



Glasgow City Region Cabinet

Report by: Director for Regional Economic Growth

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GCR Investment Zone Assurance Framework

Purpose of Report:

This report provides the Glasgow City Region Cabinet with an update on the Glasgow City Region Investment Zone (GCR IZ) Gateway process and details the proposed Assurance Framework.

Recommendation:

The Glasgow City Region Cabinet is asked to:

- Note the content of the report; and
- Agree the GCR IZ Assurance, Governance & Programme Management Framework
- Agree the approval of the GCRIZ Capacity Fund be delegated to the Director of Regional Economic Growth

1 Purpose of the Report

- 1.1 This report provides the Glasgow City Region Cabinet with an update on the Glasgow City Region Investment Zone (GCR IZ) Gateway process and details the proposed Assurance Framework.

2 Background

- 2.1 As the Cabinet will be aware, the GCR IZ is progressing through the Government five stage Gateway process for approval of the Investment Zone. This process was instigated following announcement in the summer of 2023 that Glasgow City Region (GCR) would be the location of one of the two Investment Zones (IZ) in Scotland and one of 12 across the UK. The other Scottish IZ is located in the North-East Scotland (NES) region.

3 Gateway 3 & 4 Progress

- 3.1 UK and Scottish Government have confirmed approval of Gateway 3, enabling the GCR IZ to formally progress to Gateway 4.
- 3.2 A small number of additional points of clarification have been sought on Gateway 4 and these were submitted to Government on Monday 27 October. Approval of Gateway 4, including the draft budget and Non-Domestic Rates Retention sites is expected in the coming weeks.

4 Gateway 5 Development

- 4.1 The final formal Gateway stage of the Investment Zone process, Gateway 5, is focused on operational delivery, risk and evaluation:
- Delivery model and its associated timelines
 - Risks to effective delivery of the interventions
 - Management of risk, mitigation and contingency
 - Collation of data to provide Government with the information required to carry out national evaluation
- 4.2 Gateway 5 was submitted to UK and Scottish Government, Friday 7 November and feedback is awaited.

5 GCR IZ Assurance Process

- 5.1 To support the governance and management of the GCR IZ programme an Assurance Framework has been developed, with input from Finance and Audit. This Assurance Framework builds on the GCR PMO experience of the City Deal and UK Shared Prosperity Fund programmes. In addition, the Framework incorporates information provided by government from the Investment Zone Technical Guidance and the draft Memorandum of Understanding (MoU).
- 5.2 The full GCR IZ Assurance Framework is attached as a separate appendix to this report, however there are a number of areas to note:
- Glasgow City Council (GCC) is considered as the Accountable Body for the administration of the grant

- Following approval of the SOPBC, Outline and Full Business Cases are delegated to the Chief Executives' Group for approval
- Payment of the grant to projects will be 3-monthly in arrears, based on actual and eligible spend, following feedback from Chief Executives' Group
- Change Control within GCR IZ projects will be delegated to the Director of Regional Economic Growth, which will be reported via the QPR
- GCR is required to provide UK and Scottish Government with an Annual Report, in addition to 6-monthly monitoring reports

5.3 It is expected that the Assurance Framework will be augmented by a Grant Agreement following the finalisation of the MoU with Scottish Government.

5.4 It is proposed the GCR IZ Assurance Framework is reviewed on an annual basis.

6 GCR IZ Capacity Funding

6.1 The GCR IZ Programme Budget provides 4% of the annual budget for Capacity Funding, equating to £640,000 per annum. This funding is to support the delivery of the overall GCR IZ Programme. It is expected the funding will be used to cover PMO and Member Authority resource costs related to the IZ programme, for example the management of the Non-Domestic Rates Retention locations and other costs associated with the development and delivery of the GCR IZ.

6.2 Cabinet is asked to note this will be included within the overall PMO budget and delegate the allocation of the GCR IZ Capacity Funding to the Director of Regional Economic Growth with reporting on expenditure through Finance Strategy Group, CEG and Cabinet as appropriate.

6.3 Any underspend on the GCR IZ Capacity Fund will be brought before CEG to direct how best it is utilised to maximise the impact of the grant.

7 Recommendation

7.1 The Glasgow City Region Cabinet is asked to:

- Note the content of the report; and,
- Agree the GCR IZ Assurance, Governance & Programme Management Framework
- Agree the approval of the GCRIZ Capacity Fund be delegated to the Director of Regional Economic Growth

Appendix 1 – GCR IZ Assurance Framework

Attached as a separate paper