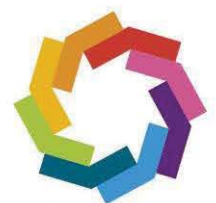


**Glasgow City Region City Deal**

**Gateway Review 1:  
Complementary Report**



**GLASGOW**  
CITY REGION  
City Deal

## **1. Introduction**

- 1.1 Glasgow City Region City Deal's first Gateway Review presents the opportunity to reflect on the significant progress made to date by our partnership of eight City Region councils.
- 1.2 During the first five years, we have experienced a degree of change and challenge, which is to be expected when delivering of a Programme of this scale and ambition. However, we continue to report good progress, both in the delivery of the City Deal and in the principle and practice of developing Regional economic growth through our thriving local partnership arrangements.
- 1.3 The Local Government elections in 2017 introduced a change in leadership and administration in six of the eight partner Councils. The period has also witnessed a growing level of scrutiny, including a Scottish Parliamentary Inquiry, all of which has proven helpful in the development of the City Deal and in highlighting a number of issues we are keen to develop.
- 1.4 Almost all of our assembled projects are already underway or completed, and there is increasing momentum in the delivery and early benefits of the infrastructure projects. City Deal investment for improved connectivity and remediation is already unlocking land in key locations for private development. The new Barclays Hub, one of the largest inward investments in Glasgow, was realised thanks to extensive remediation on Glasgow's riverfront. Thousands of new homes are being built throughout the Region on the back of City Deal projects, and our three developing Innovation Districts, underpinned by City Deal investment, will be truly transformational.
- 1.5 Our three Skills and Employment projects have completed and their benefits have been evaluated and lessons learned identified. The three Innovation projects have completed construction and are realising their benefits. These projects have supported thousands of people into work and continue to support local businesses and generate millions in private investment.
- 1.6 Our progress is demonstrated by significant expenditure to date. At the end of June 2019, over £168 million has been spent on the Infrastructure Programme, with grants from Government of £120 million.
- 1.7 In the first five years, we have successfully used the City Deal investment as a powerful catalyst for Regional transformation – leveraging additional funding for City Deal projects as well as substantial planned follow-on investment in housing, retail and commercial developments. The partnership established to govern the Deal has also matured, with its remit extended and challenges and opportunities now shared across the City Region.
- 1.8 We look with confidence towards the next five years and to future discussions with the UK and Scottish Governments around opportunities for future funding that will grow our economy, continue the regeneration of our City Region and create opportunities for our residents.

## **2. Overview and Progress**

- 2.1 Our City Deal was the first to benefit from funding from both the UK and Scottish Governments, with £500 million provided from each for infrastructure investment and the local authorities contributing a further £130 million.
- 2.2 The £1.13 billion Infrastructure Fund will deliver 21 projects focusing on improving

connectivity and unlocking new sites across the region for commercial, housing and retail development.

2.3 A further three Innovation projects have been supported by £18.7 million funding from the Department for Business, Energy and Industrial Strategy (BEIS) and three Skills and Employment projects are funded to £24.6 million through contributions from the Department for Work and Pensions and the Member Authorities.

2.4 Over its lifetime, it is estimated that the City Deal will:

- Deliver £2.2 billion in additional GVA per annum (a 4% uplift) across the City Region;
- Support an additional overall increase of around 29,000 jobs in the City Region;
- Create 15,000 construction jobs through the ten year City Deal construction programme;
- Work with 19,000 unemployed residents and support over 5,500 back into sustained employment;
- Leverage an estimated £3.3 billion of private sector investment to support the delivery of the projects within the infrastructure programme;
- Spread the benefits of economic growth across the Region, ensuring deprived areas benefit.

2.5 The City Deal Programme is already demonstrating significant progress and is set to substantially add to the value of the local economy over the next 20 years.

2.6 Key highlights at the end of June 2019 include:

- All of our projects have been selected and funding provisionally allocated;
- 15 projects / sub projects have been completed across all three strands of the City Deal;
- Over £303 million funding for infrastructure has been approved;
- Spend on Infrastructure to date is £168 million; and
- More than £33 million of Tier One contracts have been won by local companies.

### **3. Five years on**

#### **3.1 Infrastructure**

3.1.1 A fund of £1.13 billion is supporting twenty-one infrastructure projects across the Region for roads, bridges, improved transport infrastructure, quay walls, remediation, construction and public realm works, assisting further retail, commercial and housing developments.

3.1.2 Nine projects/sub projects from the Infrastructure Fund have been completed so far. These are a combination of roads supporting better transport connectivity; remediation and enabling works on vacant land, which have already enabled a range of regeneration including new housing and commercial developments.

3.1.3 The completed Infrastructure Projects / Sub Projects are:

- Cathkin Relief Road (South Lanarkshire Council)
- Canal and North Gateway: Sighthill Remediation Contract 1 (Glasgow City Council)
- Collegelands Calton Barras: Calton Barras Action Plan Phase 1 (Glasgow City Council)
- Gartcosh / Glenboig Community Growth Area: Glenboig Link Road (North Lanarkshire Council)

- Hamilton Community Growth Area: Woodhead Primary School Extension (South Lanarkshire Council)
- M77 Strategic Corridor: Crossmill Business Park (East Renfrewshire Council)
- M77 Strategic Corridor: Greenlaw Business Centre (East Renfrewshire Council)
- Newton Community Growth Area: Newton Park and Ride (South Lanarkshire Council)
- Newton Community Growth Area: Newton Park Primary School (South Lanarkshire Council)

## 3.2 Skills and Employment

3.2.1 While the Infrastructure Programme is at a relatively early stage, the projects within the Skills and Employment strand have all concluded by Gateway Review 1. These can be summarised as follows:

- **Working Matters**<sup>1</sup>: a £9 million pilot project (£4.5 million each from the DWP and Member Authorities) that concluded on 31 March 2019. The project engaged with 3,385 clients facing multiple barriers to employment (105% of target) and secured employment for 460 clients (95% of target). An independent evaluation of the project calculated a Social Return on Investment which demonstrated that for every £1 of public funding invested in the project, £2.28 of benefits were accrued.
- **In Work Progression Pilot**<sup>2</sup>: a small scale pilot with a total budget of £0.6 million (£300k each from the DWP and Glasgow City Council) that concluded in December 2018. The project engaged with businesses and low paid staff within the care sector to improve the skills / earning potential of 573 staff (143% of target), worked with 20 employers (100% of target), and demonstrated a positive ratio of costs to benefits in a detailed evaluation report.
- **Youth Gateway**: entirely funded by the Member Authorities with a target investment of £15 million over 3 years, the investment surpassed the target with over £31 million invested in youth employability services across the 8 council areas by the conclusion of the project in March 2018. 18,644 young people were engaged in the project (124% of target) and 8,085 were supported into sustained employment.

3.2.2 The Working Matters and Youth Gateway projects have demonstrated collaboration and partnership across all eight authorities in delivering training and employability services to the long term unemployed and young people, in partnership with the DWP.

3.2.3 In Work Progression, while piloted on a smaller scale, has produced an approach and a series of lessons which are currently being considered for implementation across the City Region and beyond, where there has been significant interest in the outcomes from Local Authorities in other parts of the UK.

## 3.3 Innovation<sup>3</sup>

3.3.1 The capital works for the three new facilities, funded via the Innovation strand of the City Deal, were completed on schedule and within budget and all three are now operational and

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<sup>1</sup> An independent evaluation of Working Matters was completed in August 2019 and a copy is available on request.

<sup>2</sup> An independent evaluation of the In Work Progression pilot has been completed and a copy is available on request.

<sup>3</sup> The performance of the Innovation projects are detailed within section 2.21 of the Programme Business Case.

monitoring the delivery of their benefits:

- **Tontine:** £1.6 million of grant funding from the UK Department of Business, Energy and Industrial Strategy for capital works for a new centre for business incubation and development providing quality, flexible work spaces for growing small-to-medium sized enterprises and a highly focused account management service.
- **Medicity:** £1.2 million of grant funding from the UK Department of Business, Energy and Industrial Strategy for capital works to develop a dedicated medical technology incubation facility and boost the development of new healthcare services and medical technology.
- **Imaging Centre of Excellence (ICE):** £16 million of grant funding from the UK Department of Business, Energy and Industrial Strategy, via the Medical Research Council, for capital works to establish a ground breaking medical research and commercialisation facilities, housing a 7 Tesla MRI scanner, for clinical researchers and companies developing new products and services in the life sciences sector.

3.3.2 All three projects saw revisions to initial business case targets during their initial operations period, reflecting changes to their operating plans. These were approved by Cabinet and are described within the Programme Business Case.

## 4. Challenges to the Glasgow City Region Economy

- 4.1 We have recently completed a Regional Strategic Assessment (RSA) - a detailed analysis of the economic performance of the Region and the eight local authority areas that make up the Region. This assesses our performance on a wide range of indicators over time, compared to other UK city regions.
- 4.2 The RSA has analysed data under three themes: Business, Labour Market and Quality of Life/Place Attractiveness - with findings included on, for example, the size of, and number of, jobs in the Region's business base; where jobs are located; how highly skilled the jobs are; how economically active; how qualified the Region's working-age residents are; how well connected is the Region and how good is public transport; and to what extent are economic benefits distributed among the Region's residents.
- 4.3 While we are making progress in many areas, significant challenges remain. The analysis of the Regional economy identified the following relative weaknesses and threats:
- a. Poor business start-up and survival rate resulting in a relatively smaller enterprise rate per population than other city regions and low representation in high value and high growth sectors;
  - b. Despite improvements in productivity levels over the last decade (as measured by GVA per hour worked), the Region's performance is significantly lower than that of Scotland and other UK city regions;
  - c. Despite the presence of research institutions and innovation hubs, businesses investment in research and development is not keeping pace with other city regions;
  - d. Lack of availability of quality jobs (resulting from the small business base and mediocre productivity levels) means available labour supply is not being fully engaged and utilised;
  - e. Despite low unemployment rates amongst those seeking work, there are significant labour market inclusion issues in some parts of the Region, with high levels of economic inactivity, much of which is due to long-term limiting illnesses, employment problems for residents of our most deprived communities and those failing to secure a good educational or employment outcome by their late teens/early 20s;
  - f. High levels of no/low skills persist among some residents, compounded by relatively low levels of job-related training for 16-24 year olds;
  - g. Despite a high proportion with degree-level skills, under-utilisation means a significant proportion of graduates (estimated at 35% of graduates across Scotland) are in non-graduate jobs;
  - h. Despite availability of land, much of the available land supply is brownfield/vacant and derelict land, with higher development costs/constraints contributing to low levels of new build private sector housing completions compared to pre-2008 and significantly lower take-up of available industrial and business land supply than in the past;
  - i. Road congestion is increasing in some areas (particularly to the west of Glasgow), bus patronage is in decline across much of the network and existing capacity issues on rail network (in particular those linking to Glasgow Central Station) will require careful management as demand increases.

## 5. Governance<sup>4</sup>

- 5.1 The Glasgow City Region Cabinet, which is made up of the most senior political Leaders of the participating authorities, is responsible for key decision making in relation to the City Deal and for determining the strategic economic development priorities for the Region.
- 5.2 The Programme Management Office (PMO) acts as a secretariat for the Cabinet and is the central point for appraisal and monitoring of all aspects of City Deal. The Cabinet is supported by a Chief Executives' Group (CEG), which oversees the management of the PMO. The CEG is supported by a number of Support Groups, made up of officers from the participating councils.
- 5.3 Ongoing engagement is maintained with our government funders. The Programme Liaison Group, made up of representatives from the UK and Scottish Governments, is the core mechanism for reviewing and monitoring performance by government, ensuring the City Deal remains on track for delivery and its adherence to the terms set out in the Assurance Framework. A formal performance review meeting, the Annual Conversation, with senior government representatives takes place each year in September.
- 5.4 The Programme is underpinned by a series of monitoring status reports which provide a record of progress and are a basis for project scrutiny.
- 5.5 The Assurance Framework sets out the formal arrangements of the City Deal Agreement with government. An initial version was approved in 2015, with a refreshed version, developed in consultation with the Scottish Government and UK Government, approved by Cabinet in October 2019. The Benefits Realisation Management Framework, Programme Prioritisation Framework, and Programme Management Toolkit are the key supporting governance documents. An updated Programme Business Case has also been approved.

## 6. Delivery Processes

- 6.1 City Deal Projects are delivered by Member Authorities and Third Parties as set out in the *Assurance Framework 2019*<sup>5</sup>. The successful delivery of individual Infrastructure Fund projects underpins the wider success of the Programme and delivering the City Deal Programme objectives.
- 6.2 The specific delivery processes required for individual projects are contained within the approved Outline Business Cases for each project.
- 6.3 The *Programme Management Toolkit* ('the Toolkit') is one of the key documents underpinning the *Assurance Framework 2019* ('the Assurance Framework'). The Toolkit includes guidance and templates for Programme and Project development, business case appraisal, performance reporting, monitoring and evaluation. It includes: Programme Status Report Template, Business Case Guidance; Business Case Appraisal Template; Economic Impact Assessment Guidance; Risk Management Strategy. All Member Authorities and Third Parties delivering Infrastructure Fund Projects are required to adhere to the Toolkit.

## 7. Constraints

- 7.1 City Deal constraints and dependencies are discussed in the Strategic Case of the Programme

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<sup>4</sup> All governance arrangements are set out in the *Assurance, Governance and Programme Management Framework 2019* and its supporting governance documents.

<sup>5</sup> Assurance Framework 2019, section 7 – 'Programme and Project Delivery and Management.'

Business Case 2019.<sup>6</sup> Constraints at an individual project level were discussed at a workshop facilitated by the PMO with Lead Officers from the Member Authorities in February 2019. The main project constraints cited included:

- a) Timescales and resources required for Business Case approval process;
- b) Slow responses/approvals from partners and government agencies;
- c) Lack of funding availability (including third party) to deliver projects;
- d) Overcoming community and/or political opposition to project; and
- e) Statutory processes (e.g. Compulsory Purchase Orders);

7.2 City Deal programme-level constraints discussed within the Programme Business Case 2019 include:

- a) meeting grant conditions with all projects contributing towards overall Programme impacts;
- b) avoiding internal competition between projects resulting in a net reduction in benefits across the Region;
- c) availability of Member Authorities' capital and revenue funds;
- d) meeting external agencies requirements (e.g. transport & environmental);
- e) ensuring appropriate stakeholder engagement and agreement for consent approval;
- f) working within existing land designations/environmental constraints including heritage, archaeology, flooding, land contamination and remediation; and
- g) requirements linked to programme governance.

## 8. Process for Prioritising Investment Decisions

8.1 The selection of projects within each of the three Programme work streams was completed in 2013 prior to the signing of the Deal in August 2014. The Programme Assembly process undertaken is detailed in the Assurance Framework.<sup>7</sup> The recently developed *Programme Prioritisation Framework* sets out the key qualitative and quantitative criteria against which Expression(s) of Interest for proposed new Projects will be assessed and prioritised, should funding become available.

8.2 While the initial list of projects was agreed prior to the signing of the Deal, the City Region has shown that the programme is sufficiently flexible to respond to both challenges and opportunities. This is demonstrated by the instance of North Lanarkshire Council where an initial project was modified in order to realign investment towards a project of national significance that was estimated to deliver significantly additional GVA for the programme.

## 9. Ongoing Programme Review Activity

9.1 Throughout the delivery of the City Deal, we have continued to review and refresh our programme management and governance arrangements. The review is not intended to change investment decisions which have already been taken, but to ensure that the programme is fit for purpose as it moves into the delivery phase. The review is made up of the following work streams:

### 9.2 Gateway Review Improvement Plan

9.2.1 The PMO has undertaken a self-evaluation based upon the Office of Government Commerce (OGC) Gateway Review Process, with the identified improvement actions being collated into

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<sup>6</sup> Section 17 of the Programme Business Case 2019.

<sup>7</sup> Section 11, City Deal Programme Assembly



a *Gateway Review Improvement Plan (GRIP)*. As per OGC guidance, the GRIP was developed using a peer review approach, involving independent colleagues from outwith the PMO, including staff from other UK City/Growth Deals and from the City Deal Audit Support Group. The GRIP forms part of the suite of documents submitted for Gateway Review 1.

### **9.3 H.M. Treasury Green Book**

- 9.3.1 To align with the requirements of our funders and maximise the opportunities offered by the City Deal, we have undertaken an exercise to augment our outline business cases and ensure their compliance with H.M. Treasury Green Book.

### **9.4 Inclusive Growth**

- 9.4.1 Cabinet has determined that inclusive growth is placed at the heart of our City Deal and formally requested the support of the Commission on Economic Growth to:
- Develop an approach to measuring and maximising inclusive growth in the delivery of individual projects;
  - Articulating the Glasgow City Region Deal contribution towards inclusive growth; and
  - Providing advice on the support required from partners to achieve inclusive growth.

## **10. Audit**

- 10.1 The Assurance Map for the City Deal Programme sets out the various levels of scrutiny and controls that are in place for the Programme.<sup>8</sup>
- 10.2 The Programme is subject to a series of planned audits, externally by Audit Scotland and internally, by Glasgow City Council Internal Audit, appointed by the Cabinet. An annual plan for audit activity for the year ahead is agreed by Cabinet, with findings, recommendations and progress on follow up actions reported throughout the year.
- 10.3 Audits completed to end March 2019 are listed within the Programme Business Case 2019<sup>9</sup> and are included within the Cabinet papers, available online.
- 10.4 No significant governance issues have been reported to date as a result of work undertaken by Internal Audit. This is demonstrated in the Annual Governance Statements within the Annual Accounts approved by Cabinet at the end of each financial year.

## **11. Parliamentary Scrutiny**

- 11.1 In April 2017 the Scottish Parliamentary Inquiry into City Region Deals was launched, with a call for written evidence drawing 39 submissions from the public, organisations and businesses. Following a series of evidence sessions, findings and recommendations were published in early January 2018. The Local Government and Communities Committee has agreed to continue to monitor the progress of City Region Deals, with further evidence sessions held in early 2019. Further information is available on the Scottish Parliament [website](#).

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<sup>8</sup> Assurance Framework 2019, Appendix 3 – City Deal Programme Assurance Map

<sup>9</sup> Appendix 20, Programme Business Case 2019.

- 11.2 The UK Parliament Scottish Affairs Committee held a one-off [session](#) on City Region Deals in July 2018. The aim of the session was to investigate how the City Region deals work in practice, governance structures and how effectively the different stakeholders co-operate.

## 12. Monitoring and Evaluation

### 12.1 Infrastructure Fund

- 12.1.1 Project monitoring arrangements are described within the Assurance Framework 2019<sup>10</sup>.
- 12.1.2 The *Benefits Realisation Management Framework (BRMF)*, sets out benefits realisation management arrangements at both the Project and Programme levels. The BRMF is structured around four key stages in benefits realisation management: identification of benefits; appraisal and review of benefits; management and monitoring of benefits; and the evaluation of benefits realised. The Framework outlines the roles and responsibilities of Member Authorities and the Glasgow City Region Programme Management Office (PMO) during each of the stages and aligns with the principles suggested within both the H.M. Treasury Green Book and Magenta Book.
- 12.1.3 Monitoring and reporting is also set out in the *Programme Management Toolkit* which includes guidance and templates for Programme and Project development, appraisal, reporting, monitoring and evaluation. It includes project monitoring templates and a Programme Status Report Template that will be used for project monitoring and reporting.
- 12.1.4 The current National Evaluation Panel arrangements are in place until the conclusion of Gateway Review 1. Further discussion will be required between the localities and the UK Government and Scottish Government to establish whether a national framework will be maintained for subsequent Gateway Reviews and how the evaluation activity required for Gateway Reviews 2 and 3 will be managed and delivered.
- 12.1.5 Demonstrating our ongoing commitment to robust evaluation beyond the activity undertaken for Gateway Review 1, the Management Case of the Programme Business Case sets out the high-level details of the approach to Project and Programme Evaluation<sup>11</sup> and the summary approach to evaluation for each of the individual City Deal supported projects is set out within the Programme Business Case<sup>12</sup> and covers the period up until 2035. This is underpinned by a consistent programme wide approach to monitoring and evaluation that is detailed within the 'Benefits Realisation Management Framework'<sup>13</sup>.
- 12.1.6 The quantified project outputs for the Infrastructure Fund projects are profiled by each of the Gateway Reviews within the Programme Business Case<sup>14</sup>

### 12.2 Skills and Employment Projects

- 12.2.1 The three City Deal supported Skills and Employment projects have concluded and the findings of their lessons learned workshops and independent evaluations have been reported back to the Cabinet. The evaluation findings have been shared with the Glasgow City Region Skills and

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<sup>10</sup> Assurance Framework 2019: sections 14.1 & 14.2, and Appendix 4 – 'Business Case Approvals, Monitoring, Reporting and Evaluation Arrangements'

<sup>11</sup> S.5.8 of the Programme Business Case 2019.

<sup>12</sup> Appendix 21 – 'Programme Evaluation Plan', Programme Business Case 2019.

<sup>13</sup> This is set out in section 5.6 of the Programme Business Case 2019 and a copy of the 'Benefits Realisation Management Framework v4' is available on request.

<sup>14</sup> Appendix 7 – Benefits Realisation Plan, Programme Business Case 2019

Employment Portfolio Group to develop practical recommendations that can be applied in relation to the planning and delivery of services across the City Region.

### **12.3 Innovation Projects**

12.3.1 The anticipated evaluation activity that will be undertaken by the Innovation projects is set out in the Programme Business Case<sup>15</sup>. In addition, the PMO is supporting the three projects to undertake their own self-evaluation based upon the Office of Government Commerce Gateway Review Process, and a lessons learned exercise between the projects has been facilitated by the PMO.

### **13. Independent Commission on Economic Growth & Economic Leadership Board**

13.1 The independent Commission on Economic Growth and the Glasgow City Region Economic Leadership Board have provided reports within the suite of documents for the Gateway Review.

### **14. A Flourishing Partnership Building on the City Deal**

14.1 We have built upon the structures initially created to govern the City Deal. The City Deal is the lever for change that has resulted in our local authorities collaborating at a greater scope and depth than ever before.

14.2 Early benefits are already evident. Our City Deal investment has secured additional funding to deliver our projects, and has already started to attract follow-on private sector investment. The enabling investment of the City Deal is an unequivocal demonstration to the private sector of our collective commitment and ambition, making Glasgow City Region an attractive place to establish and grow your business.

14.3 In February 2017, we launched our first combined *Regional Economic Strategy and Action Plan*, with ambitious plans for growth with targets for jobs, skills, new homes, businesses, improvements in qualifications, and plans to bring thousands of hectares of vacant land back into use.

14.4 To deliver our economic ambitions, we have put in place a collaborative approach to leadership through the establishment of eight distinct policy portfolios, each led by the Leader and Chief Executive of the eight councils. To support the delivery of the Regional Economic Strategy and oversee the City Deal, a region-wide post of Director of Regional Economic Growth has been established.

14.5 Through the launch of our *Regional Education Collaborative* we are co-ordinating our approach to closing the educational attainment gap and sharing excellent practice in education with a *Regional Improvement Plan*. We will increase the economic benefits of City Region tourism through the first ever *Glasgow City Region Tourism Strategy and Action Plan* which sets out a shared vision and offer that we believe will attract over 1 million additional visitors to our City Region by 2023. And through our *Regional Skills Investment Plan (RSIP 2019)* we have set out a shared approach to align education, skills planning and investment in

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<sup>15</sup> Appendix 21 – ‘Programme Evaluation Plan’

order to reduce skills shortages for businesses and reduce the number of residents with no qualifications.

- 14.6 In October 2018 we established a *Glasgow City Region Economic Partnership* to oversee implementation of our economic strategies and to scope out other opportunities for collaboration. Membership of the Partnership includes the Chief Executives from each of the eight councils, senior representatives from the UK and Scottish Governments, Skills Development Scotland, Scottish Enterprise, academia, the private sector and local Chambers of Commerce. The Partnership, bringing together a strong private sector voice alongside the key agencies, will provide a strategic role in growing the Regional economy.
- 14.7 In strategic transport planning we have recently seen the publication of the final report from the independent *Connectivity Commission* which is setting the agenda for discussions on Regional transport and how it supports inclusive economic growth. As a City Region we are also committed to continuing to deliver a regional spatial strategy that provides a shared approach to infrastructure and spatial planning.
- 14.8 We have embarked on a two year Community Benefit pilot for a shared, Regional approach to improve the monitoring and the management of community benefit outcomes secured through City Deal contracts.
- 14.9 A new *Regional Intelligence Hub* has been established which will set the standard for how we gather and use data to make informed and evidence based policy choices. An *Economic Intelligence Support Group* has been established to provide economic intelligence support to Cabinet and the City Deal Programme, supporting the development of a regional modelling framework with the Fraser of Allander Institute, and co-ordinating research and evaluation activity between the Regional partners and academic institutions.

## **15. Outlook for the next five years:**

- 15.1 Looking to the next five years, there are a number of key themes that we expect to develop through the City Deal and our wider economic ambitions and aspirations for the Region:

### **15.2 Project Delivery**

- 15.2.1 While the City Deal is a 20 year Programme, our aspiration is to deliver as many of the projects as possible within the first ten years to allow quicker delivery of economic benefits and outcomes. As such by Gateway 2 (May 2024), we anticipate the completion of contract award and construction for the majority of the Programme's projects.

- 15.2.2 Current projections indicate that the bulk of the direct project outputs from the Infrastructure Fund projects will be realised in the five years prior to Gateway Review 2.

### **15.3 Follow-on Investment**

- 15.3.1 As is evident from the National Evaluation Panel's report for Gateway Review 1, the City Deal investment is already helping to support economic benefits, such as the Barclays Hub and our emerging Innovation Districts. The *Programme Business Case 2019*, based upon the 14 OBCs

approved by the end of 2018/19, indicates that a total of £2,032 million private sector investment will be leveraged by the Deal.

15.3.2 The period 2019 to 2024 will see progress towards the realisation of the lagging indicators (outcomes) that will deliver economic growth and jobs.

15.3.3 Based upon the economic cases within the 14 augmented outline business cases approved by the end of 2018/19, we estimate that by Gateway Review 2 in 2024: more than 7,700 new homes will have been constructed; over 400 hectares of land reclaimed, redeveloped or assembled; over 80 hectares of vacant land brought back into use; and over 400,000 sqm of commercial, industrial, residential and other floorspace outcomes will have been realised through the current estimated of follow-on investment.<sup>16</sup>

15.3.4 Alongside our focus on delivering the enabling infrastructure over the next five years, we will step up our focus on maximising private sector follow-on investment and evidencing the early economic benefits that this will provide. The new Regional Partnership is scaling up activity to promote, via the production of a *Regional Investment Prospectus*, the facilities and economic assets which have been, and will be, enabled by the City Deal investment ensuring the private sector target of £3.3 billion is achieved.

#### 15.4 **Improved Data**

15.4.1 Improved data will play a big part in our continuing development. Through the *Regional Strategic Assessment* and other complementary work, such as the new *Intelligence Hub*, the *Futures Report* being developed by the Commission on Economic Growth to provide a long-term perspective on our Regional economy, and the City Region economic model being developed by the Fraser of Allander Institute, we will be in a stronger position than ever before to accurately measure and review the economic health of the Region. This increased local economic capacity will significantly improve our capability to better understand evolving issues, challenges and opportunities. Importantly, it will power-up and strengthen our evidenced, data-driven decision-making - vital if we are to grow the economy of our City Region.

#### 15.5 **Future Evaluation Arrangements**

15.5.1 The current National Evaluation Panel arrangements don't extend beyond Gateway Review 1. Both the UK and Scottish Governments will require to set out their preferred national approach from 2019/20 until the conclusion of the Deal and whether the current National Evaluation Panel and National Evaluation Framework is to be retained and extended to cover future gateway reviews. The outcome of this discussion will shape the approach to evaluation at Gateway Reviews 2 & 3, and the conclusion of the Programme at 2035.

15.5.2 Through the development of our City Region economic modelling framework, the establishment of the Intelligence Hub, and our growing understanding of our regional economy, we are well placed to manage and deliver the evaluation activity for Gateway Reviews 2 and 3.

#### 15.6 **Moving Beyond City Deal 1**

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<sup>16</sup> Programme Business Case 2019, Appendix 7.

- 15.6.1 Effective Regional governance structures and common priorities demonstrate the depth of our partnership and shared ambition. Over the next five years we will continue to expand upon the co-operation across the eight Member Authorities and with our partners in the UK Government, Scottish Government and their agencies. The successful delivery of the City Deal and our wider Regional Economic Strategy is reliant on the strength of our collaboration.
- 15.6.2 We already have a deeper understanding of our comparative economic performance and the challenges we face, and this will support the development of the *Glasgow City Region Industrial Strategy*. The Strategy will be a key point of focus for us in the delivery of inclusive economic growth for the City Region.
- 15.6.3 Five years ago we established a partnership of 8 Member Authorities. This led to a closer and deeper collaboration with both the UK Government, the Scottish Government, and their agencies. The maturity and the breadth of our local partnership gives Glasgow City Region the strong foundation to successfully deliver a successor growth deal.

Appendix – Gateway Review 1 Evaluation Indicators

Criteria	Location of evidence
<p><b>A. Evidence of investment Funds intervention progress</b></p> <p>1. Explanation of the approval process you followed for the intervention, including:</p> <p>(a) how the intervention was agreed by the CA, City Board or Cabinet, including a description of how challenge or disagreement was handled effectively, where applicable</p>	<p>The Programme Assembly Process and identification of the Preferred Way Forward is described in the <i>Programme Business Case 2019 (PBC 2019)</i> sections 2.3 to 2.10.</p> <p>The development and approval process for interventions within the Infrastructure Programme is described in section 12 of the <i>Assurance, Governance, and Programme Management Framework 2019 (the 'Assurance Framework 2019')</i> and particularly in sections 12.9 ('Infrastructure Fund Project Business Case Approval Process') and 12.10 ('Infrastructure Fund Project Business Case Approval Process'). The approval of individual interventions within the Infrastructure Programme are recorded in minutes of the Cabinet.</p> <p><i>The Initial Infrastructure Fund Programme Assembly Exercise 2013 (development of the Initial List of Projects)</i> is in the Assurance Framework 2019 at section 11.3 and <i>Future Infrastructure Fund Programme Assembly Arrangements</i> are described in the Assurance Framework section 11.4.</p> <p>The <i>Programme Prioritisation Framework</i>, is an appendix to the Assurance, Governance and Programme Management Framework 2019.</p> <p>A description of how a challenge was handled effectively at 8.2 in the Complementary Report.</p>
<p>(b) how the views of stakeholders were considered during intervention development</p>	<p>The process undertaken to identify and agree the interventions with the UK Government and Scottish Government is described in the <i>PBC 2019</i>: sections 2.3 to 2.10.</p> <p>The Programme Assembly process is also described in the <i>Assurance, Governance, and Programme Management Framework 2019</i>: section 11.</p> <p>The project business case development and approval process is described in the <i>Assurance, Governance, and Programme Management Framework 2019</i>: section 12.</p> <p>At a project level, all projects are required to outline their stakeholder engagement activity and this is appraised as part of the Business Case Appraisal process.</p>
<p>(c) how the intervention aligns with pre-existing investment programmes in the area</p>	<p>Existing arrangements are described at section 1.14 of the <i>PBC 2019</i>.</p> <p>The Gateway Readiness Improvement Plan outlines areas for further development – Areas of action 1.2 and 2.8.2</p>
<p>(d) how the business case process was appraised (N.B. Robust appraisal should demonstrate value for money and potential for positive economic impact, developed in line with the HM Treasury Green Book)</p>	<p>This is partly considered within the NEP Reports.</p> <p>The Assurance Framework 2019 sections 12.7 to 12.10 describe the submission, appraisal and approval process for infrastructure programme interventions.</p> <p>The Management Case (Section 5) and section 5.4 – <i>Improving Business Case Appraisal and Economic Analysis Capacity</i> – of the PBC 2019 describes ongoing ambitions to ensure robust business case appraisal in line with H.M. Treasury Green Book.</p>

Criteria	Location of evidence
(e) how the intervention fits with pre-existing stakeholder frameworks, strategies and plans	<p>Section 2.15 of the PBC 2019 – ‘<i>Estimated Economic Impacts of Projects Granted Approval to Proceed</i>’ – describes the process undertaken to ensure compliance with H.M. Treasury Green Book and demonstrate the economic benefits of the interventions. The estimated benefits are detailed set out in sections 2.16 to 2.22 of the PBC 2019.</p> <p>Section 2.18 of the PBC 2019 describes the value for money assessment made for the Outline Business Cases approved to date.</p>
(e) how the intervention fits with pre-existing stakeholder frameworks, strategies and plans	<p>The Strategic Policy context is detailed in the <i>PBC 2019</i>: sections 1.8 &amp; 1.9, and in Appendix 9 – ‘<i>City Deal Programme Strategic, Regulatory and Policy Framework</i>.’</p> <p>The approach to stakeholder engagement is set out in the <i>PBC 2019</i>: sections 1.16 and Appendix 10 – <i>City Deal Programme Stakeholder Matrix</i>.</p> <p>Existing arrangements are described at section 1.14 of the <i>PBC 2019</i> and the <i>Strategic Need</i> is described at section 1.15.</p> <p>The Gateway Readiness Improvement Plan outlines areas for further development – Areas of action 1.2 and 2.8.2</p>
2. Explanation of the delivery process to date, including:	
(a) intervention milestones agreed at Board level that are likely to result in successful delivery of the intervention	Section 5.7 and Appendix 18 – <i>Project level Key Milestone Dates as at end of March 2019</i> - of the PBC 2019.
(b) Delivery of the intervention against agreed intervention milestones, with evidence of adjusting project/programme plans in the event that milestones are missed in order to mitigate the impact and ensure value for money and successful delivery	Indicator covered within the NEP Reports.
(c) an agreed spending profile for the intervention	Indicator covered within the NEP Reports.
(d) evidence of keeping to the spending profile and mitigating overspend or delays, including evidence of adjusting spending and project/programme plans in the event of an under- or over-spend on the intervention in order to mitigate the impact and to ensure value for money and successful delivery	Indicator covered within the NEP Reports.
(e) outputs generated to date by intervention activities	Indicator covered within the NEP Reports.
3. Local evaluation plans and commitment to Investment Funds evaluation activities including the Independent Panel evaluation beyond the first gateway review in line with agreed milestones.	<p>This is partly considered within the NEP Reports.</p> <p>Section 5.6 of the PBC 2019 describes the <i>Benefits Realisation Management Framework</i> which has been developed by the PMO to ensure a consistent approach to monitoring and evaluation across the Infrastructure Fund interventions towards Gateway Reviews 2 &amp; 3.</p>



Criteria	Location of evidence
	<p>Project and Programme Evaluation is described in section 5.8 and Appendix 21 of the PBC 2019 describe the anticipated project evaluation activity that will be undertaken by Member Authorities beyond the first Gateway Review and for the duration of the City Deal agreement.</p> <p>Section 15 of the Assurance Framework 2019 – ‘Lessons Learner, Evaluation and Gateway Reviews’.</p>
<p><b>B. Evidence of Investment Funds intervention impact</b></p> <ol style="list-style-type: none"> <li>1. Evidence showing that all evaluation activities set out in the Evaluation Plan developed by SQW have been completed (including description). Evaluation Plans set out a range of activities, such as surveys and before and after data comparisons that would inform reporting against logic models.</li> <li>2. Evidence of delivery of the outcomes specified in the agreed logic model for each intervention</li> <li>3. Where possible, evidence showing a reasonable expectation that interventions will have long-term positive economic benefits</li> <li>4. Where possible, a description of outcomes that are expected to be delivered in the future</li> <li>5. Delivery of information and data to SQW to evidence the outcomes of specific interventions</li> </ol>	<p>Indicator covered within the NEP Reports.</p> <p>Indicator covered within the NEP Reports.</p> <p>Indicator partly covered within the NEP Reports. The estimated long-term positive economic benefits are set out within the Economic Case of the PBC 2019.</p> <p>Indicator covered within the NEP Reports.</p> <p>Indicator covered within the NEP Reports.</p>
<p><b>C. Evidence of capacity development and partnership working</b></p> <ol style="list-style-type: none"> <li>1. Description of leadership roles and responsibilities assigned within the locality</li> <li>2. A description of engagement between local authorities within the locality on development and decision-making, both in relation to specific interventions (where appropriate) and the Investment Fund as a whole.</li> </ol>	<p>The Cabinet Agreement sets out the role and responsibility of the Cabinet. Section 2.3 onwards of the AF2019 sets out the roles and responsibilities of the key partners, senior politicians and officers including the Cabinet, the Chief Executives’ Group, the Scottish and UK Government, the Lead Authority and the Member Authorities set out in Appendix 1 AF2019.</p> <p>The key roles and responsibilities for delivery of the City Deal Programme by the PMO and the SRO are included in Appendix 18 of the PBC.</p> <p>This is partly considered within the NEP Reports. Section 9 &amp; 10 of the <i>Complementary Report</i>. Section 4 of the Assurance Framework 2019 describes the <i>Reginal Economic Strategy Governance Arrangements</i>. Partnership delivery arrangements are describe in section 1.14 of the PBC 2019. PBC 2019 sections 1.8.9 to 1.8.11 describes the increasing focus on regional working among the Member Authorities.</p>

Criteria	Location of evidence
<p>3. Evidence that the City, CA or Cabinet has engaged stakeholders of a wider range, greater seniority and, where relevant, greater regularity than under previous governance and funding arrangements</p>	<p>This is partly considered within the NEP Reports. Section 9 &amp; 10 of the <i>Complementary Report</i>. Section 4 of the Assurance Framework 2019 describes the <i>Regional Economic Strategy Governance Arrangements</i>. Partnership delivery arrangements are describe in section 1.14 of the PBC 2019. PBC 2019 sections 1.8.9 to 1.8.11 describes the increasing focus on regional working among the Member Authorities. The approach to stakeholder engagement is set out in the <i>PBC 2019</i>: sections 1.16 and Appendix 10 – <i>City Deal Programme Stakeholder Matrix</i>. Wider participation and greater seniority is evidence through the establishment of the Regional Partnership and the establishment of Special Cabinet meetings which include UK and Scottish government ministers.</p>
<p>4. Evidence that the City, CA or Cabinet considered stakeholders' views during decision-making.</p>	<p>This is partly considered within the NEP Reports. The approach to stakeholder engagement is set out in the <i>PBC 2019</i>: sections 1.16 and Appendix 10 – <i>City Deal Programme Stakeholder Matrix</i>. In relation to individual interventions, each project business case requires to set out their stakeholder engagement and this is a specific criteria during the appraisal of the business case.</p>
<p>5. Evidence that stakeholders felt it was easier and more beneficial to engage with the City, CA or Cabinet than with previous governance arrangements</p>	<p>This is partly considered within the NEP Reports. This is evident by the inclusion of a wider range of partners – governments and their enterprise and skills agencies, and the private sector – as members of the newly established Regional Economic Partnership (Section 9 &amp; 10 of the <i>Complementary Report</i>) and the work of the Portfolio Groups in progressing key strands of the Regional Economic Strategy &amp; Action Plan.</p>
<p>6. Description of how the new governance structures for economic development have affected decision-making across the locality</p>	<p>Indicator covered within the NEP Reports.</p>
<p>7. Evidence of an improved plan for the development of the locality as a whole including evidence of consensus among stakeholders about the future development of the local economy compared to existing processes under previous governance and funding arrangements.</p>	<p>Indicator covered within the NEP Reports.</p>
<p>8. Description of how evidence has been used in the development of strategies and projects</p>	<p>This is partly considered within the NEP Reports. <i>PBC 2019</i> sections 1.15.3 to 1.15.5 describes the development of the Glasgow City Region Regional Strategic and an overview is attached at Appendix 2. <i>PBC 2019</i> sections 2.14.7 and 5.3.5 describe the developing collaboration with the Fraser of Allander Institute Complementary Report section 10.9.</p>
<p><b>D. Contextual economic forecasting and comparison of out-turns</b></p>	

Criteria	Location of evidence
1. Forecast of economic growth in locality for GVA and employment to Year [5 or 10]	Indicator covered within the NEP Reports.
2. Forecast of economic growth nationally for GVA and employment to Year [5 or 10]	Indicator covered within the NEP Reports.
3. Out-turns of economic growth in locality for GVA and employment to Year [X]	Indicator covered within the NEP Reports.
4. Out-turns of economic growth nationally for GVA and employment to Year [X]	Indicator covered within the NEP Reports.