

QUARTER TWO 2016

GLASGOW
CITY
REGION

City Deal

PARTNER AND ELECTED MEMBER NEWSLETTER



Welcome

COUNCILLOR FRANK MCAVEETY
LEADER OF GLASGOW CITY COUNCIL AND CHAIR OF THE GLASGOW
CITY REGION CITY DEAL CABINET

Dear Colleagues

I would like to welcome you on behalf of the Cabinet to the first issue of a quarterly newsletter designed to keep you up-to-date with progress in the Glasgow City Region City Deal.

Our City Deal is the second largest in the UK and represents the biggest ever investment for Glasgow and the Clyde Valley. It will be transformational, changing not only the physical and social landscape but also how we as partners work together across the region.

A key aim is for the City Region to be seen as one of Europe's leading destinations of choice for residents, businesses, visitors and investors. Success in achieving our shared ambitions for economic growth, inward investment, jobs, new housing and improved transport and connectivity will be supported by ongoing collaborative working across not only the member authorities, but with local, regional and national bodies and partners.

By necessity, this issue provides quite a lot of detail on the background and aims of the City Deal. Going forward, updates will be more succinct, providing progress updates on the overall Programme and projects, local impacts and benefits as well as on other initiatives where partners are working together such as the regional economic strategy.

I hope you find this briefing useful and welcome any comments you may have.

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EIGHT PARTICIPATING LOCAL AUTHORITIES



sustainable thriving achieving

East Dunbartonshire Council

www.eastdunbarton.gov.uk



Inverclyde
council



BACKGROUND



THE CITY DEAL will bring thousands of new jobs to Glasgow and the City Region, support thousands of unemployed people back into work, greatly improve our local transport network and connectivity, deliver key regeneration and development projects, encourage private sector investment into the area and ultimately provide an enormous boost to the City Region's economy.

Initiated in 2011, the City Deal process is part of the UK Government's broader devolution agenda to empower local areas to drive economic growth by putting greater resources and financial freedom in the hands of local leaders.

Formally approved in August 2014, the Glasgow City Region City Deal is an agreement between the UK Government, the Scottish Government and eight Local Authorities across

Glasgow and the Clyde Valley. The partnership of neighbouring member authorities has secured, the second largest City Deal in the UK, which will focus improvement in the Glasgow and the Clyde Valley through 26 projects.

THE CITY REGION - ACHIEVING A SHARED, LONG-TERM VISION

GLASGOW AND THE CLYDE VALLEY is the largest City Region in Scotland and one of the largest in the United Kingdom. As such it is a key engine of economic growth for both the Scottish and UK economies, generating around 32% of Scotland's GVA (Gross Value Added) and 33% of Scottish jobs. It is also home to over 29% of all businesses in Scotland.

The City Region benefits from numerous economic assets, with existing strengths in areas including financial services, life sciences, engineering, manufacturing and creative and media industries. Successful universities and research institutes provide the space for innovation and the people who will drive regional development. More widely, the region benefits from a highly skilled workforce across a wide range of industries.

However, the city and wider region also face numerous challenges that act as

barriers to future economic growth. High rates of long-term unemployment, poor survival rates for business start-ups in comparison to similar UK cities, stalled development sites in key locations and pressures facing existing transport infrastructure remain key challenges.

Recognising these comparative economic advantages and challenges, the City Deal will support the local area to achieve its shared long term vision for the local economy by:

- **Establishing** a £1.13 billion Glasgow and Clyde Valley Infrastructure Fund, to support the delivery of: an improved transport network across Glasgow and the Clyde Valley; key development and regeneration sites; and improved public transport.

- **Supporting** further growth in the life science sector through the establishment of world class research and development and commercialisation facilities.
- **Enabling** more small and medium enterprises to grow by providing additional business incubator and grow-on space for entrepreneurs across Glasgow and the Clyde Valley.
- **Tackling** unemployment through the establishment of programmes that will provide targeted support to both 16 to 24 year olds and vulnerable residents that are in receipt of Employment Support Allowance.
- **Testing** new ways of boosting the incomes of people on low wages, making them more self-reliant.

BENEFITS



OVER ITS LIFETIME local leaders in Glasgow and the Clyde Valley estimate that the City Deal will:

- **Deliver** a sustainable uplift in GVA (Gross Value Added) of 4% (c. £2.2 billion per year) for the City Region and additional tax revenues of some £20.7 billion over the 40 year lifetime of the fund as a result of the uplift in GVA at net national level.
- **Support** an overall increase in the economy of around 29,000 jobs in the City Region.
- **Work with** 19,000 unemployed residents and support over 5,500 back into sustained employment.
- **Secure** £1 billion of Scottish Government and UK Government capital funding to support proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from Glasgow and Clyde Valley local authorities.
- **Lever in** an estimated £3.3 billion of private sector investment into the proposed infrastructure investment programme.
- **Spread** the benefits of economic growth across Glasgow and Clyde Valley, making sure deprived areas benefit from this growth.

PROJECTS

PROJECTS ARE SPLIT across three themes. All projects will require a formal business case to be developed which sets out the scope and benefits of the project. There will be three iterations of each business case, all of which will be issued to Cabinet for approval and stage funding.

Infrastructure Projects

THE TWENTY INFRASTRUCTURE PROJECTS selected were developed by officers from across the member authorities following a rigorous economic modelling exercise.

During the early stage of programme development and in light of the overarching strategic objectives of the City Region and the economic constraints identified, work was undertaken by member authorities and with Strathclyde Passenger Transport (SPT) and strategic planning colleagues to identify potential projects to be included within an Infrastructure Programme.

The Infrastructure Fund represents a once-in-a-generation opportunity to deliver a step-change in the economic potential of the region and drive

long-term growth, to:

- **Support** an improved transport network across Glasgow and the Clyde Valley;
- **Unlock** key development and regeneration sites; and
- **Deliver** improved public transport across the region.

In 2013, a Programme Assembly exercise was carried out and a prioritised list of high level projects agreed by the Leaders of the member authorities at the beginning of 2014. The process involved modelling the economic impacts for a list of deliverable projects, and prioritising them in order of GVA return per net pound of whole-life cost.

PROJECTS

A final programme of projects was selected – as set out in the table below. None of the projects can be viewed in isolation. Identified benefits can only be fully realised as part of an overall programme of activity. Therefore, whilst projects have been prioritised on their economic impact, the GVA output of the City Deal will be measured and monitored on a programme basis.

The £1 billion funding from Scottish and UK Governments is contingent on delivering economic outcomes and has been structured through Payments-by-Results (PbR) agreements with the UK and Scottish Governments, subject to Glasgow City Region's performance on programme delivery and economic outcomes, which will be assessed at 5-yearly Gateways.

The first Gateway Assessment will be in 2019 to 2020.

Delivering and monitoring economic outcomes are therefore crucial to the success of the City Deal and will require supplementary analysis beyond the usual cost-benefit assessments for individual projects.

Infrastructure Programme

PROJECT	AREA	NET NOMINAL CAPITAL EXPENDITURE (£million)
Inchgreen	Inverclyde	9.4
A8/M8 Corridor Access Improvements	North Lanarkshire	12.6
Collegelands Calton Barras	Glasgow City	27.0
Clyde Waterfront and Renfrew Riverside	Renfrewshire	78.3
Stewartfield Way	South Lanarkshire	62.2
Metropolitan Glasgow Drainage	Glasgow City	45.8
Canal and North	Glasgow City	83.6
Greenhills Road/A726 Dual Carriageway	South Lanarkshire	23.1
City Centre Enabling Infrastructure Public Realm	Glasgow City	115.5
Glasgow Airport Investment Area	Renfrewshire	51.4
M77 Strategic Corridor	East Renfrewshire	44.0
Clyde Waterfront	Glasgow City	113.9
Inverkip	Inverclyde	3.8
Gartcosh and Glenboig CGA	North Lanarkshire	66.3
Ocean Terminal	Inverclyde	14.2
Community Growth Areas (CGAs)	South Lanarkshire	62.3
Pan Lanarkshire Orbital Transport Corridor	North Lanarkshire	93.6
Cathkin Integrated Roads	South Lanarkshire	21.6
Exxon Site	West Dunbartonshire	27.9
TOTAL AUTHORITY PROJECTS		£957 million
PAN-REGIONAL PROJECTS		
Airport Access		144.3
Strathclyde Bus Investment Programme		30.0
PAN-REGIONAL TOTAL		£174.3 million
INFRASTRUCTURE PROGRAMME TOTAL		£1,130 million

PROJECTS



Skills and Employability Projects

THE CITY DEAL will build on local work to reduce unemployment across the city region, making sure that unemployed people benefit from the job opportunities that will result from the major investment the deal will unlock.

The UK Government, the Scottish Government and member authorities have agreed three schemes to support the labour market and local employment challenges. These are:

- **A new £9 million** employment scheme for individuals in receipt of Employment Support Allowance. This scheme will work with 4,000 individuals and help at least 600 Employment Support Allowance claimants into sustained work.
- **A youth employment** programme that will provide a new integrated employment support service for young people (16 to 24 year olds). This programme will seek to work with 15,000 young people over the next three years, helping 5,000 into sustained work.
- **A pilot labour market** progression programme in the Care sector. The aim of this prototype scheme will be to support the training and development of staff in low income jobs, thereby boosting their wages and reducing their reliance on in-work benefits.

Business Growth and Innovation

THE BUSINESS GROWTH AND INNOVATION THEME seeks to support the growth of small and medium enterprises and stimulate further growth in the life science sector through the establishment of world class research and development and commercialisation facilities.

Three initiatives will be created:

- **The University of Glasgow's** Imaging Centre of Excellence (ICE), which is supported by £16 million of government funding through the Department of Business, Innovation and Skills and the Medical Research Council, is expected to open in early 2017. Based at the Queen Elizabeth University Hospital campus, the ICE will house state-of-the-art technology to enable scientists to conduct clinical research using advanced imaging.
- **The development** of the £4 million MediCity Scotland facility in North Lanarkshire will bring academics, entrepreneurs, clinicians and business support services together in order to support the development of new healthcare services and medical technology.
- **The £4 million** Centre for Business Incubation and Development in Glasgow's Merchant City will support high growth companies in the enabling technology, advanced design and manufacturing, and creative economy sectors, with between 5 to 20 employees.

MANAGEMENT AND GOVERNANCE



THE ASSURANCE FRAMEWORK, the main governance and management document for City Deal, was approved by Cabinet on 17 March 2015. This sets out the governance structures for the Glasgow City Region City Deal Cabinet including: membership, roles and responsibilities; and the key processes for ensuring accountability, probity, transparency, legal compliance and value for money.

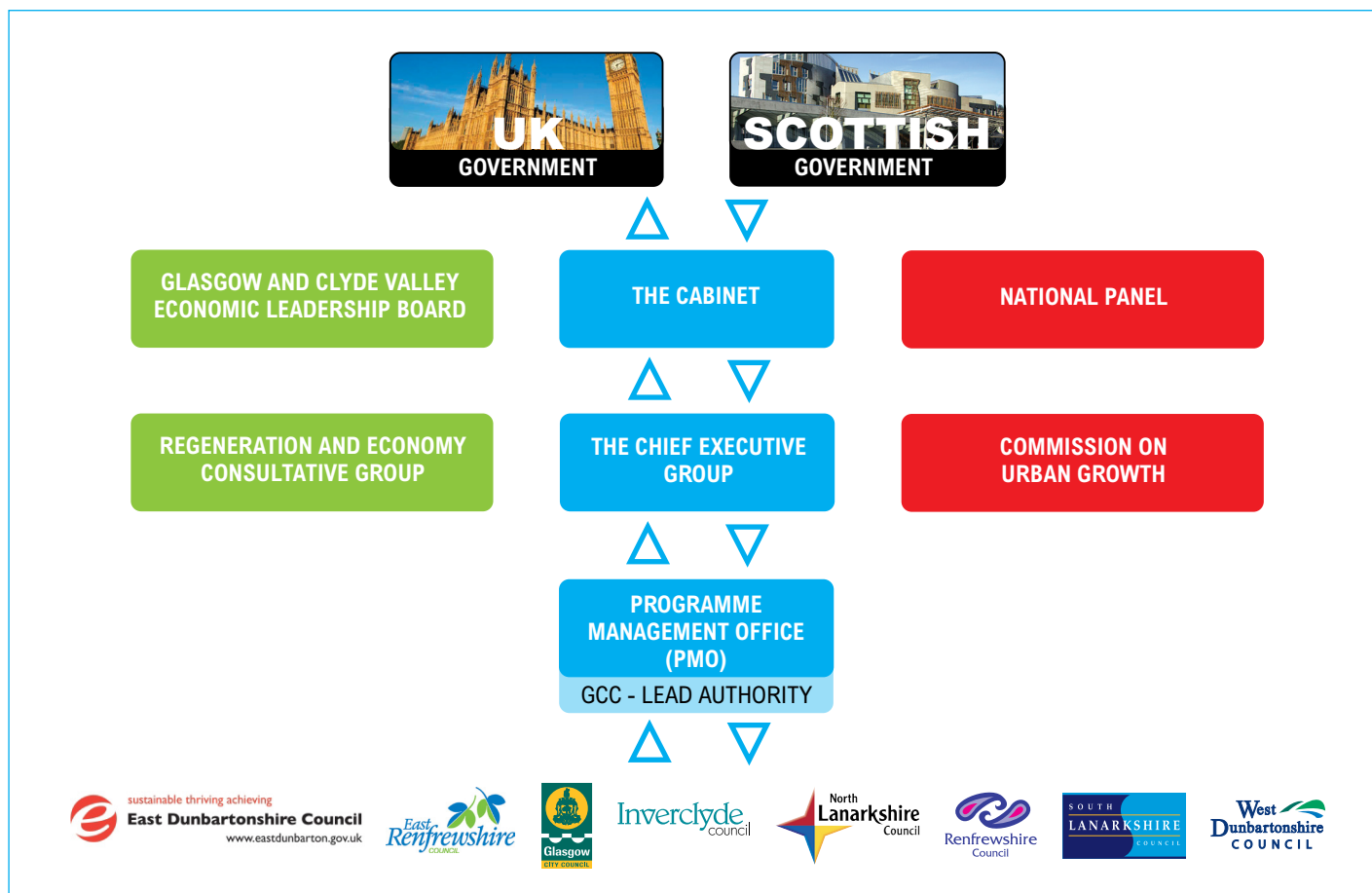
The Cabinet is made up of the leaders from the eight member authorities and its formal functions are to:

- **Determine** the Strategic Economic Development priorities for the Glasgow and Clyde Valley Region;

- **Deliver** the City Deal;
- **Approve** the remits of the Independent Commission on Urban Growth; the Glasgow and Clyde Valley Economic Leadership Board; and the Regeneration and Economy Consultative Group; and
- **Deal with** any other areas of activity as are delegated to it by the Member Authorities.

The Cabinet has established a Chief Executives' Group with responsibility on a collective basis for the overall supervision and management and for the monitoring of the performance of the PMO in delivering the City Deal.

Glasgow City Council is Lead Authority and has established a Programme Management Office (PMO) to oversee the Programme. A number of informal support groups have been established to support the delivery of the City Deal and share knowledge and information. Groups established cover Financial Strategy, Legal, Procurement, Transport, Comms and Marketing, Economic Development and Audit. A Lead Officer Group made up of nominated representatives from each member authority meets monthly with the PMO.



MEET THE TEAM



From left to right: Cristina Ciucci, Paola Pasino, Alan Vesey, Paul Kilby, Colette Keaveny, James Young, Mandy MacDonald, Lorna Goldie, Anita-Jane Smith

THE ROLE OF THE PROGRAMME MANAGEMENT OFFICE (PMO) is to manage the delivery of the Glasgow City Region City Deal Programme. The PMO was set up by Glasgow City Council as lead authority and is made up of staff employed by or seconded to the lead authority.

The PMO provides programme management, including producing, monitoring, reviewing and updating the Programme Business Case; scrutinising proposed Project business cases and making recommendations to the Cabinet via the Chief Executives' Group. The PMO is responsible for financial support in terms of allocation and accounting for the distribution of City Deal grant income to member authorities; entering into a grant agreement for the Programme and providing reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executives' Group, as well as preparing regular Consolidated monitoring statements and the annual report and accounts for the Cabinet.

The PMO provides a full toolkit of documentation to member authorities delivering projects including: business case templates; appraisal guidance; reporting templates and risk registers. The team will also analyse

and report on the impact of the delivery of projects and the overall City Deal programme, as well as reporting on the delivery of wider economic benefits agreed in the Programme Business Case and grant awards all in accordance with commitments made to the UK and Scottish Governments. The PMO is responsible for delivering strategies for Communications, Marketing and Stakeholder Engagement.

The PMO also provides advice on strategy and policy to the Cabinet, liaises with and co-ordinates programme delivery across regional partners, national bodies and agencies, and supports and facilitates collaboration across the Programme.

The PMO also provides an administrative role, in terms of support to the Cabinet and sub committees; the preparation and circulation of meeting minutes and agendas; publishing the Cabinet processes and outcomes; facilitating engagement by the stakeholders and managing Cabinet communications including the City Deal website.

IN EACH EDITION, we'll introduce some of the people and teams involved in delivering the City Deal.

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FREQUENTLY ASKED QUESTIONS

1 WHAT WILL THE GLASGOW CITY REGION CITY DEAL DELIVER?

The City Deal will fund major infrastructure projects, drive innovation and growth and address challenges in the region's labour market, through a programme of work that will greatly add to the value of the local economy over the next 20 years.

2 WHO ARE THE MAIN PARTNERS?

The City Deal is an agreement between the UK Government, the Scottish Government and eight local authorities across Glasgow and the Clyde Valley (East Dunbartonshire Council, East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council and West Dunbartonshire Council).

3 HOW IS THE CITY DEAL BEING FUNDED?

The UK and Scottish Governments will each provide £500 million in grant funding and the local authorities will borrow a further £130 million. The £1.13 billion fund will be used to enhance transport infrastructure; unlock new sites for housing and employment; and improve public transport over the next 10 to 20 years.

Further funding of £18.8 million from the Department of Business, Innovation and Skills and £4.8 million from the Department for Work and Pensions will fund the business growth/innovation and the employability schemes over three years.

4 HOW IS THE CITY DEAL MADE UP?

Developed by officers from the eight participating authorities and other local partner organisations, projects cover three themes, with twenty new Infrastructure projects, three Skills and Employability schemes supporting the labour market and local employment challenges and three Business Growth and Innovation projects to assist the growth of small and medium enterprises and enhance the life science sector.

5 HOW WILL THE CITY DEAL BENEFIT THE CITY REGION?

Over its lifetime local leaders in Glasgow and the Clyde Valley estimate that City Deal will:

- **Support** an overall increase in the economy of around 29,000 jobs in the city region.
- **Work with** 19,000 unemployed residents and support over 5,500 back into sustained employment.
- **Secure** £1 billion of Scottish Government and UK Government capital funding to support proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from Glasgow and Clyde Valley local authorities.
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- **Spread** the benefits of economic growth across Glasgow and Clyde Valley, making sure deprived areas benefit from this growth.

6 HOW WILL THE CITY DEAL WORK?

Funding paid over a 20 year period in annual instalments, will be unlocked in five-year blocks, subject to agreed outputs and outcomes, assessed through a Gateway Review mechanism, being met.

The Programme will be administered and managed by an independent Programme Management Office and underpinned by a robust governance process, a rigorous assurance framework and programme management arrangements that are designed to make sure that public money delivers agreed outcomes.

DIARY

Planned activities taking place over the next few months include:

- Fit-out and completion of the Business Incubator in Glasgow's Merchant City
- Inverclyde SME event
- Glasgow City Region City Deal brand developed

NEXT EDITION

- A focus on the Business and Innovation Theme
- Update on economic evaluation work including progress with the National Panel and the local Commission

NEXT EDITION SUMMER 2016