



Glasgow City Region - City Deal

Cabinet

Report by Director of Regional Economic Growth

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Item 9

11th February 2020

Glasgow City Region City Deal – Benefits Realisation Governance Arrangements

Purpose of Report:

To consider a proposed approach to maximise the benefits and follow-on investment delivered by City Deal projects by strengthening the links between the City Deal Programme and partner organisations.

Recommendations:

It is proposed that the Cabinet:

- I. note the content of the report;
- II. note that the Chief Executives' Group has approved the extension to the role and remit of the EDG;
- III. agree to extend the role and remit of the Regional Partnership to assume responsibility for supporting the delivery of benefits realisation and securing follow-on investment for City Deal projects, as set out in this report; and
- IV. note that a further report will be taken to the Regional Partnership meeting on 27 February 2020.

1. Purpose

- 1.1 To consider a proposed approach to maximise the benefits and follow-on investment delivered by City Deal projects by strengthening the links between the City Deal Programme and partner organisations.
- 1.2 It is proposed that the role and remits of the Economic Delivery Group (EDG) and the Regional Partnership (RP) are extended to assume responsibility for supporting the delivery of benefits realisation, including the securing of follow-on investment for City Deal projects, as set out in this report.

2. Background

- 2.1 The City Deal is a 20 year Programme with an aspiration to complete the delivery of as many of the projects within the decade, to allow the subsequent delivery of economic benefits and outcomes up until 2035. It is currently anticipated that by Gateway Review 2 (2024/25) the contract award and construction for the majority of the Infrastructure Fund's projects will be complete.
- 2.2 The period from 2019/20 to 2024/25 will require the Glasgow City Region Member Authorities to demonstrate significant delivery and completion of their projects, providing the key enabling infrastructure that will support the subsequent private sector follow-on investment. In this period, the focus of activity for Member Authorities (MAs) and the PMO will move increasingly towards supporting and securing the delivery of the anticipated follow-on private sector development set out within each MA's augmented outline business cases (OBCs).

3. Expectations for Gateway Review 2

- 3.1 Each of the OBCs for City Deal projects include an estimate of the private sector investment that will be required, and the anticipated floorspace outputs that will be delivered.
- 3.2 The table attached at Appendix 1 aggregates information from individual approved augmented OBCs for some of the key outputs that it is anticipated will be delivered by follow-on investment at Gateway Review 2 (2024/25) and by the conclusion of the Programme in 2035.
- 3.3 The delivery of this investment will require to be owned by the GCR MAs and partners to ensure that long term employment benefits are secured and the local workforce has the skills to take advantage of the opportunities created.

4. Dependencies

- 4.1 The successful delivery of City Deal programme benefits will require a close alignment between the Infrastructure Fund activity and the wider activities of MAs, other regional and partner strategies and policies, and the regional partnership activities of the Portfolio Groups.

- 4.2 In many instances the successful delivery of the programme benefits (GVA and jobs) will rely on the policies or actions undertaken by other partners or groups, including Member Authorities, Portfolio Groups or partner organisations, such as Scottish Enterprise or Skills Development Scotland.
- 4.3 To support the delivery of follow-on developments, the PMO proposes that a City Deal Programme Benefits Dependencies Register ('Benefits Dependencies Register') be established in order to identify these dependencies, assign ownership, maintain and monitor them on a regular basis, and ensure regular reporting.
- 4.4 While MAs will have project level dependencies for the delivery of individual projects, the City Deal Programme Benefits Dependencies Register will focus on strategic dependencies, such as ensuring that Glasgow City Region is attractive for businesses to locate, marketing specific investment opportunities (e.g. the recent work undertaken to develop a Regional Investment Portfolio), or ensuring that the local workforce has the skills to benefit from the new jobs created by the Deal's investment.
- 4.5 In addition to the City Deal Programme's dependencies on other organisations to support delivery of benefits, there will also be dependencies on the City Deal to help deliver the outcomes of key Regional strategies, such as the Regional Skills Investment Plan and the refreshed Regional Economic Strategy. These dependencies will also be captured on the Benefits Dependencies Register.

5. Monitoring and Management of Benefits Dependencies

- 5.1 The functions required to identify dependencies, assign ownership, and maintain, monitor and report on progress can be accommodated through the existing Regional and City Deal governance arrangements.
- 5.2 Given that the successful management of the Benefits Dependencies Register will require engagement with partners beyond the eight MAs of the City Deal, it is proposed that the Register is monitored by the EDG and the RP as the current membership of these groups already includes key national and local partner agencies.
- 5.3 The PMO will lead on the development of the Benefits Dependencies Register in consultation with the Senior Portfolio Development Officers. The Register will be presented to the EDG as a standing agenda item and those organisations with ownership of each dependency will be expected to provide an update on progress.
- 5.4 It is proposed that the RP will serve as the point of escalation for the Benefits Dependencies Register and it will be a standing item on the agenda with a report provided by the PMO highlighting any issues raised or dependencies closed by the EDG.

- 5.5 This report proposes that the roles and remits of the EDG and RP are extended to include responsibility for the identification, maintenance and management of the Benefits Dependencies Register as described in this report.
- 5.6 It is proposed that the following additions be made to the role and remit of the EDG:
- support Member Authorities, partner organisations and Portfolio Groups to deliver and maximise the City Deal Programme benefits through a Benefits Dependencies Register; and
 - to escalate any issues and provide a progress update for each meeting of the Regional Partnership.
- 5.7 It is proposed that the following additions be made to the role and remit of the RP:
- to support Member Authorities, partner organisations and Portfolio Groups to deliver and maximise City Deal Programme benefits through a Benefits Dependencies Register; and
 - to receive regular update reports and serve as the point of escalation for any issues identified by the EDG in relation to the City Deal Benefits Dependencies Register.
- 5.8 The Chief Executives' Group, with authority to amend the role and remit of support groups, agreed to amend the role and remit of the EDG when it met on 30 January 2020.
- 5.9 Cabinet is invited to approve this amendment to the role and remit of the Regional Economic Partnership. A further report will be taken to the Regional Economic Partnership meeting on 27 February 2020.

6. Recommendations

- 6.1 It is proposed that the Cabinet:
- i. note the content of the report;
 - ii. note that the Chief Executives' Group has approved the extension to the role and remit of the EDG;
 - iii. agree to extend the role and remit of the Regional Partnership to assume responsibility for supporting the delivery of benefits realisation and securing follow-on investment for City Deal projects, as set out in this report; and
 - iv. note that a further report will be taken to the Regional Economic Partnership meeting on 27 February 2020.

Appendix 1 – Aggregated Benefit Realisation Targets for Approved OBCs¹

	Benefit (Output/Outcome)	To be Achieved by Gateway Review 2 2024/25	Benefits to be Achieved by 2035
Land Use	Total Area of Opportunity Sites (Ha)²	301	580
	Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (Ha) ³	70	158
Floorspace	Shops [Class 1] (sqm)	177,730	246,635
	Financial, Professional and Other Services [Class 2] (sqm)	21,860	40,412
	Food and Drink [Class 3] (sqm)	0	1,760
	Business [Class 4] (sqm)	96,433	488,602
	Storage of Distribution [Class 6] (sqm)	0	25,500
	Non-residential Institutions [Class 10] (sqm)	4,005	9,515
	Assembly and Leisure [Class 11] (sqm)	1,655	1,655
Housing	No of New Residential Units	9,609	19,071

¹ These figures have been calculated based upon the latest number of augmented OBCs approved by Cabinet. These do not include the business cases for the following projects: EDC/SPT – Place and Growth; ERC – Barrhead South Rail Station. Lavern Valley Link & Dams to Darnley Visitor Centre; Inv – Inchreen and Inverkip; NLC- Eurocentral/Newhouse Park and Ride, Orchard Farm Roundabout, Ravenscraig Infrastructure Access, East Airdrie Link Road; SLC – Stewartfield Way; Regional Project – Airport Access Project.

² This is the total area of the sites used in the calculations within the Economic Case of the project business case.

³ This is the area of land that is currently on the Vacant and Derelict Land register that will be brought back into use either via the direct City Deal investment, or by the subsequent follow on development.