

GLASGOW CITY REGION CABINET.

Item 1
7th November 2023

Minutes of meeting held on 8th August 2023 by video conference.

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Gordan Low, East Dunbartonshire Council; Councillor Owen O'Donnell, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Jim Logue, North Lanarkshire Council; Councillor Gerry Convery, South Lanarkshire Council; and Councillor Martin Rooney, West Dunbartonshire Council.

Apologies: Councillor I Nicolson and A Russell, Renfrewshire Council; and Councillor J Fagan, South Lanarkshire Council.

Attending: M Hughes (Clerk); G Cornes, East Dunbartonshire Council; G McCarney (substitute for C McAuley) and M McGurkin, East Renfrewshire Council; A O'Donnell and W Hart, Glasgow City Council; K Rush, J Allen, P Kilby, M McNally, A Robertson, Glasgow City Region; L Long, Inverclyde Council; D Murray, North Lanarkshire Council; B Walker, Renfrewshire Council; C Sneddon, South Lanarkshire Council; and G MacFarlane; G McNamara, West Dunbartonshire Council.

Minutes of previous meeting approved.

1 There was submitted and approved the minutes of 9th May 2023, subject to noting that a report on the Clyde Mission would be submitted to the November Cabinet meeting.

Intelligence Hub Economic Briefing - Presentation noted.

2 The Cabinet noted a presentation by Andrew Robertson, Intelligence Hub Manager, Glasgow City Region (GCR) on a GCR Economic Briefing for August 2023 which had a focus on the reasons why the Investment Zone opportunity was so timely, highlighting

- (1) data from the Office for National Statistics which showed that the UK economy had barely grown since 2019;
- (2) information that had been collated through the latest Business Insights and Conditions Survey which showed that smaller firms, especially those in hospitality, faced tougher business conditions;
- (3) signs that lower economic inactivity was feeding through into higher unemployment more than employment, as well as evidence that short-term unemployment was starting to lead to long-term unemployment;

- (4) that recent analysis had shown that over the last 20 years, very deep poverty in Scotland had increased and income inequality had become exacerbated detailing the contributing factors that had informed that rise;
- (5) an analysis which had shown the different impacts the COVID-19 pandemic had on hourly productivity across Glasgow City Region, and the sectors that were driving changes in productivity across the Region; and
- (6) that according to the Resolution Foundation (RF), the lack of well-paying jobs was worsening the UK economy's international shortfall productivity in cities outside of London.

Audit Scotland Report: Scotland's City Region and Growth Deals – Position noted, etc.

3 There was submitted a report by the Director of Regional Economic Growth detailing in an appendix to the report, the Audit Scotland report which assessed progress on the recommendations for Scottish City Region and Growth Deals made in the 2020 Audit Commission report on City Region and Growth Deals, advising that the Audit Scotland report had been informed by the survey responses received from Scotland's City and Growth Deals Programme Management Offices, including the Glasgow City Region response which had been previously agreed by the Chief Executives' Group.

After consideration, the Cabinet

- (1) noted the report findings that good progress had been made against the 2020 Audit recommendations, with governance, scrutiny and risk management arrangements strengthened locally and nationally; and
- (2) agreed that the Director of Regional Economic Growth prepare draft correspondence to the Scottish Government, for circulation and agreement via email, regarding the carry forward of funds.

Internal audit review – Programme Skills, Knowledge and Experience Arrangements noted.

4 There was submitted and noted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review across the Glasgow City Region City Deal Member Authorities of the arrangements in place for the training and handover of skills and experience when key officers leave or move post, as detailed in the report.

Internal Audit Annual Report and Annual Governance Statement 2022/23 approved.

5 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council regarding the Glasgow City Region Cabinet Internal Audit Annual Report and Annual Governance Statement 2022/23, advising that

- (1) the Annual Report provided a review of the performance of Internal Audit for 2022/23 and gave an opinion on the adequacy of the Glasgow City Region Cabinet system of internal control; and
- (2) the Annual Governance Statement, detailed in an appendix to the report, outlined
 - (a) the appropriate governance arrangements of the Cabinet in accordance with the Local Authority Accounts (Scotland) Regulations 2014; and
 - (b) updates on significant governance issues as well as those issues which had previously been reported on.

After consideration, the Cabinet approved the Internal Audit Annual Report 2022/23 and Annual Governance Statement

Glasgow City Region Cabinet – 2022/23 unaudited financial statements approved – Special Cabinet meeting agreed.

6 There was submitted a report by the Director of Regional Economic Growth regarding the Glasgow City Region Cabinet unaudited accounts for the year ended 31st March 2023, advising of the financial performance of the Cabinet.

After consideration, the Cabinet

- (1) approved the income and expenditure statement, balance sheet and the relevant supportive notes for the unaudited accounts for the year ended 31st March 2023; and
- (2) agreed that the audited statements be submitted to a special meeting of the Cabinet in September 2023 for approval.

Letter to Cabinet from Ernst & Young Auditors – Position noted etc.

7 There was submitted a letter dated 13th June 2023 from Ernst & Young Auditors to Councillor Susan Aitken, Chair of the Glasgow City Region (GCR) Cabinet seeking an understanding regarding how the GCR Cabinet had gained assurance from management and seeking a response to a number of questions outlined in the letter.

After consideration, the Cabinet

- (1) noted the letter; and
- (2) approved the proposed response, as detailed in the report.

Quarterly performance report noted – Change control requests approved etc.

8 There was submitted a performance report by the Director of Regional Economic Growth for Quarter 1 2023/24 providing an overview on the progress of the City Deal Programme and City Region Team workplan as at 30th June 2023.

After consideration, the Cabinet

- (1) noted
 - (a) the report; and
 - (b) that a report would be submitted to the November Cabinet meeting detailing proposals to reprogramme projects as necessary; and
- (2) approved
 - (a) the change control requests in respect of the following Infrastructure Programme projects, all as detailed in the report:-
 - (i) East Renfrewshire Council – M77 Strategic Corridor – Aurs Road Realignment;
 - (ii) Inverclyde Council – Ocean Terminal;
 - (iii) Inverclyde Council – Inchgreen;
 - (iv) North Lanarkshire Council – Ravenscraig Infrastructure Access (RIA);
 - (v) North Lanarkshire Council – A8/M8 – Orchard Farm Roundabout;
 - (vi) South Lanarkshire Council – Larkhall CGA – M74/A72 Signalisation; and
 - (vii) West Dunbartonshire Council – EXXON; and
 - (b) the 2023/24 actions set out within the Annual Implementation Plan, as detailed in the report.

Glasgow City Region City Deal – Draft Annual Performance Report 2022/23 approved etc.

9 There was submitted a report by the Director of Regional Economic Growth regarding a draft Glasgow City Region (GCR) City Deal Annual Performance Report (APR), which covered the period from 1st April 2022 to 31st March 2023, advising that the APR

- (1) was a key requirement set out within the Assurance Framework, with the aim of informing key stakeholders of the overall Programme status, and set out the key highlights from the last financial year;
- (2) also provided an update on progress for both the City Deal and the City Region to end March 2023; and
- (3) also included a series of case studies with progress on a variety of projects from across the GCR, as well as the outlook for the year ahead.

After consideration, the Cabinet

- (a) approved the APR 2022/23; and
- (b) noted that the financial statements within the document would be updated following the approval of the Audited Accounts at the November 2023 Cabinet meeting.

Infrastructure Programme – East Renfrewshire Council – Barrhead South Rail Station - Full Business Case approved etc – Declaration of interest.

10 With reference to the minutes of 11th December 2018 agreeing that East Renfrewshire Council progress with the development of a Strategic Business Case for the Barrhead South Rail Station project, there was submitted a report by the Director of Regional Economic Growth regarding the evaluation of the Outline Business Case (OBC) for the project submitted by East Renfrewshire Council, which, following evaluation by the Programme Management Office (PMO), had been considered and approved by the Chief Executives' Group on 27th July 2023 and was now being submitted to Cabinet for approval, advising

- (1) of the executive summary of the project, detailed in Appendix 1 of the report;
- (2) that the OBC had been reviewed and appraised and was considered compliant with HM Treasury Green Book, although it remained the case that all legal and financial risks associated with the project remained with East Renfrewshire Council;
- (3) of the current status of the project, as detailed in the report, including the scope and key milestone dates;
- (4) of the funding requirements as detailed; and

- (5) of the current benefits realisation requirements being met by this project.

After consideration and having heard a presentation on the project by Michelle McGuckin, East Renfrewshire Council, the Cabinet approved the FBC and the funding requirement of £2m for further project development and enabling works to progress to Full Business Case stage.

Councillor Owen O'Donnell declared an interest in this item of business and took no part in the discussion or decision thereon.

Glasgow City Region Investment Zone – Update noted.

11 There was submitted a report by the Director of Regional Economic Growth providing an update on developments following the UK and Scottish Government announcement of Glasgow City Region (GCR) as 1 of 2 investment zones in Scotland, advising

- (1) that on 30th June 2023, the Secretary of State for Levelling Up, Housing and Communities had announced GCR and North East of Scotland would be the first 2 Investment Zones in Scotland, which aimed to boost the economy, stimulate business growth and create high-quality, well-paid jobs, and would be supported by up to £80m in targeted investment, tax reliefs and other incentives over 5 years following a joint selection process by the UK and Scottish Governments;
- (2) of the principles of the Investment Zones and the support mechanisms which would be put in place to assist in the development initiatives for the 2 Scottish regions, which had been indicated by both the Scottish and UK Governments, as detailed in the report;
- (3) of the thematic gateways that GCR had proposed in the development of its Investment Zone, and the next steps that would be carried out to shape the next phase of the proposal, as detailed in the report; and
- (4) that a further update would be brought to the November meeting of the Cabinet.

After consideration, and having heard a verbal update by Kevin Rush, Director of Regional Economic Growth outlining

- (a) the definition, focus and expectations of the Investment Zone;
- (b) the tax incentives within the designated sites;
- (c) a series of questions to be considered throughout the development process which had been highlighted following the initial guidance and what was happening in existing Investment Zones;

- (d) the Regional Economic Strategy which was based on an extensive evidence base and stakeholder engagement which highlighted challenges and opportunities and which had shaped the visions and missions of the Region;
- (e) the series of priorities that the Investment Zone could assist in addressing given the right approach;
- (f) the existing and emerging programmes that were already transforming the economy which could be enhanced with the Investment Zone;
- (g) the Investment Zone Governance which would align with established governance arrangements in the Region; and
- (h) of the summary approach and next steps in the process,

the Cabinet noted the report.

Update on electric vehicle charging infrastructure noted etc.

12 With reference to the minutes of 9th May 2023 noting the proposed next steps for Glasgow City Region (GCR) following the initial phase of development of the Strategic and Expansion Plan for electric vehicle charging infrastructure (EVCI) in GCR, there was submitted a progress report by the Director of Regional Economic Growth, advising

- (1) that the first meeting of the Senior Officers' Group which had been established to shape and oversee the next stage of the work had taken place on 18th May 2023, as detailed in the report;
- (2) that in 2022, on behalf of the 8 GCR Member Authorities (MAs), the GCR Programme Management Office (PMO) had commissioned Mott MacDonald to undertake work to scope out the expected scale of EVCI that would be required to support a transition to electric vehicles across the region;
- (3) that the phase of this work had now been completed and each MA was in possession of its own EV SEP and that there was an overarching EV SEP report available for the GCR which had been submitted to Transport Scotland by the Director of Regional Economic Growth following discussion at the 9th May 2023 Cabinet and this would subsequently be considered by Transport Scotland's Advisory Group, with any feedback and comments then being communicated to the GCR PMO;
- (4) that a key action undertaken by the EV Senior Officers Group had been to prepare and publish a PIN/Request for Information to explore the market appetite from private sector operators to partner with the public sector in the accelerated roll out of EVCI, which would allow the members to understand the potential opportunities and risks for local authorities in entering into a concessionary type arrangement with private sector(s);

- (5) that the PIN had been published on 12th June 2023 and had closed on 7th July 2023, generating 32 responses, detailed analysis of which was currently underway with a subset of the EV senior officers group and representatives from Scottish Futures Trust, with the intelligence gathered from this exercise being used to inform the next steps in the chosen method of delivery and set a timeline for next steps, however, it was clear from the initial discussions of the EV Senior Officers Group that there would be a requirement to assemble specialist expertise to support future delivery;
- (6) of the purpose of a further short 'Delivery Model Feasibility Study', as detailed in the report, the work of which was due to be completed by 18th August 2023;
- (7) that the EV Senior Officers Group had developed a set of proposed key principles and priorities that should guide the next stages of EVCI roll out in GCR, and it was proposed that those principles and priorities be submitted to Cabinet for consideration;
- (8) that the EV Senior Officers Group would meet with representatives of Transport Scotland during August 2023 to discuss how to ensure an effective and seamless transition from the Charge Place Scotland scheme to new arrangements; and
- (9) of a summary of the proposed next steps for progressing the EVCI work.

After consideration, the Cabinet

- (a) noted the report; and
- (b) agreed the proposed principles for the future expansion of EVCI in GCR, as detailed in the report.

UK Shared Prosperity Fund – Update noted.

13 There was submitted and noted a report by the Director of Regional Economic Growth providing an update on Glasgow City Region (GCR) UK Shared Prosperity Fund (UKSPF) activity, including the 2023/24 grant determination, ongoing UKSPF reporting, underspend proposals, GCR evaluation and Extend - Carbon Baseline Reports, advising

- (1) that GCR had submitted the UKSPF 6-monthly report and 'credible plan' to the UK Government (UKG) on 9th May 2023, following the approval by this Cabinet, and after a number of clarifications, the UKG had approved the report and GCR was now awaiting notification of the 2023/24 grant determination, following which the 2023/24 allocation would be distributed to Member Authorities (MAs);
- (2) that Lead Authorities had been notified by the UKG in late June 2023 that the next quarterly report would no longer be required and that the Programme

Management Office (PMO) would continue to liaise with local and national UKG contacts to provide constructive feedback on the ongoing design of the UKSPF reporting process;

- (3) that furthermore, the PMO would collaborate with MAs to complete a GCR level UKSPF quarterly report for quarter 1 2023/24 activity and that this approach would be used to help MAs and their partners refine internal reporting processes, whilst also serving to provide the PMO, Finance Strategy Group and the Chief Executives' Group with an indication of GCR UKSPF spend;
- (4) that, following the GCR UKSPF Underspend report to the Chief Executives' Group on 8th June 2023, the Head of UKSPF had met with MA Economic Delivery Group (EDG) members to help inform and refine a proposed approach to the utilisation of GCR UKSPF underspend, and whilst MA EDG members had been broadly supportive of the allocation methodology, there was consensus that any underspend being utilised at the city region level should be managed by the PMO, rather than being offered out to wider regional partners, and that as a result, the proposed methodology would be prioritised, as detailed in the report:
- (5) that, following that approach, the PMO would work with MAs to develop a methodology for the reallocation of budget between MAs, whether this be for reprofiled or new activity (project prioritisation), and for region wide activity, the PMO would work with MA EDG members to develop a long-list of GCR projects that could be funded using GCR UKSPF underspend and delivered by 31st March 2025;
- (6) that the intention would then be to develop this long-list in parallel with the quarter 2 2023/24 reporting process, when more clarity would be available on UKSPF spend across the GCR, with an update being provided to a future meeting of the Chief Executives' Group, and with final approval being remitted to the Chief Executives' Group and this Cabinet as appropriate;
- (7) that the UKG, through the Department of Levelling Up, Housing and Communities had appointed 2 external contractors to undertake the evaluation of the UKSPF which would focus on the impact of the programme at an intervention and project level, as detailed in the report;
- (8) that 1 of the 12 first phase programmes within the Regional Economic Strategy related to Green Business Support across the GCR and since quarter 4 2022/23, a number of MAs had been engaging with the Extend project at the University of Strathclyde to augment the 3 strands of Green Business Support, and that the Extend project team had used its experience over the last few years to develop a bespoke Carbon Baseline report to Small and Medium-sized Enterprise (SMEs);
- (9) that following approval by the Chief Executives' Group on 27th July 2023, the GCR intended to grant fund the University of Strathclyde to provide these

bespoke Carbon Baseline reports to 500 city-region SMEs over the next 18 months at a total cost of £376,000, with the proposed MA split being detailed in the report, and further noting that North Lanarkshire Council would not be included within the Extend Programme as it offered a specific grant programme for SMEs to commission their own Net-Zero consultancy support;

- (10) that over the last 18 months the Head of Shared Prosperity Fund for GCR and the PMO had provided support and guidance to MAs in the development of the content of their Investment Plans, together with the establishment of the monitoring and reporting requirements, and in addition to the MA activity included in the original GCR Investment Plan, a number of projects had now been created that were collaborative across the city region, namely, Clyde Climate Forest, Extend – Carbon Baseline Reports and Multiply; and
- (11) that, given the nature of these collaborative projects, the role of the PMO would continue to evolve and to support the delivery of these projects which had an element of regional delivery and co-ordination, and that the PMO would act as the '9th' partner in UKSPF delivery, with the scope and role of the PMO differing across the projects, as detailed in the report.

Date of next meeting noted.

14 The Cabinet noted that the next meeting would take place on Tuesday, 7th November 2023 in Committee Room 8, Glasgow City Chambers at 1000 hours.