Appendix 1

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REGIONAL EMPOWERMENT

Draft devolution framework

Glasgow City Region

November 2026

GLASGOW CITY REGION

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Executive summary

Glasgow City Region is Scotland's largest regional economy. It has 1.9 million residents, supports 878,000 jobs and generates around one-third of Scottish output. It also contains a substantial concentration of Scotland's poverty, economic and health inequalities, and economic inactivity.

The ambition is for a faster growing and more inclusive regional economy: one that is both more productive and fairer. Glasgow City Region needs both to make a stronger contribution to Scotland's growth and the tax revenues that sustain public services, and to make a far greater difference to the poverty, poor health, health inequalities and economic exclusion concentrated here. Both are fundamental to the Region's ambition, and success must be judged against each.

Progress towards these ambitions has been constrained despite decades of sustained effort, and not for want of commitment or activity. A major barrier is that the interventions needed are held by different organisations, with different remits, funded on different terms, and planned over different timescales. No single body can bring them together to maximise their collective impact, or act flexibly, over the long term and at the scale required. Nor is any single body accountable for the overall result.

Changing this requires two things. First, investment, planning and services must work together far more effectively, so that each pound spent delivers more for the people and places that need it most and Scotland as a whole. Second, there must be a credible pathway to delivering these more effective programmes at much greater scale.

Neither is achievable in the Glasgow City Region under present arrangements. Meanwhile, English city regions are moving ahead in pursuit of 'good growth' as devolution accelerates.

The proposition is therefore that Glasgow City Region should build on more than a decade of collaboration through the eight-authority City Deal and a wider portfolio now exceeding £2 billion, and form a new, formal regional partnership. This would hold defined regional responsibilities for building an inclusive economy, backed by the powers, funding, capability and accountability needed to exercise them.

This paper develops that proposition so that its implications can be assessed. It provides a basis for public discussion and engagement with the Scottish and UK Governments on the powers, resources and arrangements needed to deliver it, reflecting their respective responsibilities. It focuses on the strategic responsibilities and capabilities needed at regional level to build a more vibrant and inclusive economy. It takes no position on local services such as schools or on the number or boundaries of Scotland's councils.

While the proposition set out in this paper is compatible with wider local government reorganisation, its focus is on changes that can be made quickly, without waiting for that longer process.

The detailed institutional, governance, financial and implementation arrangements set out in the paper are propositions for testing, not arrangements already agreed.

Why regional empowerment?

Getting more from today's budgets

The Region's housing, labour, transport, investment and infrastructure systems operate across council boundaries. The outcomes that matter most depend on combinations of intervention, rather than single projects:

- Whether a transport investment delivers its intended benefits depends on where and how much development comes forward.
- Whether innovation and business investment translate into higher productivity and living standards depends on firms being able to access finance, expertise, technology and suitably skilled workers.
- Whether residents facing barriers to work move into sustained employment depends on employment and skills support, health, housing and transport acting together, and on the opportunities created by investment being within reach.

Where programmes are designed around critical interactions, the gains are substantial. Analysis undertaken for the City Deal, and for English city regions, points to large increases in outcomes per pound spent, including a doubling of the expected impact of the City Deal, which was designed as an integrated programme, compared to one based on projects assessed in isolation. These gains depend on designing investment and planning together across the functional economic area, recognising how interventions, if properly integrated, can reinforce one another.[1]

Only city region-level integrated programme design, planning and delivery can realistically unlock improvements in returns of the order needed. That requires moving away from multiple, siloed national funding streams towards genuinely integrated city region budgets, giving the Region greater flexibility to direct resources where they will do most for the outcomes it is pursuing, including for the people and places that have gained least from past investment.

Why collaboration alone cannot deliver what is needed

The City Deal and wider regional portfolio demonstrate that the eight authorities can agree priorities and sustain substantial collective investment over a decade. But the scale and complexity of the programmes the Region now needs requires a regional institution capable of holding larger funding allocations, one that can enter into greater long-term commitments and manage more complex shared financial risks.

The Region's electric vehicle charging programme illustrates the distinction. The eight authorities agreed the objective and a common technical specification without difficulty. Allocating revenue, liability and the consequences of default has required a separate inter-authority process because no regional body presently exists to hold those commitments and that exposure in its own right. This has slowed delivery of this programme.

Under the proposed model, that exposure would sit with a regional partnership collectively governed by its members. Member authorities would control the risks they assume by agreeing in advance the limits of the partnership's borrowing and commitments.

Delivering at greater scale and pace

The scale of the Region's challenges calls for a much larger programme of investment, directed towards raising productivity and living standards, widening participation in the economy, and reducing poverty and health inequalities. The reality is that such a programme cannot be funded entirely through the existing tax system. English city region experience suggests that delivering at the necessary scale will require new sources of revenue and investment, sources only credibly deliverable at regional level.

Greater flexibility would also allow the Region to respond faster to investment opportunities. Employers and investors have alternatives, and the next round of devolution in England is strengthening the ability of competing city regions to assemble investment packages and act at pace.

Glasgow City Region needs equivalent powers and flexibility to compete effectively for investment and direct resources towards its ambitions for a growing and more inclusive economy.

The paper includes an indicative ten-year investment programme of around £7.5 billion, benchmarked against what an English city region of comparable size would expect to be able to deploy. This is multiples of the £1.13 billion City Deal and would be the largest sustained investment in the Region's economy, infrastructure and people in a generation. Such a programme would bring together:

- a long-term integrated settlement that removes existing funding silos and includes capital, revenue, and preventative activity
- a regional contribution funded from income and returns generated by the programme itself, and from an agreed share of the value its investment creates
- matched government investment, including funding outside Barnett, reflecting the wider fiscal gains generated

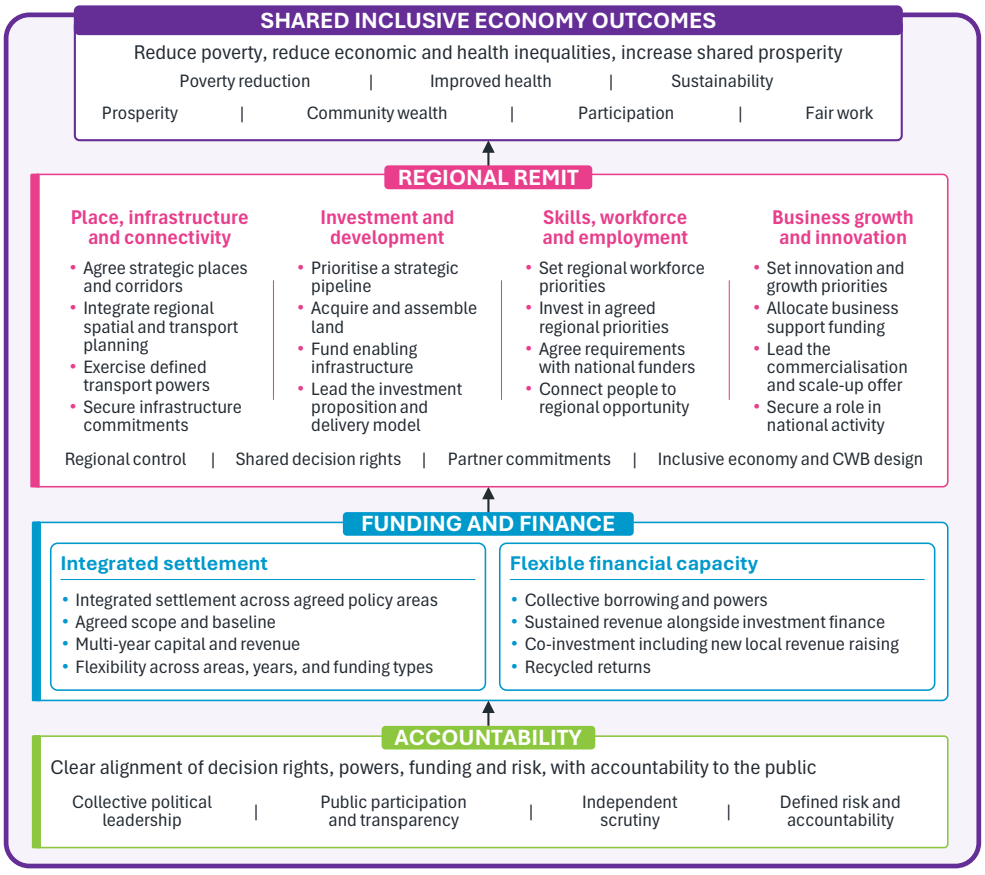
[1] One English city region found that a functional economic area focused planning policy change nearly tripled the forecast net impact of a mass transit corridor on growth compared to more locally focused policies. This potential was not picked up by the standard siloed departmental transport appraisal of the project in question, which looked at the transport investment in isolation.

- a Glasgow City Region equivalent of the Good Growth Funds being developed in English city regions, under which funding from the integrated settlement is deployed alongside institutional (e.g. National Wealth Fund) and private capital

The composition of the programme will be critical to success. Sustained revenue for participation and preventative activity would sit alongside capital investment and investment finance, recognising that many of the outcomes the Region is pursuing cannot be delivered solely through assets that generate a financial return.

The partnership proposition

Glasgow City Region would hold defined responsibility for an integrated regional programme, supported by a multi-year settlement and appropriate financial capacity, with authority, powers, resources, risk and public accountability aligned around its delivery.



An **inclusive economy framework** would define what the programme should achieve and who should benefit. It would shape priorities, and, critically, the composition of the programme and the distribution of benefits across people and places from the outset, including how decision-making can create the conditions to achieve these outcomes.

The framework sets out seven outcomes, none of which takes precedence over the others: raising productivity and living standards; attracting, retaining and recirculating wealth; increasing participation; supporting fair work and progression; reducing poverty; improving health and reducing health inequalities; and supporting the transition to a sustainable economy. Balance is a property of the programme as a whole rather than a requirement on every intervention: some interventions would principally raise productivity, others would be directed at participation, health or poverty, but all interventions will interact, and each would be assessed with a view to how they contribute to the impact of the programme as a whole. Interventions would be designed with a view to achieving these outcomes.

Where appraisal identifies that an intervention would materially harm or widen inequalities affecting disadvantaged communities, that effect would be designed out. Where this is not possible, the intervention would be referred to the Cabinet for a published decision, setting out the expected effects, mitigation considered and reasons for proceeding.

The proposed remit covers four, inter-linked areas crucial to the delivery of an inclusive economy:

i) place, infrastructure and connectivity, including agreeing any planning changes necessary to maximise outcomes
ii) investment and development
iii) skills, workforce and employment
iv) business growth and innovation

Integrated funding would give the Region greater flexibility over how resources are deployed across programmes and years.[2] Additional financial capacity, including borrowing, revenue raising and co-investment, would allow it to undertake larger and longer-term commitments. These powers would need to be matched by appropriate accountability and financial safeguards.

These capabilities depend on people. Powers to assemble land, invest, borrow and hold risk are of limited value without the expertise to exercise them. Some of that expertise already exists nationally and should transfer with the responsibilities it supports. Other capabilities, including programme-level appraisal, investment structuring and regional treasury management, would need to be developed. The proposition therefore asks for specialist capability to be explicitly funded alongside the transfer of powers and resources.

Member authorities would retain responsibility for their existing local functions, including schools, social care, waste and neighbourhood services, local roads, planning applications and local development plans. They would also continue to deliver regionally agreed projects where local delivery is most effective.

Health services would remain outside the proposed remit, supported by a long-term strategic partnership agreement with the relevant health boards and carried into the proposed western strategic health board. The agreement would cover a joint health and employment pathway, prevention, data sharing, the NHS's anchor role and a defined regional role in relevant planning and commissioning decisions.

SPT would retain responsibility for delivering public transport. The regional partnership would define and fund transport programmes within Glasgow City Region, bringing transport, planning and wider investment decisions together.

Relationship with wider reform

Reform should put responsibilities at the level where they can be exercised most effectively, with the resources and accountability needed to deliver them. For Glasgow City Region, many of the systems that shape socioeconomic outcomes already operate across council boundaries: housing and labour markets, transport, infrastructure and investment. Holding appropriate functions regionally would allow investment and services to be planned together, decisions to be taken closer to the places affected, and duplication between organisations to be reduced. Reorganisation alone would not achieve this: changing organisational boundaries without changing how functions are planned, funded and delivered risks disruption without securing the full benefits of reform.

These are separable decisions. The regional economic function can be established now, independently of wider local government reorganisation. The proposition is a collectively owned statutory body with a defined economic remit, able to hold funding, employ staff, own assets, borrow, contract and carry risk in its own right. Establishing it requires legislation but does not require the future council map to be settled first. It would also build on successful city region collaboration over more than a decade under the city deal, together with an established city region secretariat with more than 50 staff. Responsibilities that can move under existing arrangements could begin moving immediately, national agency staff could be seconded, and a shadow integrated settlement established, allowing work on a new, scaled-up ten-year inclusive economy plan to begin immediately,[3] while statutory powers are developed in parallel.

In addition to accelerating delivery of critical inclusive economy outcomes, this approach would create an institution that could, in principle, adapt to subsequent reorganisation and take on

[2] The absence of that flexibility is what has prevented English integrated settlements from realising their potential, and the Region's ask is framed to avoid repeating this error. One of the motivations behind the fiscal devolution road map published alongside the Autumn 2026 Budget is to correct for this important limitation of the original English devolution model.
[3] One of the lessons of the City Deal is the importance of agreeing a regionally balanced long-term plan for both the delivery of equitable outcomes and the establishment of a collaborative culture.

further regional functions, for example, once the new ten-year plan was underway and the risk of delaying delivery was diminished.

The offer and the ask

The Region offers to take greater responsibility for its contribution to agreed outcomes:

- one prioritised regional programme with tailor-made planning, designed to deliver a step change in impact per pound spent and deliver at pace
- a value-share approach to additional investment, drawing on a regional contribution from value created by the programme not captured by the existing tax system, alongside matched national investment reflecting the wider fiscal gains from additional inclusive growth focused investment
- a single party able to hold commitments, manage risks, and invest in additional specialised delivery capacity
- published integrated inclusive economy-focused appraisal and independent scrutiny
- acceptance of defined financial and delivery risk, and accountability for results

In return, the Region seeks:

- **Responsibilities and powers:** defined regional responsibilities, including land, development and inward investment powers, with regional decision-making authority where functions transfer and shared decision rights where they remain national
- **Funding and financial capacity:** a genuine multi-year integrated settlement, dependable regional income, matched government investment, collective borrowing, co-investment through a Glasgow City Region Good Growth Fund and the ability to recycle returns
- **Capability and permanence:** funded specialist capacity, including staff transfers where appropriate, and a legislative route to permanent arrangements

While many of the necessary powers and funding streams sit with the Scottish Government and its agencies, UK Government involvement is also needed on employment support, innovation funding, infrastructure regulation and the fiscal arrangements for matched investment. The Region therefore seeks early, coordinated engagement with both governments on a single proposition reflecting their respective responsibilities.

Implementation and early action

Implementation would run on two tracks. Much of the proposition requires legislation, but important steps can begin under existing arrangements. As with the City Deal, the starting point would be an agreed long-term regional investment plan, providing the basis for developing an integrated settlement with government.

Working together on the City Deal built the Region's collaborative culture. Developing a new shared investment programme would build on that experience and provide a strong foundation for taking on greater responsibility.

There is also an immediate opportunity to influence reforms already underway. Decisions on post-school skills, the new strategic health boards and bus reform will shape how regional priorities are delivered for years to come. Building a regional dimension into these arrangements now would be easier than seeking to change them once established.

The Region would prepare its first integrated place-based business case and establish the existing funding baseline. Alongside this, it would work with the Scottish Funding Council to reflect regional priorities in commissioning, seek greater discretion over innovation funding, align national agency capability with regional priorities, develop a health long-term strategic partnership agreement as the new boards form, and pursue regional employment support arrangements with DWP.

These early arrangements would not replace the permanent model. As long as powers and budgets remain with separate organisations, the Region cannot itself hold funding across years, enter binding commitments or carry financial risk. Early action would demonstrate what greater regional responsibility can deliver and identify where statutory powers are needed.

Introduction

Purpose and status of this paper

This paper sets out a developed proposition for regional empowerment in Glasgow City Region. It provides a basis for discussion among the eight member authorities and regional partners, and for developing a regional settlement with the Scottish and UK Governments.

It draws on engagement with more than 50 organisations and over 100 individuals over three months, spanning member authorities, national agencies, education and skills providers, business and the third sector. It also builds on a decade of collective delivery through the City Deal and wider regional portfolio. The proposition also responds to a UK context in which regional economic capability is being built, quickly and durably, elsewhere, and in which the Region's ability to compete for investment, talent and government attention increasingly depends on having comparable capacity and financial firepower of its own.

The proposition is that Glasgow City Region should hold defined responsibility for an integrated inclusive economy-focused regional programme, supported by a multi-year settlement and appropriate financial capacity. The paper develops a statutory regional partnership as the institutional model through which that could operate.

The institutional form, precise remit, financial arrangements, proposed relationship with Strathclyde Partnership for Transport (SPT) and route to implementation are propositions for testing. They do not represent agreed arrangements.

The proposition adds defined inclusive economy focused capabilities at regional level. It does not transfer local services, statutory functions, assets, staff or democratic mandates from member authorities, who would remain responsible for schools and education, social care, waste and neighbourhood services, local roads, local development plans, planning applications outwith agreed regional priorities, and council tax. Health services sit outside the proposed remit.

Relationship to wider public service reform

What reform needs to achieve

The Scottish Government has set out an initial proposition for local government reorganisation, including regional arrangements with an enhanced role across areas of economic and place policy. Member authorities will respond to that proposition individually.

The Scottish Government has been clear that the purpose of reform is to improve the delivery of public services and to maximise the efficient use of public spending. Its starting point is the structure of local government.

This proposition approaches reform from the other direction. It addresses a major gap at the regional level in Scotland's ability to drive inclusive outcomes and for regions like Glasgow City Region to keep pace with increasingly empowered English city regions.

Much of what is currently done for this region at national level is delivered through central government departmental and agency silos. Holding growth-critical functions regionally would allow investment and services to be planned and delivered together, with decisions taken closer to the places and people affected.

It could also reduce duplication between organisations and thereby generate efficiencies.

Reorganisation alone would not secure these benefits. It changes which body is responsible for a service but does not necessarily change how that service is designed and delivered or how investment around it is planned, funded and sequenced. Moving responsibilities between organisations without changing how they work together risks undermining the improvements delivered.[4]

Responsibilities should therefore sit at the level where they can be exercised most effectively. They should be matched by the resources, accountability and flexibility needed to deliver, including the ability to move funding across policy and spending boundaries where outcomes require it. Where

[4] This is one of the criticisms levelled at the first decade of the English city region devolution model, and which the proposal in this paper is designed to overcome.

outcomes can be secured more effectively at regional level, the Region is prepared to take responsibility for them and make the choices needed to deliver.

That requirement does not depend on the council map. Glasgow City Region's housing and labour markets, transport network, infrastructure systems and investment relationships operate across administrative boundaries. Local government reorganisation would not remove the need to plan, fund and commit across that functional geography.

A regional economic function that can be established now

The arrangements proposed here do not require local government reorganisation. They can be established within the current structure of eight councils and adapted to any subsequent reorganisation. The Region is not asking government to settle the council map before the regional economic function is created, nor is it proposing that establishing the regional partnership should wait until after any reorganisation; keeping pace with the competition means moving quickly. These are separable decisions. Establishing the regional economic function is possible now and should be the immediate priority.

The Region has more than a decade of working together in the design and delivery of regional programmes across traditional spending silos through the City Deal, and a core capability has already been established. This means the transition could start moving right away, built around the design of a new ten-year plan, building on the one put in place as part of the City Deal, but at greater scale and pace.

Responsibilities that can move within existing arrangements could begin moving immediately, while the powers requiring legislation are developed in parallel. The regional economic function would then contribute while wider reform is being designed and implemented, rather than only once it has concluded.

Beginning now would also protect the activity most exposed to a period of structural change. Long-term investment pipelines, commitments to delivery partners, providers and supply chains, and relationships with investors and both governments all depend on continuity of counterparty and purpose. Establishing the regional economic function ahead of or alongside wider reform would give that activity a settled home throughout and would mean that the regional economic capability the Government has identified as necessary is specified and in operation.

What is proposed is not a new tier of general-purpose local government. The partnership described in this paper would hold a defined inclusive economy remit and would be constituted by, and collectively owned by, its member authorities. It would not hold the services councils provide to their residents; it is doing an entirely different job.

Within its inclusive economy remit, the body would be a statutory body corporate able to hold funding, employ staff, own and manage assets, borrow, contract, accept delegated and transferred functions from the Scottish Government, its agencies, and the UK Government, and carry risk in its own right. This is the full extent of the ambitions outlined in this proposal.

This said, should in time the Scottish Government decide that further functions, resources or staff should be held regionally, they could be placed within this institution without a new body being created, and with governance, scrutiny, audit and assurance already in operation.

Any permanent statutory provisions could sit within the Scottish Government's wider legislative approach. This would allow a common framework to be used elsewhere in Scotland, with a consistent model applied across regions while the responsibilities exercised, pace of implementation and priorities of each region reflect its own circumstances.

How to read this paper

The four sections perform different functions and do not carry the same status.

- Section 1 establishes the case: why regional empowerment is being considered, why the regional level is relevant, and which constraints in current arrangements the proposition addresses.
- Section 2 sets out the proposition: the integrated regional programme, the outcomes it would pursue, the proposed remit and the capabilities needed to support it.

- Section 3 develops a model for testing: governance, transport, funding, accountability, appraisal and member authority safeguards. Its detailed provisions are propositions for further development, not agreed arrangements.
- Section 4 sets out the offer to government, the ask and the route forward.

Throughout, statements of required capability should be distinguished from the mechanisms developed to provide them. The core requirements are the ability to hold funding and commitments in one place; to align authority, resources, risk and accountability; to provide the necessary financial capacity; to protect member authority exposure; and to ensure scrutiny separate from decision-making. The particular structures, voting arrangements, financial mechanisms and transfers remain subject to development.

1 Why regional empowerment?

1.1 The opportunity for Glasgow City Region and Scotland

Glasgow City Region should have the authority, resources and accountability to commit to, fund and deliver a long-term programme of investment and services at regional scale.

Glasgow City Region is Scotland's largest regional economy. On 4% of Scotland's land, it is home to more than a third of its population and generates around a third of its jobs and economic output. Its 1.9 million residents, 878,000 jobs and 50,000 businesses produce £60.2 billion in annual output, making it the fourth-largest major city-region economy in the UK.[5] It contains over half of Scotland's industrial activity, accounts for more than a quarter of its international exports and recorded more than half of national population growth in the decade to 2025.[6] Scotland's economic performance therefore depends substantially on what the Region is equipped to deliver.

Persistent economic and social challenges

Alongside those assets sit economic and social challenges that have persisted despite decades of policy effort. There has been no shortage of activity or commitment but the impact of those efforts has been constrained by the capabilities available to the organisations involved.

The Region's share of Scotland's economy is smaller than its share of Scotland's people. It holds 34.2% of the population and generates 33% of GVA. On the scale, assets and connectivity described above, a region of this weight would be expected to carry more of the national economy than it does, not less. Productivity in the Region is £39.33 per hour: 93.9% of the UK average and 95.0% of the Scottish average.[7] The Region has an economic inactivity rate of 24.7%, the second highest among the UK's major city-region economies.[8]

Economic and social conditions are major influences on health, and the Region experiences poor health outcomes and substantial inequalities. In Glasgow City, healthy life expectancy in 2022-24 was 55.7 years for men and 56.1 years for women, compared with the 59.1 and 59.4 years across Scotland.[9] Across Scotland, people living in the most deprived areas can expect 26 fewer years of good health and die 10 to 13 years earlier than those in the least deprived areas.[10] Reducing these inequalities therefore requires action on the wider economic and social conditions that shape health, including the distribution of wealth, income and opportunity.

The relationship also runs the other way. Poor health constrains economic participation and productivity. In 2024, 114,000 working-age residents were economically inactive because of long-term ill health, around 49% of regional economic inactivity excluding students.

Poverty is widespread, including among working households. More than one in four children in the Region, 25.4%, were estimated to live in poverty after housing costs in 2023/24. Rates ranged from 12.0% in East Renfrewshire to 36.1% in Glasgow City.[11] Across Scotland, 75% of children in relative poverty after housing costs live in a household containing someone in paid work.[12]

These outcomes also reflect the structure of the regional economy. Around two-thirds of regional employment in 2024 was in foundational sectors, including health and social care, retail, education, construction, hospitality and public administration.[13] These sectors will continue to employ much of the Region's workforce. Their pay, security and progression bear directly on household incomes and whether growth reaches those who most need it.

The outcomes also carry substantial fiscal costs. The Institute for Public Policy Research estimates that, across Scotland, £2.3 billion of health boards' 2023/24 budgets was attributable to the effects of poverty.[14]

[5] National Records of Scotland (2026). *Mid-2025 population estimates*; *ONS (2025). Business Register and Employment Survey. ONS (2025). UK business: activity, size and location;* Glasgow City Region (2025). *Economic Briefing May 2025*.
[6] ONS (2025). *Subnational trade time series: 2016 to 2023*; research prepared by Ryden for GCR; NRS (2026). *Mid-2025 population estimates*
[7] Glasgow City Region (2026). *GCR Devolution Socio-Economic Briefing*.
[8] McNulty, D. (2026). *Inclusive Growth in Glasgow City Region: Pathways to Achieving the UK's Most Inclusive Major City-Region Economy by 2030*
[9] National Records of Scotland (2026). *Healthy Life Expectancy, 2022–2024*.
[10] National Records of Scotland (2026). *Life Expectancy in Scotland, 2022-2024*.
[11] Centre for Research in Social Policy, Loughborough University (2025). *Local indicators of child poverty after housing costs, 2023/24*
[12] Scottish Government (2026). *Poverty and Income Inequality in Scotland 2022–25*.
[13] Glasgow City Region (2026). *GCR Devolution Socio-Economic Briefing*; calculation using ONS (2025). *Business Register and Employment Survey.*
[14] IPPR Scotland (2023). *Tipping the scales: The social and economic harm of poverty in Scotland*

The opportunity is correspondingly large. Reducing inactivity in the Region to levels seen in leading OECD cities such as Stockholm would add 70,000 to 100,000 people to the labour market.[15] Separately, Glasgow's economy is conservatively estimated to operate £7.3 billion below its potential each year.[16]

A decade of collaboration and delivery

These outcomes have persisted despite sustained regional effort. Over the past decade, the eight member authorities have built shared objectives, collective governance, a substantial delivery record, and the programme and analytical capacity to support them.

What has been missing is not effort but a particular kind of capacity: the ability to act on these outcomes as a single party, across organisational boundaries, over the period they take to shift. Outcomes of this sort depend on combinations of interventions held by different organisations and funded on different terms. They respond over a decade or more, rather than within a single budget cycle.

Since the Glasgow City Region City Deal was agreed in 2014, the leaders of the eight member authorities have worked together through the Glasgow City Region Cabinet. They have agreed regional priorities, taken collective decisions on a £1.13 billion infrastructure programme and held one another to account for delivery across council boundaries. The Regional Economic Partnership extends that collaboration to business, universities and colleges, and the national enterprise and skills agencies, around a Regional Economic Strategy whose objectives are shared by its partners rather than imposed on them.

The delivery record is substantial and spread across the Region. The City Deal supports 22 major projects in all eight council areas, including transport connections, town centre regeneration, strategic development sites and commercial premises. Regional collaboration now extends well beyond it, to the Investment Zone, the Innovation Accelerator, the UK Shared Prosperity Fund, Clyde Mission, the 5G Innovation Region and a strategic partnership with the National Wealth Fund.

The resulting regional portfolio exceeds £2 billion. That is comparable in scale to the investment programmes of some established combined authorities in England[17], although further devolution in England is raising the bar. It has been assembled without the institutional powers, multi-year settlements or financial capacity those authorities hold.

Investment in regional capacity has matched that record. It includes:

- a Programme Management Office experienced in assuring and managing a multi-year capital programme, including through independent gateway review by both governments
- an Intelligence Hub providing regional economic and social analysis, appraisal and evaluation
- collective leadership with experience of negotiating with the Scottish and UK Governments and of securing and leading competitive regional initiatives

More than a decade of joint working has also produced a collaborative culture and way of working. The Cabinet has never had a vote; agreement has been reached on every decision it has taken, including on the allocation of capital between eight council areas with competing claims on it. Formal powers can be conferred by statute. The trust required to use them well has to be built, and in this Region it already has been.

This puts Glasgow City Region in a strong position to lead regional empowerment in Scotland, with the partnerships, delivery experience and established capabilities needed to move quickly.

[15] OECD (2024). *Future-Proofing the Skills System in the Glasgow City Region*. p.47.
[16] Swinney, P. (2021). *What levelling up should mean for Scotland*. Centre for Cities
[17] On a broad portfolio-value basis, GCR's £2 billion-plus portfolio is of a similar order of magnitude as programmes managed by established English combined authorities: approximately £1.28 billion of confirmed capital investment in the West of England, a £1.5 billion Integrated Settlement in Liverpool City Region and a £1.35 billion Integrated Settlement in South Yorkshire. Periods and funding mixes differ.

1.2 Why regional action needs to be integrated

Outcomes depend on combinations of interventions

Regional outcomes are produced by systems, not individual interventions.[18] Whether a new transport connection delivers its intended benefits depends on where housing and employment land come forward. Whether residents move into sustained employment depends on employability support, health services, transport access and employer recruitment practice working together. Whether innovation raises productivity across the wider economy depends on local firms reaching finance, expertise, technology and suitably skilled workers.

Those systems operate across council boundaries. The evidence is clearest in housing. Analysis of more than 130,000 private transactions found that 92% of buyers originating in the Region purchased within it, while no member authority reached the threshold conventionally used to identify a self-contained market. On the standard test, the Region is a single housing market, whilst none of its eight authorities is.[19]

Labour market relationships point the same way. Every town examined in recent analysis sends commuters into Glasgow, on average more than one in five of those in work. The city accounts for around half of regional employment and seven in ten knowledge-intensive jobs.[20] Strategic corridors, colleges and universities, innovation assets and major development sites likewise serve populations well beyond the local authority in which they sit.

The Clyde and its wider catchment cross local authority boundaries, making climate resilience a regional economic issue: protecting existing assets and infrastructure, maintaining investability and enabling future development increasingly require coordinated adaptation across that geography.[21]

Annex A sets out the functional economic geography evidence in full.

The defining characteristic is interdependence. Decisions taken in one place create benefits, costs and pressures in others. These are not occasional spillovers; they are a routine feature of how the regional economy works. It follows that the location of an intervention is often different from the geography over which its effects are realised.

That is the basis for collective action. Authorities have a legitimate interest in investment beyond their own boundaries where the resulting opportunities, accessibility and economic benefits reach their residents. Within Glasgow City Region, that connection is clear and evidenced. Residents commute across authority boundaries, buy and sell homes in the same market, and depend on opportunities spread across the wider regional economy.

The same principle indicates where responsibilities should sit:

- National arrangements suit matters requiring consistency, redistribution or stewardship across Scotland.
- Local arrangements suit outcomes and accountability contained within individual communities or authorities.
- Regional arrangements are needed where the geography of an outcome extends beyond individual authorities and effective action depends on relationships between places, institutions and investments across the functional economic geography.

This principle is defined by geography, not by subject matter. It applies to poverty, health and inclusion as directly as it does to economic growth. Whether a resident moves into sustained employment can depend on employability support, health provision, transport access and employer recruitment practice: services and decisions that sit with different bodies, operate across different boundaries and affect a population that moves between them.

[18] Green, A., (2026). *Towards an Integrated Understanding of Place*. LPIP Hub. pp. 10-13.
[19] Glasgow City Region (2024). *Glasgow and the Clyde Valley Housing Need and Demand Assessment*
[20] Centre for Cities (2025). *Let devolution flourish: How Glasgow spreads prosperity and why the City Region needs devolution*
[21] Climate Ready Clyde (2021). *Glasgow City Region Climate Adaptation Strategy and Action Plan 2020-2030: Choosing to flourish in our future climate*

Current arrangements do not manage those relationships.

The regional baseline in Annex B shows that different organisations typically set funding, business cases, commissioning, delivery responsibilities and timescales separately, against different criteria. Coordination tends to happen after individual interventions have been designed and funded, by which point the scope to shape their content, sequence activity or resolve shared constraints has largely gone.

The challenge becomes more consequential where decisions involve major, interdependent investments. Where interdependencies are material, managing interventions as a single programme can improve value for money. Programme-level decisions allow activity to be sequenced so that enabling investment arrives when it is needed rather than after. Shared constraints, such as infrastructure capacity, land assembly or workforce availability, can be resolved once rather than repeatedly. Duplication, gaps and underused assets become easier to identify and avoid. Individual interventions become more likely to reinforce one another.

The same logic applies to services. Employability, skills, health and other support can serve the same residents while operating through different organisations, geographies and funding arrangements. Regional coordination can help connect those activities to one another and to things that operate at regional scale, including the labour market, employer relationships and the investment pipeline. It can also allow evidence, specialist capability and learning to be shared across the eight member authorities, rather than developed separately.[22]

Where regions have done this, the effect on value can be substantial. One English city region found that a functional economic area focused planning policy change nearly tripled the forecast net impact of a mass transit corridor on growth compared to more locally focused policies. This potential was not picked up by the standard siloed departmental transport appraisal of the project in question, which looked at the transport investment in isolation. Glasgow City Region has its own precedent: in developing the City Deal, considering interactions between housing, transport and regeneration and building these into the programme doubled the programme's forecast economic impact.

Integration has to be genuine to be better than a project-by-project approach. It carries its own coordination costs and can be difficult to get right. Integration has the greatest potential where a clear and demonstrable relationship exists between interventions, beneficiaries, geography or delivery constraints, and where appraisal can demonstrate the additional benefit and evaluation can test it.

Those conditions are met across many of the interventions that shape outcomes in Glasgow City Region. Activity operates within the same places, labour market and communities. The Region already has important foundations for this approach: established relationships between institutions, shared objectives, collaborative governance and delivery capability. It has delivered shared spatial priorities before – thirteen Community Growth Areas identified through regional planning have since delivered more than 23,000 homes, with City Deal investment later supporting enabling works in several locations.[23]

The proposition combines integration with continued collaboration. Many of the levers on which regional outcomes depend would remain with partners outside any regional settlement, including health boards and health and social care partnerships, colleges and universities, the Scottish Government and its agencies, employers, investors, the third sector and communities. The Region would need their contributions to deliver agreed priorities. Regional empowerment would build on the collaborative relationships already in place by adding the ability to organise funding, commitments and accountability around a connected programme.

[22] Randomised Health-led Employment Trials involving 9,785 participants across Sheffield City Region and the West Midlands found that integrated work and health support improved sustained employment in the West Midlands and health and wellbeing outcomes in Sheffield. See: DWP (2023). *Evaluation of the Health-led Employment Trials*.

[23] Glasgow City Region's 2006 strategic planning framework identified thirteen Community Growth Areas, ranging from around 500 to more than 4,000 homes and aligned with development corridors, sustainable transport, green network and infrastructure priorities. More than 23,000 homes have subsequently been delivered across the areas, with later City Deal investment supporting enabling infrastructure in several.

Integration can broaden the value delivered

Public sector interventions produce more than aggregate economic output. They shape accessibility, household incomes, health, participation, housing conditions, environmental resilience, local supply chains and the geography of opportunity.

The type and distribution of that value depend on how a programme is designed and on the terms under which it is funded. Choices about which propositions come forward, in which places, and with which complementary interventions attached, determine who benefits. An infrastructure or development investment can generate economic activity without ensuring that residents facing barriers to work can reach the jobs created.[24] An innovation asset can support high-value activity without diffusing benefits to local firms or workers.[25] The consequence is not only a missed opportunity. Where investment raises incomes, property values and access for some places and groups and not others, it can widen the health and wealth inequalities the Region is trying to reduce.

An integrated programme creates more opportunities to shape those effects deliberately. Infrastructure, development, skills, employability, affordable housing and business support can be designed as connected parts of the same programme. How that programme uses its spending, employment, land, ownership and finance levers then determines how much of the value it creates stays in the Region, and how widely it is shared. Community wealth building provides an established basis for making those choices deliberately, rather than leaving them to follow from decisions taken for other reasons.

Distributional and place effects can be designed into an integrated programme from the point priorities are set. At present, project-level business cases more often address them, at a stage when the proposition has already been developed and the substantive choices made. Appraisal then records the effects of a decision rather than shaping it.

The broader proposition is therefore not simply a larger return on investment. It is the ability to pursue a wider and more deliberate form of return across economic, social, health, place and environmental outcomes.

Integration does not remove difficult choices. Reducing poverty and narrowing health inequalities is necessary both for the wellbeing of the population and for the functioning of the regional economy. Even so, aggregate growth and distribution will not always point the same way in short-term decisions. Pursuing that broader return effectively requires a framework that states what the programme is for, backed by analytics that connect programme design with these broader returns.

An inclusive economy would define what the programme should achieve

Glasgow City Region proposes to organise regional empowerment around the creation of a more inclusive economy. This builds on the objectives that member authorities and partners have already agreed through the Regional Economic Strategy: improving prosperity, health and wellbeing; reducing poverty and health inequalities; and ensuring that economic activity benefits people and places across the Region.

An inclusive regional economy is one actively designed to sustainably eliminate poverty and reduce economic and health inequalities between social groups and places, while operating within safe ecological limits. Its economic relationships and public services are designed to ensure the equitable distribution and democratic control of the benefits of the economy, including ownership of assets, value and power. They also secure the resources people need to live a dignified life and to take full part in the paid and unpaid economy, and in social and civic life.

This would form the overarching framework for the integrated regional programme, and it is a framework for deliberate design. Inclusive economy outcomes should shape priorities, programme composition and delivery choices from the start. They define what the programme is for. The

[24] The Glasgow 2014 legacy evaluation notes evidence from previous major events that employment opportunities can favour those who already have the required skills. It concludes that considerable effort was needed in Glasgow to open employment and contract opportunities to local people and businesses. See: Scottish Government (2018). *Glasgow 2014 Commonwealth Games Legacy: Final Evaluation Report*, pp. 8-12.
[25] The evaluation of Scottish Enterprise's Innovation Centre Programme found that innovation benefits depend on the intensity and duration of engagement, complementary support, collaborative relationships, ecosystem connections and access to finance. Additional Research on behalf of Scottish Enterprise (2023). *Innovation Centre Programme Evaluation Final Report*. pp.84-85.

integrated programme is how action is organised. Design approaches, including community wealth building, shape what the programme contains and the terms on which it is delivered.

What regional empowerment would enable

Regional empowerment would strengthen the Region's ability to assemble and run an integrated programme. The Region could agree a limited set of regional priorities and outcomes, identify the full combination of interventions needed to achieve them, connect capital and revenue activity, sequence delivery over a meaningful period, make choices across funding streams and policy areas, and adapt as conditions change. Multi-year flexibility would allow programme development to begin with an agreed regional priority and a maintained pipeline, rather than with the availability of a particular funding pot.

It would also support more deliberate targeting. Glasgow City Region could weigh benefits across communities and council areas, align investment with the complementary interventions needed to reach particular groups and places, and make distributional choices visible across the programme as a whole, so that resources target the Region's most entrenched challenges.

The Local Innovation Partnerships Fund provides an example of what regional flexibility can enable. Within a broad innovation funding framework, the Region has been able to use its evidence base to develop a connected package of support for business commercialisation, laboratory space and life sciences skills, drawing on delivery through its six colleges. Projects are distributed across the Region and build on earlier City Deal and UKRI investment, demonstrating how funding flexibility can support a coordinated response to regional priorities.

Regional empowerment is therefore not sought as an end in itself. It is the means by which Glasgow City Region could design connected interventions around agreed outcomes and manage the choices that follow. Each of those abilities assumes an organisation able to hold the programme, commit on its behalf and answer for the result. The next section sets out why current arrangements cannot.

1.3 Why current arrangements need to evolve

Constraints on funding

Current funding arrangements limit what the Region can attempt. Individual organisations plan, fund and deliver effectively within their own remits, but no organisation is responsible for assembling a programme across those remits, or for ensuring that the whole adds up to enough to deliver the outcomes being sought or can be deployed quickly enough.

Funding is organised around intervention-specific pots rather than outcomes

Capital, revenue and recoverable finance are allocated through separate routes, determined by the outputs and rules of individual programmes. Where a single regional priority depends on several of them, they remain subject to different decision-makers, conditions and timetables, and much of the funding is secured competitively against priorities set elsewhere.

Activity is therefore assembled around the funding available rather than around what is required.[26] Propositions already developed enough to meet an immediate opportunity are favoured over those offering greater long-term value but needing early feasibility work or coordination between organisations.[27]

Funding allocated to the Region in 2026 illustrates the pattern. UK Government's £61 million Local Growth Fund allocation required the Region to allocate funding within six weeks. The £160 million Investment Zone award allowed more time but restricted funding to advanced manufacturing projects. The Scottish Government allocated £2 million of Economic Intervention funding specifically to develop the Clyde Maritime Skills Programme. These are three of several programmes the Region manages, each with its own purpose, conditions and timetable. Together they produce a portfolio assembled under different rules, rather than a programme designed and

[26] All local authorities responding to Audit Scotland identified the ring-fencing of funds as a major challenge. See: Audit Scotland (2026). *Local government in Scotland: Financial bulletin 2024/25*.
[27] The Regeneration Capital Grant Fund is illustrative. This funding stream is competitive, requires projects to be ready to commence in the current financial year, has no facility to carry grant into a later financial year, and excludes feasibility work, early design and future running costs. It therefore funds physical delivery but not the earlier resource activity needed to bring an undeveloped proposition to readiness or operate it subsequently.

funded around regional priorities. Coordination after allocation cannot recover the choices those separate funding decisions have already closed off.

Short horizons and available instruments change what can be delivered

Annual and short-term settlements create uncertainty and restrict what can be designed.[28] Interventions that can be approved and show results quickly are favoured over those requiring continuity, early development expenditure, or several years before outcomes emerge. Skills, employability, business support, maintenance and preventative activity are particularly affected, as is the capability needed to develop complex propositions. The instruments available compound this: borrowing and recoverable finance require a credible route to repayment and are unsuited to activity producing wider public value without a direct financial return.

Preventative activity here means investing earlier in the causes of poor outcomes. The costs are incurred now, but the economic, social or fiscal benefits may emerge over a longer period or accrue to another organisation.

It is also difficult to build balance through a project-by-project approach and from within funding silos. Achieving balance requires long-term programmes, and flexibility to move funding into interventions that address gaps in terms of outcomes or geography most cost-effectively.

The absence of a transparent account of the public funding the Region would otherwise receive also makes it difficult to establish whether regional investment would add to national funding or substitute for it.

Constraints on authority

The Region takes collective decisions through the Glasgow City Region Cabinet, constituted as a joint committee of the eight member authorities. A joint committee is a mechanism through which councils take decisions together. It cannot hold powers, funding or risk in its own right, so regional action continues to depend on the separate powers, approvals and resources of its members.

An integrated programme requires commitments that hold: to lenders, delivery partners, providers and supply chains, across several authorities and over periods longer than any budget cycle or electoral term. The Joint Committee has provided an effective basis for agreeing regional priorities and overseeing a decade of joint investment. The next step requires those agreements to become durable commitments.

The distinction matters most over time. A commitment open to reconsideration at each budget round, or contingent on decisions yet to be taken by seven other councils, does not offer the same certainty as a firm, long-term commitment. This has direct implications for a lender pricing 25 years of debt service, a contractor weighing investment in people and plant, or a college establishing provision to meet an anticipated workforce requirement. In each case, a commitment that cannot be relied upon may have limited or no practical value.

Agreeing a regional priority does not secure the local decisions, contributions and delivery commitments needed to implement it. The Region's electric vehicle charging programme illustrates the point. The eight member authorities agreed the objective and a common technical specification without difficulty. Allocating revenue, liability and the consequences of default has required a separate inter-authority negotiation running to many months. A larger and more interdependent programme would multiply those negotiations at precisely the point where governments, lenders and investors require confidence that commitments will hold.

The accountable body arrangement does not resolve this. Under it, one member authority receives and distributes grant on behalf of the eight. That is an administrative function, not collective ownership of a programme. Project risk under the City Deal rests with individual authorities. Where regional activity now extends into borrowing, contracts and shared commercial exposure, formal responsibility can fall to a single authority for activity agreed by eight. In the electric vehicle charging programme, Glasgow City Council will enter the contract on behalf of all eight and carry the resulting exposure. Decision rights, legal powers and financial liability therefore do not sit in the same place.

[28] Research by SPICe found that 100% of local authorities and 93% of third sector organisations identified uncertain funding timelines as a challenge to long-term planning. See: Farooqi, S. (2025). *Exploring Employability Funding Allocation in Scotland*. The draft Fiscal Framework between Scottish Government and local government recognises this issue and aims to reduce the uncertainty created by single-year settlements. See: Scottish Government (2025). *Fiscal Framework between Scottish Government and Local Government*

Each of these constraints has a cost in time. A proposition may need to wait for funding from separate organisations, then for approvals in several councils taken at different points in their budget cycles. It therefore moves at the speed of the slowest step in the chain.

Consenting lengthens the sequence again. A site may already be adopted as a regional priority, appraised at programme level and committed to in funding terms. But it still requires a further series of applications, each determined on its own terms and none obliged to deliver what the programme committed to. Where land assembly or a service change is also required, the sequence extends further still.

The elapsed time between identifying an opportunity and starting on site is frequently governed by these processes rather than by the complexity of the thing being built.

The same arrangement limits public accountability. Today, eight leaders take regional decisions, each acting on behalf of their own council, with established arrangements for publishing papers, decisions and reporting on delivery. As agendas have grown in volume and complexity, the arrangements have continued to depend heavily on the capacity of a small number of members and officers. A larger programme will require additional scrutiny and assurance proportionate to those responsibilities, including scrutiny separate from those taking the decisions.

Appraisal follows the same pattern. Interventions are appraised individually, against the objectives of the route through which they are funded, and once the proposition has largely been settled. Established guidance already provides for appraisal at programme level, and for distributional and place effects to inform decisions. Applying it requires a programme to appraise and an organisation able to hold it.[29] Neither exists, so distributional effects are more often recorded after the decisions that determine them, and the trade-offs between interventions, places and types of benefit are rarely assembled in one place.

These current arrangements could not carry a larger and more complex programme. Receiving devolved funding, entering long-term agreements, holding assets where necessary, borrowing against dependable income and managing risk across a portfolio each require a single body able to hold powers, funding and risk in its own right. Borrowing makes the point most sharply. Eight authorities borrowing separately against their own balance sheets is not the same instrument as one body borrowing against a dependable regional income, and only the second can be committed to a ten-year programme.

Constraints on capability

The third constraint concerns where relevant capability sits and what it is organised to achieve.

Substantial public sector capability is already applied to the Region's economy. The Scottish Government and its agencies employ people working on its business base, on its skills system, on its housing supply and on its infrastructure. Much of that work is regional in content: it concerns Glasgow City Region's firms, sites, institutions and residents, and the people doing it hold deep knowledge of them.

What that capability lacks is a regional point of accountability. It sits across organisations with national remits and separate reporting lines, and is deployed against national frameworks and priorities, as those organisations are constituted to do. No organisation is positioned to direct the whole of that capability towards agreed regional priorities, resolve competing demands between its different parts, or answer for what the combination achieves.[30] Where several bodies are active in the same place, their activity is more often coordinated across separate programmes than designed together around a common regional programme from the outset.

There is also capability the Region requires that no organisation currently holds at any level. Programme-level appraisal across interrelated interventions, maintenance of a long-term investment pipeline, commercial structuring of development propositions and the ability to bring workforce requirements, provider capacity and employer commitments together around a

[29] Income-based distributional weighting has been an explicit Green Book principle since 2003, while analysis of how impacts fall across places has deep roots in regional and regeneration appraisal and is now embedded in place-based Green Book guidance. See HM Treasury (2026). *The Green Book: UK Government Guidance on Appraisal*. Chapter 7.

[30] Scottish Government research identified "agency fragmentation" as a significant barrier to infrastructure delivery over ten years ago. This describes the way that control over costing, funding and delivery dispersed across different departments and agencies. In the Region, it found that the lack of structures to bring these agencies together made it difficult to align investment and development strategies. See: Ryden on behalf of the Scottish Government (2015). *Planning for Infrastructure Research Project*.

committed capital programme are not national functions imperfectly delivered. They are capabilities that have not been developed because no organisation has been responsible for holding an integrated regional programme.

The financial arrangements and capacity available at local level constrain delivery. Complex development propositions can require long-term commercial exposure and institutional investment that individual authorities cannot consistently sustain.

The constraint extends to the specialist capability needed to shape those propositions. Strategic masterplanning of major sites – density, mix, design quality, infrastructure sequencing and long-term stewardship – is specialist work that eight planning authorities cannot each sustain at the scale their own pipelines justify.[31] Local authority planning budgets fell by 40% between 2012/13 and 2021/22.[32] Where that capability is absent, what is delivered is lower-density, more conventional or more peripheral than the strategic case for the site assumed, as individual proposals are resolved incrementally rather than through a sustained masterplanning capability.[33]

The Region's strategic sites warrant that capability, and the regional level is where it can be held at a scale that justifies the expertise. The same holds across the commercial, investment and development skills on which the wider proposition depends: these are specialist, scarce and expensive, and holding them regionally is the only basis on which the Region could realistically acquire and retain them.

The wider institutional landscape is moving in the same direction. The Scottish Government's public sector reform proposition envisages a stronger regional role across economic development, housing, strategic planning, employability, skills and transport. National institutions are increasingly organising investment, planning and delivery around regional geographies and partnerships,[34] while in England city regions are becoming the principal level through which government policy is realised.

Scottish Government reform is also underway in Scotland's post-school skills system. Following the Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026, apprenticeship and national training funding and associated resource will transfer to the Scottish Funding Council, alongside its existing responsibilities for college and university funding.

In parallel, the Scottish Government and sector partners are reviewing the longer-term future of colleges and universities. These changes create an opportunity to establish a stronger regional role in skills planning and in shaping commissioning, connecting national funding arrangements more directly to regional economic priorities.

The proposition is that capability should sit at the level it primarily serves. Functions concerned principally with the Region and its outcomes should be held regionally. Glasgow City Region is ready to take responsibility for these.

Inward investment promotion illustrates the limitations of nationally determined priorities. Glasgow City Region competes internationally for investment but does not control the capability and resources principally concerned with attracting it. Greater Manchester, by contrast, leads its own investment promotion through MIDAS. The Region needs equivalent ownership of its investment proposition, supported by the Scottish Government and connected directly to the opportunities and commitments required to secure investment.

Regionalisation should simplify rather than add to the institutional landscape. Where functions and capability transfer to the Region, they should move rather than be duplicated, with a corresponding reduction in the national organisation's responsibilities and resources. This would

[31] The National Planning Improvement team found that many Scottish planning authorities face difficulties resourcing their work and accessing specialist expertise needed for development management and plan-making. See: NPI (2025). *National Planning Improvement Annual Report 2025*.
[32] Audit Scotland (2023). *Local government in Scotland: Overview 2023. p.9.*
[33] This risk is visible in recent development patterns, including greenfield development with poor access to services, low densities and limited public transport connectivity. Scottish Futures Trust identifies a general lack of skills and experience in delivering complex town-centre housing projects, with project officers, particularly in local authorities and housing associations, often under considerable time and budget constraints. It also identifies structural barriers that disadvantage more complex town-centre development relative to new-build alternatives. See: SFT (2023). *More Homes at the Heart of Great Places Town Centre Living*.
[34] This direction is visible across both Scottish and UK institutions. Skills Development Scotland has established regional skills assessments and investment planning; Scottish Enterprise is increasingly organising delivery through regional missions and place-based activity; the National Wealth Fund has established strategic partnerships directly with city regions, including Glasgow City Region; UKRI is directing significant innovation funding through regional partnerships; and the British Business Bank operates dedicated Nations and Regions Investment Funds.

bring decisions and delivery together, reduce the number of organisations involved and create an opportunity for government to realise efficiencies alongside better regional outcomes.

The argument concerns where capability sits, not whether it is needed or how well it is presently delivered. Existing expertise and institutional knowledge would need to be retained. Reform creates the opportunity to bring that expertise closer to the decisions it informs, while maintaining the professional depth developed within national bodies. The same principle should apply as new capability is developed: where its purpose is principally regional, it should be designed into the regional tier from the outset rather than established nationally and regionalised later.

The scale of the step

These constraints would matter less if the programmes they constrain were small. They are not.

The investment needed to transform the Region's infrastructure and economic assets runs into billions of pounds:

- The Glasgow Connectivity Commission identified an indicative £10 billion programme of strategic transport investment over 20 years, or £500 million per year.[35]
- Analysis by Ryden for Glasgow City Region identified substantial requirements for industrial property renewal, with two-thirds of existing floorspace constructed before 1990 and indicative ten-year investment programmes of up to £1.4 billion for new development and £700 million for refurbishment.
- The Region has also assessed more than 1,600 vacant and derelict land sites, identifying over 200 priorities for action.[36]
- The Region's Housing Needs and Demand Assessment estimates that around 66,000 new homes could be required by 2040 – £16.5 billion in construction costs alone.[37]

Investment requirements on this scale show what the constraints described above mean in practice. Without regional empowerment, large investment programmes would rest on eight local authorities with eight budgets and eight sets of approvals, renegotiated whenever circumstances changed, and on a transport authority whose own regional transport strategy depends on funding and powers it does not hold.[38]

Why this matters now

These constraints are long-standing, and the Region has worked within them for more than a decade. Two things have changed their consequences.

English city regions are pulling ahead

The first is that regional devolution in England has moved from a series of individually negotiated deals to a standing feature of how government organises itself. Established authorities plan over longer horizons, connect capital and revenue, bid less and commit more, and hold relationships with government and national agencies in their own right.[39]

The practical implication is a widening gap in what the Region can offer. Mobile investment is allocated between city regions as well as between countries. At international property and investment events, Glasgow City Region appears alongside Greater Manchester, Liverpool City Region, the North East and London, where differences in investment capacity and readiness are apparent. Infrastructure providers operating across several UK regions also make choices about where to invest, and the Region's ability to compete for that investment is weaker than its economic weight warrants.

[35] Glasgow Connectivity Commission (2019). *Connecting Glasgow: Creating an Inclusive, Thriving, Liveable City*.
[36] Glasgow City Region (2025). *Annual Performance Report 2024/25*. p.7.
[37] Assuming £250,000 per unit. Glasgow City Region (2024). *Glasgow and the Clyde Valley Housing Need and Demand Assessment*
[38] SPT's transport governance baseline found that its strengths in regional planning are not matched by where funding, procurement and operational decisions are made, and that delivery of the Regional Transport Strategy remains reliant on decisions taken nationally, locally and by private operators. Subsequent Clyde Metro governance work concluded that no single organisation currently has the remit to plan rail, metro, Subway and bus together, and that partnership working alone would leave integration dependent on continuing cooperation rather than empowered decision-making.
[39] The divergence is now extending to funding the Region already uses. From 2028, established mayoral strategic authorities in England will hold devolved control over the Local Innovation Partnerships Fund, with discretion to direct it against regional priorities. Glasgow City Region participates in the fund but has no comparable discretion over its allocation. The same pattern is likely to recur as further responsibilities are settled on established authorities: the question is less whether the Region can access funding than whether it can direct it. See: UK Government (2026) *Prime Minister to hand regions innovation funding to build world-leading industries*.

The comparison is made on terms the Region cannot presently meet: a counterparty able to commit, a pipeline of sites that are developable, consents that are settled, skills commitments attached to the proposition, and a credible answer on when work could start.

A region able to offer those things is a different prospect from one that must assemble them after the interest has been expressed. Glasgow City Region competes with English city regions for mobile investment, for firms choosing where to locate and expand, for skilled residents and for the attention of national government and its agencies. It does so with the scale and delivery record to compete, but without the regional capacity available to its English counterparts.

Delay is a cost borne by the investor, and capital has alternatives. An opportunity that takes three years to reach a start on site is a different proposition from the same opportunity available in one, whatever its eventual return. The constraints described above are therefore not only an internal inefficiency. They are a term on which the Region competes, and they are visible to the investors and firms making the comparison.

These constraints affect not just Glasgow City Region's competitiveness, but Scotland's ability to attract investment in an increasingly competitive UK market. A region without that capacity does not simply move more slowly. It attempts different and smaller things, with fewer propositions developed to the point at which they can compete for investment.

The institutional landscape in Scotland is changing

The second change is that these questions are now being actively considered in Scotland. The allocation of responsibilities between national, regional and local levels, and the funding and revenue arrangements that should accompany them, are matters of live discussion to which the Scottish Government has invited contributions. The cost of waiting is therefore not neutral. Arrangements elsewhere continue to develop while the Scottish position is settled, and the longer that takes, the further the Region has to travel.

Glasgow City Region's purpose in setting out this proposition is to contribute to that discussion from a developed position. The Region does not begin from a preferred institutional form, nor does it seek arrangements designed for a different context. It sets out what delivering an integrated regional programme would require – the authority, resources, accountability and capability – and then what institutional arrangements follow from those requirements, so that both can be tested on their merits.

The investment opportunity provides a practical demonstration of what those requirements could enable. The next section illustrates the scale of programme the Region could assemble and the funding arrangements needed to support it.

1.4 The investment opportunity and how it could be funded

The scale of the opportunity

A ten-year investment programme of around £7.5 billion illustrates the scale and composition of investment that regional empowerment could enable the Region to assemble, commit to and sustain. Figure 1.1 sets out an illustrative composition.

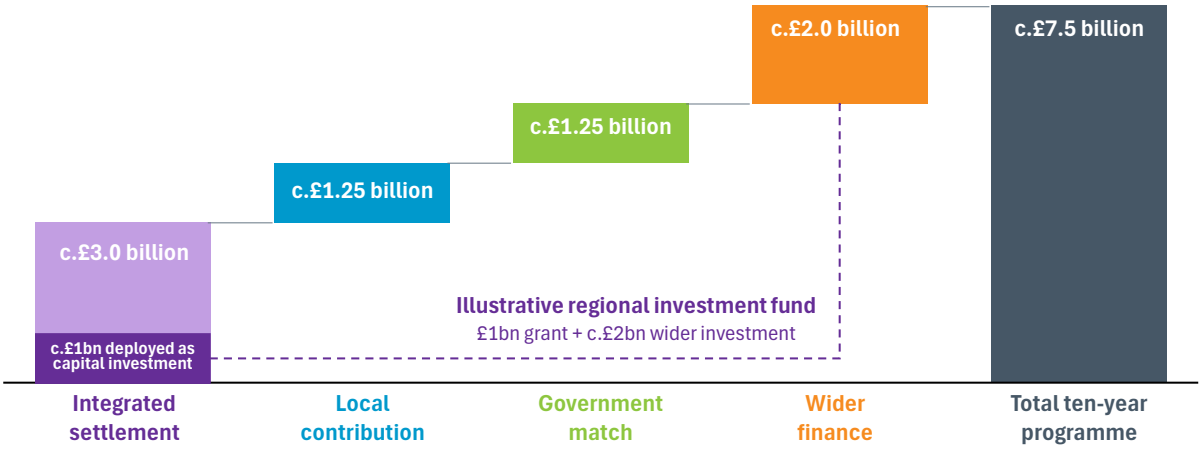


Figure 1.1: Illustrative composition of a ten-year regional investment programme

Note: The figures illustrate potential investment capacity, not an agreed programme or funding commitments. The £3bn regional investment fund comprises £1bn from the integrated settlement and £2bn of wider finance.

The programme combines funding and finance of different kinds, each requiring different arrangements. Table 1.1 summarises the basis of the illustration.

Table 1.1: Basis of the illustrative investment programme

Component	Basis of illustration
Integrated settlement: c.£3bn	Benchmarked against Greater Manchester's integrated settlement as a proportion of GVA, scaled to the size of the Glasgow City Region economy. Principally existing public funding brought together across policy areas and years on different terms. The integrated settlement would bring together capital and revenue funding around agreed regional outcomes, including scope to support preventative activity.
Regional contribution: c.£1.25bn	Benchmarked against the regional contribution to the Greater Manchester Transport Fund, adjusted for the relative size of the economies. Intended to be funded through an agreed share of the post-tax value created by regional investment, alongside programme income and investment returns, rather than existing council budgets. Benchmarking suggests that the regional contribution would consume one-fifth or less of the post-tax returns generated by the extra investment delivered.
Government match: c.£1.25bn	Assumes a one-for-one match to the regional contribution, reflecting the proposed principle that government contributes in proportion to the fiscal benefits generated by regional investment. (The Greater Manchester Earnback deal, linked to their Transport Fund, provides a precedent, as do joint funding programmes in London – e.g. to fund the Elizabeth Line.)
Wider finance: c.£2bn	Institutional and private capital brought alongside public investment, including co-investment with SNIB, NWF and private investors. This is contingent on individual propositions being investable, with the assumed allocation of £1bn in grant funding from the Integrated Settlement being designed to achieve this. Together this translates into a £3bn Good Growth Fund-style investment pot over ten years.

Note: Assumes around £1 billion of the integrated settlement is deployed as capital investment, which is assumed to gear in £2bn of NWF and other wider finance.

The regional contribution changes more than the size of the programme. On these assumptions, the settlement and associated wider finance would support investment of around £5 billion over ten years. A regional contribution of £1.25 billion, alongside an equivalent government match, would increase this to around £7.5 billion. Each £1 contributed regionally would therefore add

around £2 to the programme, including £1 of assumed government match. The illustration treats that additional capacity as grant, following the Greater Manchester Transport Fund precedent.

The distinction between grant and recoverable finance determines what the programme can contain, not only how large it is. Grant funds activity that commercial returns alone cannot support: enabling infrastructure, land remediation, participation, preventative activity and the complementary interventions on which inclusive economy outcomes depend. A programme funded mainly through recoverable finance would be weighted towards assets capable of generating a repayment stream. The above illustrative Good Growth Fund-style component assumes one-third grant funding to allow the programme to deliver better, more inclusive outcomes than would be possible solely through recoverable finance.

Not every source of regional income creates grant capacity. Repayments on the partnership's own investments return capital previously committed, and support further recoverable investment rather than non-repayable expenditure. Income generated by programme assets is available only net of the cost of operating, maintaining and renewing them. The regional contribution expands the programme's grant capacity to the extent that the income supporting it is genuinely net and genuinely additional, and establishing how much of it is genuinely net and additional will be among the first tasks of the financial model. The illustration treats the additional capacity created by the regional contribution and the government match as grant, and that assumption would need to be tested as the mechanisms are developed.

Why this cannot be funded through existing routes

A programme of this scale cannot be assembled from the resources currently available to the Region. The constraints concern both the amount of funding available and the arrangements through which investment costs and benefits are shared.

1 A strong economic case does not pay for the investment

Economic value and the capacity to fund are not the same thing. Major interventions can generate substantial economic and social benefits without returning enough tax revenue, soon enough, to meet their costs. Office for Budget Responsibility analysis indicates that the fiscal return on public investment falls well short of its cost in present value terms: receipts accrue slowly, while financing costs fall due immediately. A larger programme therefore needs funding alongside the returns it generates.

2 Value is created, but not where it can be used

Local authorities and their partners pay upfront. The gains emerge over many years and accrue elsewhere: to landowners through higher property values, to businesses through increased activity, to residents through employment and incomes, and to the Exchequer through additional receipts and reduced demand. A material part arises on reserved taxes. Much of this value does not return through any mechanism the Region can use to fund the investment.

The constraint falls hardest on interventions whose benefits are long-term, widely distributed, or realised by another organisation. Preventative activity is the clearest example: costs arise now, often including a period of double running alongside existing services, while benefits emerge later and frequently accrue to a different public body. Benchmarking against analysis of programmes in English city regions suggests that post-tax gains, i.e., those not currently captured by the tax system, can exceed £2.5 per £1 invested, with some estimates going as high as £5 per £1 invested. A modest share of these gains – that only exist because of the investment delivered – can transform the scale of the programmes and growth a city region can deliver.

3 Neither integration nor borrowing closes the gap

If value cannot be captured where it is created, the question is whether existing arrangements can bridge the difference. They cannot. An integrated settlement would allow the Region to direct existing resources across years and policy areas towards agreed outcomes rather than the activity a particular funding stream permits. That changes what the Region can achieve with its resources; it does not increase their amount. Borrowing changes the timing of investment rather than its funding. It allows expenditure to be brought forward but must be serviced and repaid from dependable income.

Expanding the programme therefore requires an agreed basis for additional regional and government funding, alongside the integrated settlement.

A co-investment model

The proposed response is a different basis for funding regional investment. Rather than bidding for allocations, the Region would be provided with a baseline devolved funding stream (the integrated settlement in the above illustrative example) and then invest on top alongside both governments, with each party's contribution linked to the value and fiscal benefit the investment creates for each party.

Five arrangements would establish the framework. A transparent baseline would settle what national funding already provides. A regional contribution would be funded from a share of the value the investment creates. Member authority backing would stand behind that contribution while those income sources mature. Matched government investment would reflect the fiscal return generated. Private capital would be brought alongside at programme scale. Together they form a single structure: each element depends on the others.

A transparent baseline

The starting point is a settled account of the public funding the Region would otherwise receive across the activity in scope. Resources allocated across policy areas, organisations and geographic levels are not currently visible as a whole.[40]

Without a baseline, the Region cannot demonstrate that its contribution adds to national funding rather than displacing it, and government cannot establish what its additional investment would be adding to. The baseline also identifies the existing commitments, assets and services that any settlement would need to sustain, including their operation, maintenance and renewal.

Establishing the baseline is therefore the first practical step, to be undertaken jointly by the Region, the Scottish Government and the UK Government. It can begin ahead of legislation or agreement on a settlement.

A regional contribution, funded from the value the investment creates

The Region proposes to fund a contribution alongside national investment using resources generated within the regional economy. The intended funding sources are programme income, investment returns and an agreed share of the value created by investment, rather than existing member authority budgets.

Regional investment creates gains for landowners, businesses and residents, while the programme can generate income through its investments and the assets and activity it supports. An agreed share of that value should help fund the investment that created it.

The mechanisms through which this could operate include land and development value capture, revenue retention, a supplementary business rate and fiscal benefit sharing. Each would require co-development with the Scottish Government and HM Treasury. None could be introduced without agreement.

Member authority backing behind agreed commitments

These arrangements take time to establish, and the value they draw on accrues over a longer period than the costs of investment. A programme cannot make long-term commitments or borrow solely against income that is expected but not yet dependable.

Member authority backing would provide recourse against agreed commitments while those income sources are established and mature, and against subsequent shortfalls. Through a levy, member authorities would stand behind commitments entered into by the regional partnership, within maximum limits and for periods each council agrees in advance.

Member authority backing is a guarantee, not a funding plan. The arrangements would be designed so that programme income and captured value meet the regional contribution over its life. Councils would be standing behind that expectation, not substituting for it. Councils would control that exposure at the point commitments are created rather than at the point of call.

[40] UK Government has been working with Mayoral Strategic Authority areas to map the existing system of services and funding. See: MHCLG (2026). *Place Based Budgets: programme*

Matched government investment

Where regional investment expands the programme and generates fiscal gain for the Scottish and UK Exchequers, both should invest in proportion to that gain.

Investment the Region part-funds should therefore attract a government contribution reflecting the fiscal return it generates. A material part of that return would arise on reserved taxes: higher participation and employment generate additional receipts for both governments, including Scottish income tax revenues and UK National Insurance receipts. No automatic route exists for that gain to reach Scotland, and none would arise through Barnett, because the receipts are not generated by departmental spending in England. The arrangements would therefore need to involve both governments and create a direct route for a UK Government contribution to the regional programme.

The basis for matched investment – how fiscal benefits are attributed, over what period, and how the contribution is paid – would be agreed in advance and applied consistently. The one-for-one match used in the illustration is a basis for testing the opportunity, not a predetermined outcome of those discussions.

A worked precedent

Greater Manchester provides the clearest precedent for this element of the model. Regional contributions to its Transport Fund, together with additional national funding including through Earnback, supported investment on a scale that enabled the largest transport infrastructure programme outside London. Beyond the baseline, local and central funding were close to equal at the margin. Scaled to the relative size of the economies, this provides an indicative benchmark of around £2.5 billion of additional public investment for the Region over ten years. Section 3.3 sets out how an equivalent mechanism could operate here.

Private investment as part of the model

Private investment enters the proposition in two different ways. First, public investment can improve the commercial attractiveness of places and opportunities, generating private investment that sits outside the regional programme. The City Deal has already demonstrated this effect.

Second, private and institutional capital can form part of the programme itself, where public and private finance are deliberately assembled around investable propositions. Emerging city region models in England increasingly organise this through investment pipelines, dedicated financial capability and structured co-investment with public finance institutions and institutional investors.

The new funding models emerging in city regions in England combine this kind of investment with (typically more development and individual site-focused) combined public and private programmes. Here private investment is part of the total, because the combined public and private money is allocated to self-contained, largely commercially viable propositions – e.g. an identified housing or commercial development.

The illustrative programme therefore includes a Good Growth Fund-style fund, combining funding from the integrated settlement with public and private investment capital. For illustrative purposes, it assumes £1 billion of grant from the integrated settlement alongside £2 billion of finance from sources such as the National Wealth Fund and institutional investors like pension funds. The precise blend would vary between propositions according to their commercial characteristics, risk and capacity to generate a return.

Delivering a fund of this kind would require the regional partnership to hold the commercial and investment capability needed to originate, structure and manage a pipeline of opportunities, and to work with external investment partners where they are better placed to finance or deliver them.

What regional empowerment would make possible

The funding framework described above would create investment capacity. It would not, by itself, produce a programme.

Investment capacity determines the scale of what the Region can attempt. Turning it into a deliverable programme requires the ability to bring together land, consents, funding and long-term commitments, and to plan transport, development and skills provision together. That requires stronger regional responsibilities, powers and institutional capability.

Capacity also has to be held in a form that can be used. The City Deal was assembled around a defined set of projects, with funding and delivery responsibilities agreed project by project. The proposed model would instead establish a long-term funding framework within which future investment choices could be developed and committed closer to delivery. Existing commitments would remain binding, while uncommitted capacity could be refreshed, sequenced and reprofiled as priorities and opportunities changed. That requires a body able to hold funding across years and policy areas, commit and vary within an agreed mandate, and carry the resulting risk.

A body able to borrow on local government terms, hold land, invest patient capital and recycle its returns would give Scotland a development capability it does not currently have – operating regionally and alongside the Scottish National Investment Bank rather than duplicating it. If the model works here, it is replicable across Scotland.

Investment capacity and regional capability are therefore complementary. Investment capacity allows the Region to act at scale. Regional powers and capability allow it to turn that capacity into a connected, deliverable programme, shaped around inclusive economy outcomes and accountable for its contribution to them. Neither substitutes for the other. The proposition set out in the remainder of this paper requires both.

2 What Glasgow City Region is proposing

2.1 The proposition

Glasgow City Region seeks defined regional responsibilities and powers, an integrated multi-year settlement and the financial capacity to develop and deliver a ten-year inclusive economy plan through a collectively agreed regional programme. These would be brought together through arrangements that align decision-making, resources, risk and public accountability.

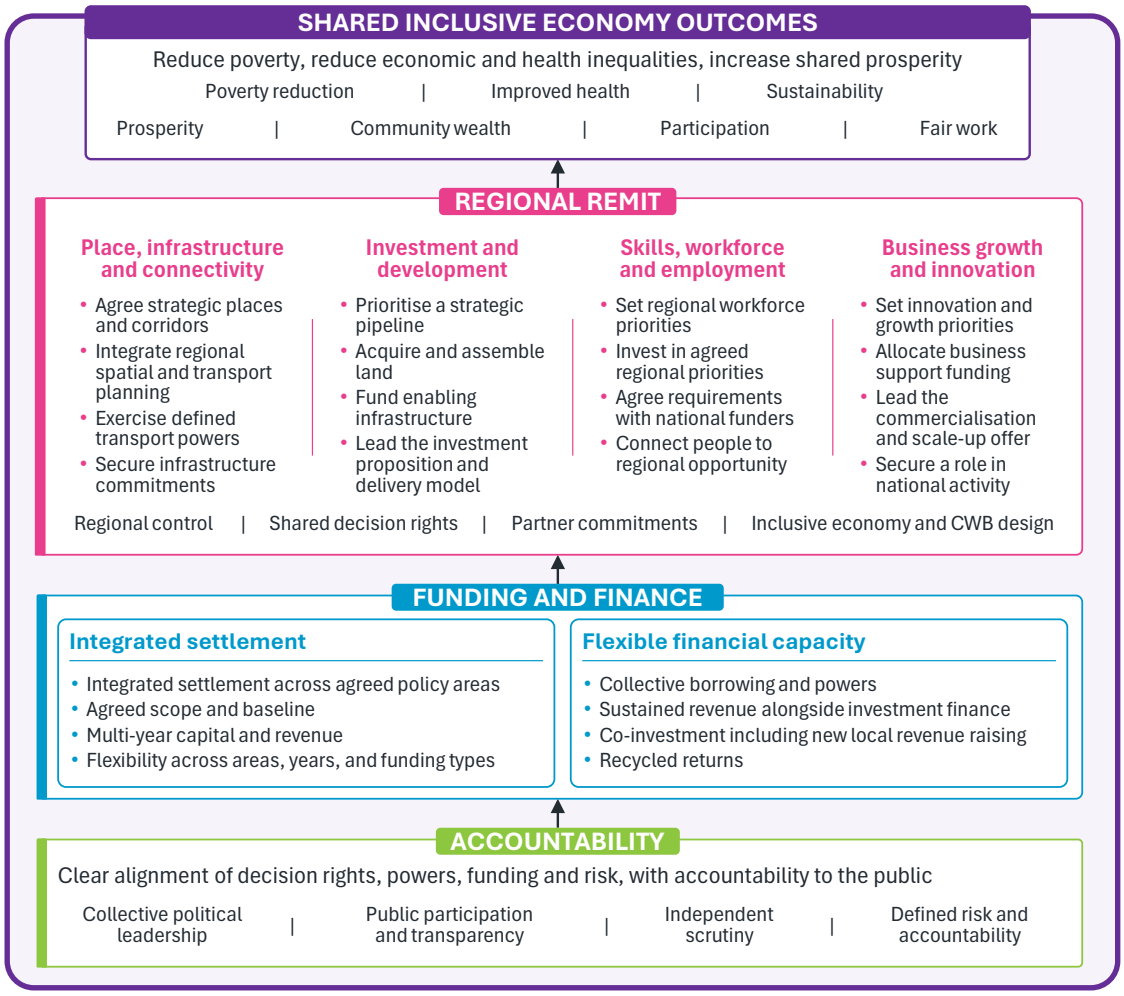


Figure 2.1: Core components of the regional devolution proposition

The figure brings together the responsibilities, resources and accountability required to pursue these outcomes. The components form a single package: regional responsibilities need sufficient authority and funding to be exercised effectively, while greater financial capacity requires clear accountability for decisions and results.

Defined regional responsibilities and powers

The proposed remit covers four connected areas: place, infrastructure and connectivity; investment and development; skills, workforce and employment; and business growth and innovation. These are systems in which interactions most consistently cross organisational and administrative boundaries, and where a regional role could therefore add most value. They are not separate programmes: achieving a regional objective will frequently require coordinated intervention across several or all four.

The form of authority would differ between them. In place, infrastructure and connectivity, and investment and development, the Region seeks substantive powers to agree strategic places and corridors and give those decisions effect; exercise defined transport powers; acquire and assemble land, including through compulsory purchase; and fund enabling infrastructure. In these areas the Region would take decisions, hold assets and carry risk.

In skills, workforce and employment, and business growth and innovation, national funding frameworks, qualifications and enterprise support operate at Scottish scale for good reasons. The Region instead seeks the ability to set regional priorities, to invest additional regional resource against them within the settlement, and a defined role with the Scottish Government and the Scottish Funding Council in agreeing the regional requirements to be reflected in commissioning and provision, with providers able to respond to those requirements collectively.

Health services sit outside the proposed regional remit. The Region would establish a long-term strategic partnership agreement with NHS Greater Glasgow and Clyde and NHS Lanarkshire, carried forward into the proposed western strategic health board. The agreement would align health and regional economic priorities and shared outcomes, including action on health-related economic inactivity, prevention, data sharing and the NHS's role as an anchor institution, and establish a defined regional role in relevant planning and commissioning decisions. While the Region cannot be solely accountable for population health, it would remain accountable for the contribution of its own decisions, interventions, and impacts.

The agreement would cover the practical connections between health, employment and income, including a joint health and employment pathway, advice within health settings, the NHS's role as an anchor employer and purchaser, proportionate data sharing, and coordinated public health and prevention activity across the regional footprint. These commitments would be carried into the arrangements established through NHS reform or, if that was not initially possible, maintained through an interim agreement with the relevant NHS bodies.

An integrated settlement and the capacity to deliver

Integration and financial capacity perform different functions:

- Integration concerns how resources are controlled: funding can be held across policy areas and years, directed to the intervention a priority requires rather than the one a particular funding stream permits, and accounted for as a programme.
- Financial capacity concerns what the Region can do with those resources: the scale and speed of activity it can undertake, the financial instruments it can deploy, and its ability to resolve barriers to delivery.

Both are required: integration without additional capacity would better organise the present constraint; additional capacity without integration would increase investment while retaining fragmented delivery.

The illustrative £7.5 billion programme set out in Section 1.4 demonstrates the scale of investment that could underpin the ten-year inclusive economy plan. Alongside the settlement, the Region seeks the financial capacity to make a regional contribution funded from programme income and captured value, supported by member authority backing, and to secure matched government investment, including from the UK Government where fiscal gains accrue on reserved taxes.

The Region would also seek the ability to borrow against dependable income, co-invest alongside public and private partners, and retain and recycle returns from its own investments. Agreed mechanisms for capturing and reinvesting value created by regional investment could expand the programme's capacity over time. These are longer-term arrangements requiring co-development with government.

The composition of the settlement matters as much as its scale. The Region therefore seeks sustained multi-year revenue alongside capital and investment finance, with the balance between them following from the outcomes the programme is intended to deliver rather than from the instruments available.

Accountability and safeguards

The programme would require a clearly identified legal and corporate home able to receive and hold funding, enter long-term agreements, borrow against dependable income, hold assets where necessary and carry defined risk. Decision rights, powers, funding, liabilities and accountability would be explicitly aligned. Collective political leadership would be supported by independent scrutiny, public reporting and transparent assessment of the distribution of benefits. The institutional form should follow from these requirements.

2.2 From long-term priorities to a funded regional programme

Glasgow City Region proposes a new model for turning long-term regional priorities into funded and deliverable programmes.



Figure 2.2: The core proposition for regional programme development and delivery

A long-term regional direction, looking ahead approximately 50 years, would define the inclusive economy outcomes the Region is seeking and identify the major economic, social and spatial priorities requiring sustained regional action. It would provide a stable basis for long-term decisions without fixing every future intervention in advance.

The Region would translate that long-term direction into a ten-year inclusive economy plan, underpinned by an integrated regional programme of investment and delivery, together with adjusted planning policies to maximise combined impact. The programme would select a limited number of regional priorities for focused action and provide a funded basis, or a credible route to funding, for taking them forward. It would be refreshed periodically to respond to changing needs, opportunities and circumstances.[41] The Regional Spatial Strategy would provide a natural starting point, establishing the spatial framework within which the programme's investment and interventions are assembled. It is the programme as a whole that would be funded through the settlement, assessed against the inclusive economy framework, and scrutinised publicly.

Each selected priority would be taken forward through the combination of interventions required to achieve its outcomes. Depending on the priority, these could include transport, housing, infrastructure, land, regeneration, skills, employability, innovation and business support. Not every priority would be built around physical investment; some would be composed principally of service, participation and revenue interventions.

The starting point would be the outcome to be achieved, rather than the boundaries of individual policy areas or the availability of a particular funding stream. Each priority would identify the required interventions, their sequencing and dependencies, delivery responsibilities, funding and financing arrangements, and the expected benefits for different people and places.

The core remit of the Region would be to establish the long-term direction, agree the ten-year inclusive economy plan, and to select, assemble and hold the programme. It would set the outcomes for each priority, secure and allocate funding, agree necessary changes to planning, coordinate delivery commitments across policy areas and organisations, manage dependencies and collective risk, and assure delivery and outcomes.

[41] This is analogous to the place-based business case set out in HM Treasury's guidance published in October 2026, which establishes the package of interventions needed to achieve the objectives of a place, and provides the common foundation on which the business cases for individual programmes and projects are then built. See: HM Treasury (2026). *Guidance on developing place-based business cases*

2.3 Outcomes and the inclusive economy framework

The inclusive economy framework exists to define the economic and social outcomes the ten-year inclusive economy plan and regional programme are intended to deliver, and to shape what is proposed so that it delivers them as fully as possible.

It is a framework for design rather than a test applied at the end of one. Its purpose is to establish, before priorities are selected, what the ten-year plan is intended to achieve and who should benefit, so that those questions inform the composition of the programme, the combination of interventions within each priority, and the terms on which they are delivered. The judgements that determine who benefits from public investment – which propositions come forward, in which places, with which complementary interventions attached – are largely made early, before the point at which assessment conventionally takes place, typically on a project-in-isolation basis, using project-specific criteria.

The framework would therefore operate principally by shaping what is proposed and by identifying what projects would be expected to contribute, in combination, towards the whole.

Outcomes the framework would pursue

The proposed framework comprises seven outcomes, outlined in Table 2.1 below. The grouping and numbering are for reference. They do not indicate a ranking, and no outcome takes precedence over the others.

Table 2.1: Inclusive economy outcomes

Outcome		How regional action can contribute
The strength of the regional economy		
1	**Raise productivity and living standards:** increase productivity, investment and output, including through the homes, employment space, and infrastructure the Region needs to grow, and translate these into higher household incomes and narrower economic inequalities.	Plan housing, transport, infrastructure, skills and investment together so businesses can grow and more residents can benefit from the jobs and incomes created.
2	**Attract, retain and recirculate wealth:** strengthen local supply chains, widen local and community ownership of assets and enterprise, and increase the proportion of economic value that is generated, retained and shared within the Region.	Use investment, procurement, land and business support to help more contracts go to local firms, widen local and community ownership, and keep more jobs and economic value within the Region.
Participation, work, and income		
3	**Increase participation:** reduce the barriers to participation in economic, social, and community life associated with ill health, disability, caring responsibilities and access to opportunity.	Join up employment and skills support with health, transport and other support so more people can take part in work and wider economic and community life.
4	**Support fair work and progression:** widen access to secure, fairly paid work, to skills development and to progression.	Match skills and employment support to employer demand, and use regional investment and commissioning to support fair work, training and progression.
5	**Reduce poverty:** reduce child poverty and in-work poverty and improve household financial security.	Connect employment, skills and health support around people facing barriers to work; use transport and place decisions to make opportunities accessible and affordable; and use investment and employer commitments to widen access to secure work and progression.
Health and environment		
6	**Improve** health and reduce health inequalities: contribute to better health and narrower inequalities in health outcomes, through the economic, environmental and participation determinants the programme controls.	Use decisions on jobs, transport, housing, places and investment to improve the conditions that shape health, working with health partners where action needs to be joined up.
7	**Support the transition to a sustainable economy:** reduce emissions, improve environmental quality in the Region and strengthen resilience to the effects of climate change.	Plan transport, development, infrastructure and investment together to cut emissions, improve the environment and prepare the Region for climate change.

Each outcome would be supported by measures and metrics used to inform appraisal and prioritisation as well as to report progress.

For some outcomes the measures are straightforward and available now: homes started and completed, affordable homes delivered, consented capacity brought forward, employment and innovation floorspace delivered, vacant and derelict land returned to use, child poverty after housing costs, economic inactivity, participation in and progression from provision.

For others, particularly the retention of economic value in the Region and the health effects of the programme, attribution is harder. Population health and health inequalities will take time to change, but established evidence on the conditions that shape health provides a basis for tracking whether the programme is moving in the right direction. Measures would be refined as the programme develops and longer-term outcome data becomes available.

The framework is concerned with the distribution of outcomes as well as their aggregate level: progress would therefore be assessed by which people and places benefit, including the effects on households at different income levels, communities experiencing socioeconomic disadvantage, groups protected under the Equality Act 2010 and families at particular risk of poverty.

The framework would underpin the ten-year inclusive economy plan and apply directly to the integrated regional programme and to decisions taken through regional governance. It would not replace the statutory objectives or wider accountabilities of member authorities or delivery partners. Where those organisations receive programme funding or enter agreed programme commitments, the framework would apply to the relevant activity and contribution, rather than to their wider functions.

How the outcomes relate to one another

The outcomes are not independent. Participation, health and poverty are closely connected. Investment that raises productivity in one part of the Region may or may not improve access to opportunity in another. Fair work affects incomes, health and the distribution of economic value simultaneously. The framework is intended to make these relationships explicit so that they can be managed, rather than to suggest that each outcome can be pursued in isolation.

Health, participation and fair work are pursued as ends in their own right. They are also conditions of sustained economic performance: a substantial part of the Region's productivity gap reflects people being out of work, or out of good work, for reasons that are themselves addressable. Both statements hold, and the order matters. Economic contribution is not the reason these outcomes are in the framework, and an improvement in output that did not reach households and places currently excluded from it would not satisfy the framework.

The outcomes would be reviewed periodically alongside the long-term regional direction and the ten-year inclusive economy plan. They are intended to be stable over the medium term, so that the programme can be designed and assessed on a consistent basis, while remaining open to revision as circumstances and evidence change.

Design approaches and the levers the programme holds

The outcomes describe the changes the programme is seeking. They do not by themselves determine how interventions should be designed to achieve them. A substantial part of that question concerns five economic levers the Region and its partners already hold: how money is spent and commissioned; how employment and fair work are influenced; how land and property are used; which ownership and business models are supported; and how finance and investment are directed.

The Community Wealth Building (Scotland) Act 2026 provides a statutory framework for this approach, including provision under Section 6 for two or more local authorities to prepare a joint action plan. For each priority, programme design would establish which of the levers are material, how they would be used, and what difference that use makes to where economic value is created, retained and distributed.

Their relevance differs between priorities. Procurement, supplier development and workforce planning may be central to a major construction or infrastructure programme; ownership, stewardship and finance to a town centre, housing or energy proposition; employment quality and progression to an employability priority. Application would be proportionate to the materiality of

each lever to the priority concerned, rather than taking the form of a uniform test applied to every intervention.

These are one means among several. They do not replace the distributional analysis described in Section 3.5, which answers questions the levers do not: who benefits, where benefits arise, the effect on poverty and household security, the effect on health inequalities, access to opportunity, and whether an intervention carries adverse or exclusionary effects.

Balance as a property of the programme as a whole

Applying the framework does not require every intervention to perform equally against every outcome. Some investments would principally support productivity, infrastructure or innovation, while still being designed to widen access and to manage their distributional effects. Others would be directed primarily at participation, health or poverty, and would be assessed accordingly. There will be differences in the most cost-effective ways of delivering outcomes across the city region.

The test is the balance of the programme as a whole. A programme that generated substantial aggregate growth while concentrating benefits in a small number of places, or among residents already well placed to take advantage of them, would not satisfy the framework even if each project performed well against its own objectives.

Balance also has a geographic dimension. The Region contains dense urban communities, post-industrial towns and a substantial rural area, and the places where investment generates the greatest aggregate return are neither the places with the greatest need nor evenly spread across the eight council areas. Managing that relationship across a long-term programme, rather than one intervention at a time, is one of the principal reasons for taking this approach.[42]

One limit to that principle

Where appraisal identifies that an intervention would cause material harm, widen an existing inequality or systematically exclude communities already facing substantial disadvantage, that effect would be addressed on its own terms rather than offset elsewhere in the programme. In most cases this would mean revisiting the design, scope, phasing or complementary interventions attached to it. Where a material effect could not be designed out, the intervention would be referred to the Cabinet for decision before approval, with the expected effects, the mitigation considered and the reasons for proceeding or not published.

What adopting the framework would mean

Setting direction before propositions are developed

- Outcomes would be agreed before priorities are selected, so that the framework shapes the programme rather than validating it.
- Programme design would draw on relevant community, third sector and frontline evidence while options can still change, using forms of participation proportionate to the decision and clear about how that input will be used.

Designing priorities around the outcomes sought

- Each priority would enter the programme with an assessment of its expected effects and the distribution of those effects, used to inform its composition. This would include consideration of groups poorly served or overlooked by existing arrangements, particularly where needs cut across policy, service or eligibility boundaries.
- Interventions would be appraised as a connected set, with the contribution of each to the outcomes of the priority made explicit, so that the combination can be adjusted before it is settled.
- Each priority would set out how it uses the spending, employment, land, ownership and finance levers material to it, and assess their expected effect on where economic value is created, retained and distributed, rather than assume benefits from the approach adopted.

[42] Experience suggests that politically agreed programme rules of engagement and balance metrics (e.g. improvements for a target group or geography relative to the average for the programme as a whole) can aid programme design.

- Where appraisal identifies a material weakness against the agreed outcomes or their distribution, the response would be to test whether changes to design, scope, phasing or supporting interventions would improve the priority before it is settled.

Assessing the programme as a whole

- Balance would be assessed across the programme rather than required of every intervention.
- The distribution of programme resources, activity and expected benefits would be reported publicly each year, by income group, SIMD decile, council area, and relevant population characteristics. Particular regard would be given to people and communities experiencing the highest levels of poverty and the poorest health.

Adapting the programme in response to what it delivers

- Where monitoring identifies material gaps, adverse distributional effects or insufficient contribution across the agreed outcomes, this would be reported publicly and programme composition or delivery adjusted.
- Where a material adverse effect could not be designed out, the intervention would be referred to the Cabinet for decision before approval, as described above.

The same requirements would apply to activity funded through the programme and, proportionately, to agreed partner contributions on which a priority depends. Where programme investment is made, the planning, service and distributional commitments the investment case depends on would be agreed as part of programme design, attaching to the activity funded rather than to an organisation's wider functions.

Taken together, these represent a more demanding basis for programme design, planning and assessment than current practice, and they imply a corresponding increase in analytical capability. The arrangements through which each would operate are set out in Section 3.

The limits of the framework

Four points define the limits of the framework.

First, the framework governs the programme, not the economy. It determines how the programme is designed and assessed. It does not determine the outcomes of the regional economy as a whole, which are shaped by national policy, the macroeconomic environment and decisions well beyond the Region's control.

Second, it does not remove difficult choices. Aggregate growth and distribution would not always point in the same direction, and commercial return, public value, prevention, geographic balance and speed of delivery can pull against one another. The framework brings those trade-offs into view and provides a consistent basis for making them and delivering balance. It does not resolve them in advance.

Third, the principal determinants of household income sit at national level or are outside any level of government's control. Regional action can affect the availability and quality of work, people's ability to access and progress into that work, the cost of housing and transport, and the circulation of wealth within the Region. It cannot substitute for national decisions on income.

Fourth, measurement will be imperfect and forecasting is inevitably uncertain. Several of the outcomes, particularly health and the retention of economic value, are difficult to attribute to specific interventions and would improve over periods longer than a single programme. The Region would report against them transparently, including where the evidence is weak, rather than confining assessment to what is most easily measured.

2.4 The regional remit across the economy

Delivering the ten-year inclusive economy plan would require the integrated regional programme to operate across traditional policy boundaries. The purpose is not to create separate programmes for transport, skills, investment or innovation, but to bring the relevant interventions together around agreed outcomes and priorities.

Where capability is principally concerned with the Region and its outcomes, the proposition is that it should be held regionally, together with the associated staff and funding. Where the required capability does not currently exist at any level, it should be built regionally.

The form of authority required differs across the four areas of the remit.

Across place, infrastructure and connectivity, and investment and development, outcomes depend on decisions about land, development and connectivity that no single authority can take alone and that no existing arrangement can hold together. Here the Region would decide, hold assets and carry risk. Exercising that authority requires specific operational powers. These are outlined in Section 3.

In skills, workforce and employment, and in business growth and innovation, national funding frameworks, qualifications and enterprise support operate at Scottish scale for good reasons, and the Region does not seek to displace them. It does seek the capability and the resource to act: the staff, budgets and delivery capacity concerned principally with this region, held regionally, together with a dependable route for regional priorities into the decisions that remain national. In skills this means a regional skills planning capability, held regionally, together with additional regional investment.

A third position applies where investment is governed by regulatory or national funding arrangements, as with water, energy and digital infrastructure. There the Region seeks dependable weight for agreed programme requirements within those arrangements, rather than control over them.

Place, infrastructure and connectivity

The Region would plan strategic places and corridors as integrated propositions, covering land use, development, transport and supporting infrastructure, and would hold the commitments on which each depends.

- Agree strategic places and corridors, and secure agreed programme commitments to be reflected in statutory development plans and in delivery programmes, and secure and coordinate the commitments needed to deliver them
- Designate masterplan consent areas for adopted regional priorities, establishing in a single step the development permitted, the design, density and quality standards it must meet, and the infrastructure and phasing on which it depends, so that the consenting framework is settled when the programme commits rather than assembled afterwards. Designation would be confined to priorities adopted within the integrated regional programme, prepared in consultation with the planning authority and the communities affected
- Make access to programme investment conditional on the planning, service and infrastructure commitments the investment case depends on, agreed before funding is allocated and given effect through the statutory instruments available to the Region and to member authorities. Where a commitment is not delivered, the assumptions underpinning the investment no longer hold, and the Region would reappraise the priority and reprofile its resources accordingly
- Coordinate action on climate change across the Region, aligning transport, development, infrastructure and investment to reduce emissions, improve environmental quality and strengthen climate resilience, building on Climate Ready Clyde and the GCR Green Network
- Establish a single regional approach to strategic transport network planning across bus, Subway, rail, strategically significant roads and corridor management, parking, traffic management and Clyde ferry services, including a formal partnership with Great British Railways and ScotRail to align regional transport priorities with rail services, infrastructure and investment
- Exercise defined authority over regional public transport service levels, fares, concessions, integrated ticketing and passenger information
- Regionalise appropriate Transport Scotland functions and funding, including responsibility and funding for regionally significant roads, alongside bus support, fares and concessionary travel programmes.

- Maintain a shared assessment of infrastructure capacity, constraints and planned investment around regional priorities, and secure formal weight for agreed regional requirements in provider business plans, regulatory investment programmes and government funding decisions

Investment and development

The Region would maintain, steward, and deliver a pipeline of strategic investment and development opportunities, bringing together the funding, partners and delivery arrangements needed to take them forward.

- Hold and deploy development capability, including masterplanning, commercial structuring, programme and construction management, and long-term asset stewardship
- Acquire, hold and assemble land and assets, including through compulsory purchase where necessary to enable delivery, while also securing the contribution or use of assets held by councils, the NHS estate and the Scottish Government and its agencies where transfer into regional ownership is unnecessary. The Scottish Government should require its agencies and relevant national bodies to engage where assets they hold are material to an adopted regional priority
- Select and establish the delivery model suited to each opportunity, including direct regional delivery, joint ventures, development agreements, master developer models and long-term stewardship, including community, employee or locally owned models where these would retain value, control or long-term stewardship within the Region
- Deploy grant, recoverable investment, guarantees and first-loss commitments against the specific barrier preventing delivery, drawing on the integrated settlement, regional borrowing and co-investment, and recycle repayments and returns into later opportunities
- Dispose at less than best consideration where justified by the outcomes the programme is pursuing, with reasons published
- Develop and lead the Region's inward investment proposition, with the capability principally concerned with Glasgow City Region increasingly held regionally, backed by the sites, consents, skills commitments and co-investment needed to convert investor interest into delivery. Work with the Scottish Government and its agencies to agree how existing staff, relationships, account management and overseas representation support this model.

Skills, workforce and employment

The Region would bring regional workforce requirements, provider capacity and employer commitments together, and secure a coordinated response to agreed priorities, working with and through national funding arrangements.

Its approach would address both sides of the labour market: the availability, accessibility and quality of work, as well as the skills, support and pathways through which residents can access and progress within it. Employment and workforce activity would be planned alongside the investment, housing, transport and infrastructure decisions that shape where jobs are created and whether people can reach them.

A Regional Skills Group would bring together the education and skills sector, including schools, colleges and universities, employers, employability providers, the third sector, learner representatives, and national and local partners.

This would provide the standing partnership through which regional priorities and delivery requirements are identified, developed and coordinated, within the wider governance arrangements, building on and simplifying existing arrangements rather than adding to them. It would connect regional workforce priorities with local education and skills pathways, drawing on the experience of regional education collaboration through the West Partnership.

The arrangements proposed below provide a starting point for strengthening regional influence over skills planning, commissioning and provision. They do not settle the extent of regional control over skills funding, which remains open for consideration through consultation and in light of wider reform of Scotland's skills system. The Region's objective is to secure sufficient authority and resources to deliver its agreed skills priorities.

- Establish a regional skills planning function that combines national labour market intelligence with local intelligence from member authorities and delivery partners, regional investment pipelines, provider capacity and employer requirements, so that provision can be developed ahead of demand and connected to accessible learner pathways.
- Establish a standing arrangement with the Scottish Funding Council to agree which regional requirements should be reflected in commissioning and collaborative provision, with providers responding collectively to regional priorities. This would be developed through a regional test bed, operating within existing provider funding, outcomes and assurance arrangements.
- Invest additional regional revenue, held within the integrated settlement and additional to Scottish Funding Council core funding, in the response agreed through the regional programme where existing resources and arrangements cannot deliver it. This may include collaborative provision, flexible pathways, capacity development, access support and cross-provider collaboration.
- Work with the Scottish Government and the Scottish Funding Council to identify and test appropriate flexibilities within national funding and eligibility arrangements, so that providers can design provision around what learners, employers and the regional economy need, including short-course, modular, part-time, work-based and cross-institutional delivery, and so that residents can access provision across institutional and administrative boundaries; including flexibilities between apprenticeship types and the ability to commit funding over the multi-year periods that committed investment pipelines require.
- Agree commitments from employers, providers and public bodies in return for influence over regional priorities, including fair work, accessible employment opportunities, recruitment and progression pathways, apprenticeships, workforce training and co-investment where appropriate.
- Identify the strategic priorities for employability support across the Region and hold the capability to commission and coordinate provision against them, working with member authorities and Local Employability Partnerships, aligning support with the health, caring and transport barriers that constrain participation, and assessing success through sustained employment and progression rather than participation or initial destinations

Regional arrangements would not substitute for addressing national funding pressures in colleges and universities. Institutions would retain their existing governance and accountability arrangements, with the Scottish Funding Council retaining its statutory responsibilities. Any further transfer of responsibility would need to be accompanied by the authority and resources required to exercise it.

Business growth and innovation

The Region would take a system-wide approach to business growth, innovation and the sustainability of its business base, identifying where research, commercialisation, adoption, access to customers and scale-up are not connecting effectively, and where established firms are not making the transitions their markets and regulators now require. It would coordinate funding, capability and delivery around those gaps. It would not seek to centralise delivery: existing agencies, universities, colleges, Innovation Districts and other partners would continue to provide the specialist capability and wider connections required.

A Regional Innovation Group, building on existing arrangements and bringing together the principal organisations within the regional innovation system, would provide the standing partnership through which priorities, investment requirements and delivery contributions are developed and coordinated.

Glasgow City Region holds research-intensive universities, advanced manufacturing and space capability, and anchor employers with substantial supply chains, alongside a wider business base where technology adoption is uneven and communities that have not shared in the growth generated. Most of the Region's employment, and most of its firms, sit in the foundational sectors, where the productivity, pay and security questions are as much about management practice, process improvement, workforce capability and the terms on which firms win work as about frontier technology. The remit below is accordingly framed around both frontier activity and diffusion, adoption and the performance of the existing business base.

- Set evidence-led regional priorities informed by business need, existing and emerging specialisms and the opportunities created by the integrated programme, without fixing support around a predetermined list of sectors
- Allocate and commission multi-year business support and innovation funding held within the integrated settlement, including UK Government funding reaching the Region for these purposes, with devolved discretion to deploy resources against regional priorities and flexibility to address gaps across commercialisation, scale-up, adoption, business development and firm sustainability
- Hold the capability required to deliver the regional remit, with the associated staff, budgets and functions transferred from the Scottish Government and its agencies
- Agree funded contributions and delivery commitments with the Scottish Government and its agencies for capability that remains national, connecting their programmes to regional priorities while retaining access to wider Scottish, UK and international opportunities
- Connect research and innovation assets with business demand, strengthening routes through demonstration, commercialisation, investment and scale-up
- Extend technology adoption and business improvement across the existing business base, including foundational sectors, combining specialist expertise with management development and workforce support
- Use the forward pipeline of regional investment and anchor expenditure, together with demonstration opportunities and supplier development, to connect firms with customers, and to widen the range of local businesses, social enterprises and employee- and community-owned firms able to compete for that work
- Include cooperative, employee ownership, social enterprise and community business models within mainstream business support, including succession and ownership transition advice, rather than treating them as a separate category of provision

The remit applied – illustrative examples

Clyde Metro

Making the most of any major opportunity will require several parts of the proposed remit to operate together. Clyde Metro illustrates the point.

Although it is conventionally described as a transport programme, delivery of its wider outcomes will depend on coordinated decisions on spatial planning, public transport, infrastructure, land and development, and workforce and supply chain capacity. The transport intervention is only one of the things requiring funding along a corridor if the total impact on inclusive economy outcomes per pound spent is to be maximised, and the intervention itself would need to be designed, and appraised, on that basis rather than in isolation.

The new infrastructure would also need to form part of an integrated public transport system. Service levels, timetables, fares, ticketing, passenger information and interchange across bus, Subway and rail would need to be planned alongside the Metro, and adjusted over time as travel behaviour responds. Investment in the infrastructure alone will not secure the intended change in behaviour if the wider network does not provide a coherent and attractive alternative to car travel.

Land and development would need to be considered as part of the programme decision rather than separately. Land around stations and interchanges may need to be assembled, including through compulsory purchase where justified. Development would then need to be planned, sequenced and funded alongside the transport investment so that the places served by the Metro develop in a way that supports its intended economic, social and environmental outcomes. The additional outcomes available through integrated planning are not costless: viability and financing constraints would need to be addressed alongside the core infrastructure, and the supporting programmes funded.

The programme would also create requirements well in advance of construction. Depending on its scale and phasing, engineering, design, construction and operational capacity may need to be developed years before it is required. The supply chain would need sufficient visibility of the programme to invest in people and capability, and the programme would need to be presented to

the market as a credible and sufficiently stable pipeline rather than a series of separate projects. How that pipeline is packaged and procured would also determine how much of the resulting employment, training and supply chain activity is secured within the Region, and is therefore a matter for programme design rather than for the point at which individual contracts are let.

Programmes of this kind are delivered faster where the client is a single party able to hold the pipeline, the land and the consents, and able to commit development funding to commercial decision-making timetables. Greater Manchester's capacity to do so followed directly from the financial settlements it secured.

The lesson from ambitious transport programmes elsewhere, whether London or Greater Manchester, is also that programmes of this scale are affordable only through new forms of funding that capture a share of the benefits they create. This places Clyde Metro at the heart of the funding questions set out in Section 3.3.

None of this is a new observation. What Clyde Metro demonstrates is that the wider outcomes of a major transport investment cannot be delivered through transport powers and funding alone. They require durable regional capacity to coordinate interdependent decisions and secure credible commitments across organisations over the lifetime of the programme: agreeing outcomes, sequencing decisions and investment, aligning resources and risk, and adapting as circumstances change. That is the capacity that the four areas of the proposed remit, taken together, are intended to provide.

Health-related economic inactivity and the care workforce

Health-related economic inactivity illustrates how the proposed remit could be applied to a people-focused priority.[43] It is, first, a question of inequality: ill health is removing a large group of residents from work, income and participation, and doing so unevenly across the Region's communities.

In 2024, an estimated 114,000 working-age residents were economically inactive because they were long-term sick or disabled. This was the largest single stated reason for inactivity in the Region, accounting for around 36% of the total and around 49% when students are excluded, at a rate of 9.6% against 8.0% across Scotland. Around four-fifths of those inactive because of long-term sickness or disability were aged 35-64 and two in five reported three or more health conditions.[44] The scale and complexity of these barriers mean that employment support alone is unlikely to be enough.

At the same time, human health and social work is the Region's largest employment sector, accounting for around 144,000 jobs and 16.4% of regional employment.[45] Scotland-wide forecasts indicate substantial continuing demand, driven principally by the need to replace workers leaving the sector, while 44% of registered care services reported at least one vacancy in December 2024.[46] The sector matters here not simply as a source of vacancies, but because its recruitment, commissioning and employment practices are themselves part of the problem the programme could address. Much of its demand reflects replacement rather than growth, while insecure work and limited progression contribute to workforce pressures.

No single organisation holds responsibility for the whole pathway. Health, employment and skills support are organised through different local, regional and national arrangements; transport and housing determine whether work is reachable; and commissioning and employer practice determine the quality of the jobs available. These relationships also cross council boundaries: only around two-thirds of employed residents work in the council area where they live.[47] No organisation currently sees the whole pathway or can commit the parts held by others.

A regional priority would bring those interventions together around a common outcome. Evidence from work and health programmes shows that combining employment support with health

[43] Economic inactivity is an ONS concept defined as "people not in employment who have not been seeking work within the last four weeks and/or are unable to start work within the next two weeks."
[44] ONS (2025). *Economic inactivity due to being long-term sick or disabled, for Scotland and within Glasgow City Region, 2024*.
[45] ONS (2026). *Business Register and Employment Survey*. SIC 2007 Section Q, summed across the eight member authorities: 144,000 workplace-based jobs of 877,550 total.
[46] Skills Development Scotland (2025). *Sectoral Skills Assessment: Social Care*; *Sectoral Skills Assessment: Health Care*
[47] OECD (2024). *Future-Proofing the Skills System in the Glasgow City Region*. p.37.

provision can improve employment and earnings, but also that outcomes depend on how support is delivered to the individual.[48] Caseloads, referral speed, employer engagement and links with health services all appear to matter. [49] The Region would agree that pathway with NHS partners, commission the employment and skills elements against it, connect it to action on the availability, accessibility and quality of care-sector jobs, and evaluate the whole as a single programme.

Crucially, the quality of the work available would be part of the intervention itself. Scotland's social service workforce includes substantial numbers of staff without guaranteed hours and workers who will need to meet qualification conditions over the coming years.[50] Regional investment and commissioning could therefore link support to commitments on recruitment, training, fair work and progression. The intended pathway would be person-centred and run from better health and support, through access to appropriate work, to sustained employment, progression and higher household incomes.

The benefits would also extend beyond the household and the regional economy. Where intervention leads to a sustained move into paid employment, it can reduce benefit expenditure and increase tax and National Insurance receipts.[51]

Employment would not be the only measure of success. For residents for whom paid work is not currently possible, or possible only in limited form, income security, health and participation would remain outcomes in their own right.

Defence and dual-use technology

The Ministry of Defence has set out its intention to spend an additional £2.5 billion with small and medium-sized enterprises by 2028.[52] Securing a meaningful share of that opportunity for the Region would require the same combination of regional capabilities, applied to an industrial opportunity rather than an infrastructure programme.

The opportunity is for firms across the Region to compete for defence contracts at scale. Meeting procurement requirements for security, quality and production capacity can require business support, finance, technology development and investment well before a contract is awarded. Those interventions need to be organised around anticipated procurement opportunities, rather than assembled separately once firms identify a contract they wish to pursue.

The Region also holds research strengths in critical and dual-use technologies, alongside industrial assets capable of supporting their commercialisation and production, including the Advanced Manufacturing Innovation District Scotland and the National Manufacturing Institute Scotland. Connecting research, demonstration, business investment and production around the same commercial opportunities would improve the prospects of innovations being industrialised within the Region, supporting business growth and well-paid employment. Working with major defence contractors already operating in the Region would help connect these capabilities to supply-chain requirements and identify opportunities for local firms to develop and scale production.

Workforce development would need to be planned alongside those investments, with employers and providers making reciprocal commitments. Firms pursuing defence contracts need confidence that suitably skilled workers will be available, while colleges and universities need sufficient visibility of future demand to develop provision. The regional process would establish what employers can credibly commit to in recruitment, apprenticeships, placements and workforce training, and what existing provision could accommodate. It would then identify the cost and lead time of additional capacity and where regional investment is justified because existing resources and arrangements cannot deliver the required response.

[48] ONS (2026). *The impact of employment advisors in NHS Talking Therapies on employee earnings and employment status*. Among people not working at referral, adding employment advice to psychological therapy increased the probability of paid employment after three years by 4.7 percentage points and average monthly earnings by £105 relative to matched therapy-only users.
[49] DWP (2023). *Evaluation of the Health-led Employment Trials*. A randomised trial of 9,785 participants across the West Midlands and Sheffield found materially different outcomes between sites; the evaluation identified differences in caseloads, referral and contact patterns, employer engagement and health-system integration as likely contributors.
[50] Scottish Social Services Council (2026). *Workforce Data Report 2025: Social Services*. Nearly one in five (17.8%) of the social service workforce did not hold a permanent contract and 7.6% (around 10,900 workers) had no guaranteed hours.
[51] DWP (2025). *Work Choice impact evaluation*. This estimated Exchequer benefit-cost ratios of 1.19-1.22 using observed five-year impact durations, rising to 1.67–1.93 with projected persistence over twelve years.
[52] Ministry of Defence (2026). *Ministry of Defence's Small and Medium-sized Enterprise (SME) action plan*.

Commitments on both sides would need to be dependable enough to justify investment in provision that takes years to establish. The regional process would connect those commitments to the investment pipeline and provide a basis for agreeing the response and deciding where additional resources are justified. Learner pathways and access support would need to be considered alongside provision so that residents across the Region can reach the resulting opportunities.

The Clyde Maritime Alliance provides a model for employers and providers planning together, so that residents across the Region can access the resulting employment opportunities.

The regional opportunity lies in managing these dependencies as a programme, bringing existing assets, partnerships and funding together around a shared pipeline of commercial opportunities. The difference a regional programme makes is that these decisions can be planned together: business capability developed before procurement opportunities arise, industrial capacity built around anticipated demand, and skills provision established before recruitment becomes urgent.

3 How the model would work

3.1 The regional partnership

The Region proposes a strengthened regional partnership: a statutory regional partnership, constituted by and collectively owned by its eight member authorities, able to hold and deliver the integrated regional programme underpinning the ten-year inclusive economy plan, and to carry the commitments that programme would require. It would be a body corporate established by an Act of the Scottish Parliament, holding a legal personality distinct from that of its member authorities.

What the regional partnership should be able to do

Table 3.1 sets out the capabilities the regional partnership would require, and what makes each necessary.

Table 3.1: Corporate capacities and the requirements giving rise to them

Capacity	What makes it necessary
Receive and hold funding directly from the Scottish and UK Governments and other sources	The integrated settlement would be held directly by the regional partnership as a single programme, removing the need for one member authority to act as accountable body and carry the associated exposure.
Hold reserves and operate a treasury function	Resources would be managed across years and across policy areas
Borrow and service debt	Committing to a large programme requires a single borrower, with a dependable income against which to borrow and a balance sheet that outlasts any one council's budget cycle
Enter contracts and long-term agreements	Commitments to delivery partners, providers and supply chains would extend beyond a single budget cycle and beyond the term of any administration
Acquire, hold, manage, develop and dispose of land on its own account, including acquisition in advance of need, compulsory purchase in its own name, and disposal at less than best consideration where justified	Fragmented ownership and strategic holdouts would otherwise prevent agreed opportunities proceeding. Assembling sites ahead of a committed scheme avoids purchasing into a market the Region's own investment has moved, and disposal flexibility allows land to be used for outcomes the programme is pursuing rather than only for the highest receipt
Invest, co-invest and recycle returns	Grant, loan, equity and patient capital would be deployed against the particular barrier preventing delivery, alongside public finance institutions and private capital
Employ staff	The permanent regional capability would need an employer
Commission and grant-fund	Delivery in areas such as employability and tertiary education would continue through the organisations best placed to undertake it, and additional regional investment in skills provision would be made through grant to providers alongside Scottish Funding Council core funding
Accept functions delegated or transferred by member authorities and the Scottish Government	The remit sought includes powers and funding held by the Scottish Government and its agencies. The capacity is general rather than limited to the remit proposed here, so further functions could be accepted subsequently without establishing a new body.
Form, participate in and hold interests in companies, joint ventures and delivery vehicles	Some opportunities would require a development or investment structure alongside other parties
Carry defined risk in its own right	Decision rights, legal powers and financial liability should sit in the same place

What would remain with member authorities

Member authorities would keep their statutory functions, assets, staff and democratic mandate. The exceptions would be functions expressly transferred by the establishing legislation, or assets that a member authority agrees to transfer or commit to the regional programme.

The regional partnership would hold no general power to direct a member authority in the exercise of its statutory functions. Every obligation it could enforce against an authority would originate in a commitment that authority had itself agreed, by decision of its council and published, and would be limited to what that commitment records. The regional partnership could not increase a council's obligations without that council's consent. The arrangements for agreeing, varying and reconsidering commitments are set out below.

Planning

Planning authority functions would remain with member authorities, including the determination of applications and the adoption of local development plans. The exception is the designation of masterplan consent areas for adopted regional priorities, which the regional partnership would hold directly. Where a regional priority depends on a plan amendment, in order to realise the inclusive potential of an investment, or another statutory planning action, the relevant authority could commit to bringing that action forward as part of collective decision-making on funding.

The commitment would be to undertake the statutory process, not to secure a predetermined outcome. The member authority would retain its statutory discretion. If the process produced a different outcome from the one assumed in the programme business case, the investment case would be reconsidered and programme funding reprofiled accordingly.

Clydeplan provides a precedent. Strategic spatial priorities were set collectively, each authority was represented, and the arrangement operated in the interest of the eight rather than the largest.

Where powers overlap

Where regional and member-authority powers overlapped, legislation would define whether they were exclusive or concurrent; the regional partnership would exercise concurrent powers only for an adopted priority and with the consent of the council concerned.

3.2 Leadership, decision-making and accountability

The Cabinet as the governing body

The Glasgow City Region Cabinet would remain the collective political leadership of the Region and would become the governing body of the regional partnership. It would comprise the Leader of each member authority as it does today.

The Cabinet would continue the role it has developed over a decade of agreeing regional priorities and overseeing the regional portfolio. Its decisions would have a different standing, supported by the institutional, financial and scrutiny arrangements needed to give them effect.

The model concentrates political decision on setting the ten-year inclusive economy plan and the programme through which it is delivered. The Cabinet would agree the long-term direction, approve the ten-year plan and its regional priorities, and approve the business case for each, with that approval carrying the delegated authority and funding envelope within which delivery proceeds.

At present a regional decision may need to be followed by separate local decisions where implementation depends on the powers, resources or statutory actions of member authorities. Under the proposed model it would bind the regional partnership directly and would bind each member authority to the extent that authority had already agreed. The regional partnership would receive and hold funding itself, rather than one member authority holding it on behalf of the others. This would end the accountable body arrangements that place formal exposure on a single council for activity agreed by eight, and under which regional resources sit on one authority's balance sheet rather than the Region's.

Table 3.2: The Cabinet under present arrangements and under the proposed model

	Present arrangement	Under the proposed model
Legal status	Joint committee of the eight member authorities	Governing body of a statutory body corporate
Effect of decisions	Depend on existing delegations and, where required, separate member-authority decisions	Bind the regional partnership directly, and bind each member authority in accordance with the commitments it has agreed
Decision rule	Agreement of all eight member authorities	Qualified majority as the default, with an enhanced threshold for a limited class of fundamental decisions. Thresholds, voting weights and the matters to which each applies would be agreed by member authorities and are open for consultation.
Leadership	Chaired by the Leader of Glasgow City Council	Convener appointed for a fixed term, supported by named portfolio holders
Scrutiny	No separate regional scrutiny body	Constituted separately, with call-in and its own resources

What would be decided collectively

The Cabinet's decisions would be concentrated on five things:

- the long-term regional direction and the outcomes that would guide the ten-year inclusive economy plan, including the principles governing trade-offs between them
- the ten-year inclusive economy plan, including the selection of regional priorities and the intended distribution of activity across the Region
- the place-based or major programme business cases, and the delegated authority, funding envelope and tolerances attaching to them
- the financial commitments each member authority is making, and any use of new funding mechanisms or co-funding agreements
- the annual budget

These are political judgements. Aggregate economic return, poverty, health, participation, fair work, environmental outcomes, geographic balance, and deliverability will not always point the same way, and the choices between them belong to elected members. Appraisal would inform those choices without displacing them.

Within an approved business case, delivery would be delegated to officers or committees operating within published tolerances. Scheme development, procurement, land transactions, sequencing and variations within those limits would not return to Cabinet for approval. Matters would return where they materially changed the approved cost, scope or outcomes, altered a member authority's commitments, or exceeded agreed exposure.[53]

The Cabinet would also hold delivery to account: receiving the annual programme outcomes report, considering the performance of those responsible for delivery, and providing the public account of what the programme has achieved and for whom.

Decision thresholds and the commitments of member authorities

The proposed default is that ordinary business would be determined by qualified majority, with an enhanced threshold, potentially including unanimity, reserved for a limited class of fundamental decisions. The precise thresholds and the matters to which they apply would be agreed by the member authorities. The matters most likely to warrant the higher threshold are:

- the long-term regional direction and the outcomes that would guide the ten-year inclusive economy plan
- the constitutional arrangements of the regional partnership
- the basis and the limits of member authority financial exposure

[53] This follows the principle in HM Treasury's place-based business case guidance that an approved place-based case can serve as the initial business case for programmes within the package, allowing individual projects to proceed directly to Outline Business Case.

- regional spatial priorities and strategic corridors

Two reference points are relevant. The Cabinet has taken every decision of the past decade by agreement, including on the allocation of capital between eight council areas with competing claims on it, with each authority holding an equal voice. In Greater Manchester, each constituent authority holds one vote, and unanimity is required for spatial and planning decisions. Neither is proposed here as a settled arrangement. Both indicate the range within which member authorities would be working, and the question is one on which the Region invites views.

Where a decision would change what a particular member authority has committed to, that authority's consent would be required, whatever threshold otherwise applies. No authority would hold a veto over decisions leaving its own commitments unchanged.

Each member authority would agree its financial contributions and maximum exposure, statutory actions, land and assets, delivery responsibilities and the period over which each would run. Those commitments would be agreed by the council, certified as affordable by its Section 95 officer and published. They would provide the basis for the regional partnership's borrowing and long-term commitments.

The Cabinet would approve the annual budget and determine each member authority's levy by qualified majority, within that authority's agreed maximum and commitment period. It could not increase an authority's maximum or extend its commitment period without that authority's consent.

Changes within an agreed programme mandate would be taken corporately or under delegation. Changes to a council's commitments would require its agreement, while changes to the matters listed above would return to the relevant decision threshold. Obligations already entered into could not be unwound through a later variation. At each programme refresh, a council could reconsider its future participation while existing obligations continued to expiry.

Political leadership and personal accountability

The proposition does not include a directly elected mayor. The Cabinet and the arrangements around it can provide clear political leadership and accountability.

A fixed-term Convener, appointed from the Cabinet, would provide visible political leadership and answer publicly for the regional partnership's conduct and performance. Named portfolio holders would be accountable to scrutiny for areas of the integrated programme, and would provide the point of political contact for delivery between Cabinet meetings, without acquiring decision-making authority of their own.

Cabinet decisions would be taken in public and each member's vote recorded. Each Leader's position on regional decisions would therefore be visible to their own council and electorate. Any commitment made by a member authority would first require a decision of that council and would be published before it took effect.

Partner organisations would take part through standing partnership groups connected to the programme, including Regional Skills and Innovation Groups and a Regional Poverty, Health and Inclusion Group, through which the health strategic agreement would operate (arrangements for transport are set out in 3.4).

Each group would be formally connected to the governance arrangements, providing advice to the Cabinet and to the relevant portfolio holder on the regional priorities and delivery requirements within its remit, and would be consulted before the composition of the programme is settled in those areas. They would have no vote in the Cabinet and no authority to commit the regional partnership. The advice of each group would be published and available to the scrutiny committee.

Scrutiny, audit and public account

Greater freedom to act would be matched by stronger regional scrutiny, assurance and public accountability.

Decision-making and scrutiny would be separated. Present arrangements do not provide a separate regional scrutiny body, while the volume and complexity of regional business continue to grow.

The regional partnership would have a scrutiny committee separate from the Cabinet, comprising elected members from the member authorities who do not sit on the Cabinet. It would have its own budget, dedicated officer support and access to independent advice. Its remit would cover programme outcomes and their distribution, delivery against agreed commitments, the regional partnership's financial position and member authority exposure, and significant changes to the programme.

A separate audit committee, including independent members, would oversee financial reporting, audit and assurance. The regional partnership would be subject to the audit, Best Value and reporting arrangements applying to Scottish local authorities, with external audit through an auditor appointed by the Accounts Commission. A chief executive, chief finance officer and monitoring officer would provide the corresponding statutory officer functions.

The regional partnership would also be subject to the public sector equality duty and the Fairer Scotland Duty.

The regional partnership would publish:

- Cabinet decisions and individual votes, alongside the commitments made by each council
- an annual programme outcomes report covering performance against agreed outcomes and the distribution of programme resources, activity and benefits
- its annual report and accounts, audit reports and scrutiny committee reports
- alongside each annual levy determination, its borrowing and commitments and each member authority's exposure against its agreed maximum

The Cabinet would ultimately be accountable for the design, funding and delivery of the programme, the commitments entered into and the distribution of its effects.

The permanent model would include formal, supported arrangements through which communities, people with direct experience of the outcomes the programme is pursuing, and the third sector can influence the development, delivery and scrutiny of the programme. The detailed mechanisms would be developed through the permanent model work programme, including how the partnership reports on the input received and how it has informed decisions.

Scottish Ministers and the Scottish Parliament

Scottish Ministers would hold reserve powers appropriate to the scale of the functions and funding transferred. These would be powers available on failure and would not provide a route to direct the regional partnership in the ordinary course.

The grounds would cover statutory, financial, governance or sustained performance failure, including material breach of the settlement. Intervention would be proportionate, beginning with information and independent review and extending, where necessary, to direction or variation of a transferred function.

Four protections would apply:

1 Scottish Ministers would hold no power to direct the long-term regional direction, the selection of priorities, the weighting between outcomes or the distribution of investment within the Region.

2 No exercise could increase a member authority's exposure beyond what it had agreed or impose an obligation to which it had not consented.

3 No exercise could prevent the regional partnership meeting debt service or an obligation to a third party.

4 Every exercise would be published with reasons and reported to the Scottish Parliament.

The Scottish Government's assurance role would operate at two points. Before resources are committed to a regional priority, it would confirm that the programme business case meets the agreed assurance framework and falls within the scope and terms of the settlement. Annually, it would receive the regional partnership's report on programme outcomes, their distribution and the regional partnership's financial position, which would also serve as the assurance report on the settlement. Together these would operate in place of scheme-by-scheme assurance across the funding lines within it.

3.3 Funding and finance

Funding the regional programme

The integrated settlement and the baseline

The programme would be funded through a settlement from the Scottish Government and UK Government covering agreed funding lines and the responsibilities transferred with them. The regional partnership would hold capital and sustained revenue as a single allocation for a defined period, with flexibility across agreed policy areas and years, and programme-level assurance replacing separate requirements for each funding line. The Cabinet would allocate these resources through the integrated programme.

The Region, the Scottish Government and the UK Government would establish the baseline by mapping the funding lines and resources within the agreed scope. This would identify the existing commitments, assets and services the settlement must sustain, including their operation, maintenance and renewal requirements. Mapping could begin ahead of legislation.

The baseline would be agreed at the outset and reviewed when responsibilities or funding scope changed. The review terms would be settled in advance to avoid annual renegotiation. Regional revenues and matched government investment would be additional to the baseline and would not be offset against it.[54]

Capital, revenue and the cost of acting preventatively

The settlement would support:

- Development expenditure, including feasibility, design and land assembly
- Delivery of the agreed interventions
- Operation, maintenance and renewal across the whole life of the assets and services the programme creates or assumes
- Sustained revenue for participation and preventative activity
- the capability required to operate the regional partnership, including programme design and management, appraisal, intelligence and evaluation, investment origination and structuring, treasury and financial management, land and development, legal and commercial, and the associated administrative functions

The capital and revenue balance would follow from the outcomes sought. Where preventative activity requires new provision to run alongside existing services before benefits emerge, the programme would provide for justified transitional or double-running costs. This reflects a wider recognition of the funding challenge around prevention: the UK Government's 2026 Budget announced a new Preventative Departmental Expenditure Limit (PDEL), intended to protect programmes that generate benefits over the longer term and support shared resource and accountability across budget holders.

The operating costs of the regional partnership would be met from the settlement, as part of the funding that moves with the responsibilities transferred.

Increasing regional investment capacity

Funding the regional contribution, and the security behind it

Investment capacity beyond the integrated settlement would depend on two things: generating a regional contribution from the value created by the programme, and providing the financial security needed to make commitments before that value is realised.

The regional contribution would be supported by three sources of income:

- **Returns from the regional partnership's own investments**, including loan repayments, investment income, capital returns and development receipts.
- **Income from assets and activities supported by the programme**, including revenues generated through the operation or use of those assets.

[54] The devolved baseline in Greater Manchester served exactly this function: it established what national funding would provide, and therefore what regional contributions were buying on top. Without it, the regional contribution could not have been shown to be additional, and the case for matched investment could not have been made.

- **An agreed share of the wider value created by regional investment**, including value realised outside the programme itself, through the mechanisms set out below.

These sources would allow the Region to retain and reinvest a share of the value its programme creates. However, their timing and value would depend on individual investments performing and the anticipated benefits materialising. Some income might not arise for several years.

Returns on the regional partnership's own investments would be retained and recycled into further opportunities, subject to agreement with the Scottish Government on their budgetary treatment. The financial model would not rely on them to meet scheduled debt service, because their timing and value depend on individual investments performing. They would not, however, be ring-fenced against the partnership's obligations: where income fell short, available resources held by the partnership would be used to meet commitments before any call on member authorities.

Member authority backing would provide the financial security needed in the meantime. Through a statutory levy, member authorities would stand behind commitments entered into by the regional partnership, within limits each council had agreed in advance. The levy would provide recourse where programme income and captured value proved insufficient to meet those commitments; it is not the intended source of the regional contribution.

Greater Manchester provides a precedent for collective borrowing supported by statutory contributions from constituent authorities, though the proposed regional model would place greater reliance on programme-generated income and captured value, with the levy providing residual recourse.

Borrowing

The levy, together with such income as is dependable at the point of commitment, would allow the regional partnership to borrow and bring investment forward. Borrowing would be the regional partnership's own obligation, supported by identified repayment income and assessed for affordability across the programme.

Future revenue powers

Two further options could expand regional investment capacity: using the levy to secure a positive contribution from member authority resources rather than solely to provide recourse, and a precepting power allowing the regional partnership to raise revenue directly. Neither is proposed at establishment and the financial model depends on neither. The Region proposes only that the legislation permit them – the levy power not confined to recourse, and a precepting power capable of later commencement – with each requiring unanimous agreement among member authorities and approval by each full council.

Reinvesting value created by regional investment

The Region would also seek to reinvest identifiable value created by the programme but realised elsewhere. This could help finance interventions whose returns are long-term, widely distributed or realised by another organisation.

The four mechanisms summarised in Table 3.3 below would be developed, distinguished by where the value arises and where the contribution comes from.

Table 3.3: Mechanisms for reinvesting value created by regional investment

Mechanism	What it is	Where the contribution comes from
Land and development value capture[55]	A share of the uplift in land and property values created or enabled by regional investment	Landowners and developers whose land or development benefits from the investment
Revenue retention	Retention, for a defined period, of growth in agreed revenues above an established baseline within a designated area	No new payer; revenue is retained rather than flowing through the normal arrangements, contingent on growth occurring

[55] One potential development under active discussion in England is a betterment levy targeting a share of the increase in value of existing property resulting from regional infrastructure investment. Studies including the TfL 2017 Land Value Capture Study point to effects on existing property as the principal source of untaxed windfall gain from urban transport investment.

Mechanism	What it is	Where the contribution comes from
Supplementary business rates[56]	Additional poundage rate for businesses above a given size within an area benefiting from regional investment	Businesses within the designated area, which would be expected to benefit from the investment
Fiscal benefit sharing	A share of demonstrable savings or additional receipts accruing to another public body as a result of a regional intervention	The public body realising the saving or receipt. The Greater Manchester Earnback agreement provides the precedent for programme-specific co-funding on this basis, and comparable arrangements are under discussion in England

Any arrangement would be subject to four conditions:

- **Additionality.** Retained or captured value would provide capacity additional to the settlement and would not be offset within it.
- **Protection of local government funding.** No arrangement would reduce the local government finance settlement in aggregate or the allocation of an individual authority. Any proposal involving non-domestic rates would be subject to assessment of its sector-wide effects and engagement with COSLA before adoption.
- **Prior agreement.** The duration, baseline, designated area and basis of attribution would be agreed before an arrangement took effect.
- **Distributional impacts.** Any proposal would consider the potential effects of rising land and property values on existing residents and businesses, including displacement risk, and identify appropriate mitigation where material.

Retained revenue depends on growth occurring and is therefore not dependable income in the sense described above. Any borrowing supported by retained revenues would need to reflect that uncertainty, including how a shortfall would be met were forecast growth not to materialise. Any such arrangement would operate within the exposure limits each member authority has agreed and could not increase a council's liability beyond those limits.

A supplementary rate, by contrast, produces a defined and relatively predictable income and is therefore better suited to supporting borrowing. It differs from the other mechanisms in placing a cost on an identified group of ratepayers and would need to be designed accordingly: applied only where the businesses concerned stand to benefit from the investment, limited to properties above an agreed threshold, hypothecated to the programme, time-limited to the period required, and subject to consultation before adoption.

Fiscal benefit sharing would be confined to savings and receipts that are demonstrable, attributable and cashable. Reduced demand on a public service does not by itself release budget, and arrangements that assumed otherwise would not survive scrutiny by the bodies concerned.

The Region proposes that fiscal benefit sharing be tested on a single named priority, with the baseline, attribution and basis of measurement agreed in advance, rather than sought as a general mechanism.

These arrangements require co-development with the Scottish Government and with HM Treasury. Where agreed and where the relevant value materialises, they could expand the programme's capacity over time.

Matched government investment

Matched government investment would provide a further source of programme capacity, separate from the baseline, the settlement and the regional contribution. Where regional investment expands the programme and generates wider national benefits, the Region seeks matched investment from the Scottish and UK Governments alongside it.

The Region seeks to develop this on an Earnback-style principle, under which government contributes in relation to the additional fiscal value that locally funded investment can be shown to generate. The Greater Manchester Transport Fund provides the precedent: a devolved baseline, a

[56] This mechanism was used to part-fund the Elizabeth Line (Crossrail) and is under discussion with English combined authorities in the context of fiscal devolution.

regional contribution serviced through levy, farebox and other local sources, and matched government investment capturing the Exchequer's share of the resulting fiscal gain. Beyond the baseline, local and central funding were close to equal at the margin.

Greater Manchester used its levy as the primary funding source because, at the time, it held no other revenue-raising powers. The Region proposes that income generated by the programme and agreed mechanisms for capturing value provide the regional contribution, with the levy providing financial recourse behind commitments entered against those sources.

Where regional investment generates fiscal gains accruing to the UK Exchequer, the Region seeks a UK Government contribution reflecting those benefits. A material part of the fiscal gain from higher participation and employment would accrue through reserved taxes and would not automatically translate into additional funding for the Region through the Barnett formula. The proposition would need to include a route for an additional UK Government contribution to reach the regional programme directly, outside Barnett consequentials. Any such contribution would be additional to Scottish Government funding of the programme and would not reduce the Scottish block grant or the local government finance settlement.

The scale, form and attribution of any matched contribution, and its treatment within the Scottish Government's capital budget and fiscal framework, would be agreed in advance with the Scottish Government and, where relevant, HM Treasury.

Instruments and co-investment

The choice of instrument would follow from a distinction that governs what the programme can contain:

- public funding for infrastructure and wider public outcomes, where financial returns are absent or insufficient to meet the cost
- recoverable investment, where repayment or a financial return is credible
- sustained revenue for services, participation and programme capability

This distinction determines what the programme can contain, not only how large it is. The availability of grant funding, through the integrated settlement, additional regional revenues and matched government investment, is therefore critical to supporting enabling infrastructure, land remediation, participation and preventative activity. Recoverable investment and recycled returns would provide further capacity for interventions capable of generating financial repayments but could not substitute for grant where those returns were absent.

Within that distinction, the regional partnership would hold grant, loan, equity and patient capital, applying the instrument suited to the particular barrier preventing delivery. It would co-invest alongside public finance institutions, including the Scottish National Investment Bank and the National Wealth Fund, and alongside private investors. It would also be able to fund early development work before a proposition is investable.

It would also be able to give guarantees, indemnities and first-loss or subordinated commitments where these would bring institutional or private capital alongside public investment. These create contingent liabilities rather than immediate expenditure, and would be assessed, provided for and reported within the affordability and exposure arrangements described below, with the risk retained proportionate to the investment secured.

Where appropriate, it could invest through cooperative, employee-owned, community or locally owned structures, provided the proposition was deliverable and the risk understood.

Where an opportunity is commercial in character, the regional partnership would test whether recoverable investment could address the delivery gap before committing grant, operating within the applicable subsidy control requirements and using the minimum subsidy necessary to bring the proposition forward.

Council commitments and financial safeguards

Member authority backing and its limits

Each council would agree the maximum extent and duration of its financial exposure before the regional partnership entered commitments relying on its backing. These limits would be approved by the council, certified as affordable by its Section 95 officer and published. The regional

partnership could not exceed those limits, increase an authority's exposure or extend its commitment period without that authority's consent. Existing obligations would remain binding through subsequent programme changes.

Exposure is therefore controlled at the point commitments are created, not at the point the levy is called. Unlike the City Deal's project-level arrangements, under which promoting authorities bear responsibility for cost overruns, the proposed model would establish each council's maximum exposure before regional commitments were entered into.

The basis for apportioning liability between member authorities would be agreed at establishment. Population, council tax base, assessed benefit and combinations of these could be considered, with the distributional consequences assessed and quantified before agreement.

Guarantees, indemnities and other contingent liabilities would also be recognised and controlled within the agreed limits. The detailed construction of those limits, including their treatment for accounting and prudential purposes and their implications for member authorities' own borrowing capacity, would be developed with member authorities and prospective lenders. No council would be asked to commit before these implications had been assessed.

Recovery and default

The financial model would be designed on the expectation that programme income and captured value would meet the commitments entered into, without recourse to member authorities. The levy would remain available where those expectations were not realised.

Where income fell short of forecast, the regional partnership would first apply available programme income, reserves and other financial mitigations, including adjustments to uncommitted expenditure within the approved programme. These measures would seek to minimise calls on member authorities without compromising obligations already entered into.

Any residual requirement would be met through the levy, within each member authority's agreed exposure. The levy would therefore operate as a backstop rather than a planned source of programme funding. Under the proposed statutory duty to balance its books, the regional partnership would be required to set the levy at the level necessary to meet its remaining obligations, within the limits agreed by member authorities. The duty to balance would apply only to obligations already properly entered into within each authority's agreed exposure limits.

The legal construction of this recourse would require further development, including the liquidity arrangements where an individual member authority could not meet a properly issued levy, the basis for subsequent recovery and the acceptability of the arrangements to prospective lenders at the scale envisaged.

Affordability, controls and reporting

The regional partnership would assess affordability across the programme as a whole, identify the income supporting each borrowing commitment, maintain reserves and liquidity proportionate to the risks it carries, operate a treasury management function and stress test its financial position.

Alongside its annual levy determination, the regional partnership would publish a statement of its borrowing and commitments, including each member authority's exposure against its agreed limits. This would be timed to inform member authorities' budget setting and the assessments of their Section 95 officers.

Matters requiring further development

The proposed model seeks local government sector classification, a prudential regime equivalent to that applying to Scottish local authorities, access to the Public Works Loan Board, and borrowing assessed against the regional partnership's own financial framework.

The following matters require resolution with member authorities, the Scottish Government, UK Government and prospective lenders:

- classification of the regional partnership, its prudential treatment and access to borrowing
- the interaction between regional borrowing and the Scottish Government's capital budget and fiscal framework

- the effect of member authority backing on each member authority's own borrowing capacity and prudential position
- the legal construction of the levy, including a duty to balance its books equivalent to that applying to Scottish local authorities, and any subsequent precepting power, including member authorities' obligations where national council tax policy constrains their revenue
- the liquidity, security and recovery arrangements applying where an individual member authority cannot meet a properly issued levy
- the accounting and group-account treatment for member authorities

These are proposed features of the model rather than arrangements already confirmed.

3.4 Transport and the role of SPT

Transport sits across nested geographies, and different needs arise at each.

Decisions on funding and planning have to be taken together with land, development and the wider investment programme. That has to happen at the level of the body holding the combined programme and integrated settlement. The regional partnership needs to commit transport funding over the life of the programme, make choices between transport and other calls on the integrated settlement, and enter long-term obligations while carrying the associated risk.

Network planning and procurement work differently. Routes, services, depots and supply chains operate across at least the SPT area and will not stop at the boundary of the body holding the programme. What is needed here is continuity: the capability that plans, commissions, and delivers transport across that wider area has been built over many years, operates at a scale few other parts of Scotland could sustain, and should be protected.

The precedents show that delivering at the scale Clyde Metro and comparable programmes require depends on the funding model set out in Section 3.3: a devolved baseline, a regional contribution and matched government investment, supported by borrowing and bounded member authority recourse.

The proposition

- **The regional partnership would hold the authority function:** the regional transport strategy, network and service specification, fares, concessions, ticketing policy and funding allocation, decided as part of the integrated programme.
- **SPT would act as a dedicated regional transport executive:** operating the Subway, bus stations and interchanges, commissioning services, ticketing and passenger information, and the specialist capability supporting them.[57]
- **Delivery, and the statutory authority functions covering the whole network, would continue across the existing twelve-council transport area**. The eight member authorities would constitute the regional partnership, so arrangements are needed for the four councils outside its membership to take part in decisions affecting their areas and to agree their contributions.
- **SPT would continue as the delivery body**. What changes is where authority sits, not who delivers.

This would be achieved by SPT continuing as a delivery body, with the regional partnership exercising its authority functions and SPT discharging its operational functions under direction within its geography. SPT would retain its own identity, staff and operational capability. What would change is that the strategy, network specification, fares, concessions, ticketing policy and funding allocation it works to would be set by the body holding the integrated regional programme, rather than separately.

[57] The distinction between authority and delivery functions is not new to the west of Scotland. Until 2006, Strathclyde Passenger Transport Authority and Strathclyde Passenger Transport Executive were separate bodies, holding the authority and delivery functions respectively. Their functions were brought together in a single statutory partnership under the framework established by the Transport (Scotland) Act 2005, which created the Regional Transport Partnerships on a common basis across Scotland. The arrangements considered here would again distinguish the two functions, with the authority function held alongside the integrated regional programme rather than by a separate transport body.

Over time, the Region would seek a defined role in specifying regional rail services, exercised through a formal partnership with Transport Scotland, Scottish Rail Holdings, ScotRail and Great British Railways. It would seek a similar role in the planning and investment arrangements for Clyde ferry infrastructure and services. Local roads functions would remain with member authorities.

There is precedent elsewhere in the UK. In Greater Manchester, the combined authority is the transport authority and Transport for Greater Manchester is its delivery body; Liverpool City Region operates on a comparable basis.

The detailed arrangements require work: the form and limits of direction, the treatment of SPT's existing assets and borrowing, classification and prudential treatment, and how funding, commitments and risk are consolidated between the two bodies. None of these change what the Region is seeking, which is that transport authority decisions are taken alongside the programme they serve. Continuity of SPT's capability and operations would be a design requirement throughout.

Bus reform is already underway and should not wait for institutional change. The Region supports franchising across the whole transport area, and this proposition is designed to carry that work forward intact. Where the arrangements described here would delay or disturb the franchising programme, the programme should take precedence and the arrangements should be sequenced around it.

Why the network should stay whole

SPT's area includes twelve councils: the eight member authorities, together with East, North and South Ayrshire and the Helensburgh and Lomond area of Argyll and Bute. Decades of operation show this supports a coherent transport system. Journeys to work, education, health services and major centres routinely cross council boundaries within it.

Bus reform makes the point concretely. The franchising programme is being developed across the whole transport area because the bus network is a single commercial and operational system: routes cross council boundaries, depots and fleets serve more than one area, and the revenue, cost and risk of a franchised network are shared across it. A scheme covering only part of the area would be a materially weaker proposition.

Transport geography is characteristically broader than other functional economic relationships. Housing and labour market self-containment can be assessed within reasonably clear boundaries. Network planning, rail services, strategic road capacity and cross-boundary bus provision are always considered at the outer edge of the functional area. Integration is not only about connecting transport to land use and development. It also requires the modes to work together; at the geography the network actually operates over.

How this relates to the geography of future regional arrangements remains open. Transport responsibilities could extend across more than one region; regional boundaries could differ from the present eight-authority footprint; transport could be exercised across a geography wider than the region holding the programme. Each has consequences to work through with the Scottish Government, SPT and the four councils concerned. The Region would not support fragmenting the network, or the operational capability serving it, into smaller units.[58]

The wider transport area

A body constituted by eight authorities, exercising transport functions across twelve council areas, needs a clear basis on which the two relate. Three principles are proposed:

- The network is planned, specified and operated whole, with funding and governance built to accommodate that rather than the reverse.
- Councils outside the regional partnership's membership have a direct role in decisions on statutory functions covering their areas.

[58] When the Regional Transport Partnerships were established, the west of Scotland was treated differently from other regions because an operational passenger transport authority and executive already existed. The settlement was built around carrying their functions, management and staff forward without disrupting services. The Minister for Transport stated in June 2004, "*Strathclyde Passenger Transport in the west of Scotland is clearly a special case. We have made it clear that we wish to preserve the strengths of SPT and to build on the significant skills and experience of its work force.*" See: Scottish Parliament (2004). *Meeting of the Parliament 16/06/2004*. That judgement, that operational capability built up over many years should be preserved rather than rebuilt, remains relevant here.

- No council is levied by a body of which it is not a member or bound by a decision of another's governing body.

Two options could satisfy these together:

1 The four councils take part in the regional transport committee and fund services attributable to their areas through bilateral agreements.

2 The four councils hold associate membership of the regional partnership for transport purposes, taking part in the committee and contributing through a transport levy.

Under either, the Region's own contribution would form part of the integrated settlement and be decided by the Cabinet, which would have no authority to determine the contributions of councils outside its membership. Services crossing the boundary would be apportioned between the parties benefiting from them, with the basis, duration and review arrangements agreed in advance. Representation and voting would be settled with the twelve councils.[59]

Governance and delegation

The regional partnership would constitute a transport committee to exercise its statutory transport functions across the transport area, under a published scheme of delegation. The committee would be a committee of the regional partnership, not a second board alongside it, so the executive answers to one body. The committee and officers would take decisions within the agreed budget envelope and policy framework; the Cabinet's role would be confined to long-term direction, the ten-year inclusive economy plan, the composition of the integrated programme and the transport envelope within it.

The committee would build on SPT's existing structure, retaining the operational and programme committee arrangements through which network business is currently handled. Appointed members would be retained in a non-voting capacity, contributing specialist expertise and continuity.

Its remit would cover:

- the policy framework for fares, concessions, ticketing and passenger information
- the specification of the network and the service standards it should meet
- the strategic approach to traffic management and network operation on regional corridors, where necessary to deliver agreed programme outcomes
- the making of a bus franchising scheme across the transport area
- development of the regional transport strategy, for joint adoption by the Cabinet and the other participating councils
- overseeing the funding arrangements agreed with councils outside the regional partnership's membership

SPT's governing body would continue to exist for the corporate duties of the organisation, with the scheme of delegation making explicit that strategy, network specification, fares, ticketing and funding are settled through the regional transport committee.

Matters requiring resolution

Five matters would be settled through joint working with SPT, the twelve councils in the transport area and the Scottish Government.

- **Bus reform.** The franchising programme should proceed without delay or restart, with institutional arrangements sequenced around it. Three things require resolution:
- **The institutional route.** Whether the existing statutory partnership continues as a delivery body under direction, or its functions are brought within the regional partnership with the executive operating as a distinct delivery arm.

[59] Representation on the present Partnership is set in statute, with Glasgow holding five members, North and South Lanarkshire three each, and each remaining authority one.

- **Geography.** How transport responsibilities relate to the geography of future regional arrangements, including the possibility that transport is exercised across a wider area than the region holding the programme.
- **Participation and funding for councils outside the regional partnership.** Including the choice between the two options above, representation and voting, the apportionment basis for services crossing the boundary, and the relationship between contributions and service specification compared with present requisition arrangements.
- **Funding and existing borrowing.** Whether the settlement should include a committed multi-year operational and renewal envelope for transport, distinct from the investment programme decided through the integrated programme; and the treatment of outstanding borrowing, including Subway modernisation.

3.5 Programme design, appraisal and delivery

The appraisal and assurance framework

The regional partnership would operate under a published assurance framework, agreed with the Scottish Government, covering programme formation, appraisal, approval, delivery assurance, monitoring and evaluation. An interim framework would be in place at establishment and the full framework published within twelve months.

The framework would operate within the Scottish Public Finance Manual and apply established appraisal methods: the Green Book, including its supplementary guidance on distributional and place-based analysis, and STAG where transport interventions are concerned. As noted in Section 1.2, however, new techniques are required to address interactions between projects and programmes in pursuit of inclusive economy outcomes. These techniques apply at the level of the programme as a whole and are designed to maximise the impact of public investment on these outcomes. Narrower, project specific appraisals cannot be allowed to undermine the cost-effective delivery of these outcomes.

The framework would be subject to periodic independent review, commissioned jointly with the Scottish Government and reported to the Cabinet, the scrutiny committee and Scottish Ministers.

It would also provide the basis on which discretion is extended. The Region accepts that the scope of its appraisal and approval responsibilities should reflect demonstrated capability rather than institutional status. What it seeks is a defined route by which capability, once evidenced, is matched by a corresponding reduction in external assurance.[60]

Forming and selecting the programme

The long-term regional direction would provide the starting point. The ten-year inclusive economy plan would translate that direction into a limited number of priorities for sustained regional action, informed by the agreed outcomes, evidence of need and opportunity, the contribution regional action could make and the capacity of the programme to deliver.

Selection would operate at two levels: which priorities should form the ten-year plan, and how the programme should be composed to pursue them. A priority would therefore be considered together with the combination of interventions required to achieve its outcomes, rather than entering the programme as a predetermined project. Alternative compositions would be compared before the preferred approach was settled, including different combinations, locations, scales, sequencing and balances between capital and revenue.

Each proposed priority would identify:

- the outcomes sought and the principal households, population groups and places expected to benefit
- the connected interventions required, their relationships and sequencing

[60] English Integrated Settlements embody the same earned-autonomy principle. Eligibility includes a published Local Assurance Framework and consideration of the authority's track record in managing major programmes, followed by an externally conducted readiness check. Subject to those arrangements, authorities generally appraise and approve settlement-funded projects locally, without central business-case approval or delegated expenditure limits; the framework provides for flexibility to increase in line with evidence of successful delivery and, conversely, for delegated limits or ring-fences to be reintroduced where delivery or value for money concerns arise.

- the organisations whose decisions, resources or delivery are required
- the proposed funding and financing mix
- how the priority would use the spending, employment, land, ownership and finance levers material to it
- the principal costs, benefits, distributional effects, risks and dependencies, including the points at which the approach could be adapted

Relevant community, user and frontline evidence would inform programme design while options could still change.

How appraisal would work

Appraisal would operate at two levels. A place-based business case would be prepared as part of the agreement of regional programmes and any associated planning changes and local funding initiatives. This would establish the case for the combination of interventions proposed, their combined contribution to the agreed outcomes and the distribution of those effects across people and places, together with consequent planning changes and funding initiatives. This programme case would evolve over time and identify the role of individual projects and interventions within it, expected costs and critical dependencies.

Individual interventions would retain proportionate business cases, but beneath the programme case rather than independent of it. The critical question for these project-level cases would be whether the assumptions on impact, cost and dependencies that won the project its place in the programme still held. The bulk of the analytical work involved in this new approach would be at the programme level, which is the only place critical interactions can be addressed and balance between outcomes secured.

This would reduce duplication rather than add another layer of appraisal. Benefits arising from the programme as a whole would be established at that level rather than reconstructed separately for each intervention. Intervention business cases would demonstrate deliverability, cost and scope control, test the intervention's specific contribution and address matters that can only be assessed credibly at scheme level. The depth of analysis at each level would reflect the maturity, scale and risk of the decision.

The approval roles follow from this. The regional partnership would appraise the programme and assure that appraisal under the published framework. The Cabinet would adopt it. Before resources are committed to a priority, the Scottish Government would confirm only that its programme business case has been prepared in accordance with the agreed assurance framework and that the priority falls within the scope and terms of the settlement. It would not reopen the appraisal or the Cabinet's judgement on the merits of the priority. Confirmation would be the point at which settlement resources may be drawn against that priority.

Intervention-level approval would then sit with the regional partnership under the published framework, with thresholds for changes requiring a further decision of the Cabinet. Confirmation at programme level and the annual report described below would together operate in place of scheme-by-scheme Scottish Government assurance across the funding lines in the settlement.

The regional partnership would maintain a common evidence base against which programme options could be compared, assessing their contribution to the agreed outcomes; interactions where one intervention enables, increases or depends on another; additionality, displacement and leakage across the regional economy; effects over different time horizons; and the distribution of benefits, costs and risks.

The Region would also develop a model of the regional economy capable of simulating how interventions interact, so that the effect of one investment on another can be estimated before the programme is settled rather than observed afterwards.

What appraisal would put before the Cabinet

Appraisal would report against the Region's agreed outcomes. This would require a common evidence base and measures capable of assessing both overall progress and the distribution of effects across people and places. Measures and methods would be developed through the

assurance framework as the evidence base and analytical capability mature, with qualitative assessment used where effects cannot yet be quantified robustly.

The assurance framework would develop measures of whether changes in economic activity reach household circumstances and how effects vary between income groups and places. This would include testing the use of real household disposable income.

Distributional effects would be reported by income group, SIMD decile and member authority area, and across the population groups most likely to experience poverty, exclusion or unequal access to the programme's benefits. Appraisal would identify which characteristics are material to the intervention, examine overlapping disadvantage where the evidence permits, identify groups and places poorly served by existing provision, and show how those findings have informed the design and targeting of the priority. Material gaps in the evidence would be made explicit.

The programme would not be reduced to a single score. Aggregate economic return, poverty, health, participation, fair work, environmental outcomes, geographic balance and deliverability may point in different directions, and the balance between them is ultimately a political judgement for the Cabinet. Where a decision departs materially from the balance indicated by appraisal, the reasons would be recorded and published.

Where costs and benefits fall across organisations

Appraisal would identify and, where possible, quantify where the costs of a priority fall and where its benefits and savings accrue. Several of the Region's outcomes depend on activity whose costs would be borne regionally while some of the resulting benefit falls elsewhere. Reduced demand on health and care services may benefit NHS boards and health and social care partnerships; sustained movement into employment can alter expenditure and receipts falling to the Department for Work and Pensions and HM Treasury, both reserved counterparties.

This is particularly important for preventative activity. Costs may arise early, including through double running, while benefits emerge over a longer period or accrue to another public body.

This would not assume that every saving can be captured by the Region. It would provide the evidence for agreeing, in appropriate cases, whether part of the resulting fiscal benefit should support further regional investment.

Delivery agreements

Delivery responsibilities would be agreed as part of programme design. The regional partnership would lead directly where it holds the land, the investment position or the commercial relationship on which delivery depends. For each priority, the programme would identify:

- the body responsible for each intervention
- the funding, asset, statutory action, service change or other contribution it has agreed
- the sequence and dependencies between those contributions
- the outcomes, delivery milestones and information requirements attached to programme funding
- the basis on which the arrangement would be reviewed

Programme funding could carry proportionate conditions covering outcomes, delivery, fair work, social value, supplier development and long-term asset stewardship. Conditions would be set when funding was agreed rather than introduced during delivery.

Commitments would attach to the funded activity or agreed contribution rather than to the wider functions of the organisation concerned. Commitments made by member authorities would remain subject to the agreed arrangements governing their consent and financial exposure.

Where a priority depends on complementary action by a member authority, such as a plan amendment, land being made available or a service change, that action would form part of the programme case and the investment would be appraised on that basis. Where the action is not taken forward, the assumptions underpinning the investment case no longer hold, and the priority would be reappraised and resources reprofiled accordingly. This would give the regional partnership no power to direct a member authority.

Monitoring, evaluation and reporting

Monitoring would assess whether agreed activity and commitments are proceeding as intended, whether interventions are contributing individually and in combination to the outcomes of each priority, and how benefits are distributed across people and places. A limited set of measures would be connected to an articulated theory of change for each priority: the sequence by which its interventions are expected to produce the outcomes sought and the conditions on which that depends. Measures would distinguish longer-term outcomes from earlier indicators that the conditions for change are being created, and would be disaggregated by place and, where the evidence allows, household and population characteristics.

Evaluation would be independent and published, including where interventions do not achieve what was intended. The regional partnership would commission evaluation as part of programme design, and the scrutiny committee would be able to commission its own.

The programme would require appropriate access to administrative data held by national and public bodies.

The regional partnership would publish a single annual programme outcomes report covering:

- performance against the agreed outcomes;
- the distribution of programme resources, activity and benefits;
- material differences between forecast and realised effects;
- the limitations of the evidence and the extent to which observed change could reasonably be attributed to the programme.

Where monitoring identifies that an intervention is not delivering its intended contribution, that dependencies have changed, or that benefits are not reaching the intended groups or places, the regional partnership would adjust delivery, resourcing or programme composition within its approved mandate; more substantial changes would follow the arrangements at 3.2.

Building the capability

The analytical capability required would build on the Intelligence Hub, which would need to be strengthened to undertake programme-level appraisal, distributional analysis, monitoring and evaluation across the portfolio. Its analytical findings would be reported unaltered to the Cabinet and the scrutiny committee.

Methods would be developed and proven through use. The interim framework would provide control and continuity from establishment, with programme-level appraisal, distributional analysis, delivery agreements and outcome reporting applied from the first programme developed under the ten-year inclusive economy plan. The full framework would be applied progressively as methods, data access and analytical capability develop. Periodic independent review would provide the basis for extending regional discretion as capability is demonstrated.

Alongside analytical capability, the regional partnership would build the capability to design, adapt and join up delivery. It would draw systematically on the experience of frontline staff, service users and delivery partners, share learning across the Region, and use emerging evidence to improve delivery during the programme.

4 The offer, the ask and the route

4.1 What the Region would offer

This proposition is an offer to take responsibility for the Region's contribution to outcomes that have not improved under existing arrangements, bring regional resources alongside national investment, and be held publicly accountable for the programme's contribution to them.

What the Region would take responsibility for

The outcomes the programme would pursue are also priorities for the Scottish Government. Given Glasgow City Region's scale and concentration of need, national progress depends substantially on what happens in the Region.

- **Child poverty.** More than one in four children in the Region live in poverty after housing costs, and the Region contains some of Scotland's highest concentrations of child poverty. The programme would connect regional interventions around the households and communities concerned and report annually on the distribution of its resources, activity and effect
- **Health and economic participation.** In 2024, 114,000 working-age residents were economically inactive because of long-term ill health. The programme would connect regional activity with the contribution of health and other partners
- **Economic growth.** The Region generates around one-third of Scottish output from 34.2% of its population. Improving its productivity and participation is therefore central to Scotland's economic performance
- **Homes, employment space and infrastructure.** Housing supply, the renewal of the Region's industrial and commercial property base and the condition of its vacant and derelict land are national problems as much as regional ones, and progress on each depends disproportionately on what is delivered here
- **Prevention.** The Region would invest in preventing poverty, poor health and economic exclusion, improving outcomes for residents while reducing avoidable demand on public services. It would sustain justified preventative activity over the programme period, identify where costs and benefits fall across organisations, and report transparently on the results. This would provide a basis for testing funding arrangements where regional action generates demonstrable savings or additional revenues elsewhere in the public sector.
- **Speed and certainty of delivery.** Investment currently moves at the speed of the slowest approval in a chain of separate funding, consenting and member authority decisions. Holding the programme, the land, the consents and the funding in one place would compress that sequence substantially. The Region would deliver faster, with fewer abortive costs and greater certainty for partners and supply chains than present arrangements allow
- **A deliverable platform for wider reform.** The proposed regional capability could be established within the current structure of local government, without transferring general local services or waiting for the wider reform debate to conclude. The institution would be capable of holding further functions, resources and staff where governments and member authorities agree that is where they are best held, and of operating as the strategic regional tier within a reformed system. It is intended as a step that wider reform can build on, available on a timescale that does not depend on it. Glasgow City Region offers itself as the place where that regional tier is designed and proven

What the Region would put in

The Region accepts the principle that a programme of this scale would require a material regional contribution alongside national investment.

That contribution would be funded from income generated by the programme, financial returns on regional investments and an agreed share of the wider value created by regional investment, rather than planned contributions from existing member authority budgets. Member authorities would provide financial backing through a statutory levy, allowing the regional partnership to enter

commitments before those income sources had matured, with recourse limited to the exposure each member authority had agreed in advance.

The scale, sources, affordability, phasing and apportionment would be developed with member authorities and agreed before any commitment was made.

This offer builds on more than a decade of collective delivery through the City Deal and wider regional portfolio. Alongside its financial contribution, the Region would bring:

- a single regional body able to make and hold commitments in its own right, within an envelope agreed in advance by its members, rather than assembling separate approvals for each commitment
- a ten-year inclusive economy plan, delivered through one prioritised, collectively agreed and evolving regional programme, reducing the transaction costs of regional investment for government as much as for the Region
- institutional and private capital brought alongside public investment, including through co-investment with the Scottish National Investment Bank and the National Wealth Fund, with repayments and returns recycled into the programme
- acceptance of defined borrowing, contractual and liability risk

The Region would also offer a single counterparty for UK-wide investment and development institutions. A prioritised regional pipeline, bringing together investment opportunities, enabling infrastructure, skills and delivery commitments, is what allows institutions of this kind to deploy their expertise and investor relationships against a programme rather than a project. The Region's existing strategic partnership with the National Wealth Fund demonstrates the value of that arrangement and provides the model for extending it. These relationships would be additional to those with the Scottish Government and its agencies, and the Region would develop them with both governments rather than separately from either.

Each member authority's financial commitments and maximum exposure would be agreed by that council, certified as affordable by its Section 95 officer and published.

What the Region would accept

The Region would accept:

- discretion calibrated to demonstrated capability, capable of contracting as well as expanding where performance or assurance concerns arise
- a demanding programme-level appraisal and reporting regime, including distributional and place analysis, independent evaluation and transparent reporting where interventions do not achieve what was intended
- local government-equivalent governance and assurance, including audit, Best Value, statutory officers, public sector equality duty, Fairer Scotland Duty, a single annual account of programme outcomes and finances, and scrutiny separate from decision-making
- a recognised co-funding role in expanded programmes
- defined ministerial reserve powers, exercisable on failure and subject to the protections set out in Section 3.2

4.2 What the Region seeks from government

Delivering the ten-year inclusive economy plan requires three things the Region does not have: a body able to hold the programme, a settlement able to fund it, and the financial capacity to invest alongside government. The asks below follow from that and are grouped in three tiers.

The asks are addressed to both governments. Those marked as reserved would require agreement with the UK Government or UK regulators, and the Region's proposed route to them is through joint discussion convened with the Scottish Government rather than through separate approaches.

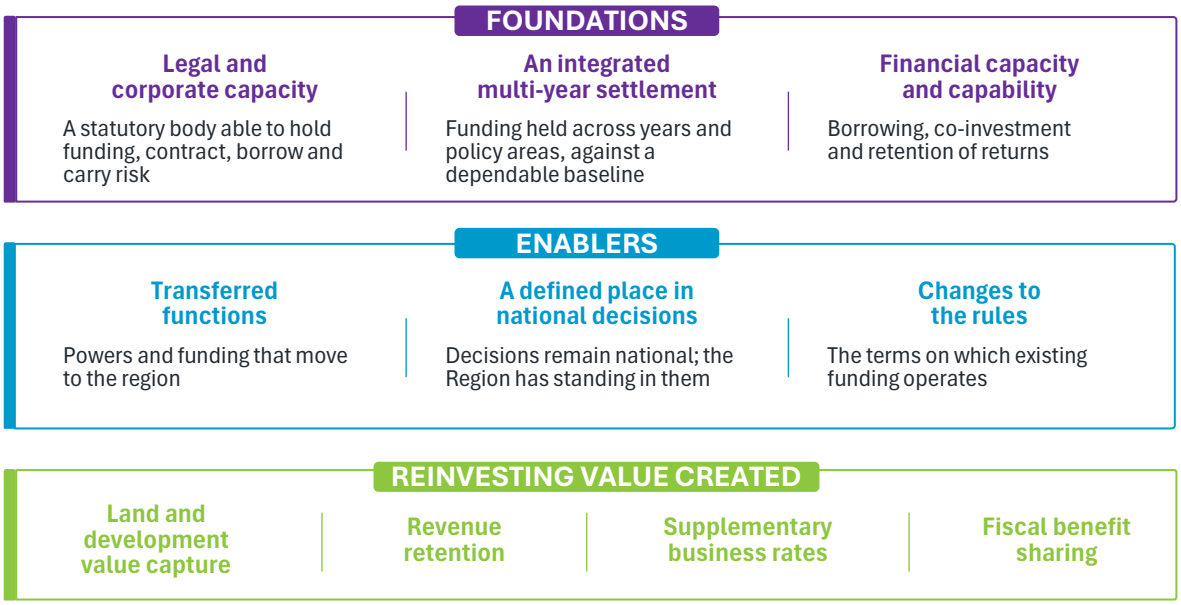


Figure 4.1: The structure of the Region's proposition to government

The foundations are the conditions on which a regional programme depends. The enablers determine whether the programme can be assembled from decisions and resources that would remain with others. The third tier concerns arrangements for the longer term, requiring co-development with the Scottish Government and UK Government.

Two principles apply across the tiers:

- funding should move with any function transferred, at a level established jointly and maintained
- regional contributions, revenues and borrowing should be additional to national funding rather than substituting for it, and matched government investment should be additional to the agreed baseline

A consolidated register of the asks is at Annex C.

Foundations

The three asks in this category are conditions of holding, funding and investing through a regional programme.

Table 4.1: Foundations – the conditions for holding and funding a regional programme

Area	What the Region is seeking	Counterparty	Route
Legal and corporate capacity	A statutory regional institution able to receive and hold funding, hold reserves, contract, own and manage assets, borrow and service debt, invest and recycle returns, employ and commission, accept delegated functions and carry defined risk; statutory provision for member authority consent thresholds, exposure limits, financial recourse, and treatment of withdrawal and default	Scottish Government	Primary legislation
An integrated multi-year settlement	Agreed scope of in-scope funding lines, which cease to be competitively bid; a dependable baseline established jointly and maintained; duration aligned to the programme period with a basis for rolling forward; revenue alongside capital, including recognition of double running on preventative activity; flexibility across years, policy areas and funding types; proportionate programme-level assurance in place of scheme-by-scheme arrangements; regional contributions	Scottish Government; HM Treasury*	Spending review settlement; fiscal framework agreement

Area	What the Region is seeking	Counterparty	Route
	treated as additional; dedicated transition and implementation funding		
Financial capacity	Collective borrowing against dependable income; a range of investment and risk-sharing instruments, including grant, debt, equity and guarantees; co-investment with public and private capital; retention and recycling of investment returns; and matched Scottish and UK Government investment alongside regional contributions.	Scottish Government; HM Treasury*	Legislation; borrowing and debt management arrangements; accounting and budgetary treatment; fiscal framework agreement

*Reserved matters, requiring agreement with UK Government or UK regulators.

The three foundations operate together. Legal and corporate capacity would provide a single party able to hold funding and commitments. The settlement would provide a programme against which to exercise that capacity. Financial powers would allow the Region to invest alongside government rather than only spend the resources allocated to it.

Together, they would allow the Region to make commitments to lenders, delivery partners, providers and supply chains that extend beyond a single budget cycle or administration.

The integrated settlement ask concerns the terms on which funding is held rather than its quantum. Allocations would continue to be determined through spending reviews and established formulae.

Financial capacity determines the composition of the programme as well as its scale. Recoverable finance requires a credible route to repayment and directs investment towards assets capable of generating one. Sustained multi-year revenue alongside investment finance is therefore part of the ask.

Enablers

The foundations would give the Region capacity to hold a programme and resources to fund it. They would not determine how the programme is assembled. Most of the decisions on which a regional priority depends would continue to be taken by organisations the Region does not control. Three kinds of change are sought, distinguished by how far the Region needs to go to secure a dependable result.

Table 4.2: Enablers – transfer, standing and changes to the terms

Area	What the Region is seeking	Counterparty	Route
Transferred functions	Defined transport functions and funding; masterplan consent area and land assembly powers; regional skills and workforce planning; discretion over regional innovation and business support funding; and transfer of capability principally concerned with the Region, staff and funding from the Scottish Government and its agencies.	Scottish Government	Primary legislation; budget, function and staff transfer
Standing in others' decisions	Formal weight for agreed regional requirements in Scottish Water business planning; equivalent weight in electricity network* and digital infrastructure* planning; formal rail and Clyde ferry agreements; defined role in SFC commissioning and provision planning; agreed DWP arrangements on employability coordination and regional commissioning role in devolved employment support*	Scottish Government; regulated providers; UK Government and UK bodies*	Direction; formal standing agreements; regulatory guidance
Rule changes	Programme-level appraisal with explicit geographic and distributional weighting; clear rules on blending grant and recoverable finance,	Scottish Government	Administrative and regulatory

Area	What the Region is seeking	Counterparty	Route
	subsidy control, and the accounting treatment of equity and patient capital.		change; guidance

*Reserved matters, requiring agreement with UK Government or UK regulators.

Transfer is sought where the Region must be able to act directly, including assembling land, exercising defined transport functions or committing funding to providers. Functions would transfer only where consultation or partnership would not provide the authority needed to deliver an agreed regional priority.

Standing applies where national decision-making is appropriate. The Region would gain a defined route for agreed regional requirements into those decisions early enough for them to shape national and regulated plans, and for the resulting commitments to support the regional programme.

Changes to the terms apply where neither the function nor the decision moves, but existing rules prevent resources being applied as the programme requires. This includes appraisal, provider-assurance and financial rules that constrain integrated delivery.

Asks involving reserved matters are marked with an asterisk and would require engagement with the UK Government or UK regulators.

Reinvesting value created by regional investment

The Region seeks to reinvest an agreed share of identifiable financial or fiscal value created by the programme but realised elsewhere. Section 3.3 sets out the four mechanisms proposed for longer-term development with government.

Table 4.3: Reinvesting value created by regional investment

Area	What the Region is seeking	Counterparty	Route
Land and development value capture	A route by which a share of the uplift in land and property values created or enabled by regional investment can be captured and reinvested in the programme, with the designated area and basis of attribution agreed at the outset	Scottish Government	Legislation or extension of existing mechanisms; agreement on designation
Revenue retention	Retention, for a defined period, of growth in agreed revenues above an established baseline within a designated area, capable of supporting reinvestment and, where the risk of shortfall can be accommodated within agreed exposure limits, borrowing	Scottish Government	Extension of existing mechanisms; agreement on designation, baseline and duration
Supplementary business rates	A power to apply a supplementary rate to non-domestic properties above an agreed threshold within a defined area benefiting from a regional investment programme, for a defined period and hypothecated to that programme, with the rate, threshold, area, duration and consultation requirements agreed at the outset, and the proceeds capable of supporting reinvestment and borrowing	Scottish Government; COSLA	Primary legislation; agreement on designation, rate and duration; business consultation
Fiscal benefit sharing	A route by which an agreed share of demonstrable, attributable and cashable savings or additional receipts accruing to another public body returns to the programme, including through an Earnback-style approach and, where fiscal gains accrue through reserved taxes, potential UK Government contributions outside Barnett.	Scottish Government; HM Treasury*	Fiscal framework discussion; pilot agreement

*Reserved matter, requiring agreement with UK Government.

These mechanisms would require co-development with the Scottish Government and, where relevant, HM Treasury. Their potential contribution, fiscal treatment and conditions would be established through the joint work programme described in Section 4.3.

4.3 Early action, legislation and transition

Implementation would proceed on two tracks. The first would begin development of the ten-year inclusive economy plan and change how existing national and regional arrangements respond to its priorities. The second would establish the statutory institution able to hold the integrated programme, exercise transferred functions and carry financial responsibility and risk in its own right. Work on both should begin now.

The timing matters. Decisions now being taken will shape the arrangements through which regional priorities are delivered for years: the post-school skills review is underway, new strategic health boards are being established, bus reform is underway, and Great British Railways is being created. A regional dimension is more readily built into those arrangements while they are being designed than argued for once they are settled.

The route in outline

1 **Develop and test the proposition.** Engagement with member authorities and partners, followed by a Chief Executives' Group recommendation and Cabinet direction on whether to proceed with the two-track route.

2 **Develop the ten-year inclusive economy plan and proposed first integrated regional programme.** Establish the outcomes framework, prioritisation criteria and interim appraisal and assurance framework, and apply them through a programme business case. Alongside this, map the funding baseline and establish the joint work programme with government.

3 **Confirm political sponsorship and council authority.** Bring commitments requiring member authority approval through each council's governance processes. Where decisions span the May 2027 local government elections, political sponsorship and authority to proceed would be reconfirmed.

4 **Test and review.** Assess what can be achieved through existing powers and agreements and identify the constraints that continue to require statutory change.

5 **Establish the permanent model.** Proceed through the legislative route agreed with government, followed by staged commencement of the institution, its functions and delivery of the integrated programme underpinning the ten-year plan.

Work the Region can begin now

Subject to Cabinet direction, the Region will take the following forward using its existing capacity, ahead of and independently of any legislative route.

Drawing on the Programme Management Office, the Intelligence Hub and existing partnership arrangements, the Region will develop:

- the long-term regional direction and outcomes framework
- the ten-year inclusive economy plan, including the basis on which regional priorities would be identified, compared and selected
- an interim appraisal and assurance framework
- the regional account of the existing funding baseline
- options for governance, financial safeguards and transition
- a public narrative and engagement approach that explains what regional empowerment is for, who it is intended to benefit and how residents can shape and scrutinise its development
- the programme, analytical, legal, financial and transition capability required for the permanent model

The emerging outcomes framework, functional geography evidence and initial institutional and financial propositions in this paper provide the starting point. The Region will begin this work through its existing programme, analytical and partnership capacity. Additional transition and

capability funding sought in Section 4.2 would support the specialist appraisal, legal, financial and transition work required.

The first package

The first package will take forward the elements of the proposition that can be developed ahead of legislation. It would begin to turn the ten-year inclusive economy plan into a funded and deliverable programme.

The package will centre on a place-based business case for the proposed first integrated regional programme. The case would translate the initial priorities identified through the ten-year plan into connected interventions, delivery arrangements and funding requirements, while testing the governance, financial, assurance and accountability arrangements needed to hold it together.

Preparing the business case will require the proposed outcomes, prioritisation, appraisal and assurance frameworks to be developed and applied to a practical programme. The composition of the first programme would test the framework against both place-based and people-focused interventions, so that these are proven on each.

The Cabinet will be invited to agree the prioritisation basis and, following a recommendation from the Chief Executives' Group, the proposed composition of the first programme. The completed programme business case will return for decision before the Region or any member authority entered formal commitments.

The business case will set out a defined programme proposition and funding requirement. It will provide an evidence base for discussing the potential scope of an integrated settlement, rather than presupposing that scope. The Region will seek early agreement with the Scottish Government on how the business case should be prepared and how its findings would inform discussion of the settlement and legislative route.

Table 4.4: Proposed early actions, counterparties and evidence for review

Early action	Counterparties	Intended test	Evidence for review
Programme business case for the proposed first integrated regional programme	Member authorities; Scottish Government; relevant agencies, providers and delivery partners	Develops the proposed first programme and tests programme-level appraisal, distributional analysis, delivery agreements and the arrangements required to hold it together	Completed business case, responses from governments and partners, and identified constraints requiring statutory change
Skills test bed	Scottish Government; Scottish Funding Council; providers	Tests whether agreed regional requirements can shape commissioning and provision without duplicating national accountability, and whether barriers to cross-boundary and flexible provision can be removed	Evidence from commissioning and provision developed through the test bed
Innovation funding and co-commissioning	Scottish Government; Scottish Enterprise; UK Research and Innovation; Innovate UK	Tests whether greater regional discretion over innovation funding can be agreed and exercised through existing programmes and partnership arrangements, moving from alignment to co-commissioning ahead of any devolved commissioning role	Agreed regional priorities, co-commissioning arrangements entered into, and evidence of how regional decisions shape the deployment of resources
Alignment of national capability	Scottish Government	Tests whether the capability already applied to the Region can be identified and deployed against agreed regional priorities through joint working, co-location and secondment, ahead of any permanent transfer	An agreed account of the capability concerned, interim deployment arrangements in operation, and evidence of their effect on the delivery of regional priorities

Early action	Counterparties	Intended test	Evidence for review
Health strategic agreement	Scottish Government; NHS Greater Glasgow and Clyde; NHS Lanarkshire; health and social care partnerships	Tests whether a long-term strategic agreement can be agreed and carried into the new strategic board arrangements, covering shared outcomes, a joint health and employment pathway, prevention on the Region's footprint and data sharing	A strategic agreement, its reflection in the establishment of the new board, and initial joint activity under it
Regional employment support	UK Government and the DWP; Scottish Government; member authorities and Local Employability Partnerships	Establishes whether regional coordination of employment support, and in time a regional commissioning role, could be agreed, and on what terms	A record of the discussions, the terms on which an arrangement could proceed, and the matters requiring agreement at UK level
Funding baseline and settlement scope	Scottish Government; relevant UK departments and bodies	Establishes the funding baseline, candidate settlement scope and basis for assessing additionality	Agreed and contested elements of the baseline and candidate settlement scope
Permanent model work programme	Member authorities; Scottish Government; UK departments and bodies; SPT and the twelve councils in the transport area	Develops the legal, financial, institutional and transition arrangements required for the permanent model, including transport governance, bus reform sequencing, representation, funding and service continuity	Developed options, unresolved issues and proposed routes forward

Employment support differs from the other early actions in depending on a reserved counterparty. It is included as an approach the Region would make rather than an arrangement it can initiate, and the terms of any regional role would be settled through the permanent model work programme.

The limits of early action and the case for legislation

Early arrangements would operate through agreements between organisations retaining their own statutory responsibilities, budgets and accountability. They could change how existing decisions and resources respond to regional priorities, but could not:

- confer powers that the participating bodies do not hold
- bind a body that has not consented
- place liabilities on member authorities that they have not agreed
- provide the levy, borrowing, land assembly and function transfer powers sought through the permanent model

The early package is intended to prepare for and test the requirements of the permanent model, not to substitute for it.

The Region will publish a review once the programme business case has been completed and considered by the Cabinet. The review would use evidence and criteria developed with the Scottish Government and would inform subsequent spending and legislative decisions.

The review will assess:

- whether the proposed programme could be assembled and appraised across existing organisational and funding boundaries
- whether agencies, providers and member authorities could make sufficiently dependable commitments through existing arrangements
- which constraints continued to require statutory authority, dependable income or the ability to hold commitments and risk in one place, and the point at which agreement between organisations ceases to be sufficient
- whether the Region had demonstrated the capability required for greater discretion

- what further action was required

The Cabinet will consider the review and decide what position the Region should take into the next stage of engagement. The review will not itself commit any member authority to the permanent model.

Establishing the permanent model

In parallel, the Region would work with the Scottish Government and member authorities on the legislative, financial and transition arrangements required to establish the permanent model described in Section 3. This would cover the regional partnership, safeguards for member authorities, agreed transfers and the proposed transport authority and delivery arrangements.

The preferred route is for the necessary provisions to be accommodated within the Scottish Government's wider legislative approach to regional and local government reform. This proposition is intended to be useful to that process rather than parallel to it. The powers, safeguards, financial arrangements and transition provisions developed here would be capable of general application, with the responsibilities exercised and the pace of implementation varying by region. The Region welcomes being used to develop and prove those arrangements in practice, in advance of or alongside wider legislation.

If that route did not provide the powers required or could not proceed within a timeframe compatible with the delivery of the ten-year inclusive economy plan, Glasgow City Region seeks agreement with the Scottish Government on an alternative legislative route. The Region is working to have its programme, governance and transition arrangements sufficiently developed to proceed promptly once an appropriate route was available.

The Region will seek the Scottish Government's agreement to a joint approach to the UK Government on the reserved elements.

Immediate next decisions

Subject to feedback, the Chief Executives' Group and Cabinet would be invited to support the two-track route, development of the ten-year inclusive economy plan and proposed first integrated programme, and engagement with governments and affected bodies.

This would not approve the ten-year plan, the programme or permanent institution or commit any member authority. These matters would return separately for decision.

Annex A: Glasgow City Region as a functional economic geography

Glasgow City Region is an interconnected economic area. Labour market and housing market behaviour provides clear evidence that relationships cross individual council boundaries but operate substantially within the eight-authority geography.

A regional labour market

Employment is concentrated in Glasgow, which contains around half of the Region's jobs and seven in ten of its knowledge-intensive jobs. The city serves a wider regional labour market.

Analysis by Centre for Cities using 2022 Census origin-destination data found that:

- every town examined across the eight member authorities had residents commuting into Glasgow.
- in the average town, more than one in five working residents commuted to Glasgow.
- in Bishopbriggs, Rutherglen and Renfrew, the proportion was approximately half.[61]

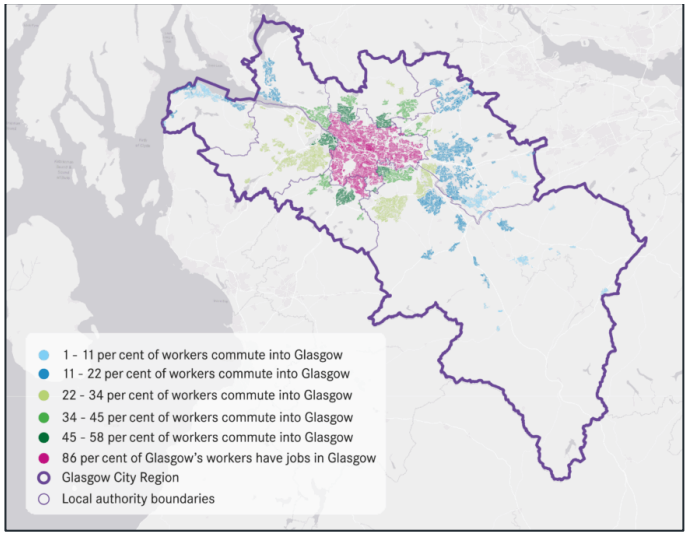


Figure A.1: Share of workers in each town commuting into Glasgow

Source: Centre for Cities analysis of Scottish Census 2022 data, 2025.

These flows demonstrate that residents routinely access employment across council boundaries, with Glasgow acting as the principal employment centre within a wider regional labour market.

A regional housing market

The 2024 Glasgow and the Clyde Valley Housing Need and Demand Assessment analysed more than 130,000 private transactions between 2013 and 2017. It found that 92% of buyers originating within the Region purchased their next home within it. When the eight authorities were considered together, the evidence supported the conclusion that the Region functions as a single housing market, while individual authorities did not meet the relevant self-containment threshold.

Residential moves therefore routinely cross council boundaries but remain overwhelmingly within the Region. Decisions affecting housing, infrastructure and accessibility in one authority can consequently affect households and demand elsewhere.

Regional connectivity

The labour-market relationships described above depend on connectivity across the Region. Centre for Cities estimates that around 880,000 residents can reach Glasgow's urban core within 30 minutes at peak time by a frequent bus or rail service.[62]

Transport accessibility is not treated here as an independent test of functional economic geography. It helps explain how the cross-boundary labour-market relationships evidenced above operate in practice.

[61] Centre for Cities (2025). *Let devolution flourish: How Glasgow spreads prosperity and why the City Region needs devolution*
[62] Centre for Cities (2023). *Miles better: Improving public transport in the Glasgow City Region*.

Annex B: Illustrative regional services baseline – spend in 2024/25

Purpose and status

This annex sets out an illustrative baseline of public expenditure across Glasgow City Region in 2024/25. It examines how key service areas are funded and delivered and provides the evidence for the account of current funding arrangements at Section 1.3.

The baseline is illustrative. It draws on published allocations where regional figures are available, and on attributed national expenditure and proxies where they are not. It is sufficient to show how funding for the Region is currently organised – across how many organisations, through how many separate programmes, and with what degree of regional control. It is not a sufficient basis for establishing the scope or quantum of a settlement. That requires a baseline established jointly with both governments, as described below.

Method and sources

The analysis reviewed publicly available budgets, annual accounts, financial reports and organisational publications for the Scottish Government, the eight member authorities, relevant national agencies, and major UK Government capital programmes and institutions. This was supplemented by targeted information requests to the eight member authorities and to four national bodies – Strathclyde Partnership for Transport, Skills Development Scotland, Transport Scotland and Scottish Enterprise – to address gaps identified in the published data.

Several national funding lines are not reported on a Glasgow City Region footprint. Where regional figures were unavailable, expenditure has been attributed or estimated using proxies.

The baseline is a single-year snapshot of expenditure. It does not record the forward commitments, whole-life operating and renewal liabilities or asset condition that a settlement baseline would need to capture, as described at Section 3.3.

Establishing the settlement baseline

The baseline on which a settlement would rest must be established jointly with the Scottish Government and the UK Government, as set out in Section 3.3 and Annex C B2. A baseline only performs its function if both governments own it. Its purpose is to establish what the Region would otherwise receive, so that regional contributions and matched investment can be shown to be additional to it. A baseline derived from the Region‘s own estimates would invite a discussion about methodology rather than about the scope of the settlement.

This work can begin ahead of legislation or agreement on a settlement, and the Region will take it forward as part of the first package described at Section 4.3.

What the exercise itself shows

The difficulty of assembling this baseline is itself evidence for the argument the paper makes. Substantial national expenditure and capability are directed towards Glasgow City Region, and no readily identifiable account of either exists. No organisation holds a view of what is spent in the Region, by whom, on what, or with what result – because no organisation is responsible for assembling one.

That matters beyond the settlement. Visibility of regional expenditure is a precondition for directing resources towards agreed outcomes, identifying duplication and gaps, and establishing whether public money is being used to best effect.

How to read the tables

For each service area, the assessment sets out the scale of expenditure, its sources of funding and the delivery arrangements through which it is applied, together with the principal constraints identified.

Transport				
Illustrative spend by category and sources of funding			**Revenue**	**Capital**
Public transport (c.£740m)	Scottish Government	Mixed programmes, spending and reimbursements	c.£310m	c.£345m
	Member authorities	Mixed formula funding and direct spending	c.£35m	-
	SPT	Mixed allocation, requisitions, grants and reserves	c.£25m	c.£25m
Transport planning and active travel (c.£95m)	Scottish Government	Mixed programme and attributed spending	c.£30m	c.£60m
	SPT	Regional allocation	c.£5m	c.£5m
Roads and network management (c.£425m)	Scottish Government	Primarily attributed programme spending	c.£60m	c.£150m
	Member authorities	Mixed formula funding and direct spending	c.£80m	c.£135m

Delivery model	
Responsibility for transport in Glasgow City Region is divided between several organisations. Only SPT is regional, and it holds the duty to plan the network without the powers to allocate funding to deliver it.	
National bodies control major funding streams and key statutory powers	
Scottish Ministers	Hold the statutory transport powers, set national strategy and approve the budget for every national programme in the region
Transport Scotland	Administers the great majority of that funding – trunk roads, rail, bus grant, concessionary travel, active travel – against national objectives
Network Rail	Owns and develops the rail network; invests against a five-year settlement agreed nationally
Scottish Canals	Navigation authority; invests within national grant-in-aid
Walk Wheel Cycle Trust	Custodian of the National Cycle Network; administers national programmes
Traffic Commissioner	Independent regulator of bus operators and services
There is one regional body, with a strategy it cannot fund	
SPT	Regional transport authority; operates the Subway and major bus stations, funds subsidised bus services, delivers transport projects and prepares the Regional Transport Strategy
Eight local authorities hold powers and deliver, with limited resource	
Member authorities	Roads, traffic and planning authorities for the local network; deliver across all six activities; each decides separately, within its own budget and approval cycle
Commercial operators decide the services most people use	
Bus operators	Deliver most bus services commercially and determine much of the region's route network, service frequency and public transport accessibility.
ScotRail	Operates services and most stations under a national grant agreement

Key constraints

- SPT sets the Regional Transport Strategy, but does not control much of the funding, assets or statutory powers needed to deliver it.
- Eight local authorities operate separate budgets and approval processes, while national infrastructure follows separate investment cycles, complicating cross-boundary delivery and accountability.
- Most bus services are commercially operated, leaving regional strategy separated from control over routes, frequencies and fares.
- Short-term and late-confirmed funding is poorly matched to the multi-year development, approval, procurement and construction of transport infrastructure.
- Ring-fenced funding, particularly for active travel and network management, restricts the ability to redirect investment as regional priorities, costs and delivery needs change.

Skills, education and employability				
Spend by category and sources of funding			**Revenue**	**Capital**
Skills provision & workforce development (c.£145m)	Scottish Government	Mixed national programme funding and allocations	c.£50m	-
	Member authorities	Mixed direct local expenditure and grants supporting community learning, adult learning and youth work	c.£30m	-
	Skills Development Scotland	Primarily commissioned apprenticeships, work-based learning and programme delivery	c.£65m	-
Further & higher education (c.£770m)	Scottish Funding Council	Primarily formula-based institutional funding and capital allocations	c.£770m	-
Learner & student support (c.£185m)	Scottish Government	Primarily ring-fenced student and learner support funding	c.£180m	c.£5m
Employability support (c.£65m)	Scottish Government	Mixed ring-fenced allocations and programme awards	c.£10m	c.£10m
	Member authorities	Mixed ring-fenced programme funding and direct local expenditure	c.£40m	-

Delivery model

National bodies control most funding and commissioning, while colleges, universities, local authorities and other providers deliver services through separate arrangements. This limits the ability to align skills provision and employment support consistently with regional workforce needs.

National bodies set policy and control major funding streams

Scottish Government	Sets national skills, education and employability policy, determines funding priorities and oversees national programmes and agencies.
Scottish Funding Council	Funds colleges and universities, including teaching provision and infrastructure. Will assume responsibility for national training programmes and apprenticeships from SDS in 2027.
Skills Development Scotland	Provides careers services, labour-market intelligence, workforce planning and apprenticeship administration.
SAAS	Administers tuition fee funding, student loans, bursaries and other student support.
DWP	Delivers UK Government employment and benefits-related services, including Jobcentre Plus, alongside Scottish and local employment support programmes.

Colleges, universities and training providers deliver education and skills provision within nationally determined funding arrangements

Colleges	Deliver further education, vocational training, apprenticeships and employer-focused skills provision, with funding and capacity shaped by national allocations and learner demand.
Universities	Deliver higher education, research and graduate skills development, with institutional funding and decisions about provision largely determined outside regional governance.
Independent training providers	Deliver apprenticeships, vocational training and specialist skills programmes through contracts with national agencies, employers and other funding bodies.

Local authorities and partnerships coordinate employability services, but operate within separate funding and commissioning arrangements

Member authorities	Plan, commission and deliver local employability programmes, working with national agencies, colleges, employers and third-sector organisations.
Local Employability Partnerships	Bring together local authorities, national agencies and delivery partners to coordinate employment support around local labour-market needs.
Third-sector and specialist providers	Deliver employment support, mentoring, training and specialist interventions through commissioned programmes and partnerships.

Key constraints

- Funding decisions are driven by national priorities, institutional allocations, learner demand and programme-specific requirements, which do not always align with employer needs or the skills required to support major regional investment.
- Responsibility for planning, funding and delivery is fragmented across SFC, SDS, colleges, universities, local authorities and employability partnerships, with no single organisation able to align skills provision, workforce planning and employment support across the Region.
- Labour-market intelligence is not consistently linked to investment and development pipelines, limiting the ability to anticipate workforce requirements, identify gaps in provision and coordinate responses before major projects and growth opportunities come forward.
- Colleges and training providers face financial and capacity constraints, limiting their ability to develop courses, adjust provision or respond to emerging employer demand where funding or learner numbers are insufficient.
- Separate funding, eligibility and commissioning arrangements make it difficult to connect employability support with training and progression into work, particularly where individuals need support from several organisations.

Housing, Planning & Regeneration				
Spend by category and sources of funding			**Revenue**	**Capital**
Housing supply & improvement (c.£450m)	Scottish Government	Primarily ring-fenced housing investment programmes and capital grants	-	c.£135m
	Member authorities	Mixed capital investment, housing programmes and direct local expenditure	c.£10m	c.£305m
Housing support & regulation (c.£115m)	Member authorities	Mixed direct service provision, commissioned support and statutory housing functions	c.£90m	-
	Scottish Government	Mixed national housing programmes, grants and regulatory support	c.£20m	c.£5m
Regeneration & place transformation (c.£220m)	Scottish Government	Mixed ring-fenced regeneration programmes and capital investment	c.£20m	c.£25m
	Member authorities	Mixed direct local expenditure and capital investment	c.£145m	-
	UK Government	Typically ring-fenced and project specific	-	c.£30m
Culture, heritage & tourism (c.£275m)	Scottish Government	Mixed programme grants and capital investment	c.£85m	c.£15m
	Member authorities	Mixed direct local expenditure, grants and cultural investment	c.£100m	c.£75m

Delivery model

Housing, planning and regeneration are primarily delivered locally, but the funding, land, infrastructure and delivery powers needed to bring forward major developments are spread across national bodies, councils and private partners. This limits the ability to coordinate investment and deliver strategic places across the Region.

National bodies set policy, regulate housing and planning, and control major funding programmes	
Scottish Government	Sets national housing, planning and regeneration policy, provides funding through housing and regeneration programmes, and establishes the planning framework.
Scottish Housing Regulator	Regulates registered social landlords and monitors their governance, financial position and performance.
Eight local authorities plan development and coordinate housing and regeneration, but operate through separate budgets and statutory processes	
Member authorities	Prepare Local Development Plans and Local Housing Strategies, determine planning applications, deliver housing services and coordinate local regeneration and development projects. Each operates within its own statutory responsibilities, funding and approval arrangements.
Housing providers and developers deliver most new homes, but depend on separately controlled funding, land and infrastructure	
Registered Social Landlords / Housing Associations	Develop and manage affordable and social housing, supported through public grants, borrowing and other funding.
Private housing developers	Deliver private and mixed-tenure developments, with investment decisions influenced by development viability, land availability and infrastructure requirements.
Regeneration partnerships and community organisations deliver place-based projects, but long-term capacity varies across the Region	
Urban Regeneration Companies, including Clyde Gateway	Develop and deliver major regeneration programmes, bringing together land, investment and development activity over extended periods.
Community and third-sector organisations	Develop and deliver locally led regeneration, community asset and place improvement projects.
Infrastructure providers control essential investment needed to unlock development	
Transport, utilities and other infrastructure providers	Plan and deliver infrastructure needed to support housing and regeneration, including transport connections, drainage, energy networks and other enabling works, through separate investment and approval arrangements.

Key constraints

- Planning, housing and infrastructure investment are not sufficiently coordinated, making it difficult to bring forward well-connected development where transport, utilities, drainage and other services must be delivered alongside new homes and employment space.
- Responsibility for land, planning, funding and delivery is spread across eight councils, national bodies, infrastructure providers and private developers, with no single organisation able to assemble and manage the full package of decisions and investment required for strategically important locations.
- Constrained local authority resources and specialist development capacity limit early-stage project preparation, including masterplanning, land assembly, viability assessment and the development of investment-ready proposals.
- Regeneration depends heavily on short-term, ring-fenced and competitive funding, which is poorly matched to the long-term investment and stewardship needed to transform town centres, vacant sites and other strategic locations.

Infrastructure				
Spend by category and sources of funding			**Revenue**	**Capital**
Public infrastructure (c.£20m)	Scottish Government	Mixed capital grants, City Deal funding and national infrastructure programmes	c.£5m	c.£15m
Delivery model				
Infrastructure is funded and delivered through national programmes, local authority capital budgets and partnerships. Separate funding, investment and approval arrangements limit the ability to coordinate long-term infrastructure investment around regional priorities.				
National bodies set investment priorities and control major funding programmes				
Scottish Government	Sets infrastructure strategy, provides capital funding and oversees national infrastructure investment programmes.			
UK Government	Provides funding for major infrastructure and place-based investment programmes, including the Glasgow City Region Deal.			
Infrastructure Investment Board	Provides strategic advice and direction on infrastructure investment priorities to Scottish Ministers.			
National delivery bodies provide specialist expertise, but do not coordinate all regional investment				
Scottish Futures Trust	Supports infrastructure strategy, investment, financing and project delivery across the Scottish public sector.			
Eight local authorities plan and deliver infrastructure through separate capital programmes				
Member authorities	Plan, fund and deliver local infrastructure and public assets through individual capital budgets, asset plans and approval processes.			
Glasgow City Region	Coordinates the City Deal investment programme and wider regional investment priorities, working with member authorities and government partners.			
Infrastructure providers plan and deliver essential networks through separate investment arrangements				
Infrastructure and utility providers	Plan, fund and deliver infrastructure within their respective responsibilities, including energy, water, drainage and telecommunications networks. Investment decisions follow separate regulatory, commercial and approval arrangements.			
Key constraints				
• Infrastructure funding is often ring-fenced, programme-specific or time-limited, making it difficult to plan, prioritise and sequence major investment over the periods required for development and delivery. • Responsibility for infrastructure planning, financing and delivery is spread across national bodies, eight local authorities and infrastructure providers, with no single organisation able to coordinate the full regional investment pipeline. • Member authorities operate separate capital budgets, asset plans and approval processes, complicating the prioritisation and delivery of cross-boundary infrastructure projects. • Infrastructure investment is not consistently aligned with housing, regeneration and economic development priorities, making it harder to address development viability gaps and coordinate the transport, utilities, drainage and other enabling works needed to unlock strategic sites. • Limited early-stage project development funding and specialist delivery capacity can prevent strategically important schemes from becoming investment-ready, delaying delivery and opportunities to secure wider public and private investment.				

Business growth and innovation				
Spend by category and sources of funding			**Revenue**	**Capital**
Business support & growth (c.£110m)	Scottish Government	Mixed national programme funding and agency allocations	c.£20m	c.£25m
	Member authorities	Mixed direct local expenditure and programme delivery	c.£45m	-
	Scottish Enterprise	Mixed specialist business support, grants and growth programmes	c.£15m	-
Inward investment (c.£60m)	Scottish Enterprise	Mixed investment promotion, business finance and specialist support	-	c.£30m
	Scottish Government	Primarily programme-specific investment funding	c.£15m	c.£15m
Research and innovation (c.£65m)	Scottish Enterprise	Primarily direct innovation and commercialisation programme support	c.£15m	-
	UK Government / UKRI / Innovate UK	Primarily competitive research, innovation and commercialisation funding	-	c.£45m

Delivery model

Business support and innovation are delivered through national agencies, local authorities, universities and specialist providers, with funding and investment decisions spread across separate programmes. This makes it difficult to offer businesses a coordinated route from initial support through innovation, investment and growth.

National bodies set policy and control major funding and investment programmes	
Scottish Government	Sets national economic development and innovation policy, provides funding and establishes priorities for business support, investment and innovation programmes
UK Government	Sets UK-wide business and innovation policy and funds programmes supporting research, investment and business growth.
UKRI / Innovate UK	Fund research, business innovation, collaborative development and commercialisation through national programmes and competitive funding.
National agencies and investment institutions provide specialist support, finance and international connections	
Scottish Enterprise	Supports business growth, productivity, innovation, commercialisation, investment and internationalisation through specialist advice, expertise and funding.
Scottish Development International	Supports inward investment, exports and international trade, connecting businesses and investors with international opportunities.
British Business Bank	Supports access to finance for SMEs through investment funds, lending programmes and partnerships with finance providers.
Scottish National Investment Bank	Provides long-term investment to support business growth, innovation and strategic economic opportunities.
Local authorities provide business support, but have limited influence over national programmes	
Member authorities	Deliver local economic development and business support, including Business Gateway services, and work with national agencies to support businesses and investment opportunities.
Universities, innovation centres and regional partnerships support research and commercialisation	
Universities and innovation centres	Undertake research, support knowledge exchange and commercialisation, and work with businesses to develop and adopt new technologies.
GCR innovation partnerships	Coordinate regional innovation priorities and initiatives, working with Scottish Enterprise, Innovate UK, universities and other partners.

Key constraints

- Business support is delivered through multiple organisations with different eligibility criteria, funding arrangements and customer-management systems, making it difficult for firms to navigate available support and access the right expertise and finance as their needs change.
- Research, commercialisation, business support and growth finance are funded and managed separately, creating gaps between developing new ideas, bringing them to market and helping businesses grow and scale.
- Funding is often competitive, short-term and programme-specific, limiting the ability to sustain specialist capability, develop long-term relationships with businesses and investors, and coordinate investment around regional opportunities.
- National programmes do not consistently reflect Glasgow City Region's particular economic strengths and business needs, while limited regional influence over funding and investment decisions restricts the ability to target emerging opportunities and coordinate support across organisations.
- Innovation support does not consistently reach the wider business base, particularly smaller firms and established businesses seeking to improve productivity through technology adoption, management practices and new ways of working.

Rural development & land management				
Spend by category and sources of funding			**Revenue**	**Capital**
Rural & agricultural development (c.£30m)	Scottish Government	Primarily agricultural support payments, rural development grants and programme funding	c.£25m	c.£5m
Land & environmental management (c.£45m)	Scottish Government	Mixed land reform, forestry, environmental management and natural resource programmes	c.£20m	c.£15m
	Member authorities	Mixed direct local expenditure on countryside management, outdoor access and environmental stewardship	c.£5m	-
Marine & coastal development (c.£10m)	Scottish Government	Mixed ring-fenced marine grants and programme funding	c.£10m	-

Delivery model

Rural development and land management are largely funded and governed nationally, while delivery depends on landowners, businesses, local authorities and community organisations. Separate funding and delivery arrangements limit the ability to coordinate investment around the needs of rural communities and businesses across the Region.

National bodies set rural policy and control major funding programmes	
Scottish Government	Sets policy and provides funding for agriculture, rural development, fisheries, forestry, land reform and environmental land management.
Scottish Land Commission	Provides evidence, advice and guidance to support land reform and improvements in how land is owned, managed and used.
National land and environmental bodies manage public assets and support land management	
Forestry and Land Scotland	Manages Scotland's national forests and land on behalf of Scottish Ministers.
Scottish Forestry	Supports forestry policy and administers funding and regulatory arrangements for woodland creation and management.
Local authorities and regional partners support rural development, but have limited influence over national programmes	
Member authorities	Support rural economic development, local infrastructure, land-use planning and community initiatives within their areas, working with national agencies and local partners.
Glasgow City Region	Coordinates regional economic and spatial priorities, including opportunities affecting rural communities, businesses and land use.
Landowners, businesses and communities deliver activity through separate programmes and partnerships	
Farmers, landowners and land managers	Undertake agricultural production, woodland management and environmental improvements, supported by national grants and payments
Rural businesses	Deliver economic activity across agriculture, tourism, food production and other sectors, accessing business support, skills and investment programmes.
Rural communities and third-sector organisations	Develop and deliver community-led projects, including local development, land management and community asset initiatives.
Marine and coastal businesses	Undertake marine and coastal economic activity, including fisheries and related industries, supported by relevant national programmes.

Key constraints

- Rural development depends on several funding and delivery systems operating separately, including agriculture, business support, skills, transport, digital connectivity and land management, making it difficult to address the combined needs of rural communities and businesses.
- Rural businesses can face greater barriers to accessing finance, specialist support, skills and innovation programmes, particularly where services and investment are concentrated around urban centres or designated economic clusters.
- Responsibility for rural development is spread across national agencies, local authorities, landowners and community organisations, with limited regional capacity to coordinate investment and delivery across these organisations.
- Land-use, environmental and economic development decisions are not consistently coordinated, limiting opportunities to combine investment in productive land use, environmental improvement, infrastructure and rural economic development.

Energy transition				
Spend by category and sources of funding			**Revenue**	**Capital**
Decarbonisation & energy efficiency (c.£150m)	Scottish Government	Mixed ring-fenced decarbonisation programmes and capital investment	c.£15m	c.£110m
	Scottish Enterprise	Mixed investment support and programme funding	c.£15m	-
	UK Government	Typically ring-fenced and project specific	-	c.£5m
Energy infrastructure & transition (c.£10m)	Scottish Government	Mixed energy infrastructure programmes and investment support	-	c.£5m

Delivery model

Energy policy and major investment decisions are largely determined nationally, while energy networks and projects are delivered through separate regulatory, commercial and funding arrangements. This limits the ability to coordinate energy investment with regional development priorities.

National bodies set energy policy, regulation and funding arrangements	
Scottish Government	Sets devolved energy and decarbonisation policy, provides funding and supports Scotland's transition to a net zero energy system.
UK Government	Holds reserved energy powers and establishes major elements of the UK energy policy and investment framework.
Ofgem	Regulates electricity and gas networks, including the price-control arrangements governing network investment.
Energy network operators plan and deliver infrastructure through regulated investment programmes	
Energy network operators	Plan, finance and deliver electricity and gas network investment within nationally regulated frameworks, including upgrades required to accommodate changing energy demand and generation.
National agencies support investment, innovation and business transformation	
Scottish Enterprise	Supports business investment, innovation, supply-chain development and commercial opportunities associated with the energy transition.
Zero Waste Scotland	Supports clean heat and the circular economy, including heat network development, local heat planning and advice on reducing emissions and resource use.
Scottish Futures Trust	Provides specialist support for developing and delivering heat networks and other infrastructure investment projects.
Energy Saving Trust / Home Energy Scotland	Provides advice and access to Scottish Government-funded grants and loans for household energy efficiency and low-carbon heating.
Local authorities and delivery partners implement decarbonisation and energy projects	
Member authorities	Develop and deliver local decarbonisation activity, including public estate improvements, heat planning and locally supported energy projects.

Key constraints

- Energy network investment is planned through separate regulatory and commercial arrangements, making it difficult to align infrastructure upgrades with housing, regeneration, industrial development and other regional investment priorities.
- The Region lacks a consistent view of energy network capacity, future demand and planned investment, limiting the ability to identify constraints early and coordinate infrastructure requirements across strategic development locations.
- Funding for early-stage project development and enabling infrastructure is limited, making it difficult to prepare viable energy projects and attract wider public and private investment.
- Responsibility for energy policy, investment and delivery is spread across governments, regulators, network operators and delivery partners, with no single regional mechanism for coordinating their investment decisions around the Region's development priorities.

Annex C: Consolidated register of asks

The routes shown are the Region's proposed routes and are presented for discussion with the Scottish Government. They have not been confirmed legally, and would be settled as part of the joint work programme described at 4.3.

Ask		Counterparty	Route / instrument
Foundations			
Legal and corporate capacity			
A1	A statutory regional institution able to receive and hold funding, hold reserves and operate a treasury function, contract and enter long-term agreements, own and manage assets, borrow and service debt, invest, co-invest and recycle returns, employ staff, commission and grant-fund, accept delegated and transferred functions, participate in delivery vehicles, and carry defined risk in its own right; including a statutory power to issue a levy to member authorities for amounts properly due under agreed commitments, and a duty to balance its books equivalent to that applying to Scottish local authorities. The regional partnership would be subject to the public sector equality duty and the Fairer Scotland Duty.	Scottish Ministers / Scottish Parliament	Primary legislation
A2	Statutory provision for member authority consent thresholds, bounded financial exposure, apportionment, financial recourse, and the treatment of withdrawal and default.	Scottish Ministers / Scottish Parliament	Primary legislation
Integrated settlement			
B1	An agreed scope of funding lines and activity within the settlement, with in-scope streams and a stated basis for periodic review and extension. The proposed scope would include regional funding and activity relating to: transport, including regionally significant roads; regeneration, vacant and derelict land and town centre investment; enabling infrastructure for housing and employment land; employability, additional skills investment and preventative activity aligned to agreed regional outcomes; business support and innovation, including the portfolio at D7; and the programme, appraisal and administrative capability required to operate the regional partnership.	Scottish Ministers	Settlement agreement
B2	A dependable baseline of national funding that would otherwise flow to the Region across in-scope lines, established jointly and maintained.	Scottish Government; relevant UK departments and bodies*	Joint analytical exercise, then agreement
B3	Settlement duration aligned to the programme period, with an agreed basis for rolling forward.	Scottish Ministers	Agreement, constrained by spending review
B4	Revenue alongside capital with a variable balance, including provision for development expenditure, whole-life operation and renewal, and double running on preventative activity.	Scottish Ministers	Settlement agreement
B5	Flexibility to move resources across years, policy areas and funding types within scope.	Scottish Ministers	Settlement agreement
B6	Assurance at programme level: Scottish Government confirmation that a programme business case meets the agreed assurance framework and falls within the scope and terms of the settlement, with grounds for declining limited to those tests, together with a single annual report on programme outcomes, distribution and financial position, replacing scheme-by-scheme assurance across in-scope funding lines.	Scottish Ministers	Assurance framework agreed with Scottish Government; Scottish Public Finance Manual
B7	Member authority contributions and borrowing treated as additional to national funding and not as substitution, with retained revenues not offset elsewhere in the settlement and no reduction to the local government finance settlement in aggregate or for individual authorities.	Scottish Ministers	Agreement, dependent on B2

Ask		Counterparty	Route / instrument
B8	Transition and capability funding for programme design, appraisal, distributional analysis and financial structuring.	Scottish Ministers	Grant / administrative
Collective financial capacity			
C1	Collective borrowing against dependable income and the levy, with agreed affordability, repayment and recourse arrangements, and a resolved basis for liquidity and subsequent recovery in the event that a member authority cannot meet a properly issued levy.	Scottish Ministers / Scottish Parliament	Primary legislation; consent on limits; lender and legal testing
C2	Retention and recycling of repayments, investment income and capital returns within the programme.	Scottish Ministers	Budgetary treatment / agreement
C3	Local government sector classification and an equivalent prudential regime, with access to the Public Works Loan Board and borrowing assessed against the regional partnership's own financial framework. Six matters require resolution: classification, prudential treatment and access to borrowing; the interaction between regional borrowing and the Scottish Government's capital budget and fiscal framework; the effect of backing on member authorities' own borrowing capacity; the legal construction of the levy and any subsequent precepting power, including member authorities' obligations where national council tax policy constrains their revenue; the liquidity, security and recovery arrangements applying where an individual member authority cannot meet a properly issued levy; and the accounting and group-account treatment for member authorities.	Scottish Ministers; HM Treasury*; prospective lenders	Classification determination; fiscal framework agreement; accounting treatment
C4	An agreed methodology for establishing the matched investment the Scottish and UK Governments would provide alongside regional contributions, covering the baseline, attribution of additional fiscal benefits, the proportion and form of government contributions, and their timing and fiscal treatment. The methodology would be developed alongside the first integrated programme business case and applied to subsequent programmes.	Scottish Ministers; HM Treasury*	Fiscal framework discussion; settlement agreement
C5	A route by which UK Government investment in the regional programme can be provided directly and outside Barnett consequentials, reflecting that a material part of the fiscal gain from higher participation and employment accrues on reserved taxes for which no Barnett route to Scotland exists; additional to Scottish Government funding of the programme and not reducing the Scottish block grant or the local government finance settlement.	HM Treasury*; Scottish Ministers	Fiscal framework discussion; agreement with UK Government
C6	Statutory provision for a precepting power capable of being brought into effect subsequently, on the unanimous agreement of the member authorities and a decision of each full council; not sought at establishment.	Scottish Ministers / Scottish Parliament	Primary legislation.
C7	Power to give guarantees, indemnities and first-loss or subordinated commitments in support of investment in adopted regional priorities, within agreed exposure limits and with contingent liabilities reported alongside borrowing and commitments.	Scottish Ministers / Scottish Parliament	Primary legislation.
Enablers			
Transferred functions and funding			
D1	Statutory provision for the transport authority function to be exercised by the body holding the integrated regional programme, with Strathclyde Partnership for Transport continuing as the delivery body discharging its operational functions under direction across the existing transport area. Including the form and limits of direction, the treatment of existing assets and outstanding borrowing, and classification and prudential treatment.	Scottish Ministers / Scottish Parliament	Primary legislation; transfer scheme
D2	Transport Scotland functions and funding as they apply in the Region, including responsibility and funding for regionally significant roads, alongside bus support, fares and concessionary travel programmes. The precise division of roads responsibilities between national, regional and local levels would be agreed.	Scottish Ministers / Transport Scotland	Secondary legislation + budget transfer

Ask		Counterparty	Route / instrument
D3	Defined authority over regional public transport service levels, fares, concessions, integrated and smart ticketing, and passenger information.	Scottish Ministers / Transport Scotland	Secondary legislation; boundary with the Transport (Scotland) Act 2019 to be resolved
D4	Power to acquire, hold, develop and assemble land for adopted regional priorities, including acquisition in advance of need and compulsory purchase exercised in the regional partnership's own name and confirmed by Scottish Ministers on the established basis, together with power to dispose at less than best consideration where justified by agreed programme outcomes, within a framework equivalent to that applying to Scottish local authorities	Scottish Ministers / Scottish Parliament	Primary legislation
D5	Power to designate masterplan consent areas in respect of priorities adopted within the integrated regional programme, specifying the development permitted and the design, density, quality, infrastructure and phasing requirements attaching to it; exercisable only for adopted priorities, subject to consultation with the planning authority and the communities affected. Planning authority functions in respect of all other development would be unaffected.	Scottish Ministers / Scottish Parliament	Primary legislation
D6	A regional skills and workforce planning function for Glasgow City Region, with associated staff and funding, able to establish regional labour market demand at the granularity required by the integrated programme, connect it to committed investment and delivery pipelines, provider capacity, employer requirements and learner pathways, and express it as the regional requirement to be reflected in commissioning and provision; built on national labour market intelligence rather than duplicating it.	Scottish Ministers	Budget and staff transfer; agreement on the relationship with national labour market intelligence functions
D7	Discretion over a defined regional innovation and business support portfolio, deployable across commercialisation, scale-up, adoption and diffusion, including the Region's Local Innovation Partnerships Fund allocation and any further devolved later-stage innovation funding, on terms equivalent to those announced for established mayoral strategic authorities in England.	Scottish Ministers / DSIT* / UKRI*	Budget + agreement
D8	Transfer to the Region of the capability required to deliver the regional remit, from the Scottish Government and its agencies or their successor bodies, including the associated staff, funding and functions.	Scottish Ministers	Budget and staff transfer; secondary legislation where the function is statutory
D9	Inward investment capability principally concerned with Glasgow City Region should increasingly be held regionally, enabling the Region to develop and lead its own investment proposition, backed by the sites, consents, skills commitments and co-investment required to convert investor interest into delivery. How existing staff, relationships, account management and overseas representation support that model, and what should transfer over time, would be developed with the Scottish Government and its agencies.	Scottish Ministers	Budget and staff transfer; secondary legislation where the function is statutory
Formal standing in others' decisions			
E1	Formal weight for agreed regional requirements in Scottish Water's business planning and investment programme, with participation in programme design before propositions are fixed	Scottish Ministers / Scottish Water	Ministerial direction to Scottish Water
E2	Equivalent weight for agreed regional requirements in electricity network and digital infrastructure investment planning.*	UK Government / Ofgem, Ofcom*	Price control and licence frameworks; regulatory guidance
E3	A formal regional partnership with Great British Railways and ScotRail covering rail strategy and service planning, timetable development, fares and multimodal ticketing, stations and interchange, data sharing and joint	Scottish Ministers / Transport Scotland,	Ministerial direction; agreement

Ask		Counterparty	Route / instrument
	investment planning; alongside formal regional agreements on Clyde ferry infrastructure, services and investment.	Scottish Rail Holdings, CMAL, GBR	
E4	A standing arrangement with the Scottish Funding Council to jointly agree regional skills and workforce requirements, informed by the planning function at D6, and reflect them in commissioning and collaborative provision. Providers would be able to respond collectively to regional requirements, including identifying where existing provision can respond and where additional capacity or investment is required, with their contributions recognised within existing funding, outcomes and assurance arrangements rather than through separate reporting.	Scottish Ministers / Scottish Funding Council	Letter of guidance to SFC
E5	A formal relationship with the Scottish Government and its agencies covering the capability that remains national, under which agreed regional priorities shape sector development, account management of nationally significant investors and the use of Scotland's international network in support of the regional proposition; including arrangements for joint handling of investor enquiries, shared pipeline visibility and agreed respective roles where a national and a regional interest both arise.	Scottish Ministers	Remit letter; standing agreement
E6	Agreed arrangements with DWP for coordination of employment support across the regional labour market, including a regional commissioning role in any employment support devolved to regions in Scotland.*	UK Government / DWP*	Agreement
E7	Direction to national bodies and the NHS to engage on how land and assets they hold within the Region are coordinated, contributed or made available to the programme, without requiring transfer into regional ownership.	Scottish Ministers	Ministerial direction; agreement
E8	Co-investment relationships with the Scottish National Investment Bank and the National Wealth Fund around the regional pipeline, those bodies retaining their own appraisal and approval.	Scottish National Investment Bank; National Wealth Fund	Agreement / MoU
E9	Co-commissioning arrangements with UK Research and Innovation and Innovate UK for activity aligned to the regional portfolio.	UK Research and Innovation; Innovate UK*	Agreement
E10	A long-term strategic agreement with NHS Greater Glasgow and Clyde and NHS Lanarkshire, carried forward into the establishment of the western strategic health board, covering shared outcomes, alignment of plans with the regional programme, a joint health and employment pathway, data sharing, the boards' anchor role and a public health and prevention function on the Region's footprint; with recognition of the Region as a planning and commissioning area within the western board.	Scottish Ministers; NHS boards	Strategic agreement; terms of board establishment
E11	Formal weight for agreed regional adaptation and resilience requirements in the investment and planning decisions of the bodies responsible for them, including SEPA's flood risk management planning, Scottish Water's drainage and surface water investment, Transport Scotland's network resilience programmes and the Scottish Government's adaptation programme; with the Region's assessment of shared risks across the Clyde catchment and its wider regional geography recognised as the basis on which those requirements are set, and with participation in programme design before investment priorities are fixed.	Scottish Ministers; SEPA; Scottish Water; Transport Scotland	Ministerial direction; flood risk management and adaptation planning frameworks; agreement
National rules, conditions and frameworks			
F1	Recognition of programme-level appraisal, with distributional and place-based analysis applied as standing outputs and proportionate technical appraisal retained for individual interventions beneath the programme case.	Scottish Government/ Transport Scotland	Scottish Public Finance Manual and STAG guidance; assurance framework
F2	Identification and testing, with the Scottish Government and the Scottish Funding Council, of flexibilities within national funding and eligibility arrangements that presently prevent cross-boundary access to provision and/or	Scottish Ministers / Scottish Funding Council	Funding rules / administrative

Ask		Counterparty	Route / instrument
	constrain short-course, modular, part-time, work-based and cross-institutional delivery where it meets agreed regional priorities.		
F3	Clear rules on blending grant and recoverable finance, subsidy control, and the accounting and budgetary treatment of equity and patient capital.	Scottish Government; UK subsidy control framework*	Guidance / administrative
F4	Standing access to the administrative and operational data required for regional programme appraisal, distributional analysis and evaluation, including skills, employability and benefits,* health, housing, business and transport data; supported by agreed data-sharing and linkage arrangements, with the necessary legal basis and safeguards for the regional partnership to use that data.	Scottish Ministers; UK Government*	Data sharing agreements; statutory gateway provision where required; information governance approvals
Reinvesting value created by regional investment			
G1	A route by which a share of the uplift in land and property values created or enabled by regional investment can be captured and reinvested in the programme, with the designated area and the basis of attribution agreed at the outset.	Scottish Ministers / Scottish Parliament	Primary legislation or extension of existing mechanisms; agreement on designation
G2	Retention, for a defined period, of growth in agreed revenues above an established baseline within a designated area, including negotiated retention of agreed tax revenues, capable of supporting reinvestment and, where the risk of shortfall can be accommodated within agreed member authority exposure limits, borrowing; building on existing Scottish mechanisms rather than requiring a new general power.	Scottish Ministers / Scottish Parliament	Primary legislation or agreement, depending on model; agreement on designation, baseline and duration
G3	A power to apply a supplementary rate to non-domestic properties above an agreed threshold within a designated area benefiting from a regional investment programme, hypothecated to that programme and applying for a defined period; with the rate, threshold, designated area, duration, consultation requirements and treatment of reliefs agreed at the outset, and the proceeds capable of supporting reinvestment and, where the income is sufficiently dependable, borrowing. No Scottish equivalent of the Business Rate Supplements Act 2009 presently exists, so the enabling power would require primary legislation.	Scottish Ministers / Scottish Parliament; COSLA	Primary legislation; agreement on designation, rate, threshold and duration; business consultation
G4	A route by which an agreed share of demonstrable, attributable and cashable savings or additional receipts accruing to another public body returns to the programme, tested on a single named priority with baseline, attribution and basis of measurement agreed in advance, rather than established as a general mechanism	Scottish Ministers; HM Treasury*	Fiscal framework discussion; pilot agreement

* reserved matter, requiring agreement with UK Government or UK regulators.