

GLASGOW CITY REGION CABINET.

Minutes of meeting held on 11th April 2017 at the City Chambers, Glasgow.

Present: Councillor Frank McAveety (Chair), Glasgow City Council; Councillor Jim Fletcher, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Rhondda Geekie, East Dunbartonshire Council; Councillor Mark Macmillan, Renfrewshire Council; Councillor Chris Thompson, South Lanarkshire Council; and Councillor Patrick McGlinchey, West Dunbartonshire Council.

Apologies: Councillor Jim Logue, North Lanarkshire Council; Councillor Eddie McAvoy, South Lanarkshire Council; and Councillor Martin Rooney, West Dunbartonshire Council.

Attending: N Lyttle (Clerk); A O'Donnell, R Brown, C Connolly, B Douglas, J Harvey, W Hart, J Sweeney and P Hennessy, Glasgow City Council; G Cornes, East Dunbartonshire Council; I MacLean, East Renfrewshire Council; A Fawcett, Inverclyde Council; L Freeland, South Lanarkshire Council; P Jukes, North Lanarkshire Council; S Black, Renfrewshire Council; J White and J McAloon, West Dunbartonshire Council; R Pollock, Director of Programme Management Office; D McNulty, Independent Commission on Economic Growth; I Lochhead, Audit Scotland; and D Smart, Smart Consultancy.

Minutes of previous meeting approved.

1 There was submitted and approved the minutes of 14th February 2017.

Programme update noted etc.

2 There was submitted a report by the Director of the Programme Management Office (PMO) providing an update on various key programme issues for the period to March 2017, advising

- (1) of updates regarding the Airport Access Project, the opening of the Cathkin Relief Road, the formal opening of the Imaging Centre of Excellence and progress on the recovery plan agreed with DWP for the Working Matters project, which included a reply from David Mundell MP, Secretary of State for Scotland in response to a letter to him from the Chair of this Cabinet regarding the project's under performance; and
- (2) of other activity carried out by the PMO, which included details on the National Panel, communications and marketing, benefits realisation, the contracts register and the Annual Implementation Plan, all as detailed in the report.

After consideration, the Cabinet

- (a) noted the report and a verbal update by Des McNulty regarding the work of the Independent Commission on Urban Economic Growth, which also included progress on the locality evaluation framework currently being developed by the National Evaluation Panel; and
- (b) agreed that a further letter be sent to the Secretary of State for Scotland regarding collaboration and partnership working with Government Departments, providing examples of where such collaboration does not exist.

Annual Audit Plan 2016/17 – Report by Audit Scotland noted.

3 There was submitted a report by Audit Scotland regarding the Glasgow City Region Cabinet Joint Committee Annual Audit Plan 2016/17, which

- (1) summarised its assessment of the key challenges and audit risks facing the Glasgow City Region Cabinet Joint Committee; and
- (2) detailed the audit work that would be carried out by Audit Scotland for 2016/17 to address those issues.

After consideration and having heard Ian Lochhead, Audit Scotland, the Cabinet noted the Glasgow City Region Cabinet Joint Committee Annual Audit Plan 2016/17.

Internal audit plan 2017/18 approved.

4 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, seeking agreement to implement the Glasgow City Region Cabinet annual audit plan for 2017/18, advising

- (1) of the key system areas to be covered in 2017/18, together with the main control risks associated with those areas, as detailed in appendix 1 of the report;
- (2) that the main audit output in 2017/18 would be the Head of Audit and Inspection's Annual Governance Statement;
- (3) that the indicative fee for the cost of this audit work during 2017/18 was £19,800;
- (4) of the current status of each of the 3 audit reviews which had so far been undertaken within the 2016/17 audit plan; and
- (5) that the Cabinet would be kept up to date with any significant changes to the audit plan in 2017/18.

After consideration, the Cabinet approved the implementation of the Glasgow City Region audit plan for 2017/18.

Internal Audit – Review of Glasgow City Region financial transactions – Position noted.

5 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the main findings of a review of financial transactions undertaken for the Glasgow City Region City Deal.

After consideration, the Cabinet noted

- (1) the contents of the report; and
- (2) the 6 actions for improvements, as detailed in the appendix to the report.

Internal audit follow up report noted.

6 There was submitted and noted 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 the Glasgow City Region Assurance Framework and with Risk Management arrangements.

Infrastructure Programme – Glasgow City Council – Canal and North Gateway Project - Full Business Case 3 approved etc – Declaration of interest.

7 With reference to the minutes of 15th December 2015 approving the Outline Business Case in respect of Glasgow City Council's Canal and North Gateway Project, there was submitted a report by the Director of the Programme Management Office (PMO) providing an update on the submission of Glasgow City Council's Full Business Case (FBC) 3 for the project, advising that the business case had been submitted to the PMO and an initial evaluation had been carried out, and that following subsequent agreement by the Chief Executives, was now being submitted to Cabinet for approval, advising

- (1) that the executive summary of the project, detailed in Appendix 1 of the report, described the strategic case, the economic case, the commercial case, the sustainability case, the financial case and the management case;
- (2) that the project had been reviewed against the business case criteria outlined within the Assurance Framework;
- (3) of the project risk register, as detailed in Appendix 2 of the report;
- (4) of the 3 elements of the project and that an FBC addendum would be submitted by Glasgow City Council to a future Chief Executives' Group updating on the conclusion of each of the necessary agreements entered into with delivery partners for the project;
- (5) of the funding requirements as detailed; and

- (6) that a full benefits realisation plan had been developed by Glasgow City Council and would be updated as required within the FBC addendum.

After consideration and having heard a presentation on the project by Jackie Harvey and Patricia Hennessy, Glasgow City Council, the Cabinet

- (a) agreed to invite Glasgow City Council to proceed to delivery, monitoring and evaluation of the project, subject to the provision by the Council of an FBC addendum updating on the conclusion of each of the necessary agreements with delivery partners, with the addendum, together with an updated business case appraisal by the PMO, being submitted to the Chief Executive's Group for approval;
- (b) noted the project risk register in Appendix 2 of the report; and
- (c) approved the funding requirement of £12.6m, conditional on the conclusion of the necessary agreements with delivery partners as set out within the FBC.

Councillor McAveety declared an interest in this.

Infrastructure Programme – Glasgow City Council – Metropolitan Glasgow Strategic Drainage Partnership – Camlachie Burn project - Full Business Case approved etc – Declaration of interest.

8 With reference to the minutes of 16th February 2016 approving the Outline Business Case in respect of the Metropolitan Glasgow Strategic Drainage Partnership project, there was submitted a report by the Director of the Programme Management Office (PMO) intimating that Glasgow City Council had submitted a Full Business Case in respect of tender package 1 – Camlachie Burn, which, following evaluation by the PMO, had been considered and approved for submission to Cabinet by the Chief Executives' Group on 29th March 2017, advising

- (1) that the executive summary of the project, detailed in Appendix 1 of the report, described the strategic case, the economic case, the commercial case, the sustainability case, the financial case and the management case;
- (2) that the project had been reviewed against the business case criteria outlined within the Assurance Framework;
- (3) of the project risk register as detailed in Appendix 2 of the report;
- (4) of the funding requirements as detailed; and
- (5) that a full benefits realisation plan had been developed by Glasgow City Council.

After consideration and having heard a presentation on the project by Bill Douglas, Glasgow City Council, the Cabinet

- (a) agreed to invite Glasgow City Council to proceed to delivery monitoring and evaluation of the project;
- (b) noted the project risk register as detailed in Appendix 2 of the report; and
- (c) approved the funding requirement of £3.72m.

Councillor McAveety declared an interest in this item.

West Dunbartonshire Council – Exxon Site Development project - Outline Business Case approved etc – Declaration of interest.

9 With reference to the minutes of 18th August 2016 approving the Strategic Business Case in respect of the Exxon Site Development project, there was submitted a report by the Director of the Programme Management Office (PMO) intimating that West Dunbartonshire Council had submitted an Outline Business Case (OBC) in respect of the project, which, following evaluation by the PMO, had been considered and approved for submission to Cabinet by the Chief Executives' Group on 29th March 2017, advising

- (1) that the executive summary of the project, detailed in appendix 1 of the report, described the strategic case, the economic case, the commercial case, the financial case and the management case;
- (2) the project had been reviewed against the business case criteria outlined within the Assurance Framework;
- (3) of the project risk register as detailed in appendix 2 of the report;
- (4) of the funding requirements as detailed; and
- (5) that West Dunbartonshire Council had met the requirements at OBC for benefits realisation.

After consideration and having heard a presentation on the project by Jim McAloon, West Dunbartonshire Council, the Cabinet

- (a) agreed to invite West Dunbartonshire Council to proceed to develop the project to the next stage of development through the preparation of a Full Business Case;
- (b) noted the project risk register as detailed in Appendix 2 of the report; and
- (c) approved the funding requirement of £2.948m.

Councillor McGlinchey declared an interest in this item.

Glasgow City Region: Implementing the Regional Economic Strategy – Proposals approved etc.

10 With reference to the minutes of 14th February 2017 approving the draft action plan for the Regional Economic Strategy and the establishment of 8 portfolios, there was submitted a report by the Director of the Programme Management Office providing a proposed approach to implementing the actions and ambitions stated in the Glasgow City Region Economic Strategy and Action Plan (RES), the future development of the 8 Cabinet policy portfolios and how these would connect to the development of the proposed Glasgow City Region (GCR) Intelligence Hub, advising

- (1) of the background to the RES, the 8 Cabinet policy portfolios and the proposed development of a business case for the proposed Intelligence Hub to serve the GCR;
- (2) that following discussion at the Chief Executives' Group on 29th March 2017, it had been agreed that a number of specific key areas in relation to policy portfolios required further consideration and development, all as detailed in the report; and
- (3) of a proposed 3 phase process for the establishment of the GCR Intelligence Hub, in conjunction with the development of the portfolios and their work plans by February 2018, as detailed in the report.

After consideration and having heard David Smart, Smart Consultancy, the Cabinet

- (a) noted the key areas of development in relation to policy portfolios as outlined in the report and instructed Chief Executives to maintain dialogue with key external partners; and
- (b) agreed to progress the establishment of the Intelligence Hub, as detailed in the report, and that a report on the progress of the development of the Hub be submitted to the next meeting of this Cabinet.

Revised Infrastructure Grant Allocations 2016/17 approved.

11 With reference to the minutes of 16th August 2016 approving the 2016/17 allocation of Infrastructure Grant to each Member Authority, there was submitted a report by the Director of the Programme Management Office, seeking approval of the revised grant allocations methodology for Infrastructure Grant for 2016/17, advising that

- (1) the Finance Group had reviewed several iterations of the Infrastructure Grant model to revise the Infrastructure grant allocations for 2016/17 and had approved these on 28th March 2017;
- (2) the proposed 2016/17 grant allocation, detailed in an appendix to the report, was based on Member Authorities' expected spend levels for 2016/17 and

also reviewed the percentage share of the overall grant allocation of the projects; and

- (3) Member Authorities could only claim eligible expenditure up to the level of their grant allocation for 2016/17.

After consideration, the Cabinet approved the revised 2016/17 allocation of Infrastructure Grant to each Member Authority, as detailed in the appendix to the report.

Programme Management Office budget projection 2016/17 noted and 2017/18 budget approved.

12 There was submitted a report by the Director of the Programme Management Office (PMO) regarding the latest projection of the PMO budget for 2016/17, together with the potential budget required for 2017/18, advising

- (1) that the 2016/17 PMO budget had been set in December 2015 at £890,000 and that a further budget adjustment of £27,000 had been agreed by Cabinet in August 2016 to fund the post of Research Officer for the Commission to give a revised budget of £917,000;
- (2) that a projection was required which provided the best estimate for all known expected draws on the budget for 2016/17 and beyond, which could then be used for financial planning purposes to allow Member Authorities to seek annual budget approval via their own governance structures;
- (3) that the formation of the recent additional Cabinet Portfolios might place further draws on the PMO resources, potentially resulting in a scenario where activity which sat outside core City Deal might require separate funding to be identified;
- (4) of the current projection for 2016/17, as detailed in appendix 1 of the report, including an initial view of the 2017/18 projection and possible further commitments which could come forward for approval in late 2016/17; and
- (5) of a detailed breakdown of each Member Authority share, as detailed in appendix 2 of the report.

After consideration, the Cabinet

- (a) noted the budget projection for 2016/17 and the projected recharges to Member Authorities; and
- (b) approved the 2017/18 PMO budget, as detailed in Appendix 1 of the report.

Consultation on the future of the Scottish Planning system – Glasgow City Region response noted.

14 There was submitted a report by Councillor Rhondda Geekie, East Dunbartonshire Council, regarding a Glasgow City Region (GCR) response to the consultation on the Scottish Government's proposed Planning Bill, advising that

- (1) on 10th January 2017 the Scottish Government had published a consultation document, 'People, places and planning', which contained the key components of the Bill and to which comments were sought by 4th April 2017; and
- (2) a proposed GCR response to the Planning Review consultation, as detailed in Appendix 1 of the report, had been developed following consideration by the Chief Executives' Group and subsequent consultation with Cabinet Members.

After consideration, and having heard Councillor Geekie, the Cabinet noted the report and the GCR response to the Planning Review consultation, as detailed in the report, that had been submitted by the deadline of 4th April 2017.

Annual Implementation Plan 2017/18 approved etc.

13 There was submitted a report by the Director of the Programme Management Office (PMO) regarding the Annual Implementation Plan (AIP) 2017/18, advising that

- (1) as set out within the Assurance Framework, the delivery of the Programme Business Case would be supported through the production of an AIP as detailed in the report, which would set out high level activities for the delivery of the Programme, including:-
 - (a) the work plan for the PMO, including activities in relation to programme governance, reporting, stakeholder engagement and programme implementation, evaluation and analysis;
 - (b) the targeted milestones, activities and outputs for individual projects; and
 - (c) activities of the Enterprise, Skills and Employment and Connectivity portfolios;
- (2) the AIP would be live and updated throughout the year to reflect any additional activities that the Chief Executives' Group and the Cabinet agree should be delivered within that period; and
- (3) the AIP would be complemented by the Annual Performance Report which looked retrospectively at the previous 12 month's activity, benefit realisation and progress in economic assessments, along with recommendations, opportunities and threats for the overall Programme.

After consideration, the Cabinet

- (i) approved the AIP 2017/18 and agreed that it be presented quarterly to the Chief Executives' Group; and
- (ii) agreed that a report be submitted to a future Cabinet meeting focussing on improving communications at a regional level.

Motion by Glasgow City Council on Airport Access Project and Crossrail noted etc.

15 The Cabinet, having heard Councillor McAveety, noted the terms of a motion on the Glasgow Airport Access project and Crossrail which had been approved by Glasgow City Council at its meeting on 27th October 2016, as well as the terms of a response which had been received from the Scottish Government in this respect.

Parliamentary Inquiry on City Deals – Position agreed.

16 There was submitted a report by the Director of the Programme Management Office providing an update on the Scottish Parliament's Local Government and Communities Committee call for written evidence on City Region Deals, advising

- (1) of the background to the Parliamentary Inquiry, which had called for organisations and members of the public to submit their views on City Region Deals, as the Local Government and Communities Committee began its research into the economic growth deals;
- (2) of the questions to be addressed, as detailed in the report;
- (3) that the closing date for submissions was 2nd May 2017 and it was proposed that the PMO, in conjunction with the Communication and Marketing and Lead Officer Groups, would lead in compiling a draft response, following which it would be discussed and formally approved by the Chief Executives' Group on 26th April 2017, prior to being issued in advance of the deadline.

After consideration, the Cabinet

- (a) noted the report; and
- (b) authorised the Chief Executives' Group to submit the formal Glasgow City Region response in advance of the deadline.

Date of next meeting.

16 The Cabinet noted that the next meeting would take place on Tuesday, 6th June 2017 at 1000 hours in the City Chambers, Glasgow.