



Glasgow City Region

Glasgow City Region Cabinet Paper

Report by: Kevin Rush, Director Regional Economic Growth

Contact: Andrew Robertson

Email: andrew.robertson2@glasgow.gov.uk

Item 8

25th February 2025

GCR City Deal Gateway 2 Review Update

Purpose of Report:

This report provides the Cabinet with:

- An update on the Gateway 2 Review process for City Deal which shows the significant progress in delivery of the programme despite the wider macro-economic climate
- Outlines the next steps for completion of the process including the Challenge Session on 5th March 2025

Recommendations

The Cabinet is invited to:

- a) Note the content of this report;
- b) Agree that the Intelligence Hub and GCR City Deal PMO works with both governments to develop a methodology for the Gateway 3 evaluation that addresses some of the concerns and challenges experienced in the Gateway 2 process.

1. Purpose

1.1. This report provides the Cabinet with:

- An update on the Gateway 2 Review process for City Deal which shows the significant progress in delivery of the programme despite the wider macro-economic
- Outlines the next steps for completion of the process including the Challenge Session on 5th March 2025

2. Gateway Review 2 Process Background

2.1. In December 2022, the Ministry for Housing, Communities and Local Government (MHCLG) issued a revised National Evaluation Framework (NEF) setting out the requirements for the City Deal Gateway 2 Process. The process was developed and is being managed by the consulting firm SQW.

2.2. The purpose of the Gateway Review is to evaluate the impact of interventions on local economic growth, and the process by which these interventions were agreed and implemented. The evaluation covers progress over the five-year period since the last Gateway.

2.3. Four key components are to be evaluated for the Review:

- a. **Process:** an overview, with examples, of how projects are developed, approved and managed; overall and project by project view of planned and actual spend and outputs.
- b. **Impact:** a series of project-level evaluations. All projects expected to complete by October 2023 are in scope for impact evaluation.
- c. **Capacity and Partnership Working:** evaluate working across City Region; includes views of local authorities plus wider stakeholders inc.
- d. **Economic forecasting:** report expectation versus actuals; for context only, not to assess impact; will also need to provide a view to the next Gateway.

2.4. The culmination of the Gateway 2 process is the Gateway Review Challenge Session with the Governments. This is an opportunity to reflect on the last five years and take a forward look.

3. The Final Report Background

3.1. As outlined in the National Evaluation Framework, the Final Report is designed to “assess whether interventions in the Area have provided cumulative positive impact upon economic growth based on metrics, performance indicators, and any relevant mitigating factors.”

3.2. The process entailed the Final Report being completed by the Independent Evaluation Panel (IEP) based on the “full set of monitoring and evaluation evidence to the IEP”. The IEP was made up of representatives from SQW, a technical panel of experts and an academic panel.

3.3. Informing the Final Report was a series of monitoring and evaluation evidence gathered by the Region presented in a series of reports. These are primarily related to the individual projects and are dependent on the individual status of the projects. There are three broad categories:

- **Impact** – individual reports on the completed, Canal & North Gateway (Glasgow), Ocean Terminal (Inverclyde), Gartcosh-Glenboig (North Lanarkshire), Cathkin and Greenhills (South Lanarkshire) projects
 - **Progress plus** – individual reports on those which are nearing completion, CWWEIQ (Glasgow), M77 (East Renfrewshire) and GAIA (Renfrewshire) projects.
 - **Progress** – a summary report across all projects
- 3.4. In addition, capacity building and economic forecasting reports were submitted separately. These provide context on how the economy is growing and is likely to grow over the next five years, relative to when the deal was signed. They also consider the wider capacity building impacts the investment is having on local and regional economic development.
- 3.5. The GCR Intelligence Hub and GCR City Deal PMO worked between March and October 2024 to provide the monitoring and evaluation evidence. This has required:
- Engaging with all lead officers on the progress of their projects
 - Interviewing over 100 key stakeholders across the impact and progress plus projects
 - Engaging specialist social researchers to conduct surveys to support Canal and North Gateway and Ocean Terminal evaluation
 - Development of a series of case studies on the impacts the investment is having on innovation and community benefits in the Region and how change is being dealt within the programme
 - Drafting 11 reports which outline the key elements of the monitoring and evaluation evidence gathered as above
 - An estimated 800 hours of officer time.
- 3.6. It should be noted that GCR is the only Region to manage this process almost entirely in-house. In doing so, significant lessons have been learned and capabilities grown within the regional teams.
- 3.7. The evidence gathered from stakeholders across the impact and progress plus projects have been overwhelmingly positive. It is clear the investment is having real benefits in local communities.
- 3.8. The reports were initially submitted to SQW for review. Upon agreement they were submitted to the IEP who have responsibility for sign off.
- 3.9. The Final Report was completed by SQW on behalf of the Independent Evaluation Panel (IEP) based on the “full set of monitoring and evaluation evidence to the IEP”. The IEP was made up of representatives from SQW, a technical panel of experts and an academic panel.

4. The Final Report

- 4.1. A draft of the SQW report was submitted to the academic panel on 19th November. The panel met on 25th November with no representation from the Region. Although the

regional team provided some initial feedback on the report which was tabled at the meeting. A revised report was submitted to MHCLG on 20 December 2024.

- 4.2. The IEP report highlights 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.”**
- 4.3. It highlighted that the programme has delivered 90% of the spend expected from the Local Evaluation Framework forecasts. And that the programme is “progressing well against its lifetime target of sites unlocked for development with 495 Ha unlocked to date (73% of the target to 2035). There has also been good progress in terms of the social value benefits (72% of the target). The Fund has helped to deliver 5,100 new residential units (24% of target) and 137,161 sqm of follow-on business and industrial floorspace (11% of target).”
- 4.4. The report included comments on the robust programme management process in place.
- 4.5. It also recognised the fundamental shift in regional economic development capacity and capabilities – whether that be in governance, strategic thinking or delivery.

5. The Gateway Review Process and Final Report Reflections

- 5.1. The Gateway 2 process has helped understand the impacts that the projects are having. It has also helped the regional team consider how it gathers on-going evidence of project impacts. These lessons were captured in a lessons learned exercise facilitated by Glasgow City Council audit team. They will be turned into actions through a Gateway Readiness Improvement Plan which is currently being drafted and will be managed by the GCR City Deal PMO.
- 5.2. We believe there are a series of lessons which can be taken into consideration when developing the approach for Gateway 3. These include developing an evaluation approach which is ongoing and reflects the project realities as opposed to trying to fit into a five-year timescale.
- 5.3. These reflections have been discussed with the Glasgow City Region Commission for Economic Growth (the ‘Commission’). The Commission has advised that they would welcome the opportunity to help the team develop a process for Gateway 3 which would provide meaningful insights whilst being practical to deliver.
- 5.4. It is proposed that the Intelligence Hub and GCR City Deal PMO arranges a separate session with the Government to discuss in detail the process.

6. The Challenge Session

- 6.1. The final step in the Gateway 2 process is the Challenge Session. This is being held on the 5th March. This will involve representatives from both governments, the Chief Executives’ Group, senior officers and the Commission for Economic Growth.
- 6.2. The “Challenge Session provides an opportunity for the Area to reflect on the findings of the Gateway Review Final report, to present a narrative of the last five years, and to outline any related challenges from the management of the Investment Fund.

- 6.3. The Challenge Session will also present the opportunity for a collaborative discussion on the Area's progress and to look ahead at long-term investment plans.

7. Recommendations

- 7.1. The Cabinet are invited to:

- a) Note the content of this report;
- b) Agree that the Intelligence Hub and GCR City Deal PMO works with both governments to develop a methodology for the Gateway 3 evaluation that addresses some of the concerns and challenges experienced in the Gateway 2 process.