

GLASGOW CITY REGION CABINET.

Minutes of meeting held on 11th February 2020 at the City Chambers, Glasgow.

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Andrew Polson, East Dunbartonshire Council; Councillor Tony Buchanan, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Allan Graham, North Lanarkshire Council; Councillor Iain Nicolson, Renfrewshire Council; Councillor John Ross, South Lanarkshire Council; and Councillor Jonathan McColl, West Dunbartonshire Council.

Apology: Councillor Jim Logue, North Lanarkshire Council.

Attending: N Lyttle (Clerk); A O'Donnell, K Rush, S Inrig, J Thompson, W Hart, P Murphy and A Robertson, Glasgow City Council; G Cornes and D Gear, East Dunbartonshire Council; L McMillan, East Renfrewshire Council; A Fawcett, Inverclyde Council; D Murray, North Lanarkshire Council; S Black, Renfrewshire Council; C Sneddon, South Lanarkshire Council; J White, West Dunbartonshire Council; G Dickson, Strathclyde Partnership for Transport; and I Lochhead, Audit Scotland.

Minutes of previous meeting approved.

- 1** There was submitted and approved the minutes of 8th October 2019.

Various minutes noted.

- 2** There were submitted and noted the minutes of
- (1) the Annual Conversation with the Scottish City Region Deals Delivery Board of 18th September 2019, together with a follow up letter from the UK and Scottish Governments; and
 - (2) the Glasgow City Region Education Committee of 19th November 2019.

Internal audits – Position noted – Instruction to Head of Audit and Inspection.

3 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of the following Glasgow City Region City Deal audit reviews that had been carried out:-

- (1) reputation management processes; and
- (2) grant claim eligibility arrangements.

After consideration, the Cabinet

- (a) noted the contents of the reports; and
- (b) instructed the Head of Audit and Inspection to submit further reports on the progress towards achievement of the recommendations within the action plans.

Internal audit follow-up report noted.

4 There was submitted 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 that had previously been agreed following the findings of the following reviews:-

- (1) risk and issue management and mitigating actions;
- (2) Programme budget and Programme Management Office budget monitoring;
- (3) Programme Management Office governance and operations; and
- (4) compliance with Assurance Framework project and programme management arrangements.

After consideration, the Cabinet noted the progress made in terms of the recommendations implemented and that the Head of Audit and Inspection would submit further reports on the implementation of outstanding recommendations.

Audit Scotland's Annual Audit Plan 2019/20 approved etc.

5 There was submitted a report by the Director of Regional Economic Growth regarding Audit Scotland's Glasgow City Region Cabinet Joint Committee Annual Audit Plan for 2019/20, which

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

After consideration and having heard I Lochhead, Audit Scotland, the Cabinet approved Audit Scotland's Annual Audit Plan for 2019/20, together with the audit fee of £8,410.

Audit Scotland report on Scottish City Region and Growth Deals– Position noted etc.

6 There was submitted and noted a report by the Director of Regional Economic Growth providing the Cabinet with a summary of the key messages contained within the Audit Scotland report “Scotland’s City Region and Growth Deals”, which had been published on 16th January 2020, advising

- (1) of the scope of the audit;
- (2) of Glasgow City Region’s City Deal governance requirements;
- (3) that the report had included 13 key messages regarding City Deals across Scotland, 5 of a positive nature, and 8 which had identified areas for improvement, all as detailed in the report;
- (4) that the report had made 15 recommendations, which had included 8 recommendations for Councils, 3 joint recommendations for Scottish Government and Councils and 4 for the Scottish Government; and
- (5) of an overview of those arrangements which were already in place or were being developed to ensure the recommendations relating to Councils were being addressed in Glasgow City Region, all as detailed in the report.

After consideration, the Cabinet

- (a) noted the report and that the Chief Executives’ Group had agreed to write to Audit Scotland in response to the report; and
- (b) agreed that this report should be included as part of that response.

Programme Status report noted etc.

7 There was submitted a Programme Status report by the Director of Regional Economic Growth providing information on the status and progress of projects within the Glasgow City Region - City Deal Programme, together with information on Programme Management Office activity for Quarter 3, the period from 1st October to 31st December 2019.

After consideration, the Cabinet

- (1) noted the report; and
- (2) approved
 - (a) the change controls submitted in the period, as detailed in the report;
 - (b) the recommendations in relation to responding to the Governments’ comments on the Assurance Framework, as detailed in the report; and

- (c) the final payment of £176,346 to SQW for the National Evaluation Panel at Gateway Review 1, subject to the condition detailed in the report.

Infrastructure Programme – East Dunbartonshire Council – Place and Growth Programme - Strategic Business Case approved – Declaration of interest.

8 With reference to the minutes of 8th October 2019 agreeing that East Dunbartonshire Council (EDC), acting as the lead sponsor for the Place and Growth Programme project, should progress with the development of a Strategic Business Case (SBC) for a revised project which would see the refocussing of the Strathclyde Bus Improvement Programme (SBIP) towards a SBIP pilot integrated with EDC's Place and Growth Programme, there was submitted a report by the Director of Regional Economic Growth intimating that EDC had submitted a revised SBC for the Place and Growth Programme, developed in partnership with Strathclyde Partnership for Transport and Glasgow City Council, advising

- (1) of the executive summary of the project, detailed in Appendix 1 of the report;
- (2) that the Programme Management Office (PMO) appraisal of the SBC considered that the SBC was broadly in line with Her Majesty's Treasury Green Book requirements for the SBC stage of business development;
- (3) of the funding requirements; and
- (4) that the anticipated benefits realisation outputs would be fully quantified for the Outline Business Case (OBC).

After consideration and having heard a presentation on the project by David Gear, EDC, the Cabinet

- (a) approved the SBC for the Place and Growth Programme and invited EDC to proceed to the next stage of the business case;
- (b) noted that at this stage, in line with Green Book requirements, there were no projections of the economic benefits (GVA, employment) that this project might deliver and, while this information was not required until the completion of the OBC, EDC would prioritise the completion of the economic impact assessment (EIA) element of the OBC and an interim report on the findings of the EIA would be provided to the Chief Executives' Group once available; and
- (c) approved the funding requirement of £0.7m to develop the project to OBC stage.

Councillor Polson declared an interest in this item and took no part in the decision thereon.

Business cases dealt with by Chief Executives' Group noted.

11 With reference to the minutes of 11th October 2017 agreeing a revision to the Assurance Framework in relation to the approvals required for business cases, there was submitted and noted a report by the Director of Regional Economic Growth advising that the Chief Executives' Group had approved, under delegated authority,

- (1) the Full Business Case (FBC) and funding requirement of £1.915m for Glasgow City Council's Waterfront and West End Innovation Quarter – Improving connectivity between Glasgow University and Queen Elizabeth University Hospital – Active travel north project;
- (2) the FBC and funding requirement of £0.213m for Glasgow City Council's Canal and North Gateway – Speirs Lock: Garscube Toll and links project;
- (3) the FBC and funding requirement of £4.893m for Inverclyde Council's Greenock Ocean Terminal – Terminal building project;
- (4) the FBC and funding requirement of £14.85m for Glasgow City Council's Canal and North Gateway FBC7 – Sighthill M8 pedestrian bridge; and
- (5) the FBC and funding requirement of £6.0m for Glasgow City Council's Metropolitan Glasgow Strategic Drainage Partnership – Drumchapel Surface Water Management Plan.

Benefits realisation governance arrangements – Position agreed etc.

12 There was submitted a report by the Director of Regional Economic Growth proposing that the role and remits of the Economic Delivery Group (EDG) and the Regional Partnership (RP) be extended to assume responsibility for supporting the delivery of benefits realisation, including the securing of follow-on investment for City Deal projects, advising

- (1) that the period from 2019/20 to 2024/25 would require the Glasgow City Region member authorities (MAs) to demonstrate significant delivery and completion of their projects, providing the key enabling infrastructure that would support the subsequent private sector follow-on investment, with the focus moving increasingly towards supporting and securing the delivery of anticipated follow-on private sector development set out within each MA's augmented Outline Business Cases (OBC);
- (2) that the table in appendix 1 of the report aggregated information from individual approved augmented OBCs for some of the key outputs that it was anticipated would be delivered by follow-on investment at Gateway Review 2 in 2024/25 and by the conclusion of the Programme in 2035;
- (3) that, in order to support the delivery of follow-on developments, the Programme Management Office proposed that a City Deal Programme Benefits Dependencies Register (BDR) be established in order to identify

those dependencies, assign ownership, maintain and monitor them on a regular basis, and ensure regular reporting, as detailed in the report;

- (4) that given that successful management of the BDR would require engagement with partners beyond the 8 MAs of the City Deal, it was proposed that the BDR be monitored by the EDG and the RP as the current membership of these groups already included the key agencies that these dependencies related to; and
- (5) of proposals to extend the role and remit of the EDG and RP to include responsibility for the identification, maintenance and management of the BDR, all as detailed in the report.

After consideration, the Cabinet

- (a) noted the report and that the Chief Executives' Group had approved the extension to the role and remit of the EDG on 30th January 2020;
- (b) agreed to extend the role and remit of the RP to assume responsibility for supporting the delivery of benefits realisation and securing follow-on investment for City Deal projects, as detailed in the report; and
- (c) noted that a further report would be considered by the RP on 27th February 2020.

Member Authority infrastructure grant allocations 2019/20 – Position agreed etc.

13 With reference to the minutes of 4th June 2019 approving the initial allocation of infrastructure grant to each member authority for 2019/20, there was submitted a report by the Director of Regional Economic Growth regarding the proposed final allocation of infrastructure grant to each member authority, advising that

- (1) the final position in relation to the 2019/20 allocation of grant had been agreed in principle by the Finance Strategy Group and subsequently by the Chief Executives' Group;
- (2) the proposed 2019/20 grant allocation, detailed in an appendix to the report, was based on member authorities' cumulative actual spend levels as at 31st December 2019, with the exception of the Airport Link project, which was based on projected spend to 31st March 2020 as this project was 100% City Deal funded, and also reviewed the percentage share of the overall grant allocation which the projects had; and
- (3) member authorities could only claim eligible expenditure up to the level of their grant allocation for 2019/20.

After consideration, the Cabinet approved the 2019/20 allocation of infrastructure grant to each member authority, as detailed in the appendix to the report.

Programme Management Office and portfolio development budget and member authority recharges 2020/21 noted etc.

14 There was submitted a report by the Director of Regional Economic Growth proposing a draft Programme Management Office (PMO) and portfolio development budget for 2020/21, together with member authority recharges for 2020/21, advising

- (1) of the current draft projection for the PMO budget for 2020/21, as detailed in appendix 1 of the report, which included provision for additional staffing support to reduce the burden on member authorities, particularly in relation to procurement appraisals of Business Cases, as detailed in the report; and
- (2) of a detailed breakdown of each member authority share, as detailed in appendix 2 of the report.

After consideration, the Cabinet approved the 2020/21 PMO and portfolio development budget and the recharges to member authorities.

Glasgow City Region Intelligence Hub and People Portfolio for Skills and Employment - Updates noted etc.

15 With reference to the minutes of 8th October 2019 agreeing that updates by Member Authority Leaders on each of their respective Portfolios, including a celebration of work completed since the launch of the Regional Economic Strategy (RES) and a look forward to the next phase would be submitted to a future Cabinet meeting, there was submitted a report by the Director of Regional Economic Growth providing an update on the work of the City Region Intelligence Hub and the People Portfolio for Skills and Employment, advising that

- (1) each Portfolio was led by one of the City Region member authorities who convened and chaired a Portfolio Group to take forward the specific actions within the RES and Economic Action Plan, with Leaders from each member authority representing their Portfolio at this Cabinet, with the Portfolios being grouped together under the themes of People, Business and Place; and
- (2) each Portfolio Group had been asked to prepare a short overview of work to date and priorities for 2020 for the Cabinet meeting scheduled for December 2020, however following cancellation of that meeting the action had been carried forward to this meeting, however the Chief Executives' Group on 30th January 2020 had agreed to present these by theme over 3 separate Cabinet meetings.

After consideration, and having heard presentations by

- (a) Andrew Robertson, Glasgow City Council, on the work of the City Region Intelligence Hub during its first 6 months of operation, together with key statistics from the Regional Strategic Assessment in relation to Skills and Employment; and

- (b) Councillor John Ross, Leader of South Lanarkshire Council and Portfolio Lead for Skills and Employment, outlining the strategic context for the Portfolio, achievements to date and the Portfolio's priorities for 2020,

the Cabinet

- (i) noted the ongoing work of the Intelligence Hub and the achievements and priorities of the City Region People Portfolio for Skills and Employment; and
- (ii) agreed that
 - (A) a further report be submitted within 12 months incorporating feedback from member authorities on the progress of the work of the City Region Intelligence Hub;
 - (B) a report be submitted to the next meeting of this Cabinet setting out the vision for the River Clyde Mission; and
 - (C) the Programme Management Office prepare a discussion paper for the next meeting of this Cabinet on priorities for the City Region in relation to post EU structural funds.

Date of next meeting.

16 The Cabinet noted that its next meeting would take place on Tuesday, 7th April 2020 at 1000 hours in the City Chambers, Glasgow.