

GLASGOW AND CLYDE VALLEY CABINET.

Meeting held on 23rd June 2015 at City Chambers, Glasgow.

Present: Councillor Gordon Matheson (Chair), Glasgow City Council; Councillor Rhondda Geekie, East Dunbartonshire Council; Councillor Jim Fletcher, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Jim McCabe, North Lanarkshire Council; Councillor Mark Macmillan, Renfrewshire Council; Councillor Eddie McAvoy, South Lanarkshire Council; and Councillor Patrick McGlinchey, West Dunbartonshire Council.

Apology: Councillor Martin Rooney, West Dunbartonshire Council.

Attending N Lyttle (Clerk); A O'Donnell, Glasgow City Council; G Cornes, East Dunbartonshire Council; L McMillan, East Renfrewshire Council; J Mundell, Inverclyde Council; S Linton, North Lanarkshire Council; M Creary, Renfrewshire Council; L Freeland, South Lanarkshire Council; R Cairns, West Dunbartonshire Council; and M MacDonald, Programme Management Office.

Minutes of previous meeting approved etc.

1 There was submitted the minutes of 12th May 2015.

After consideration, the Cabinet

- (1) approved the minutes of 12th May 2015; and
- (2) having noted concerns raised by Councillor Stephen McCabe regarding the proposed tendering of the Clyde Hebridean ferry services, and the likely impact on ferry routes and the potential for job losses in Inverclyde, the Cabinet agreed that the Chair would write on behalf of the Cabinet to Derek Mackay MSP, Minister for Transport and Islands in the Scottish Government, asking the Scottish Government to re-consider tendering the service in order to safeguard services and jobs, with Councillor Jim McCabe, in his role as Connectivity Portfolio lead, also seeking a meeting with the Minister.

Strategic Appraisal Framework – Position noted etc.

2 With reference to the minutes of 12th May 2015, agreeing that a report be submitted to Cabinet on the completion of the Strategic Appraisal Framework (SAF) Process, there was submitted a report by the Head of the Programme Management Office (PMO) advising

- (1) that the SAF exercise, as defined within the Glasgow and Clyde Valley Cabinet Assurance Framework, had now been completed and the findings would be used to allow the PMO to commence the Programme Business

Case, together with those actions which had been recommended from the SAF exercise as detailed in the report;

- (2) that all of the Member Authorities had successfully submitted Business Cases by 31st March 2015 as detailed in the report and it was now proposed that a reserve list process be established for the approval by the Chief Executives' Group;
- (3) that a number of Theme Groups which had previously been created had now reviewed the Business Case Assessment criteria within the Assurance Framework, identified required amendments and had established a number of key findings as outlined in the report;
- (4) of a proposal that Member Authorities be asked to submit regular Pre-Implementation Reports in order to track progress of individual projects at early stages of development, to facilitate reporting at a Programme level; and
- (5) that following advice received from the Scottish Government's Strategic Environmental Assessment Team, individual Member Authorities would be responsible for a Strategic Environmental Assessment of their own projects through the Local Development Plan process, signifying that the overall City Deal Programme would not require to do so.

After consideration, the Cabinet

- (a) noted
 - (i) that the SAF exercise, as defined within the Assurance Framework, had been completed;
 - (ii) that the report set out a number of recommendations based on findings from the exercise, including a requirement for further work and analysis to be undertaken under the Theme Groups; and
 - (iii) the support to the PMO from the Member Authorities and other Partners in the SAF exercise; and
- (b) instructed the PMO to
 - (i) prepare a Programme Business Case as defined within Section 2.3.3.10 of the Assurance Framework;
 - (ii) create a reserve list process for approval by the Chief Executives' Group;
 - (iii) approve further analysis as recommended by the thematic groups during the SAF process;
 - (iv) carry out reviews and amendments to the Business Case Assessment Criteria as detailed by the SAF Theme Groups; and

- (v) prepare a form of Pre-Implementation Report and process for approval by the Chief Executives' Group on 5th August 2015.

East Renfrewshire Council - M77 Strategic Corridor - Strategic Business Case approved – Declaration of Interest.

3 There was submitted a report by the Head of the Programme Management Office (PMO) intimating that East Renfrewshire Council had submitted a Strategic Business Case (SBC) in respect of the M77 Strategic Corridor project, advising that

- (1) the executive summary of the project, detailed in appendix 1 of the report, described the strategic need for the project, the options which had been considered to address the areas' development constraints and the outline of a proposed solution;
- (2) the project had been reviewed against the business case criteria outlined within the Assurance Framework which aimed to provide a level of technical checking, and to identify areas where further analysis or planning was required to develop the project to the next level of detail, and confirming that these technical checks had been discussed with East Renfrewshire Council staff and would form the basis of development work going forward;
- (3) the SBC had also been assessed for "strategic fit" against the main objectives of the City Deal overall; and
- (4) the Programme Business Case was in development in parallel with the PMO's appraisal of this project with the outcome of the SAF and Programme Business case processes further informing the development of this business case as it was developed to an Outline Business Case, and that going forward the project might be presented in several Outline Business Cases due to the size and complexity of the project.

After consideration, the Cabinet

- (a) agreed to invite East Renfrewshire Council to proceed to develop the project submitted to the next stage of development through the preparation of an Outline Business Case; and
- (b) noted that East Renfrewshire Council would continue to take cognisance of the emerging outcomes of the SAF and the detail of the Programme Business Case.

In terms of paragraph 4.3.4 of Part 2 of the Glasgow and Clyde Valley Cabinet Assurance Framework, Councillor Fletcher declared an interest in this item and took no part in the discussion or decision thereon.

Renfrewshire Council - Clyde Waterfront and Renfrew Riverside Project and Glasgow Airport Investment Area Project - Strategic Business Cases approved – Declaration of Interest.

4 There was submitted a report by the Head of the Programme Management Office (PMO) intimating that Renfrewshire Council had submitted 2 Strategic Business Cases (SBC), namely, the Clyde Waterfront and Renfrew Riverside Project and the Glasgow Airport Investment Area Project, advising that

- (1) the executive summary of each project, detailed in appendices 1 and 2 of the report respectively, described the strategic need for the projects, the options which had been considered to address the areas' development constraints and the outline of a proposed solution;
- (2) the projects had been reviewed against the business case criteria outlined within the Assurance Framework which aimed to provide a level of technical checking, and to identify areas where further analysis or planning was required to develop the project to the next level of detail and confirming that these technical checks had been discussed with Renfrewshire Council staff and would form the basis of development work going forward;
- (3) the SBC had also been assessed for "strategic fit" against the main objectives of the City Deal overall;
- (4) the Programme Business Case was in development in parallel with the PMO's appraisal of these projects, with the outcome of the SAF and Programme Business case processes further informing the development of the business cases as they were developed to Outline Business Cases.

After consideration, the Cabinet

- (a) agreed to invite Renfrewshire Council to proceed to develop the 2 projects submitted to the next stage of development through the preparation of Outline Business Cases;
- (b) noted that Renfrewshire Council would continue to take cognisance of the emerging outcomes of the SAF and the detail of the Programme Business Case; and
- (c) approved the allocation of grant funding in accordance with the Grant Distribution Process outlined in the Assurance Framework in relation to preliminary costs required to develop the Outline Business Cases, with the precise arrangements to be agreed by the Chief Executives' Group.

In terms of paragraph 4.3.4 of Part 2 of the Glasgow and Clyde Valley Cabinet Assurance Framework, Councillor Macmillan declared an interest in this item and took no part in the discussion or decision thereon.

City Deal evaluation plans – Proposals approved etc.

5 There was submitted a report by the Head of the Programme Management Office (PMO) regarding progress in developing the plans for the long term evaluation of the City Deal, advising

- (1) that the City Deal was committed to undertaking a detailed programme of evaluation, built around 5-yearly Gateway Reviews and more detailed plans were now being made for the appointment of a National Evaluation Panel and a Glasgow and Clyde Valley Commission on Economic Growth, with Annexes 1 and 2 of the report detailing the most recent versions of the specifications of the 2 bodies;
- (2) that further discussions had taken place with Professor Muscatelli (Commission Chair) and with both the UK and Scottish Governments, with agreement having been reached on the makeup and outline plan of work for the Commission;
- (3) that both Governments had been asked to indicate whether Ministers would seek to be represented in the selection process for Commissioners and it was proposed that recommendations for appointment to the Commission would be made to the Cabinet on 20th October 2015;
- (4) that work was continuing on the establishment of the National Evaluation Panel and the Terms of Reference, as detailed in the report, had been agreed between the 4 City Deal Regions and discussed at a meeting with HM Treasury on 16th June 2015;
- (5) of a proposal that Professor Muscatelli participate in the recruitment process for the National Evaluation Panel; and
- (6) of a further proposal that the number of days allocated to the development of the Evaluation Framework and to the compilation of the review report in 2019 be reduced from the original Treasury estimate, which would reduce the Glasgow and Clyde Valley share of the cost from £66,000 to £44,000, subject to the agreement of Treasury.

After consideration, the Cabinet

- (a) noted the report;
- (b) approved the nomination of Professor Muscatelli to participate in the recruitment process for the National Evaluation Panel;
- (c) instructed the PMO to implement the recruitment process for the Commission on Economic Growth as outlined; and
- (d) endorsed Glasgow's participation in the National Panel, whilst noting the estimated budgetary implications.

2014/15 system of internal control - Review of effectiveness – Position noted.

6 There was submitted and noted a report by the Head of Audit and Inspection, Glasgow City Council, providing the Cabinet with a review of the effectiveness of the system of internal control for the year ended 31st March 2015, advising that

- (1) the Local Authority Accounts (Scotland) Regulations 2014 required the Cabinet to review the effectiveness of its system of internal control annually and to assess the efficiency and effectiveness of the Internal Audit function;
- (2) there had been a limited number of transactions in the year ended 31st March 2015, all relating to the Programme Management Office (PMO) which was based within Glasgow City Council Headquarters;
- (3) since the PMO was based within Glasgow City Council, it was appropriate for the internal audit function for the Cabinet to be provided by that Council's internal audit service, the objectives of which had been outlined in the report; and
- (4) there were no matters arising from the review of the system of internal control at the Council which would impact on the Cabinet in 2014/15, and in the opinion of the Head of Audit and Inspection, a reasonable assurance could be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2014/15.

2014/15 annual governance statement approved.

7 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, outlining the appropriate governance arrangements of the Cabinet in accordance with the Local Authority Accounts (Scotland) Regulations 2014, advising that

- (1) the Cabinet was responsible for ensuring that its business was conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively;
- (2) in discharging this overall responsibility, the Cabinet was responsible for putting in place proper arrangements, known as the governance framework, as detailed in the report;
- (3) the Cabinet Assurance Framework would be reviewed 6 monthly, with changes subject to the approval by the Cabinet and the UK and Scottish Governments, and the overall governance arrangements would also be subject to review by internal audit; and
- (4) in the opinion of the Head of Audit and Inspection, there were no significant governance issues that required to be reported as a result of the work undertaken by Glasgow City Council's Internal Audit in 2014/15.

After consideration, the Cabinet

- (a) noted the report; and
- (b) approved the 2014/15 Glasgow and Clyde Valley Cabinet annual governance statement.

2014/15 annual unaudited accounts approved.

8 There was submitted a report by the Executive Director of Financial Services, Glasgow City Council, regarding the Glasgow and Clyde Valley Cabinet unaudited financial statements for year ended 31st March 2015, advising of

- (1) the financial performance of the Cabinet for the first accounting period from 20th January to 31st March 2015;
- (2) the income and expenditure incurred in the year relating to the provision of services for the Cabinet; and
- (3) details within the report which provided further explanation for certain aspects of the core financial statements.

After consideration, the Cabinet approved the income and expenditure statement, balance sheet and the relevant supportive notes for the unaudited financial statements for the year ended 31st March 2015.

Annual Audit Plan 2014/15 – Report by Audit Scotland noted.

9 There was submitted and noted a report by Audit Scotland regarding the Glasgow and Clyde Valley Cabinet Annual Audit Plan 2014/15 which

- (1) summarised its assessment of the key challenges and risks facing the Cabinet; and
- (2) detailed the audit work that would be carried out by Audit Scotland in 2014/15.

Cabinet Enterprise Portfolio – Position agreed etc.

10 With reference to the minutes of 17th March 2015 approving the proposed activity in relation to the Enterprise Portfolio, there was submitted a report by Councillor Mark Macmillan, Renfrewshire Council, updating the Cabinet on activity in relation to the Glasgow and Clyde Valley City Deal Enterprise Portfolio, advising

- (1) that the Cabinet had previously agreed to support Councillor Macmillan in relation to his role as Enterprise Portfolio Lead and proposing that his role, his role being as detailed;

- (2) of a number of previous and planned engagements with relevant stakeholders, as detailed in the report, including a meeting scheduled for early July with Senior Management of Scottish Enterprise to consider how its activities and investment were delivered, and being reviewed, to ensure that the economic impact of the City Deal investment was maximised; and
- (3) of a proposal that discussions and meetings be held throughout the coming months which would then inform the work and objectives of the Cabinet.

After consideration, the Cabinet agreed

- (a) that Councillor Macmillan lead a review with government and non-government organisations across the UK to assess current activity and opportunities to ensure that effective structures, partnerships and priorities were in place to deliver the maximum benefits to businesses and communities across the Glasgow and Clyde Valley area within the context of the City Deal; and
- (b) that in relation to the proposed meeting with Scottish Enterprise, any input from Member Authorities prior to the meeting would be welcomed and that following the meeting a briefing note be provided to the Cabinet.

Core Cities Update – Draft minutes of Core Cities Cabinet meeting of 12th June 2015 noted etc.

11 The Cabinet noted the draft minutes of the Core Cities Cabinet meeting of 12th June 2015 which had been tabled at the meeting.

After consideration and having heard the Chair highlight a number of key issues which had been discussed at the Core Cities Cabinet meeting, including the Cities and Local Government Devolution Bill, the Cabinet agreed that a paper be prepared for consideration and debate by the Cabinet Member Authorities, in order to take a collective view regarding where any potential transfer of powers to City Regions are most appropriately placed.

Next meeting date noted.

12 The Cabinet noted that the next meeting would take place on Tuesday, 18th August 2015 at 11.30am in the City Chambers, Glasgow.