



Glasgow City Region - City Deal

Cabinet

Report by Director of Programme Management Office

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Item

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Programme Status Report

Purpose of Report:

This Programme Status Report provides Cabinet with an update on key Glasgow City Region City Deal programme developments, tasks and issues. The information is extracted from the regular monthly reports and papers that are submitted to the Chief Executives' Group.

Recommendations :

It is recommended that the Cabinet notes the content of this report.

A BACKGROUND

This Programme Report provides Cabinet with an update on various key programme issues. The information is extracted from the regular monthly reports and papers that are submitted to the Chief Executives' Group.

B PROJECT SUMMARIES

All project business cases that have been submitted to Cabinet for approval require an individual Project Status Report to be completed and issued to the Programme Management Office (PMO). These are reported monthly to the Chief Executives' Group. At this juncture, with the primary Programme activity relating to business case development, the Glasgow City Deal Programme is progressing satisfactorily. There are a small number of projects at amber status and one at red status (a Skills and Employment project for which a recovery plan is being implemented) and these are being monitored by the Chief Executives' Group.

A comprehensive list of the Glasgow City Deal projects and business case approval dates is included in the Cabinet Induction Pack that has been circulated.

A number of key City Deal projects have already been completed:

- **MediCity Scotland**, a dedicated medical technology incubation facility opened in March 2016 at Newhouse, North Lanarkshire. The innovation hub was established with the support of £1.012million in capital investment from the Glasgow City Region City Deal, with funding from the then UK Department of Business Innovation and Skills, matched with contributions from BioCity Scotland Limited, North Lanarkshire Council and Scottish Enterprise. The facility brings together academics, entrepreneurs, clinicians and business support services to assist the development of new healthcare services and medical technology. Over the next five years the facility aims to support up to 50 new med-tech businesses and 150 jobs, develop links between the commercial and academic communities and showcase Scotland for inward investment opportunities in the critical life sciences sector for the Glasgow City Region.
- May 2016 saw the opening of **The Tontine**, a new £4 million centre for business incubation and development in Glasgow's Merchant City. This five year project, delivered with support from the eight member authorities, Business Gateway and Scottish Enterprise, is designed to improve the medium and long term sustainability and growth rates for start-ups in the Glasgow City Region area. It is anticipated to create 536 new jobs and inject £53.6million into the economy of the City Region over the five year period of the project and assist in the development and diversification of the Glasgow City Region economy in sectors such as satellite technology and renewable energy.
- In July 2016, East Renfrewshire Council celebrated the completion of ten new commercial units at **Crossmill Business Park** in Barrhead, the first infrastructure project to be completed as part of the City Deal, with a 17-acre former factory site prepared for private investment, supporting business growth and providing employment. This is complemented by nearby additional City Deal investments in

business space and a business incubation hub for start-ups and micro-businesses with convenient connectivity to the wider City Region via the M77.

- The **Cathkin Relief Road**, the first major City Deal transport project opened in South Lanarkshire in February 2017. The new road will enhance the local strategic road network, improve connectivity to employment areas across Rutherglen and Cambuslang and reduce traffic impacts on neighbouring residential type roads.
- In March 2017, the world-leading **Imaging Centre of Excellence** (ICE) officially opened at the Queen Elizabeth Hospital in Glasgow. The unique medical research facility was built in collaboration with NHS Greater Glasgow and Clyde and with £16m funding from the Medical Research Council and Glasgow City Region City Deal. ICE brings together world-leading research, cutting edge technology and international business investment and will act as a hub for translating science into economic and patient benefit for Glasgow, Scotland and the UK. The project will bring nearly 400 new high-value jobs to the city region over a seven year period and has been independently assessed to contribute £88m to the local economy.

C FINANCIAL REPORTING

C.1 EXPECTED SPEND 16/17 VS BUSINESS CASE APPROVALS BY PROJECT

CITY DEAL INFRASTRUCTURE FINANCIAL MONITORING ACTUAL SPEND vs BUSINESS CASE APPROVALS BY PROJECT AS AT 28 APRIL 2017									TABLE 1
Infrastructure Authority/Project	Estimated Project Funding	2015/16 Actual and 2016/17 Projected Spend	Expected Spend 17/18	Cumulative Projected Spend to 17/18	CTD Spend	Funding Allowed through Business Case Stage Approvals	Previous Years Grant Allocation	Grant Allocation 2017/18	Cumulative grant/ cumulative spend
ERC M77 Strategic Corridor	44,000,000	1,784,555	9,062,014	10,846,569	1,784,555	2,687,480	2,249,000		126%
Levern Works						912,000			
	44,000,000	1,784,555	9,062,014	10,846,569	1,784,555	3,599,480	2,249,000	-	
Glasgow Canal and North (Sighthill)	73,390,000	21,694,434	27,631,000	49,325,434	21,660,000	63,058,000			
Glasgow Canal and North	15,900,000	341,000	1,591,000	1,932,000	375,000				
Glasgow City Centre	115,520,000	1,121,527	3,954,000	5,075,527	1,122,000	15,758,000			
Glasgow Clyde and Waterfront	113,900,000	818,800	1,424,000	2,242,800	819,000	7,390,000			
Glasgow Collegelands	27,000,000	521,391	2,105,000	2,626,391	521,000	2,590,000			
Glasgow MGSDP	40,200,000	537,050	1,801,000	2,338,050	537,000	7,738,000			
Total Glasgow	385,910,000	25,034,202	38,506,000	63,540,202	25,034,000	96,534,000	25,942,000		104%
Inchgreen	9,427,000	-			10,000				
Inverkip	3,250,000	14,000	1,000,000	1,014,000	4,000	260,000			
Ocean Terminal	14,137,000	70,000	300,000	370,000	50,000	800,000			
Total Inverclyde	26,814,000	84,000	1,300,000	1,384,000	64,000	1,060,000	201,000		314%
North Lanarkshire A8/M8	12,587,000	336,963	303,800	640,763	275,097	484,000			
North Lanarkshire Gartcosh/Glenboig	66,311,000	2,208,345	3,831,400	6,039,745	2,170,735	7,317,204			
North Lanarkshire Pan Orbital Transport Corridor	93,565,000	263,382	317,200	580,582	205,756	1,101,000			
Total North Lanark	172,463,000	2,808,690	4,452,400	7,261,090	2,651,588	8,902,204	4,042,000		152%
Renfrewshire CWRR	78,290,000	3,103,434	8,264,000	11,367,434	3,103,000	13,866,000			
Renfrewshire GAIR	51,395,000	2,626,778	4,597,000	7,223,778	2,627,000	9,360,000			
Total Renfrewshire	129,685,000	5,730,212	12,861,000	18,591,212	5,730,000	23,226,000	6,427,000		112%
South Lanarkshire Cathkin Relief Road	21,628,457	13,539,021	5,061,026	18,600,047	13,539,021	21,628,000			
South Lanarkshire Council Community Growth Areas	62,300,000	4,554,018	6,477,597	11,031,615	4,554,019	9,791,000			
South Lanarkshire Greenhills	23,088,011	1,105,027	4,482,838	5,587,865	1,105,027	2,358,000			
South Lanarkshire Stewartfield Way	62,212,230	157,849	988,920	1,146,769	157,849	1,205,500			
South Lanarkshire Total	169,228,698	19,355,915	17,010,381	36,366,296	19,355,916	34,982,500	19,284,000		100%
West Dunbartonshire -EXXON	27,897,000	625,313	1,073,766	1,699,079	625,061	3,448,000	617,000		99%
Airport Link	144,294,000	1,203,325	1,922,000	3,125,325	1,204,000	15,149,000	1,238,000		103%
SPT	30,000,000	-	4,448,550	4,448,550	-			-	-
TOTAL INFRASTRUCTURE	1,130,291,698	56,626,212	90,636,111	147,262,323	56,449,120	186,901,184	60,000,000	30,000,000	106%

This table details the total expenditure per project from the latest estimates as at 28 April 2017. This is then compared with out-turn for 2015/16 and 2016/17 and the projected spend for 2017/18. Please note that member authorities have been requested to provide baseline figures for 2017/18 spend and these will be monitored going forward and included in the June report.

The projected spend for infrastructure projects for 2015/16 and 2016/17 is now £56.626m. Please note that this is an outturn position and is subject to change. There has been some movement within member authorities' projections for 2016/17.

The cumulative grant allocation to the end of 2016/17 is £60m with a further £30m due in 2017/18. The cumulative to date spend is £56.449m compared with an expected spend of £56.626m (99.7%). This is an improved position percentage wise from last period.

C.2 CITY DEAL INNOVATION FINANCIAL MONITORING

CITY DEAL INNOVATION FINANCIAL MONITORING								TABLE 4
PROJECT FUNDING AND EXPECTED SPEND vs GRANT DRAWDOWNS								
INNOVATION Authority/Project	Revised Project Funding	Actual Spend 15/16	Expected Spend 16/17	Cumulative Spend	Grant Allocation 15/16	Claim to Date	%age in year claim to date	
GCC - Integrated Grow on Initiative (IGI)	1,670,000	1,670,000	-	1,670,000	1,670,000	1,670,000	100%	
NLC - MediCity	1,012,000	1,012,000		1,012,000	1,012,000	1,012,000	100%	
MRC- Imaging Centre of Excellence (ICE)	16,000,000	7,404,857	8,595,143	16,000,000				
TOTAL INNOVATION	18,682,000	10,086,857	8,595,143	18,682,000	2,682,000	2,682,000		

This table displays total project costs for the three innovation projects, compared with the actual spend for 2015/16, expected spend levels for 2016/17 and the grant allocations approved. Only ICE still has expenditure in 2016/17. This project receives the City Deal funding from the Medical Research Council. The City Deal Innovation projects are now complete with all expenditure incurred and funding drawdown and therefore these project will not be included in future reports.

C.3 CITY DEAL SKILLS AND EMPLOYMENT FINANCIAL MONITORING

CITY DEAL SKILLS AND EMPLOYMENT FINANCIAL MONITORING PROJECT FUNDING AND ACTUAL SPEND vs GRANT DRAWDOWNS										TABLE 5
SKILLS AND EMPLOYMENT Authority/Project	Revised Project Funding	Actual Spend 15/16	Projected Spend 16/17	Actual 2015/16 and Projected 2016/17	Actual Spend in 16/17 to Q4	Cumulative Spend to Q4	Grant Allocation 16/17	Claim Cumulative to 16/17	%age in year claim to date	
EDC - Working Matters	100,869	8,512	25,546	34,058	23,172	31,684	23,172	31,684	100%	
ERC - Working Matters	75,851	-	19,523	19,523	19,523	19,523	19,523	19,523	100%	
IC - Working Matters	215,241	30,577	72,000	102,577	72,000	102,577	72,000	102,577	100%	
GCC - Working Matters	1,912,946	113,999	737,234	851,233	363,150	477,149	363,150	477,149	100%	
NLC - Working Matters	459,075	58,080	237,000	295,080	216,616	274,696	216,616	274,696	100%	
RC - Working Matters	447,559	69,664	140,050	209,714	151,548	221,212	151,548	221,212	100%	
SLC - Working Matters	522,218	174,073	200,000	374,073	174,073	348,146	174,073	348,146	100%	
WDC -Working Matters	237,480	15,834	116,666	132,500	50,200	66,034	50,200	66,034	100%	
ALL - Working Matters	528,761	38,192	139,552	177,744	144,935	183,127	144,935	183,127	100%	
TOTAL WORKING MATTERS	4,500,000	508,931	1,687,571	2,196,502	1,215,217	1,724,148	1,215,217	1,724,148		
Cumulative projection 1/4/2015 to end of 2017 compared with DWP available grant funding										48.81%
Actual spend in 2016/17 compared with projected spend for 2016/17										72.01%

Working Matters actual spend 15/16 column are the figures which were supplied for the Statement of Grant Usage for 2015/16. The projected spend column of £1,687,571 is taken from the quarter 3 monitoring reports. The actual spend to the end of quarter 4, £1,215,217 represents 72.01% of the expected spend of £1,687,571 for 2016/17.

D PROGRAMME ACTIVITIES

D.1 Evaluation

The Glasgow Economic Commission and the PMO are liaising closely with SQW, the consultants appointed to establish and progress the work of the national evaluation of 11 UK City Deal areas. A Glasgow City Region specific evaluation framework is being developed by SQW. The Commission will ensure that this locality framework reflects regional issues, such as inclusive growth, given the policy priorities set out by the Scottish Government and GCR Member Authorities. This evaluation methodology will guide the first Gateway Review of Glasgow City Deal in 2019. It was noted by SQW that Glasgow City Region is a well advanced in planning and delivery compared with the other UK City Deals being evaluated; with 6 of the 11 City Deal areas not having projects underway.

It is anticipated the Glasgow City Region locality framework and evaluation plan will be concluded by end September. Further updates will be brought to Cabinet.

A draft City Deal Benefits Realisation Strategy for City Deal has been prepared by the PMO in consultation with the Member Authorities and the Commission on Economic Growth. The Strategy will be further developed to reflect the emerging evaluation frameworks that are being established by the National Panel and the Commission prior to being submitted to the Chief Executives Group and Cabinet. The PMO presented the draft list of project outputs to the Commission on Economic Growth meeting in April for consideration.

Audit Scotland has confirmed that it will undertake a performance audit of Scottish City Deals during the course of 2017/18. Further information is awaited.

D.2 COMMUNICATIONS AND MARKETING

The University of Glasgow £32 million Imaging Centre of Excellence (ICE) was formally opened in March generating wide TV / press coverage. A launch event to mark the occasion was attended by over 1,000 people and included a civic reception hosted by Glasgow City Council's Lord Provost.

The BEIS Permanent Secretary, Alex Chisholm, visited The Tontine on Friday 31st March.

A further series of up-to-date procurement information is being collated on City Deal project contracts and timings. This will be produced as a leaflet to be issued at the Meet the Buyer 2017 event at Hampden in September, which will be attended by over 1,000 SMEs. The information will also be made available on the City Deal website.

A media release was issued to promote a series of City Deal public engagement events planned for the Clyde Waterfront and Renfrew Riverside and the Glasgow Airport Investment Area projects. The events will be held in both Renfrewshire and Clydebank and include four days of public exhibitions at which people will be able to discuss the plans with members of the project team.

The City Deal social media presence is gaining momentum. The twitter feed, launched in last year, has over 600 followers and the distinct YouTube channel has eight short, informative, public-friendly films about the City Deal. The PMO alone has undertaken presentations to circa 2,000 business persons and stakeholders .

Other City Deals:

- The Tayside Cities Deal team undertook fact-finding visit to the PMO on 3rd May
- Ongoing engagement continues with staff from Cardiff City Deal
- The National Assembly for Wales' Economy, Infrastructure and Skills Committee, which is undertaking an inquiry into City Deals of Wales, will visit the PMO in June.
- There is ongoing dialogue with Scotland's two other City Deals in Inverness and Aberdeen.
- A useful briefing on UK City Deals was produced by the Scottish Parliament Information Unit. Copies can be viewed from:
http://www.parliament.scot/ResearchBriefingsAndFactsheets/S5/SB_17-19_City_Region_Deals.pdf

D.3 ASSURANCE FRAMEWORK REVIEW

The Assurance Framework, the formal document which sets out how the Glasgow City Region City Deal will be governed and managed is currently being reviewed. A revised version will be brought to a subsequent meeting of Cabinet.

D.4 CONTRACTS REGISTER

The PMO has finalised the master Contracts Register based on the information provided by all the City Region Member Authorities. This register will allow visibility on contracts, their value and associated community benefits. This will allow the programme to benchmark, track and forecast community benefit. All contracts with a value of over £50,000 need to address community benefit. The City Deal Community Benefits and Programme Strategy aims to make the programme an exemplar in relation to community benefit and optimise the realisation of these benefits across contractors and their supply chains.