

GLASGOW CITY REGION CABINET'S MINUTES.

Glasgow, 6th August 2024, City Chambers, Glasgow.

Item 1

5th November 2024

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Gordan Low, East Dunbartonshire Council; Councillor Owen O'Donnell, East Renfrewshire Council; Councillor Martin McCluskey, Inverclyde Council (substitute for Stephen McCabe); Councillor Jim Logue, North Lanarkshire Council; Councillor Iain Nicolson, Renfrewshire Council; Councillor Joe Fagan, South Lanarkshire Council; and Councillor Martin Rooney, West Dunbartonshire Council.

Apologies: Stephen McCabe, Inverclyde Council; Steven Quinn, East Renfrewshire Council; and A Russell, Renfrewshire Council.

Attending: M Hughes (Clerk); A Davie, East Dunbartonshire Council; C McAuley, East Renfrewshire Council (substitute for S Quinn); S Millar, C Edgar and W Hart, Glasgow City Council; K Rush, J Allen, D Boyle, P Kilby, M McNally, R Nimmo and J Thompson, Glasgow City Region; L Long, Inverclyde Council; L Noble, North Lanarkshire Council; B Walker, Renfrewshire Council (substitute for A Russell); P Manning and A Brown, South Lanarkshire Council; P Hessett, West Dunbartonshire Council; D McNulty, Commission on Economic Growth, Professor Sir J McDonald and K Kane, Glasgow Economic Leadership; and O Potapova, Ernst & Young LLP.

Proposed amendment to Standing Orders - Motion by Councillor Susan Aitken, seconded by Councillor Owen O'Donnell adjourned.

1 In terms of Standing Order No 14, there was submitted a motion by Councillor Susan Aitken seconded by Councillor Owen O'Donnell

- (1) to amend the Cabinet Standing Orders to establish the role of Vice Chair of the Cabinet, appointed from among the Cabinet members, and serving for a period of 2 years before being subject to reappointment/election; and
- (2) that a formal review of all GCR governance arrangements will be undertaken once during each council term.

The Cabinet, in terms of Standing Order No 35, adjourned without discussion consideration of the motion to the next ordinary meeting of the Cabinet.

Minutes of previous meeting approved.

2 There was submitted and approved the minutes of 11th June 2024.

Various minutes noted etc.

3 There was submitted the minutes of the

- (1) Glasgow Economic Leadership Board of 27th March 2024; and
- (2) Glasgow City Region Education Committee of 25th June 2024.

After consideration, the Cabinet noted the minutes, having heard Sir Jim McDonald provide a verbal update regarding the Glasgow Economic Leadership Board.

Internal audit review of UK Shared Prosperity Fund, Assurance Framework Compliance arrangements noted.

4 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review of the UK Shared Prosperity Fund Assurance Framework Compliance arrangements.

After consideration, the Cabinet noted the report and that based on the audit work carried out, assurance could be taken that the control environment was satisfactory.

Internal Audit Annual Report noted - Annual Governance Statement 2023/24 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 2023/24, advising that

- (1) the Annual Report provided a review of the performance of Internal Audit for 2023/24 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

- (i) noted the 2023/24 Internal Audit Annual Report; and
- (ii) approved the 2023/24 Annual Governance Statement.

Glasgow City Region Audited Annual Accounts and Annual Audit Report 2023/24 approved etc –Delegated authority to Chair of Finance Strategy Group.

6 With reference to the minutes of 11th June 2024 approving the Glasgow City Region (GCR) unaudited annual accounts for year ended 31st March 2024, there was submitted the Annual Audit Report 2023/24 by EY, together with the Cabinet’s audited annual accounts for the period ended 31st March 2024, advising

- (1) of EYs findings from the 2023/24 audit of the GCR Cabinet, as detailed in the annual audit report; and
- (2) of the financial performance of the GCR Cabinet for the period from 1st April 2023 to 31st March 2024, including the income and expenditure incurred in the year relating to the provision of services to the Cabinet.

After consideration and having heard Jon Allen, Finance Manager, Programme Management Office and Olga Potapova, EY, the Cabinet

- (a) noted
 - (i) the contents of the Annual Audit Report 2023/24; and
 - (ii) that the Independent Auditor’s report was clear of qualification; and
- (b) approved for signature the Audited Annual Accounts for 2023/24; and
- (c) delegated authority of any additional audit procedures fee to the Chair of the Finance Strategy Group, Martin Booth, Executive Director of Financial Services.

Glasgow City Region Intelligence Hub – Economic briefing – Presentation noted.

7 The Cabinet heard and noted an economic briefing presentation by David Boyle, Glasgow City Region Intelligence Hub Manager, highlighting that

- (1) the UK Economy had returned to growth, with the latest figures from the Office for National Statistics demonstrating double the expected growth for Gross Domestic Product;
- (2) the latest data had shown an increasingly weak labour market across the UK and summarised the latest headline estimates and quarterly changes, seasonally adjusted from March to May 2024, as detailed in the slides;
- (3) worklessness remained an issue for Regional productivity and significant challenges faced the UK and Regional labour market;

- (4) low pay in the foundational economy remained an issue and despite the successes of the national minimum wage, critically important sectors like social care remained amongst the lowest paid in the country;
- (5) the fiscal challenges for the new Government, and according to the Institute for Government, most public services were performing worse than before the 2019 election, and far worse than in 2010, while public spend had also increased;
- (6) crucial to the new Government's fiscal plans would be productivity growth, which had stagnated since the financial crisis;
- (7) devolution of skill planning to a regional level would allow Glasgow City Region to align policy to Regional business needs; and
- (8) the new Government would need to address centralisation of policy development, noting that Labour had committed to deepening devolution for combined authorities but clarity was required on what this might mean for Glasgow City Region.

Regional Economic Strategy Action Plan – Update for 2024/25 approved.

8 There was submitted a report by the Regional Partnership Manager regarding a draft update of the Regional Economic Strategy (RES) Action Plan for 2024/25, advising

- (1) of the background to the RES which had been approved by this Cabinet on 7th December 2021, with the Action Plan being subsequently approved by Cabinet on 30th August 2022;
- (2) that the update set out within the report had been undertaken prior to moving into the third year of delivery and reflected progress made to date in delivering the initial actions, and changes to the broader policy context, with the proposed changes being made to the Action Plan and the RES, where the grand challenges and missions had remained unchanged;
- (3) that since approval of the first Action Plan, there had been significant developments to the policy context, both nationally and within Glasgow City Region (GCR), including:
 - (a) securing over £350m of additional investment to the GCR through the Shared Prosperity Fund, Innovation Accelerator, Investment Zone and Clyde Mission;
 - (b) the ongoing City Deal Reprogramming exercise;
 - (c) the adoption of Community Wealth Building objectives;
 - (d) national policies in relation to Net Zero; and

- (e) changes to the skills system, signalled through the Withers' Report;
- (4) of an updated version of the Action Plan, as detailed in an Appendix to the report, which had included a new 'Commercial Land and Property Programme'; and
- (5) that the GCR Programme Management Office and Intelligence Hub would develop a Performance Management Framework which would link the outputs and outcomes from the programmes and demonstrate their contributions to the RES missions and grand challenges.

After consideration, the Cabinet

- (i) noted the content of the report; and
- (ii) approved the updated Regional Economic Strategy Action Plan for 2024/25.

South Lanarkshire Council – Stewartfield Way Project – Change Control Request approved – Declaration of interest.

9 There was submitted a report by the Chief Executive, South Lanarkshire Council (SLC) setting out a proposed Change Control Request relating to a change in scope for the Stewartfield Way Project, advising

- (1) that the proposed project changes had included a review of the scope of the project transport infrastructure element and the inclusion of East Kilbride town centre site preparation and development elements, and that based on this, additional work on the Outline Business Case would be delayed by 17 months from the current reported timeline, and that no additional funding was requested at this time;
- (2) of a summary of the new proposed project activity, as detailed in the report;
- (3) that the strategic need for the project, the SMART project objectives and the type of benefits and impacts that were anticipated to be delivered had all remained the same, as did the scope of the project, however, this had now included additional elements, as detailed in the report; and
- (4) of the main drivers and rationale for the requested change, as summarised in the report.

After consideration and having heard Alison Brown, South Lanarkshire Council, the Cabinet approved the change to scope and timelines, all as detailed in the report.

Councillor Joe Fagan declared an interest in this item of business and took no part in the decision thereon.

North Lanarkshire Council – Pan Lanarkshire Orbital Transport Corridor Project – Change Control Request approved etc – Declaration of interest.

10 There was submitted a report by the Chief Executive, North Lanarkshire Council (NLC) setting out a proposed Change Control Request relating to a change in scope for the Ravenscraig Access Infrastructure (RAI) project and a related virement of funds from RAI to the Pan Lanarkshire Orbital Transport Corridor – East Airdrie Link Road project, advising

- (1) that the report provided support for the NLC City Deal Programme proposed Change Control Request which sought approval for the reprogramming of the Pan Lanarkshire Orbital Corridor project from the Glasgow City Region (GCR) Cabinet;
- (2) of the proposed changes to the Pan Lanarkshire Orbital Transport Corridor project as part of NLC City Deal Programme, following a reprogramming exercise by NLC to ensure its City Deal Programme remained fit for purpose and deliverable and that benefits were realised and where possible, brought forward quicker within the GCR City Deal Programme, as detailed in the report;
- (3) that a key driver for the reprogramming exercise had been to address the impact of increased costs to infrastructure projects and, particularly, the significant increase in the estimated project costs of the East Airdrie Link Road;
- (4) of a recommendation that part of the RAI project, namely RAI North (RAIN) comprising the dualling of the existing A723, forming part of the wider Pan Lanarkshire Orbital Transport Corridor, be deferred and removed from the City Deal Programme, as detailed in Appendix 1 of the report; and
- (5) of a request for this Cabinet to support a virement of the City Deal Grant from the RAIN project to RAI South and the movement of the associated Additional Member Contributions to the East Airdrie Link Road sub-project, both part of the Pan Lanarkshire Orbital Transport Corridor project.

After consideration and having heard a presentation by Lyndsay Noble, North Lanarkshire Council, the Cabinet

- (a) acknowledged the progress of North Lanarkshire City Deal infrastructure sub-projects and the need and value of the reprogramming exercise within North Lanarkshire; and
- (b) approved
 - (i) the change to scope comprising the deferment of the Ravenscraig Access Infrastructure North sub-project from the Pan Lanarkshire Orbital Transport Corridor project and North Lanarkshire City Deal Programme;

- (ii) the virement of the North Lanarkshire City Deal Funding allocation from the Ravenscraig Access Infrastructure North sub-project of £51,409,159 to support the delivery of the Ravenscraig Access Infrastructure South and East Airdrie Link Road sub-projects, allowing for the East Airdrie Link Road Outline Business Case to be submitted to this Cabinet for approval at this meeting; and
- (iii) the reprofiling of the delivery of the Airbles Road Improvement project as part of the Ravenscraig South project.

Councillor Jim Logue declared an interest in this item of business and took no part in the decision thereon.

Infrastructure Programme – North Lanarkshire Council – East Airdrie Link Road - Outline Business Case and Change Control Request approved.

11 With reference to the minutes of 9th April 2019 approving the Strategic Business Case for North Lanarkshire Council's East Airdrie Link Road 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 North Lanarkshire Council (NLC), which, following evaluation by the Programme Management Office (PMO), had been considered and approved by the Chief Executives' Group on 25th July 2024 and was now being submitted to Cabinet for approval, advising

- (1) of the executive summary of the project, detailed in Appendix 1 to the report;
- (2) that NLC's Enterprise and Fair Work Committee had approved the submission of the OBC on 10th May 2024;
- (3) that while the PMO appraisal of the OBC considered that the OBC was consistent with the requirements of HM Treasury Green Book, it remained the case that all legal and financial risks associated with the project remained with NLC;
- (4) that approval for this OBC to progress was dependent on the approval of a Change Control Request by this Cabinet today (Paragraph 10 above), as detailed in the report;
- (5) of the funding requirements; and
- (6) of the current benefits realisation requirements being met by this project.

After consideration, the Group

- (a) noted the report and that the PMO Appraisal and Risk Register were available on request from the Clerk; and
- (b) approved

- (i) the Outline Business Case and the Change Control Request, as detailed in the report; and
- (ii) the £16m requested by North Lanarkshire Council to progress the project to Full Business Case stage, including progressing detailed design work, ground investigations and surveys, planning application submission, service investigations and diversions, other enabling works and to cover internal project management fees, allowances for contingency, inflation and optimism bias on service contracts.

Quarterly performance report noted etc.

12 There was submitted a performance report by the Director of Regional Economic Growth for Quarter 1 2024/25 for the period to 18th July 2024 providing updates on the progress of the City Deal Programme, Regional Economic Strategy Action Plan and the City Region Team workplan.

After consideration, the Cabinet

- (1) noted the report; and
- (2) approved the Change Control Request in respect of North Lanarkshire Council's A8/M8 – Orchard Farm Roundabout project, as detailed in the report.

Glasgow City Region City Deal – Draft Annual Performance Report 2023/24 approved etc.

13 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) 2023/24 detailed in an appendix to the report, which covered the period from 1st April 2023 to 31st March 2024, 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 provided an update on progress for both the City Deal and the GCR to 31st March 2024; and
- (2) included the Annual Implementation Plan for 2024/25 for the 21 City Deal projects.

After consideration, the Cabinet

- (a) approved the 2023/24 Annual Performance Report and that final account details would be finalised once the audited accounts had been approved by Cabinet; and
- (b) agreed to include the Glasgow Economic Leadership Board in the Governance structure.

Regional Spatial Planning Sub-committee – Terms of Reference approved etc.

14 With reference to the minutes of 13th February 2024 agreeing to establish a new Regional Spatial Planning Sub-committee (RSPS), there was submitted a report by the Director of Regional Economic Growth proposing Terms of Reference (ToR) for the RSPS and providing an update on the nominated representatives from each Member Authority (MA), advising

- (1) that on 28th June 2023, the Clydeplan Joint Committee had agreed a recommendation to transfer the responsibility for oversight of the development of a Regional Spatial Strategy to this Cabinet;
- (2) that all 8 MAs had approved participation in the RSPS and had confirmed their nominated Members, as detailed in Appendix 1 to the report; and
- (3) of the proposed ToR for the RSPS, as detailed in Appendix 2 to the report, which matched the format of the GCR Education Committee ToR and had been drafted with input from the respective Chief Planning Officers, or their equivalent, from each MA.

After consideration, the Cabinet

- (a) noted the report; and
- (b) approved the proposed membership and Terms of Reference of the new Regional Spatial Planning Sub-committee.

Date of next meeting noted.

15 The Cabinet noted that the next meeting would take place on Tuesday, 5th November 2024 at 0930 hours in the City Chambers, Glasgow.