

GLASGOW CITY REGION CABINET.

Minutes of meeting held on 12th February 2019 at the City Chambers, Glasgow.

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Vaughan Moody, East Dunbartonshire Council; Councillor Tony Buchanan, East Renfrewshire Council; Councillor Jim Clocherty, Inverclyde Council; Councillor Jim Logue, North Lanarkshire Council; Councillor Iain Nicolson, Renfrewshire Council; Councillor John Ross, South Lanarkshire Council; and Councillor Jonathan McColl, West Dunbartonshire Council.

Apology: Councillor Stephen McCabe, Inverclyde Council.

Attending: N Lyttle (Clerk); A O'Donnell, K Rush and W Hart, Glasgow City Council; G Cornes, East Dunbartonshire Council; L McMillan, East Renfrewshire Council; A Fawcett and S Jamieson, Inverclyde Council; S Linton, North Lanarkshire Council; L Freeland, South Lanarkshire Council; S Black, Renfrewshire Council; J White, West Dunbartonshire Council; D McNulty, Commission on Economic Growth; and J Nolan, SQW.

Minutes of previous meeting approved.

1 There was submitted and approved the minutes of 11th December 2018.

Internal audits – Position noted etc.

2 There were submitted reports by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of the following Glasgow City Region City Deal audit reviews that had been carried out:-

- (1) Assurance Provision; and
- (2) Risk and Issue Management and Mitigating Actions.

After consideration, the Cabinet

- (a) noted the contents of the reports; and
- (b) instructed the Head of Audit and Inspection to submit further reports on the progress towards achievement of the recommendations within the action plans.

Internal audit follow-up report noted etc.

3 There was submitted 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 reviews of compliance with Assurance Framework Project and Programme Management Arrangements, Programme Management Office Governance and Operations and Financial Transactions.

After consideration, the Cabinet noted the report and that the Head of Audit and Inspection would provide further reports on the implementation of outstanding recommendations.

Gateway Review 1 – Independent Evaluation of Local Growth Interventions – One Year Out report for the Glasgow City Region approved etc.

4 With reference to the minutes of 9th October 2018 approving the draft baseline report prepared by the National Evaluation Panel for Gateway Review 1, there was submitted a report by the Director of Regional Economic Growth seeking approval of the National Evaluation Panel's One Year Out report by SQW in relation to the evaluation of the Glasgow City Region (GCR) Infrastructure Fund, advising

- (1) that the Gateway Review was the mechanism that would release the 5-yearly tranches of City Deal funding and the evaluation was to be undertaken and finalised by December 2019 to inform the first Gateway Review of the fund, which would be completed by Government by the end of March 2020;
- (2) that the evaluation was implementing the approach that had been co-developed with partners in the GCR in the Locality Framework and Locality Evaluation Plan, had been endorsed formally by the UK Government and built upon the National Evaluation Framework approved by the Steering Group;
- (3) that the One Year Out paper, as detailed in an Appendix to the report, was the second of 3 reports to be prepared by the National Evaluation Panel and followed the initial draft Baseline Report;
- (4) of the purpose and evidence base of the One Year Out paper, as detailed in the Appendix to the report;
- (5) of the structure of the report, together with a number of supporting appendices attached within the report; and
- (6) of the proposed breakdown of payments which would be made to SQW on completion of the relevant milestones, all as detailed in the report, and which included a sum of £66,810 for payment of the One Year Out report.

After consideration and having heard a presentation by John Nolan, SQW, the Cabinet approved the One Year Out report and the payment of up to £66,810 to SQW, which was in line with the payment breakdown as outlined in the report.

Commission on Economic Growth – Work plan update noted.

5 There was submitted a report by the Vice Chair of the Commission on Economic Growth updating the Cabinet on the work plan of the Commission and seeking approval to utilise the existing budget for the Commission for 2018/19 and 2019/20 in order to progress the development of an in-depth analysis of city region futures, advising

- (1) that the Commission, on 21st January 2019, had agreed to seek Cabinet approval to undertake an in-depth analysis of city region futures that would seek to explore the economic future of the Glasgow City Region;
- (2) that the outcomes and learning from this analysis would be of assistance to both the delivery of the City Deal, and the work of the emerging Regional Economic Partnership, as well as offering support to Member Authorities and Portfolios in the delivery of the Regional Economic Strategy and Action Plan;
- (3) that the Commission would provide a final report to Cabinet that would contain a number of distinct elements, which were the core elements of the Commission's work plan over the coming months, and the responsibility for delivering the final report would rest with the University of Glasgow, on behalf of the Commission, all as detailed in the report;
- (4) of the resource implications, which suggested utilising the Commission's currently existing funding allocations within the Programme Management Office (PMO) budget, namely, £20,000 in 2018/19 and £20,000 in 2019/20, as detailed in the report; and
- (5) that progress reports on the development of the report would be provided by the University of Glasgow to the PMO on a quarterly basis, with regular updates being provided to the Chief Executives' Group and Cabinet, with a view to the final report being submitted to the PMO by the University of Glasgow by 30th September 2019.

After consideration and having heard Des McNulty, Vice Chair of the Commission, the Cabinet

- (a) noted the report; and
- (b) approved
 - (i) the Commission undertaking the work plan described in the report and submitting a final report to the PMO by 30th September 2019; and
 - (ii) the allocation of £40,000 to the University of Glasgow, on behalf of the Commission, across 2018/19 and 2019/20, from within the PMO budget, in order to support the delivery of the work plan as detailed within the report.

Programme update noted etc.

6 There was submitted a report by the Director of Regional Economic Growth providing an update on various key programme development tasks and issues, advising of

- (1) the progress in relation to the Infrastructure, Innovation and Skills and Employment programmes, all as detailed in the report; and
- (2) other activity carried out by the Programme Management Office (PMO), which included details on business cases anticipated to be submitted to the PMO, the Assurance Framework Review, the Programme Business Case, the Annual Conversation, Scottish Parliament Inquiry on City Deals, the Commission on Economic Growth, Gateway Review 1, Audit Scotland's audit of City Region and Growth Deals and communications and marketing, all as detailed in the report.

After consideration, the Cabinet

- (a) noted
 - (i) the report and that the draft updated Assurance Framework and Programme Business Case had been issued for consultation to Member Authorities, UK and Scottish Governments, the Equalities Commission and third parties, with an anticipated final draft being presented to Cabinet in April 2019;
 - (ii) the update on Audit Scotland's audit of City Region and Growth Deals, as detailed in the report;
 - (iii) that a further invitation had been issued on behalf of the Local Government and Communities Committee to attend an evidence session for the Scottish Parliamentary Inquiry on City Deals;
 - (iv) that, in relation to the Glasgow Airport Access project, further work would now be undertaken to examine the Personal Rapid Transport option within a revised Outline Business Case, as detailed in the report;
 - (v) that the objection by West Dunbartonshire Council to the Clyde Waterfront and Renfrew Riverside project had been withdrawn on 23rd January 2019; and
 - (vi) that East Dunbartonshire Council intended to submit a Strategic Business Case for a project, to be considered should further funding become available;
- (b) agreed that the PMO and Glasgow City Council, as Project Lead, enter into discussions with the Department for Work and Pensions (DWP) in order to utilise any potential underspend from the Working Matters Programme and that, given the timescales involved, approval of the proposed use of the

underspend be delegated to the Chief Executives' Group, with an update on the conclusion of the DWP discussions regarding any underspend being submitted to a future Cabinet meeting; and

- (c) approved
 - (i) a number of change controls for the Infrastructure projects, as detailed in the report; and
 - (ii) a funding allocation of up to £36,000 from within the existing PMO budget to implement a proposed 2-year pilot IT system, to manage and maximise the delivery of community benefits secured through City Deal contracts, subject to the conclusion of discussions to finalise the legal, procurement and IT requirements for the system, all as detailed within the report.

Infrastructure Programme – Inverclyde Council – Inchgreen Project– Strategic Business Case approved etc – Declaration of interest.

7 There was submitted a report by the Director of Regional Economic Growth intimating that Inverclyde Council had submitted a Strategic Business Case (SBC) in respect of the Inchgreen project, which following evaluation by the Programme Management Office, had been considered and approved by the Chief Executives' Group on 31st January 2019 and was now being submitted to Cabinet for approval, advising

- (1) that following appraisal, the Programme Management Office had considered that this SBC was considered fully compliant with HM Treasury Green Book requirements;
- (2) that the scope was consistent with what had been agreed and developed as part of the initial infrastructure projects modelled by KPMG, however there were a number of gaps identified which would require to be addressed at the Outline Business Case (OBC) stage;
- (3) of the overall cost of the project and the funds currently sought to develop to OBC stage, all as detailed in the report; and
- (4) of the benefits realisation and legal and procurement issues contained within the OBC.

After consideration and having heard a presentation by Stuart Jamieson, Inverclyde Council, the Cabinet

- (a) noted that the SBC for Inchgreen was considered to be compliant with the HM Treasury Green Book requirements; and
- (b) approved the SBC for the Inchgreen project and the funding request of £0.150m

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

Infrastructure Programme – East Renfrewshire Council – Business Boost and Lavern Works Regeneration (Phase 2) projects – Augmented Outline Business Cases and Full Business Case approved etc – Declaration of interest.

8 With reference to the minutes of 18th August 2015 approving the Outline Business Case (OBC) in respect of the East Renfrewshire Council (ERC) Business Boost project and the OBC and Full Business Case (FBC) in respect of the ERC Lavern Works Regeneration Project (Phase 2), there was submitted a report by the Director of Regional Economic Growth intimating that ERC had submitted augmented OBCs in respect of both projects, together with a FBC for aspects of the Lavern Works Regeneration project, to reflect the comments of the initial review of OBCs to ensure Green Book compliance, which, following evaluation by the Programme Management Office (PMO), had been considered and approved by the Chief Executives' Group on 31st January 2019 and were now being submitted to Cabinet for approval, advising

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

After consideration, the Cabinet approved

- (a) the updates to the content of the business cases made during the augmentation of the ERC Business Boost OBC and the Lavern Works Regeneration (Phase 2) OBC/FBC, as detailed in the report; and
- (b) the augmented OBC for ERC Business Boost and OBC/FBC for Lavern Works Regeneration (Phase 2) which, following appraisal, were considered to be compliant with HM Treasury Green Book.

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

Infrastructure Programme – West Dunbartonshire Council – Exxon Site Development Project – Augmented Outline Business Case approved etc – Declaration of interest.

9 With reference to the minutes of 11th April 2017 approving the Outline Business Case (OBC) in respect of West Dunbartonshire Council's (WDC) Exxon Site Development project, there was submitted a report by the Director of Regional Economic Growth intimating that WDC 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 (PMO), had been considered and approved by the Chief Executives' Group on 31st January 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 although no additional funding was sought for this augmented OBC the total cost of the project had increased by £6.153m and WDC would seek to meet this through additional City Deal funding should it become available, however should this not be the case WDC would meet the additional spend required to deliver the project;
- (3) that the PMO would require WDC to provide further information, as detailed in the report, within the forthcoming Full Business Case that aligned to this OBC; and
- (4) of the relevant financial and benefits realisation updates between the initial and augmented OBC, as detailed in the report.

After consideration, the Cabinet

- (a) noted the report and the additional funding requirement of £6.153m, as detailed in the report; and
- (b) approved the augmented OBC for the Exxon Site Development project which, following appraisal, was considered to be compliant with HM Treasury Green Book requirements.

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

Date of next meeting.

10 The Cabinet noted that the next meeting would take place on Tuesday, 9th April 2019 at 1000 hours in the City Chambers, Glasgow.