

**GLASGOW CITY REGION CABINET.**

Minutes of meeting held on 9th April 2019 at the City Chambers, Glasgow.

**Present:** Councillor David McDonald (Chair), Glasgow City Council; Councillor Vaughan Moody, East Dunbartonshire Council; Councillor Colm Merrick, East Renfrewshire Council; Councillor Jim Clocherty, Inverclyde Council; Councillor Paul Kelly, North Lanarkshire Council; Councillor Marie McGurk, Renfrewshire Council; Councillor John Ross, South Lanarkshire Council; and Councillor Jonathan McColl, West Dunbartonshire Council.

**Apologies:** Councillor Susan Aitken, Glasgow City Council; Councillors Tony Buchanan and Paul O’Kane, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Jim Logue, North Lanarkshire Council; and Councillors Iain Nicolson and Jim Paterson, Renfrewshire Council.

**Attending:** N Lyttle (Clerk); K Rush, W Hart, P Murphy, S Inrig and G Vincent, Glasgow City Council; G Cornes and D Gear, East Dunbartonshire Council; L McMillan, East Renfrewshire Council; A Fawcett, Inverclyde Council; R Steenson, North Lanarkshire Council; S Black, Renfrewshire Council; L Freeland, South Lanarkshire Council; R Cairns, West Dunbartonshire Council; D McNulty, Commission on Economic Growth; E Carrigan and I Lochhead, Audit Scotland; and M Hislop, GCV Green Network Partnership.

**Minutes of previous meeting approved.**

- 1 There was submitted and approved the minutes of 12th February 2019.

**Minutes noted.**

- 2 There were submitted and noted the minutes of
  - (1) the Annual Conversation with the Scottish City Region Deals Delivery Board of 18th February 2019; and
  - (2) the Glasgow City Region Education Committee of 26th February 2019.

**Audit Scotland Annual Audit Plan 2018/19 approved.**

- 3 There was submitted a report by Audit Scotland regarding the Glasgow City Region Cabinet Joint Committee Annual Audit Plan for 2018/19, which
  - (1) summarised its assessment of the key challenges and audit risks facing the Glasgow City Region Cabinet Joint Committee; and

- (2) detailed the audit work that would be carried out by Audit Scotland to address those issues.

After consideration and having heard Ms Emma Carrigan, Audit Scotland, the Cabinet approved the Glasgow City Region Cabinet Joint Committee Annual Audit Plan for 2018/19, together with the audit fee of £8,230.

#### **Internal audit plan 2019/20 approved etc.**

**4** 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 2019/20, advising

- (1) of the key system areas to be covered in 2019/20, together with the main control risks associated with those areas, as detailed in appendix 1 of the report;
- (2) that the main audit output in 2019/20 would be the Head of Audit and Inspection's Annual Governance Statement;
- (3) that the indicative fee for the cost of this audit work during 2019/20 was £18,300;
- (4) of the current status of each of the 3 audit reviews which had so far been undertaken within the 2018/19 audit plan; and
- (5) that the Cabinet would be kept up-to-date with any significant changes to the audit plan in 2019/20.

After consideration, the Cabinet approved the implementation of the Glasgow City Region audit plan for 2019/20, together with the audit fee of £18,500.

#### **Commission on Economic Growth – Verbal update noted.**

**5** The Cabinet noted a verbal update by Des McNulty, Vice Chair of the Commission on Economic Growth, advising

- (1) in relation to the issue of inclusive growth at a project and programme level, that, following agreement on 18th March 2019, the Commission was currently preparing a set of high-level indicators and a detailed update would be submitted to Cabinet at the next meeting; and
- (2) in relation to the analysis of the Regional Economy currently being undertaken by the Commission, that the analysis was examining 4 strands as detailed, and a report with recommendations would be finalised by September 2019 and thereafter reported to this Cabinet for consideration.

## **Programme Status report noted.**

**6** There was submitted and noted a Programme Status report by the Director of Regional Economic Growth providing information on the status and progress of projects within the Glasgow City Region - City Deal Programme together with information on Programme Management Office activity for the period to April 2019.

## **Programme Management Office and portfolio development budget and member authority recharges 2019/20 approved.**

**7** There was submitted a report by the Director of Regional Economic Growth proposing a draft Programme Management Office (PMO) and portfolio development budget for 2019/20, together with member authority recharges for 2019/20, advising

- (1) of the current draft projection for the PMO budget for 2019/20, as detailed in Appendix 1 of the report, which had included a portfolio development budget; and
- (2) of a detailed breakdown of each member authority share, as detailed in Appendix 2 of the report.

After consideration, the Cabinet approved the 2019/20 PMO budget and the recharges to member authorities.

## **Revised Infrastructure grant allocations 2018/19 approved.**

**8** With reference to the minutes of 5th June 2018 approving the initial allocation of Infrastructure grant to each member authority for 2018/19, there was submitted a report by the Director of Regional Economic Growth regarding the proposed final allocation of Infrastructure Grant to each member authority, advising that

- (1) the final position in relation to the 2018/19 allocation of grant had been agreed in principle by the Finance Strategy Group and subsequently by the Chief Executives' Group;
- (2) the proposed 2018/19 grant allocation was based on member authorities' cumulative actual and projected spend levels as at 28th February 2019 and also reviewed the percentage share of the overall grant allocation of the projects; and
- (3) member authorities could only claim eligible expenditure up to the level of their grant allocation for 2018/19.

After consideration, the Cabinet approved the 2018/19 allocation of Infrastructure grant to each member authority, as detailed in the appendix to the report.

## **Regional Skills Investment Plan – Implementation approved.**

**9** With reference to the minutes of 11th December 2018 approving the draft Regional Skills Investment Plan (RSIP) and requesting that the Glasgow City Regional Partnership approve the finalised RSIP prior to submitting to this Cabinet for formal implementation, there was submitted a report by Councillor John Ross, Leader of South Lanarkshire Council and Skills and Employment Portfolio lead regarding the proposed implementation of the RSIP, advising

- (1) that since December 2018 the RSIP had been consulted on and endorsed by major partners, as detailed in the report, and that the Glasgow City Regional Partnership had approved the finalised RSIP on 28th February 2019;
- (2) the RSIP covered a 5-year period to March 2024, incorporated a 1-year implementation plan and planned activities for years 2 to 5, with an annual review reporting on progress, as detailed in the report; and
- (3) that the RSIP would be delivered through the Skills and Employment Portfolio, with a copy of the Executive Summary and the action plan for implementation being attached as an appendix to the report.

After consideration and having heard Councillor Ross, the Cabinet approved the RSIP and Implementation Plan.

## **A 'Blueprint for the Green Network' in the Glasgow City Region – Position agreed etc.**

**10** There was submitted a report by Councillor Vaughan Moody, Leader of East Dunbartonshire Council and Land Use and Sustainability portfolio lead, seeking support for the launch of a 'Blueprint for the Green Network' which had been prepared for the Glasgow City Region (GCR) by the Glasgow and Clyde Valley Green Network Partnership (GCVGNP), advising

- (1) of the background to the GCVGNP which had been formed in 2006 with the aim of making GCR one of Europe's most attractive places to live, work and play through the creation of a large functional Green Network;
- (2) that since the publication in 2017 of 'A Green Network Strategy for the GCR', which had identified the development of a strategic masterplan, the Blueprint, the GCVGNP had been working with all GCR local authority partners and other partners to develop the Blueprint further, as detailed in the report;
- (3) that the Blueprint was comprised of 2 combined networks of greenspace, namely, 'An Access Network' and 'A Habitat Network', as detailed in the report; and
- (4) that the Blueprint would contribute to delivering sustainable, inclusive economic growth and increasing wellbeing, and it was proposed to formally launch the Blueprint at an event scheduled for 28th May 2019.

After consideration and having heard Councillor Moody and a presentation by Max Hislop, GCVGNP, the Cabinet

- (a) noted and welcomed the production of the Blueprint by GCVGNP; and
- (b) agreed to the content of the Blueprint and to support its formal launch in May 2019.

**Infrastructure Programme – East Dunbartonshire Council – Place and Growth Programme - Strategic Business Case approved etc – Declaration of interest.**

**11** With reference to the minutes of 12th February 2019 noting that East Dunbartonshire Council had indicated that it was their intention to submit a Strategic Business Case (SBC) for a project to be considered should further funding become available, there was submitted a report by the Director of Regional Economic Growth regarding the evaluation of that SBC for the Place and Growth Programme, advising

- (1) of the executive summary of the project, detailed in Appendix 1 of the report;
- (2) that following appraisal, the Programme Management Office considered that the SBC was broadly in line with Green Book requirements for the SBC stage of business case development; and
- (3) of the funding requirements which would require to be fully developed at the Outline Business Case stage, as detailed in the report.

After consideration and having heard a presentation on the project by Mr David Gear, East Dunbartonshire Council, the Cabinet

- (a) noted the report and the appraisal of the Place and Growth SBC; and
- (b) instructed the Programme Management Office to work with the Finance Strategy Group to identify opportunities within the current Programme where funding could be made available to support the inclusion of additional City Deal Infrastructure Fund projects.

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

**Airport Access Project update – Position noted etc.**

**12** With reference to the minutes of 5th June 2018 approving a work programme and spend of up to £500,000 to address remaining issues arising from the independent audit report by Jacobs in relation to the Airport Access Project (AAP) Outline Business Case (OBC), there was submitted a report by the Senior Project Manager, AAP detailing the work which had been completed by the Airport Access Team and stakeholders in the past year to address the Jacobs Audit of the OBC,

which had been commissioned by Scottish Ministers, including the implications that this might have for the way forward on future delivery of the AAP, advising

- (1) of the background to the audit, including the issues raised and the outcomes of the 'audit close out', as summarised in the report;
- (2) that a workshop with all stakeholders had identified and agreed a list of options which were to be taken forward for further or updated review and testing, which had also included a revision of the Transport Planning Objectives (TPOs), as detailed in the report;
- (3) that following consideration of assessment of performance of the options against the TPOs, as detailed in Appendix B of the report, it was accepted that Personal Rapid Transit (PRT) would become the most deliverable and preferred option for development in a revised Outline Business Case (OBC), the approach to which had been reported to Cabinet on 12th February 2019; and
- (4) of the proposed timeline and process for moving the AAP forward, as detailed in the report.

After consideration and having heard Mr George Vincent, Senior Project Manager, AAP, the Cabinet

- (a) noted
  - (i) the report and the work which had been completed by the AAP Team and stakeholders in the past year to address the Jacobs audit of the OBC and the implication that this might have for the way forward on future delivery of the project; and
  - (ii) the proposed timetable to deliver the project and the need for all stakeholders to collectively work together to ensure the project was progressed to that timetable; and
- (b) agreed that
  - (i) further work be done to develop out the PRT option and note that all costs required would be contained within existing approvals; and
  - (ii) the project team should take due cognisance of the recommendations of Glasgow City Council's Connectivity Commission in developing the revised OBC.

**North Lanarkshire Council - Infrastructure Programme realignment – Position agreed – Declaration of interest.**

**13** There was submitted a report by the Director of Regional Economic Growth regarding a proposal by North Lanarkshire Council (NLC) to modify its programme of City Deal funded activity, advising

- (1) of the full proposal from NLC, detailed in Appendix 1 of the report, which sought to modify NLC's current infrastructure programme by seeking to realign £6.1m from the A8/M8 Corridor Access Improvements Strategic Business Case (SBC) and £60.1m from the Gartcosh/Glenboig Community Growth Area SBC, and draw down a further £4m of GCR City Deal Infrastructure funding as part of the overall £189m Pan Lanarkshire Orbital Transport Corridor SBC;
- (2) that the proposal sought to retain the 3 broad SBCs in North Lanarkshire, but to reduce the number of sub-projects from 12 to 6, seeking to re-profile City Deal funding in favour of the Pan Lanarkshire Orbital SBC to generate the best return on investment at this time;
- (3) that initial economic analysis noted that the City Deal funded Ravenscraig Infrastructure Access (RAI) sub-project would generate £14m more in GVA than the elements that were being removed from other projects and therefore could generate a better return for the programme than those projects;
- (4) that in order to fully satisfy the requirements of the Assurance Framework, NLC would develop fully Green Book compliant Outline Business Cases (OBC) that would be required to demonstrate the benefits to cost ratio for the whole programme of this investment, which would be submitted to Cabinet for approval in due course;
- (5) that it had been recognised that there were exceptional circumstances in relation to this project due to the removal of the Tax Increment Finance (TIF) funding from the RAI sub-project and it was noted that the process which had been followed was in line with City Deal governance requirements consistent with the provisions within the Assurance Framework, all as detailed in the report; and
- (6) that the City Deal funded element of the proposal would remain at £172.4m (£148.9m in City Deal Grant (86%) and £23.5m in NLC contributions (14%)), however, NLC would contribute a further £29.7m towards the Pan Lanarkshire Orbital project, increasing the total investment across the 3 SBCs to £202.2m, with no change to the NLC grant allocation.

After consideration, the Cabinet

- (a) noted
  - (i) its previous approval of the Pan Lanarkshire Orbital Transport Corridor SBC in December 2017, which indicated that the additional costs for

this project might be funded from several sources, including a review and re-scoping of the current NLC projects; and

- (ii) the findings of the programme economic impact assessment review exercise completed by NLC which demonstrated that this modified programme would deliver £14.6m more in GVA than the current NLC programme; and
- (b) agreed
- (i) in principle, to the movement of £6.1m from the A8/M8 Corridor Access Improvements SBC and £60.1m from the Gartcosh/Glenboig Community Growth Area SBC to the Pan Lanarkshire Orbital Transport Corridor SBC, subject to NLC presenting a fully Green Book compliant OBC that fully demonstrated the economic benefits of the project; and
  - (ii) that NLC progress with the development of an OBC for the RIA sub-project and draw down a further £4m of GCR City Deal infrastructure funding as part of the overall £189m Pan Lanarkshire Orbital Transport Corridor SBC to support this next stage of work.

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

**Infrastructure Programme – North Lanarkshire Council – Gartcosh Business Park to Glenboig Link Road project – Augmented Outline Business Case approved etc – Declaration of interest.**

**14** With reference to the minutes of 7th June 2016 approving the Outline Business Case (OBC) in respect of the Gartcosh Business Park to Glenboig Link Road project, there was submitted a report by the Director of Regional Economic Growth intimating that North Lanarkshire Council had submitted an augmented OBC in respect of that project to reflect the comments of the initial review of OBCs to ensure Green Book compliance, which, following evaluation by the Programme Management Office, had been considered and approved by the Chief Executives' Group on 28th March 2019 and was now being submitted to Cabinet for approval, advising

- (1) that the Full Business Case for this project had been approved by the Cabinet on 12th December 2016 and construction of the project had subsequently been completed;
- (2) that the augmented OBC had been reviewed and appraised and was considered fully compliant with HM Treasury Green Book;
- (3) that the scope of the project had altered from the previously approved OBC to include the construction of 2 additional roundabouts, which would incur no additional cost;



- (4) that the OBC was not seeking any further funding at this stage; and
- (5) of the relevant financial and benefits realisation differences between the initial and augmented OBC, as detailed in the report.

After consideration, the Cabinet

- (a) approved
  - (i) the updates to the content of the Business Case made during the augmentation of the Gartcosh Business Park to Glenboig Link Road OBC, as detailed in the report; and
  - (ii) the augmented OBC for Gartcosh Business Park to Glenboig Link Road which, following appraisal, was considered to be compliant with HM Treasury Green Book; and
- (b) noted that no additional funding was required for this project.

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

**Infrastructure Programme – East Renfrewshire Council – Barrhead South - Aurs Road to Balgraystone Road – Augmented Outline Business Case approved etc.**

**15** With reference to the minutes of 18th August 2015 approving the Outline Business Case (OBC) in respect of the M77 Strategic Corridor project, including the Barrhead South Aurs Road to Balgraystone Road project, there was submitted a report by the Director of Regional Economic Growth intimating that East Renfrewshire Council had submitted an augmented OBC in respect of that project to reflect the comments of the initial review of OBCs to ensure Green Book compliance, which, following evaluation by the Programme Management Office, had been considered and approved by the Chief Executives' Group on 28th March 2019 and was now being submitted to Cabinet for approval, advising

- (1) that the augmented OBC had been reviewed and appraised and was considered fully compliant with HM Treasury Green Book requirements;
- (2) that there had been no change to the scope of the project from the previously approved OBC;
- (3) that the OBC was not seeking any further funding at this stage;
- (4) of the relevant updates that had been identified between the initial and augmented OBC, as detailed in the report; and
- (5) of the relevant benefits realisation differences between the initial and augmented OBC, as detailed in the report.

After consideration, the Cabinet approved

- (a) the updates to the content of the Barrhead South Aurs Road to Balgraystone Road Business Case made during the augmentation of the project OBC, as detailed in the report; and
- (b) the augmented OBC for the project which, following appraisal, was considered to be compliant with HM Treasury Green Book requirements.

**Business cases dealt with by Chief Executives' Group noted.**

**16** With reference to the minutes of 11th October 2017 agreeing a revision to the Assurance Framework in relation to the approvals required for business cases, there was submitted and noted a report by the Director of Regional Economic Growth advising that the Chief Executives' Group had approved, under delegated authority,

- (1) the Full Business Case (FBC) and funding requirement of £2.413m for East Renfrewshire Council's Barrhead South, Balgraystone Road project; and
- (2) the FBC and funding requirement of £29.689m for Renfrewshire Council's Glasgow Airport Investment Area project.

**Date of next meeting.**

**17** The Cabinet noted that the next meeting would take place on Tuesday, 4th June 2019 at 1000 hours in the City Chambers, Glasgow.