic and employment benefits to Glasgow City Region (GCR), and Scottish Enterprise and Skills Development Scotland had worked with the MAs on the Housing Retrofit Delivery Group;
- (4) that the GCR Programme Management Office had had recent positive discussions with representatives from the Scottish Government's Heat in Buildings Future Finance and Delivery teams, resulting in a willingness to work collaboratively with GCR to progress its ambitions to expand retrofit;
- (5) of the objective of the RHRSAP, which was to present a practical set of actions that would pave the way for improved delivery of domestic retrofit across the GCR, as detailed in the report;
- (6) that the HRHSAP represented the intention of the MAs to collaborate, work together and take practical actions, where the policy and funding landscape supported allowed; and
- (7) of the 5 focus areas of the HRHSAP, together with a summary of the proposed actions within each of those focus areas, as detailed in the report.

After consideration, the Cabinet

- (a) noted the report; and
- (b) approved the Regional Home Retrofit Strategy and Action Plan 2025-28.

Clyde Mission programme – Progress update noted.

17 There was submitted and noted a report by the Director of Regional Economic Growth regarding an update on the progress of the Clyde Mission programme, advising

- (1) of the background to the Clyde Mission which had been launched by the Scottish Government (SG) in 2020, and in August 2023 the SG had transferred lead responsibility for Clyde Mission to the Glasgow City Region (GCR) and Argyll and Bute Council, with £25m capital funding for a Heat Decarbonisation Fund and £1.5m revenue funding for a dedicated team and to develop a Strategic Masterplan;

- (2) that the abovementioned funding was subject to the agreement of annual Grant Offer Letters (GOL) issued by the SG to GCR, and following December's 2024 Scottish Budget Statement and completion of the legal review, the 2024/25 GOL had been signed on 25th January 2025, with approximately £80,000 being expended in 2024/25 on a number of activities, as detailed in the report;
- (3) that, to date, the GCR Head of Place had been the main resource working on Clyde Mission, however, recruitment for a dedicated Programme Manager had commenced in January 2025 with a view to the role being filled by May 2025, with the Mission also being supported by a Strategic Spatial Delivery Group Manager to be recruited during the course of 2025;
- (4) of the governance arrangements for Clyde Mission, as detailed in the report;
- (5) of the draft aims of preparing a Clyde Mission Strategic Masterplan and of the indicative timescales for a Strategic Outline Business Case which would accompany the Masterplan, as detailed in the report;
- (6) of the initial objectives of the Heat Decarbonisation Fund, funding of which was expected to commence from 2025/26, as detailed in the report; and
- (7) that the GCR Head of Place would engage with the wider GCR team and others to consider if it would be possible/beneficial to accelerate a programme of support for the Maritime Cluster, outlined in the report, in parallel with the Strategic Masterplan exercise.

Date of next meeting.

18 The Cabinet noted that the next meeting would take place on Tuesday, 27th May 2025 at 0930 hours in the City Chambers, Glasgow.