



Glasgow City Region Cabinet

Report by Kevin Rush, Director of Regional Economic Growth

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Item 10

18th August 2026

Regional Empowerment Progress Report

Purpose of Report:

To provide an update on progress in developing a Glasgow City Region devolution proposal for submission in March 2027.

Recommendations

Cabinet is asked to:

- note progress in developing the GCR regional devolution proposition;
- note the mobilisation of KPMG and the proposed workplan to develop a Draft and Final Devolution Framework;
- note progress in convening the thematic workstreams and the continued role of the Oversight Group chaired by Professor Sir Jim McDonald;
- agree that officers continue engagement with Scottish Government, UK Government, Edinburgh and South East Scotland City Region and Core Cities partners;
- note the importance of continued elected member involvement, particularly in shaping the governance, finance and fiscal options that will underpin the final proposition;
- agree to participate in special Cabinet sessions to shape the proposition and
- request a further update to each Cabinet in setting out emerging workstream concepts and any early propositions for discussion with governments.

1. Background

- 1.1 Cabinet has previously agreed that Glasgow City Region (GCR) should develop a detailed proposition for enhanced regional empowerment, following the First Minister's commitment to introduce enabling legislation that would allow regional partnerships to obtain legal status and access a menu of devolved powers. The central principle of this work is devolution down from national government and national agencies to empowered regions, where decisions can be better aligned with functional economic geographies, local priorities and delivery capacity. The agreed objective remains to prepare a full, evidence-based proposal by March 2027.
 - 1.2 It is important to recognise that GCR is already far more advanced in regional working than is often reflected in public commentary. Much of the national debate continues to be framed in relatively binary terms around whether Scotland should adopt mayoral models similar to those in England. This can understate the extent to which GCR already operates as a mature regional delivery platform, managing a portfolio of activity exceeding £2 billion, including the Investment Zone, Innovation Accelerator, Local Innovation Partnership Fund, Clyde Mission, 5G Innovation Region and National Wealth Fund strategic partnership, alongside the City Deal. The scale of the portfolio already managed by the Region demonstrates that the debate should not be about whether regional working can be established, but about what additional powers, flexibilities and resources are now required to allow that existing regional platform to deliver at greater scale and pace.
 - 1.3 The core policy challenge remains that current arrangements do not provide the Region with the full range of powers, long-term funding certainty, fiscal flexibility or delivery authority required to realise the ambitions set out in the Regional Economic Strategy. Fragmented responsibilities across skills, transport, housing, planning, innovation, investment and economic development constrain the Region's ability to act at the scale of its functional economy.
 - 1.4 The wider public service reform work currently being explored nationally suggests that potential areas for further regional devolution could include strategic economic development, regional transport, skills and employability planning, housing delivery, strategic spatial planning, land assembly, infrastructure coordination, energy master planning and fiscal or financing tools to support investment.
 - 1.5 This could include roles for Regional Partnerships in delivering agreed transport strategies, acting as primary delivery partners for housing programmes, coordinating labour market planning across education and skills provision, and taking responsibility for strategic sites where regional or national-scale delivery is required. These examples remain illustrative and subject to further discussion, but they demonstrate the breadth of powers, responsibilities and funding flexibilities that could form part of a future GCR proposition.
 - 1.6 The opportunity is therefore to develop a specifically Scottish model of regional empowerment: one that supports devolution from national government and national agencies to the regional level, respects the statutory role of local authorities, strengthens democratic accountability and enables more coherent delivery across the economic geography of GCR. GCR is keen to identify a model that builds on the Region's existing collaborative approach between member authorities and partners, rather than replicating structures where tension can emerge between a Combined Authority and constituent local authorities.
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2. Progress Update

- 2.1 Since the last report to Cabinet, the programme has moved into delivery. The Oversight Group chaired by Professor Sir Jim McDonald has been established and will bring the various chairs together to review progress. Workstream Chairs have been confirmed for the principal thematic areas and PMO support has been identified for each workstream. All Local Authorities are included on at least one workstream and the Economic Delivery Group which comprises of all partners will act as a reference group for the emerging proposals to ensure wide input.
- 2.2 Terms of Reference have been agreed for the workstreams. These set out a consistent business case approach covering the strategic case for devolution, options appraisal and the future operating model. As agreed by Cabinet, workstreams are being asked to assess current delivery arrangements, identify fragmentation and constraints, develop a clear strategic case for regional devolution, appraise delivery options and define the powers, resources, governance and delivery structures required for implementation. This will require continued democratic oversight, with elected members involved at key stages so that emerging proposals remain politically accountable and clearly aligned with member authority priorities.
- 2.3 KPMG has now been appointed to support the development of the proposition. Their role is to provide technical, analytical and strategic support to the programme, working with the PMO, workstreams, Governance and Finance Group and senior leadership to develop a negotiation-ready devolution framework for engagement with both Scottish and UK Governments.
- 2.4 Engagement has also continued with Edinburgh and South East Scotland City Region, recognising the shared interest of Scotland's two largest city regions in regional governance, fiscal powers, integrated settlements and the role of city regions in supporting national growth. Discussions with both governments will continue as the programme develops, with the aim of ensuring that the emerging GCR proposition is both ambitious and capable of securing support within the evolving legislative and fiscal context.

3. Workstreams Update

- 3.1 The programme is structured around thematic workstreams covering the principal areas where enhanced regional powers, responsibilities or funding flexibility could improve outcomes. These include Place (housing, infrastructure and planning), Skills, Economic Development, Investment, Transport, Innovation, Poverty and Inclusion, Finance and Governance.

Workstream	Chair / Lead	Current focus
Oversight Group	Professor Sir Jim McDonald	Senior oversight, challenge and alignment of workstream outputs.
Place (Housing, Infrastructure and Planning)	Ross Nimmo, Head of Place, Glasgow City Region	Regional spatial priorities, housing delivery, infrastructure coordination and strategic planning interfaces.
Skills	Stella McManus, South Lanarkshire College	Regional skills planning, employer demand, labour market alignment and future delivery options.

Economic Development	Jane Martin, Scottish Enterprise	Business growth, enterprise support, agency alignment and regional economic delivery capability.
Investment	Graham Smith, Glasgow City Council	Investment propositions, capital mobilisation, impact fund options and links with the National Wealth Fund and Scottish National Investment Bank.
Transport	Valerie Davidson, Strathclyde Partnership for Transport	Regional transport governance, Clyde Metro, non-national transport powers and integrated network planning.
Innovation	John Howie, Glasgow Economic Leadership Board	Innovation funding, cluster development, research-commercialisation links and future UK funding alignment.
Poverty and Inclusion	Peter Kelly, Poverty Alliance/Des McNulty, Independent Commission on Economic Growth	Inclusive growth, anti-poverty interventions and ensuring devolution supports balanced regional outcomes.
Finance	Robert Emmott, Glasgow City Council (as Chair of FSG)	Integrated settlement options, fiscal powers, local revenue mechanisms and financial accountability.
Governance	Mairi Millar, Glasgow City Council (as Lead Authority)	Legal status, accountability, scrutiny, powers, statutory requirements and relationships with partners.

3.2 Each workstream is expected to meet regularly and report emerging recommendations to the Oversight Group. The workstreams will be required to demonstrate additionality, subsidiarity, deliverability and alignment with national, regional and local priorities. They will also be expected to ensure that any proposals strengthen the Region without transferring responsibilities upward from member authorities unless there is a clear and agreed added value case.

3.3 It should be noted that the Skills and Economic Development workstreams have been tasked with identifying options for investment for Years 2 and 3 of the Local Growth Fund, reflecting the UK Government's direction that these should focus on regional priorities. These options will be presented to Cabinet in November 2026.

4. KPMG Workplan

4.1 KPMG's workplan is designed to deliver rapid progress, while ensuring that the final proposition is evidence-based, practical and capable of supporting negotiation with governments. It has also been structured to maintain clear democratic oversight, recognising Cabinet's central role in shaping the proposition and elected members' particular interest in the governance, finance and fiscal options that will determine how any new powers, responsibilities and funding flexibilities would be exercised. The workplan has six core stages.

1. **Missions, challenges and opportunities:** confirm the Region's missions and outcomes, agree the analytical scope for each service area and identify the key evidence required.
 2. **Service area budget baselining:** map material funding flows, decision-making arrangements, delivery bodies and the extent to which budgets could be transferred, pooled, aligned or influenced at regional level.
 3. **Service Delivery Baseline Report:** assess current delivery arrangements, governance, assets, dependencies, constraints and the potential added value of regional devolution across each service area.
 4. **Governance Model and Finance / Fiscal Powers Options Paper:** develop and appraise options for governance, delivery, funding and fiscal powers, including any legislative or institutional changes required, with specific opportunities for elected member input on accountability, scrutiny, financial responsibility and the relationship between regional and local authority decision-making.
 5. **Draft Devolution Framework:** bring together the thematic, governance and fiscal analysis into an integrated draft proposition, including a preferred package and credible alternatives.
 6. **Final Devolution Framework:** refine the proposition following stakeholder testing and produce a concise, evidence-based framework suitable for engagement with civil servants and future business case development.
- 4.2 The workplan will involve structured discovery workshops with each service-area workstream, targeted evidence follow-up, assessment and challenge workshops, a focused Governance and Finance session, written review of the draft framework, a cross-workstream leads session and consideration by the Strategic Leadership Group. The PMO will maintain an information request tracker, action log and risk register to support delivery at pace.
- 4.3 Cabinet will be vital in shaping the development of the proposition and providing democratic oversight throughout, ensuring that emerging options are grounded in member authority priorities, capable of securing collective support and framed in a way that is suitable for engagement with both governments. Particular attention will be given to governance, finance and fiscal options, where elected member involvement will be essential to ensure that any proposed model has clear accountability, transparent scrutiny arrangements and an appropriate relationship between regional decision-making and the statutory responsibilities of individual authorities. To support this, two separate Cabinet workshops will be arranged prior to the November Cabinet update, most likely in September and October 2026. Two separate workshops with CEG will also be arranged over the same period, providing an opportunity for senior officer input and challenge as the proposition develops. These sessions will provide structured opportunities for Cabinet and CEG to test the emerging evidence, challenge the proposed powers and delivery models, and help shape the package before it is brought forward for formal consideration.
- 4.4 Following the November Cabinet update, individual Member Authorities may wish to take a paper through their respective governance structures to update their own authority on the emerging proposition, the work undertaken to date and the anticipated route towards the final submission in March 2027.
- 4.5 The outputs from this first phase will be structured to support subsequent business case development. This will allow the workstream evidence, option appraisal, implementation requirements, risks and dependencies to feed directly into more
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detailed business cases where required, reducing duplication and maintaining a clear line of sight between the overall proposition and the specific powers, budgets and delivery models being proposed.

5. Government Position

- 5.1 The Scottish Government has indicated its intention to bring forward enabling legislation in 2027 that would allow regional partnerships to be placed on a statutory footing and access additional powers over time. Early policy discussions have also pointed to a flexible, non-prescriptive approach that would allow more mature regional partnerships such as GCR to move at pace where there is a clear evidence base, strong governance and partner support.
 - 5.2 There is also increasing UK Government appetite for devolution and wider public service reform. Public comments by the new Prime Minister have emphasised a significant transfer of power out of Whitehall, with decision-making devolved to regions and communities to support “good growth in every postcode”. He has also argued that the “days of Whitehall fighting the devolution of power into the regions and nations are over, for good”. These comments align with a wider debate on fiscal devolution, integrated settlements and the reform of national systems to support more place-based growth.
 - 5.3 A joint letter from the Chairs of GCR and Edinburgh and the South East City Region has been sent to the Prime Minister seeking an early meeting to discuss options for further devolution.
 - 5.4 In June 2026, Martin Rhodes MP secured a Westminster Hall debate on Government support for the GCR economy. Responding for the UK Government, Kirsty McNeill MP’s response was positive in tone, emphasising that the UK Government sees GCR as a major economic asset and wants to work with partners to ensure that investment, innovation and growth deliver benefits across communities. This was a theme she highlighted in more detail as the most recent meeting of the Inverclyde Task Force, indicating that UKG was keen to hold workshops with regions post summer to help shape a new direction.
 - 5.5 This creates a more favourable external environment for GCR. The Region’s proposition should therefore be framed not simply as a request for additional powers, but as a practical contribution to the reform agenda of both governments: strengthening growth, improving public service outcomes, supporting prevention, unlocking investment, simplifying delivery arrangements and ensuring that accountability, funding and delivery responsibility are better aligned.
 - 5.6 Engagement with the UK Government will be particularly important where proposals relate to reserved or UK-funded areas, including innovation, employment, welfare, migration, fiscal flexibility and future local growth funding. The joint letter from Glasgow, Edinburgh, Cardiff and Belfast to the UK Government previously highlighted the need for city regions in devolved administrations to benefit from the same scale of ambition seen in English city regions, including integrated settlements, long-term transport funding, Local Innovation Partnership Fund flexibility and investment zone-style arrangements.
 - 5.7 Joint work with Edinburgh and South East Scotland City Region on governance and finance should lead to a stronger proposition for both regions, providing a shared evidence base on legal status, accountability, financial flexibilities and the case for
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integrated settlements. However, it is also recognised that capacity, appetite for devolution and the prioritisation of thematic policy areas may differ between the two regions. This is appropriate and should be expected: the final propositions will be specific to each region, reflecting their respective economic geographies, delivery maturity, local priorities and democratic governance arrangements.

6. Timeline

Date	Milestone	Action
July / August 2026	Workstream meetings commence	Workstreams begin evidence gathering and apply the business case template with PMO and KPMG support.
August 2026	KPMG mobilised	Programme management arrangements confirmed; information request tracker, action log and risk register established.
August / September 2026	Discovery workshops	Service-area workshops and early Governance and Finance discussions confirm scope, missions, evidence needs and priorities.
September 2026	First Cabinet and CEG workshops	Cabinet and CEG members test emerging evidence, priorities and initial areas of potential devolution before options are developed further.
September / October 2026	Evidence gathering and baseline assessment	Funding flows, delivery models, constraints, opportunities and potential devolved functions assessed across workstreams.
October 2026	Second Cabinet and CEG workshops	Cabinet and CEG members review emerging options, challenge proposed powers and delivery models, and shape the package ahead of the November Cabinet update.
October 2026	Options development	Governance, finance and fiscal options developed and tested with workstream leads and the Governance and Finance Group.
November 2026	GCR Cabinet update	Emerging workstream concepts and early propositions presented for discussion.
November 2026	Draft Devolution Framework	Integrated draft proposition prepared for written review, cross-workstream testing and Strategic Leadership Group consideration.
Late 2026	Final Devolution Framework	Final framework prepared for engagement with Scottish Government, UK Government and key partners.
March 2027	GCR Cabinet	Draft submission presented for Cabinet approval
Post-March 2027	Approvals and negotiation	Member authority approvals and government negotiations progressed as required.

7. Implications / Risks

- 7.1 There is a risk that the opportunity presented by the emerging Scottish and UK Government reform agendas is not fully realised if the Region is unable to develop a coherent, evidence-based and deliverable proposition within the required timescale.

This is being mitigated through the establishment of dedicated workstreams, senior oversight arrangements, democratic oversight through Cabinet and the mobilisation of KPMG to support programme delivery.

- 7.2 There is also a risk that proposals could be perceived as transferring responsibilities upward from member authorities rather than securing additional powers, resources and flexibilities from national government. The agreed principles of additionality and subsidiarity will therefore remain central to the workstream process, ensuring that proposals are focused on devolution from Scottish and UK Governments to the regional level where this demonstrably improves outcomes.
- 7.3 The programme will require continued commitment from member authorities and partners at pace, including officer time, data provision, policy input and participation in workshops. Delays in evidence gathering or stakeholder engagement could affect the quality or timing of the final proposition. The PMO will continue to manage this through regular programme monitoring, clear information requests, risk tracking and escalation to the Oversight Group where required.
- 7.4 There is a further risk that the wider policy environment develops at a different pace across Scottish and UK Governments, particularly in relation to legislation, integrated settlements, fiscal powers and reserved policy areas. Continued engagement with both governments, Core Cities partners and Edinburgh and South East Scotland City Region will be important to ensure that the GCR proposition remains aligned with emerging policy opportunities while retaining a clear focus on the Region's own priorities. Elected member input will be particularly important in considering governance and finance proposals, as these will determine the democratic legitimacy, scrutiny arrangements and financial accountability of any future regional model.

8. Conclusion

- 8.1 The regional empowerment programme is now moving into a critical delivery phase. Workstreams have been established, KPMG is mobilising, and the wider policy environment is increasingly supportive of deeper devolution, fiscal flexibility and public service reform. GCR is well placed to develop a strong, evidence-based proposition that demonstrates how enhanced regional powers and resources can deliver better outcomes for residents, businesses and communities while supporting the growth ambitions of both Scottish and UK Governments. Continued Cabinet oversight and elected member involvement will be central to ensuring that the proposition is democratically accountable, financially credible and capable of commanding support across the Region.

9. Recommendations

- 9.1 Cabinet is asked to:

- note progress in developing the GCR regional devolution proposition;
 - note the mobilisation of KPMG and the proposed workplan to develop a Draft and Final Devolution Framework;
 - note progress in convening the thematic workstreams and the continued role of the Oversight Group chaired by Professor Sir Jim McDonald;
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- request a further update to each Cabinet in setting out emerging workstream concepts and any early propositions for discussion with governments.