



## Glasgow City Region Cabinet

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**Glasgow City Region**

**Cabinet**

**Report by Head of Audit and Inspection, Glasgow City Council**

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**INTERNAL AUDIT PLAN 2020/21**

**Purpose of Report:**

To present to the Cabinet the internal audit plan for 2020/21 for the Glasgow City Region Cabinet.

**Recommendations :**

Members are asked to agree to the implementation of the Audit Plan for 2020/21.

## **1. BACKGROUND**

- 1.1 Following agreement the Glasgow and Clyde Valley Local Authorities entered into a City Deal with both the UK and Scottish Governments. The eight Local Authority Leaders agreed to establish a Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is known as “the Glasgow City Region Cabinet” (“the Cabinet”) and was constituted on the 19 January 2015.
- 1.2 Cabinet has agreed the appointment of Glasgow City Council’s Internal Audit department to provide the Internal Audit function. The Head of Audit and Inspection prepares an annual internal audit plan which is subject to consideration and approval by the Cabinet. Internal Audit complies with the Public Sector Internal Audit Standards, with an external quality assessment undertaken in 2016 which confirmed this. The audit plan has been prepared and will be undertaken in accordance with the Standards.
- 1.3 In developing the internal audit plan, we have:
- consulted relevant senior officers of the City Deal Project Management Office,
  - considered the risks affecting the Cabinet,
  - considered both internal and external factors affecting the City Deal programme, and
  - considered previous audit findings.
- 1.4 The Public Sector Internal Audit Standards require that the audit plan should be kept under review to reflect any changing priorities and emerging risks. We will therefore ensure the plan remains relevant and reflects any changes to the inherent risks which may impact on the Cabinet. The Cabinet will be asked to approve any material adjustments to the audit plan.

## **2. INTERNAL AUDIT PLAN 2020/21**

- 2.1 The areas included in the Internal Audit Plan for 2020/21 are:
- Governance Review
  - Member Authority – Grant Claim Eligibility phase 2
  - Community Benefits
  - Follow ups audits and provision of support to officers
- Further details on each of the above proposed reviews is contained within Appendix 1.
- 2.2 Internal Audit will issue reports on audit findings, highlighting control weaknesses, together with recommendations for improvement. Any significant area of control weakness will be reported specifically in the Annual Governance Statement.
- 2.3 Audits which examine systems and processes operated by Glasgow City Council but used or relied upon to deliver the City Deal will be reported to the Council’s Finance and Audit Scrutiny Committee. Audit findings which may impact on the City Deal will be considered when developing the Cabinet Annual Governance Statement.

- 2.4 Where appropriate, we will place reliance on the work undertaken by the Internal Audit section of each member Local Authority. Any significant issue that could impact on the ability of an Authority to deliver a project under its control will be considered for inclusion in the Annual Governance Statement. Internal Audit will also continue to host a City Deal audit support group. This group will include representatives from each Local Authority Internal Audit section and will facilitate the sharing of audit knowledge, information and best practice.

### **3. DIRECT AUDIT OUTPUTS IN 2020/21**

- 3.1 The main output of Internal Audit in 2020/21 will be the Head of Audit and Inspection's Annual Governance Statement. This will be reported to the Cabinet and will provide assurance to Members of the Cabinet and senior officers on issues of control related to the delivery of the City Deal.
- 3.2 The annual statement will be based principally on the work undertaken by Internal Audit during the year. In 2020/21, 53 days will be available to carry out this work. Internal Audit will continually review the risks and operating environment of the Cabinet during the course of the year and may tailor this planned work accordingly.
- 3.3 The indicative fee for the cost of this audit work during 2020/21 is £19,055.

### **4. 2019/20 UPDATE**

- 4.1 There were three reviews in the 2019/20 audit plan. The current status of each is:
- Member Authority - Grant Claim Eligibility phase 1 – presented to Cabinet in February 2020
  - Reputation Management – presented to Cabinet in February 2020.
  - Compliance with Revised Assurance Framework – work is ongoing and a report will be presented to Cabinet in June 2020.

### **5. RECOMMENDATION**

- 5.1 The Cabinet is asked to agree to the implementation of the Internal Audit Plan for 2020/21.

## Appendix 1

### Glasgow City Region Cabinet – Audit Plan 2020/21

Assurance Area	Planned Internal Audit Activity
Governance	<b>Governance Review</b> We will liaise with senior officers and elected members to assess the level of compliance with CIPFA guidance, and the role and remit of the Cabinet and senior officer support groups to ensure they are operating as intended and following good practice.
Finance	<b>Member Authority – Grant Claim Eligibility phase 2</b> Further to the work undertaken in 2019/20, this review will seek to gain assurance for the remaining member authorities that claims submitted for infrastructure project costs contain only actual and eligible expenditure, in compliance with Business Cases and conditions of grant.
Procurement	<b>Community Benefits</b> The Glasgow City Region City Deal Procurement Strategy includes a commitment to achieving community benefits from contracts let as part of the City Deal programme. The audit will seek assurance that member authorities identify these in business cases and include such clauses in their contracts, and that both member authorities and the PMO are effectively monitoring and measuring the realisation of community benefits.
Follow up	Audit the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Cabinet.

# Glasgow City Region City Deal

## Programme Status Report

Interim Report from 13<sup>th</sup> February to 11<sup>th</sup> March 2020



## 1. PURPOSE

- 1.1 The Glasgow City Region City Deal Programme Management Office (PMO) produces detailed Quarterly Programme Status Reports which include projects' key milestone dates, benefit realisation performance and financial monitoring information. Quarterly Reports are reported to Chief Executives' Group (CEG) and to Cabinet.
- 1.2 This Interim Report seeks to notify the Cabinet of any: changes in projects' status; new/increasing Programme risks; new Programme issues; new Change Control requests and notifications; issues which have been escalated by projects in the period between Quarterly Reports; and any other matters of note.

## 2. RECOMMENDATIONS

- 2.1 Cabinet is invited to:
- Note the content of this Interim Report;
  - Note the Project Status Summary at section 3 and the individual issues for those Projects with an Amber element as set out at section 7;
  - Approve the Change Controls Requests stated at section 4.
  - Note the increase in Programme Risk Register scores resulting from the potential impact of Covid-19 (section 5);
  - Note the increased priority level for the Programme Issue related to business case submissions (section 6);
  - Note Audit Scotland's response letter regarding their Scottish City Deal Report attached at Appendix 4.

## 3. PROJECT STATUS SUMMARY AS AT 11/03/20

- 3.1 The Project Status Summary table at Appendix 1 provides an overview of each City Deal project's business case stage (through Strategic (SBC), Outline (OBC) and Full (FBC)) and performance status against the key project elements of scope, timeline, finance and benefits realisation.
- 3.2 In terms of project-level business case developments, as at the 11 March 2020:
- of the 22 Strategic Business Cases (SBCs) to be created, all are now complete;
  - of the 28 Outline Business Cases (OBCs) to be created, 21 have been approved by Cabinet with 2 of the remaining 7 due to be submitted for approval during 2020; and
  - of the 125 Full Business Cases (FBCs) to be developed, 43 have been approved with 40 of the remaining 82 due to be submitted for approval during 2020.
- 3.3 In terms of Project status, Appendix 1 shows that, as at 11 March 2020:
- no projects are reporting a Red status;
  - 14 (of the 21) Infrastructure Programme projects and 1 (of 3) Skills and Employment project have a project element reporting at Amber status.
  - the vast majority of key project elements continue to report at Green and/or Complete.
- 3.4 The following changes have occurred in the last reporting period:
- one project element (Inverclyde Ocean Terminal) has moved from Amber to Green, as indicated by bold italic 'G' in Appendix 1;
  - There are three new Ambers in the period for Glasgow City Council projects as indicated by a bold italic 'A' in Appendix 1. This is due to failure to meet agreed submission dates for three FBCs, namely: Canal and North - Dobbies Loan; City Centre – Argyle St West (M8-Hope Street); and Clyde Waterfront - Govan Graving Docks.

## 4. CHANGE CONTROL REQUESTS

- 4.1 Two Change Controls Request have been submitted in the period for the following projects:  
**Inverclyde Council's Inverkip Project** - Change requested to Timeline for:



- Augmented OBC/FBC submission date to move from 07/05/20 to submission 14/08/20 i.e. +3 months.
- It should be noted that the FBC submission date has been restated previously from:
  - Feb 2018 (the FBC submission date stated within the Inverkip OBC +30 months);
  - 28/11/19 (the FBC submission date within the Programme Business Case +9 months).
  - No change has been requested to the other key milestone dates including the construction end date of March 2021.
- The change has been requested due to design changes.

**Inverclyde Council's Inchgreen Project** - Change requested to Timeline for:

- Augmented OBC/FBC submission date to move from February 2020 to submission 16/10/20 i.e. +8 months.
- No change has been requested to the other key milestone dates including the construction start date of April 2021 and construction end date of March 2022 which are currently recorded by the PMO.
- The change has been requested due to 'land ownership issues and strategy changes impacted by partners'.

- 4.2 Glasgow City Council is currently undertaking a review of its City Deal Programme milestones (known as Programme Revision 8). A report outlining the proposed changes to the Programme will be considered by the Glasgow City Deal Executive Group (CDEG) in April. Change Control requests will be submitted for consideration following approval of CDEG.
- 4.3 East Renfrewshire Council (ERC) has indicated that Change Control Requests, seeking to restate timelines for Aurs Road and Barrhead Railway Station projects, will be submitted 03/06/20 for consideration by CEG 18/06/20.

## 5. PROGRAMME RISKS

- 5.1 The Programme Risk Register is at Appendix 2. It shows that:
- there are 13 Programme risks:
    - 2 risks are rated as 'very high';
    - 6 risks are rated as 'medium'; and
    - 5 risks are rated as 'low'.
  - 3 risks have increased in score over the period:
    - Risk 0006 (Very High) - Business Impacts related to International Trade Constraints. This has increased owing to Covid-19 potentially impacting on the supply of materials to the construction sector from China and Europe.
    - Risk 0011 (Very High) - Skills Gaps and Skilled Labour Shortage. This risk has increased in score due to potential labour shortages to deliver infrastructure Projects due to Covid-19.
    - Risk 0001 (Medium) Programme does not meet Forecasted Spending Profile. This risk has increased in score as a result of the increased probability of Q4 2019/20 spend not matching previous forecasts due to impact of Covid-19 on the labour and materials required to progress projects.

## 6. PROGRAMME ISSUES

- 6.1 The Programme Issues Log has been updated and all updates are noted in bold and italics in Appendix 3. It shows that the Programme issue relating to business case submission has increased from 'low' to 'medium' priority with a significant number of business cases which were due for submission in January, February and March not being submitted as planned. In addition to the potential slippage which will result in the Programme delivery, this presents an ongoing issue for the PMO in scheduling its workplan resourcing.

## 7. PROJECT- LEVEL ISSUES

- 7.1 The following section provides an overview of the projects elements which are reporting at Amber and the related issue(s).

### East Renfrewshire Council

- **M77 Strategic Corridor reports at Amber on:**
  - Aurs Road reports at Amber on Timeline as the FBC submission date for March 2020 has not been met. ERC reports this is due to delay with utility and land legal agreements. ERC has indicated that a Change Control Request will be submitted for 18/06/20 CEG meeting setting out the revised expenditure and programme.
  - Barrhead Railway Station and allied works reports at Amber as a revised timeline is awaited in light of Transport Scotland's request to complete a GRIP/STAG process. ERC has indicated that a Change Control Request will be submitted for 18/06/20 CEG meeting setting out the revised expenditure and programme.
  - Balgraystone Road reports at Amber on timeline due to missing the approved completion date of December 2019. ERC to provide update on revised project expenditure and programme at CEG Meetings 23/04/2020 and 21/05/2020.

#### **Glasgow City Council**

- **Canal and North Gateway** reports at Amber as per below:
  - Sighthill Remediation (Contract 2) reports at Amber on timeline due to the contractor incorporating east remediation works and developer integration requirements into the programme. Completion date to be determined.
  - NGIWMS Cowlares Link reports at Amber on timeline due to FBC submission postponed from January 2020 to August 2020 (8 month delay). A Change Control Request is expected to be submitted for approval following completion of Revision 8 exercise allowing the project to be restated.
  - Port Dundas: Dobbies Loan at Amber on timeline due to FBC submission not met on 13 March 2020 for CEG 23 April 2020. To be restated with Rev 8 Change Control Request.
- **Metropolitan Glasgow Strategic Drainage Partnership (MGSDP)** reports at Amber as per below:
  - Camlachie Burn Channel Improvements continues to report at Amber for Finance due to higher than anticipated utility costs and higher than anticipated percentage of excavated material likely to be classified as hazardous waste.
  - Hillington/Cardonald SWMP Ph. 2 and Ph 3 continue to report at Amber on Timeline as the approved FBC submission dates of October 2019 have been missed. A revised estimated submission date (n.b. a Change Control Request was not submitted for the revision) of March 2020 has also been missed. GCC has indicated a revised FBC submission date (estimated April 2020 and May respectively) will be submitted for approval following completion of Revision 8 exercise (estimated April 2020).
- **Collegelands and Calton Barras** reports at Amber for:
  - Meat Market Phase 2 Roads and Infrastructure reports at Amber as FBC submission date on March 2020 has been delayed due to ongoing commercial discussion. To be restated with Rev 8 Change Control Request.
- **City Centre Enabling Infrastructure Integrated Public Realm** reports at Amber for:
  - Block A - The Underline (St George's Cross-Cambridge Street-Sauchiehall Street) and the Argyle St West (M8-Hope Street) both on Timeline and as approved FBC submission dates of March 2020 have been missed. To be restated with Rev 8 Change Control Request.
- **Clyde Waterfront West End Innovation Quarter** reports at Amber for:
  - Access and Integrity of Waterfront - Govan Graving Docks at Amber on timeline due to FBC submission not met on 13 March 2020 for CEG 23 April 2020 (no future date specified). To be restated with Rev 8 Change Control Request.

#### **Inverclyde Council**

- **Inverkip** reports at Amber on scope (as discussion on design and traffic flows have recommenced and reaching conclusion on a satisfactory solution is taking longer than anticipated), on timeline as the internal approval process within the respective partner

organisations have taken much longer than anticipated and on finance due to cash flow changes (probable outturn).

### **South Lanarkshire**

- **Cathkin Relief Road** reports at Amber on timeline due to delay with the tendering of complementary works (original completion date was January 2017).
- **Greenhills Road/A726 Dual Carriageway** reports at Amber on timeline due to the main work elements completion moving to Autumn 2020 from July 2020 and snagging works continuing through Winter 2020 (from original completion date of July 2020).
- **Stewartfield Way Transport Capacity Enhancements** reports at Amber on timeline due to uncertainty in relation to land acquisition and timescales for accommodation works for the Stewartfield Way project. Previous report indicated a provisional FBC submission in 2021 with this now estimated to as 2024. Change Control Request to be submitted in May 2020.
- **Larkhall Community Growth Area** reports at Amber for:
  - Glengowan Primary School Extension timeline is reporting at Amber due to the amended provisional FBC CEG approval date (January 2021 instead of October 2020 – 3 month delay).
  - Larkhall Nursery Extension reports at Amber on scope due to completion of feasibility work to determine the most appropriate location for the new facility the site for the project is confirmed as Robert Smillie Primary School in the Strutherhill area of Larkhall (originally it was planned to be located in the Chatelherault site and on timeline due to the amended FBC CEG approval date (January 2021 instead of July 2020 – 6 month delay) and the amended site start date (April 2021 instead of July 2020 – 9 month delay).
  - A72 Lanark Road / M74 Signalisation reports at Amber on timeline due to the revised FBC CEG approval date (October 2020 instead of May 2020 – 5 month delay) due to slippage on the project consultants tender return date.

### **West Dunbartonshire**

- **Exxon Site Development Project** reports at Amber timeline due to site remediation works carried out by ExxonMobile being delayed and subsequent delays in an agreement being reached on a potential site transfer likely to impact on the submission date of the Final Business Case (FBC) currently set for CEG approval on 26 November 2020. Officers will submit a refresh of the programme of works when available.

### **Regional Projects**

- **Airport Access** reports at Amber on scope and timeline due to current work on the development of the technical solution and revised OBC.

### **Skills Projects**

- Working Matters (Successor): The scope of the Working Matters (Successor) project has moved from Amber to Green following the confirmation by the DWP that the proposed activity from Inverclyde Council relating to the provision of childcare training can proceed.
- During February:
  - the number of clients engaged increased from 308 to 378 (84% to 103% of target);
  - the number of clients participating in the project increased from 181 to 224; and
  - the job outcomes increased from 14 to 20 (24% to 34% of target).
- The project remains on Amber for finance. The latest expenditure profile for the project shows by the end of the extension period for the project at the end of July, that £53k of DWP grant will remain unspent.

## **8. ANNUAL IMPLEMENTATION PLAN – PROGRESS UPDATE**

- 8.1 Each year the PMO develops an Annual Implementation Plan (AIP) setting out the key activities which will be completed by the PMO and the Programme's Support Groups throughout the year. Sections 9 to 13 provide a brief overview of key AIP activities undertaken/completed in this period.

## **9. COMMUNITY BENEFIT AND PROCUREMENT SUPPORT GROUPS UPDATE**

- 9.1 On the 4th March 2020, forty young people from across the Region attended the 'Why Economics Matters Event' hosted by the Fraser of Allander Institute. The event was held to meet the FAI's contractual community benefit commitment associated with the contract for the Computable General Equilibrium (CGE) Model. The event saw the pupils participate in an interactive discussion sessions and heard from a range of speakers including the Institute's Deputy Director, Mairi Spowage, and Andrew Hebden from the Bank of England. A Case Study is being developed for the GCR City Deal website.
- 9.2 The Community Benefit Support Group (CBSG) met on 18th February 2020 and agreed the final draft of the City Deal Buyers Guidance and Menu that includes the priority groups noted by Cabinet on 11/02/2020.
- 9.3 The Procurement Support Group (PSG) also met on 18th February 2020. The PMO sought comments and recommendations from the Group for the Role and Remit for the 0.5 FTE Procurement Officer and for the business case appraisal template.
- 9.4 The CBSG will shortly be starting the refresh of the Community Benefit Strategy and the Procurement Support Group (PSG) the Procurement Strategy. A schedule has been issued to both Groups for drafts to be provided at October Cabinet for approval.

## **10. COMMUNICATION, MARKETING AND STAKEHOLDER ENGAGEMENT UPDATE**

- 10.1 In terms of media in the last period, the designs for the GCC Partick – Govan Bridge generated extensive coverage and Cabinet approval of the £35 million EDC project SBC was covered in the local press. The approved planning permission for the development of the state-of-the-art National Manufacturing Institute Scotland (NMIS) in Renfrewshire facility generated a range of media. NMIS will be based within the new Advanced Manufacturing Innovation District Scotland (AMIDS), with the district's enabling infrastructure being delivered through the City Deal GAIA project. An event was held to mark the completion of the GCC Smart Canal project on 20<sup>th</sup> March.
- 10.2 The Municipal Journal ran a full page feature on the City Region in the mid-February magazine, with the same content replicated online.
- 10.3 Case studies on two successful tech companies supported at Tontine and on two MGSDP projects where environmental improvements are benefitting the local community were promoted by GCC on social media and posted on the GCR website.
- 10.4 The February Director's Blog focused on recent progress, February Cabinet and media and the March Blog on Inward Investment. Following the update at February Cabinet, a Blog by Cllr Ross from SLC on work by the Skills and Employability Portfolio was posted on the GCR website and promoted widely on twitter. The intention is to replicate this for each of the Portfolio updates.
- 10.5 Work is progressing to revisit Governance and Stakeholder Engagement structures for the City Region, including all group Role and Remits, the Meeting Plan and Meeting Map. This has been prompted by a number of levers including responding to the Scottish and UK Governments' feedback on the updated Assurance Framework 2019.

## **11. ECONOMIC INTELLIGENCE SUPPORT GROUP (EISG) AND INTELLIGENCE HUB UPDATE**

- 11.1 The EISG continues to support the work of the City Deal and Region. The recent meeting of the EISG reviewed the Business Base paper, as noted below, and also considered the evaluation framework for the City Deal.
- 11.2 Over the last quarter, the Intelligence Hub has been involved in a wide variety of activities – these cover regional tasks and some support for individual Member Authorities. Key activities include:

- Development of the Business Base Analysis to support new Regional Economic Strategy. This includes an understanding of the regions competitive advantages and the GVA per job across a range of industries. This analysis is also available for the Member Authorities.
- Working with partners agencies to obtain their input into the new Regional Economic Strategy.
- Continued support to the development of the Mission Clyde project.
- Continued development of the Regional Economic Model with the Fraser of Allander Institute. The Supply-Use Table (SUT), a core component of the model, has now been submitted. The development of Glasgow City Region Input-Output table is underway
- Continued support for economic development colleagues across the Region – this includes economic impact of housing for North Lanarkshire and the development of an ERDF funding allocation model for Glasgow which incorporates Inclusive Growth.

## **12. TRANSPORT PORTFOLIO GROUP UPDATE**

- 12.1 The latest meeting of the Transport & Connectivity Portfolio Group took place on 28<sup>th</sup> February 2020, with discussions focussing on a number of national and regional transport issues involving members of the group, including NTS2, STPR2, the new RTS, the Glasgow Connectivity Commission, the Glasgow Bus Partnership, active travel issues and Place Portfolio cross-cutting themes. Pending the review of the RES and any refocus of priorities and actions, development of the *Glasgow City Region Strategic Transport Plan (STP)* continues to be taken forward by the GCR RTS STP Working Group in collaboration with SPT and in alignment with SPT's review of the Regional Transport Strategy (RTS).
- 12.2 The GCR RTS STP Working Group has also taken on the role of the STPR2 Regional Working Group for the Glasgow City Region. The Group has now met five times with TS and its STPR2 consultants to take forward GCR input in to STPR2. Following the last meeting, feedback was provided by the Group to the STPR2 team on the draft Objectives for the City Region and the proposed sifting process. Early feedback was also provided by the Group on the draft 'Initial Appraisal: Case for Change' report for the City Region. This was published (together with the National Case for Change and those for all the other regions) on the NTS2 website on 27<sup>th</sup> February, for comments by 8th April. The next meeting of the Regional Working Group is being scheduled for late March, when it is expected that the initial Long List of interventions will be available. The current programme for STPR2 indicates that the Long List of Interventions will be appraised in Spring/Summer 2020, with technical reporting in winter 2020, followed by final reporting in Spring 2021.
- 12.3 NTS2 was laid before Parliament on 5th February 2020. NTS2 sets out the Scottish Government's Vision for Scotland's transport system over the next 20 years, underpinned by four Priorities, each with three associated Outcomes. It also sets out a range of Policies (under each of the 4 priorities) that have been developed to act as the drivers of change, help address the challenges, achieve the Priorities and Outcomes and deliver the Vision.
- 12.4 Strathclyde Partnership for Transport (SPT) – Review of Regional Transport Strategy (RTS). SPT is continuing with the review of the RTS, with the next stage of consultation planned to commence in March/April 2020 (instead of January 2020 as stated in the previous Interim Report), to avoid conflict with other ongoing consultations, including on STPR2. A draft '*Issues and Objectives*' report has been prepared for this consultation and the overall programme for the RTS to be published in 2021 remains on target.

## Appendix 1: PROJECT STATUS SUMMARY

The table below provides a summary for each project's status. Detailed definitions for Red (R), Amber (A), Green (G), Complete (C) and Future (F) status are provided in the report endnotes. Status and dates shown in **bold italics** have changed from the previous PMO report following approval of a submitted Change Control Request (for status) or notification to the PMO of a change to FBC submission dates. These are also shown in **bold italic**.

Dates in purple font are FBC submissions date which have been missed in this and last period.

Project Name	Sub Projects										
		SBC	OBC	Augm OBC	FBC	Scope	Timeline	Finance	Benefits Real.	FBC dates	End of construction
INFRASTRUCTURE PROGRAMME											
East Dunbartonshire Council in partnership with Strathclyde Partnership for Transport and Glasgow City Council											
1. Place and Growth Programme		C	F	n/a	F	F	F	F	F	TBC	TBC
East Renfrewshire Council											
2. M77 Strategic Corridor		C	C	n/a	F	G	A	G	G	see below	see below
	Levern Works			C	C	C	C	C	G	18/08/2015	01/08/2016
	Business Boost			C	C	G	G	G	G	30/11/2017	01/03/2019
	Aurs Road Realignment			C	F	G	A	G	G	26/03/2020	Apr 2021
	Balgraystone Road			C	C	G	A	G	G	28/03/2019	01/04/2020
	New Railway Station and allied works			F	F	G	A	G	G	Oct 2020	Aug 2021
	Levern Valley Link			F	F	G	G	G	G	Sep 2024	Nov 2025
	Dams to Darnley Visitor Centre			F	F	G	G	G	G	May 2021	Apr 2022
Glasgow City Council											
3. Canal and North Gateway		C	C	C	F	G	A	G	G	see below	see below
	FBC1: Sighthill: Remediation (Contract 1)				C	C	C	C	G	15/12/2015	09/11/2017
	FBC 2: Sighthill Remediation (Contract 2)				C	G	A	G	G	18/10/2016	20/01/2020
	FBC 3: Sighthill: Cowlairs Bridge; Port Dundas; and 100 Acre Hill				C	G	G	G	G	29/03/2018	01/07/2019
	FBC4: NGIWMS				C	G	G	G	G	29/03/2018	07/06/2019
	NGIWMS: Cowlairs Link				F	G	A	G	G	27/08/2020	10/07/2021
	FBC 5: North Canal Bank Street / Landscape Link				C	G	G	G	G	29/05/2019	01/04/2020
	FBC 7: Sighthill M8 Pedestrian Bridge				C	G	G	G	G	30/01/2020	12/09/2021
	FBC 6: Speirs Lock: Garscube Toll & Links				C	G	G	G	G	28/11/2019	23/07/2020
	Port Dundas: Dobbies Loan				F	G	A	G	G	23/04/2020	May 2021
	Port Dundas: Pinkston Access and Remediation				F	G	G	G	G	24/09/2020	Sep 2021
	Cowlairs: Remediation & Servicing				F	F	F	F	G	Mar 2021	Mar 2022
4. Collegelands Calton Barras		C	C	C	F	G	A	G	G	see below	see below
	Improving Public Transport: High St Station				F	G	G	G	G	27/08/2020	Feb 2021

Project Name	Sub Projects	SBC	OBC	Augm OBC	FBC	Scope	Timeline	Finance	Benefits Real.	FBC dates	End of construction
	Meat Market Roads and Infrastructure				F	G	A	G	G	26/03/2020	28/02/2021
	FBC 2: Meat Market Site Remediation				C	G	G	G	G	20/06/2019	17/10/2019
	CBAP: Development Deficit Grant Scheme				F	G	G	G	G	Nov 2020	Jan 2022
	FBC 3: Junction Improvements				C	G	G	G	G	20/06/2019	18/04/2020
	FBC 1: Calton Barras Action Plan - Barras Public Realm - Phase 1				C	C	C	C	G	24/05/2017	01/07/2018
5. City Centre Enabling Infrastructure Integrated Public Realm					F	G	A	G	G	see below	see below
	FBC1: Sauchiehall Street West Phase 1				C	C	C	C	G	01/12/2017	01/05/2019
	Block A - Argyle St West (M8-Hope Street)				F	G	A	G	G	23/04/2020	Apr 2022
	Block A - Argyle St East (Hope Street-Glasgow Cross)				F	G	G	G	G	24/09/2020	Sep 2022
	Block A - St Enoch's Square - Dixon Street				F	G	G	G	G	24/09/2020	Sep 2022
	Block A - Bath Street East-Cathedral Street				F	F	F	F	G	Feb 2021	Feb 2023
	Block A - Kyle Street - North Hanover Street				F	F	F	F	G	Feb 2021	Feb 2023
	Block A - The Underline (St George's Cross-Cambridge Street-Sauchiehall Street)				F	G	A	G	G	26/03/2020	Sep 2021
	Block A - Sauchiehall Street Precinct				F	G	G	G	G	21/05/2020	Nov 2021
	Block B - Holland Street/Pitt St	C	C	C	F	G	G	G	G	Nov 2020	Jun 2022
	Block B - Elmbank Street & Elmbank Crescent				F	G	G	G	G	Nov 2020	Jun 2022
	Block B - Glassford Street/Stockwell Street				F	F	F	F	G	Apr 2021	Oct 2022
	Block B - Broomielaw/Clyde Street				F	F	F	F	G	Sep 2021	Sep 2023
	Block C - Hope Street				F	F	F	F	G	Jun 2022	Dec 2023
	Block C - International Financial Services District				F	F	F	F	G	May 2022	May 2024
	Block C - St Vincent Street				F	F	F	F	G	Nov 2022	May 2024
	Block C - John Street				F	F	F	F	G	Apr 2022	Apr 2024
	Block C - George Street				F	F	F	F	G	Nov 2022	Nov 2024
	Intelligent Street Lighting				C	C	C	C	G	29/03/2018	16/06/2019
6. Metropolitan Glasgow Strategic Drainage Partnership					F	G	A	A	G	see below	see below
	FBC 1: Camlachie Burn				C	G	G	A	G	29/03/2017	05/07/2019
	FBC 2: Cardowan Surface Water Management Plan (SWMP)				C	G	G	G	G	02/08/2018	03/09/2019
	FBC 4: South East Glasgow SWMP				C	G	G	G	G	23/05/2019	Mar 2022
	FBC 3: Hillington/Cardonald SWMP- Phase 1 Moss Heights/Halfway Community Park	C	C	C	C	G	G	G	G	30/08/2018	03/05/2019
	Hillington/Cardonald SWMP - Ph 2				F	G	A	G	G	26/03/2020	May 2021
	Hillington/Cardonald SWMP - Ph 3				F	G	A	G	G	26/03/2020	May 2021
	FBC 5: Garrowhill/Ballieston SWMP				C	G	G	G	G	29/08/2019	Nov 2022



Project Name	Sub Projects	SBC	OBC	Augm OBC	FBC	Scope	Timeline	Finance	Benefits Real.	FBC dates	End of construction
	Drumchapel SWMP				C	G	G	G	G	30/01/2020	Mar 2021
	Cockenzie St SWMP				F	G	G	G	G	21/05/2020	Jan 2023
	Fullerton Avenue SWMP				F	G	G	G	G	21/05/2020	Jan 2023
	Eastern Springburn SWMP				F	G	G	G	G	21/05/2020	Jan 2023
	High Knightswood/Nethererton SWMP				F	G	G	G	G	21/05/2020	Jan 2023
7. Clyde Waterfront West End Innovation Quarter					F	G	G	G	G	see below	see below
	Develop. Econ. Role of Glasgow University (GU) - Byres Road Public Realm				F	G	G	G	G	21/05/2020	Jan 2022
	Develop. Econ. Role of GU - University Avenue and Campus Connections				F	F	F	F	G	Nov 2021	Jan 2023
	Develop. Econ. Role of Scottish Exhibition Centre (SEC)/Pacific Quay - Expressway Bridge				F	G	G	G	G	29/10/2020	Nov 2021
	Develop. Econ. Role of SEC/Pacific Quay Cessnock Pedestrian Link				F	F	F	F	G	Apr 2022	May 2023
	Develop. Econ. Role of SEC/Pacific Quay - Finnieston Link				F	F	F	F	G	Apr 2021	May 2022
	Develop. Econ. Role of SEC/Pacific Quay - Canting Basin Bridge				F	F	F	F	G	Apr 2022	May 2023
	Investing in the Strategic Road Network to Unlock Development (M8 Jct19)				F	F	F	F	G	Jun 2022	Jun 2023
	Develop. Econ. Role of Queen Elizabeth University Hospital (QEUH) and Adjacencies - Development Deficit Funding 1				F	G	G	G	G	27/08/2020	Feb 2022
	Develop. Econ. Role of QEUH and Adjacencies - Development Deficit Funding 2				F	F	F	F	G	Feb 2021	Aug 2022
	Develop. Econ. Role of QEUH and Adjacencies - Development Deficit Funding 3				F	G	G	G	G	27/08/2020	Jan 2022
	Developing the Economic Role of QEUH and Adjacencies - Access Improvements	C	C	C	F	G	G	G	G	27/08/2020	Mar 2022
	Developing the Economic Role of Yorkhill Hospital Site				F	G	G	G	G	29/10/2020	Oct 2021
	FBC 1: Central Govan Action Plan (CGAP): Govan Public Realm				C	C	C	C	G	29/03/2018	22/04/2019
	CGAP Development Deficit Funding – Commercial Floorspace 1				F	F	F	F	G	Feb 2021	Feb 2022
	FBC 2: CGAP Commercial Floorspace Development Deficit Funding 2 (Govan Old Parish Church - Lower Ground Floor)				C	G	G	G	G	20/06/2019	18/06/2020
	Access and Integrity of Waterfront The Briggait/Lancefield Quay				F	G	G	G	G	24/09/2020	Sep 2021
	Access and Integrity of Waterfront - Yorkhill Quay				F	G	G	G	G	29/10/2020	Oct 2021
	Access and Integrity of Waterfront - Windmillcroft Quay				F	G	G	G	G	24/09/2020	Sep 2021
	Access and Integrity of Waterfront - SEC - Active Travel				F	F	F	F	G	Apr 2021	Apr 2023
	Access and Integrity of Waterfront - Custom House Quay				F	F	F	F	G	Dec 2021	Dec 2023
	Access and Integrity of Waterfront - Calton Place				F	F	F	F	G	Dec 2021	Dec 2023
	Access and Integrity of Waterfront - Tradeston				F	G	G	G	G	24/09/2020	Sep 2021
	Access and Integrity of Waterfront - Govan Graving Docks				F	G	A	G	G	23/04/2020	May 2021



Project Name	Sub Projects	SBC	OBC	Augm OBC	FBC	Scope	Timeline	Finance	Benefits Real.	FBC dates	End of construction
	Improving Connectivity between GU and QEUH - Govan-Partick Bridge				F	G	G	G	G	18/06/2020	Sep 2021
	Improving Connectivity between GU and QEUH - Active Travel Route (North)				C	G	G	G	G	31/10/2019	Oct 2020
	Improving Connectivity between GU and QEUH- Active Travel Route (South)				F	G	G	G	G	27/08/2020	Aug 2021
Inverclyde Council											
8. Inchgreen		C	F	n/a	F	G	G	G	G	Mar 2021	Mar 2022
9. Ocean Terminal				n/a	F	G	G	G	G	see below	see below
	Marine Works	C	C	C	C	G	G	G	G	29/05/2019	Mar 2020
	Terminal Building			F	C	G	G	G	G	28/11/2019	Mar 2021
10. Inverkip		C	C	F	F	A	A	A	A	18/06/2020	Mar 2021
North Lanarkshire Council											
11. A8 M8 Corridor Access Improvements			n/a	n/a	F	G	G	G	F	see below	see below
	Eurocentral: Park & Ride/Share	C	F	F	F	G	G	G	F	Nov 2021	Dec 2022
	Orchard Farm Roundabout		F	n/a	F	G	G	G	F	Nov 2021	TBC
12. Gartcosh/Glenboig Community Growth Area					F	G	G	G	G	see below	see below
	Glenboig Link Road FBC 1	C	C	C	C	G	G	G	G	18/10/2016	01/06/2018
	Glenboig Link Road FBC 2				C	G	G	G	G	30/12/2016	01/06/2018
13. Pan Lanarkshire Orbital Transport Corridor		C	n/a	n/a	F	G	G	G	G	see below	see below
	Ravenscraig Infrastructure Access		F	n/a	F	G	G	G	F	01/06/2022	Sep 2025
	East Airdrie Link Road	C	F	n/a	F	G	G	G	G	Feb 2024	Sep 2026
	Motherwell Town Centre Interchange		C	C	F	G	G	G	G	29/10/2020	Sep 2021
Renfrewshire Council											
14. Clyde Waterfront and Renfrew Riverside (CWRR)		C	C	C	F	G	G	G	G	21/05/2020	Dec 2022
15. Glasgow Airport Investment Area (GAIA)		C	C	C	C	G	G	G	G	28/03/2019	Dec 2020
South Lanarkshire Council											
16. Cathkin Relief Road		C	C	C	C	G	A	G	G	23/05/2019	01/01/2017
17. Greenhills Road		C	C	C	C	G	A	G	G	23/05/2019	01/01/2017
18. Stewartfield Way Transport Capacity		C	F	n/a	F	G	A	G	G	Feb 2024	May 2026
19a. Community Growth Area (GCA) - Newton					F	G	G	G	G	see below	see below
	Newton CGA Park and Ride				C	C	C	C	G	24/05/2017	01/12/2017
	Newton Farm Primary School				C	C	C	C	G	03/02/2016	01/08/2017
	Westburn Roundabout				C	C	C	C	G	29/11/2018	01/09/2019
	Sustainable Transport Intervention				F	F	F	F	G	Jan 2021	Dec 2022
19b. Community Growth Area - Hamilton			C	C	F	G	G	G	G	see below	see below

Project Name	Sub Projects	SBC	OBC	Augm OBC	FBC	Scope	Timeline	Finance	Benefits Real.	FBC dates	End of construction
	FBC1: Woodhead Primary School Extension				C	C	C	C	G	02/08/2018	01/08/2019
	FBC2: Highstonehall Road Upgrade Works				C	C	C	C	G	29/11/2018	01/04/2019
	FBC3: Woodfoot Road Transport Corridor Improvements				C	C	C	C	G	25/04/2019	01/12/2019
	FBC4: Woodfoot Road/Wellhall Road Junction				F	F	F	F	G	Apr 2021	Dec 2021
	FBC5: Wellhall Road/Hillhouse Road Junction				F	F	F	F	G	Apr 2021	Dec 2021
	FBC 6: Woodfoot Rd, Gateside St and Strathaven Rd Junctions				F	F	F	F	G	Apr 2022	Mar 2023
	FBC7: Calderside Academy				F	F	F	F	G	May 2021	Aug 2024
19c. Community Growth Area - Larkhall					F	A	A	G	G	see below	see below
	Holy Cross High Extension				F	F	F	F	G	01/02/2022	Aug 2024
	Glengowan Primary School Extension				F	G	A	G	G	28/01/2021	Aug 2021
	Larkhall Nursery Extension				F	A	A	G	G	28/01/2021	Aug 2021
	Merryton Roundabout & Link Road				F	F	F	F	G	Feb 2022	Aug 2023
	A72 Lanark Road / M74 Signalisation				F	G	A	G	G	29/10/2020	TBC
	M74 Works				F	F	F	F	G	Apr 2023	Jun 2024
	Community Facility				F	F	F	F	G	Feb 2022	Oct 2023
19d. Community Growth Area - East Kilbride					F	G	G	G	G	see below	see below
	Park and Ride Facility - Hairmyres				F	F	F	F	F	01/04/2023	Mar 2024
	New Primary School (Phase 1) - Jackton				F	G	G	G	G	21/05/2020	TBC
West Dunbartonshire Council											
20. Exxon Site Development Project		C	C	C	F	G	G	G	G	Nov 2020	Jun 2023
Regional Projects											
21. Airport Access (Regional Project)		C	C	F	F	A	A	G	G	Dec 2022	Dec 2025
INNOVATION PROGRAMME											
	ICE - Imaging Centre of Excellence	n/a	n/a		C	C	C	C	G	12/04/2016	complete
	Medicity	n/a	n/a		C	C	C	C	G	12/04/2016	complete
	Tontine	n/a	n/a		C	C	C	C	G	06/06/2017	complete
SKILLS & EMPLOYMENT PROGRAMME											
	Working Matters (Successor Programme)	n/a	n/a		C	G	G	A	G	17/03/2015	n/a
	In Work Progression	n/a	n/a		C	C	C	C	C	17/03/2015	n/a
	Youth Gateway Guarantee	n/a	n/a		C	C	C	C	C	15/10/2015	n/a

## Appendix 2: PROGRAMME RISK REGISTER

Updates from the previous period are noted in *bold and italics*.

Glasgow City Region City Deal PROGRAMME RISK REGISTER																			
Programme Director			Kevin Rush																
Date updated:			12/03/2020																
Risk Ref	Date Identified	Status	Primary Risk Category	Risk Title	Risk Description	Risk Owner	Responsible Officer	Inherent Impact	Inherent Probability	Inherent Risk Score	Inherent Rank	Controls and Mitigating Action	Resid. Impact	Resid. Probability	Resid. Risk Score	Resid. Rank	Date Reviewed	Movement in period	
rsk 0006	24/01/2020	Open	Finance, Economic	Business impacts due to International Trade	RISK: Impact of Brexit and Coronavirus on construction sector CAUSE: construction material not readily available due to additional entry barriers. Supply of material from China has started to be affected by the effect of Coronavirus. EFFECT: Potential increased construction costs, project delay, reduced labour availability, increased inflation and currency exchange rates, increase CO2 emission in transport if not sourced locally.	PMO-Director of Regional Economic Growth	PMO-Assistant Head	3	5	15	Very High	Local authorities have established working groups to identify and mitigate for impacts of Brexit and Coronavirus. Project Business Cases are developed with optimism bias and contingency allowances. Ongoing four-weekly financial monitoring of project delivery/finances.	3	5	15	Very High	12/03/2020	↑	
rsk 0011	24/01/2020	Open	Delivery	Skills gaps and <b>Labour Availability</b>	RISK: Lack of appropriate skills and labour being available to deliver infrastructure Projects <i>exacerbated in the short-term by Coronavirus</i> . CAUSE: Shortage of skills to deliver the GCRCD Programme/Projects. Potential impact of new immigration policy on construction workforce. <b>Self-isolation due to Coronavirus may reduce labour (project teams/contractors) availability</b> EFFECT: Project not being delivered in the planned timescale and forecasted cost. Construction companies unable to meet timescale. Project commencement delayed.	PMO-Director of Regional Economic Growth	PMO-Legacy Manager	3	5	15	Very High	<b>City Deal PMO and Member Authority PMOs have established Business Continuity Plans to allow for home working should self-isolation be required. For ongoing skills requirement.</b> Project Teams City Deal PMO sharing Programme skills requirements with further and higher education institutions via the Skills and Employment Portfolio Group managed by the Senior Portfolio Development officer who will link in with the PMO. <b>PMO is currently collating the latest project milestones and finance data to be used to calculate skills requirements. The Intelligence Hub will lead on calculating the data through using the CITB tool.</b> MAs to agree timetable and process with bidders during Competitive Dialogue.	3	5	15	Very High	12/03/2020	↑	
rsk 0001	24/01/2020	Open	Finance	<b>Programme Underspends against Projections</b>	RISK: <b>Programme does not meet forecasted spending profile set out within the annual forecast submitted to Scottish Government as required by the Grant Letter.</b> CAUSE: <b>Programme delay due to</b> Member Authorities (MAs) <b>failing to deliver projects and spend as planned</b> as a result of delays due for example to Covid 19. EFFECT: Programme may underspend against grant receipt and impact upon release of future tranches of investment funding.	PMO-Assistant Head	PMO-Finance Manager	4	3	12	High	<b>Projects to be asked to provide PMO with more frequent updates of any issues which arise as a result of Covid-19.</b> Financial Strategy Group reviews and monitors programme spend projections and escalates to the CEG where required. 2020/21 annual forecast provided to Scottish Government will seek to take account of the impacts of Covid-19.	3	3	9	Medium	12/03/2020	↑	
rsk 0002	24/01/2020	Open	Finance	Green Book Compliance	RISK: Inadequate implementation of Green Book methodology resulting in challenges to Business Case approvals made by CEG/Cabinet CAUSE: MAs submitting non-compliant BCs and external consultancies/PMO failure to appraise BC in compliance with Green Book. EFFECT: Loss of grant, further work on business cases, requirement to re-assess and approve existing Projects.	PMO-Assistant Head	PMO-Finance Manager	4	3	12	High	OBC Augmentation Process completed with input from economic consultants. Guide to completing Economic Impact Assessments created by economic development consultants and included within Programme Management Toolkit.	3	2	6	Medium	12/03/2020	↔	

Risk Ref	Date Identified	Status	Primary Risk Category	Risk Title	Risk Description	Risk Owner	Responsible Officer	Inherent Impact	Inherent Probability	Inherent Risk Score	Inherent Rank	Controls and Mitigating Action	Resid. Impact	Resid. Probability	Resid. Risk Score	Resid. Rank	Date Reviewed	Movement in period
rsk 0003	24/01/2020	Open	Delivery / Finance	Business Case (BC) Approval Process	RISK: Delay in development and approval of Businesses Cases CAUSE: MAs submission of non-compliant BCs. Lack of PMO resources to appraise BCs/MA resources to develop. EFFECT: Potential delay to Project delivery and impact to milestone achievement resulting in potential reduction in realisation of benefits.	PMO-Assistant Head	PMO-Assistant Head	4	3	12	High	Guidance on Economic Impact Assessment development issued to MA's. Ongoing programme of Green Book training for PMO and MA staff (latest 8/10/19). Member Authorities provide PMO with a schedule of Business Case submission. MAs self-assess against Appraisal Template prior to submission to PMO for appraisal.	3	2	6	Medium	12/03/2020	↔
rsk 0004	24/01/2020	Open	Financial	Alignment with new / emerging policies and investment programmes	RISK: Misalignment of City Deal objectives with emerging National, Regional and Local Strategies (i.e. Local Transport Strategies, Strategic Transport Projects Review (STPR2), Rail Investment Strategy etc) investment plans (e.g. of public utilities) and Climate Change. CAUSE: Programme Assembly exercise undertaken in 2013/14 under differing policy priorities. Dependencies on other agencies not managed EFFECT: Reduced ability to access external funding aligned to new/emerging policy priorities and missed opportunities to leverage additional public/private sector investment.	PMO-Assistant Head	PMO-Assistant Head	4	3	12	High	New commitments from Cabinet to contribute to new / emerging policy priorities including Inclusive Growth and Tackling Poverty. Annual refreshing of the Programme Business Case to show policy alignment. Flexibility within the Programme Prioritisation Framework to respond to new priorities. Joint working between Infrastructure Portfolio Group and utilities to complement and support investment programmes. Programme Dependency Register will be used to identify and manage dependencies with other public/private sector agencies.	3	2	6	Medium	12/03/2020	↔
rsk 0008	24/01/2020	Open	Socio-Political	Political and public support for City Deals / Growth Deals	RISK: Loss of political and/or public support for the City Deal CAUSE: Political decisions / change in policy priorities / local opposition to individual projects EFFECT: City Deal/Growth Deal Programme funding impacted / negative public perception of Deal projects	PMO-Director of Regional Economic Growth	PMO-Assistant Head	4	3	12	High	Maintain support for City Deal through ongoing communication with governments, key stakeholders and public regarding Deal benefits. Regular updates on Programme and Project progress are issued via media / social media. A Programme Communication, Marketing and Engagement Strategy in place & updated at September 2018. Forward plan of comms activity for key milestones. Progress and relevant matters including FOIs and journalist enquiries are raised / discussed at each GCR Comms Group and considered in relation to likely media interest, planned media releases and coverage.	3	2	6	Medium	12/03/2020	↔
rsk 0010	24/01/2020	Open	Economic / financial	Attraction of follow-on investment	RISK: Failure to attract necessary follow on investment to deliver the economic benefits of the City Deal funded Projects. CAUSE: Poor economic conditions, socio-economic factors including depopulation may be a deterrent for investors in certain areas EFFECT: Projects fail to deliver the economic benefits and follow on private sector investments. Impact on Payment By Result targets	PMO-Director of Regional Economic Growth	PMO-Legacy Manager	4	3	12	High	The responsibility for securing follow on investment described in each of the OBCs lies with individual MAs. <b>The Economic Delivery Group and Regional Partnership remits have been extended to support benefits realisation at a Programme level through the Benefits Dependencies Register.</b> Regional Investment Prospectus which serves to attract private sector capital investment under development. Portfolio working groups addressing wider place-making and investor attractiveness via development of refreshed Regional Economic Strategy	3	2	6	Medium	12/03/2020	↔
rsk 0013	24/01/2020	Open	Environmental	Sustainability, efficient use of natural resources and Climate Change	RISK: Failure to address sustainability and efficient use of natural resources and Climate Change including failure to produce energy consumption savings and reducing emissions. CAUSE: MA not considering sustainable solutions and not including the relevant expertise in the design and delivery of the programme. EFFECT: MAs not fulfilling commitments to residents. Council fails to meet Carbon Reduction or Climate Change Targets.	PMO-Assistant Head	PMO-Legacy Manager	3	2	6	Medium	Develop and implement more sustainable solutions in service delivery for the benefit of all. Sustainable Procurement Group now in place that is a collaborative partnership for strategic engagement and includes Scot. Govt maximise environmental benefits. Appropriate standards in the Output Specification. Close liaison with Sustainability Officers. Environmental and circular economy aspects to be identified and costed at the Projects outset and included throughout the Projects design and construction.	2	2	4	Low	12/03/2020	↔

Risk Ref	Date Identified	Status	Primary Risk Category	Risk Title	Risk Description	Risk Owner	Responsible Officer	Inherent Impact	Inherent Probability	Inherent Risk Score	Inherent Rank	Controls and Mitigating Action	Resid. Impact	Resid. Probability	Resid. Risk Score	Resid. Rank	Date Reviewed	Movement in period	
rsk 0005	24/01/2020	Open	Financial / reputational	Governance procedures are not fit for purpose	RISK: Governance processes and procedures are not fit for purpose resulting in non-compliance with Grant Agreement conditions CAUSE: Assurance Framework not providing full coverage of all governance requirements. PMO/MAs not complying with Framework. EFFECT: Potential claw back of funding/negative audit reports.	PMO-Assistant Head	PMO-Assistant Head	4	3	12	High	The updated Assurance Framework and Programme Business Case were approved by Cabinet on 8/10/19. The Programme Management Toolkit will be finalised by end of February 2020 to implement changes to monitoring and reporting of information to meet requirements of list key governance documents.	3	1	3	Low	12/03/2020	↔	
rsk 0009	24/01/2020	Open	Financial / reputational /economic	Deal GVA and Jobs targets not achieved	RISK: Programme GVA and Jobs targets not achieved / Benefit Cost Ratio reduced CAUSE: Cumulative impact of changes to individual projects' costs (due to inflation/interest rates etc)/timelines including projects delivery extending beyond 2025 which economic case was modelled upon / operational job requirements reduced due to increasing trend for automation EFFECT: reduced grant due to failure to meet Deal Payment by Results targets	PMO-Assistant Head	PMO-Legacy Manager	4	2	8	Medium	All Project output and outcome data included within Programme Business Case. Delivery of project outputs. Four-weekly monitoring of change in scope/timelines and finances of individual Projects.	3	1	3	Low	12/03/2020	↔	
rsk 0007	24/01/2020	Open	Financial	Public Sector/Partner Funding Availability	RISK: Member Authority and Partner funding contributions do not materialise CAUSE: Pressures on public sector funding/expenditure, increase in interest rates and borrowing costs <b>MAs are seeking further clarity and assurance within Sustrans grant agreements on a number of matters including that all proposed project elements will qualify as eligible spend.</b> EFFECT: Impact on Member Authorities' capital borrowing and revenue funding	PMO-Director of Regional Economic Growth	PMO-Finance Manager	3	2	6	Medium	Member Authorities must receive local approval for their 14% funding contribution and their own Business Cases prior to submitting this to the GCR PMO for appraisal. Individual Member Authorities assess the priority of their proposed City Deal projects alongside their own wider capital investment programmes for their local area. Debt financing costs will be met from Member Authority resources and be in line with the Prudential Borrowing Code. <b>Member Authorities across the Region have escalated concerns regarding Sustrans funding to Transport Scotland via the Region's Transport and Connectivity Portfolio Group.</b>	2	1	2	Low	12/03/2020	↔	
rsk 0012	24/01/2020	Open	Procurement	Project bidders lack of interest / competition	RISK: Failure to secure interest in the Project from bidders and failure to retain bidders. CAUSE: Lack of competition leading to higher cost. EFFECT: Increased Project cost (impact on NPV), delay in Project delivery.	PMO-Assistant Head	PMO-Communication Manager	3	2	6	Medium	Continued business engagement activity via Supplier Development Programme activity including a City Deal Supplier Engagement Event Summer 2020. During competitive dialogue reconsider scope, standards of works to meet budget constraints. Clarity of MAs affordability threshold shared with Bidders in early stages of the Project.Projects continue soft market testing through OBC to refine offering based on market feedback. Strong Project management, robust and affordable Project.	2	1	2	Low	12/03/2020	↔	
CLOSED RISKS THIS PERIOD																			
NONE																			

Appendix 3: PROGRAMME ISSUES LOG

Updates from the previous period are noted in ***bold and italics***.

Glasgow City Region City Deal PROGRAMME ISSUE LOG														
Programme Director		Kevin Rush												
Date updated:		12/03/2020												
Issue Ref:	Date Raised	Project Issue Type	Owner	Logged by	Issue Title	Issue Description	Impact	Action	Stakeholders	Target / Timescale	Priority	Status	Date Checked	Date Closed
is_0013	14/11/2017	Professional	MA	PMO - Programme Mgr	Submission of Business Cases by MAs	Member Authorities submitting late and incomplete fragmented Business Cases to the PMO for appraisal.	Some business cases are submitted to the PMO by MAs either late and/or incomplete. This causes a significant challenge to the PMO in appraising the Business Case within the timescale and potentially compromises the quality of the appraisal and the recommendation made to CEG and Cabinet. The submission of late and/or incomplete business compromises the business case approval process and the outsourcing of reviewers to form the appraisal team.	MAs should submit a business case that has been reviewed and approved by their MA Project Sponsor and meet the agreed business case submission timescales, and the document submitted should be the complete version. <i><b>Additional guidance on business case submission process has been included within the Programme Management Toolkit. An audit of compliance with business case submissions is underway with the report expected to be submitted to the 02/06/2020 Cabinet.</b></i>	PMO / MA	Feb-20	Medium	Open	12/03/2020	
CLOSED ISSUES IN PERIOD														
NONE														

## APPENDIX 4: AUDIT SCOTLAND RESPONSE LETTER



## Endnotes

### Project Summary Table Key

Code	Status	Definition
C	Complete	Project element complete
R	Red	Successful delivery of the project as detailed in the business case appears to be unachievable. There are major issues regarding project scope (quality/quantity), timeline, finance and/or benefits realisation, which at this stage do not appear to be manageable or resolvable. The project may need re-scoping and/or its overall viability reassessed.
A	Amber	Successful delivery of the project as detailed in the business case appears feasible but significant issues exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
G	Green	Successful delivery of the project as detailed in the business case to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
F	Future	Projects with a forecasted date for FBC submission more than 1 year away.
	Live	Projects which are currently underway or have a forecasted FBC submission date within 1 year.
n/a		Not applicable
TBC		To be confirmed by Member Authorities to the PMO.



Annemarie O'Donnell  
Chief Executive  
Glasgow City Council  
City Chambers  
George Square  
GLASGOW  
G2 1DU

3 March 2020

Dear Annemarie

**Accounts Commission and Auditor General report: *Scotland's city region and growth deals***

Thank you for your letter of 21 February commenting on the joint Accounts Commission and Auditor General report *Scotland's City Region and Growth Deals*.

We value feedback from our stakeholders and I note that you and your colleagues had some disappointment on how the report covered the position of the Glasgow City Region Deal.

The report was intended to be a high level assessment of the progress made in introducing City Deals to date. As such, it did not provide an in-depth assessment of the progress of individual deals, instead using examples from the initiatives to illustrate the overall conclusions that we reached. You will be aware that your colleague Kevin Rush was a member of the audit advisory group and offered comments on the draft report before it was published. The audit team has advised me that they were very pleased with Kevin's input.

I am pleased to note that Glasgow City Region has undertaken a review of how it is performing against the recommendations we made. These recommendations are intended to help existing deals and those currently being developed, and it is encouraging that they are being used in this way.

As you have acknowledged, we currently intend to undertake further work on the development of City Deals in the future. Subject to scoping, I expect this work to include following up how recommendations have been implemented, as well as how individual projects within deals are progressing. I would anticipate that this will involve further input from Glasgow City Region.

In the meantime, I wish you well in taking forward the initiative.

Yours sincerely



**Graham Sharp**  
Chair





## **Glasgow City Region - City Deal**

### **Cabinet**

### **Report by Chief Executives, Glasgow City Council and Renfrewshire Council**

## **City Deal Airport Access Project (AAP) – Proposed Next Steps**

### **Purpose of report:**

The purpose of this report is to:

- provide the Cabinet with an update on developments on the Airport Access Project (AAP) that have taken place since April 2019; and
- to propose the next steps for the Project in light of wider Regional and National transport policy developments, including the Glasgow Connectivity Commission recommendations.

### **Recommendations**

The Cabinet is invited to:

- a) note the Scottish Government's commitment to consider a Glasgow Metro supporting existing City Deal projects in Glasgow and Renfrewshire, including the Airport Access Project;
- b) agree that work on further developing the option of the Cable Pulled Transit system for the AAP Project as developed in the revised Outline Business Case is paused to allow a feasibility study to be undertaken on an alternative Metro solution, which would incorporate access to Glasgow Airport via a link from Paisley Gilmour Street Station;
- c) agree the funds previously approved by Cabinet for business case development costs are used to support the completion of the feasibility study, with the outputs of this work informing any future revisions to the AAP Outline Business Case;
- d) agree that Glasgow City Council assumes the lead role in progressing the feasibility study as set out in the report; and

- e) agree that the Chief Executives' Group is given the delegated authority to approve the draw-down of funds required for the completion of the feasibility study, together with agreeing the costs, scope and timescale for the study.

## **1. Purpose**

### **1.1 The purpose of this report is to:**

- provide the Cabinet with an update on developments in relation to the Airport Access Project which have taken place since April 2019; and
- to propose the next steps for the Project in light of wider developments in relation to Regional and National transport, including the Glasgow Connectivity Commission recommendations.

## **2. Background**

2.1 As instructed by Cabinet in April 2019, the Airport Access Project (AAP) team has developed a revised Draft Outline Business Case (OBC) which showed a positive business case for a Cable Pulled Transit (CPT) System.

2.2 The proposed system would provide a shuttle system between Paisley Gilmour Street Station and Glasgow Airport, carrying circa 100 people in 2 cabs on a segregated track which would be elevated on its approaches to the Airport and Paisley Gilmour Street Station, and at ground level where it followed the line of a disused railway line between those points.

2.3 However, since the identification of this preferred option, a number of key developments have occurred in the transport landscape at a national, regional and local level which could potentially impact upon the current Outline Business Case, including the opportunity to link the AAP with a metro system for the Glasgow area.

## **3. Local Transport Strategy / Policy Framework**

3.1 In April 2019, Glasgow City Council's Connectivity Commission made a recommendation that 'a Glasgow metro system should be developed, with the first route to be constructed that between Paisley Gilmour Street and Glasgow Airport, capable of being extended to Glasgow City Centre along the South Clyde Growth Corridor as a full Glasgow Metro line and that 'it is developed as the first stage of a wider strategy to transform the fixed public transport network for the city and region as a whole.'

3.2 Glasgow City Council is currently updating its Local Transport Strategy (LTS) for the City using STAG principles. This Strategy, or Connectivity Plan, will set out a clear set of outcomes for the City in relation to transport up to 2030. It will contain a suite of policies and themes, and will be accompanied by a Delivery Plan identifying key interventions. The LTS will be published by the end of 2020 with the Delivery Plan to follow in 2021.

3.3 A feasibility study on the Metro will particularly inform the Delivery Plan, and it is important to demonstrate the case for an integrated public transport system in the City where bus, Metro, Subway and new forms of mobility can co-exist and

offer effective alternatives to car journeys in the City, and, in particular, support the City's most vulnerable communities.

#### **4. Regional Transport Strategy / Policy Framework**

- 4.1 A new Regional Transport Strategy (RTS) is currently under development and is at the 'Issues and Objectives' stage which will identify the main transport issues needing addressed in the West of Scotland, and also seek to agree a vision, objectives and outcomes for the new Strategy.
- 4.2 The next phase of RTS development will focus on Options. This stage will seek to address identified issues and work towards the vision, objectives and outcomes. The interventions which form those Options will be developed through ongoing engagement with partners, using other development work completed in recent years, and will be appraised in line with Scottish Transport Appraisal Guidance (STAG). The recommendations for interventions from the Connectivity Commission - including a "Metro" style network will be considered for inclusion in the RTS Options appraisal process.

#### **5. National Transport Strategy / Policy Framework**

- 5.1 In September 2019, the Scottish Government published its 'Programme for Government 2019-2020', setting out the actions it will take over the next year. It states 'We welcome the Glasgow Connectivity Commission report and the ambitious vision it sets out for the Glasgow City Region for creating an inclusive, thriving and liveable city. We are committed to working with partners to consider the Commission's recommendations, and as part of the second Strategic Transport Projects Review, we will consider the potential for a Glasgow Metro, which builds on the planned City Region Deal investment to link Glasgow Airport and the new National Manufacturing Institute for Scotland to Paisley Gilmour Street'.
- 5.2 In February 2020, Transport Scotland published the National Transport Strategy (NTS2) which advocates a vision for Scotland's transport system which will help create great places, a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier fairer and more prosperous Scotland for communities businesses and visitors.
- 5.3 The second Strategic Transport Projects Review (STPR2) will inform transport investment in Scotland for the next 20 years. It will help to deliver the vision, priorities and outcomes set out in NTS2 and will align with other national plans such as the National Planning Framework (NPF4) and the Climate Change Plan.
- 5.4 STPR2 involves conducting an evidence-based review of the performance of Scotland's strategic transport network across all transport modes – walking, cycling, bus, rail and road to identify interventions required to support the delivery of Scotland's Economic Strategy. A draft Case for Change report for Glasgow City Region was published on 27 February 2020.

## **6. Proposal Next Steps for AAP**

- 6.1 The statement from Government that they are committed to working with partners to consider the Connectivity Commission's recommendations and, as part of STPR2, will consider the potential for a Glasgow metro, building on the planned City Deal AAP investment, is to be welcomed. This has the potential to see the Airport Access Project incorporated within an ambitious, wider integrated, inclusive public transport system serving the needs of communities and businesses and maximising the potential benefits of the Project.

## **7. Feasibility Study of the Metro**

- 7.1 Given the potential for the system to be extended to Glasgow City Centre along the South Clyde Growth Corridor as part of a full Glasgow Metro line, it is proposed that the work on the development of the current Preferred Option from the Revised OBC of a Cable Pulled Transit System is paused and a Feasibility Study for the wider Glasgow Metro scheme is instead progressed.
- 7.2 It would be prudent for this feasibility work to be completed in 2021 to align with the completion of STPR2, providing early information should a Glasgow Metro system be included as a 'Project' in STPR2.
- 7.3 The analysis of spatial, environmental and economic data should play a key role in determining the nature and form of the Metro which can act, not only as an opportunity to support modal shift to public transport, but can also serve as a catalyst for reinforcing sustainable economic growth and the delivery of successful place making. The Feasibility Study will focus on technology, the operating model (commercial case) and the economic impacts (economic case), providing key information for any required revisions in the future to the Airport Access Project's Outline Business Case, as would be required by the City Deal Assurance Framework should the Metro present as a feasible alternative option to the existing Preferred Option. Should this be the case the approved city deal funding for the AAP would be allocated as a contribution to the Metro build costs from Paisley Gilmour Street to Glasgow Airport.

## **8. Governance**

- 8.1 Under the Assurance Framework, the Airport Access Project is being delivered jointly by Renfrewshire Council and Glasgow City Council, with Renfrewshire Council as Lead Authority. Given the change in focus of the project, with the potential extension of the project into Glasgow City Centre along the South Clyde Growth Corridor as part of a full Glasgow Metro line, it is proposed that Glasgow City Council should assume the Lead Authority role in the completion of the feasibility study.
- 8.2 A multi-disciplinary team will be assembled, based within GCC, to oversee the development of the Feasibility Study, working closely with Transport Scotland who will provide direct access to their wealth of expertise and library of studies and reports.

- 8.3 The Project Steering Group will continue to be co-chaired by the Chief Executives of Glasgow and Renfrewshire. Progress report will be shared with the City Region's Transport Portfolio group, the Chief Executives' Group and the Cabinet.
- 8.4 It is anticipated that development costs of the Feasibility Study can be contained within the existing AAP business case development costs previously agreed by Cabinet in December 2016<sup>1</sup>. It is proposed that a paper outlining the scope, cost and timescale for the feasibility study along with the detailed governance arrangements will be submitted to the Chief Executives' Group in May 2020 for approval.

## **9. Recommendations**

- 9.1 The Cabinet is invited to:
- a) note the Scottish Government's commitment to consider a Glasgow Metro supporting existing City Deal projects in Glasgow and Renfrewshire, including the Airport Access Project;
  - b) agree that work on further developing the option of the Cable Pulled Transit system for the AAP Project as developed in the revised Outline Business Case is paused to allow a feasibility study to be undertaken on an alternative Metro solution, which would incorporate access to Glasgow Airport via a link from Paisley Gilmour Street Station;
  - c) agree the funds previously approved by Cabinet for business case development costs are used to support the completion of the feasibility study, with the outputs of this work informing any future revisions to the AAP Outline Business Case;
  - d) agree that Glasgow City Council assumes the lead role in progressing the feasibility study as set out in the report; and
  - e) agree that the Chief Executives' Group is given the delegated authority to approve the draw-down of funds required for the completion of the feasibility study, together with agreeing the costs, scope and timescale for the study.

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<sup>1</sup> <http://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNDN0GT1Z381>





## **Glasgow City Region - City Deal**

### **Cabinet**

### **Report by Director of Regional Economic Growth**

**Contact: Jane Thompson, 0141 287 5369**

## **Item 4**

### **Commission on Economic Growth: 'Looking Forward to the Future: The Glasgow City Region Economy'**

#### **Purpose of Report:**

This paper provides Cabinet with a summary of the report written by the Commission on Economic Growth, chaired by Professor Anton Muscatelli, and sets out a Glasgow City Region response to the main findings as set out in the Commission's Report.

#### **Recommendations:**

The Cabinet is invited to:

- a) note the 28 recommendations outlined within the Commission's report including those directed at the Scottish and UK Governments (nos. 23-28);
- b) agree the proposed leads and next step for those recommendations (nos. 1-22) directed at Glasgow City Region;
- c) approve the proposed monitoring arrangements; and
- d) approve the release of the funding of £40,000 to the University of Glasgow for the work.

## **1. PURPOSE**

- 1.1 This paper provides the Cabinet with a summary of the report written by the Commission on Economic Growth, chaired by Professor Anton Muscatelli, and sets out a Glasgow City Region response to the main findings of set out in the Commission's Report.

## **2. BACKGROUND**

- 2.1 The Cabinet agreed in February 2019 that the Commission on Economic Growth would undertake work to develop a report regarding the future shape of the economy of Glasgow City Region.
- 2.2 The Cabinet approved the work to be undertaken and that the final report should be submitted to the City Deal Programme Management Office (PMO) by 30 September 2019.
- 2.3 The full report was approved by the Commission on Economic Growth at its meeting on 20th January 2020, and it was discussed at the Chief Executives' Group (CEG) meeting on 30 January 2020. The CEG asked that a workshop be arranged with the authors of the report to discuss the main findings. The workshop took place on 4 March 2020 and following the discussion between the CEG and Commission representatives it was agreed that further amendments would be made to the Commission's report to reflect the discussion at the workshop.
- 2.4 The updated Summary Report from the Commission is attached as an appendix to this report.

## **3. REPORT SCOPE**

- 3.1 The scope of the work to be carried out by the Commission was set out in the report approved by Cabinet on 12 February 2020.
- 3.2 It was agreed that the Commission that the outcomes and learning from the longer term economic analysis of Glasgow City Region carried out by the Commission would be require to be of assistance to both the delivery of the City Deal and the work of the emerging Regional Economic Partnership. It would also be of support to the Member Authorities and portfolios in the delivery of the Regional Economic Strategy and Action Plan, and in refreshing the strategy in order to meet future challenges.
- 3.3 The core elements of the Commission's report were stated as:
  - a. a paper considering the methods used by different cities to look at their future;
  - b. a review of the existing literature and research on the growth drivers of city economies;
  - c. a review of existing city innovation systems and how they are evolving;
  - d. a substantial analysis of the skills and labour market issues the city will face over the next 5 and 30 years;
  - e. a review of the housing and infrastructure issues that will face the region; and
  - f. research will be undertaken into governance arrangements and the evolving concept of the 'Intelligent City'.

#### 4. FUTURES REPORT FUNDING

- 4.1 The resources required to carry out the work were stated in the Cabinet report and included resources provided by the University of Glasgow which has agreed to fund Professor Duncan MacLennan moving from a 0.5 to 1.0 FTE over the period from February to the end of July 2019 to lead this work. The PMO budget currently includes annual funding for a support officer who works directly for the Commission (Dr David Waite).
- 4.2 In addition to the existing resource noted above, the Commission indicated that to deliver the report that it would require to utilise its total funding allocations from within the PMO budget for 2018/19 and 2019/20 (totalling up to £40,000).
- 4.3 Cabinet approved the allocation of £40,000 to the University of Glasgow, on behalf of the Commission, across 2018/19 and 2019/20, in order to support the delivery of the report. It was also agreed that the payment milestone for the report is the approval of the final report by the GCR Cabinet.

#### 5. MAIN REPORT FINDINGS

- 5.1 The Commission's report includes 28 recommendations directed at differing levels of government, namely:
- Glasgow City Region - 22 recommendations;
  - Scottish Government - 3 recommendations; and
  - UK Government and Scottish Government - 3 recommendations.
- 5.2 The 28 recommendations are set out in the table below alongside proposed next steps for progressing each of the 22 recommendations directed at the City Region. The recommendations directed at the Scottish and UK Governments are listed for information.

	CITY REGION RECOMMENDATIONS	PROPOSED NEXT STEPS
<b>Skills and labour market</b>		
<b>1</b>	We recommend that GCR secures a much greater influence over skills investment, particularly in relation to the mix of apprenticeship, college and university provision to promote higher economic growth, which also delivers greater inclusivity and equality both in relation to access to skills training and in terms of effective outcomes.	Recommendations to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"> <li>• the Skills and Employment Portfolio.</li> </ul>
<b>2</b>	Effective skills planning needs very detailed intelligence on employer skills needs and a rigorous system for analysing the outcomes achieved by all graduates of the skill system. Systems exist to do these things and to provide this intelligence, but we recommend that they go up several levels in terms of precision and robustness for GCR to gain a significant competitive edge in skills investment planning	
<b>3</b>	We recommend that the lessons from current skills alignment pilots be used to create a skills system characterised by complementarity rather than competition	
<b>4</b>	A major constraint on building a more effective supply of labour with good technical digital skills is the level of participation of girls and women in the process. We	

	recommend that, to reduce the significance of that constraint, a major effort should be launched throughout and across the GCR, building on existing initiatives and action plans and running through the education and skills system from primary schools through to universities.	
5	We recommend that there is a greater co-ordination of skills strategy and implementation at the level of the city region and that the alignment of national and city-region skills strategies becomes a central concern of the Regional Economic Partnership.	
Innovation System		
6	Polymakers in the GCR may support the <b>development of an inclusive innovation mission</b> that will require a new approach that involves a wide-ranging set of actors/stakeholders in policy design and monitoring.	Recommendations to be reviewed and progressed where appropriate by the Regional Economic Partnership as part of the development of the refreshed Regional Economic Strategy.
7	We suggest that an inclusive innovation policy might usefully <b>explore the support given to alternative business modes</b> - such as social enterprises, as well as grassroots and social innovations - through engagement with representative bodies.	
8	We recommend, if the mission is to be pursued, that <b>universities reconsider and re-evaluate their roles in shaping and influencing the innovation system</b> and consider shifts in “direction” to support inclusive innovation.	
Infrastructure		
9	We recommend that GCR <b>uses an expanded, comprehensive definition and understanding of infrastructure</b> (including digital infrastructure and housing assets) and <b>re-emphasises the roles that infrastructure</b> , in creating and connecting places and people within the city-region, plays in shaping key responses to the grand economic, social and economic challenges facing the GCR.	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"><li>• the Infrastructure and Assets Portfolio (Lead);</li><li>• the Transport Portfolio; and</li><li>• the Housing Portfolio.</li></ul>
10	We recommend that GCR develops, within the mission framework, <b>a new approach to creating and connecting places that integrates thinking, and action, and links planning, land markets and infrastructure</b> . We call this the ‘Infrastructure in Place Approach’, as infrastructure and spatial planning need to be seen as simultaneous, integrated activities. Also, spatial plans should be presented along with explicit, associated infrastructure investment plans (with intended budgets and identified delivery vehicles).	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"><li>• the Land Use and Sustainability Portfolios (Lead); and</li><li>• the Infrastructure and Assets Portfolio.</li></ul>
11	We recommend that the GCR should ensure that <b>different infrastructure sectors articulate clear statements of infrastructure provision and needs</b> , over 5 and 25 years, and use them as the basis for developing a coherent integrated infrastructure investment strategy for the GCR.	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"><li>• the Infrastructure and Assets Portfolio.</li></ul>
12	We recommend that the GCR, over the next year, work with the Commission, and others, to formulate a clearer sense of the <b>future geography of the city region</b> , and then - through the Regional Economic Partnership -	Recommendation to be to be reviewed and progressed where appropriate by:

	<b>explore priority places for targeted investment</b> aimed at generating growth in the city-region economy in conjunction with the Scottish Government.	<ul style="list-style-type: none"> <li>• the Land Use and Sustainability Portfolio (Lead) and</li> <li>• the Economic Intelligence Support Group.</li> </ul>
13	We recommend that GCR, working with relevant bodies such as COSLA, the RTPI, the CIH and EDAS, assess the staffing and related capabilities required to design and deliver an appropriate <b>‘infrastructure in place’ investment plan</b>	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"> <li>• the Infrastructure and Assets Portfolio.</li> </ul>
14	We recommend that consideration is given to developing a vehicle to <b>co-ordinate infrastructure planning and delivery at the level of the city region</b> in order to deliver effective, integrated <b>‘infrastructure in place’ strategies</b> . A city-region vehicle of this type could be deployed to develop expertise in infrastructure planning and in capturing infrastructure and planning gains in urban development processes.	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"> <li>• the Land Use and Sustainability Portfolios (Lead); and</li> <li>• the Infrastructure and Assets Portfolio.</li> </ul>
15	We further recommend that the GCR lead a step change in local economic development practice by <b>placing the economic drivers and consequences of infrastructure, planning and land market outcomes at the core of policy making</b> in the GCR.	Recommendation to be to be reviewed and progressed where appropriate by the Regional Economic Partnership as part of the development of the refreshed Regional Economic Strategy.
<b>Governance</b>		
16	We recommend that the Regional Economic Partnership become the <b>key deliberative and co-ordinating forum</b> for those matters which are best dealt with at a regional level, including core objectives of raising productivity, developing digital technologies, promoting inclusion, and achieving net zero carbon.	Recommendation to be to be reviewed and progressed (where appropriate) as part of the process to refresh the Regional Economic Strategy and if adopted will be owned by the REP.
17	We recommend that the <b>Regional Economic Partnership adopts Mazzucato’s framework</b> , and that by connecting action to strategy and delivery across the city region - combining strategic spatial planning of economic change, with effective co-ordination of infrastructure investments - objectives central to the mission may be moved towards.	The proposed mission framework approach is to be incorporated into the process to refresh and deliver the Glasgow City Region Economic Strategy.
18	It is recommended that the GCR, drawing on private, public and university expertise, should consider <b>establishing a partnership based, city-region Data and Digital Technology Strategy Board</b> , with a requirement to report promptly on key system gaps and develop feasible plans to close them.	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"> <li>• the Infrastructure and Assets Portfolio.</li> </ul>
19	We recommend bringing together expertise from universities and the colleges in the GCR. Support should be sought from the Scottish Funding Council and Scottish Government for <b>establishing a metropolitan HE/FE knowledge and co-production consortium</b> .	Recommendation to be to be reviewed and progressed where appropriate by: <ul style="list-style-type: none"> <li>• the Skills and Employment Portfolio.</li> </ul>
20	Over the longer term, the GCR should look at, and potentially make cases for, <b>new, more diverse sources of funding for GCR services and investments</b> , including	Recommendation to be to be reviewed and progressed where appropriate by:

	new taxes that both provide revenue and deter rising environmental and congestion costs. Capacities may also be usefully developed in identifying and <b>extracting land value uplifts</b> following planning rezoning and infrastructure provisions.	• the Regional Economic Partnership.
21	We recommend that GCR through the City Deal Cabinet and the Regional Economic Partnership, supported by the Commission, <b>develop intelligence together on service co-ordination</b> where that might contribute to the achievement of mission objectives.	Recommendation to be to be reviewed and progressed where appropriate by Regional Economic Partnership as part of the development of the refreshed Regional Economic Strategy.
22	We recommend that GCR should consider whether a <b>new forward looking GCR-ECR partnership that focuses on the linked futures of the Glasgow and Edinburgh city regions</b> would represent a significant enhancement of what has already been catalysed by City Deals.	
SCOTTISH GOVERNMENT RECOMMENDATIONS (for information)		
23	We recommend that the Scottish Government urgently envisions and articulates what it regards as the ‘best first moves’ in selecting infrastructure investment locations between and within Scottish city-regions.	
24	We recommend that the Scottish Government should address these capacity deficits either by shaping dedicated regional teams in their own analytical services or by considering resource support for the creation of the capabilities required within the GCR.	
25	We recommend that the Scottish Government, in support of a city-region mission, may usefully consider how these growing fiscal imbalances can be appropriately addressed.	
UK GOVERNMENT & SCOTTISH GOVERNMENT RECOMMENDATIONS (for information)		
26	We recommend that the two Governments implement the spirit of the Smith Commission’s desire for better intergovernmental collaboration on city-region policy issues between Westminster and Holyrood.	
27	We further recommend a better collaborative discussion between the city-region and the two other orders of government in relation to the future of air and rail transport links between the GCR, the rest of the UK and the wider world.	
28	We recommend that developments in England related to local industrial strategies and possible decentralisation and devolution frameworks are clearly articulated in terms of the implications and opportunities for city-regions in Scotland.	

## 6. PROPOSED MONITORING ARRANGEMENTS

6.1 It is proposed that each of the proposed leads highlighted in the table above (Portfolio Groups, Support Groups, Regional Economic Partnerships) should:

- review and progress the recommendations as appropriate;
- incorporate adopted recommendations within their Group workplans;
- provide progress updates to the CEG and Cabinet on a quarterly basis, with reporting co-ordinated by the Senior Portfolio Development Officers.

## 7. RECOMMENDATIONS

7.1 The Cabinet is invited to:

- e) note the 28 recommendations outlined within the Commission’s report including those directed at the Scottish and UK Governments (nos. 23-28);
- f) agree the proposed leads and next step for those recommendations (nos. 1-22) directed at Glasgow City Region;
- g) approve the proposed monitoring arrangements; and

- h) approve the release of the funding of £40,000 to the University of Glasgow for the work.



# **LOOKING FORWARD TO THE FUTURE: THE GLASGOW CITY-REGION ECONOMY**

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**Summary Report to the  
Economic Commission for the Glasgow City Region**

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**March 2020**

**Professor Duncan Maclellan, Professor Alan  
McGregor, Dr David Waite and Dr Des McNulty**



## 1. CHANGES AND CHALLENGES

- 1.1 The Glasgow City-Region is a renowned example of the changing fortunes of a metropolitan area. A spectacular, early century of growth and industrialisation until the 1950s was followed by half a century of pronounced deindustrialisation with consequences for wider economic decline, physical decay, high levels of multiple deprivation and pronounced, concentrated disadvantage. Yet, since the 1970s – and as a reflection of national and local policies, local political leadership, widespread community efforts and a profusion of partnerships with non-profit and private investors - recent decades have shown some signs of recovery and progress. In broad terms, regional incomes and unemployment rates are closer to national averages than in the past, there have been significant improvements in environmental outcomes e.g. in relation to air and water quality and, in this millennium, social housing quality and housing affordability in the region have improved substantially relative to Scottish and UK outcomes. Prolonged and appropriate policies have had positive outcomes in the metropolitan area.
- 1.2 Despite the progress of some sectors and places in the GCR, the metropolitan area - like so many others in the UK and the older OECD economies – is, however, still dealing with the difficulties inflicted by post-1970s industrial decline. We are challenged by legacies from the past not just in Glasgow's poorer neighbourhoods, but also in the many older towns and communities, spread across the city-region, that have lost their original economic purpose. The rural areas within the administrative boundaries of the GCR, with villages built to serve long-closed mines, also face the post-Brexit future with sometimes problematic pasts still visibly present. These restless communities need support to become resilient for the future, yet many of them, like the GCR, are struggling to shake-off the effects of a decade of limited UK growth and fiscal austerity that followed the global financial crisis of a decade ago.
- 1.3 Fixing the consequences of the past in the 'left behind places' remains a major concern for the GCR. But, in common with metropolitan areas across the advanced economies, the metropolitan area faces, in Mariana Mazzucato's terms, multiple, emerging, future 'grand challenges'. These include consequences of population ageing and climate change that now demand urgent action, the imperative of dealing with rising inequalities of income and wealth; concern with the employment effects of rapid progress in artificial intelligence; the prospect of faltering growth in global productivity, trade, and migration; and new forces of 'populism' and 'localism' resisting 'globalism'. This summary report was concluded in the days that the coronavirus-19 epidemic led to both significant falls in all the global stock markets and the cancellation of a major Celtic-Rangers match in Glasgow. CV-19, like these other challenges is globally reaching but locally defining.
- 1.4 This review, *Looking Forward to the Future: the Glasgow City Region Economy*, highlights the difficulties that face politicians and officials within the GCR at the start of the 2020s, but is fundamentally optimistic about what could be achieved by extending collaboration between levels of government and in pursuing associational styles of government in which governments look to communities, business, and non-profits to help share and solve the creative and resource challenges facing the city-region. Like almost all national and local governments, GCR is striving to shape and focus major policies and investments. Developing a vision to guide this is difficult as the future is never known with certainty, and the strategic management of cities, with current decisions having long-lasting and complex effects, always involves addressing probabilities and possibilities for future changes that may be opportunities, threats or both. The new decade begins with particularly acute future uncertainties having to be addressed in an already difficult resource context. Nevertheless, a determination to bring about change was widely shared amongst respondents.

- 1.5 Despite these constraints, within the Glasgow city-region there are already significant, continuing efforts to inform and design policy actions that shape investments and services to achieve key future goals. The local authority led City Deal is one of several initiatives that councils are taking both collaboratively, and through individual delivery responsibilities, and metropolitan level decision taking. This represents an important step forward. Collaboration is essential to delivering a shared mission and the Commission regards the establishment of the Regional Economic Partnership - which brings together the eight municipalities involved in the Glasgow City Deal with the Scottish and UK governments and other key agencies - as a step that may hold great potential. This review notes that there have been significant improvements in the governance of economic policy in the GCR since the initiation of the City Deal in 2014 (as the Commission previously acknowledged in its Gateway report in late 2019). Building on this, cross-authority and cross-agency working on improving the quality of data and information, facilitated by the new intelligence hub, on the planning and delivery of infrastructure and on the development of the next regional economic strategy, gives cause for optimism.
- 1.6 The commission recognises the importance of this progress but has also indicated, looking over future 5- and 25-year periods, that there are opportunities for further improvements in individual and institutional capacities and in developing better policy coordination. These observations are relevant to local authorities within the metropolitan area, Scottish and UK levels of government and to other civic partners represented on the Regional Economic Partnership. Our main conclusions and the recommendations of the full report are outlined below with specific points addressed to the leaders of the GCR, and the Scottish and UK governments.

## 2. OBJECTIVES

- 2.1 Responding to the grand challenges referred to above involves actions by all levels of government. Achieving national environmental sustainability aims, for instance, requires local governments and communities to use their regulatory autonomies and financial powers, and their leadership and energies, to align their actions with national objectives. There are multiple examples in shaping economic policies to achieve progress in meeting global challenges that require effective integration of policy actions, not just across multiple local authorities, but also between the city-region and wider orders of government (in this instance, the Scottish and UK governments). Improving the economic governance of the GCR requires changes in capabilities, practice, institutional arrangements and policies at all these levels.
- 2.2 These pleas take on further urgency when we think about the scope of the city-region to lead transformational change. In this respect, we refer to change associated with two prominent policy themes: inclusive growth and environmental sustainability (as expressed, perhaps, by “net carbon zero”). In considering how organisations and resources may be mobilised to support objectives linked to one or both of these themes, we argue that the mission approach of Mariana Mazzucato has clear merit. **The mission approach is a view of the future that is aspired to by a wide set of stakeholders**; these stakeholders - in this instance within the city-region – need to have both the commitment and the long-term focus to work toward such objectives. Missions are not technical fixes, but **social and political movements that aim to produce transformational change**. Key features of missions are set out as follows:
- They require “coalitions of the willing”; not just municipalities, but wider stakeholders committed to, and playing a part in the achievement of a long-term objective.
  - It is policy action not limited to a market failure framework, but which considers how strategic government actions may be needed to be create and shape markets in order to achieve desired objectives.

- It seeks change not purely through technological fixes, but through cross-disciplinary insights and approaches.
- It is a long-term policy process underscored by experimentalism, trial and error, and rigorous and continuing monitoring and evaluation.

This report does not detail the specifics of a mission for the city-region; that should be the next step to be taken in future strategic and consultative work in which all partners should be engaged. Moreover, further definitional clarity is needed on what a mission for inclusive growth would look like (given its wide scope). However, we point to the mission as a useful approach (or framework) for city-region leaders to drive futures thinking and begin to coalesce other organisations and actors around a common agenda for transformative change. In the points that follow, and as detailed further in the full report, we see evolving governance - and co-ordinated actions in the areas of skills, innovation and infrastructure - as stepping-stones to begin to develop and deliver a coherent city-region mission.

- 2.3 Furthermore, we suggest that the essential role that Scotland's larger conurbations play in shaping national progress needs to be given due weight (by both the UK and Scottish Governments) and - whilst not neglecting the role of smaller cities, towns and rural Scotland - their global reach and visibility should be seen as a vital contributing factor to national success. One way in which this might be recognised might be through a reinvigorated assessment of the potential synergies of the Glasgow and Edinburgh city regions.

### 3. RECOMMENDATIONS

#### *The Glasgow City-Region*

- 3.1 The review identified three topic area – skills (led by Professor McGregor), innovation (led by Dr Waite) and infrastructure (led by Professor MacLennan) - where key policy responsibilities and powers reside at a national (Scottish) level but where action and co-ordination at the city-region level is needed. We propose specific changes in policy and delivery arrangements consistent with achieving key overarching priorities, such as inclusive growth or net carbon zero, as well as more specific objectives relating to the topic area. Priorities should be set at city-regional rather than just at national level. Recommendations for these themes are as follows:

#### **Skills and the labour market**

- 3.2 The Glasgow city-region has, since the 1970s witnessed an array of skills policy innovations on the part of UK, Scottish and local governments. Assessing that experience, the review makes a number of recommendations for the GCR to:
- *Take Greater Control of Skills Investment Planning* – **we recommend that GCR secures a much greater influence over skills investment, particularly in relation to the mix of apprenticeship, college and university provision to promote higher economic growth, which also delivers greater inclusivity and equality both in relation to access to skills training and in terms of effective outcomes (REC 1).** Reducing, simultaneously, skills shortages and skills underutilisation should be key objectives.
  - *Build Capability to Make More Intelligent Skills Investment Decisions* - Effective skills planning needs very detailed intelligence on employer skills needs and a rigorous system for analysing the outcomes achieved by all graduates of the skill system. Systems exist to do these things and to provide this intelligence, but **we recommend that they go up several levels in terms of precision and robustness for GCR to gain a significant competitive edge in skills investment planning (REC 2).**

- *Align skills provision fully and effectively across the city region – we recommend that the lessons from current skills alignment pilots be used to create a skills system characterised by complementarity rather than competition (REC 3).* Better to compete more effectively with the skills systems in other city regions by marshalling internal skills resources more effectively.
- *Mount major effort around digital skills with increasing significantly weight on female participation - A major constraint on building a more effective supply of labour with good technical digital skills is the level of participation of girls and women in the process. We recommend that, to reduce the significance of that constraint, a major effort should be launched throughout and across the GCR, building on existing initiatives and action plans and running through the education and skills system from primary schools through to universities (REC 4).*

In response to the labour supply challenge resulting from the ageing structure of the population, GCR needs to build on Scottish Government policy initiatives such as halving the disability employment gap, and the greater alignment of services with employability both to reduce serious inequalities, and to make significant inroads into GCR's high economic inactivity rate. These responses can simultaneously maintain an effective labour supply to promote economic growth and help deliver this in a more inclusive fashion.

**We recommend that there is a greater co-ordination of skills strategy and implementation at the level of the city region and that the alignment of national and city-region skills strategies becomes a central concern of the Regional Economic Partnership (REC 5).**

### **Innovation system**

3.3 Developing and maintaining an effective *innovation system* is an important concern for policymakers concerned with economic development. They have to identify the wider objectives that regional innovation activities support and how they may be pursued within a mission framework. This review recommends that it would be useful to:

- *Make innovation strategy inclusive – policymakers in the GCR may support the development of an inclusive innovation mission that will require a new approach that involves a wide-ranging set of actors/stakeholders in policy design and monitoring (REC 6).* To shape an inclusive innovation approach, two practical steps may be initially taken. A survey of existing innovation initiatives may be useful to develop a sense of what degree inclusive innovation is already taking place (within firms and innovation district proposals etc). Scenarios may also be usefully developed to help policymakers work through some of the (potential) trade-offs involved with directing an inclusive innovation policy (excellence vs equity etc).
- *Include social enterprises, communities and the grassroots –* Recognising that economic development organisations within the GCR are already aware of this issue, we **suggest that an inclusive innovation policy might usefully explore the support given to alternative business modes - such as social enterprises, as well as grassroots and social innovations - through engagement with representative bodies (REC 7).**
- *Enrol universities to support an inclusive innovation approach -* The triple helix of the innovation system may be sustained, but **we recommend, if the mission is to be pursued, that universities reconsider and re-evaluate their roles in shaping and influencing the innovation system and consider shifts in “direction” to support inclusive innovation (REC 8).**

- *Give a significant role to the REP - The Regional Economic Partnership, as a cross-sectoral and strategic body, may usefully take the role of leading on and directing an inclusive innovation approach.*

### **Infrastructure**

3.4 The review found that the advent of the Glasgow City Deal has raised capacities for infrastructure policy thinking and planning within the GCR. However, it also found that: present investment intentions and their planning are, primarily, spread across different sectoral interests; there are separations between investment planning and spatial planning; and economic analysis of the impacts of infrastructure investment remains in need of further consideration. In consequence:

- *Adopt a broad, modern definition of infrastructure - we recommend that GCR uses an expanded, comprehensive definition and understanding of infrastructure (including digital infrastructure and housing assets) and re-emphasises the roles that infrastructure, in creating and connecting places and people within the city-region, plays in shaping key responses to the grand economic, social and economic challenges facing the GCR (REC 9).* The review team would caution the GCR that there are practical difficulties and limitations in the Scottish Infrastructure Commission's (SIC's) inclusion of 'natural' assets as infrastructure, and in their insistence that net zero carbon goals dominate inclusion and growth concerns in all infrastructure decisions.
- *Lead the development of an 'infrastructure in place' approach - we recommend that GCR develops, within the mission framework, a new approach to creating and connecting places, that integrates thinking, and action, and links planning, land markets and infrastructure. We call this the 'Infrastructure in Place Approach', as infrastructure and spatial planning need to be seen as simultaneous, integrated activities. Also, spatial plans should be presented along with explicit, associated infrastructure investment plans (with intended budgets and identified delivery vehicles) (REC 10).*
- *Design and deliver an integrated infrastructure strategy – we recommend that the GCR should ensure that different infrastructure sectors articulate clear statements of infrastructure provision and needs, over 5 and 25 years, and use them as the basis for developing a coherent integrated infrastructure investment strategy for the GCR, (REC 11).* We further suggest that the GCR should work in partnership with the SIC to develop the frameworks of metrics and analytics for infrastructure planning that the latter have proposed in their recent review, not least as these capabilities need to be developed at the GCR scale and not simply centralised to the Scottish level.
- *Work towards a sense of the future economic geography of the GCR - Any infrastructure investment plan also involves spatial choices, and this requires GCR to have a sense of what the future economic geography of the city-region will be (and what geography best serves economic, social and environmental objectives). We recommend that the GCR, over the next year, work with the Commission, and others, to formulate a clearer sense of the future geography of the city region, and then - through the Regional Economic Partnership - explore priority places for targeted investment aimed at generating growth in the city-region economy in conjunction with the Scottish Government (REC 12).* It was noted above that the SIC review (at least in the material released in January) had not expressly addressed the question of the future location of the Scottish economy. In all sectors of infrastructure provision within the GCR there needs to be a much clearer indication of long-term strategic spatial priorities, and the GCR will need to

explore the possibilities with the Scottish Government when both orders of government have made some explicit consideration of places to promote.

- *Match staff capacities to the tasks being undertaken* - **we recommend that GCR, working with relevant bodies such as COSLA, the RTPI, the CIH and EDAS, assess the staffing and related capabilities required to design and deliver an appropriate 'infrastructure in place' investment plan (REC 13).**
- *Create an innovative GCR vehicle to deliver place creation and renewal* - **we recommend that consideration is given to developing a vehicle to co-ordinate infrastructure planning and delivery at the level of the city region in order to deliver effective, integrated 'infrastructure in place' strategies. A city-region vehicle of this type could be deployed to develop expertise in infrastructure planning and in capturing infrastructure and planning gains in urban development processes (REC 14).**
- *Put Planning, Infrastructure and Place issues at core of REP* - **we further recommend that the GCR lead a step change in local economic development practice by placing the economic drivers and consequences of infrastructure, planning and land market outcomes at the core of policy making in the GCR (REC 15).**

### **Governance**

- 3.5 The review highlighted the growing number of important economic collaborations emerging across all orders of government to address 'grand challenges', and concluded that the establishment of the Regional Economic Partnership - which brings together the eight municipalities involved in the Glasgow city-region deal with the Scottish and UK governments and other key agencies - is a major step forward in collaborative economic governance which has considerable transformative potential. **We recommend that the Regional Economic Partnership become the key deliberative and co-ordinating forum for those matters which are best dealt with at a regional level, including core objectives of raising productivity, developing digital technologies, promoting inclusion, and achieving net zero carbon (REC 16).**
- 3.6 The review explored whether the GCR has the culture, knowledge, capabilities and governance arrangements in place to undertake futures thinking to underpin effective economic, planning and infrastructure decisions. We concluded that present approaches do not 'add-up' to a strong enough basis for exploring the likely effects of trends, shocks and policy impacts and designing strategies for change. If sectoral investments are, in the future, to be linked to create better places and better services, then the opportunity should be taken to develop more coherent cross-sectoral approaches to thinking about future infrastructure investment and economic strategy. **We recommend that the Regional Economic Partnership adopts Mazzucato's framework, and that by connecting action to strategy and delivery across the city region - combining strategic spatial planning of economic change, with effective co-ordination of infrastructure investments - objectives central to the mission may be moved towards. Such an approach will help the partners make better informed and more coherent decisions about where and how resources might best be applied in the context of competing demands and priorities (REC 17).**
- 3.7 There is a recognition amongst politicians and senior officials that new digital technologies and the use of sophisticated data analytics to inform policies and implementation have the potential to significantly change economic management and governance in the city-region for the better. There is also an awareness that while there are excellent staff employed by Councils who do have relevant skills, there are not enough of them and there is a need to draw on the capabilities in other organisations. **It is recommended that the GCR, drawing on private, public and university**

- expertise, should consider establishing a partnership based, city-region Data and Digital Technology Strategy Board, with a requirement to report promptly on key system gaps and develop feasible plans to close them (REC 18).
- 3.8 There is much scope for the universities and colleges in the GCR to embrace, both individually and collectively, their civic roles more explicitly and in a more coordinated way to create and facilitate change. There is a significant undercurrent of criticism within the city-region of the perceived collaboration failures between the two major universities. **We recommend bringing together expertise from universities and the colleges in the GCR. Support should be sought from the Scottish Funding Council and Scottish Government for establishing a metropolitan HE/FE knowledge and co-production consortium (REC 19).** As an early action, GCR could build a partnership focused on collaboration between the Commission for Economic Growth and the Intelligence Hub to develop collaborative arrangements with key economic, urban and big data researchers in the city-region. This could take the form of an innovative ‘living laboratory for the metropolitan economy’.
- 3.9 **Over the longer term, the GCR should look at, and potentially make cases for, new, more diverse sources of funding for GCR services and investments, including new taxes that both provide revenue and deter rising environmental and congestion costs. Capacities may also be usefully developed in identifying and extracting land value uplifts following planning rezoning and infrastructure provisions (REC 20).**
- 3.10 The level of collaboration being generated through the city deal and the Regional Economic Partnership creates new opportunities for co-operation in the delivery of services. This review makes it clear that a major re-organisation of local government is unlikely and unwanted by respondents within the GCR. However, this should not rule out consideration of future regional level co-ordination of some services and activities in the economic sphere where co-operation and relationships of trust between local authorities has been generated and where service efficiency gains can be achieved without loss of local accountability. **We recommend that GCR through the City Deal Cabinet and the Regional Economic Partnership, supported by the Commission, develop intelligence together on service co-ordination where that might contribute to the achievement of mission objectives (REC 21).**
- 3.11 Multi-city, sub-national entities now play key roles in economic policy and infrastructure thinking for major English Regions, for instance the Northern Powerhouse and the Oxford-Cambridge Arc. There is a growing interest in whether ‘combined city-regions’ are better able to provide some needed critical mass and scale economies, and this is reflected in some of the thinking being developed around the notion of the ‘MIT of the North’, which, if it were to be created, would pose a significant challenge to the two major cities in the central belt of Scotland. **We recommend that GCR should consider whether a new forward looking GCR-ECR partnership that focuses on the linked futures of the Glasgow and Edinburgh city regions would represent a significant enhancement of what has already been catalysed by City Deals. (REC 22).**

### ***The Scottish Government***

- 3.12 The Scottish Government, who are to be commended for having a national spatial strategy, require a firmer spatial framework for the planning of economic change in Scotland. There can be little coherent spatial and infrastructure planning without a clear and committed economic geography for future action. This issue was unrecognised in NPF3, and the Scottish Infrastructure Commission, in setting out the infrastructure challenges for Scotland to 2050, have yet to respond to this concern. This is not a plea for a rigid, fixed infrastructure plan for the future, however. **We recommend that the Scottish Government urgently envisions and articulates what it regards as the**

**‘best first moves’ in selecting infrastructure investment locations between and within Scottish city-regions (REC 23).**

- 3.13 Pressures on budgets over the last decade have led to a downward shift in staffing and spending on non-statutory services such as local economic development and planning. Analytical and planning capacities within Scottish local governments appear to have reduced significantly. At the same time UK and Scottish governments have emphasised the importance of local authorities making better informed, strategic decisions. Intelligent decision taking in the GCR needs a step change in capacity for economic analysis and infrastructure planning. **We recommend that the Scottish Government should address these capacity deficits either by shaping dedicated regional teams in their own analytical services or by considering resource support for the creation of the capabilities required within the GCR (REC 24).**
- 3.14 Whilst the importance of the challenges facing cities is recognised by the Scottish Government, and strong national goals in relation to inclusive growth and net zero carbon have been set, the local authority finance system in Scotland, and the wider UK, remains extremely centralised by advanced economy standards. Tax revenues from city-region growth mostly leak away to Scottish and UK levels whilst the congestion effects and shortages, associated with transport and affordable housing, for example, remain in the GCR. **We recommend that the Scottish Government, in support of a city-region mission, may usefully consider how these growing fiscal imbalances can be appropriately addressed (REC 25).**

***The UK Government and the Scottish Government***

- 3.15 More effective economic governance of the GCR requires a more coherent approach to the overall spatial economic future of the UK, and the rebalancing of Britain, that has to look beyond the cities and regions of the north of England<sup>i</sup>. As long as Scotland remains within the UK, the Westminster government has to have regard to the consequences for Scotland of the spending, infrastructure, regional policy and devolved governance structures it develops for the city-regions of England. **We recommend that the two Governments implement the spirit of the Smith Commission’s desire for better intergovernmental collaboration on city-region policy issues between Westminster and Holyrood. (REC 26)**
- 3.16 **We further recommend a better collaborative discussion between the city-region and the two other orders of government in relation to the future of air and rail transport links between the GCR, the rest of the UK and the wider world. (REC 27)**
- 3.17 **We recommend that developments in England related to local industrial strategies and possible decentralisation and devolution frameworks are clearly articulated in terms of the implications and opportunities for city-regions in Scotland (REC 28).**

**4. REVIEW PROCESS**

- 4.1 The review was led by Professor Duncan MacLennan and also involved Professor Alan McGregor and Dr David Waite. They received support, in developing governance conclusions (Dr Des McNulty), in undertaking interviews on city deals, smart cities and urban strategies in other Scottish cities and overseas (Dr Julie Miao and Alison Muckersie) and in assessing public finance prospects (Professor John McLaren).
- 4.2 The Commission asked the team to undertake a forward-looking review involving periods of 5 (when probable outcomes might be discussed) and 25 years (when a sense of possibilities might be credibly maintained). The review team took the existing boundaries of the GCR as fixed, whilst recognising they might change in the long-term.
- 4.3 The review recognised that there was much substantial work on future strategy already ongoing within the GCR by a wide range of key investors and that much productive



forward thinking on business development and leadership already existed. In consequence, the review team focussed on the city-region growth system influences of skills, the innovation system and infrastructure (including housing) as well as the wider context of governance change in the context of emerging 'smart' technologies.

4.4 Before commencing work on these priority systems the review team spent time looking at how the UK and Scottish Governments, and others identified major challenges for the future and the ways in which future thinking and modelling was deployed in current approaches within the GCR. It was quickly identified that different approaches might prove useful within the GCR and the grand challenges and missions approach was deployed to frame analysis and suggestions for change.

4.5 The research methods used in the review included reviews of key, relevant literature, perusal of GCR strategy and policy papers, absorbing the emerging Regional Strategic Assessment and referring to GCR statistical data wherever possible and relevant. A key element in establishing a GCR perspective was based on interviewing close to 100 officials (individually and in small-discussion groups) concerned with the GCR, mainly council employees within the GCR but also other government and agency officials engaged in GCR relevant work. Outside of the GCR we interviewed senior, relevant officials in Scotland (Edinburgh, Perth, Inverness, Dundee and Aberdeen), the rest of the UK (Manchester, Cardiff, Bristol) and in Canadian and Australian cities namely Toronto, Vancouver, Halifax, Melbourne, Sydney and Adelaide (as other non-review research was being undertaken in these places, thus allowing free access to senior policymakers). The overseas research was limited to questions of infrastructure and spatial planning and metropolitan strategy development. The non-GCR interviews and discussions involved close to 50 senior officials.

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