

GLASGOW CITY REGION CABINET.

Item 1
30th August 2022

Minutes of meeting held on 16th June 2022 by video conference.

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Gordan Low, East Dunbartonshire Council; Councillor Owen O'Donnell, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Jordan Linden, North Lanarkshire Council; Councillor Iain Nicolson, Renfrewshire Council; Councillor Joe Fagan, South Lanarkshire Council; and Councillor Martin Rooney, West Dunbartonshire Council.

Apologies: L McMillan, East Renfrewshire Council; and A Russell, Renfrewshire Council.

Attending: M Hughes (Clerk); G Cornes, East Dunbartonshire Council; G McCarney, East Renfrewshire Council (substitute for Lorraine McMillan); A O'Donnell, K Rush, W Hart, C Keaveny, P Kilby, C McKenzie, M McNally and J Thompson, Glasgow City Council; L Long, Inverclyde Council; D Murray, North Lanarkshire Council; B Walker, Renfrewshire Council (substitute for Alan Russell); C Sneddon, South Lanarkshire Council; P Hissett, West Dunbartonshire Council; D McNulty, Commission on Economic Growth; A Rees-Leonard, D Gwynne and A Mayne, Mott McDonald; A Corbett, GCV Green Network; and S O'Hagan, Audit Scotland.

Minutes of previous meeting approved.

- 1 There was submitted and approved the minutes of 15th February 2022.

Clyde Green Freeport Bid – Position agreed etc.

2 There was submitted a report by the Director of Regional Economic Growth providing an update on the development of a bid for a Clyde Green Freeport within the Glasgow City Region (GCR) and seeking approval for submission of the final bid to the UK Government (UKG) and Scottish Government, advising

- (1) of the background to the Clyde Green Freeport bid, as detailed in the report;
- (2) that a prospectus for Green Freeports in Scotland had been published on 25th March 2022 with a submission bid deadline of 20th June 2022 and consultants had been appointed by the Programme Management Office (PMO) to support the public and private partners to develop the bid, which set out 4 principal objectives, as detailed in the report;
- (3) of the financial incentives of a successful bid for a Clyde Green Freeport, as detailed in the report;

- (4) that the scope of the Clyde Green Freeport would uniquely include rail, air and sea ports and aim to attract major new investment to GCR, develop global trading opportunities, create tens of thousands of new jobs, accelerate net-zero objectives agreed at COP26 and take the region's world-class innovation economy to the next level;
- (5) that the Clyde Green Freeport would also maximise the area's transport network and facilities at Glasgow Airport, the freight interchange at Mossend, Bellshill and 4 deep-water ports on the River Clyde, as well as make significant progress towards decarbonising the area's transport infrastructure;
- (6) that should the bid be successful, up to £25m of seed capital would be made available to further develop the projects that were part of bid and to establish that the necessary governance arrangements were in place;
- (7) that discussions would progress to establish the potential governance arrangements should the bid be successful; and
- (8) that, following this meeting, the PMO, alongside officers from the member authorities, and private sector partners, would finalise the bid documents, and thereafter it was proposed that this Cabinet delegate the sign-off of the final detailed bid submission to the Senior Responsible Officer and the Bid Development Group.

After consideration and having heard a presentation by David Gwynne, Adam Rees-Leonard and Alistair Mayne, Mott McDonald, providing an overview of the key aspects of the Green Freeport Bid, the Cabinet

- (a) noted the report;
- (b) approved the next steps, as detailed in the report and the submission of the final bid by the deadline of 20th June 2022; and
- (c) agreed
 - (i) that a comprehensive strategy was required to obtain political backing for the bid;
 - (ii) that the Chair of this Cabinet submit a letter of support for the bid, on behalf of the Cabinet, for inclusion in the bid that was submitted to Governments; and
 - (iii) that the Mott McDonald presentation slides be circulated to members.

Shared Prosperity Fund update – Presentation noted.

3 The Cabinet noted a presentation by Mike McNally, Head of Shared Prosperity Fund regarding a progress update on the UK Shared Prosperity Fund (UKSPF), during which he highlighted

- (1) the background to the UKSPF 3 year programme, details of the budget allocation that would see Scotland receive £212m and of the 3 investment priorities and objectives;
- (2) that the Glasgow City Region (GCR) had requested that the UK Government (UKG) recognise that, given the recent local government elections, the summer recess period and committee cycles, the GCR would not be able to approve the Investment Plan in advance of the 1st August 2022 deadline and had requested an extension to the Investment Plan submission deadline, however it was still the intention to have the Investment Plan drafted by 1st August 2022;
- (3) that, in addition, a further request to the UKG had been made to manage the budget at a programme level, rather than the current requirement 'in year' spend;
- (4) that the SPF Project Group had recommended that Member Authorities (MAs) should have the discretion to determine the level of match funding required;
- (5) that MAs had been asked to submit an initial draft of their Investment Plan content by 30th June 2022; and
- (6) that Partnership engagement was currently being undertaken;
- (7) that the UKG would provide additional detail on monitoring and evaluation; and
- (8) that MAs would seek approval for the full UKSPF Investment Plan prior to the Plan being considered by the Regional Partnership, followed by sign-off from this Cabinet and thereafter submission to the UKG.

Launch of the 'Clyde Peatlands' project in the Glasgow City Region – Position agreed etc.

4 There was submitted a report by the Chief Executive of East Dunbartonshire Council and the Portfolio Lead for Land Use and Sustainability providing an update on the Clyde Peatlands project, developed for the Glasgow City Region (GCR) by the GCV Green Network (GCVGN) and supported by NatureScot's Peatland Action Fund, advising

- (1) of the background to the GCVGN and of a number of initiatives already launched, including the Clyde Climate Forest, as detailed in the report;
- (2) that recent work had focused on the development of Clyde Peatlands which, with the support of NatureScot's Peatland Action Fund, was about to advertise for 2 new officers to drive forward peatland restoration across the region, with the multiple climate and ecological benefits that brought;

- (3) that preparations were underway for the launch of Clyde Peatlands to coincide with the appointment of the new officers and to raise awareness with key audiences and stakeholders;
- (4) that around 20% of Scotland was covered in peatland, with Glasgow City Region (GCR) having around 50,000 hectares and healthy peatlands captured and stored vast amounts of carbon, playing a critical part of the drive for Net Zero, however, degraded or dried out peat emitted carbon rather than storing it;
- (5) that Scotland's peatlands emitted roughly the same amount of carbon each year as all of Scotland's homes, and addressing this degradation had a major role to play not only in the drive to Net Zero, but in restoring a unique habitat that was home to an array of plants and animals;
- (6) that, in healthy conditions, peatlands provided a range of nature-based solutions to the twin and linked challenges of a changing climate and ecological collapse, as detailed in the report;
- (7) that NatureScot's Peatland Action Fund had £250m up to 2030 to support peatland restoration and was 100% funding the creation of the 2 new officer posts in GCR, and the officers would proactively engage with public and private sector landowners to identify opportunities, support them through feasibility work and funding applications and project manage on the grounds work;
- (8) that the new Peatland officers would be jointly funded by South Lanarkshire Council and the GCVGN, with support from NatureScot and the GCVGN team was proactively engaging with partners in advance of the officers being appointed to identify a first suite of projects, and would welcome discussions on potential peatland restoration projects with local authority partners; and
- (9) that the aim of the Clyde Peatlands was to deliver a step change in the amount and rate of peatland restoration across GCR as a response to the Climate Emergency and Ecological Crisis.

After consideration and having heard a presentation by Mr Ally Corbett, GCVGN, the Cabinet

- (a) welcomed the development of the Clyde Peatlands project; and
- (b) agreed to proceed with a formal launch of the project.

Glasgow City Region Innovation Accelerator – Position noted.

5 There was submitted a report by the Director of Regional Economic Growth updating the Cabinet on the progress made on the Glasgow City Region (GCR)

Innovation Accelerator Programme and of the key sectoral areas that had been approved by the Regional Partnership, advising

- (1) of the background to the announcement by the UK Government (UKG) of an Innovation Accelerator for the GCR in the Levelling Up White Paper, published on 2nd February 2022;
- (2) that the Department for Business, Energy and Industrial Strategy (BEIS) was leading for the UKG on the Innovation Accelerator programme and had asked Glasgow, Manchester and West Midlands city regions to establish an Innovation Partnership that would assess local innovation strengths, ensures strong business representation, and develop proposals for a funding bid;
- (3) that the Innovation Partnership had gathered a strong and diverse representation from key private sector industries, alongside both Glasgow and Strathclyde Universities which were already engaged in developing innovation districts in the GCR, ensuring that linkages across the innovation eco-system of business, academic and public sectors could be drawn upon and enhanced as a key feature of the GCR offer to national government and for the delivery of legacy benefits from the Innovation Accelerator programme;
- (4) that, in addition to the main Partnership, a project team had been working on the specific detail of the initial submission to BEIS, informed by a set of objectives agreed by the partnership for approaching this opportunity, which themselves reflected the context established by the GCR Economic Strategy, all as detailed in the report;
- (5) that BEIS had emphasised that it did not wish to be prescriptive on which projects were selected for potential funding, which it saw as a matter for local decision-making, and BEIS had also made an offer to address any policy and regulatory barriers that partners identified in the course of their discussions on the programme, as detailed in the report; and
- (6) that the Innovation Partnership and the Regional Partnership had formally agreed a set of key sectors for growth, detailed below, and new opportunities and a basic assessment had been undertaken on each of the sector's particular strengths and the opportunities that investment could drive, as well as the corresponding threats arising from lack of investment;
 - (a) Advanced manufacturing;
 - (b) Fintech;
 - (c) Space;
 - (d) 6G;
 - (e) Nano fabrication;
 - (f) Precision medicine;

- (g) Photonics;
 - (h) Quantum tech;
 - (i) Optronics; and
 - (j) Sustainability;
- (7) that partners believed that the sectors represented strong areas for potential growth, where translational research from the university sector connected to leading industry players and new business spin-out opportunities;
- (8) that a long-list of specific projects within the sectoral areas identified was being developed by university and industry partners and these would form the basis of an initial, high-level submission to BEIS at the end of June 2022, and that further guidance from BEIS on the framing of project proposals and eligibility for funding was expected shortly; and
- (9) that, following submission of those initial proposals, Innovate UK would work with the 3 City Regions on behalf of national government to develop further iterations of them over the summer months, leading to a final business case being put forward by the end of the calendar year.

After consideration, the Cabinet noted

- (i) the progress that had been made in developing proposals for the GCR Innovation Accelerator programme;
- (ii) that an initial submission of programme proposals to BEIS was required by the end of June 2022; and
- (iii) the key sectors outlined at paragraph (6) above had been approved by the Regional Partnership on 9th June 2022 to form the basis of this submission.

Internal audit review of change control and contract management arrangements in relation to capital projects noted – Instruction to Head of Audit and Inspection.

6 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review across the Glasgow City Region City Deal Programme Management Office and member authorities of the arrangements in place for change control and contract management arrangements in relation to capital projects and highlighting the 3 recommendations, as detailed in the report.

After consideration, the Cabinet

- (1) noted the contents of the report; and

- (2) instructed the Head of Audit and Inspection to provide follow up reports showing progress towards achievement of the Action Plan arising from the audit undertaken.

Internal audit review of equality impact assessments in relation to capital projects arrangements noted.

7 There was submitted and noted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review across the Glasgow City Region City Deal Programme Management Office and member authorities of the arrangements in place for equality impact assessments in relation to capital projects.

Internal audit review of anti-bribery, corruption and fraud measures arrangements noted – Instruction to Head of Audit and Inspection.

8 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council, advising of the findings of a review across the Glasgow City Region City Deal Programme Management Office and member authorities of the arrangements in place for anti-bribery, corruption and fraud measures and highlighting the 2 recommendations, as detailed in the report.

After consideration, the Cabinet

- (1) noted the contents of the report; and
- (2) instructed the Head of Audit and Inspection to provide follow up reports showing progress towards achievement of the Action Plan arising from the audit undertaken.

Internal Audit Annual Report and Annual Governance Statement 2021/22 approved.

9 There was submitted a report by the Head of Audit and Inspection, Glasgow City Council regarding the Glasgow City Region Cabinet Internal Audit Annual Report and Annual Governance Statement 2021/22, advising that

- (1) the Annual Report provided a review of the performance of Internal Audit for 2021/22 and gave an opinion on the adequacy of the Glasgow City Region Cabinet system of internal control; and
- (2) the Annual Governance Statement, detailed in an appendix to the report, outlined
 - (a) the appropriate governance arrangements of the Cabinet in accordance with the Local Authority Accounts (Scotland) Regulations 2014; and

- (b) updates on significant governance issues as well as those issues which had previously been reported on.

After consideration, the Cabinet

- (i) noted the Annual Report; and
- (ii) approved the 2021/22 Annual Governance Statement.

Glasgow City Region Cabinet – 2021/22 unaudited annual accounts approved.

10 There was submitted a report by the Director of Regional Economic Growth regarding the Glasgow City Region Cabinet unaudited accounts for the year ended 31st March 2022, advising of the financial performance of the Cabinet for the year ended 31st March 2022.

After consideration, the Cabinet approved the income and expenditure statement, balance sheet and the relevant supportive notes for the unaudited accounts for the year ended 31st March 2022.

City Deal Infrastructure Fund - Accelerated grant allocations 2021/22 approved.

11 There was submitted a report by the Director of Regional Economic Growth regarding the award of an additional £32m of accelerated City Deal Infrastructure Fund grant in 2021/22 from the Scottish Government and the proposed allocation of this grant to each member authority, advising that

- (1) in January 2022 the Scottish Government (SG) had contacted GCR with an offer of accelerated funding as a result of the SG having surplus capital funds and following an exercise by the Programme Management Office to quantify the level of grant that could be accepted, an amount of £32m was paid to GCR on the 1st April 2022 and accrued back to 2021/22;
- (2) the quantification, as detailed in the report, was based on expenditure levels submitted by each Member Authority and it was proposed that the allocation of funding should be made based on that exercise; and
- (3) this allocation was also in line with the suggested debtor accruals that had been communicated to the Finance Officers in each Member Authority.

After consideration, the Cabinet noted the report and approved the proposed allocations, as set out in the report.

Audit Scotland Annual Audit Plan 2021/22 approved.

12 There was submitted a report by Audit Scotland regarding the Glasgow City Region Cabinet Joint Committee Annual Audit Plan for 2021/22, which

- (1) summarised its assessment of the key challenges and audit risks facing the Glasgow City Region Cabinet Joint Committee; and
- (2) detailed the audit work that would be carried out by Audit Scotland to address those issues.

After consideration and having heard Mr S O'Hagan, Audit Scotland, the Cabinet approved the Glasgow City Region Cabinet Joint Committee Annual Audit Plan for 2021/22, together with the audit fee of £8,850.

Quarterly performance report noted.

13 There was submitted and noted a performance report by the Director of Regional Economic Growth for Quarter 4 2021/22 providing updates on the progress of the City Region Portfolio Groups, the City Region Intelligence Hub and the City Deal Programme.

Glasgow City Region City Deal – Annual Performance Report 2021/22 approved etc.

14 There was submitted a report by the Director of Regional Economic Growth regarding the Glasgow City Region (GCR) City Deal Annual Performance Report (APR), which covered the period from 1st April 2021 to 31st March 2022, advising that

- (1) the APR, which was contained in an appendix to the report, was a key requirement set out within the Assurance Framework, with the aim of informing key stakeholders of the overall Programme status, and set out the key highlights from the last financial year;
- (2) this year's APR provided an update on progress for both the City Deal and the GCR Economic Strategy launched in December 2021, as well as an overview on the work of the Glasgow City Region Intelligence Hub and wider regional working which was underway; and
- (3) the APR also included a series of case studies with progress on a variety of projects from across the GCR, as well as the outlook for the year ahead and key challenges.

After consideration, the Cabinet

- (a) approved the APR 2021/22; and

- (b) noted that the financial statements within the document would be updated following the approval of the Audited Accounts in January 2023 with this version published on the Glasgow City Region website.

Annual Implementation Plan 2022/23 approved etc.

15 There was submitted a report by the Director of Regional Economic Growth regarding the Annual Implementation Plan (AIP) 2022/23, advising

- (1) that the AIP was a requirement of the Assurance Framework and provided a statement of the intentions and details of planned activities for the coming year for Cabinet and Government partners;
- (2) of an overview of events in 2021/22, which saw a number of projects still facing various risks and issues related to the increase in construction material and energy costs due to the current political situation and the backlog created by COVID-19; and
- (3) of the key milestones for each of the City Deal projects for 2022/23 and the key activities and outputs that would be delivered by Programme Management Office in 2022/23, as detailed in the report.

After consideration, the Cabinet

- (a) approved the AIP 2022/23; and
- (b) noted that progress with the Plan's delivery would be reported to the Chief Executives' Group and this Cabinet within future Quarterly Performance Reports.

Date of next meeting.

16 The Cabinet noted that the next meeting would take place on Tuesday, 9th August 2022 at 1000 hours.