

OFFICIAL

Item 6 Local Growth Fund – Appendix 1.

To secure the release of your LGF allocation for Year 1 (FY 2026/27), you are required to submit your 3-Year Investment Plan to the UK Government (Scotland Office and MHCLG) by **29th May 2026**.

Your Investment Plan submission should at minimum consist of a response to the Narrative Commission, the 3-Year Financial Forecast Spreadsheet, 3-year Outputs and Outcomes Indicators Forecast, and Indicative Year 1 Project-Level Information.

Scotland Office is available to support you throughout this development phase. Please do not hesitate to reach out if you have any questions regarding the Prospectus or this commission.

Scotland Office and MHCLG will together review your Investment Plan, prior to the release of Year 1 funding this summer.

LGF Regional Investment Plan - summary for communications purposes (up to 100 words)

Glasgow City Region will deliver a balanced revenue and capital LGF programme over the next three years. Building on the priorities of the Regional Economic Strategy, complimenting other strategic interventions across the region and supporting the GCR's aspirations towards regional empowerment.

Summary of economic priorities for the region - including key strengths/opportunities, challenges, and alignment to LGF objectives, UK Industrial Strategy, and relevant SG policies such as NSET, (up to c. 500 words)

In December 2021 GCR Cabinet approved the Regional Economic Strategy (RES).

The RES was developed in partnership with the eight Member Authorities and with government partners and agencies. It sets out an evidence base of the GCR economy and the future challenges collectively faced. It identified the opportunities and where we need to prioritise our resource.

Glasgow City Region accounts for roughly one third of the Scottish economy. It is an engine of growth and one that has evolved to a knowledge-based service economy.

The Regional Partners' commitment to transforming the economy to address the challenges can be seen in a new vision and three interlinked missions:

Vision:

OFFICIAL

BY 2030, GLASGOW CITY REGION WILL HAVE THE MOST INNOVATIVE, INCLUSIVE AND RESILIENT ECONOMY IN THE UK:

Missions:

By 2030, the Region will have the most inclusive city-region economy in the UK

By 2030, the Region will have the most productive city-region economy in the UK

By 2030, the Region will have the most advanced city-region economy in the UK in the race to net zero and climate resilience

The GCR LGF Logic Model clearly aligns with the GCR RES Vision, Missions and Priorities – the main elements are noted below:

Revenue:

- Increase Residents Skills (in and out of work)
- Increase Economic Participation
- Develop the Foundational economy
- Grow Key Sectors

Capital

- Regenerate Centres and Communities
- Reduce Infrastructure Emissions
- Provide Affordable High Quality Housing Stock

Both the RES and the GCR LGF Investment Plan align with the UK and Scottish Governments wider Economic plans (Industrial Strategy and NSET).

Industrial Strategy;

Through the GCR Intelligence Hib cluster analysis there is a clear link between the sectoral strengths of the GCR and the eight sectors in the Industrial Strategy (IS-8). This builds on the significant UK and Scottish Government investment on GCR to date; Innovation Accelerator, GCR Investment Zone and the more recent Local Innovation Partnership Fund (LIPF).

GCR, along with three of the other key city regions in the UK, entered into a strategic partnership with the National Wealth Fund (NWF) – another element that aligns with the IS and compliments wider activity.

NSET;

Within the NSETR Scottish Government have committed to - Success means a strong economy where good, secure and well-paid jobs and growing businesses have driven a significant reduction in poverty.

- establish Scotland as a world-class entrepreneurial nation
- strengthen Scotland's position in new markets and industries
- make Scotland's businesses, industries, regions, communities and public services more productive and innovative;
- ensure that people have the skills
- reorient our economy towards wellbeing and fair work

Through established partnerships with SG and their agencies, who are key stakeholders in the Regional Economic Partnership (REP), GCR already strive to achieve the ambitions articulated in the NSET.

Not only will the LGF activity align with local, regional and national policies, it also compliments existing investment in the region;

OFFICIAL

OFFICIAL

- City Deal (£1.13bn)
- Investment Zone (£185m)
- Clyde Mission (£25m)
- Local Innovation Partnership Fund (£50m)
- Innovation Accelerator (£43m)
- UK Shared Prosperity Fund (£103m to date)
- 5G Innovation Region (£10m)
- Maritime Skills Programme (£2m)
- Health Foundation (£450k)

Descriptive summary of what LGF will be used for in the region. This should explain any transition from locally delivered activity in year 1, to regionally delivered activities in year 2 and 3. (up to c.750 words)

While UK Government (UKG) have made clear the New Local Growth Fund is a new policy intervention and not a successor programme to EU Structural Fund and UK Shared Prosperity Fund (UKSPF), given the nature of Local Government activity and budgets, the constituent GCR Member Authorities will utilise LGF Year 1 (2026/27) Revenue Funding to support the transition from previous programmes.

Year 1 – Revenue;

As per the agreement of the City Region Cabinet (17 March 2026), Year 1 (2026/27) Revenue Funding has been allocated to the Member Authorities, on the basis of the UKSPF 2025/26 allocation methodology and this will be used to deliver established Business Support, Skills and Employability activity. Table 1 provides this breakdown.

	2026/27	Proportion
E. Dunbartonshire	£269,100	3.90%
E. Renfrewshire	£255,300	3.70%
Glasgow City	£2,773,800	40.20%
Inverclyde	£365,700	5.30%
N. Lanarkshire	£1,414,500	20.50%
Renfrewshire	£483,000	7%
S. Lanarkshire	£938,400	13.60%
W. Dunbartonshire	£400,200	5.80%
Total	£6,900,000	100%

Table 1 LGF Revenue Allocation.

Year 2 & 3 – Revenue;

Following the parameters of the LGF programme and the emerging priorities through the GCR Regional Empowerment activity, it is proposed that details of the Year 2 - 3 Revenue is further developed in the coming months.

GCR have committed to share initial progress with Governments, against the eight key Regional Empowerment themes, by the end of June 2026. It would be proposed that Revenue funding for Years 2027/28 and 2028/29 be aligned to taking forward the Regional Empowerment agenda, building capacity where required.

OFFICIAL

OFFICIAL

The eight themes are noted below;

- **Innovation**
- **Investment**
- **Infrastructure**
- **Housing**
- **Planning**
- **Transport**
- **Skills**
- **Economic Development**

In addition, recognising the shared interests of Scotland's two largest city-regions, GCR will establish **two joint workstreams with Edinburgh City Region**, focused on:

- **Regional governance models**
- **Regional finance and fiscal powers**

Capital;

For the Capital allocation, GCR are proposing to both build on established activity and, similar to the Revenue methodology, provide time to developed wider regional strategic activity of scale, towards the second half of the 3-year timeframe.

Following an Expression of Interest (EOI) call to Member Authorities, 39 submissions were received, ranging in scale from £200,000 to £15,000,000, with the programme being around three times oversubscribed. Activity was grouped under four broad headings that corresponded both with the RES and the LGF Logic Model:

- Strategic employment land/property (incorporating enhancement of the Enabling Commercial Space programme),
- Town/city centre regeneration,
- Increasing housing supply and
- Net-Zero Business Grants.

Over half the volume and value of EOIs were under the Strategic employment land/property (incorporating enhancement of the Enabling Commercial Space programme) theme.

As with any Capital programme, especially one over a 3-year duration, deliverability is critical.

As a result, GCR proposed to take forward the LGF capital programme across a number of broad interventions;

1. Enhancement of the established Enabling Commercial Space (ECS) Programme (£20m)

The ECS Strategic Outline Programme Business Case was approved by both UK and Scottish Government and the GCR Cabinet in Feb 2025 and was created to utilise £64.57m of reallocated City Deal funds.

OFFICIAL

OFFICIAL

The Programme encompasses a portfolio of local projects throughout all of 8 of the Member Authorities which collectively will help to address a region-wide need for additional commercial space.

The interventions under the programme broadly fall within the three project types of:

- **Enabling activity** – investment in infrastructure or platforms to allow the private sector to build a commercial floorspace project through follow on investment;
- **Refurbishment of Existing Buildings** – investing to improve the quality, energy efficiency and lifespan of existing premises; and,
- **New Build Construction** – the building of entirely new commercial/industrial premises.

Given an approved Business Case exists and activity is ongoing across the region, augmenting this programme will enable delivery to commence within the early years of the LGF programme. Member Authorities will need to demonstrate additionality from the LGF investment. Where required, ECS activity will be accelerated using the LGF allocations, with the City Deal contribution then being utilised later in the programme.

It is proposed that the funds are allocated in line with the original City Deal Programme funding approach/percentage shares.

Governance of the ECS and LGF contribution will continue to reside with the Head of the GCR Programme Management Office, who has oversight of the GCR infrastructure programme.

2. Regional Projects of Scale (£20M)

As noted, the EOI process resulted in 39 capital projects being identified under the four themes. It is the view of the GCR Programme Management Office that there are potential projects of regional scale and impact within these, however they will require time and resource to further develop.

It is therefore proposed, that the GCR Head of Place work with Regional Partners to develop a range of projects that both meet the objectives of the LGF and the RES. This activity would utilise the budget in the second half of the three-year programme.

3. Clyde Climate Forrest (£360,000)

Clyde Climate Forest (CCF) is a RES priority under the Sustainable City Region programme. CCF improves the region's attractiveness and environmental quality, as well as helping to reduce carbon, improve climate resilience and address vacant and derelict land, all of which supports wider development capacity.

Working with Member Authorities and other landowners, CCF has planted over four million trees since 2021. £360k has been identified to continue delivering projects across the region from 2027/27 to 2028/29.

The funding will contribute to the design and preparation of land as well as the purchase of tree stocks and associated equipment to support the planting of a

OFFICIAL

OFFICIAL

further three million trees over three years. Location include areas where cycle and footpaths will also be enhanced.

4. Net Zero Transition Funding (£2,140,000)

Just over £2m has been allocated to support SMEs across the region transition to net zero with a grants programme of up to £10,000 per company. This grant would be match-funded by the SME.

Management and delivery of the transition funding would be by the eight MAs in the city region, through their established structures.

The funding will be allocated on the basis of a number of factors;

- historical demand observed through previous Green Business Support Grants (ExtendPlus). Sectoral weights are derived from past uptake, reflecting the proportion of funding accessed by each sector and indicating relative demand.
- For each local authority, its share of businesses in each sector is calculated as a proportion of the total businesses in that sector across the Region. This captures the LA's sectoral concentration relative to the regional business base.
- These sector shares are then combined with the historical sectoral weights to produce a weighted average for each local authority. This ensures the allocation reflects both local business composition and the likelihood of uptake based on past trends.

The final weighted averages are used to distribute the funding pot, with authorities receiving a larger share where they have a stronger presence in sectors that have historically shown higher demand for support.

Summary of delivery model including how projects will be selected and approach to procurement (up to c.500 words)

As noted in the previous section, selection and delivery of the LGF activity will be achieved in partnership across the GCR PMO, Member Authorities and the REP.

MAs will be the main delivery partners for the Year 1 Revenue Funding and the ECS Capital project. MAs will commission delivery through their established procurement routes.

For Year 2&3 Revenue and Regional Projects of Scale (Capital) the delivery mechanism has still to be determined, this will be shaped by the planned activity.

The Net Zero Transition Funding will be delivered through established MA grant funding routes.

Explanation of if/how LGF will be used to support the development of regional capabilities/capacity - such as shared services, regional intelligence hubs etc. including how these will be sustainable beyond the end of the LGF (up to c. 500 words)

OFFICIAL

OFFICIAL

As noted, the Revenue allocation for Years 2 & 3 is directly aligned with the development of regional capability and capacity. This will be determined over the remainder of financial year 2026/27.

In addition, the design of the Regional Projects of Scale will determine how best this invest can both impact across the region and compliment the activity already being undertaken, for example; GRC IZ, Clyde Mission and LIPF.

It is expected the design of the Regional Empowerment activity will create a sustainable model for delivery beyond the life of the LGF programme.

Summary of regional governance model / approach to decision making for LGF. (up to c. 500 words)

The LGF programme will fit within established GCR Governance structures:

GCR Cabinet:

To determine the Strategic Economic Development priorities for the Glasgow City Region. The Cabinet is responsible for decision making in relation to the City Deal and will deal with issues relating to economic regeneration across the Glasgow City Region, as well as any other areas of activity agreed by the Member Authorities.

Membership of the Group will comprise the Council Leaders from the 8 Member Authorities:

Role; Democratic Accountability with Decision-Making Authority

Regional Partnership (REP):

Has the remit to maximise economic growth in the Glasgow city region; to ensure inclusive growth measures are incorporated into all activity; to identify new ways of working to maximise outcomes; to monitor delivery of the Glasgow City Region Economic Strategy and Action Plan; to review the Economic Strategy and Action Plan at regular intervals; to maximise funding opportunities; and to actively promote collaboration and partnership working between the eight Member Authorities, Scottish and UK Government, their agencies, private sector and academia to deliver shared economic priorities. Representatives are drawn from key stakeholders across the public and private sector.

Membership of the Group will comprise key partners from across the Public, Private, Academic and 3rd Sectors in the region

Role; Strategic Guidance to GCR Cabinet

Chief Executives' Group (CEG):

The Chief Executives' Group shall take operational responsibility individually for the delivery of City Deal activity within their local authority area & collectively for Glasgow City Region City Deal activity. To ensure that an effective monitoring & evaluation framework is in place at both a Project and Programme level, and that each Member Authority is delivering upon its requirements. To have responsibility on a collective basis for the overall supervision & management & for the monitoring of the performance of the PMO City Deal.

Membership of the Group will comprise the Chief Executives from the 8 Member Authorities:

OFFICIAL

OFFICIAL

Role; Member Authority Senior Officer Group with Decision-Making Authority

Finance Strategy Group (FSG):

Comprises the Finance Directors of the eight Member Authorities. It has responsibility to monitor financial Programme progress and to review financial Risks. To provide advice and make recommendations to the Chief Executives' Group on all City Region financial matters. To agree application of Programme flexibility in respect of charging of debt repayment charges and other technical accounting issues. To liaise with Scottish and UK Governments in respect of financial issues. Membership of the Group will comprise the S.95 Officer from the 8 Member Authorities.

Role; Advisory to GCR CEG and GCR Cabinet on any matters relating to Finance

Economic Delivery Group (EDG):

Has responsibility for the delivery and implementation of the actions within the Regional Economic Action Plan. To take the lead role in engaging with colleges and universities, and with Community Planning Partnerships. The EDG comprises the Head of Economic Development from the eight Member Authorities, together with representatives from UK and Scottish government, Scottish Enterprise, Skills Development Scotland and Strathclyde Partnership for Transport.

Membership of the Group will comprise: the Heads of Economic Development from the 8 Member Authorities, together with senior representatives from SPT, SDS, Scottish Enterprise, Glasgow Economic Leadership, Scottish and UK Governments.

Role; Senior Economic Development Operational Management Oversight

LGF Lead Officers Group:

Day to day operational management of LGF budget that is devolved to Member Authorities. The group meets on a 2-weekly basis and is chaired by the GCR Head of Regional Economic Growth.

Membership of the Group will comprise: the operational management leads from the 8 Member Authorities

Role; Manage the MA operational elements of the LGF programme, including reporting and compliance.

In addition, GCR will create a LGF Assurance Framework. This Assurance Framework will mirror Frameworks that have been developed for all other GCR programmes from City Deal to the GCR IZ. The Assurance Framework is approved by GCR Cabinet and reviewed on an annual basis.

Summary of approach to regional engagement - including details of what forums/groups are convened, membership, frequency etc. as well as how MPs/MSPs are engaged. (up to 500 words)

Regional engagement in the first instance will be through the REP. As noted, the REP is the forum that comprises a range of key strategic regional partners.

In a development to regional governance, the GCR LGF Investment Plan will now be presented to the REP for consideration, in advance of approval by GCR Cabinet. For previous funded interventions, for example UKSPF, this was presented to the

OFFICIAL

OFFICIAL

Chief Executives' Group, in advance of Cabinet. Given the nature of the new programme and its regional focus, REP is now considered the most appropriate forum for engagement.

Once the GCR LGF Investment Plan has been considered by REP and approved by GCR Cabinet, GCR PMO will engage with MPs and MSPs on the programme detail. As noted earlier in the plan, activity to be funded through the Revenue for Years 2&3, together with the £20m budget for Regional Projects of Scale, has still to be determined.

Explanation of approach to fulfilling legal duties outlined in the prospectus and technical guidance.

Legal duties will be managed in line with established GCR governance and compliance. Glasgow City Council, as the accountable body for GCR, will continue to offer both legal and audit advice.

All LGF submissions to UKG will be signed by the S95 Officer for GCC, on behalf of GCR.

The GCR Marketing and Communications manager will ensure the effective promotion of the LGF programme, while ensuring brand guidelines are maintained.

Summary of Regional Partnership approach to monitoring and evaluation activity (up to c.500 words)

Monitoring and Evaluation will follow the established GCR approach, developed across a range of UK and Scottish Government programmes.

Quarterly and six-monthly project reports will be signed-off by the appropriate Chief Financial Officer, prior to submission and grant draw-down, confirming spend is both accurate and eligible.

Reporting will be co-ordinated through a dedicated, experienced officer in the GCR PMO.

This approach will also be detailed in the GCR LGF Assurance Framework, with input from GCC Internal Audit and Legal Services.

The GCR PMO have regular scheduled check-ins with UKG contacts in both the Scotland Office and MHCLG.

Where necessary the GCR PMO can utilise the expertise and knowledge of the GCR Intelligence Hub to undertake additional evaluation as required.

Summary of risks and mitigations for the delivery of LGF in the region

OFFICIAL

OFFICIAL

Main Risks and Mitigations identified for the delivery of the LGF programme are noted below;

Risk 1;

Identification and Delivery of the Capital Programme, within LGF 3-year timeframe.

Mitigation;

Utilisation of the established ECS Business Case and delivery model for £20m of the capital programme, with the remaining £20m being developed in 2026/27 for regional projects of scale, led by the GCR PMO and Head of Place.

Risk 2:

Skills, Employability and Business Support activity, previously funded and delivered through ESF / UKSPF

Mitigation;

2026/27 LGF Revenue Budget being utilised by Member Authorities for Transition arrangements.

OFFICIAL