Item 10 (a)

17th November 2026

Glasgow City Region Cabinet

Report by: Kevin Rush, Executive Director of Economic Growth

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Local Growth Fund Assurance Framework

Purpose of Report:

The report contains the draft Local Growth Fund Assurance Framework to support the management and governance of the Local Growth Fund across Glasgow City Region

Recommendations:

The Cabinet is asked to:

a) note and approve the Local Growth Fund Assurance Framework.

1. Purpose of the Report

1.1. The report contains the draft Local Growth Fund Assurance Framework to support the management and governance of the Local Growth Fund across Glasgow City Region.

2. Background

2.1. Glasgow City Region (GCR) was awarded a total of £60.9M to deliver the Local Growth Fund (LGF) over three years (2026/27 – 2028/29). The fund comprised £18.4M revenue funding for Business Support and Skills and Employment support and £42.4M for Capital Investment.

2.2. The Investment Plan was approved by UKG in August 2026. This plan sets out the proposed approach to both Revenue and Capital spend GCR will take over the next three years.

3. Local Growth Fund Assurance Framework

3.1. The LGF Assurance Framework has been modelled on the UK Shared Prosperity Fund Assurance Framework and is designed to support the management and governance of the LGF over its duration.

3.2. The LGF Assurance Framework is contained as an Appendix to this report.

4. Recommendations:

4.1. The GCR Cabinet is asked to:

a) The note and approve the Local Growth Fund Assurance Framework.

Appendix 1

Glasgow City Region Local Growth Fund; Assurance, Governance and Minimum Monitoring Standards

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1. Introduction and background

Through the Local Growth Fund, the UK Government will invest £140 million across five Regional Partnerships in Scotland. Glasgow City, Edinburgh & South East Scotland, Tay Cities, Ayrshire and Forth Valley will receive funding to deliver their 3-year Investment plans focusing on three interconnected priorities:

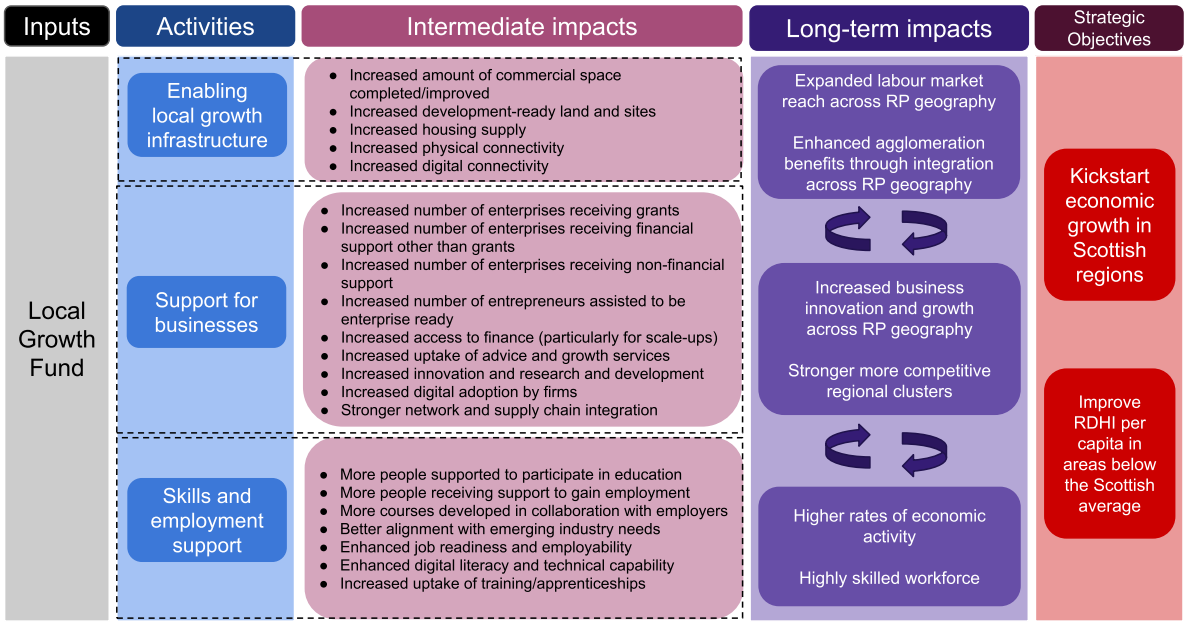
- Enabling local growth infrastructure;
- Supporting local businesses to innovate and grow; and
- Delivering the skills and employment support required for the industries of the future.

This fund is deliberately designed to provide strategic, flexible investment. The focus of this Prospectus is to set out how the UK Government will empower regional leaders, businesses, educational institutions, and the third sector to come together and design targeted 3-Year Investment Plans.

The LGF in Scotland supports the UKG Growth Mission to improve living standards (measured by RDHI per capita) for working people by investing in economic growth in the Scottish regions that contain the areas with the lowest living standards. It will provide strategic flexible investment to drive economic growth and build fairer and more productive regional economies.

By backing the economic strategies of RPs, this investment will work alongside other reserved and devolved investments to support regional skills, employability and business support services; as well as deliver essential enabling infrastructure such as commercial centres, housing, digital connectivity, or integrated transport.

The high-level logic model (below) frames the fund's aims around intermediate and long-term impacts. This model is a guide, not prescription, and RPs should integrate other funding streams and tailor interventions to local contexts.



LGF funded activities are required to align with regional economic strategies that deliver regional outputs and outcomes (i.e. not be restricted in impact to a single local authority area). To support greater regional integration and efficiencies, wherever possible LGF funded activities should be managed, monitored and evaluated by shared regional resources - such as a regional project management office, regional intelligence hub and other shared services.

2. GCR Approach

GCR have submitted a joint Investment Plan to UKG. GCR is the most mature city region structure in Scotland.

The Local Growth Fund has a focus on regionality which previous funds have not had. Year 1 revenue has been allocated to the Member Authorities on the same basis as UKSPF as a transition year.

	2026/27	Proportion
E. Dunbartonshire	£269,100	3.90%
E. Renfrewshire	£255,300	3.70%
Glasgow City	£2,773,800	40.20%
Inverclyde	£365,700	5.30%
N. Lanarkshire	£1,414,500	20.50%
Renfrewshire	£483,000	7%
S. Lanarkshire	£938,400	13.60%
W. Dunbartonshire	£400,200	5.80%
Total	£6,900,000	100%

Table 1 LGF Y1 Revenue by MA

While the GCR has overall programme responsibility as the Lead Authority, delivery for year one Revenue will take place at the Member Authority level and will be responsible for managing any delivery and/or financial risks.

For Year 2 and 3 of Revenue, this will be delivered regionally and split 30% Business Support and 70% Skills and Employability as agreed by the Chief Executives' Group and Cabinet. These projects are yet to be determined and will be approved by Cabinet in November 2026.

The Capital amount will be split between the Enabling Commercial Space (ECS) Programme, Regional Projects of Scale and Green Business Support.

Enabling Commercial Space builds on the existing City Deal funded ECS Programme. The ECS Strategic Outline Programme Business Case was approved by both UK and Scottish Government and the GCR Cabinet in Feb 2025 and was created to utilise £64.57m of reallocated City Deal funds. This ECS Programme has been extended with an additional allocation of £20m of LGF and has been allocated in line with the original City Deal Programme funding approach/percentage shares.

The Regional Projects of Scale are being developed in 2026/2027 and delivered in years two and three of the programme. The GCR Head of Place is working with Regional Partners to develop the approach. The three priorities for this are strategic employment land/property, town/city centre

regeneration and increased housing supply. £20m has been allocated to this programme. These projects are yet to be determined and will be approved by Cabinet in November 2026.

Member Authorities have received an allocation for Green Business Support over the 3-year programme. This methodology took a proportion of total LA business and applies it to the fund and was developed by the GCR Intelligence Hub. Delivery of Green Business Support will take place at the Member Authority level and will be responsible for managing any delivery and/or financial risks. Table 2 confirms the allocation per MA.

Member Authority	2026/2027 – 2028/2029
E. Dunbartonshire	£130,924
E. Renfrewshire	£121,057
Glasgow City	£1,020,401
Inverclyde	£77,871
N. Lanarkshire	£372,837
Renfrewshire	£233,120
S. Lanarkshire	£451,102
W. Dunbartonshire	£92.686
Total	£2,500,000

Table 2 GBS split by MA

3. Legal

All MAs agree to comply with all applicable laws and to act intra vires in relation to the LGF; and to enter into all agreements necessary for GCR to administer the programme.

GCR will develop appropriate pass-down agreements with each MA in relation to the funded activities. These will reflect key governance concepts and be based on agreements which the various MAs have used successfully on previous GCR funded programmes, with appropriate changes to reflect the details of the LGF. These will be signed by MA Directors of Finance, as the representatives on the Finance Strategy Group (FSG).

Year 1 revenue funding allocation and Green Business Support will be provided to MAs following approval of the pass-down agreement and the confirmation of the Assurance Framework by the Finance Strategy Group (FSG).

Year 2 and Year 3 revenue funding will be agreed by Regional Partnership and Cabinet with delivery to commence April 2027 utilising the most efficient delivery method.

The projects that will receive capital funding for Regional Projects of Scale will be agreed by Cabinet in November 2026. This Assurance Framework will be updated once projects and processes are agreed.

4. UK Government Guidance

Noted below is the guidance provided by UKG on assurance and risk in relation to the delivery and management of LGF. Member Authorities should build this into their internal assurance processes.

The governance and management of LGF across the GCR will be included as part of the annual audit plan for GCR Internal Audit.

11.1. We recognise that each accountable fund lead will have the necessary governance and assurance arrangements to ensure that all legal and other statutory obligations and consents will be adhered to, including but not limited to subsidy control, procurement, equalities and data protection.

5. Audit Arrangements

The Glasgow City Region's Internal Audit function is provided by the Glasgow City Council's Internal Audit section.

Each year, an Audit Plan will be prepared which considers the areas that are covered by the Cabinet, including the City Deal and Local Growth Fund and any new or successor regional funds.

Cabinet will be invited to approve the implementation of the Audit Plan. Assurance audits will be reported to Cabinet for noting. Actions arising from assurance audits will be followed-up by Internal Audit, and reports will be presented to Cabinet for noting.

Further audit, advisory, consultancy or investigative work may be requested by the Cabinet.

An Annual Audit Report will be presented to Cabinet for noting each year, and an Annual Governance Statement will be presented for approval, following the completion of the Audit Plan. This will include an opinion from the Head of Audit and Inspection on the Cabinet's system of internal controls and governance arrangements during the year, and a certification from the Lead Authority's Chief Executive and Leader.

Member Authorities will put in place appropriate Internal Audit arrangements for their own authority.

The Glasgow City Region Internal Audit Support Group will meet twice a year, chaired by the Lead Authority's Internal Audit section.

The external audit function for the Glasgow City Region Cabinet will be provided by the external auditor for the lead authority.

6. Governance

LGF activity will be managed through established GCR structures as noted below:

Group	Remit / Responsibility	Membership	Governance
City Region Cabinet	• To determine the Strategic Economic Development priorities for the Glasgow City Region; • To deliver the City Deal; • To deal with any other areas of activity as are delegated to it by the Member Authorities. (The above are the Functions of the Cabinet as set out in the Joint Committee (Cabinet) Agreement). **LGF Decision Making Rights:** • Approves: GCR LGF Investment Plan • Approves: Change Control Requests (where these have been referred by the Regional Partnership Group) • Approves: Reports to UK Government	Cllr Gordon Low, (EDC) Cllr Owen O'Donnell, (ERC) Cllr Ricky Bell, (GCC) (Chair) Cllr Stephen McCabe, (IC) Cllr Jim Logue, (NLC) Cllr Iain Nicolson, (RC) Cllr Maureen Devlin, (SLC) Cllr Martin Rooney, (WDC) **Attendees**: Chief Executives Director of Regional Economic Growth Others, as appropriate.	**Meeting Frequency**: 12-weekly **Recorded:** Yes **Published:** Yes **Remit Approved by**: Member Authorities as part of the Joint Committee Agreement. **Approval Date:** January 2015
Regional Partnership Group	• To take operational responsibility individually for the delivery of LGF activity within their local authority area & collectively for Glasgow City Region LGF activity. • To ensure that an effective monitoring & evaluation framework is in place at both a Project and Programme level, and that each Member Authority is delivering upon its requirements needed for the	The Chief Executives' Group members; Victoria Simpson/Laura Barker, UK Gov; Kenneth Robertson, Scottish Gov; Jane Martin/David McLay, Scottish Enterprise; Paul Zealey/Damien Yates, Skills Development Scotland;	**Meeting Frequency**: Quarterly **Recorded**: Yes **Published:** No **Role & Remit: Remit Approved by:** Draft approved by Cabinet April 2018. **Remit Approval Date:** Final version approved by

	LGF Reporting, Monitoring & Evaluation process. • To have responsibility on a collective basis for the overall supervision & management & for the monitoring of the performance of the LGF Investment Plan. • To meet in advance of Cabinet to propose a programme of work for the Cabinet. • To individually prepare briefings for respective Leaders. **LGF Decision Making Authority:** **Recommendations:** Recommendations to GCR Cabinet for decision.	Valerie Davidson, Transport Scotland; Claire Sweeney, Public Health Scotland; Stuart Patrick, Glasgow Chamber of Commerce; Des McNulty, Commission on Economic Growth; Ian Bruce, Glasgow Centre for the Voluntary Sector Bruce Kiloh, SPT	Regional Partnership 31st October 2018.
Chief Executives' Group	• Where Cabinet doesn't meet, decision remitted to CEGs **LGF Decision Making Authority:** **Decision:** Change Control Requests where the proposed changes could be considered moderate.	Susanne Millar, CEO (GCC) (CHAIR) Ann Davie, CEO (EDC) Steven Quinn, CEO (ERC) Stuart Jamieson, CEO (IC) Des Murray, CEO (NLC) Alan Russell, CEO (RC) Paul Manning, CEO (SLC) Peter Hessett, CEO (WDC) **Attendees**: Director of Regional Economic Growth, others as invited	**Meeting Frequency**: Six-weekly **Recorded:** Yes **Published:** No **Role & Remit:** Agreed April 2018
Finance Strategy Group	• To monitor LGF financial programme progress and report on Finance matters • To review financial Risks and Issues associated with the programme. • Where required to recommend application of grant rules to the Regional Partnership	Robert Emmott, Executive Director of Finance, GCC Jamie Robertson, Chief Finance Officer, EDC Margaret McCrossan, Head of Accountancy ERC	**Meeting Frequency**: Six-weekly **Recorded**: Yes **Published:** No

	group and to recommend the resultant grant allocations • To agree consistency in the applications of accounting approaches and regulations • To liaise with UK Government in respect of financial matters • To agree a workplan associated with the Finance stream for the PMO. • To assist with the monitoring of the programme against the milestone criteria. • To offer advice to REP and CAB on all financial matters. • To review the financial governance matters within the Assurance Framework and associated guidance notes.	Alan Puckrin, Chief Finance Officer, IC Elaine Kemp, Head of Financial Solutions, NLC Alastair MacArthur, Director of Finance and Resources, RC Paul Manning, Executive Director of Finance, SLC Laurence Slavin, Chief Finance Officer, WDC **Attendees**: Director of Regional Economic Growth, G C R Head PMO; PMO Finance Manager; Corporate Finance Chief Accountant.	
Economic Delivery Group	• To be responsible for the delivery and implementation of the actions within the Regional Economic Action Plan • To clear all reports prior to their submission to the Glasgow City Regional Partnership. • To take the lead role in engaging with colleges and universities, and with Community Planning Partnerships.	**Members:** Alasdair Morrison, RC; Heather Holland, EDC; Lyndsay Noble, NLC; Pamela Humphries, NLC; Yvonne Weir, NLC; Steve Keating, SLC; Michael McKernan, ERC; Stuart Jamieson, INV; Sharon Thompson, GCC; Anne Murray, GCC; Stephen White, Scottish Gov; Rachel Phillips, Scottish Gov; Christine Johnston, Scottish Gov; Hannah Wright, UK Gov; Neil Maclennan, UK Gov; Kris Krasnowski, UK Govt; Paul Zealey, SDS;	**Meeting Frequency**: Quarterly / As required **Recorded:** Yes **Published:** No **Remit Approved by:** Cabinet **Approval Date:** April 2018

		David McLay, Scottish Enterprise; Kevin Rush, GCR PMO; Jane Thompson, GCR PMO; Paul Kilby, GCR PMO; Andrew Robertson, GCR PMO; Mike McNally, GCR PMO; Val Mcneice, GCR PMO; Ross Nimmo GCR Place	
LGF Project Lead Officers	• Focus on LGF Programme requirements. • To have a full understanding of their Local Authority LGF Projects & to work in collaboration with the other Project Lead Officers to achieve cumulative Programme objectives. • To provide progress reports on Projects for which they are responsible, as per the UKG LGF requirements and to review, monitor and report on risks in relation to Projects. • To escalate issues in terms of Project or Programme delivery. • To support the CEG, the GCR Head of Regional Economic Delivery and the Cabinet. • To collaborate to achieve the overall GCR LGF Programme objectives. • To participate in data collection for Evaluation purposes • To be the lead contact for / to champion the LGF Programme within their LA. • To identify, provide direction to and work alongside any required support groups. • To receive regular updates on City Deal Programme, Intelligence Hub, Regional	Mike McNally GCR Head of Regional Economic Delivery (Chair) Kate Mason (EDC) Gillian Hopkin (ERC) Tracy Blake (GCC) Liz Baird (IC) Sharon Douglas (NLC) Ruth Cooper (RC) Kenny Lean (SLC) Clare English (WDC) **Attendees**: as required	**Meeting Frequency**: Fortnightly **Recorded**: No **Published**: No **Approval Date:** Update approved April 2018.

	Economic Strategy activity ahead of all Chief Executive and Regional Partnership meetings.		

7. Change Control Process

UKG have provided guidance on the change control process for LGF:

7.1. Investment Plans will set out the activities to be funded with each accountable fund lead able to respond to changes in the operating environment over the period to 31 March 2029. This means that financial forecasts are indicative and can be changed as plans are refined and delivery progresses.

7.2. Changes will be routinely captured in the regular monitoring, reporting and engagement mechanisms set out. So Investment Plans can be responsive to need, changes that fall beneath the thresholds defined in paragraphs 7.3 to 7.4 do not require prior approval by the UK Government.

7.3. A material change to what is delivered is a single or cumulative reprofiling of funding from one Local Growth Fund theme (or equivalent) that changes the total planned spend in a theme by 30% or more. Changes will be benchmarked against the initial forecast provided in the agreed Investment Plans. The impact of any changes on Fund metrics will need to be considered. Where a material change has already been made, that will provide the benchmark.

7.4. Any novel or contentious reprofiling that changes the total planned spend in a theme by between 15% and 30% will also require approval by the UK Government via regular discussions or annual review.

Partners will be required to report any proposed change control requests through the established quarterly monitoring regime. This approach will require the monitoring and reporting of individual changes and their cumulative effect.

In addition to the formal change control process detailed by UKG, Glasgow City Region will also require its own mechanism for managing and approving changes, within individual Member Authorities and across the region as required.

Where changes fall below the defined UKG threshold, these changes will be managed in line with the overall objectives of the LGF programme and the Regional Economic Strategy. The change control process within the GCR will follow a similar methodology to the approach developed for the GCR City Deal programme, covering:

- Outputs
- Timescales
- Finance
- Outcomes

Approvals of change controls will be on the basis of their size, scope and potential impact:

- Minor (for example, movement within a Member Authority) can be approved by the Director of Regional Economic Growth
- Moderate (for example, movement between MAs and / or GCR) will require the approval of the GCR CEG
- Significant (to the level of UKG change) decision will need the approval of the GCR Cabinet.

8. Reporting

The LGF guidance provides clear details of the approach to 6-monthly LGF report which will be completed by individual Member Authorities and Projects and collated at a Regional level. The collated report will be considered by FSG and REP prior to GCR Cabinet approval before submission to UKG via the on-line portal.

5.1. Each accountable fund lead will design their own reporting and monitoring arrangements in order to fulfil respective responsibilities. Twice a year, in May and November accountable fund leads will be asked to share a progress report with the UK Government (using an online tool) describing:

- *progress on the implementation of the Local Growth Fund*
- *actual spend across the three Local Growth Fund themes in the reporting period, based on spend incurred by organisations delivering Fund activities*
- *actual metrics achieved across the three Local Growth Fund themes*
- *committed spend across the three Local Growth Fund themes*
- *spend, outputs and outcome forecasts for the current financial year across the three Local Growth Fund themes*
- *spend and output and outcome forecast for the full period of the fund across the three Local Growth Fund themes*

5.2. In addition, so that all governments and partners can collectively understand how and where the funding is used, accountable fund leads will also be asked to make available summary information on each of the funded projects. This will comprise of: project name, delivery organisation and type, a brief project description, total budget, Fund contribution, project location, start and end date, as well as the project objective and project type.
5.3. The data provided to the UK Government will be used:

- *for oversight of the progress of the Local Growth Fund. This will enable MHCLG to undertake its responsibility to the UK Parliament*
- *to inform relevant UK Government Ministers and departments, where appropriate, on the delivery and impact of the Local Growth Fund on shared policy areas*
- *to support evaluation*

5.4. Alongside formal monitoring and reporting, the UK Government and accountable fund leads will also meet quarterly to share progress.

5.5. At the end of each financial year, an Annual Review process will take place considering delivery performance, including spend and underspends, and the impact on deliverables, governance and assurance matters, allocations and any specific delivery challenges or opportunities. Payments for 2027-28 and 2028-29 will be made following the outcome of the Annual Review process.

Noted below are the indicative reporting timescales.

Reporting Periods	***Report Date to UKG***	***GCR Cabinet Dates***	***MA to GCR Reporting Deadlines to meet FSG***
April – September 2026	*5 November 2026*	*17 November 2026*	*14 October 2026*
October 2026 – March 2027	*May 2027*	*1 June 2027*	*Tbc*
April – September 2027	*November 2027*	*16 November 2027*	*Tbc*
October 2027 – March 2028	*May 2028*	*Tbc*	*Tbc*
April – September 2028	*November 2028*	*Tbc*	*Tbc*
October 2028 – March 2029	*May 2029*	*Tbc*	*Tbc*

Partners will be asked to report via the Finance Strategy Group on a six-monthly basis. With compliance being signed off by individual MA Section 95 officers.

Regular updates will be provided to the REP group and the GCR Cabinet, within the established Quarterly Performance Report (QPR) process.

The Executive Director of Finance, Glasgow City Council, will on behalf of GCR, submit the formal six-monthly reports to UKG.

9. Minimum Monitoring Requirements

As per the agreement for UKSPF of the FSG (6 December 2022), GCR as Lead Authority, will not undertake any additional regular monitoring or auditing of MA or Partner activity to ensure eligibility or compliance. All monitoring and compliance will be undertaken at an individual MA or Partner level. It is proposed a similar approach is taken for LGF.

12. Risk Register:

The Risk Register will be used for reporting to UKG as required.