

GLASGOW AND CLYDE VALLEY CITY DEAL
THE GLASGOW AND CLYDE VALLEY CABINET
ASSURANCE FRAMEWORK

10 March 2015



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GLASGOW AND CLYDE VALLEY CITY DEAL

THE GLASGOW AND CLYDE VALLEY CABINET

1. INTRODUCTION

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 and Clyde Valley Cabinet” (“the Cabinet”) and was constituted on the 19 January 2015.

1.2 The Cabinet is responsible for decision making in relation to the Glasgow and Clyde Valley City Deal (“City Deal”) a copy of which is attached at Appendix 1. This is a 20 year deal with the UK and Scottish Governments to deliver in relation to 3 areas: Infrastructure; Innovation; and the Labour Market. In addition, the Cabinet will deal with issues relating to economic regeneration across the Glasgow and Clyde Valley Region, and any other areas of activity agreed by them.

1.3 This document establishes an Assurance Framework which the Cabinet will follow in relation to decision making and delivery of the City Deal. It is set out as follows:

Part 1

Part 1 will set out the governance structures within the Cabinet including: membership, roles and responsibilities; and key processes for ensuring accountability, probity, transparency, legal compliance and value for money.

Part 2

Part 2 will explain how business cases will be progressed, evaluated and agreed and how the funding mechanisms will work. It will also set out how programme and project level outputs will be measured.

Part 3

Part 3 will explain how agreed projects will be project managed and reported.

2. REVIEW OF THE ASSURANCE FRAMEWORK

2.1 This Assurance Framework will be reviewed 6 monthly and amended to reflect any changes in practices, processes and procedures.

2.2 Any amendments to the Assurance Framework as a result of these reviews will be subject to approval by the Cabinet, the UK and Scottish Governments.

3. DEFINITIONS

In this Assurance Framework the following expressions shall have the meanings respectively ascribed to them:-

“Annual Implementation Plan” means a plan to support delivery of the Programme Business Cases as fully set out in Paragraph 2.3.5.2 of Part 2.

“Annual Performance Report” means an annual report setting out the previous year’s activity as fully set out in Paragraph 2.3.6.8 of Part 2.

“Appendices” means the appendices annexed forming part of this Assurance Framework.

“Approved Projects” means those projects which form part of the Infrastructure Fund and which are approved following the approvals process set out in paragraph 4 of Part 2 of this Assurance Framework.

“Assurance Framework” means this Assurance Governance Framework in three Parts together with the appendices.

“BIS” means the Department for Business Innovation and Skills.

“Business Case” means a business case all as more fully specified in paragraph 3 of Part 2 of this Assurance Framework.

“Cabinet” means the Glasgow and Clyde Valley Cabinet, a Joint Committee established under Section 57 of the Local Government (Scotland) Act 1973, constituted and governed by the Joint Committee Agreement.

“Chief Executives’ Group” means the management group established in terms of Clause 4 of Appendix 2 and which is also principally referred to in Part 1 of this Assurance Framework.

“City Deal” means the Glasgow and Clyde Valley City Deal agreed between the Member Authorities and the UK and Scottish Governments, a copy of which is annexed at Appendix 1 and which contains three key aspects namely: the Infrastructure Fund; the Innovation Programme and the Labour Market Programme.

“City Deal Project” or “Project” means an individual approved project which falls under the City Deal and which is to be delivered by one of the Member Authorities or a Third Party as more fully specified in this Assurance Framework.

“Confidential Information” is defined in Clause 13.2 of Appendix 2.

“Contribution Rate” means the proportion of any sum payable by each Member Authority of the Cabinet calculated in accordance with Clause 7.2 of Appendix 2.

“Contribution Sum” means the sum to be paid by each Member Authority calculated by reference to the Contribution Rate each year to meet each Member Authority’s share of the budgeted costs of the Cabinet, including without prejudice to the foregoing generality: employment costs; the cost of support services; and the cost of occupying premises.

“Director” means the Officer appointed by the Cabinet to head up the PMO and to have overall responsibility for the operational functions of the Cabinet all as more fully set out in this Assurance Framework.

“DWP” means the Department for Work and Pensions.

“FBC” means Full Business Case all as more fully specified in paragraph 3.2.11 of Part 2 of this Assurance Framework.

“Functions” means: to determine the Strategic Economic Development priorities for the Glasgow and Clyde Valley Region; the delivery of the City Deal in accordance with Appendix 1 annexed; to 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 any other areas of activity delegated to it by the Member Authorities in accordance with Appendix 2 annexed.

“Glasgow and Clyde Valley Economic Leadership Board” means the consultative body referred to in paragraph 2.2 of Part 1 of this Assurance Framework.

“Glasgow and Clyde Valley Region” or “Region” means the local government areas of the Member Authorities.

“GVA” means Gross Value Added which is a measure in economics of the value of goods and services produced in an area, industry or sector of the economy.

“Independent Commission on Urban Economic Growth” or “Commission” means the body to be established to monitor and verify the economic impact of the projects delivered under the City Deal at a regional and national level, all as more fully specified in paragraph 3.3 of Part 1 of this Assurance Framework.

“Infrastructure Fund” means the 20 year £1.13billion fund (drawing together UK Government, Scottish Government, and local funding streams) that will enable investment in the Glasgow and Clyde Valley region all as more fully specified in Appendix 1 as may be varied in accordance with the procedures set out in Appendix 2 and the Assurance Framework from time to time.

“Infrastructure Fund Programme” means the projects which sit under the Infrastructure Fund.

“Initial Project List” means the initial list of the City Deal Projects agreed by the Member Authorities and the Scottish and UK Governments, as detailed in Appendix 4.

“Innovation Programme” means the investment in life sciences and business support in the Glasgow and Clyde Valley Region all as more fully specified in Appendix 1 as may be varied in accordance with the procedures set out in Appendix 2 and the Assurance Framework from time to time.

“Labour Market Programme” means the proposals to reduce unemployment in the Glasgow and Clyde Valley Region all as more fully specified in Appendix 1 as may be varied in accordance with the procedures set out in Appendix 2 and this Assurance Framework from time to time.

“Lead Authority” means Glasgow City Council, City Chambers, Glasgow.

“Member Authority” means each local authority specified in Clause 2.1 of Appendix 2 as may be amended from time to time in accordance with those terms and conditions.

“OBC” means Outline Business Case all as more fully specified in Part 2, Section 3 of this Assurance Framework.

“Portfolio” means an area of work such as: Connectivity, Enterprise and Employment where one of the Cabinet members will act as spokesperson and policy lead.

“PMO” means the Programme Management Office which will consist of staff employed by the Lead Authority or seconded to the Lead Authority for the Cabinet (including the Director), to undertake the operational functions of the Cabinet.

“Programme” means the programme of works which takes account of all of the City Deal projects which sit under the City Deal from the Infrastructure Fund Programme, the Innovation and Labour Market Programmes.

“Programme Business Case” means the business case which will be established for overall delivery of the Programme as more fully detailed in paragraph 2.3.4 of Part 2 of the Assurance Framework.

“Programme Liaison Group” means the core group for liaison between the Scottish and UK Government and the PMO.

“Project Status Report” means the report which is the main vehicle for recording, monitoring and reporting project progress and compliance with the terms of the grant agreements entered into between the Lead Authority and a Member Authority all as more fully specified in paragraphs 5.1 of Part 3 of this Assurance Framework.

“Regeneration and Economy Consultative Group” means the group which acts as a consultee to the Cabinet all as more fully set out in paragraph 2.1 of Part 1 of this Assurance Framework.

“Regional Projects” means Infrastructure Projects benefiting the entire Region, including the Bus Programme and Airport Access projects listed in Appendix 4.

“SAF” means Strategic Assessment Framework as set out in Paragraph 2.3.3 of Part 2.

“SBC” means Strategic Business Case all as more fully specified in Section 3 of Part 2 of this Assurance Framework.

“Strategic Economic Development Priorities” means economic development region wide priorities but specifically excludes economic development priorities which relate solely to the business of an individual Member Authority.

“Third Party” means any party other than a Member Authority, responsible for the delivery of a City Deal Project and “Third Parties” shall be construed accordingly.

“Treasurer” means the Executive Director of Financial Services of the Lead Authority.

PART 1

THE GLASGOW AND CLYDE VALLEY CABINET: PURPOSE, STRUCTURE AND OPERATING PRINCIPLES

1. CABINET GOVERNANCE STRUCTURE

1.1 Establishment of The Cabinet – Role of Local Authorities

1.1.1 The Cabinet is a Joint Committee established under Section 57 of the Local Government (Scotland) Act 1973. Each of the Local Authorities referred to in paragraph 1.3 below has agreed to establish the Joint Committee, setting out its roles and remits, structure and delegated powers. (See Appendix 2 annexed).

1.1.2 The Functions of the Cabinet 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.

1.1.3 The matters reserved to the Local Authorities for decision making and which cannot be dealt with by the Cabinet are as follows:-

- any material financial decisions over and above what has been committed through the City Deal;
- any amendment of the Joint Committee;
- any requests for the addition of any other Local Authority as a Member Authority in respect of which it is explicitly agreed that each existing Member Authority shall have a veto which each may use entirely at its own discretion; and
- Approval by a Member Authority to enter into a grant agreement in relation to a specific City Deal project.

1.1.4 The Cabinet will establish a Chief Executives' Group, the remit of which is set out in paragraph 1.9 below.

1.1.5 Glasgow City Council ("GCC") will act as Lead Authority and will appoint a Director to head up a PMO (programme management office). This is more fully set out in paragraph 1.10 below.

1.1.6 The governance structure is fully set out in this Part 1 with a diagram shown below in Figure 1:

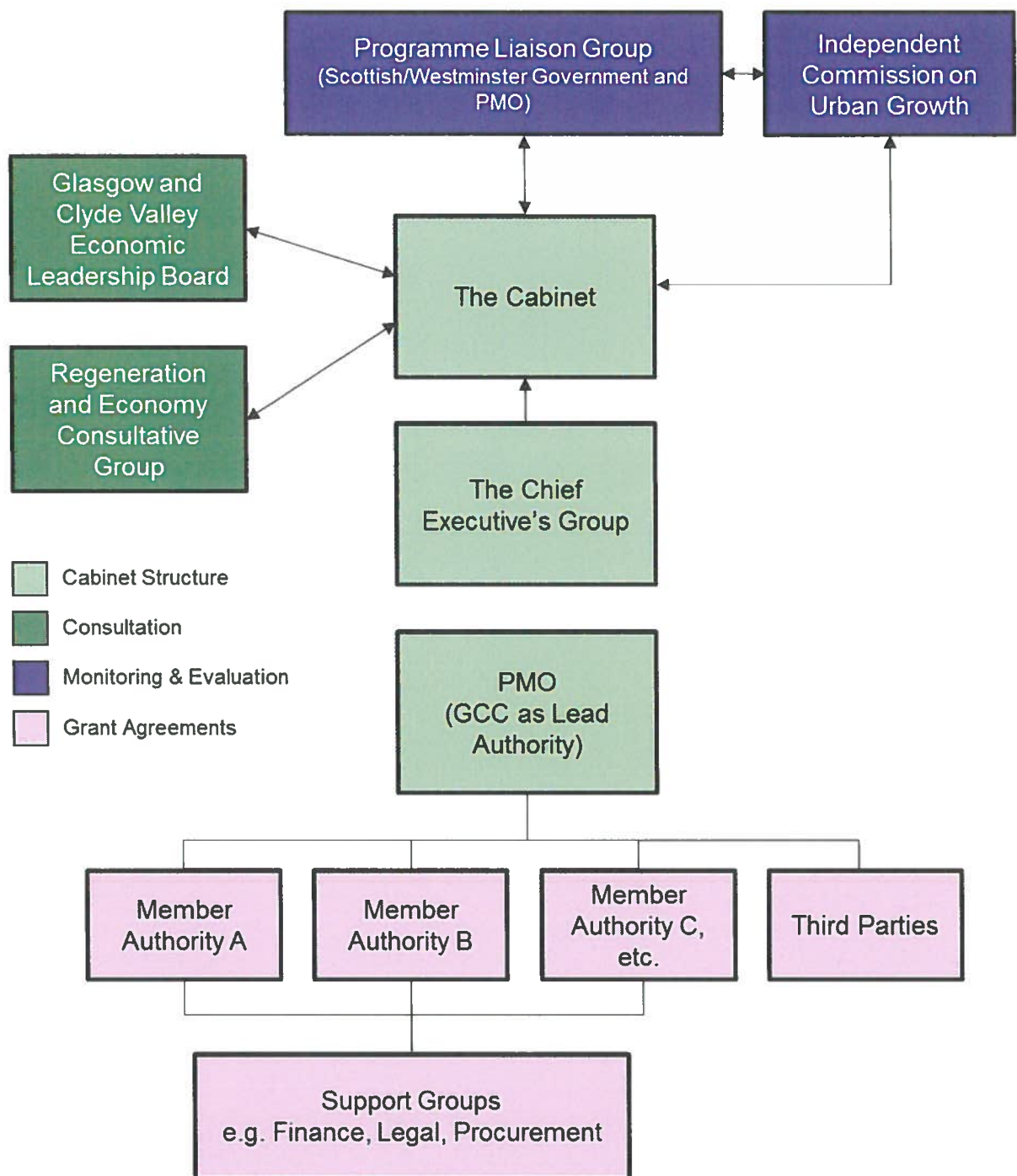


Figure 1 - City Deal Governance Structure

1.2 Geography

- 1.2.1 The geographic boundaries of the Cabinet will be the Glasgow and Clyde Valley Region. This includes the Local Authority areas of: Glasgow City Council; East Dunbartonshire Council; East Renfrewshire Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council as set out in the Local Government (Scotland) Act 1994 (as amended).

A map of the Glasgow and Clyde Valley area is shown below in Figure 2.

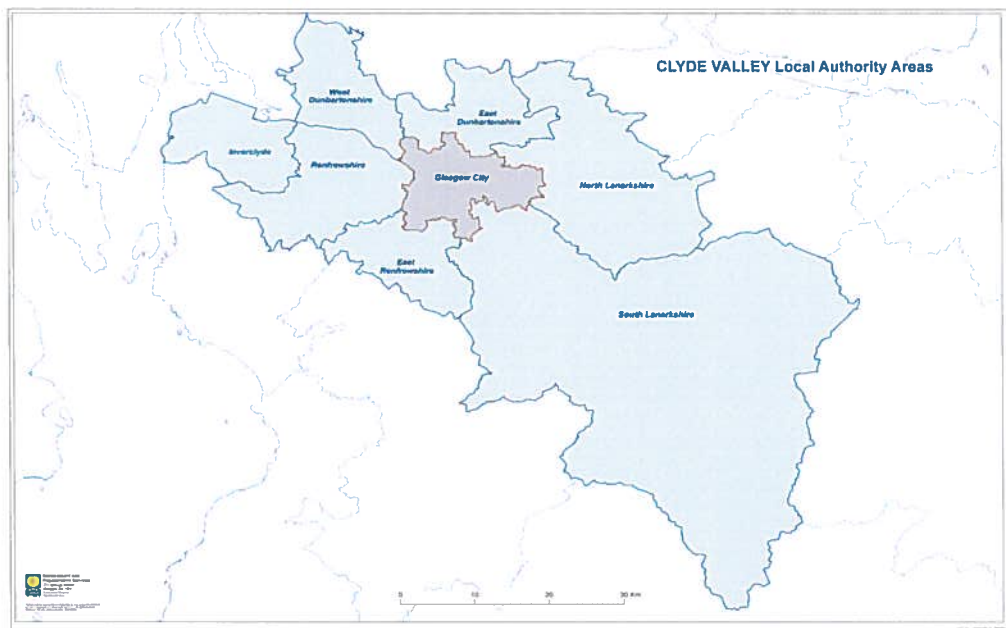


Figure 2 – Map of Clyde Valley Local Authorities

1.3 Membership

1.3.1 The Cabinet membership and specific posts are set out below along with the status and type of membership.

<u>Member</u>	<u>Type</u>	<u>Post</u>
Glasgow City Council	Voting member and Chair	Leader
East Dunbartonshire Council	Voting member	Leader
East Renfrewshire Council	Voting member	Leader
Inverclyde Council	Voting member	Leader
North Lanarkshire Council	Voting member	Leader
Renfrewshire Council	Voting member	Leader
South Lanarkshire Council	Voting member	Leader
West Dunbartonshire Council	Voting member	Leader
Glasgow and Clyde Valley Economic Leadership Board	Consultee by invitation of the Cabinet	TBC
Regeneration and Economy Consultative Forum	Consultee by invitation of the Cabinet	TBC
Other Local Authorities	Membership by unanimous decision of the Cabinet	
Government Agencies	Consultee by invitation of the Cabinet	
Advisors/Consultants	Consultee by invitation of the Cabinet	

1.3.2 Democratic Mandate

The Cabinet will consist of 8 voting members who are democratically elected Local Authority Leaders and have been delegated authority to deal with the Functions of the Cabinet under Section 57 of the Local Government (Scotland) Act 1973 or their substitutes. Each voting member shall have the following votes:

- Infrastructure Fund- All Member Authorities who have a project on the Initial Project List, Appendix 4 or an approved project (see Part 2 Section 4 of the Framework) will be entitled to a vote.
- All other Functions delivered by the Cabinet – All Member Authorities will be entitled to a vote.

1.3.3 Substitutes

It will be open to each of the Member Authorities to replace its representative on the Cabinet at any time. Each Member Authority may name a substitute who can attend meetings of the Cabinet. Alternatively, a Member Authority may appoint another substitute provided that appropriate written notice is given to the Cabinet of such appointment in advance.

1.3.4 Decision Making

A meeting of the Cabinet will be deemed quorate when a minimum of 5 of the voting members are present. If a decision is required to meet agreed deadlines and the Cabinet meeting is not quorate, written procedures for decision making will apply.

1.3.5 Full Voting Members

Subject to paragraph 1.3.2 all voting members will have one equally weighted vote. The Chair does not have a casting vote. All decisions will be by way of majority vote.

1.3.6 Observers/Advisors/Consultants

Observers/Advisors/Consultants will be invited to attend the Cabinet meetings as deemed appropriate and will be able to comment and contribute but will not have any voting rights. This is set out in more detail in paragraphs 2 and 3 of Part 1 of this Assurance Framework.

1.3.7 Other Local Authorities

Other Local Authorities may be invited to attend Cabinet meetings as deemed appropriate and will be able to comment and contribute but will not have any voting rights.

There is also an option for other Local Authorities to become full members of the Cabinet at a future date, subject to the terms of section 1.1.3.

1.3.8 Government Agencies

On occasion, it is likely that a range of Government agencies will have an interest in decisions made by the Cabinet. These agencies will not be voting members of the Cabinet but may be consulted on matters of relevance and may be invited to attend

Cabinet meetings as observers where the Cabinet deems it appropriate, particularly in relation to discussions on the deliverability of projects.

1.4. Status and Role of the Cabinet

1.4.1 The Cabinet has been established under Section 57 of the Local Government (Scotland) Act 1973 setting out its role and remit structure and delegated powers (see Appendix 2 annexed). The Joint Committee Agreement has been signed and the Cabinet has assumed responsibility for delivery and monitoring of the Functions.

1.4.2 The Lead Authority will: hold the PMO budget; hold the City Deal grant funding; sign any grant agreements with the Scottish and UK Governments for the Infrastructure Fund and Innovation Programme and with DWP for the Labour Market Programme; and make disbursements to Member Authorities and other bodies as appropriate under the terms of a grant agreement. It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required.

1.4.3 The Cabinet is responsible for the delivery of the Functions to include:

- (a) The development, review and implementation of governance arrangements for the Cabinet, the Chief Executives' Group, any sub-committees and Portfolios and approval of procedural standing orders;
- (b) The approval of the annual budget and any review or amendment of the budget;
- (c) To ensure that funds are used in accordance with relevant rules concerning capital and revenue expenditure;
- (d) To ensure that funds are used legally and appropriately and demonstrate Best Value;
- (e) To ensure that this approved Assurance Framework is being adhered to.

1.5 Conflicts Of Interest

1.5.1 Section 1.8 of this Assurance Framework on strategic objectives and purposes sets out that the members of the Cabinet will be expected to act in the interests of the Glasgow and Clyde Valley Region as a whole when making decisions in relation to City Deal. Part 2 of this Assurance Framework sets out how decision making will be undertaken to ensure that decisions are appropriate and free from bias or perception of bias.

1.5.2 Each member of the Cabinet is required to make a declaration of interest for the purposes of their individual organisation. These will be collated by the Cabinet for all members and substitutes, and published on the Cabinet website. At its first meeting, members of the Cabinet will be invited to declare any additional conflicts of interest which may be relevant to decisions in relation to the City Deal.

1.5.3 Managing Conflicts of Interest

As each of the Member Authorities will have an interest in project prioritisation and business case appraisal processes, the implications of this are dealt with in paragraph 1.5 and Part 2 of this Assurance Framework.

1.5.4 Project Business Case Appraisal and Approval

A central appraisal team will be located within the Project Management Office to assess individual business cases and make independent recommendations for decision to the Cabinet. Investment decisions will ultimately remain the remit of the Cabinet. As such, Member Authorities or other members who represent the project promoter for a business case will be asked to withdraw from decisions regarding that business case or the approval of a specific project. This principle applies to all Projects, whether Infrastructure, Innovation or Labour Market. The approval process is more fully set out in paragraph 4 of Part 2 of this Assurance Framework.

1.6 **Gifts And Hospitality**

1.6.1 The Cabinet's policies and procedures on the acceptance and declaration of gifts and hospitality will align with those of the existing Member Authorities' systems and standards. It will also apply to all sub-committees involved in advice or decision making regarding City Deals. Each Member Authority's policies include clear processes to facilitate ethical governance. Gifts and hospitality registers for each Member Authority are published on their own websites.

1.7 **Audit And Scrutiny**

1.7.1 The Lead Authority shall submit unaudited accounts to the auditor no later than 30 June immediately following the financial year to which they relate.

1.7.2 The Lead Authority shall submit to the Cabinet the unaudited annual accounts as submitted to the auditor no later than 31 August immediately following the financial year to which the annual accounts relate.

1.7.3 The Lead Authority shall have audited the accounts of the Cabinet and prepare an annual report to 31 March in each year which will be submitted to the Cabinet no later than 30 September following for approval.

1.7.4 The first audit will take place year ending 31 March 2015 and will subsequently take place on an annual basis.

1.7.5 City Deal project income and expenditure which is accounted for within Member Authorities' own accounts will be subject to audit by an individual authority's own external auditors.

1.8 Strategic Objectives And Purpose

1.8.1 The Cabinet has a responsibility for delivering the Functions in the Glasgow and Clyde Valley Region, and maximising investment within the Glasgow and Clyde Valley Region in order to achieve this purpose.

1.8.2 The Cabinet shall regulate the delivery of the City Deal and set the key performance standards to be met to ensure compliance with arrangements in place with the Scottish and UK Governments. It shall act as the strategic point of contact for the Scottish and UK Governments.

1.8.3 The Lead Authority shall enter into grant agreements with the UK and Scottish Governments in relation to the Infrastructure Fund and Innovation Programme and the DWP for the Labour Market Programme acting as grant recipient, and will do so through the governance arrangements, and with the approval of the Cabinet. It will ensure that grant funds are used legally and appropriately and demonstrates Best Value.

1.8.4 The Cabinet shall ensure that any decisions under the City Deal conform with legal requirements with regard to equalities, environment and European Union legislation.

1.8.5 The Lead Authority shall allocate and account for distribution of City Deal grant income to Member Authorities. It will enter into grant agreements with Member Authorities and Third Parties to deliver specified agreed projects in accordance with a set of governance arrangements approved by the Cabinet.

1.8.6 Member Authorities shall deliver agreed projects under the City Deal in accordance with the terms of their grant agreement. Any grant agreement entered into by a Member Authority shall be subject to that Member Authority's contract standing orders and financial regulations.

1.8.7 The Cabinet shall receive quarterly updates from the Director advising on the progress of each agreed project and any slippage and risks in relation to any specific projects. Any concerns which the Cabinet may have will be notified to the relevant Member Authority via the Chief Executives' Group.

1.8.8 The appraisal of all projects to be funded under the City Deal will be carried out by the method agreed with the Scottish and UK Governments and are more fully set out in Parts 2 and 3 of this Assurance Framework.

1.9 Chief Executives' Group

1.9.1 There shall be a management group, the membership of which shall be the 8 Chief Executives from the Member Authorities or their nominees (the nominees to be of at least Director grade).

1.9.2 The Chief Executive Officer of the Lead Authority's or his nominee shall act as Chair of the Chief Executives' Group.

1.9.3 The Chief Executives' Group shall have 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.

1.9.4 The Director shall be accountable through the Chief Executives' Group to the Cabinet for the operational performance of the Cabinet to help ensure the successful delivery of the City Deal.

1.10 PMO And Support Services – Programme Management Office ("PMO")

1.10.1 The PMO will undertake the administrative role required to support the Cabinet, its sub-committees and Portfolios. This will be delivered by Glasgow City Council as the Lead Authority. This role includes but is not limited to:

- Provision of such administrative and technical support services as may be required;
- Preparation and circulation of meeting minutes and agenda;

- Publishing the Cabinet processes and outcomes;
- Facilitating engagement by the stakeholders; and
- Managing Cabinet communications including the City Deal website.

1.10.2 Technical Functions:

- The Lead Authority shall supply to the Cabinet and the Chief Executives' Group such PMO and support services as the Director may reasonably require to discharge his/her duties (for the avoidance of doubt such services may include financial, legal, audit and other professional or technical services).
- The PMO will produce, monitor, review and update the Programme Business Case.
- The PMO will scrutinise proposed business cases and make recommendations to the Cabinet via the Chief Executives' Group. Where necessary expertise does not exist within this team to fulfil this responsibility, external support will be commissioned and managed by the PMO.
- The Lead Authority shall allocate and account for distribution of City Deal grant income to Member Authorities. The Lead Authority will enter into a grant agreement for the City Deal Programme approved by the Cabinet, and will analyse and provide reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by the Cabinet.
- The PMO will prepare regular consolidated monitoring statements for consideration of the Cabinet and will prepare the annual report and accounts for the Cabinet and arrange for audit of the said accounts.
- The PMO will provide a full toolkit of documentation to Member Authorities delivering projects including: business case templates; appraisal guidance; reporting templates; risk registers; and such other documentation as may be required by the Cabinet from time to time (see Parts 2 and 3 of this Assurance Framework).
- The PMO will 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 shall provide advice on strategy and policy to the Cabinet ensuring that there is consistency on strategic economic and related issues.

- The PMO will establish and lead such informal advisory and expert groups as are required for the formation of advice to each of the Member Authorities to share knowledge and best practice.
- The PMO will liaise with and co-ordinate programme delivery across other Glasgow and Clyde Valley Regional Partners, and National Bodies, including Non Departmental Public Bodies, as long as such co-ordination advances the aims of the City Deal and the functions of the Cabinet.
- The PMO will deliver Communications and Stakeholder Engagement Strategies.

1.10.3 The administrative support and technical functions described above, which will enable the Cabinet to fulfil its role, will be resourced through the core resources of the PMO.

1.11 Support Groups

1.11.1 There will be a number of informal support groups to support the delivery of the City Deal and share knowledge and information. The make-up and remit for these groups will be agreed from time to time by the Chief Executives. These groups will cover the following areas:

- Financial Strategy
- Legal
- Procurement
- Lead Officers Group
- Transport
- Economic Development
- Audit.

1.11.2 Each group shall be made up of one relevant senior officer from each of the Member Authorities and the PMO.

1.11.3 The main remit of the groups will be to share advice, knowledge and best practice on projects being delivered under the City Deal to include matters such as:

- Strategic advice
- Treasury management for individual projects
- Finance reporting periods
- Processes for the consolidation of individual Member Authority programme expenditure
- Use of style contracts for delivery of projects
- Potential collaborative procurements

- Use of community benefits clauses in procurement
- Use of sustainability in procurement
- Advisory role to individual Chief Executives
- The alignment of the work of other regional and national partners with the City Deal
- Undertaking the transport modelling and analysis of City Deal projects involving transport.

1.12 Working Arrangements And Meeting Frequency

1.12.1 The Cabinet will meet on an 8 weekly basis. The meeting schedule will ensure appropriate timing for key decisions and they may also meet on an ad hoc basis if a decision requires to be taken between scheduled meetings.

1.12.2 When the Cabinet meets a typical agenda will include the following:

City Deals Programme

- Individual project business case approvals
 - Programme update on Infrastructure Fund, Innovation and Labour Market programmes
 - Economic evaluation progress
- Update on portfolios
- Industry engagement
- Public sector engagement
- Feedback from the Programme Liaison Group meetings
- Update by the PMO on development/progress of other City Deals.

1.12.3 Cabinet meetings will be open to the public, with notice of the meeting and agenda items provided at least 5 clear working days in advance of the meeting.

1.13 Transparency And Local Engagement

1.13.1 The Cabinet will implement a robust transparency and local engagement regime consistent with that of its Member Authorities. The Cabinet will have a publication scheme which sets out how agendas, minutes and papers will be made available to the public and when. It will also set out any exceptions to the standard scheme, and how matters containing commercially sensitive information are dealt with.

1.13.2 In particular the Cabinet will:

- Be subject to codes of practice which apply to all Member Authorities

- Have a dedicated website page on the Lead Authority website
- Ensure that all meetings of the Cabinet are open to the public (except where consideration is being given to exempt matters) and appropriately accessible
- Ensure that all meeting agendas, papers (when not exempt for some reason) and minutes are published on the Lead Authority website within minimum timescale standards set out in the paragraph below
- Make clear the approach to making investment decisions on the Lead Authority website
- Make clear all decisions made including levels of funding and make clear the rationale for decision making, including the expected outcomes of decisions
- Ensure that links are established to the Lead Authority website on the websites of other Member Authorities.

1.13.3 The Cabinet meeting agendas will be made available to the public at least 5 clear working days in advance of the meeting. Minutes will be made available to the public within 5 working days of the meeting. All meeting papers, evaluation reports and the results of the Cabinet's decision making will be published on the Lead Authority website.

1.13.4 Agendas, minutes and papers for any formal sub-committee of the Cabinet which provides advice upon which the Cabinet decisions are made will be published through the same mechanism and on the same timescales as set out above.

1.13.5 A nominated point of contact from the PMO will be made available to receive public and stakeholder comments, and members of the public will have the ability to provide feedback via email or through an online form.

1.13.6 The Cabinet will be subject to the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. The Lead Authority will be responsible for holding records and will be the focal point for statutory information requests. Any applicants looking for information will be made aware of their right to access information through the Cabinet which will deal with the requests in accordance with the relevant legislation.

1.14 Complaints And Whistleblowing

1.14.1 In any case where it is alleged that the Cabinet is:

- a) acting in breach of the law;
- b) failing to adhere to this Framework; or
- c) failing to safeguard public funds

any third party complaints shall be directed to Glasgow City Council as the Lead Authority which will address the complaints via its own complaints and whistleblowing procedures.

1.14.2 Where the Lead Authority cannot resolve any complaint locally, this will be referred to the Chief Executives' Group for resolution.

2. THE ROLE OF OTHER GROUPS AND PARTNERS

2.1 Regeneration And Economy Consultative Group

2.1.1 The new Regeneration and Economy Consultative Group has evolved from the earlier Clyde Valley Community Planning Partnership which was a voluntary partnership established in 2003. The remit of the earlier body was focussed on the economic regeneration of the Glasgow and Clyde Valley area.

Its membership consisted of the following:

The 8 Member Authorities plus Scottish Enterprise, Skills Development Scotland, Strathclyde Partnership for Transport (SPT), Glasgow and Clyde Valley Strategic Development Plan Authority (GCVSDPA), Police Scotland, Scottish Fire and Rescue Services, NHS and the Further Education sector.

2.1.2 It is proposed that a new group is established called the Regeneration and Economy Consultative Group which would consist of Scottish Enterprise, Skills Development Scotland, SPT, GCVSDPA, Police Scotland, Scottish Fire and Rescue Services, NHS, Transport Scotland and the Further Education sector together with one or more representatives of the Cabinet and Member Authorities.

The key aim of the Group would be to align their policies and strategies where possible in delivery of the City Deal projects and in supporting the wider economy in the Glasgow and Clyde Valley region in a co-ordinated way with all the relevant public sector bodies.

A representative of this Group will be invited to attend Cabinet meetings as a consultee.

2.2 Glasgow And Clyde Valley Economic Leadership Board

2.2.1 It is proposed that a Glasgow and Clyde Valley Economic Leadership Board is formed with a remit spanning Glasgow and Clyde Valley Region, with a membership that reflects industry from all eight local authorities areas. The focus of the new Board would reflect the themes of the City Deal – infrastructure, innovation and employability and further develop new workstreams. In addition, the new structure would also provide a focus on business growth and sustainability, promoting entrepreneurship, and link with the sustainable and smart cities agendas.

A key aim of the Group would be to align their ideas and focus where possible in delivery of the City Deal projects and in supporting the wider economy in the Glasgow and Clyde Valley region in a co-ordinated way for the benefit of all.

A representative of this Group will be invited to attend Cabinet meetings as a consultee.

3. THE ROLE OF THE SCOTTISH AND UK GOVERNMENTS AND THE INDEPENDENT COMMISSION ON URBAN ECONOMIC GROWTH

3.1 Governance Arrangements - General

3.1.1 As stated above, the Member Authorities have entered into the City Deal with the UK and Scottish Governments and will also enter into a grant funding agreement with the Governments in relation to the Infrastructure Fund. In addition, the Member Authorities will enter into separate agreements with DWP in relation to the Labour Market Programme and Department for Business, Innovation and Skills for the Innovation Programme.

Governance arrangements are in place to ensure the UK and Scottish Governments monitor the agreement and ensure that it remains on track for delivery. The core mechanism for Government liaison will be the Programme Liaison Group.

The governance arrangements are fully detailed in Part 1 and will:

- Facilitate joint working between Glasgow and Clyde Valley, UK and Scottish Governments.

- Provide a mechanism to ensure that Glasgow and Clyde Valley, UK and the Scottish Governments are meeting their commitments in this City Deal and associated implementation.
- Enable all partners to challenge one another if City Deal delivery is not on track and agree mitigating actions. These will be taken forward by the Glasgow and Clyde Valley PMO in accordance with this Framework.
- Provide a forum to highlight successes.
- Ensure funding provided as part of this City Deal is being drawn down and spent according to agreed funding profiles.
- Ensure that the economic impact of the City Deal is monitored and evaluated with input as appropriate from the Independent Commission on Urban Economic Growth as detailed below.

3.2 Governance Arrangements - Reporting

3.2.1 The governance arrangements between the Scottish and UK Governments in terms of the City Deal are set out below.

3.2.2 Quarterly meetings between the Director, a representative of the Scottish Government and a representative of the UK Government Cities and Growth Unit. An example agenda is shown below:

- City Deal successes
- Programme and project performance
- Outputs and agreed outcomes
- Mitigating actions for projects and programmes that are not being delivered to agreed timescales (if appropriate).

3.2.3 Monthly written updates by the PMO to the Scottish and UK Governments providing an update on the programme performance.

3.2.4 Other meetings shall be arranged as required between the Cabinet and UK and Scottish Governments.

3.2.5 The Scottish and UK Governments, or the Cabinet may invite a representative of the Independent Commission on Urban Economic Growth to any of the meetings referred to in this paragraph 3. Any such invite is subject to approval of all three parties.

3.3 Role of The Independent Commission on Urban Economic Growth

3.3.1 A commission will be established by the Cabinet and UK and Scottish Governments to act on their collective behalf to monitor and verify the economic impact of the projects delivered under the City Deal at a regional and national level. It will undertake analysis and make recommendations to the UK and Scottish Governments on the performance of the Infrastructure Fund against agreed metrics. To support their analysis and recommendations the Commission will have an important role in furthering the development of an evidence base that explores the delivery and measurement of local and national growth derived from infrastructure investment. The work of this Commission will be shared with and informed by comparable Commissions that are being established by other City Regions such as Manchester, as they establish and monitor their own Infrastructure Funds.

3.3.2 The remit of the Commission is set out in Appendix 3.

PART 2

THE GLASGOW AND CLYDE VALLEY CITY DEAL: BUSINESS CASES; PROGRAMME AND PROJECT OUTPUTS

1. INTRODUCTION

- 1.1 Part 2 of the Assurance Framework details how the City Deal Programme will be managed through the development and delivery of a Programme Business Case, how individual project Business Cases will be developed, appraised and agreed and how the funding mechanisms will work. It also sets out how the programme and project level outputs and outcomes will be measured and evaluated. It must be read in conjunction with Parts 1 and 3 of the Assurance Framework.
- 1.2 It explains that 20 infrastructure projects which are to be delivered by Member Authorities have been approved in principle by those Member Authorities (Glasgow and Clyde Valley Initial Project List, Appendix 1) as may be amended from time to time in accordance with this Assurance Framework. Each of these individual project proposals will be developed into a Business Case which must be approved by the Cabinet and become an “Approved Project”. Upon approval, Glasgow City Council as Lead Authority will enter into a grant agreement with the relevant Member Authority. This grant agreement will take account of any contractual commitments entered into with the Scottish and UK Governments in relation to the City Deal. The process of approval is set out in full in this Part 2. It will also explain how any changes to the projects within the programme will be dealt with. This Part 2 will explain how projects will move to approved status and then be monitored in line with Part 3 of the Assurance Framework.
- 1.3 This part of the Assurance Framework further explains that 3 projects will be delivered for the Innovation Programme and three projects for the Labour Market Programme. This Part 2 will explain how these projects will also be progressed.
- 1.4 Lastly, this Part 2 explains how project and programme outputs will be measured, the reviews which will be carried out to ensure the Programme Business Case remains fit for purpose and is being delivered as planned and the approach which will be taken to the 5-yearly Gateway Reviews which will be informed by the work of the Independent Commission on Urban Economic Growth, allowing Government Ministers to determine the outcome of the reviews.

- 1.5 A toolkit of documentation for Member Authorities delivering Infrastructure projects is provided including Business Case guidance and templates and appraisal guidance.

2. SUMMARY OF THE CITY DEAL PROGRAMME AND HOW IT WILL BE MONITORED AND EVALUATED

2.1 Background

2.1.1 Glasgow and 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 Gross Value Added and 33% of Scottish jobs. It is also home to over 29% of all businesses in Scotland.

2.1.2 Glasgow and Clyde Valley benefits from numerous economic assets. It has 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 both innovation and the people who will drive the city's development. More widely, the region benefits from a highly skilled workforce across a wide range of industries. However the city and wider region also faces numerous challenges that act as barriers to future economic growth. High rates of long term unemployment, poor survival rates for business start-ups (when compared to similar UK cities), stalled development sites in key locations and pressures facing existing transport infrastructure remain key challenges. The Economic Strategy for the Glasgow City Region recognises these comparative economic advantages and challenges.

2.1.3 Over the lifetime it is estimated that the City Deal will:

- Support an additional overall increase 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 the delivery of the proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from Local Authorities across Glasgow and the Clyde Valley.
- Leverage in 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 Glasgow and Clyde Valley, ensuring deprived areas benefit from this growth.

2.1.4 Part 1 and Appendix 1 of the Assurance Framework sets out the principles of the City Deal. In summary, however, the City Deal will support the local area to achieve its shared long term vision for the local economy by delivering a programme which is set out below:

(a) Infrastructure Fund Programme

Establishing a £1.13 billion Glasgow and Clyde Valley Infrastructure Fund, to support new growth in the Regional economy through the delivery of: an improved transport network across Glasgow and the Clyde Valley; key development and regeneration sites; and improved public transport.

(b) Innovation Programme

- Supporting further growth in the life science sector through the establishment of world class R&D and commercialisation facilities in the city.
- 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.

(c) Labour Market Programme

- Tackling unemployment through the establishment of programmes that will provide targeted support to both 16-24 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.

2.1.5 Measuring the results of the City Deal is a critical part of the overall agreement between Government and the Cabinet, and this section lays out the approach to measuring outputs and impacts from the Infrastructure Fund projects.

2.2 The Infrastructure Fund - Background

2.2.1 The Glasgow and Clyde Valley Infrastructure Fund seeks to incentivise local leaders in Glasgow and Clyde Valley to prioritise and invest in an infrastructure programme that delivers the greatest economic impact for the local, Scottish and UK economies. UK Government and Scottish Government funding will be unlocked in five-year funding blocks, to an agreed funding profile, to support the delivery of the infrastructure investment programme.

2.2.2 In the first five years the UK and Scottish Governments will provide Glasgow and Clyde Valley with total capital grant of £150 million (2015/16 to 2019/20). This will consist of five annual payments of £30 million (£15 million from the UK Government and £15 million from Scottish Government). The remaining £850 million of funding will be conditional on local partners demonstrating: robust governance of the City Deal; a clear record of infrastructure project delivery; and evidence that projects provide good value for money at the local and national levels, as determined by the criteria set out in this Assurance Framework.

2.2.3 The formal process for agreeing the release of future grant will be a series of 5-yearly Gateway Reviews, commencing in 2019. These reviews will be conducted by an independent Commission and reported to Government. In total there will be three Gateway Reviews. If Glasgow and Clyde Valley meet agreed outputs and outcomes at each review, they will unlock the full £1 billion of funding from the UK and Scottish Governments.

- **Gateway Review 1:** This review is scheduled to take place in May 2019 and if successfully passed will unlock £250 million of payments for 2020/21 – 2024/25. At the first Gateway Review the Independent Commission on Urban Economic Growth will submit an assessment to the UK and Scottish Governments of the estimated economic impacts of the investments made to date. The assessment will be based upon both the early stages of economic evaluation work and the Member Authorities' record of delivering agreed infrastructure projects, with a larger weighting given over to the latter, reflecting the fact that not all infrastructure projects will be completed at this stage.
- **Gateway Review 2:** This review is scheduled to take place in May 2024 and if successfully passed will unlock £300 million of payments for 2025/26 – 2029/30. The second Gateway Review will focus on overall economic performance in the 10 years since the Glasgow and Clyde Valley Infrastructure Fund became operational, factoring in the impact of the planned programme of investment.

The Independent Commission on Urban Economic Growth will use their initial assessment in 2015 to establish a process by which a counterfactual will be calculated in Glasgow and the Clyde Valley Region, Scotland and the UK in the absence of the City Deal. The Infrastructure Fund's performance will be assessed against this counterfactual, taking into account wider economic conditions.

- **Gateway Review 3:** This review is scheduled to take place in May 2029 and if successfully passed will unlock £300 million of payments for 2030/31 – 2034/35. The third Gateway Review will follow a similar process to Gateway Review 2, taking into account wider economic conditions.

2.3. Infrastructure – Principles For Deciding The Projects Which Comprise The Infrastructure Fund Programme

2.3.1 The City Deal seeks to maximise the economic benefits for Glasgow, the Clyde Valley Region and Scotland through the delivery of a programme of high impact investments. In order to ensure this occurs, Member Authorities have engaged in an exercise to identify projects which not only maximise the economic outputs at a project level, but which also deliver positive economic benefits for the Glasgow and Clyde Valley region and Scotland collectively as a programme.

2.3.2 The process by which the Initial Project List within the Infrastructure Fund Programme has been assembled and the process for ensuring maximum impact from this programme of investments is represented in the following diagram Figure 3:

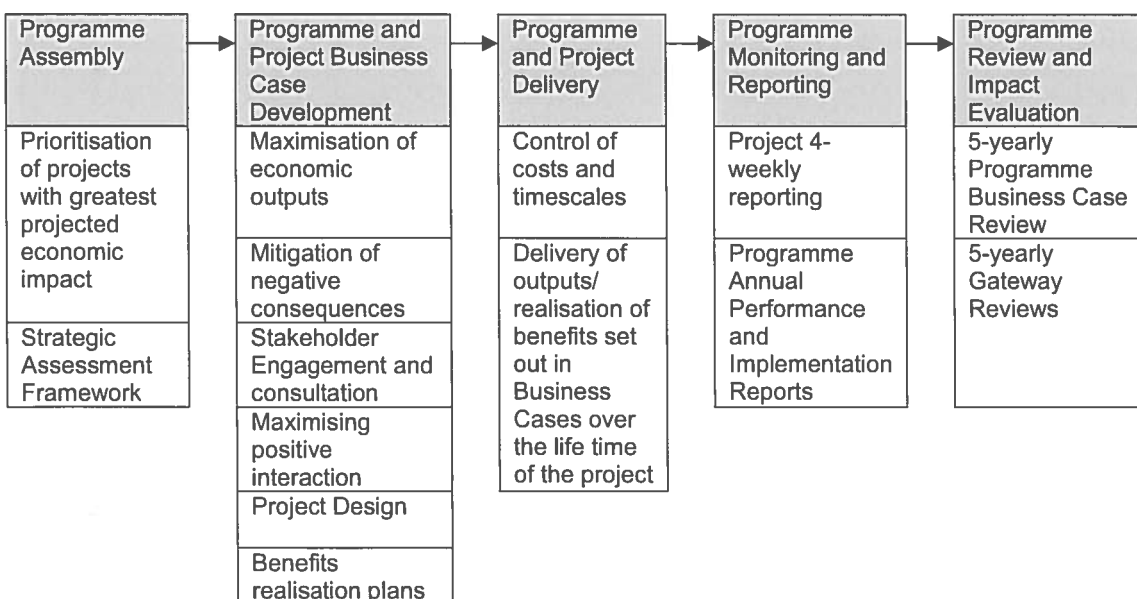


Figure 3 – Programme Assembly Stages

Each of these stages is described in greater detail below.

2.3.3 Programme Assembly

2.3.3.1 The Programme Assembly stage of the process exists to ensure that the projects in the Infrastructure Fund are the strongest performing, in GVA terms, of those available to the Glasgow and Clyde Valley Region and that the projects achieve in aggregate, a spread of economic benefits which takes account of the prevailing patterns of economic disadvantage in the Region.

2.3.3.2 In the case of the City Deal, the Programme Assembly exercise was carried out by the Member Authorities during 2013, with the prioritised list of high level projects (the Initial Project List – Appendix 4) agreed by the Leaders of the Member Authorities at the beginning of 2014.

2.3.3.3 The process involved modelling the economic impacts for a list of approximately 40 deliverable projects, and prioritising them in order of GVA return per net pound of whole-life cost. The detail of the modelling approach is contained in a separate document detailed in Appendix 5.

2.3.3.4 The Member Authorities have selected twenty high level projects using this method for inclusion in the Infrastructure Fund and these projects are listed in Appendix 1 Table 1 (as may be amended from time to time in line with this Assurance Framework).

2.3.3.5 Having assembled the initial Infrastructure Fund Programme of high level projects which provide the greatest economic impact, a more detailed assessment is now required on the cumulative land use and transport impacts of the Programme. This will be undertaken using a Strategic Assessment Framework (SAF) the principles of which are shown in Figure 4. This will validate the outputs from a cumulative assessment or establish where adjustments are required that will ensure the delivery of outputs.

2.3.3.6 The outline of the transport theme methodology is shown in Appendix 6, and the other themes in the SAF will follow a similar methodology. The SAF may also draw upon the existing work which was undertaken regarding land use and transport during the initial modelling exercise referred to in 2.3.3.3.

2.3.3.7 In order to collate the information required to carry out the SAF the Member Authorities will provide draft Strategic Business Cases to the PMO by 31 March 2015. The SAF exercise will use the information from Business Cases, market information and committed transport projects to assess the outputs within themes of work. The themes will be established after a review of the business case information. These will include but not limited to Transport, GVA, Housing and Environment. The themes will work together to establish if there is an impact on the outputs of the business cases or an unintended consequential effect on existing infrastructure including transport projects being delivered by others.

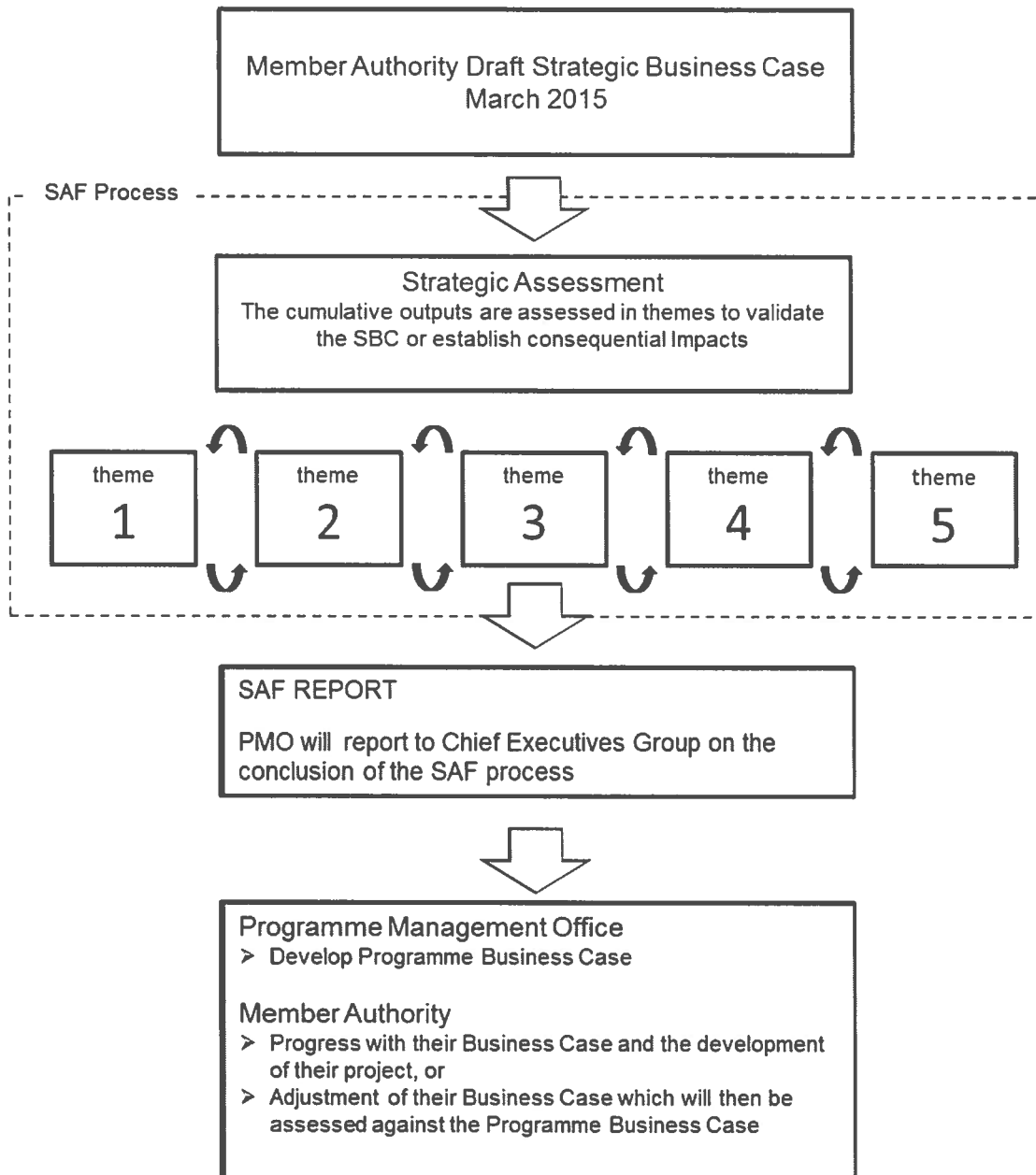


Figure 4 – SAF Process.

2.3.3.8 The cumulative transport aspects of the Programme will be appraised in the SAF using a methodology described in Appendix 6, taking into account the Programme objective of maximising GVA.

2.3.3.9 The PMO will oversee the delivery of the SAF process which may include commissioning an external consultant to undertake appraisal, on both an individual and cumulative basis, using a robust, audited model to ensure consistency and transparency. An appraisal report will be produced in terms of the proposed outcomes.

2.3.3.10 Following the completion of the SAF process and the completion of the SAF Report the findings will be used to update the Programme Business Case.

2.3.4 Programme and Project Business Case Development

2.3.4.1 The Programme Business Case will include the same key elements as required for individual project business cases as set out in Section 3.2.4 but at a Programme level e.g. the combined economic, transport and environmental impacts; delivery timescales for all projects; Programme risks and inter-dependencies; and Programme finances. The Programme Business Case will allow the assessment of new projects against the objectives of the Programme.

2.3.4.2 The Project Business Case development process is described in Section 3. The project design process has stages which are described in more detail in paragraphs 3 to 5 Part 2 of this Assurance Framework.

2.3.5 Programme and Project Delivery

2.3.5.1 The Programme and Project delivery stage encompasses the day-to-day management of the Programme and the individual projects to ensure the successful delivery of the Programme objectives and the individual Projects within the Programme, including delivery of the capital infrastructure projects on time and to budget.

2.3.5.2 The delivery of the Programme Business Case will be supported through the production of an Annual Implementation Plan for the coming financial year which includes:

- The targeted milestones/activities and outputs for individual projects
- The workplan for the PMO including for programme governance e.g. dates for reporting, the formation of the Commission etc.

2.3.5.3 The Annual Implementation Plan will be 'live' and will be updated throughout the year to reflect any additional activities the Chief Executives' Group and the Cabinet agree should be delivered in that period. The Annual Implementation Plan will also be reviewed during the year by the Programme Liaison Group.

2.3.5.4 Part 3 of the Assurance Framework details the governance and reporting requirements to ensure transparency and accountability. This will ensure compliance with contractual commitments made to the Scottish and UK Governments which will in turn release the grant funding committed by them for the City Deal.

2.3.5.5 If an Approved Project proves impossible to deliver, the Cabinet will decide whether or not it should be removed from the Programme. The Cabinet will also be responsible for considering any new projects from any of the participating Member Authorities and will approve projects taking into account wider Programme objectives including the intended spread of economic benefits across the Region.

2.3.5.6 All of the projects will have specified a Benefits Realisation Plan in their Business Case. These will describe in detail the forecasted economic benefits which the relevant Member Authority will deliver during the period of the City Deal which is in addition to the physical delivery of the project.

2.3.5.7 The detail on how these benefits will be achieved will vary across projects, but will include activity such as: inward investment marketing; securing private investors; entering development agreements; allocating Housing Grants and securing operators for commercial assets.

2.3.5.8 The targeted benefits for individual projects will be agreed by the Cabinet when a Business Case is approved and will then be monitored by the PMO over the medium to long term and will form part of the overall reporting on progress to the Cabinet.

2.3.5.9 Projects will be deemed to have been successfully completed when they have delivered all outputs stated in the Business Case and when the terms of the grant agreements have been fully complied with i.e. all benefits have been fully realised.

2.3.6. Programme and Project Monitoring and Reporting

2.3.6.1 Individual Member Authorities will manage the delivery of their own project and its targeted benefits as set out in the Business Cases. The grant agreements which will be entered into with Member Authorities will be based on the delivery of the project and its benefits as set out in the Business Cases. Individual projects will be required

to provide necessary information to monitor project delivery as per the requirements set out in Part 3.

2.3.6.2 The PMO will seek to assist with the resolution of any project issues which have been brought to the attention of the PMO within the 4-weekly Project Progress Reports using, where appropriate, the guidance of the support groups included in the overall Governance Structure set out in Part 1 e.g. the Finance, Legal and Procurement Groups. Where issues remain unresolved these will be reported to the Chief Executives Group.

2.3.6.3 The PMO will use the information provided by individual Member Authorities to compile a 4-weekly Programme Progress Report, including, but not limited to:

- all of the elements reported by individual projects as set out in Part 3
- any Programme level information e.g. programme risk register
- notification of any unresolved issues which have been escalated.

2.3.6.4 The PMO will submit a Programme Progress Report to each meeting of:

- The Chief Executives' Group;
- The Cabinet, and
- The Scottish and UK Governments.

2.3.6.5. The Chief Executives' Group may seek the assistance of the consultative groups and the support groups within the overall Governance Structures to address issues.

2.3.6.6 The PMO will use the monitoring information collated through the above processes to produce an Annual Performance Report (APR) based on the previous year's activity. The APR will include:

- A position statement on the delivery of the Infrastructure Fund Programme based on:
 - the status of the individual projects as per their most recent 4-weekly Progress Reports e.g. proportion of projects reporting an overall status of Red, Amber and Green.
 - the current risk status of the programme based on the Programme Risk Register and Issues Log.
- The realisation of benefits across the Programme;
- The delivery of the PMO workplan, for example, the progress of the Commission with developing the evaluation framework to be used at the Gateway reviews;
- A strategic assessment of the wider environment/policy context including any changes at a UK, Scotland and Clyde Valley region in relation to political and

economic factors and the implications (positive and negative) these may have on the programme;

- A detailed economic assessment based on the analysis of the indicators selected by the Commission;
- A forecast of how likely the programme is to pass the 5-yearly Gateway review given current progress and an indication of any areas where the Programme is not progressing as planned;
- Recommended actions for the overall Programme and/or individual projects in view of the overall Programme performance to date and any emerging threats/opportunities resulting from the strategic and economic assessments. It is expected that the consultative groups e.g. the Regeneration and Economy Consultative Group would feed into this process.

2.3.6.7 The APR will be submitted for approval by the Chief Executives' Group and the Cabinet in June each year.

2.3.6.8 Actions resulting from agreed recommendations will be incorporated into the forthcoming year's Annual Implementation Plan.

2.3.6.9 By combining the outputs of the individual projects, a Benefit Realisation Plan for the City Deal Programme will be developed by the PMO. This Plan will be a key component in Programme monitoring, management and reporting. A benefits realisation management structure will be developed drawing on the Clyde Valley Community Planning Partnership and Economic Leadership structures.

2.3.7 Programme Review and Impact Evaluation of the City Deal

2.3.7.1 In addition to the strategic assessment which will be undertaken as part of the Annual Performance Reporting process, a detailed Programme Review will be undertaken in the year preceding the 5-yearly Gateway Reviews. These Programme Reviews will follow best practice guidance on programme management reviews such as that set out by the Office of Government Commerce and will include a self-assessment against the governance requirements set out in Audit Scotland's 'Review of Major Capital Projects in Scotland: Good Practice Checklist for Public Bodies (2008)'. The Programme Review will assist with the preparation of the materials required for the 5-yearly Gateway Reviews.

2.3.7.2 To facilitate Impact Evaluation through the 5-yearly Gateway Reviews, Glasgow and Clyde Valley will establish an Independent Commission on Urban Economic Growth, to undertake analysis and make recommendations to the UK and Scottish Governments on the performance of the Infrastructure Fund against metrics proposed

by the Commission and agreed by UK and Scottish Governments. To support their analysis and recommendations the Commission will have an important role in furthering the development of an evidence base that explores the delivery and measurement of local and national growth derived from infrastructure investment. Importantly this analysis will define a counterfactual or baseline economic growth scenario and will construct a comparator economic growth benchmark in order to identify the net impacts of the Programme in line with methods agreed by UK and Scottish Governments.

2.3.7.3 The methodology for the Gateway Reviews will be developed by the Commission and agreed with both Governments during 2015, but it is anticipated that the Commission will analyse GVA data and will use “real world” measures such as employment rate; unemployment rate; wages; employment density; business survival rates and others to make a comparison with a counterfactual, or baseline situation where no investment took place to assess the impact of the Programme.

2.3.7.4 At the 2019 review point, it is anticipated, subject to detailed agreement with the UK and Scottish Governments, that the Commission will look primarily at:

- The extent to which the projects being developed and delivered are likely to deliver the economic impacts envisaged by the end of the twenty year programme
- The extent to which project delivery has been completed on time and on budget as per the Programme’s overall Benefits Realisation Plan
- The achievements reported in Annual Performance Reports.

2.3.7.5 At the 2024 and subsequent reviews it is anticipated that the emphasis of the reviews will shift towards the performance of the Glasgow and Clyde Valley regional economy using the methodology which they will have agreed during 2015.

2.3.7.6 The City Deal will be deemed to be succeeding when the evidence emerges that the economic impacts projected by the Programme Business Case are being realised in the Glasgow and Clyde Valley City Region, and that there are net additional impacts at Scottish and UK level.

3. DEVELOPMENT OF BUSINESS CASES FOR THE INFRASTRUCTURE FUND

3.1 A Business Case requires to be completed for each project and approved by the Cabinet. This Section 3 explains what will be required to complete a Business Case.

3.2 Business Case

3.2.1 A Business Case is a dynamic document that evolves over the lifecycle of a project. All projects must be driven by a Business Case which identifies the rationale for the project and is regularly updated at the key stages of the project.

3.2.2 A Business Case is a powerful decision making tool, deciding initially if a project should be undertaken, but also in deciding how the project will be implemented throughout its duration.

It should be maintained throughout the project and reviewed at each key decision stage to check that the project objectives are still valid and achievable.

3.2.3 Purpose

The purpose of a Business Case is:

- to provide a framework for informed decision making in planning and management of the project, any associated wider programme and subsequent benefits realisation, and
- to provide a clear and concise record of the current status of the project and decisions made to date.

It seeks to establish that the proposed project will:

- meet the business need;
- take forward the most appropriate option;
- be achievable;
- be affordable, and
- offer value for money.

3.2.4 Contents

The main sections of the Business Case are summarised in the table below and further best practice guidance is contained in HM Treasury's Green Book.

Section	Purpose
Executive Summary	To provide a clear and concise summary of the key features of the Business Case.
Strategic Fit	To document why the project needs to be done, what the project is, how it fits in with the City Deal Infrastructure Fund Programme and the wider local and national policy context and how it is intended to be implemented.
Options Appraisal	To demonstrate how the preferred solution has been chosen. It should demonstrate that all potential options were identified and compared, resulting in a

	preferred option that achieves all objectives and delivers best value for money.
Commercial Case	To document the involvement of other parties, and identify any challenges or risks this may present.
Economic Case	To identify the economic impact of the project.
Financial Case	To identify the forecast capital and revenue expenditure and income over the period of the project.
Sustainability Case	To identify whether proposals are themselves sustainable and how they contribute to the wider sustainability agenda
Project Governance and Management	To identify the team that will deliver the project, the proposed procurement process and the project schedule.

3.2.5 Iterative Process

The Business Case must not be static and must be continually updated as the project progresses. Upon project completion, three distinct versions of the Business Case should have been prepared, each an updated iteration of the previous:

1. Strategic Business Case (SBC);
2. Outline Business Case (OBC), and
3. Full Business Case (FBC).

This process provides assurance that the project remains viable and worthwhile. A more detailed description of each is provided below.

3.2.6 While it is recommended that projects follow the iterative process outlined above, where a Member Authority has already developed a more detailed OBC or a FBC, this may be submitted for appraisal without first having completed a SBC. However, in doing so, Member Authorities should note that all costs which may have been incurred will be at the Member Authorities own risk.

3.2.7 The purpose of the **Strategic Business Case (SBC)** is to confirm the strategic context of the proposal; to make a robust case for change; to provide stakeholders with an early indication of the proposed way forward and to provide the necessary information required to undertake the Strategic Assessment Framework exercise. The SBC should be prepared at the scoping stage of the investment.

Key content of the SBC:

- detailed strategic case including:
 - A clear statement of the strategic objectives of the project

- the policy fit with the objectives of the City Deal including the economic, environmental, social inclusion and distributional objectives
- the fit with national, regional and local transport and land use policy including the strategic transport challenges which the project is aimed at addressing (where relevant)
- identification and evaluation of options to meet project objectives
- high level budget analysis including a clear indication that the project cannot be financed through other mechanisms
- the value for money of the options, including the benefit to cost ratio where available and a qualitative assessment of other factors
- where a project impacts on the trunk road or rail network, the necessary consultation with and approvals of Transport Scotland and Network Rail
- identification of high level project governance arrangements including the deliverability (ability, timeframe and commitment) of the Member Authority to deliver the project
- The outcomes of stakeholder (public, relevant transport and utility bodies etc) consultation including the identification of any potential negative impacts. The methodology used will depend on the specific activity and could comprise formal consultation, representative working groups, ongoing market research and questionnaires.
- high level risk register.

3.2.8 In order to ensure the SAF referred to earlier can be undertaken in a timely manner, all projects will be required to provide a draft SBC by 31st March 2015. This will not constitute formal submission of the SBC for appraisal by the PMO. Final SBS submissions should be made to the PMO as appropriate to each project's individual timescales and following the receipt of all necessary approvals for formal submission from within Member Authorities.

3.2.9 The approval by Cabinet of the Strategic Business Case gives permission for the Member Authority to develop the Outline Business Case.

3.2.10 The purpose of the **Outline Business Case (OBC)** is to revisit the SBC in more detail, to address any issues which have been identified at the SBC stage and to identify a preferred option which demonstrably optimises Value for Money. It also sets out the likely preferred option; demonstrates its affordability and environmental sustainability; and details the supporting Procurement Strategy, together with the management arrangements successful rollout of the project.

Key content of the OBC:

- benefits realisation
- detailed options appraisal with preferred option identified
- detailed budget (capital and revenue)
- detailed risk register with mitigation actions
- detailed project management arrangements.

3.2.11 The purpose of the **Full Business Case (FBC)** is to revisit the OBC and record the findings of the subsequent procurement activities; together with the recommendation for an affordable solution which continues to optimise value for money, and detailed arrangements for the successful delivery of the required goods and implementation of services from the recommended supplier/s.

This takes place within the procurement phase of the project, following detailed negotiations with the potential service providers/suppliers prior to the formal signing of contracts and the procurement of the goods and services.

Key content of the FBC:

- refresh of OBC
- detailed benefit metrics including baselines targets and monitoring
- detailed preferred option
- commercial terms of the contract
- approved budget (capital and revenue)
- updated risk register
- updated project management arrangements.

Guidance and a template for the development of the Business Case are provided in Appendix 7.

4. APPROVALS PROCESS FOR A BUSINESS CASE - INFRASTRUCTURE FUND

4.1 Submission Of Business Cases To The City Deal PMO

4.1.1 All Member Authorities must ensure relevant internal approvals are obtained that permit the preparation of a Business Case. Once this approval has been secured, all versions of the Business Cases – from Strategic to Full - should be approved by the Member Authority before being submitted to the City Deal PMO for assessment.

4.1.2 In some cases a SBC or OBC may already have been delivered in which case, the PMO will have discretion to agree that the next level of business case be delivered. This will be dealt with by the PMO on a case by case basis.

4.2 Appraisal Process

- 4.2.1 A central independent appraisal team will be located within the PMO to assess and scrutinise individual Business Cases and make independent recommendations for decision to the Cabinet via the Chief Executives' Group.
- 4.2.4 Project Business case submissions will be appraised by the PMO using guidance from, but not restricted to, Her Majesty's Treasury Green Book and reference to the Programme Business Case. All transport-related projects must have followed the guidance set out in STAG, in addition to that set out in Appendix 6.
- 4.2.5 Where necessary expertise does not exist within the PMO to fulfil this responsibility, approval will be sought from the Chief Executives' Group for the PMO to commission and manage external consultants to undertake this exercise on its behalf.
- 4.2.6 An Appraisal Report will be provided by the PMO to the relevant Member Authority outlining whether the appropriate criteria have been met and indicating areas where further information is required.
- 4.2.7 All unsuccessful submissions of Business Cases to the PMO will be reported to the Chief Executives Group along with the Appraisal Reports.
- 4.2.8 The Chief Executives Group will determine whether and on how many occasions Business Cases may be re-submitted, or whether ultimately a project should be removed from the City Deal Infrastructure Fund where Business Case submissions continue not to meet required criteria.
- 4.2.9 Where resubmission is approved, the PMO will instruct the relevant Member Authority to complete and resubmit to the PMO.

4.3 Approval Process

- 4.3.1 Business cases which have met all criteria will be recommended by the PMO for approval to the Chief Executives' Group. A representative of the relevant Member Authority will be required to present the Business Case to the Chief Executives' Group, upon which a decision will be taken as to whether the Business Case should progress to the Cabinet for approval.
- 4.3.2 Where amendments/additions are requested prior to progressing to the Cabinet for approval, the PMO will be responsible for ensuring these are actioned prior to submission.

4.3.3 The following permissions will be granted following approval of each version of the Business Case:

- The approval of the Strategic Business Case gives permission to develop the Outline Business Case. The Cabinet can at this stage authorise preliminary expenditure on non capital items identified in the SBC.
- The approval of the Outline Business Case gives permission to implement the Procurement Strategy up to, but not including the selection, of the preferred solution/contractor. The Cabinet can at this stage authorise preliminary expenditure identified in the OBC.
- Approval of the Full Business Case gives permission for investment, including awarding of contracts, and provides approval for the City Deal grant funding as per Section 7.1 – Grant Distribution Principles.

4.3.4 Investment decisions will ultimately remain the remit of the Cabinet. As such, Member Authorities or other members who represent the project promoter for a Business Case will be asked to withdraw from decisions regarding that Business Case or the approval of a specific project.

4.3.5 A standard letter will be issued by the PMO advising of the outcome of Business Case submission (e.g. Cabinet approval or decline with resubmission approved) and any subsequent permissions which have been approved as per 4.3.3.

4.4 Cross Member Authority Projects

4.4.1 Where a project is proposed that would require collaborative working across two or more Member Authorities, those Member Authorities will elect a lead authority and that lead authority shall be responsible for preparing and submitting the Business Case.

5. BUSINESS CASE EVALUATION CRITERIA

5.1 The full criteria by which Business Cases will be evaluated are set out in Appendix 8. The appraisal will be tailored to reflect the stage of Business Case development i.e. SBC through to FBC.

5.2 Appraisal will involve, but is not limited to, consideration of the following:

- Does the Business case meet the terms of the City Deal?
- Are there clear SMART objectives?
- Have a reasonable number of options been considered?

- Is the options appraisal method suitable for the type of project?
- Is the preferred proposal deliverable/buildable?
- Is risk identified, managed and allocated?
- Is the full budget funding secured?
- Is the proposal commercially feasible?
- Are all costs and benefits quantified, if not is this justified?

6. MANAGEMENT OF THE CITY DEAL INFRASTRUCTURE FUND

- 6.1 Project delivery will be monitored via 4-weekly reporting as set out in Part 3. Escalation procedures and tolerances regarding project delivery are set out in Section 5.5 of Part 3.
- 6.2 Should an Approved Project encounter technical conditions which are likely to significantly compromise the successful delivery of the project, the Member Authority will have a period of time (determined by the Cabinet) to design and implement a corrective action plan to deliver a modified project which represents an equivalent ratio of costs to benefits for the overall Programme.
- 6.3 If after the time period specified by the Cabinet, the Member Authority has not implemented a corrective action plan to the satisfaction of the Cabinet; further action will be taken by the Cabinet. This action may include temporary or permanent suspension of Grant or the repayment of Grant.
- 6.4 Where a Member Authority wishes to materially change a project at any stage of the approval process this will be analysed by the PMO in terms of its potential impact on the GVA of the City Deal as outlined in the Programme Business Case and a recommendation will be made by the PMO to the Cabinet, via the Chief Executives' Group taking account of the overall impact on the Programme objectives.
- 6.5 Failure by a Member Authority to comply with the terms of their grant agreement is referred to in section 8 of Part 3.

**7. CITY DEAL GRANT FUNDING AND DISBURSEMENT RULES –
INFRASTRUCTURE FUND**

7.1 Grant Distribution Principles

7.1.1 Each project will require to progress through the formal approvals process set out in this Part 2 before it formally becomes an “Approved Project”

7.1.2 Funding for the Bus Programme and Airport Access will be 100% from capital grant up to programme spend of £30m (Bus Programme) and £144m (Airport Access) as set out in Appendix 4.

7.1.3 The initial allocation of Grant to individual Member Authorities has been calculated as a percentage of a Member Authority’s expenditure on approved projects, based on the August 2014 list of projects agreed in principle by Cabinet in Appendix 4 (net of monies allocated to Regional projects). This will mean Member Authorities will be due 86% capital grant and will be liable to provide 14% Member Authority funding on the non regional projects subject to the provisions of paragraphs 7.1.6 and 7.1.7 below.

7.1.4 Grants received from Government will be nominally assigned to Member Authorities on the basis of the overall value of Approved Projects being delivered by Member Authorities, but will only be paid out on the basis of actual eligible spend. Where actual spend in a year on City Deal projects for an individual authority is less than grants approved to that authority then the Lead Authority will reallocate City Deal grant to match other City Deal spend in that year. The subsequent years grant due to authorities will be recalculated so that the overall grant due to an authority remains the same.

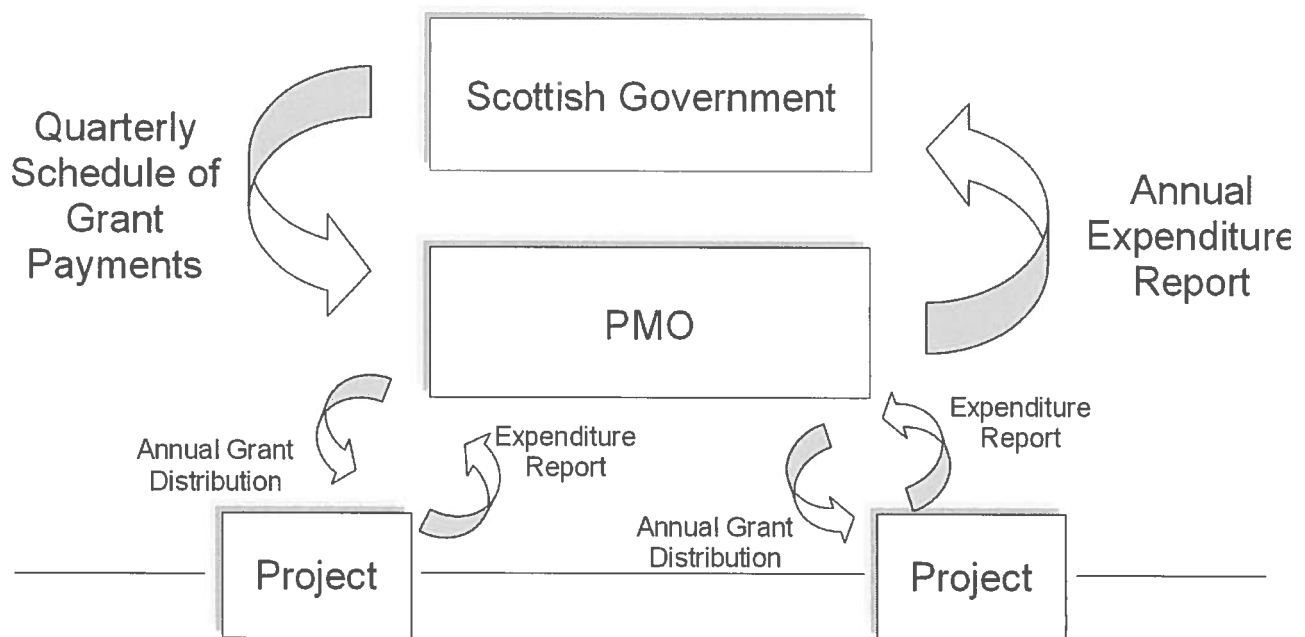


Figure 5

- 7.1.5. The Lead Authority will maintain a memorandum of accounts for the programme which will show the grant due and grant paid to each of the Member Authorities. The memorandum will also include a calculation of interest owed to Member Authorities by the Lead Authority.
- 7.1.6 Savings on overall project cost can be retained by Member Authorities subject to capital grant being no more than 100% of project cost. An amended Grant offer will be agreed by the Cabinet where this situation arises.
- 7.1.7 Where third party contributions are received grant levels will be capped at 100% of net cost to the Member Authority.
- 7.1.8 It will be a condition of grant funding from the UK/Scottish Governments that the grant will be utilised in year and not carried forward. The Lead Authority will manage the grant distribution process to ensure that this requirement is met on an annual basis.

7.2 Regional Projects

- 7.2.1 Grant will be made available to fund Regional projects at 100% of project budget (i.e. up to £144m Airport Access and £30m Bus Programme). Grant will be paid out on the basis of eligible expenditure having been incurred in line with the business case approval and the Grant Distribution Rules. The Regional Projects shall rank first in receiving available grant funding when grant is distributed each year.

- 7.2.2 Where spend on the Airport Access project exceeds the available grant in any given year then the mechanism for the balance of funding required in that year will be a matter for Renfrewshire Council and Glasgow City Council to agree.
- 7.2.3 Any shortfall in the available grant funding for the Regional projects in a given year will be made up as soon as possible from subsequent years' grants payments and shall rank first in terms of grant distribution.
- 7.2.4 Increases in Airport Access project capital costs will be met jointly by Glasgow and Renfrewshire Councils. Reallocation of grant savings for the Airport Access project will be a matter for the Cabinet taking account of the overall programme business case objectives.
- 7.2.5 As regards the Bus Programme any increase in cost will be decided on a case by case basis, taking into account the responsibility of the delivery agent for that aspect of the programme. Reallocation of any grant savings from the Bus Programme will be a matter for the Cabinet

7.3 Project Cost Variance

- 7.3.1 Where the cost of individual projects being delivered by the same Member Authority changes significantly then it will be possible for the Member Authority to seek Cabinet approval for an amended grant award. However, this will only be possible after an assessment of the full impact on the project outcomes by the PMO and any decision is at the sole discretion of the Cabinet taking account of the overall Programme Business Case.

7.4 Actual Disbursement Of Grant

- 7.4.1 The Scottish Government will issue a single grant offer letter to the Lead Authority on an annual basis. The acceptance of the grant offer will be signed annually by the Section 95 Officer for each Member Authority. The timing of receipt of City Deal grant from the Scottish and UK Governments will be agreed with the Scottish and UK Governments on an annual basis. The timing of distribution by the Lead Authority to individual Member Authorities will be agreed on an annual basis by the Finance Sub Group.
- 7.4.2 At the beginning of each year the PMO will prepare a financial forecast detailing the projected expenditure by the Project Sponsors breaking this down into preliminary

costs such as fees and studies and capital items. This forecast will be revised by the PMO at least every six months to provide a rolling forecast of expenditure incurred by Member Authorities and grant forecast to be distributed against eligible expenditure. The value of the grant distributed to regional and individual projects will be based on actual eligible expenditure (as per capital accounting rules) at the end of each year. The amount disbursed will reflect up to 100% of eligible expenditure incurred by a Member Authority up to that point. The Lead Authority will distribute all City Deal grant in the same financial year in which it is received.

- 7.4.3 Any grant retained by the Lead Authority in year prior to distribution will earn interest on behalf of Member Authorities.

7.5 Projects Started But Not Completed

- 7.5.1 As a general principle individual Member Authorities will be wholly responsible for the physical delivery of their own projects. Projects started but not completed will be at an individual Member Authority's risk. Where a project is started but is not completed in accordance with the grant agreement, then spend incurred on this project will not be eligible for City Deal grant.

- 7.5.2 Where grant has already been paid to a Member Authority in respect of a project which subsequently does not progress, then this grant will require to be repaid following a formal request from the Cabinet.

- 7.5.3 Any variation from these principles in respect of individual projects will be a decision for the Cabinet.

7.6 Changes To UK/Scottish Government Grant Arising From Failure To Achieve Milestones

- 7.6.1 Failure to achieve Gateway Reviews as set out in the City Deal will lead to a recalculation of the monies due to Member Authorities.

- 7.6.2 The basis of the recalculation of grant monies will require to be agreed by the Cabinet at that time. Cabinet will give further consideration to this following agreement on the mechanism for conducting the Gateway Reviews.

8 INNOVATION PROGRAMME

- 8.1 Please see Table 2 of Appendix 4 for a list of the Innovation Projects. The Innovation Programme will be managed in as consistent a manner as possible with that of the Infrastructure Programme (although it will not be subject to the 5 yearly Gateway Reviews). The nominated Project Sponsors for the Medicity and the IGI Projects (North Lanarkshire and Glasgow City Council respectively) will develop business cases, the template for which is specified by BIS.
- 8.2 On approval of the Medicity and IGI Business Cases by BIS, a grant offer will be made to the Lead Authority by BIS. The PMO will seek the approval of the Cabinet to implement the Projects and to award grants to the Project Sponsors. The offer of grant to the Project Sponsors will include the grant offer terms and such terms that BIS and PMO considers appropriate.
- 8.3 In the case of the ICE, BIS will award their funding through the Medical Research Council (MRC) who will award a grant to the University of Glasgow. The University will submit financial monitoring information to MRC and will submit a project status report to the PMO. The PMO and the MRC have agreed to share these reports with each other as they are submitted.
- 8.4 A Benefits Realisation Profile will be agreed for each of the Innovation Projects, based on the details contained in the business case. This will describe the forecasted economic outputs for each Project. These will be monitored by the PMO. A quarterly reporting schedule will be put in place.
- 8.5 During the construction phase of the Project the PMO will seek a 4 weekly highlight report and provide a report, as specified in the Assurance Framework, on the current risk status of the Project. This will be in addition to any information that is requested by BIS.

9. LABOUR MARKET PROGRAMME

- 9.1 Please see Table 3 of Appendix 4 for a list of the Labour Market Projects. The nominated Project Sponsor for each Labour Market Project will develop a business case for it. The template will be the City Deal template, where none is specified by DWP.

9.2 The In-Work Progression Prototype is a pilot. The Project Sponsor is Glasgow City Council, which will undertake the project design and delivery in agreement with DWP. The business case for this Project will be based on the template set out in Appendix 7.

DWP will review the business case and award a grant to the Lead Authority on behalf of the Cabinet. On approval by the Cabinet of this business case and receipt of a grant offer from DWP, the Lead Authority (on behalf of the Cabinet) will make a grant offer to the Project Sponsor which will include the terms of the DWP grant and any conditions that the PMO considers appropriate.

9.3 Given the regional nature of the Employment Support Allowance Project and the desire to demonstrate innovative ways of working a Project Sponsor (Glasgow City Council) will take responsibility for managing the performance and development of this Project. Performance reporting frequency will be consistent with Infrastructure Programme reporting, with monthly and quarterly reports being produced. On approval of the business case by DWP, a grant offer will be made by them to the PMO. This is expected to be based on the detail in the business case and include referral processes, monitoring and reporting requirements and evaluation methodologies. A grant award will be made by the PMO to each of the Member Authorities for the share of delivery and management costs being borne by them. These grant awards will be reviewed on an annual basis and amended if necessary with the approval of Cabinet.

9.4 An extensive evaluation of this Project is being commissioned by DWP and all the Member Authorities must participate in and cooperate with the researchers appointed. The evaluation will examine the outcomes achieved and assess the processes, operations and the service user experience.

9.5 As a regional programme the Youth Guarantee will be designed and developed by the Local Authorities acting together with one acting as lead. There is no grant for this Project but a full business case will be required to be agreed and approved by Cabinet setting out the offer for Young People and how the ambitions of the Member Authorities will be realised. Monitoring arrangements will be put in place from April 1st 2015 to measure progress toward achieving the targets of 15,000 young people supported and 5,000 young people into work over 3 years.

9.6 The PMO will seek the approval of the Cabinet for each of the business cases before the Projects are implemented. Grant for both the ESA Project and In-Work Progression will be paid in advance by DWP to the PMO. For the ESA Project, the

PMO will agree with all delivery partners an annual or 6 monthly payment in advance. The final year's payment will be paid 6 months in advance and 6 months in arrears to allow for any final reconciliation of costs due. For the In-Work Progression Project, the PMO will award a one-off grant in advance, upon receipt from DWP.

- 9.7 A Benefits Realisation Profile will be agreed for all Labour Market Projects and this will be based on the details contained in the business case. These will describe the forecasted economic outputs for each project and these will be monitored by the PMO. A quarterly reporting schedule will be put in place for all Labour Market Projects. This may be in addition to any information that is requested by the DWP or the Lead Authority for the project.

PART 3

THE GLASGOW AND CLYDE VALLEY CITY DEAL: PROGRAMME AND PROJECT GOVERNANCE AND MANAGEMENT ARRANGEMENTS

1. INTRODUCTION

- 1.1 Part 3 of the Assurance Framework details the arrangements for project governance and the management of those projects approved by the Cabinet and the reporting requirements intended to ensure transparency and accountability. It must be read in conjunction with Parts 1 and 3 of the Assurance Framework.
- 1.2 The arrangements set out in this Part 3 draw on project and programme management methodology and establish the key principles of project management and governance to be used by Member Authorities to provide a consistent, robust, efficient and effective approach to the delivery and management of City Deal projects.

2. APPLICABILITY

- 2.1 This Part 3 document is divided into three sub-parts as follows:
- Sections 5-9 details the arrangements to be applied to all Infrastructure Fund projects delivered as part of the City Deal; the arrangements that will govern the relationship between Member Authorities' approved projects and the City Deal PMO – those arrangements that will be adopted for use in monitoring and reporting progress and delivery of City Deal Infrastructure projects to the PMO.

 - Section 10 details the arrangements and the monitoring and reporting regime to be applied to all projects delivered as part of the Innovation Fund. The Innovation Fund involves the Lead Authority entering into grant agreements with Third Parties set out below and more fully specified in Part 2 of the Assurance Framework namely:
 - The University of Glasgow for the Stratified Medicine Imaging Centre of Excellence project;
 - BioCity Scotland Ltd for the Medicity project; and
 - Glasgow City Council for the Integrated Grow-on Initiative.

 - Section 11 details the monitoring and reporting regime to be applied to all projects delivered as part of the Labour Market Programme. It is anticipated that DWP standard monitoring and reporting processes will be utilised for projects within this Programme.

2.2 Adherence to this Part 3 will also be a requirement within the grant funding agreements which will be entered into between Glasgow City Council as the Lead Authority and Member Authorities with Approved Projects as well as those grants awarded to Third Parties for the Innovation Fund. Member Authorities will be required to commit to delivery of their Business Cases and to the monitoring and governance regime set out in this Framework.

2.3 Member Authorities will make their own arrangements for reporting on projects internally within their own organisations and for approving these internal reports prior to the onward submission of information to the PMO. These internal governance structures will be documented within project Business Cases.

3. ROLE OF THE CITY DEAL PROGRAMME MANAGEMENT OFFICE (PMO)

3.1 All projects within the Infrastructure Fund Programme, the Innovation Fund and the Labour Market Programme will be monitored, scrutinised by, and accountable, to the City Deal Programme Management Office (PMO) within Glasgow City Council, as Lead Authority. The provision of such a function provides a mechanism through which the relevant parties can be made aware, in a timeous manner, of the progress of projects and can exercise scrutiny and intervene as necessary ensuring that Member Authorities are complying with the terms of their grant agreements.

3.2 The role of the City Deal PMO is fully set out in Part 1 of the Assurance Framework. However, in respect of their role regarding ongoing monitoring of projects, this can be summarised as follows:

- The Lead Authority shall allocate and account for distribution of City Deal grant income to Member Authorities. The Lead Authority will enter into a grant agreement for the City Deal Programme approved by the Cabinet, and will analyse and provide reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by the Cabinet;
- The PMO will provide a full toolkit of documentation to Member Authorities delivering projects including: business case templates; appraisal guidance; reporting templates; risk registers; and such other documentation as may be required from time to time. The PMO will 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 Business Cases and grant awards, all in accordance with commitments made to the UK and Scottish Governments.

- 3.3 Member Authorities will have their own internal governance arrangements to secure political approval to apply to the Cabinet for grant funding for projects.

4. PROGRAMME AND PROJECT GOVERNANCE

4.1 Project governance is the means by which projects are monitored, controlled and reported. Once Infrastructure Fund projects have been approved by the Cabinet and grant agreements have been entered into with Member Authorities, it is essential to have robust project monitoring and governance arrangements in place. This will ensure compliance with contractual commitments made to the Scottish and UK Governments which will in turn release the grant funding committed by them for the City Deal. It is also critical to have effective arrangements for reporting and providing assurance to key stakeholders which will facilitate regular reviews of progress, delivery against milestones, budgets, issues, risks etc. Effective control and oversight of projects is fundamental to ensuring their continued success, and effective monitoring allows for sound decision making.

4.2 Robust project governance allows all parties involved to measure and monitor progress in line with the contractual arrangements in place for the City Deal and will consist of the following elements:

Project Reporting;

- Risk Management;
- Issues Management;
- Escalation and Reporting Structure and Tolerances;
- Dependencies and Interdependencies;
- Financial Control and Contingency Management, and
- Change control
- Benefit Realisation

4.3 It should be noted however that the level of control and monitoring is scalable and must be undertaken at a level relevant to the size of the project. This will be specified by the PMO, who will receive regular progress reports from all Member Authorities with approved projects and a grant agreement. The PMO will scrutinise and challenge these reports as necessary and ensure regular reports are provided to the Chief Executives' Group, the Cabinet and the Scottish and UK Governments.

4.4 If the progress, delivery or performance is deemed inadequate, the PMO may escalate any issues for resolution to the Chief Executives' Group in the first instance.

5. INFRASTRUCTURE PROJECT REPORTING

5.1 This section explains each of the required reports in more detail and templates are attached as Appendices. These templates are subject to change by the City Deal PMO in consultation with the Member Authorities if required due to changes in legislation; lessons learned; or changes in formal guidance and best practice in relation to governance of projects and will also be subject to annual review.

5.2 Project Status Reports

5.2.1 Reporting on the progress and status of the construction elements of approved projects within the Infrastructure Fund will be undertaken at two levels: at an individual Member Authority level and at a City Deal PMO level. This will be served by the production of the following reports:

- Project Status Report, and
- Member Authority Progress Report.

5.2.2 The Project Status Report is the main vehicle for recording, monitoring and reporting project progress and compliance with the terms of the grant agreements. The Project Status Report provides an auditable record of project monitoring and management information and is a key tool in ensuring the UK and Scottish Governments; the Cabinet; Chief Executives' Group, and the PMO receive regular, scheduled updates on specific projects. It provides a clear record of milestones and is a basis for project scrutiny and analysis using the Red/Amber/Green (RAG) system for recording the status of a project across a number of key monitoring areas.

5.2.3 The relevant Project Teams within Member Authorities are responsible for preparing 4-weekly Project Status Reports, using the standard template. The Project Status Report includes information on the following project elements:

- Project details and description;
- Progress and key milestones:
 - milestones achieved/accomplishments in the period, and
 - upcoming key activities and milestones planned in the next period supported by a project plan.
- Financial information including contingency;
- Top project risks and proposed mitigating actions
- Project issues and proposed actions for resolution
- Project interdependencies
- Change control
- Contract claims, and

- Any other relevant information.

5.2.4 In addition to the above elements, the realisation of the benefits documented in the Benefits Realisation Plans within project Business Cases will also be reported by each project on a regular basis. An additional monitoring template will be issued by the City Deal PMO to record this.

5.2.5 The following guidance will be applied in determining the status of elements of a project. In the event of any uncertainty, it is advisable that Member Authorities are prudent in this assessment and seek guidance from the City Deal PMO.

Table 1: RAG Status Criteria:

Status	Guidance
Red	Significantly behind schedule/budget or significant issues with or without a plan.
Amber	Behind schedule/budget or issues with a plan to resolve.
Green	On schedule/budget without issues.

5.2.6 Where a RAG status has changed in the reporting period, the circumstances and explanation for this must be specifically detailed in the Project Status Report.

5.2.7 Where any aspect of progress is recorded as amber or red, specific detail must be provided as to the reasons for this and any remedial measures that have been identified or implemented, or indeed the lack of identified measures.

5.2.8

Where a project reports amber or red status but subsequently resolves the matters driving this status, a green status can be reinstated.

- 5.2.9 Project Status Reports must be prepared by each Project Team and approved by the Project Sponsor within all Member Authorities. The approved reports must then be submitted to the Member Authority PMO, or equivalent, who will review and scrutinise the content.
- 5.2.10 Following collation of all Project Status Reports, each Member Authority PMO, must use this information to compile a single report – the Member Authority Progress Report. This collated report will contain summarised information on each project and a standard template will be provided by the City Deal PMO. The Project Status Report and the Member Authority Progress Report will be submitted to the City Deal PMO 4-weekly. Upon receipt, the City Deal PMO will review and scrutinise the information and Member Authorities must respond to any queries that may arise from this scrutiny and provide further information as required.
- 5.2.11 The PMO also reserves the right to request copies of individual Project Status Reports, as required.
- 5.2.12 The information received by the City Deal PMO from each Member Authority will then be used to inform subsequent reports to the Chief Executives, the Cabinet, and UK and Scottish Governments.
- 5.2.13 It is acknowledged that there will be a time lag between the information captured in the Project Status Report; the preparation of the Member Authority Progress Report and the onward submission of reports to the City Deal PMO. This emphasises the need for ongoing dialogue and communication between Member Authorities and the City Deal PMO. If the status of a project has changed, if new information has come to light or a reported position changed significantly, Member Authorities must communicate this to the City Deal PMO as soon as possible.

5.3 Risk Management

5.3.1 Risk is defined as the uncertainty of an outcome. In this context, it could be the risk of failure of a plan to work or to deliver the anticipated benefits, or the risk of other potential negative outcomes that might arise from the project, be it a positive opportunity or a negative threat of actions and events.

5.3.2 Risk has to be assessed in respect of the combination of the probability and impact of something happening and the impact, which arises if it does actually happen. Risk will be considered in terms of the risks pertaining to individual projects and those facing the overall Programme.

5.3.2 It is crucial that all risks, be they programme or project level risks, are identified, evaluated and controlled in a transparent, consistent and systematic manner. Identifying and assessing risks allows risks to be managed to minimise the likelihood of a detrimental event occurring, or to reduce the impact that the event would have on a project. These consequences may be far reaching including financial impact, reputational damage, regulatory issues etc.

5.3.3 The City Deal PMO will develop a Risk Management Strategy for application across the Programme. Following Cabinet approval, this will be made available to all Member Authorities.

5.4 Issue Management

5.4.1 An issue within the context of programme management is best described as ‘a *relevant event that has happened, was not planned and requires management action*’. An issue could be a problem, query, concern, change request or risk that has occurred. Issues will be considered in terms of the issues pertaining to individual projects and those facing the overall Programme.

5.4.2 By raising issues as early as possible it allows for quick and efficient investigation and resolution, preventing any unnecessary, potentially detrimental, impact on the project.

5.4.3 The City Deal PMO will develop an Issues, Interdependency and Dependency Strategy for application across the Programme. Following Cabinet approval, this will be made available to all Member Authorities.

5.5 Escalation And Reporting Structure And Tolerances

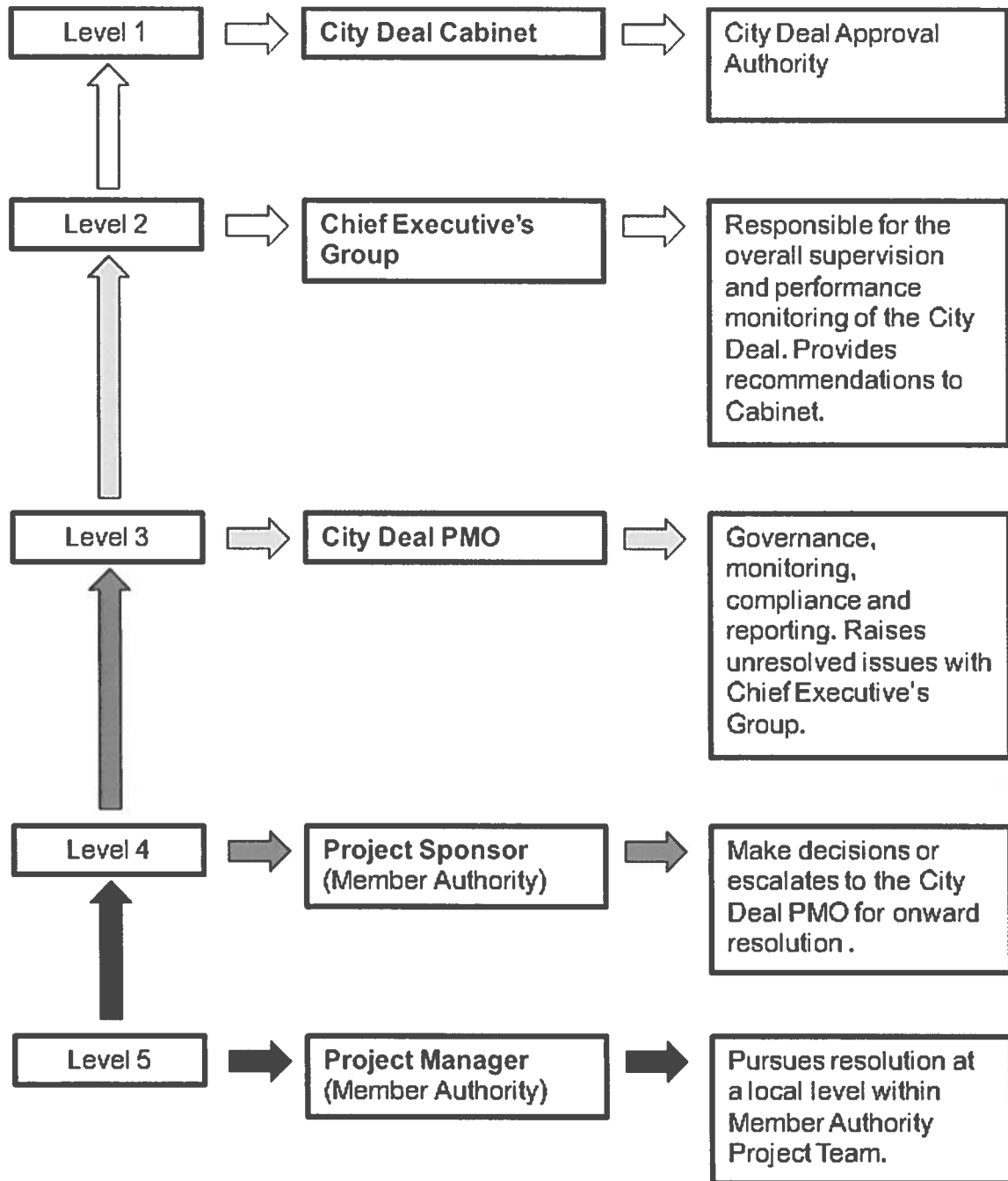
5.5.1 An escalation process is used to ensure that project issues are referred to the relevant parties for timely resolution on those occasions when resolution is proving problematic. An escalation process ensures a fair and transparent process for resolving issues and prevents any avoidable delays to the project.

5.5.2 Although Member Authorities should strive to resolve as many issues and conflicts internally, some issues may be so significant, complex or contentious that they risk breaching the terms of their grant agreements, and therefore risk their grant funding for an approved project.

5.5.3 Having defined escalation routes and processes assists all parties in understanding what can and should be escalated; who they should be escalated to, and the role

they will be required to play to prevent a breach of the grant agreement and any ensuing impacts from that breach. Table 7 below sets out the City Deal escalation and reporting structure.

Table 7: City Deal Escalation and Reporting Structure



- 5.5.4 It must be noted that the Scottish and UK Governments are also a key part of the overall City Deal governance structure, as detailed at section 1.1.6 of Part 1 of this Assurance Framework. In terms of escalation, however, the Cabinet will be the ultimate point of reference: there will be no escalation of issues from the Cabinet to either the Scottish or UK Governments although information will be reported.
- 5.5.5 Tolerances are permissible deviations from a plan, acceptable without the need to defer to the next level in the escalation and reporting hierarchy. This is important to allow decisions about a project to be made at the most appropriate local level; to empower project teams within Member Authorities and to allow senior levels of the Member Authority hierarchy to manage by exception while retaining control of the project.
- 5.5.6 The City Deal PMO encourages all Member Authorities, as per best practice in project management, to establish project tolerances centred on finance, scheduling (programming), regulatory, Health and Safety, environment and reputation. Tolerances should apply to all project stages and be set by the Member Authority, in conjunction with the City Deal PMO.
- 5.5.7 **Setting Financial Tolerances** – Each individual project should have a level of contingency allocated to it as approved by the individual Member Authority. Authorisation to draw upon this contingency should be in accordance with the tolerance levels detailed in the Project Business Case and approved by the Cabinet.

5.6 Financial Control And Contingency Management

- 5.6.1 Financial controls are put in place to capture and monitor project costs, expenditure and any savings that the project will realise.
- 5.6.2 It is essential that Member Authorities monitor the finances of all projects. The level of detail needed may vary depending on the size and complexity of the project.

The key areas that should be tracked on all projects include:

- Expenditure to date;
- Total expenditure from previous years (if appropriate);
- Profiled budget for the project and changes to it;
- Forecast out-turn (total anticipated expenditure);
- An explanation of steps to address any forecast overspend or under-spend;

- The project's resources – including people – profiled on a cash basis, and
- Expenditure of any grant monies received via the PMO.

5.6.3 Projects will have their budgets set in conjunction with the Business Case and approved by the Cabinet and this will be covered in detail in individual grant agreements. Financial requirements above the budget will require the approval of the Cabinet.

5.6.4 The relevant sections of the Project Status Report and Member Authority Progress Reports will be completed by the relevant Member Authority to show all appropriate financial information. It is assumed that individual Member Authorities will have their own arrangements for internal financial monitoring and reporting.

5.6.6 Due to uncertain cost estimation at the outset of a project and risks that materialise during the project, it is possible that the initial estimated and final outturn Infrastructure project costs vary. It is best practice to make financial provision to allow for the fact that benefits may be overstated and costs understated. This is also linked to the need for robust risk management.

5.6.7 The estimated expenditure of each Infrastructure project will include an uplift for contingency. This is an allowance to cover specific project risks. This is split into two elements:

- (i) an amount to deal with changes at project level, and
- (ii) the balance to be held centrally by the relevant capital authority within each Member Authority.

5.6.8 The levels of each element are agreed on a project by project level, depending on the risk profile of the project. The City Deal PMO will review contingency arrangements with Member Authority project teams and review the relevant information contained within the Contingency section of the Project Status Report.

5.7 Change Control

- 5.7.1 Change control is a systematic approach to managing all changes made to the original scope of a project. Changes to a project may occur for a variety of reasons e.g. changes in legislation or regulation requiring changes to the specification or client desired change.
- 5.7.2 It is imperative that any changes to a project are monitored and controlled to prevent even small changes having an unanticipated effect on project progress and/or budget and/or grant funding under the terms of the grant agreement.
- 5.7.3 Where any Member Authority proposes a change to a project that may alter its contribution to and effect on the City Deal Programme, e.g. attainment of GVA, or which may impact on the terms of the grant agreement, this must be reported to the City Deal PMO immediately who will make an assessment of the impact and may follow the escalation route processes.
- 5.7.4 It is recommended, as per best practice in project management, that all Member Authorities establish a change control process to manage the administration, recording and reporting of project changes to ensure visibility and control at a senior level within the Member Authority.
- 5.7.5 To ensure full control over changes, the Project Manager within the Member Authority should complete a Change Control Request Form (CCRF). Templates of the CCRF will be made available by the PMO (Appendix 14). This includes the following details:
- Designation of the party requesting the change;
 - Description of the change;
 - Reason for the change;
 - Options analysis and recommendation;
 - Investigation time and programme implications;
 - Risk review;
 - Cost;
 - Approval section, and
 - Circulation.
- 5.7.6 Once completed, the CCRF should be sent to the Member Authority Project Sponsor for approval. All Change Controls authorised in the period will be recorded in the relevant section of the Project Status Report.

6. PMO GOVERNANCE AND REPORTING

- 6.1 At the start of each calendar year, the PMO will issue an annual reporting schedule to all Member Authorities with grant agreements detailing the information requirements and timelines for submission. This will allow alignment with the meeting cycles and reporting cycles of the Chief Executives' Group, the Cabinet and the Scottish and UK Governments.

Project Submissions

- 6.2 On a 4-weekly basis, relevant Member Authorities will submit to the PMO, by e-mail a Project Status Report and a Member Authority Progress Report.
- 6.3 The City Deal PMO reserves the right to request, as required, copies of:
- Project Risk Register;
 - Project Issues Register, and
 - Inter / dependency Register.
- 6.4 Once received, the PMO will scrutinise the information contained within Member Authority Progress Reports. They will then consider the impact and implications for successful delivery of the overarching Programme; request any additional information or clarification and take a view as to the adequacy of the progress demonstrated by projects and the need for any remedial action or escalation.
- 6.6 All Member Authorities will be prepared to provide additional information/clarification where requested.

PMO Reporting

- 6.7 On a 4-weekly basis, the PMO will meet with representatives of the Scottish and UK Governments and provide an update on the City Deal Programme. Reports will be prepared for onward submission to the Chief Executives' Group, the Cabinet and the UK and Scottish Governments.
- 6.8 On a bi-monthly basis, the PMO will submit formal written reports to:
- The Chief Executives' Group;
 - The Cabinet, and
 - The Scottish and UK Governments.
- 6.9 Due to the collective responsibility of all Member Authorities to ensure the success of their own projects in delivering a successful Programme, reports produced by the PMO will consider the progress of individual projects and the overall Programme. This

is to provide an early warning mechanism, firstly to Chief Executives' Group and identify where any remedial action is required to address poor performance.

- 6.10 The PMO may undertake reviews/audits of relevant Member Authority's project governance to ensure compliance with the arrangements as set down in this Part 3. Where this is the case, the PMO will provide notice to the Member Authority and will provide a Terms of Reference / Request for Information Schedule.

7. LESSONS LEARNED

- 7.1 It is crucial that organisations learn from previous experience. Lessons Learned reviews provide a structured process to capture this information and provide an opportunity for stakeholders to feedback on what went well, what areas could have been improved and where there may be scope to add value or efficiencies to the process. Lessons (both positive and not so positive) must be identified, collected, collated and widely disseminated throughout a programme and/or project's lifecycle to help improve future infrastructure capital investment delivery and ensure value for money.¹

7.2 At the end of the project or at the end of a major project stage, whichever is deemed to be most appropriate by the PMO, a Lessons Learned Report should be compiled by the relevant Member Authority. Templates of the Report can be made available by the PMO.

- 7.3 Throughout the process, focus should be on each of the key stages of the project, such as development of the Business Case, procurement etc. and matters which were done well and issues arising where improvements could be made in future. Any general matters should also be highlighted e.g. problems with communication or engagement, loss of project momentum etc.

7.4 If problems arose, could they have been foreseen? If things have gone well, was it just luck or would there be any way of helping future projects to be similarly lucky?

- 7.5 Lessons Learned Reports should not be personalised – the report is designed as a document for others to refer to in the future and it would therefore be inappropriate to name individuals. Lessons Learned Logs should be maintained and retained by the Member Authority Project Team.

¹ <http://www.scotland.gov.uk/Topics/Government/ProgrammeProjectDelivery/overviewlessonslearned>

7.6 All completed Lessons Learned Reports will be copied to the PMO who will arrange for the dissemination of the relevant information to other projects to allow them to benefit from the knowledge acquired and lessons learned.

This will also allow the identification of common themes and trends and will facilitate the improvement of governance and project management arrangements.

7.7 The PMO will also take a view on reporting Lessons Learned to the Chief Executives' Group.

8. FAILURE TO COMPLY WITH THE TERMS OF THE GRANT AGREEMENT

8.1 Failure by a Member Authority to comply with the terms of this Assurance Framework and the grant agreement may result in the following:

- (a) Suspension of any grant funding until a suitable resolution is found;
- (b) Termination of the relevant Member Authority's grant agreement if no suitable resolution is found;
- (c) Removal of the relevant project from the City Deal, and replacement with another suitable project;
- (d) Recovery from that Member Authority of any grants already paid, and additional costs occurred or losses suffered by the Cabinet or its Member Authorities arising from that failure.

8.2 Ultimately any decision to carry out any of the actions referred to in paragraph 8.1 rests with the Cabinet.

9. GRANT DISBURSEMENT ARRANGEMENTS

9.1 Part 2, section 7 details the grant disbursement arrangements i.e. the mechanism for grant distribution on the basis that the grant will be paid to Glasgow City Council, as Lead Authority, and thereafter distributed to Member Authorities.

9.2 It should be noted that these principles may be subject to change as the City Deal programme develops. Such changes will require additional approval of the Chief Executives' Group or the Cabinet as appropriate.

10. INNOVATION FUND PROJECT GOVERNANCE

- 10.1 This section details the governance, monitoring and reporting arrangements that apply to those projects within the Innovation Fund, namely:

Stratified Medicine Imaging Centre of Excellence - development of a £64m Stratified Medicine Imaging Centre of Excellence at the new South Glasgow Hospital Campus. This centre will provide new R&D and commercialisation facilities for clinical researchers and companies developing new products and services in this part of the life science sector. Grant award to University of Glasgow.

Medicity Scotland – supporting the development of a £4m MediCity Scotland facility which will bring together academics, entrepreneurs, clinicians and business support services to bring new healthcare services and medical technology to the market. Grant award to Bio City Scotland Ltd.

Integrated Grow-On Initiative supporting the development of a new £4m Centre for Business Incubation, Development and Recovery in Tontine House in Glasgow's Merchant City. Grant award to Glasgow City Council.

- 10.2 These projects involve the Lead Authority entering into grant agreements with the above named Third Parties. The capital expenditure / construction elements of these projects will be subject to the same reporting requirements as the Approved Projects that form part of the Infrastructure Fund, as outlined above in Part 3(a).

- 10.3 Further specifics are under development and yet to be confirmed.

11. LABOUR MARKET PROGRAMME PROJECT GOVERNANCE

11.1 This section details the governance, monitoring and reporting arrangements that apply to those projects within the Labour Market Programme, namely:

Employment Support Allowance - a £9m employment project for individuals in receipt of Employment Support Allowance (ESA) that will work with 4,000 individuals and help at least 600 ESA claimants into sustained work.

Youth Unemployment Programme - a £15m youth unemployment programme that will provide a new integrated employment support services for young people (16 – 24). This programme will work with 15,000 young people over the next three years, helping 5,000 into sustained work.

Labour Market Progression - a pilot labour market progression programme that will seek to boost the earnings of Glasgow residents in three sectors (care, hospitality and retail). The aim of this pilot programme will be to support the training and development of staff, thereby boosting their wages and reducing their reliance on in-work benefits.

11.2 As this Programme will involve annual grant agreements with the DWP, it is anticipated that DWP standard monitoring and reporting processes will be utilised for projects within this Programme. Further specifics are under development and yet to be confirmed.

APPENDIX 1- GLASGOW AND CLYDE VALLEY CITY DEAL

Glasgow and Clyde Valley City Deal

Inverclyde
council

East
Renfrewshire
council

sustainable thriving achieving
East Dunbartonshire Council
www.eastdunbarton.gov.uk

North
Lanarkshire
Council

SOUTH
LANARKSHIRE
COUNCIL

Renfrewshire
Council

West
Dunbartonshire
COUNCIL

Glasgow
CITY COUNCIL

Executive Summary

Glasgow and Clyde Valley is comprised of eight local authorities: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council (hereinafter referred to as "Glasgow and Clyde Valley"). This area comprises the largest city-region in Scotland and one of the largest in the United Kingdom, with a population of over 1.75 million people. As such Glasgow and Clyde Valley is a key engine of economic growth for both the Scottish and UK economies, generating around 32% of Scotland's Gross Value Added, 33% of Scottish jobs and is home to over 29% of all businesses in Scotland.

Glasgow and Clyde Valley benefits from numerous economic assets including: strengths in areas such as financial services, life sciences, engineering, manufacturing and creative and media industries; successful universities and research institutes; and a skilled workforce. However the city and wider region also faces numerous challenges that have acted as barriers to economic growth. These include: high rates of long term unemployment; poor survival rates for business start-ups (when compared to similar UK cities); stalled development sites in key locations; and weaknesses in the area's transport infrastructure.

Recognising these challenges and opportunities local leaders, the Scottish Government and UK Government have worked together to transform Glasgow and Clyde Valley. As a result of action taken to date, the city and wider region is undergoing a renaissance, re-emerging as a major centre for economic growth in the UK. Signs of this renaissance include: the 2014 Commonwealth Games – where the city welcomed athletes and visitors from all over the world; major enhancements to infrastructure including improvements to the M74 and M80; and the construction of the new South Glasgow Hospitals Campus (which will be the largest hospital complex in Western Europe). Building on this the City Deal provides a further opportunity to take another step forward for the local area by providing new jobs and opportunities for the people of Glasgow, the Clyde Valley and Scotland.

This City Deal is one of the largest ever agreed. It is an agreement between: the UK Government; the Scottish Government; and the eight local authorities across Glasgow and Clyde Valley. This deal provides an example of what can be achieved when all levels of Government, businesses, universities and the voluntary and community sector work together to promote economic growth. Over its lifetime local leaders in Glasgow and the Clyde Valley estimate this 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 the 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, ensuring deprived areas benefit from this growth.

Our signing of this document confirms our joint commitment to ensure full implementation of the Glasgow and Clyde Valley City Deal proposed by: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council. To ensure implementation and demonstrate success we will jointly track progress against milestones and outcomes.

.....
Rt Hon Danny Alexander MP
Chief Secretary to the Treasury
UK Government

.....
Nicola Sturgeon MSP
Deputy First Minister of Scotland
Scottish Government

.....
Rt Hon Greg Clark MP
Minister for Universities, Science
and Cities
UK Government

.....
John Swinney MSP
Cabinet Secretary for Finance,
Employment and Sustainable
Growth
Scottish Government

.....
Cllr. Gordon Matheson
Leader
Glasgow City Council

.....
Cllr. Rhondda Geekie
Leader
East Dunbartonshire Council

.....
Cllr. Jim Fletcher
Leader
East Renfrewshire Council

.....
Cllr. Stephen McCabe
Leader
Inverclyde Council

.....
Cllr. Jim McCabe
Leader
North Lanarkshire Council

.....
Cllr. Mark Macmillan
Leader
Renfrewshire Council

.....
Cllr. Eddie McAvoy
Leader
South Lanarkshire Council

.....
Cllr. Martin Rooney
Leader
West Dunbartonshire Council

Introduction

1. Glasgow and Clyde Valley is the largest city-region in Scotland and one of the largest city regions 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 Gross Value Added and 33% of Scottish jobs. It is also home to over 29% of all businesses in Scotland.
2. Glasgow and Clyde Valley benefits from numerous economic assets. It has 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 both innovation and the people who will drive the city's development. More widely, the region benefits from a highly skilled workforce across a wide range of industries. However the city and wider region also faces numerous challenges that act as barriers to future economic growth. High rates of long term unemployment, poor survival rates for business start-ups (when compared to similar UK cities), stalled development sites in key locations and pressures facing existing transport infrastructure remain key challenges.
3. The growth strategy underpinning the work of Glasgow and Clyde Valley recognises these comparative economic advantages and challenges. As such, 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 R&D and commercialisation facilities in the city.
 - 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 16-24 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.

Why does Glasgow and Clyde Valley need a City Deal?

Infrastructure investment

4. In January 2013 Glasgow and Clyde Valley embarked on a study to determine whether an Infrastructure Fund could meet the area's objectives to: close its economic 'output gap' with top performing European Cities; and ensure that economic growth benefits all the residents of Glasgow – including the area's most deprived neighbourhoods. This study drew on the existing economic evidence as well as extensive stakeholder analysis to: evaluate the economic geography of the city region; identify key infrastructure constraints; and assess existing approaches to investment prioritisation and appraisal. The study identified that there was a significant need for additional infrastructure investment and that a more coordinated approach to delivering infrastructure would maximise the impact of this investment.

Investing in life sciences and business support

5. The development of the largest hospital in Western Europe (South Glasgow Hospital Campus) not only provides an opportunity to significantly enhance healthcare services for the people of Glasgow and Scotland, it also provides a great opportunity to create a unique life science research and development cluster that will benefit Scotland and the UK as a whole. This City Deal will provide additional funding to enhance plans to build a Stratified Medicine: Imaging Centre of Excellence. This development will include the Scottish NHS, academic partners and industry partners. Once completed this new facility will allow Glasgow to support a much greater volume and variety of clinical trials, enabling more high quality research to be translated into new products and services.
6. Whilst Glasgow and Clyde Valley and Scotland benefit from a high degree of university spin out companies within the medical technology sector, the private sector is not as effective at producing the level of expected start-ups. The City Deal will support the development of new facilities that will create an environment in which new medical technology companies can grow and establish themselves.
7. Providing additional business support to small and medium sized enterprises will create new employment opportunities and further strengthen the private sector across the city region.

Tackling unemployment

8. The City Deal provides an opportunity to bring together existing support for unemployed young people and launch a new integrated employment scheme for Employment Support Allowance claimants across Glasgow and the Clyde Valley. Funding secured through this City Deal will also provide additional support for those in low income jobs, ensuring that the economic recovery taking hold across Scotland and the UK benefits all members of society.

The Deal

9. Glasgow and Clyde Valley have undertaken research to establish the need for significant infrastructure investment across the area. The City Deal **flagship proposal** will:
 - Establish a **£1.13 billion Glasgow and Clyde Valley Infrastructure Fund**. This fund, one of the biggest single funds agreed in a City Deal, will support the delivery of a once in a generation investment into Glasgow's infrastructure. The UK Government will provide £500 million of funding, £500 million will be provided by the Scottish Government and a minimum of £130 million will come from local authorities across Glasgow and Clyde Valley. This funding will be used to: enhance transport infrastructure; unlock new sites for housing and employment; and improve public transport over the next 10-20 years.
 - Funding provided by the UK Government and the Scottish Government will be paid over a twenty year period in annual instalments. This funding will be unlocked in five-year blocks, subject to Glasgow and Clyde Valley meeting agreed outputs and outcomes assessed through a Gateway Review mechanism.
 - The Infrastructure Fund will be underpinned by a robust governance process, a rigorous assurance framework and programme management arrangements that are designed to ensure that public money delivers agreed outcomes.
10. The infrastructure fund will be **complemented by a range of life science, business support and labour market schemes**. These schemes are designed to support the growth of small and medium enterprises, enhance the life science sector and tackle the city region's long running challenge around unemployment. To achieve this the Glasgow and Clyde Valley City Deal will:
 - Support the development of an Imaging Centre of Excellence as part of the £64 million investment in **Stratified Medicine** at the new South Glasgow Hospitals Campus. This centre will provide new imaging, R&D and commercialisation facilities for clinical researchers and companies that are developing new products and services in the life science sector.
 - Support the development of a £4 million **MediCity Scotland** facility. This facility will bring academics, entrepreneurs, clinicians and business support services together in order to support the development of new healthcare services and medical technology.
 - Support the development of a new £4 million **Centre for Business Incubation and Development** in the Tontine Building in Glasgow's Merchant City.
 - Launch 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.
 - Launch a £15 million youth employment programme that will provide a **new integrated employment support service for young people (16 – 24)**. This programme will seek to work with 15,000 young people over the next three years, helping 5,000 into sustained work.
 - Establish a **prototype labour market progression programme** in three sectors (care, hospitality and retail). The aim of this prototype scheme will be to support the training and development of staff, thereby boosting their wages and reducing their reliance on in-work benefits.

11. Over its lifetime Glasgow and Clyde Valley partners estimate this City Deal will:

- Support an additional overall increase 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 the delivery of the proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from local authorities across Glasgow and the Clyde Valley.
- Leverage in an estimated £3.3 billion of private sector investment into the infrastructure programme.
- Spread the benefits of economic growth across Glasgow and Clyde Valley, ensuring deprived areas benefit from this growth.

Geography

12. This City Deal sets out a range of programmes and initiatives that seek to support Glasgow and the Clyde Valley. This includes the areas covered by the following local authorities: East Dunbartonshire; East Renfrewshire; Glasgow City; Inverclyde; North Lanarkshire; Renfrewshire; South Lanarkshire; and West Dunbartonshire.

Key Elements of the City Deal

Glasgow and Clyde Valley Infrastructure Fund

13. The purpose of the **£1.13 billion Glasgow and Clyde Valley Infrastructure Fund** is to support the delivery of an investment programme for the city region, which will see up to 20 infrastructure projects taken forward (subject to appropriate processes being undertaken through an agreed assurance framework). These projects will improve the regional transport network, including public transport, and seek to unlock key development sites across the region. Local authorities in Glasgow and Clyde Valley believe that projects supported by this fund will leverage a further £3.3 billion of private sector investment and generate genuine additional economic growth above what would be achieved in the absence of such a fund.
14. Over a 20 year period (commencing in 2015/16) the UK and Scottish Government will each provide £500 million of capital funding, in a manner that is consistent with HM Treasury rules for managing the public finances. Local authorities in Glasgow and the Clyde Valley will also contribute a minimum of £130 million over this period. UK Government and Scottish Government funding will be paid as annual grants, in line with an agreed funding profile over a 20 year period. An annual grant offer letter will set out the conditions of the grant for that year, which will include conditions of its use. These conditions will include requirements for the grant to be used for: capital expenditure by local authorities directly or through the provision of grants to third parties; and/or for the early redemption of the principal element of debt (but not interest) associated with prior years' capital expenditure.
15. In order to maximise the impact of the Infrastructure Fund, the Scottish Government will, as part of this City Deal, explore bringing forward proposals to change the current legislative provisions relating to local authority borrowing and repayment based on prudential principles. This has the potential to enable Glasgow and Clyde Valley to frontload its infrastructure investment programme in the first 10 years.
16. Glasgow and Clyde Valley believe that the planned investment in infrastructure will result in the creation of over 28,400 new jobs in the city region by 2035. During the first five years of the programme the jobs created will primarily be in the construction sector. The use of Community Benefit clauses in the procurement of all of the contracts will maximise the number of opportunities for new entrants and trainees.

Infrastructure Fund Assurance Framework

17. Local authorities across Glasgow and Clyde Valley have committed to adopting a city-region wide single infrastructure assurance framework by December 2014. By adopting this framework prior to the commencement of the Glasgow and Clyde Valley Infrastructure Fund, Glasgow and Clyde Valley will ensure that infrastructure schemes that are delivered provide good value for money and are underpinned by robust business cases.
18. This assurance framework will be based on existing best practice from the UK Government and Scottish Government. In addition the framework will also draw upon Glasgow and Clyde Valley's processes for managing the development of infrastructure associated with the 2014 Commonwealth Games. Key elements that the assurance framework will include are:
 - Purpose, structure and operating principles of the framework.
 - Prioritisation process utilised to develop the programme of infrastructure investment.
 - Programme management and investment decision processes.

- Appraisal of how projects interact with one another and existing infrastructure.
 - The link the assurance framework and its associated processes have with the overarching Governance arrangements for the City Deal.
19. Both the assurance framework and associated governance arrangements (discussed below) will need to be formally endorsed by the Scottish and UK Governments as being robust and fit-for-purpose. In addition, the framework and governance arrangements will need to be adopted by Glasgow and Clyde Valley in advance of April 2015, before any capital funding will be released by either Government.

Gateway Review Mechanism

20. The Glasgow and Clyde Valley Infrastructure Fund will be underpinned by an innovative Gateway Review mechanism, which seeks to incentivise local leaders in Glasgow and Clyde Valley to prioritise and invest in an infrastructure programme that delivers the greatest economic impact for the local, Scottish and UK economies. UK Government and Scottish Government funding will be unlocked in five-year funding blocks, to an agreed funding profile.
21. In the first five years the UK and Scottish Governments will each provide Glasgow and Clyde Valley with total capital grant of £75 million (2015/16 to 2019/20), totalling investment of £150 million. This will consist of five annual payments of £30 million (£15 million from the UK Government and £15 million from Scottish Government). The remaining £850 million of funding will be conditional on local partners demonstrating: robust governance of the Deal; a clear record of infrastructure project delivery; and evidence that projects provide good value for money at the local and national levels, as determined by the criteria set out in the assurance framework.
22. The formal process for agreeing the release of future grant will be a series of 5-yearly Gateway Reviews, commencing in 2019. These reviews will be conducted by an independent Commission. In total there will be three Gateway Reviews. If Glasgow and Clyde Valley meet agreed outputs and outcomes at each review they will unlock the full £1 billion of funding from the UK and Scottish Governments.
- **Gateway Review 1:** This review is scheduled to take place in May 2019 and if successfully passed will unlock £250 million of payments for 2020/21 – 2024/25. At the first Gateway Review the independent Commission will submit an assessment to the UK and Scottish Governments of the estimated economic impacts of the investments made to date. The assessment will be based upon both the early stages of economic evaluation work and Glasgow and Clyde Valley's record of delivering agreed infrastructure projects.
 - **Gateway Review 2:** This review is scheduled to take place in May 2024 and if successfully passed will unlock £300 million of payments for 2025/26 – 2029/30. The second Gateway Review will focus on overall economic performance in the 10 years since the Glasgow and Clyde Valley Infrastructure Fund became operational, factoring in the impact of the planned programme of investment. The Commission will use their initial assessment in 2015 to establish a counterfactual for growth in Glasgow and the Clyde Valley, Scotland and the UK in the absence of the City Deal. The Infrastructure Fund's performance will be assessed against this counterfactual, taking into account wider economic conditions.
 - **Gateway Review 3:** This review is scheduled to take place in May 2029 and if successfully passed will unlock £300 million of payments for 2030/31 – 2034/35. The

third Gateway Review will follow a similar process to Gateway Review 2, taking into account wider economic conditions.

The Commission on Urban Economic Growth

23. To facilitate Gateway Reviews, Glasgow and Clyde Valley will establish an independent Commission on Urban Economic Growth, to undertake analysis and make recommendations to the UK and Scottish Governments on the performance of the Infrastructure Fund against agreed metrics. To support their analysis and recommendations the Commission will have an important role in furthering the development of an evidence base that explores the delivery and measurement of local and national growth derived from infrastructure investment. The work of this Commission will be shared with comparable Commissions that are being established by Cambridge and West Yorkshire, as they establish and monitor their own local Infrastructure Funds.
24. To enable this work to begin as quickly as possible Glasgow and Clyde Valley will set out detailed proposals to the UK and Scottish Governments on the operation of the Commission by November 2014, to permit the establishment of the Commission in December 2014. The proposal for the Commission will include:
- Detailed terms of reference for the Commission, reflecting the overall approach that will be adopted by the Commission in undertaking its analysis.
 - The membership of the Commission, including number of people and the chairperson. Members will be nominated by the UK Government, the Scottish Government and Glasgow and Clyde Valley.
 - The Commission's work programme, including clear milestones for reviews and reports.
 - An assessment of the Commission's operating costs.
 - An agreed role for how the Scottish Government uses its analytical capability to support the work of the Commission.
 - How the Commission will feed into the existing assurance frameworks and governance structures in place.
25. By March 2015 the Commission will commence work on defining its approach to the first Gateway Review in 2019. Its conclusions will be published by December 2015. In tandem, the Commission will commence work to refine its approach to the second and third gateways. An assessment of additional economic growth at the Scotland and UK levels will be a key issue for these reviews. All published findings from the Commission will be used by UK and Scottish Government Ministers to inform their deliberations as to whether Glasgow and Clyde Valley have met the conditions of a Gateway Review.

Local Authority Borrowing to support the Glasgow and Clyde Valley Infrastructure Fund

26. Throughout the course of the City Deal programme Glasgow and Clyde Valley local authorities will be responsible for financing the capital investment programme. The difference in the profile between the proposed capital investment and the capital grant funding may require a local authority to borrow to fund any difference in expenditure and grant. The cost of any external borrowing is the responsibility of the local authority and is to be managed by the local authority in accordance with prudential principles – it must be prudent, affordable and sustainable. In a scenario where a future Gateway is not achieved, leading to any reduction or cessation of City Deal capital grant, then it will be the responsibility of individual local authorities within Glasgow and Clyde Valley to manage the

financial impact of this within their local authority budget, utilising reserves or surpluses as required.

Supporting the Growth of the Life Sciences Sector and Growing Small and Medium Enterprises

27. Complementing the flagship Infrastructure Fund the UK Government and local leaders from Glasgow and the Clyde Valley have agreed a life science and business support investment package that will: build on existing Scottish Government investments; support growth in the city's life science sector; and enable small and medium enterprises across the city to grow. As part of this City Deal three schemes will be taken forward, subject to final approval of business cases in September 2014.

Stratified Medicine: Imaging Centre of Excellence

28. Stratified Medicine is an exciting field in healthcare, providing new opportunities to: develop tailored treatments for individuals; and to create large numbers of new high quality jobs. To support this sector leaders across Glasgow and the Clyde Valley and the UK and Scottish Governments have agreed to support the **development of a Stratified Medicine: Imaging Centre of Excellence**.
29. Based at the £1 billion New South Glasgow Hospitals Campus (which is currently under construction) this enhanced facility, led by the University of Glasgow, will provide life science research and innovation facilities that include: business incubator space for small and medium sized enterprises specialising in stratified medicine; room for clinical researchers specialising in applied imaging research; and space for companies from the pharmaceutical sector. Glasgow and Clyde Valley believes this scheme will generate 396 high-value new jobs over a seven year period and generate £88 million for the local economy.
30. To take this scheme forward the UK Government will provide £16 million of funding over three years (2014/15 – 2016/17) to establish a world leading Stratified Medicine: Imaging Centre of Excellence on the site of the South Glasgow Hospital. This will add to £48 million of investment in Stratified Medicine assets that has already been committed by a range of funders including significant contributions from the Scottish Government, Scottish Funding Council, Scottish NHS and the University of Glasgow. Release of UK Government funding will be subject to development of a final business case which is supported by the Medical Research Council as: being good value for money; and demonstratively enhancing Glasgow's life sciences sector. UK Government officials will consult with the Scottish Government when assessing this business case.

MediCity: Healthcare Services and Medical Technology

31. Much of Glasgow's healthcare and medical technology sector is comprised of small or micro businesses, which are often poorly connected with: other complementary businesses; the health service; and researchers/academics that specialise in this field. Despite these constraints local leaders in Glasgow and the Clyde Valley believe this sector has significant potential to grow and to provide new jobs.
32. Therefore, as part of this City Deal, the UK Government and local leaders have agreed to support **the establishment of MediCity Scotland**. Located in the campus of BioCity Scotland (on the outskirts of Glasgow) this new facility will bring together: academics; entrepreneurs; clinicians and business support services. Together this grouping of individuals and services will support companies in Scotland's healthcare sector to develop new healthcare services and medical technology for the market. Glasgow and Clyde Valley believes this scheme will create 50 new healthcare businesses and create 350 new jobs over seven years.
33. To take this scheme forward the UK Government will provide £1.2 million of capital funding in 2014/15, subject to final agreement of the scheme's business case including clarification

of how MediCity will be integrated with existing health service and medical technology facilities across the UK. This will be matched with up to £2.79 million of local funding, with significant contributions from BioCity Scotland and North Lanarkshire Council. Scottish Enterprise is also considering how it may be able to support the project.

Glasgow Grow-on Centre for Business Incubation and Development

34. As an entrepreneurial city Glasgow's rate of new business start-ups is above the national average. However the city's rate of business failure is higher than comparable cities such as Edinburgh, Manchester and Birmingham. In order to provide further support to Glasgow's new businesses the UK Government and local leaders have agreed to **establish a new Centre for Business Incubation and Development in the Tontine Building**, which is located in the Merchant City quarter of Glasgow. This space will be open to ambitious and growing small and medium enterprises from all economic sectors. Services provided at this centre will also be aligned to programmes being taken forward by Scottish Enterprise, therefore maximising the range of business support available to companies.
35. This new facility will accommodate up to 50 businesses at any given time and will provide high quality flexible work spaces for companies that have between two and twenty staff. As part of this scheme Glasgow City Council and the University of Strathclyde will provide additional business support services including: business mentoring; access to finance services; and back-office services such as ICT, Human Resources and legal/accounting services. Glasgow and Clyde Valley believes that this scheme, over a five year period, will support 125 firms and create 600 new jobs.
36. To take this scheme forward the UK Government will provide £1.67 million of capital funding in 2014/15 to Glasgow City Council, subject to final agreement of the scheme's business case. This business case will also seek to ensure that the business support provided is both coordinated and targeted and does not duplicate the work of Scottish Enterprise. UK Government funding will be matched by up to £2.42 million of local funding.

Supporting Growth – Tackling Long Term Unemployment and Increasing Earnings

37. The Glasgow and Clyde Valley City Deal will build on local work to reduce unemployment across the city region, ensuring that unemployed people benefit from the job opportunities that will result from the major investment that this deal will unlock.
38. The UK Government, the Scottish Government and Glasgow and Clyde Valley have agreed to develop three schemes to boost employment and earnings. These are:
- Tackling entrenched unemployment for Employment and Support Allowance claimants, with an explicit focus on those leaving the Work Programme.
 - Boosting youth employment and skills training opportunities via the creation of a single integrated Glasgow and Clyde Valley Guarantee for Young People, which will streamline existing services.
 - Piloting a new scheme working with employers and people in low paid jobs to boost earnings and increase upward labour mobility.

Reducing Unemployment for those on Employment Support Allowance

39. Across Glasgow and the Clyde Valley area over 100,000 people are unemployed and claiming Employment Support Allowance. The UK Government, Scottish Government and local leaders are committed to helping the hardest to reach claimants into work. Therefore, aligned to national and Scottish initiatives such as the Work Programme and the Employability Fund, Glasgow and Clyde Valley will **launch a new jointly funded employment scheme for individuals in receipt of Employment Support Allowance** to improve their employment outcomes. This new scheme will provide intensive support to individuals seeking employment – both: those Employment Support Allowance claimants who have left the Work Programme without finding work; and Employment Support Allowance claimants prior to entry into the Work Programme.
40. In order to deliver these outcomes Glasgow and Clyde Valley will trial a new model of local service delivery, working in partnership with the UK Government (Cabinet Office and Department for Work and Pensions) and the Scottish Government. This model will feature personalised employment support that is integrated with wider local support services such as health and social care and skills training. By drawing on the different strengths of specialist organisations and services, Glasgow and Clyde Valley believe it is possible to design a more responsive employment support programme that can meet the multiple and complex challenges faced by the individuals on health related benefits. These include: mental health conditions; physical disabilities; homelessness; lack of relevant or appropriate skills; low confidence; and drug and alcohol dependency amongst others. This personalised support will be co-ordinated by a central caseworker that understands the services that are available to individuals and can provide challenge and support to help individuals overcome their complex barriers to finding sustained work.
41. Local leaders in Glasgow and Clyde Valley estimate that over the next three years (2015/16 – 2017/18) this programme will work with 4,000 individuals and help at least 600 Employment Support Allowance claimants into sustained work. To take this scheme forward the UK Government will provide £4.5 million of revenue funding. This will be matched with £4.5 million of revenue funding from local partners. Through the Employability Fund operated by Skills Development Scotland, the Scottish Government already commissions activity in partnership with local authorities and the Department for Work and Pensions. The mechanisms in place for this local contracting will continue to provide

flexibility to determine how local skills investment is better aligned across the city region and will ensure skills investment is utilised to support the hardest to help where appropriate.

Reducing Youth Unemployment

42. Ensuring young people are able to access good jobs across Glasgow and Clyde Valley is a key priority for the UK Government, Scottish Government and local leaders. Building on existing local and national programmes Glasgow and Clyde Valley will create an integrated service for young people as part of the City Deal.
43. To take this forward local partners will utilise existing and planned investment into skills, training and employment support for young people to underpin a **Glasgow and Clyde Valley Guarantee, which will provide employment and support services for those aged 16-24**. To deliver this Guarantee the employment support activities of local partners, UK Government and Scottish Government across the Glasgow and Clyde Valley area will be streamlined. Local partners will seek to fund their streamlined activities in part through Glasgow and Clyde Valley's allocation under the European Commission's Youth Employment Initiative and the mainstream European Social Fund allocation for employability activity. Subject to this funding being agreed this programme will invest up to £15 million between 2015/16 – 2017/18, working with 15,000 young people and helping around 5,000 into sustained work.
44. In support of this local investment the UK Government, via local Department for Work and Pensions, will support the delivery of integrated services for young people through joint working arrangements that include providing additional local flexibility to align national services with local investment and by ensuring that investment avoids duplication of activities. All partners will work together to ensure their investment is used consistently and coherently so that skills investment better meets the needs of the local economy, taking into account the Regional Skills Investment Plans and Regional Skills Assessments being produced for these areas by Skills Development Scotland.

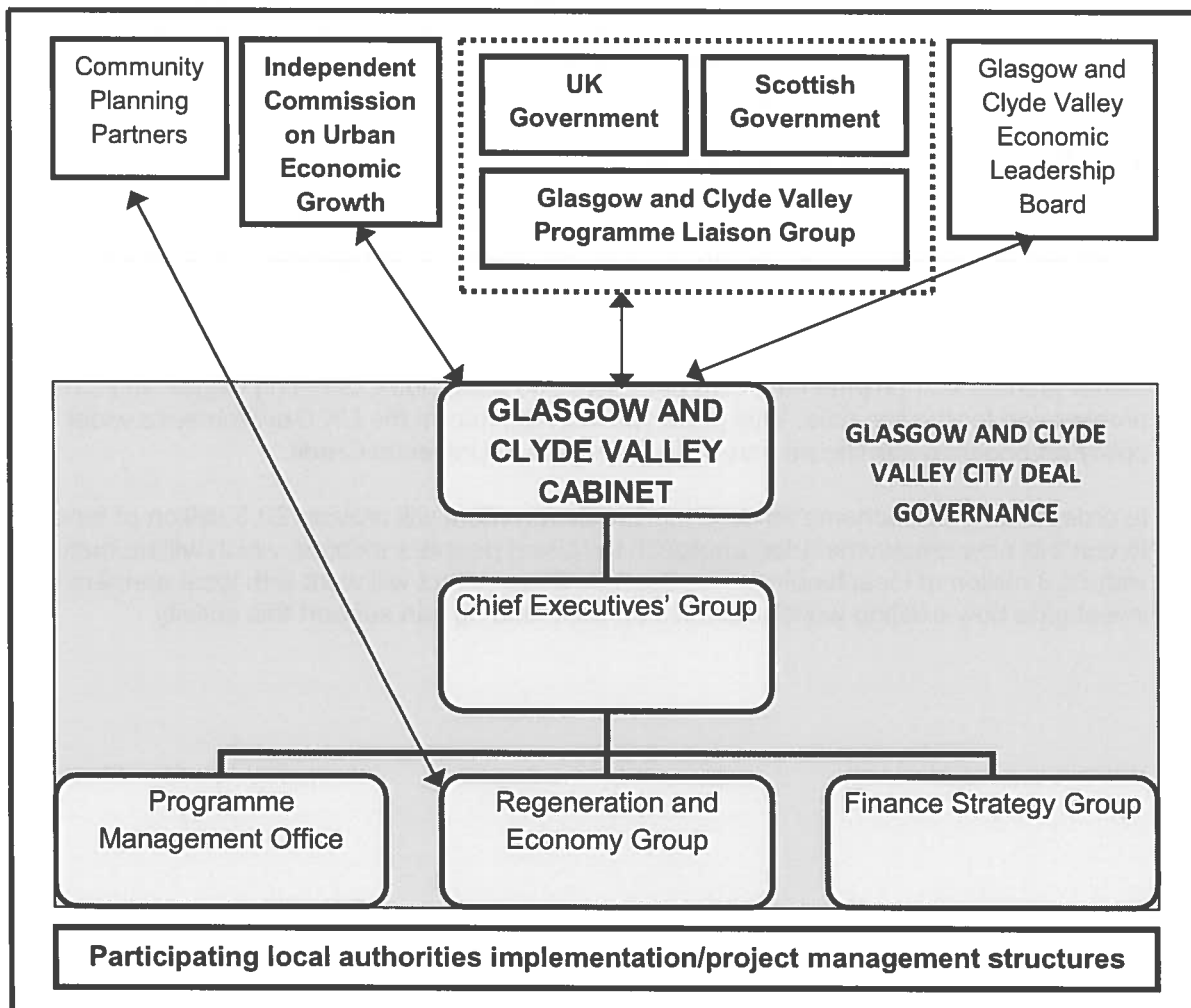
Boosting Earnings of those on Low Incomes

45. As part of this City Deal the UK Government has agreed to work with Glasgow City Council to **design and implement a joint in-work progression prototype** that will work with employers and employees in sectors with high concentrations of low pay, to reduce the reliance on in-work benefits. The aim of this scheme will be to test the type of support that employers can provide to boost earnings and the wider merit in designing sector based career ladders that provide inter-firm pathways into better jobs, boosting wages and career progression for the low paid. This prototype will help inform the UK Government's wider policy on boosting earning as part of the transition to Universal Credit.
46. In order to take this scheme forward the UK Government will provide £0.3 million of funding to test this new employment led approach to raising people's income, which will be matched with £0.3 million of local funding. The Scottish Government will work with local partners to investigate how existing workforce development funding can support this activity.

Glasgow and Clyde Valley Governance

47. In order to ensure the delivery of the Glasgow and Clyde Valley City Deal local partners will establish a governance model that: streamlines and strengthens the existing governance and partnership arrangements across the city region; enables the delivery of programmes agreed in this City Deal; and ensures that assurance is provided to the UK Government and the Scottish Government that local leaders are making decisions which will drive economic growth across the city region.
48. **Governance arrangements will be driven by a newly established Glasgow and Clyde Valley Cabinet.** Supporting this decision making body will be: a Chief Executives' Group; Finance Strategy Group; Regeneration and Economy Group; the independent Commission on Urban Growth (discussed above); and the Glasgow and Clyde Valley Economic Leadership Board. A City Deal Programme Management Office will also provide critical capacity and expertise to ensure the City Deal is delivered. All elements of the proposed governance arrangement will be agreed and in place by December 2014. Representatives from Department for Work and Pensions and Jobcentre Plus will be invited to join, and play an active role, in governance that relates to the delivery of the labour market programmes in this City Deal.
49. These arrangements will build on the existing Community Planning Partnership and Glasgow Economic Leadership Board and will provide a greater focus to the remit and practices of both groups going forward.

Figure 1: City Deal Governance Arrangements and its interaction with: the UK Government; Scottish Government; private sector and Commission on Urban Economic Growth



50. **The Glasgow and Clyde Valley Cabinet** will be the ultimate decision making body in the governance structure. It will be responsible to the UK and Scottish Governments and will act in the joint interests of the eight participating local authorities across Glasgow and the Clyde Valley. The eight full members will operate on a one member, one vote basis. For the Infrastructure Fund, voting will apply to all members with approved infrastructure projects. A partnership agreement will be drawn up between the parties setting out the decision making and arbitration processes in detail.
51. The members of the Glasgow and Clyde Valley Cabinet will be the Leaders of the participating local authorities and the Chair of the Cabinet (which will be the Leader of Glasgow City Council). The Chair of the Cabinet will act, where necessary, as the point of contact for both the UK Government and Scottish Government Ministers with regard to the implementation and management of this City Deal. The Cabinet will meet quarterly and will make strategic decisions regarding all aspects of the Glasgow and Clyde Valley City Deal.
52. Working together **the Chief Executives' Group** will take operational responsibility individually (for activity within their local authority area) and collectively across Glasgow and Clyde Valley. The Chief Executives will meet in advance of the Leaders to propose a programme of work for the Leaders and they will individually prepare briefings for their own Leaders.
53. **The Finance Strategy Group** will be chaired by one of the Chief Executives and will be made up of senior finance specialists from the eight local authorities. This group will focus primarily on the strategic finance aspects of the Glasgow and Clyde Valley Infrastructure Fund. The programme of work will include, but is not be restricted to:
- Advice and research on long term borrowing and negotiation with lenders.
 - Development of standard control and reporting templates.
 - Development of modelling system for monitoring programme implementation and financial profiles.
54. **The Regeneration and Economy Group** will be chaired by one of the Chief Executives and will provide strategic guidance to both the Glasgow and Clyde Valley Cabinet and individual local authorities with regard to the implementation of the investment programme that flows from the Glasgow and Clyde Valley Infrastructure Fund. It is intended that the work of the Regeneration and Economy Group ensures the maximum leverage from the capital investment in terms of new employment opportunities, community benefits and sustainable design. Local authorities will draw on the highly successful 2014 Commonwealth Games legacy structures in the design of this group. This group will replace the current Clyde Valley Community Planning Partnership Officers Group, providing a renewed focus for integrating service delivery across partners.
55. **The Commission on Urban Economic Growth** will be established to monitor and verify the impacts of the investment programme, at a regional and national level, that flows from the Glasgow and Clyde Valley Infrastructure Fund. The proposal is that the Commission is chaired by an independent expert in the field of economics, with members nominated by the UK Government, the Scottish Government and the Glasgow and Clyde Valley Cabinet. Glasgow and Clyde Valley will set out detailed proposals on the operation of the Commission by November 2014.
56. In support of the Cabinet a **Glasgow and Clyde Valley Economic Leadership Board will also be established**. The current Glasgow Economic Leadership will be recast to have a region wide remit and makeup, to provide links to industry. This will assist in the maximisation of the benefits of the investment programme that flows from the Glasgow and Clyde Valley Infrastructure Fund.

Programme Management Office

57. As part of Glasgow and Clyde Valley's Governance arrangements a City Deal **Programme Management Office** will be established in Glasgow City Council. This Programme Management Office will act as both secretariat to the Glasgow and Clyde Valley Cabinet and will act as the central point for appraisal and monitoring of all aspects of the City Deal.

58. The key responsibilities of the Programme Management Office will be:

- Organisation of meetings of the Glasgow and Clyde Valley Cabinet and Chief Executives' Group, preparation of agendas and recording the decision making process.
- Acting as first point of contact for UK and Scottish Governments.
- Preparing reports for the UK and Scottish Governments on City Deal delivery, for use by the Glasgow and Clyde Valley Programme Liaison Group.
- Conducting the appraisal of new and substitute schemes in the investment programme for the Glasgow and Clyde Valley Infrastructure Fund.
- Working with individual local authorities to assist the implementation of projects.
- Analysis and reporting on: progress; impact; and wider benefits realisation.
- Liaison and co-ordination of programmes with other regional partners.

59. In addition, the Programme Management Office will be empowered with "step-in rights" by Glasgow and Clyde Valley Cabinet when delivery of any City Deal project or programme is at risk. These "step-in rights" will enable the Programme Management Office to undertake a detailed analysis of a project or programme and recommend a series of mitigating actions to the Glasgow and Clyde Valley Cabinet.

UK and Scottish Governments supporting City Deal Implementation

60. To support the implementation of the Glasgow and Clyde Valley City Deal the UK Government, Scottish Government and Glasgow and Clyde Valley will establish complementary tripartite City Deal implementation arrangements. These arrangements will:

- Facilitate joint working between Glasgow and Clyde Valley, UK Government and Scottish Government.
- Provide a mechanism to ensure that Glasgow and Clyde Valley, UK Government and the Scottish Government are meeting their commitments in this City Deal and associated implementation.
- Enable all partners to challenge one another if City Deal delivery is not on track and agree mitigating actions.
- Provide a forum to highlight successes.
- Ensure funding provided as part of this City Deal is being drawn down and spent according to agreed funding profiles.

61. This Programme Liaison Group will comprise the Senior Responsible Officer for each element of the City Deal, a representative from the Scottish Government and a

representative from the UK Government Cities and Local Growth Unit. Officials will meet on a quarterly basis and will review progress on City Deal implementation. The Glasgow and Clyde Valley Programme Management Office will provide the Group with a copy of the Glasgow and Clyde Valley Cabinet's quarterly performance report that will:

- Highlight City Deal successes.
- Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales.
- Provide information on outputs and outcomes agreed.
- Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

62. The UK Government will work with Glasgow and Clyde Valley to agree a timetable for the production of these reports and will take the lead in convening the Glasgow and Clyde Valley Programme Liaison Group.

Ongoing Monthly Support

63. In support of the Glasgow and Clyde Valley Programme Liaison Group, officials from the UK Government Cities and Local Growth Unit, the Scottish Government and Glasgow and the Clyde Valley will discuss City Deal implementation on a monthly basis. These sessions will discuss progress against City Deal Implementation Plans and will pro-actively tackle emerging implementation risks.

Summary of Commitments

Glasgow and Clyde Valley Infrastructure Fund

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Pool local authority resources to contribute a minimum of £130 million of capital funding from 2015/16 – 2034/35 for the Glasgow and Clyde Valley Infrastructure Fund. • Develop a robust city-wide single assurance framework, by December 2014, which will guide decision making and ensure infrastructure schemes taken forward will deliver: value for money; additional economic growth; and support economic inclusion. • Adopt the city-wide single infrastructure assurance framework in advance of April 2015. • Work with the UK and Scottish Governments to agree the design, remit and make-up of a Commission on Urban Economic Growth for Glasgow and Clyde Valley by November 2014. This will enable its formal establishment in December 2014. • Provide funding to support the ongoing operation of the Commission on Urban Economic Growth. • Commission on Urban Economic Growth to define its approach to the first Gateway Review, with findings 	<ul style="list-style-type: none"> • Support the Glasgow and Clyde Valley Infrastructure Fund with £500 million of funding over a 20 year period (2015/16 – 2034/35), subject to Gateway Reviews. • Review the Glasgow and Clyde Valley city-wide single assurance framework and provide a formal endorsement of it, subject to it meeting best practice requirements. • Provide funding in annual grant payments to a nominated lead local authority in line with an agreed funding profile over a 20 year period (2015/16 – 2034/35). • Work with the UK Government and Glasgow and Clyde Valley to agree the design, remit and make-up of a Commission on Urban Economic Growth for Glasgow and Clyde Valley by November 2014. This will enable its formal establishment in December 2014. • Work with Glasgow and Clyde Valley to explore ways in which the Scottish Government could use its analytical capability to support the work of the Commission on Urban Economic Growth. • Utilise the findings of the Commission on Urban 	<ul style="list-style-type: none"> • Support the Glasgow and Clyde Valley Infrastructure Fund with £500 million of funding over a 20 year period (2015/16 – 2034/35), subject to Gateway Reviews. • Review the Glasgow and Clyde Valley city-wide single assurance framework and provide a formal endorsement of it, subject to it meeting best practice requirements. • Provide funding in annual grant payments in line with an agreed funding profile over a 20 year period (2015/16 – 2034/35). This funding will be routed via the Scottish Government and passported directly to the nominated lead local authority within Glasgow and Clyde Valley. • Work with the Scottish Government and Glasgow and Clyde Valley to agree the design, remit and make-up of a Commission on Urban Economic Growth for Glasgow by November 2014. This will enable its formal establishment in December 2014. • Utilise the findings of the Commission on Urban Economic Growth to inform Ministerial deliberations as to whether Glasgow and

<p>published in December 2015.</p> <ul style="list-style-type: none"> The work of Commission on Urban Economic Growth will be shared with comparable Commissions that are being established by Cambridge and West Yorkshire, as they establish and monitor their own local Infrastructure Funds. Put in place robust safeguards to ensure they are able to manage the costs associated with any individual project or group of projects, including the costs of meeting any borrowing undertaken, should the outcomes expected at a Gateway Review not be achieved. Work with relevant partners such as Transport Scotland to ensure that investment projects complement other infrastructure projects. 	<p>Economic Growth to inform Ministerial deliberations as to whether Glasgow and Clyde Valley have met the requirements of the three Gateway Reviews.</p> <ul style="list-style-type: none"> Subject to due Parliamentary process, bring forward proposals to change the current legislative provisions relating to local authority capital borrowing and repayment based on prudential principles. 	<p>Clyde Valley have met the requirements of the three Gateway Reviews.</p>
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Supporting the Growth of the Life Sciences Sector and Growing Small and Medium Enterprises

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> Submit final business cases for the following schemes: Stratified Medicine Imaging Centre of Excellence; MediCity; and Glasgow Grow-on Centre for Business Incubation and Development for consideration by Department for Business, Innovation and Skills. Provide £9 million of 	<ul style="list-style-type: none"> Provide £39 million match funding to support the development of the Stratified Medicine Centre. This includes £20 million from Scottish Government, £2.3 million of European Union funding and £16.8 million from NHS Scotland. 	<ul style="list-style-type: none"> Department for Business, Innovation and Skills will review final business cases in consultation with the Scottish Government for the following schemes: Stratified Medicine Imaging Centre of Excellence; MediCity; and Glasgow Grow-on Centre for Business Incubation and provide a final decision on these by the end of September

<p>local match funding to support the development of the Stratified Medicine Imaging Centre of Excellence.</p> <ul style="list-style-type: none"> • Provide up to £2.79 million of local match funding to support the development of MediCity. • Provide up to £2.42 million of local match funding to support the development of the Glasgow Grow-on Centre for Business Incubation and Development. 		<p>2014.</p> <ul style="list-style-type: none"> • Subject to the approval of final business cases: <ul style="list-style-type: none"> ○ Provide £16 million of UK Government match funding to support the development of the Stratified Medicine Imaging Centre of Excellence, profiled over three years (2014/15 – 2016/17). ○ Provide £1.2 million of UK Government funding to support the development of MediCity in 2014/15. ○ Provide £1.67 million of UK Government funding to support the development of the Glasgow Grow-on Centre for Business Incubation and Development in 2014/15.
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Supporting Growth – Tackling Long Term Unemployment and Increasing Earnings

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Design, commission and implement a new scheme to provide employment support to up to 4,000 Employment and Support Allowance claimants and help 600 in sustained work. • Invest £4.5 million to fund the Employment and Support Allowance Scheme. • Create a single pan Glasgow and Clyde Valley Labour Market team to take responsibility for the implementation, delivery and co-ordination of the labour market 	<ul style="list-style-type: none"> • Work in partnership to ensure contracting of the Employability Fund continues to provide local flexibility to determine how existing skills investment is better aligned across Glasgow and Clyde Valley and utilised to support the hardest to help where appropriate. • Work in partnership to align investment in skills to best meet the needs of the local economy and to complement the new investment in infrastructure via the City Deal. 	<ul style="list-style-type: none"> • Commit to support the design and implementation of the Employment and Support Allowance scheme. • Invest £4.5 million to fund the Employment and Support Allowance Scheme. • Department for Work and Pensions to represent the UK Government as part of the joint pan Glasgow and Clyde Valley Labour Market team. • Work with Glasgow and Clyde Valley and the Scottish Government to align and integrate existing

<p>components of the City Deal by September 2014.</p> <ul style="list-style-type: none"> • Work with Department for Work and Pensions, Scottish Government and local partners to create a single integrated Guarantee for Young People across Glasgow and Clyde Valley. • Align £15 million of existing and future investment to support young people into work. • Glasgow City Council to Co-invest £0.3 million and work with Department for Work and Pensions to design an employer led progression prototype to boost earnings and career progression for low paid workers. 		<p>and future national and locally determined labour market schemes as part of the Glasgow and Clyde Valley Guarantee, particularly for those claiming benefits.</p> <ul style="list-style-type: none"> • Invest £0.3 million and co-design with Glasgow city Council an employer led progression prototype to boost earnings and career progression for low paid workers.
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Governance

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Establish the following governance boards to drive the delivery of the Glasgow and Clyde Valley City Deal by December 2014: Glasgow and Clyde Valley Cabinet and associated sub-boards; the Glasgow and Clyde Valley Economic Leadership Board; the Commission on Urban Economic Growth; and the City Deal Programme Management Office. • Join the Glasgow and Clyde Valley Programme Liaison Group that will meet on a quarterly 	<ul style="list-style-type: none"> • Take part in the Glasgow and Clyde Valley Liaison Group that will meet on a quarterly basis. • Take part in monthly City Deal implementation updates, to ensure City Deal programmes remain on track and emerging risks are mitigated. 	<ul style="list-style-type: none"> • Establish and take part in the Glasgow and Clyde Valley Liaison Group that will meet on a quarterly basis. • Set up and take part in monthly City Deal implementation updates, to ensure City Deal programmes remain on track and emerging risks are mitigated.

<p>basis.</p> <ul style="list-style-type: none">• Take part in monthly City Deal implementation updates, to ensure City Deal programmes remain on track and emerging risks are mitigated.		
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APPENDIX 2 - GLASGOW AND CLYDE VALLEY CABINET AGREEMENT

**Joint Committee
Agreement**

**Glasgow and
Clyde Valley Cabinet**

GLASGOW CITY COUNCIL, having its main office at City Chambers, George Square, Glasgow G2 1DU ("Glasgow City Council");

EAST DUNBARTONSHIRE COUNCIL, having its main office at Broomhill Industrial Estate, Kilsyth Road, Kirkintilloch G66 1QF;

EAST RENFREWSHIRE COUNCIL, having its main office at Eastwood Park, Rouken Glen Road, Giffnock G64;

INVERCLYDE COUNCIL having its main office at Municipal Buildings, Greenock PA15 1LY;

NORTH LANARKSHIRE COUNCIL having its main office at Civic Centre, Windmillhill Street, Motherwell ML1 1AB;

RENFREWSHIRE COUNCIL having its main office at Renfrewshire House, Cotton Street, Paisley PA1 1UJ;

SOUTH LANARKSHIRE COUNCIL having its main office at Almada Street, Hamilton, South Lanarkshire ML3 0AA; and

WEST DUNBARTONSHIRE COUNCIL having its main office at Garshake Road, Dumbarton G82 3PU

INTRODUCTION: We, Glasgow City Council, East Dunbartonshire Council, East Renfrewshire Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council and West Dunbartonshire Council,

each agree to become a Member Authority of the Glasgow and Clyde Valley Cabinet which is a Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973. We each confirm that we have all necessary powers to participate as a Member Authority of the Glasgow and Clyde Valley Cabinet and that our membership of the Glasgow and Clyde Valley Cabinet and the operation of the Glasgow and Clyde Valley Cabinet and its functions shall be governed by the following terms and conditions:-

1. INTERPRETATION

1.1 In these terms and conditions the following expressions shall have the meanings respectively ascribed to them:-

"The Assurance Framework" means a governance framework to be agreed between the Cabinet and the Scottish and UK Governments relating to delivery of the City Deal.

"The Cabinet" means the Glasgow and Clyde Valley Cabinet, a Joint Committee established under s57 of the Local Government (Scotland) Act 1973, the terms and conditions of which are set out herein.

"The Chief Executives' Group" means the management group established in terms of Clause 4.

"The City Deal" means the City Deal agreed between the Member Authorities and UK and Scottish Governments, a copy of which is annexed at Schedule Part 1 and which contains three key aspects namely: the Infrastructure Fund; the Innovation Programme and the Labour Market Programme.

"The Programme" means the programme of works which takes account of all of the projects which sit under the City Deal.

"The Commencement Date" is set out in Clause 2.2.

"Confidential Information" is defined in Clause 13.2.

"The Contribution Rate" means the proportion of any sum payable by each Member Authority in accordance with these terms and conditions, calculated in accordance with Clause 7.2.

"The Contribution Sum" means the sum to be paid by each Member Authority calculated by reference to the Contribution Rate each year to meet each Member Authority's share of the budgeted costs of the Cabinet, including without prejudice to the foregoing generality: employment costs; the cost of support services; and the cost of occupying premises.

"The Director" means the Officer appointed by the Cabinet to head up the PMO and have overall responsibility for the operational functions of the Cabinet.

"Functions" means: to determine the Strategic Economic Development priorities for the Glasgow and Clyde Valley Region; the delivery of the City Deal in accordance with Schedule Part 1 annexed; to 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 any other areas of activity delegated to it by the Member Authorities.

"The Glasgow and Clyde Valley Region" means the local government areas of the Member Authorities.

"The Infrastructure Fund" means the 20 year £1.13billion fund (drawing together UK Government, Scottish Government, and local funding streams) that will enable investment in the Glasgow and Clyde Valley region all as more fully specified in

Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

"The Innovation Programme" means the investment in life sciences and business support in the Glasgow and Clyde Valley Region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

"The Labour Market Programme" means the proposals to reduce unemployment in the Glasgow and Clyde Valley Region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

"The Lead Authority" means Glasgow City Council.

"Member Authority" means those local authorities specified in Clause 2.1 as may be amended from time to time in accordance with these terms and conditions.

"Portfolio" means an area of work such as: Connectivity (roads and transport), Enterprise and Employment where one of the Cabinet members will be delegated to act as spokesperson and policy lead on a particular area.

"The Programme Management Business Case" means the business case which will be established for overall delivery of the City Deal Programme.

"The PMO" means the Programme Management Office which will consist of staff employed by the Lead Authority or seconded to the Lead Authority for the Cabinet (including the Director), to undertake the operational functions of the Cabinet.

"The Schedule" means the Schedule in 4 parts annexed forming part of these terms and conditions.

"Strategic Economic Development Priorities" means economic development region wide priorities but specifically excludes economic development priorities which relate solely to the business of an individual Member Authority.

"The Treasurer" means the Director of Finance of the Lead Authority.

1.2 In these terms and conditions:-

- (a) Reference to the Glasgow and Clyde Valley Cabinet are to be treated as references to the Cabinet and vice versa;
- (b) References to contracts/grants entered into or awarded by the Cabinet are references to contracts entered into or awarded on behalf of the Glasgow and

Clyde Valley Cabinet by the Lead Authority on the instruction of the Cabinet or any sub committee or officer authorised to issue such an instruction.

1.3 Words imparting the masculine gender only shall include the feminine gender and vice versa.

1.4 Words imparting the singular number shall, except where the context otherwise requires, include the plural number and vice versa.

2. COMMENCEMENT AND DURATION

2.1 The Cabinet will be established on the last day of execution of these terms and conditions. First membership of the Cabinet is open to:

Glasgow City Council;
East Dunbartonshire Council;
East Renfrewshire Council;
Inverclyde Council;
North Lanarkshire Council;
Renfrewshire Council;
South Lanarkshire Council;
West Dunbartonshire Council.

2.2 Subject to the terms of Clause 2.1 above, membership of the Cabinet shall commence on the date these validly executed terms and conditions are received by the Lead Authority. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions until the Cabinet has been established.

2.3 The Cabinet will consist of voting members who are democratically elected Local Authority Leaders or substitutes and have been delegated authority to deal with the Functions of the Cabinet under Section 57 of the Local Government (Scotland) Act 1973. Each voting member shall have the following votes:

- Infrastructure Fund - all Member Authorities who have approved projects (see Part 2 and Appendix 3 of the Assurance Framework) will be entitled to a vote.
- All Member Authorities will be entitled to a vote for all other Functions delivered by the Cabinet.

2.4 Any Local Authority other than those listed at Clause 2.1 above which wishes to become a member of the Cabinet may apply for membership. Each existing Member Authority shall have a veto on this application which each may use entirely at their own discretion.

- 2.5 Membership of the Cabinet shall subsist until terminated in accordance with the provisions of Clause 11.
- 2.6 The Cabinet shall subsist until the Member Authorities determine in accordance with Clause 11 not to continue with the Cabinet and any period of notice required when Clause 11 has expired.

3. ESTABLISHMENT OF THE CABINET

- 3.1 The Cabinet has been established for the purpose of regulating the joint discharge of the Functions by the Member Authorities.
- 3.2 Each Member Authority shall appoint their Leader to be their representative on the Cabinet.
- 3.3 It will, however, be open to each of the Member Authorities to replace its representative on the Cabinet at any time. The appointment of any substitutes and alterations to those substitutes are a matter for each Member Authority provided that appropriate written notice is given to the Cabinet of such appointment in advance.
- 3.4 The Cabinet may establish sub committees or Portfolios and consider and agree to the delegation of responsibilities of the Cabinet to sub committees, Portfolios and to officers. The roles and functions of any sub committee or Portfolios shall be determined by the Cabinet.
- 3.5 Subject to Clause 2.3 above, the following matters shall be reserved to the Cabinet:
- (a) To deliver the Functions;
 - (b) To approve governance arrangements for the Cabinet, the Chief Executives' Group, any sub committees, Portfolios and procedural standing orders;
 - (c) To approve the Cabinet annual budget and any review or amendment of the budget;
 - (d) To monitor and ensure delivery of the City Deal all in accordance with the Assurance Framework;
 - (e) To approve which projects shall be delivered under the City Deal;
 - (f) To sign off upon satisfactory completion of each project delivered under the City Deal;
 - (g) To agree modified or substitute projects under the City Deal as appropriate;

- (h) To act as a strategic point of contact with the Scottish and UK Governments and to provide quarterly progress reports to them in relation to the City Deal.
- 3.6 Each Member Authority shall hereby delegate to the Cabinet their powers to regulate the provision of the Functions. However, this delegation is without prejudice to each Member Authority retaining the right to exercise those powers notwithstanding the delegation made by them.
- 3.7 For the avoidance of doubt, any material financial decisions relating to City Deal over and above that set out in Schedule Part 1 must be referred back to each Member Authority for a decision.
- 3.8 The Cabinet shall adopt standing orders relating to proceedings at their meetings and the meetings of any sub committee.
- 3.9 Glasgow City Council shall be the Lead Authority for the Cabinet and shall Chair the Cabinet.
- 4. The Chief Executives' Group**
- 4.1 There shall be a management group, the membership of which shall be the 8 Chief Executives from the Member Authorities or their nominees (the nominees to be of at least Director grade).
- 4.2 The Chief Executive of the Lead Authority or his/her nominee shall act as Chair of the Chief Executives' Group.
- 4.3 The Chief Executives' Group shall adopt procedures to regulate its meetings. Those procedures and any subsequent amendment to them shall not come into effect until approved by the Cabinet.
- 4.4 The Chief Executives' Group shall have collective responsibility for the overall supervision, management and monitoring of the performance of the PMO in delivering the operational functions of the Cabinet.
- 4.5 The Director shall be accountable through the Chief Executives' Group to the Cabinet for the operational performance of the Cabinet in delivering the Functions and for the successful delivery of the City Deal.
- 4.6 The Chief Executives' Group shall undertake such other activities as are delegated to it by the Cabinet.

5. SUPPORT SERVICES

- 5.1 The Lead Authority shall be the Employing Authority for the Director and for the PMO. The arrangements in relation to employees are set out in the Schedule Part 2.
- 5.2 All professional and administrative support for the Cabinet, its sub committees, Portfolios, the Director and the Chief Executives' Group will be provided by the Lead Authority to the Cabinet. These support services are more specifically described in the Schedule Part 3.

6. WORK OF THE CABINET

- 6.1 Except as specifically provided for in these terms and conditions, the Cabinet shall deliver the Functions, and shall regulate the delivery of the City Deal and set the key performance standards to be met as set out by the Scottish and UK Governments.
- 6.2 The Lead Authority shall enter into an annual grant agreement with the UK and Scottish Governments in relation to the Infrastructure Fund and Innovation Programme, and with the Department of Work and Pensions in relation to the Labour Market Programme and will do so with the approval of the Cabinet. The Lead Authority will ensure that the PMO budget and funding are used legally and appropriately.
- 6.3 The Cabinet shall ensure that any decisions in delivering the Functions conform with relevant legal requirements including: equalities; environment; European Union legislation; sustainability, and Best Value.
- 6.4 In relation to the City Deal, the Lead Authority shall enter into grant agreements with Member Authorities and third parties to deliver specified agreed projects in accordance with a set of governance arrangements approved by the Cabinet all as more fully specified in the Assurance Framework.
- 6.5 Member Authorities shall deliver agreed projects under the City Deal in accordance with the terms of their grant agreement. Any grant agreement entered into by a Member Authority shall be subject to that Member Authority's contract standing orders and financial regulations.
- 6.6 The Cabinet shall receive quarterly updates from the Director advising on the progress of each agreed project under the City Deal and any slippage and risks in relation to any specific projects. Any concerns which the Cabinet may have in relation to a grant agreement with a Member Authority will be notified to the relevant Member Authority via the Chief Executives' Group.

- 6.7 Where a Member Authority is failing to deliver a project under the City Deal in accordance with the terms of the grant agreement, the Member Authority shall report to the Director and to the Cabinet to explain the reasons for this and to provide mitigating actions to ensure that the project remains on track for completion. The full governance process for managing and monitoring the City Deal Programme is set out in the Assurance Framework.
- 6.8 Member Authorities undertake to provide such information within such timescales as is reasonably required by the Director to enable the Cabinet to undertake the Functions.
- 6.9 Should any infrastructure project prove impossible to deliver for technical reasons the relevant Member Authority shall have a period of 6 months to identify a substitute project all in accordance with Part 2 of the Assurance Framework.
- 6.10 Subject to Clause 6.9, failure by a Member Authority to comply with clauses 6.7 and 6.8 or 8.2 shall result in the Director reporting that failure to the Cabinet and the Cabinet will have the discretion to:-
- (a) Suspend any grant funding until a suitable resolution is found;
 - (b) Terminate the relevant Member Authority's grant agreement if no suitable resolution is found;
 - (c) Remove the relevant project from the City Deal, and replace it with another suitable project;
 - (d) Recalculate grant awards;
 - (e) Recover from that Member Authority any grants already paid, and additional costs incurred or losses suffered by the Cabinet or its Member Authorities arising from that failure.

7. PMO BUDGET AND FUNDING

- 7.1 The Member Authorities each agree to pay their Contribution Sum fixed by the Cabinet in accordance with this Clause. The full Contribution Sum shall be payable by each Member Authority regardless of the use made by a Member Authority of the Functions of the Cabinet or a Member Authority's participation in the contracts linked through the Cabinet.
- 7.2 The Contribution Sum will be calculated as a proportion of the PMO budget (including such third party costs as agreed by the Cabinet) based on the population of each Member Authority's area expressed as a percentage of the total population within the areas of the Member Authorities

- 7.3 The Cabinet shall at its first meeting approve a budget to 31 March 2015. Thereafter, in each year and prior to 31 March, consider and approve a budget prepared jointly by the Director and the Treasurer in terms of the Lead Authority's budgetary requirements, for the operation of the Cabinet in the following financial year. The Member Authorities shall defray the costs of the said budget and the costs, expenses and outgoings incurred by the Lead Authority on behalf of the Cabinet in accordance with these terms and conditions. Payment of the Contribution Sum shall be made quarterly in advance in accordance with arrangements made by the Treasurer.
- 7.4 The audited financial statement and accounts of the Cabinet shall be submitted to the Cabinet for approval prior to 30 September immediately following the financial year to which the accounts relate. Any deficit arising shall be paid by the Member Authorities in accordance with arrangements made by the Treasurer. Any surplus will be reimbursed to Member Authorities in accordance with the pro rata Contribution Rate.
- 7.5 The Contribution Rate of all Member Authorities shall be reviewed by the Treasurer at least once every 3 years to identify whether the Contribution Rate of any Member Authority should be adjusted to reflect changes in the size of the population within Member Authorities areas and changes to the size of the aggregated population within all Member Authorities' areas. The requirement to review the Contribution Rates of Member Authorities contained in this clause shall not commence until April 2018.
- 7.6 The Contribution Rate of Member Authorities shall also be reviewed by the Treasurer in the event of there being a change or proposed change to the boundary of one or more Member Authorities which has the effect of materially altering the size of the population within the area of any of those Member Authorities.
- 7.7 No change to the Contribution Rate of any Member Authority may be made without prior approval of the Cabinet following consultation with those Member Authorities whose Contribution Rate is affected.

8. DEFAULT IN PAYMENTS

- 8.1 In the event that any Member Authority fails to make any payment due under this Agreement, the PMO may determine that interest will run from the date following the date upon which the money became due and payable until paid at a rate of 2% per annum above the base rate of the Royal Bank of Scotland plc.
- 8.2 Where a Member Authority remains in default for more than one calendar quarter the terms of Clause 6.10 shall apply.

8.3 The Lead Authority, on behalf of the Member Authorities, and the Member Authorities themselves, individually, reserve the right to recover any outstanding sums due to them from a defaulting Member Authority.

9. RELATIONSHIP WITH THIRD PARTIES

9.1 The Cabinet may allow bodies who are not Member Authorities to utilise or benefit from all or some of the Functions in accordance with such terms and conditions as are stipulated by the Cabinet.

9.2 The Cabinet may appoint any body it has allowed to utilise any of the Functions in terms of Clause 9.1 above, to become an Associate Member of the Cabinet.

9.3 An Associate Member shall have such rights and obligations as are stipulated by the Cabinet which may include, but not be limited to an advisory, consultative or observer role. However, an Associate Member shall not be given the right to be represented on the Cabinet or to vote on any issue on which a decision of the Cabinet is required.

10. INDEMNITY AND INSURANCE

10.1 Where the PMO is acting on behalf of all or some of the Member Authorities those Member Authorities shall jointly indemnify the PMO and the Lead Authority in proportion to their Contribution Rate against any liability for loss, damage or injury arising from any act or omission of the PMO in the course of their duties under these terms and conditions.

10.2 Where the PMO is acting on behalf of a single Member Authority, that Authority shall indemnify the PMO and the Lead Authority against any liability for loss, damage or injury arising from any act or omission of the PMO in the course of providing any services requested by the Member Authority.

10.3 The Member Authorities shall jointly indemnify the Lead Authority in proportion to their Contribution Rate in respect of all loss, cost and expense incurred by the Lead Authority (including any liability to their legal advisers) arising out of any claim which arises out of any act or omission by any person in connection with their duties under these terms and conditions with the exception of any loss, costs or expense which is covered by the indemnities granted in Clauses 10.1 and 10.2 above.

10.4 The Treasurer shall arrange for the taking out of such policies of insurance as the Treasurer considers appropriate in relation to the carrying out of the functions on behalf of the Cabinet which insurances shall include without prejudice to the foregoing generality, employers liability, public liability and professional indemnity insurance and the cost of taking out such policies shall be defrayed by the Member Authorities as part of the Contribution Sum with each Member Authority's share of the costs being calculated by reference to the Contribution Rate.

11. TERMINATION

- 11.1 Member Authorities shall remain members for at least a period of 20 years from the Commencement Date and thereafter shall require to give at least one year's written notice of their intention to withdraw from the Cabinet with the said notice period to commence on 1 April following its receipt by the Director with a date of expiry of a notice of withdrawal being 31 March of the following year. Any such notice shall be served by a Member Authority on the Director who shall within 7 days acknowledge receipt and advise the Cabinet that such notice has been received. The Cabinet shall be entitled to allow a Member Authority to cancel a notice of withdrawal at any time. The Member Authority's membership of the Cabinet and participation in the Cabinet shall terminate on the date of expiry of the notice of withdrawal.
- 11.2 If one or more Member Authorities serve notice of their intention to withdraw from the Cabinet subject to the terms of Clause of 11.1 above and to cease their membership of the Cabinet, the other Member Authorities shall as soon as reasonably practical meet to discuss the future viability and extent of the Cabinet with a decision being reached regarding whether to continue with the Cabinet before expiry of such notice.
- 11.3 Where under Clause 11 the Member Authorities resolve not to continue with the Cabinet arrangement following the period of 20 years after the Commencement Date they shall advise the Director of the decision and shall bring a report to the Cabinet recommending dissolution of the Cabinet. The Cabinet shall ensure that a sufficient period of time is allowed and the Lead Authority shall retain sufficient staff, to facilitate the orderly winding up of the Cabinet.
- 11.4 In the event that the Member Authorities resolve not to continue with the Cabinet following one or more notices of withdrawal, each of the Member Authorities shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred by the Lead Authority as a result of the termination of the agreement and that in accordance with the Contribution Rate.
- 11.5 In the event that the Lead Authority resolves not to continue to participate in the Cabinet, the Member Authorities shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred as a result of their ceasing to provide all or any of the support services detailed in the Schedule Part 3 and that in accordance with the Contribution Rate.
- 11.6 Subject to Clause 11.1, any Member Authority which withdraws from the Cabinet shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred by the Lead Authority as a result of that Member Authority ceasing to participate in the Cabinet.

- 11.7 A statement of certificate specifying the amount due to the Lead Authority in terms of Clauses 11.4, 11.5 or 11.6 above signed by the Treasurer acting reasonably or by any other signing official authorised by the Lead Authority shall, unless and until the contrary be proven, be deemed correct and thus binding on the Member Authorities.
- 11.8 The Treasurer shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:
- (a) for the costs of operation the Cabinet and the PMO, detailed records will be held for a period of 3 years;
 - (b) for grant receipt and allocation, detailed records will be retained for a period of 20 years.
- 11.9 The Member Authorities shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose. The Treasurer shall forthwith on demand produce to the Member Authorities all relevant information or vouchers as a Member Authority may reasonably request.

12. PREMISES

- 12.1 The PMO shall be located in premises approved by the Lead Authority.
- 12.2 If applicable, the costs of any premises occupied by the PMO shall be met in accordance with the Schedule Part 4.

13. CONFIDENTIAL INFORMATION

- 13.1 The Member Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees, agents, consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Cabinet, the Functions of the Cabinet or the business and affairs of the other Member Authorities which may now or at any time hereafter be in its possession and shall not disclose it except with prior written consent of the other Member Authorities or where the Confidential Information relates only to one Member Authority the consent of that Member Authority.
- 13.2 "Confidential Information" means any information imparted to any of the Member Authorities or their employees, agents, consultants or sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or to the knowledge of the Receiving Party was obtained by the other Member Authorities on

the basis that it was to be kept confidential or is of commercial value in relation to the Cabinet but shall not include any information which is:

- 13.2.1 already in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party; or
- 13.2.2 already in the possession of the Receiving Party without restrictions as to its use; or
- 13.2.3 the disclosure of which is required by statute or court order; or
- 13.2.4 is provided for the purpose of obtaining professional advice; or
- 13.2.5 is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
- 13.2.6 which is information independently developed without access to the Confidential Information including audit and assessing best value.

13.3 This Clause 13 is subject always to the obligations of a Member Authority to comply with the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. A Member Authority shall not be in breach of this Clause where information is released by that Member Authority to comply with the aforementioned legislation.

14. FREEDOM OF INFORMATION

- 14.1 Each Member Authority acknowledges that the other Member Authorities are subject to the requirements of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 ("FOI").
- 14.2 Each Member Authority shall assist and cooperate with other Member Authorities to enable the other Member Authorities to comply with their information disclosure obligations under FOI.
- 14.3 Where a Member Authority receives a request for disclosure of information under FOI which that Member Authority holds in connection with or as a result of its membership of the Cabinet or its participation in any of the grants awarded through the Cabinet, that Member Authority shall bring the receipt of such a request to the attention of the Director.
- 14.4 The Member Authority receiving a request under FOI shall be responsible for determining whether to disclose the information requested and where it is decided not to release any of the information requested, which of the exemptions in terms of FOI it is relying on. However, before making any determination in terms of this clause the Member Authority shall give the Director a reasonable opportunity taking into account

any statutory time limit for determining such a request to make representations regarding how the Director considers the request under FOI should be dealt with.

- 14.5 Where a Member Authority receives a request for information in relation to information which it is holding on behalf of any of the other Member Authorities in connection with its participation in the Cabinet, it shall:-
- (a) Transfer the request for information to the relevant Member Authority as soon as practicable after receipt; and
 - (b) Provide all necessary assistance as reasonably requested by the relevant Member Authority to enable the Member Authority to respond to the request for information within the time for compliance set out in FOI.

15. VARIATION

- 15.1 These terms and conditions may only be varied by execution of a Minute of Variation signed by all of the Member Authorities.

16. RESOLUTION OF DISPUTES

- 16.1 Any dispute between Member Authorities arising in connection with its membership of the Cabinet which cannot be resolved by discussion between the Member Authorities in dispute shall be determined by an Arbiter.
- 16.2 Arbitration in terms of this Clause 16 may be initiated by any of the Member Authorities in dispute. The Arbiter shall be mutually agreed by the parties in dispute failing which the Arbiter shall be approved by the Sheriff of Strathclyde on the written application of any Member Authority.
- 16.3 The decision of the Arbiter on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all parties involved in the arbitration.
- 16.4 The operation of Section 3 of the Administration of Justice Scotland (Scotland) Act 1972 is excluded.

17. ASSIGNATION

- 17.1 No rights or obligations arising from these terms and conditions may be assigned except by the prior written consent of the Cabinet.

18. CONFLICT

- 18.1 In the event of any conflict arising between these terms and conditions and those of the Assurance Framework, these terms and conditions shall apply.

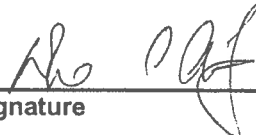
19. AGREEMENT

- 19.1 Subject to Clause 2.2 the execution of these terms and conditions by ourselves and by the Lead Authority creates a legally binding agreement between us as a Member Authority of the Cabinet and the Lead Authority as the Lead Authority for the Cabinet.

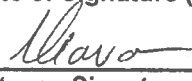
19.2 We agree that if asked by the Lead Authority to do so we will enter into a Minute of Agreement with all Member Authorities as parties containing these terms and conditions.

IN WITNESS WHEREOF these presents consisting of this and the preceding fifteen (15) pages together with the Schedule of four (4) parts annexed hereto are executed as follows:

Executed for and on behalf of:
Glasgow City Council



Signature
ELAINE CLARE GAULETY
Print Name
HEAD OF LEGAL AND ADMINISTRATION
Position

19 JANUARY 2015
Date of Signature (Print)
GLASGOW
Location of Signature (Print)


Witness Signature
MICHELLE ANTOINETTE GRAHAM MCGOWAN
Witness Name (Print)

Witness Address (Print):
CITY CHAMBERS
GEORGE SQUARE
GLASGOW
G2 1DU

East Dunbartonshire
Council


Signature
DIANE ISABELLE CAMPBELL
Print Name
Director of Governance & Regulation
Position

14 JANUARY 2015
Date of Signature (Print)
KIRKINTILLOCH
Location of Signature (Print)


Witness Signature
MICHELLE MURPHY
Witness Name (Print)

Witness Address (Print):
CITY CHAMBERS
GLASGOW

East Renfrewshire
Council

 GERARD MACON
Signature Print Name

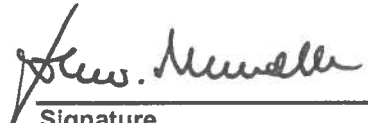
CHIEF OFFICER - LEGAL & PROCUREMENT
Position

15/1/15 GIPFROCK
Date of Signature (Print) Location of Signature (Print)

 PHILOMENA FARRELL
Witness Signature Witness Name (Print)

Witness Address (Print): 40 EAST RENFREWSHIRE COUNCIL
EASTWOOD PARK
PAULBOULET RD
GIPFROCK G16 6UG

Inverclyde Council

 JOHN MUIR
Signature Print Name

CHIEF EXECUTIVE
Position

15th JANUARY 2015 GREENOCK
Date of Signature (Print) Location of Signature (Print)

 GERARD JOSEPH MACON
Witness Signature Witness Name (Print)

Witness Address (Print): MUNICIPAL BUILDINGS
GREENOCK

North Lanarkshire
Council

Gavin Whitefield
Signature

GAVIN WHITEFIELD
Print Name

CHIEF EXECUTIVE
Position

15/1/15
Date of Signature (Print)

MOTHERWELL
Location of Signature (Print)


Witness Signature

GERARD JOHN GARDINER
Witness Name (Print)

Witness Address (Print):

19 CAMPER RIGG
BISHOP BRIGGS
G64 3LS

Renfrewshire Council

S. Black
Signature

SANDRA BLACK
Print Name

CHIEF EXECUTIVE
Position

16/1/15
Date of Signature (Print)

PAISLEY
Location of Signature (Print)


Witness Signature

KENNETH GRAHAM
Witness Name (Print)

Witness Address (Print):

Renfrewshire House
Cotton Street
PAISLEY

South Lanarkshire
Council


Signature _____ PAUL MANNING
Print Name


EXECUTIVE DIRECTOR FINANCE & CORPORATE
Position

19/01/15
Date of Signature (Print) _____ GLASGOW
Location of Signature (Print)


Witness Signature _____ TRACY ANN MCALEESE
Witness Name (Print)

Witness Address (Print): CITY CHAMBERS
GEORGE SQUARE
GLASGOW
G2 1DU

West Dunbartonshire
Council


Signature _____ ALAN DOUGLAS
Print Name

MANAGER OF LEGAL SERVICES
Position

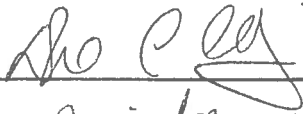
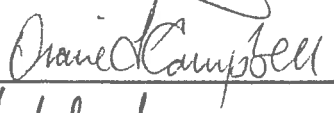

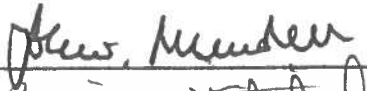
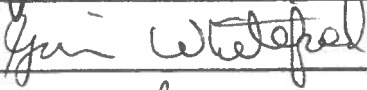


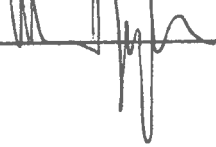
16 JANUARY 2015
Date of Signature (Print) _____ GLASGOW
Location of Signature (Print)


Witness Signature _____ DEBORAH ELISE HENDERSON
Witness Name (Print)

Witness Address (Print): CITY CHAMBERS
GEORGE SQUARE
GLASGOW
G2 1DU

SCHEDULE PART 1

THE GLASGOW AND CLYDE VALLEY CITY DEAL

	GLASGOW CITY COUNCIL
	EAST DUNBARTONSHIRE COUNCIL
	EAST RENFREWSHIRE COUNCIL
	WHERRELYDE COUNCIL
	NORTH LANARKSHIRE COUNCIL
	RENFREWSHIRE COUNCIL
	SOUTH LANARKSHIRE COUNCIL
	WEST DUNBARTONSHIRE COUNCIL

Glasgow and Clyde Valley City Deal

Inverclyde
Council

East
Renfrewshire
Council

sustainable thriving achieving
East Dunbartonshire Council
www.eastdunbarton.gov.uk

North
Lanarkshire
Council

SOUTH
LANARKSHIRE
COUNCIL

Renfrewshire
Council

West
Dunbartonshire
COUNCIL

Glasgow
CITY COUNCIL

Executive Summary

Glasgow and Clyde Valley is comprised of eight local authorities: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council (hereinafter referred to as "Glasgow and Clyde Valley"). This area comprises the largest city-region in Scotland and one of the largest in the United Kingdom, with a population of over 1.75 million people. As such Glasgow and Clyde Valley is a key engine of economic growth for both the Scottish and UK economies, generating around 32% of Scotland's Gross Value Added, 33% of Scottish jobs and is home to over 29% of all businesses in Scotland.

Glasgow and Clyde Valley benefits from numerous economic assets including: strengths in areas such as financial services, life sciences, engineering, manufacturing and creative and media industries; successful universities and research institutes; and a skilled workforce. However the city and wider region also faces numerous challenges that have acted as barriers to economic growth. These include: high rates of long term unemployment; poor survival rates for business start-ups (when compared to similar UK cities); stalled development sites in key locations; and weaknesses in the area's transport infrastructure.

Recognising these challenges and opportunities local leaders, the Scottish Government and UK Government have worked together to transform Glasgow and Clyde Valley. As a result of action taken to date, the city and wider region is undergoing a renaissance, re-emerging as a major centre for economic growth in the UK. Signs of this renaissance include: the 2014 Commonwealth Games – where the city welcomed athletes and visitors from all over the world; major enhancements to infrastructure including improvements to the M74 and M80; and the construction of the new South Glasgow Hospitals Campus (which will be the largest hospital complex in Western Europe). Building on this the City Deal provides a further opportunity to take another step forward for the local area by providing new jobs and opportunities for the people of Glasgow, the Clyde Valley and Scotland.

This City Deal is one of the largest ever agreed. It is an agreement between: the UK Government; the Scottish Government; and the eight local authorities across Glasgow and Clyde Valley. This deal provides an example of what can be achieved when all levels of Government, businesses, universities and the voluntary and community sector work together to promote economic growth. Over its lifetime local leaders in Glasgow and the Clyde Valley estimate this 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 the 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.
- Leverage 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, ensuring deprived areas benefit from this growth.

Our signing of this document confirms our joint commitment to ensure full implementation of the Glasgow and Clyde Valley City Deal proposed by: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council. To ensure implementation and demonstrate success we will jointly track progress against milestones and outcomes.

.....
Rt Hon Danny Alexander MP
Chief Secretary to the Treasury
UK Government

.....
Nicola Sturgeon MSP
Deputy First Minister of Scotland
Scottish Government

.....
Rt Hon Greg Clark MP
Minister for Universities, Science
and Cities
UK Government

.....
John Swinney MSP
Cabinet Secretary for Finance,
Employment and Sustainable
Growth
Scottish Government

.....
Cllr. Gordon Matheson
Leader
Glasgow City Council

.....
Cllr. Rhondda Geekie
Leader
East Dunbartonshire Council

.....
Cllr. Jim Fletcher
Leader
East Renfrewshire Council

.....
Cllr. Stephen McCabe
Leader
Inverclyde Council

.....
Cllr. Jim McCabe
Leader
North Lanarkshire Council

.....
Cllr. Mark Macmillan
Leader
Renfrewshire Council

.....
Cllr. Eddie McAvoy
Leader
South Lanarkshire Council

.....
Cllr. Martin Rooney
Leader
West Dunbartonshire Council

Introduction

1. Glasgow and Clyde Valley is the largest city-region in Scotland and one of the largest city regions 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 Gross Value Added and 33% of Scottish jobs. It is also home to over 29% of all businesses in Scotland.
2. Glasgow and Clyde Valley benefits from numerous economic assets. It has 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 both innovation and the people who will drive the city's development. More widely, the region benefits from a highly skilled workforce across a wide range of industries. However the city and wider region also faces numerous challenges that act as barriers to future economic growth. High rates of long term unemployment, poor survival rates for business start-ups (when compared to similar UK cities), stalled development sites in key locations and pressures facing existing transport infrastructure remain key challenges.
3. The growth strategy underpinning the work of Glasgow and Clyde Valley recognises these comparative economic advantages and challenges. As such, 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 R&D and commercialisation facilities in the city.
 - 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 16-24 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.

Why does Glasgow and Clyde Valley need a City Deal?

Infrastructure investment

4. In January 2013 Glasgow and Clyde Valley embarked on a study to determine whether an Infrastructure Fund could meet the area's objectives to: close its economic 'output gap' with top performing European Cities; and ensure that economic growth benefits all the residents of Glasgow – including the area's most deprived neighbourhoods. This study drew on the existing economic evidence as well as extensive stakeholder analysis to: evaluate the economic geography of the city region; identify key infrastructure constraints; and assess existing approaches to investment prioritisation and appraisal. The study identified that there was a significant need for additional infrastructure investment and that a more coordinated approach to delivering infrastructure would maximise the impact of this investment.

Investing in life sciences and business support

5. The development of the largest hospital in Western Europe (South Glasgow Hospital Campus) not only provides an opportunity to significantly enhance healthcare services for the people of Glasgow and Scotland, it also provides a great opportunity to create a unique life science research and development cluster that will benefit Scotland and the UK as a whole. This City Deal will provide additional funding to enhance plans to build a Stratified Medicine: Imaging Centre of Excellence. This development will include the Scottish NHS, academic partners and industry partners. Once completed this new facility will allow Glasgow to support a much greater volume and variety of clinical trials, enabling more high quality research to be translated into new products and services.
6. Whilst Glasgow and Clyde Valley and Scotland benefit from a high degree of university spin out companies within the medical technology sector, the private sector is not as effective at producing the level of expected start-ups. The City Deal will support the development of new facilities that will create an environment in which new medical technology companies can grow and establish themselves.
7. Providing additional business support to small and medium sized enterprises will create new employment opportunities and further strengthen the private sector across the city region.

Tackling unemployment

8. The City Deal provides an opportunity to bring together existing support for unemployed young people and launch a new integrated employment scheme for Employment Support Allowance claimants across Glasgow and the Clyde Valley. Funding secured through this City Deal will also provide additional support for those in low income jobs, ensuring that the economic recovery taking hold across Scotland and the UK benefits all members of society.

The Deal

9. Glasgow and Clyde Valley have undertaken research to establish the need for significant infrastructure investment across the area. The City Deal **flagship proposal** will:
 - Establish a **£1.13 billion Glasgow and Clyde Valley Infrastructure Fund**. This fund, one of the biggest single funds agreed in a City Deal, will support the delivery of a once in a generation investment into Glasgow's infrastructure. The UK Government will provide £500 million of funding, £500 million will be provided by the Scottish Government and a minimum of £130 million will come from local authorities across Glasgow and Clyde Valley. This funding will be used to: enhance transport infrastructure; unlock new sites for housing and employment; and improve public transport over the next 10-20 years.
 - Funding provided by the UK Government and the Scottish Government will be paid over a twenty year period in annual instalments. This funding will be unlocked in five-year blocks, subject to Glasgow and Clyde Valley meeting agreed outputs and outcomes assessed through a Gateway Review mechanism.
 - The Infrastructure Fund will be underpinned by a robust governance process, a rigorous assurance framework and programme management arrangements that are designed to ensure that public money delivers agreed outcomes.
10. The infrastructure fund will be **complemented by a range of life science, business support and labour market schemes**. These schemes are designed to support the growth of small and medium enterprises, enhance the life science sector and tackle the city region's long running challenge around unemployment. To achieve this the Glasgow and Clyde Valley City Deal will:
 - Support the development of an Imaging Centre of Excellence as part of the £64 million investment in **Stratified Medicine** at the new South Glasgow Hospitals Campus. This centre will provide new imaging, R&D and commercialisation facilities for clinical researchers and companies that are developing new products and services in the life science sector.
 - Support the development of a £4 million **MediCity Scotland** facility. This facility will bring academics, entrepreneurs, clinicians and business support services together in order to support the development of new healthcare services and medical technology.
 - Support the development of a new £4 million **Centre for Business Incubation and Development** in the Tontine Building in Glasgow's Merchant City.
 - Launch 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.
 - Launch a £15 million youth employment programme that will provide a **new integrated employment support service for young people (16 – 24)**. This programme will seek to work with 15,000 young people over the next three years, helping 5,000 into sustained work.
 - Establish a **prototype labour market progression programme** in three sectors (care, hospitality and retail). The aim of this prototype scheme will be to support the training and development of staff, thereby boosting their wages and reducing their reliance on in-work benefits.

11. Over its lifetime Glasgow and Clyde Valley partners estimate this City Deal will:

- Support an additional overall increase 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 the delivery of the proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from local authorities across Glasgow and the Clyde Valley.
- Leverage an estimated £3.3 billion of private sector investment into the infrastructure programme.
- Spread the benefits of economic growth across Glasgow and Clyde Valley, ensuring deprived areas benefit from this growth.

Geography

12. This City Deal sets out a range of programmes and initiatives that seek to support Glasgow and the Clyde Valley. This includes the areas covered by the following local authorities: East Dunbartonshire; East Renfrewshire; Glasgow City; Inverclyde; North Lanarkshire; Renfrewshire; South Lanarkshire; and West Dunbartonshire.

Key Elements of the City Deal

Glasgow and Clyde Valley Infrastructure Fund

13. The purpose of the **£1.13 billion Glasgow and Clyde Valley Infrastructure Fund** is to support the delivery of an investment programme for the city region, which will see up to 20 infrastructure projects taken forward (subject to appropriate processes being undertaken through an agreed assurance framework). These projects will improve the regional transport network, including public transport, and seek to unlock key development sites across the region. Local authorities in Glasgow and Clyde Valley believe that projects supported by this fund will leverage a further £3.3 billion of private sector investment and generate genuine additional economic growth above what would be achieved in the absence of such a fund.
14. Over a 20 year period (commencing in 2015/16) the UK and Scottish Government will each provide £500 million of capital funding, in a manner that is consistent with HM Treasury rules for managing the public finances. Local authorities in Glasgow and the Clyde Valley will also contribute a minimum of £130 million over this period. UK Government and Scottish Government funding will be paid as annual grants, in line with an agreed funding profile over a 20 year period. An annual grant offer letter will set out the conditions of the grant for that year, which will include conditions of its use. These conditions will include requirements for the grant to be used for: capital expenditure by local authorities directly or through the provision of grants to third parties; and/or for the early redemption of the principal element of debt (but not interest) associated with prior years' capital expenditure.
15. In order to maximise the impact of the Infrastructure Fund, the Scottish Government will, as part of this City Deal, explore bringing forward proposals to change the current legislative provisions relating to local authority borrowing and repayment based on prudential principles. This has the potential to enable Glasgow and Clyde Valley to frontload its infrastructure investment programme in the first 10 years.
16. Glasgow and Clyde Valley believe that the planned investment in infrastructure will result in the creation of over 28,400 new jobs in the city region by 2035. During the first five years of the programme the jobs created will primarily be in the construction sector. The use of Community Benefit clauses in the procurement of all of the contracts will maximise the number of opportunities for new entrants and trainees.

Infrastructure Fund Assurance Framework

17. Local authorities across Glasgow and Clyde Valley have committed to adopting a city-region wide single infrastructure assurance framework by December 2014. By adopting this framework prior to the commencement of the Glasgow and Clyde Valley Infrastructure Fund, Glasgow and Clyde Valley will ensure that infrastructure schemes that are delivered provide good value for money and are underpinned by robust business cases.
18. This assurance framework will be based on existing best practice from the UK Government and Scottish Government. In addition the framework will also draw upon Glasgow and Clyde Valley's processes for managing the development of infrastructure associated with the 2014 Commonwealth Games. Key elements that the assurance framework will include are:
 - Purpose, structure and operating principles of the framework.
 - Prioritisation process utilised to develop the programme of infrastructure investment.
 - Programme management and investment decision processes.

- Appraisal of how projects interact with one another and existing infrastructure.
 - The link the assurance framework and its associated processes have with the overarching Governance arrangements for the City Deal.
19. Both the assurance framework and associated governance arrangements (discussed below) will need to be formally endorsed by the Scottish and UK Governments as being robust and fit-for-purpose. In addition, the framework and governance arrangements will need to be adopted by Glasgow and Clyde Valley in advance of April 2015, before any capital funding will be released by either Government.

Gateway Review Mechanism

20. The Glasgow and Clyde Valley Infrastructure Fund will be underpinned by an innovative Gateway Review mechanism, which seeks to incentivise local leaders in Glasgow and Clyde Valley to prioritise and invest in an infrastructure programme that delivers the greatest economic impact for the local, Scottish and UK economies. UK Government and Scottish Government funding will be unlocked in five-year funding blocks, to an agreed funding profile.
21. In the first five years the UK and Scottish Governments will each provide Glasgow and Clyde Valley with total capital grant of £75 million (2015/16 to 2019/20), totalling investment of £150 million. This will consist of five annual payments of £30 million (£15 million from the UK Government and £15 million from Scottish Government). The remaining £850 million of funding will be conditional on local partners demonstrating: robust governance of the Deal; a clear record of infrastructure project delivery; and evidence that projects provide good value for money at the local and national levels, as determined by the criteria set out in the assurance framework.
22. The formal process for agreeing the release of future grant will be a series of 5-yearly Gateway Reviews, commencing in 2019. These reviews will be conducted by an independent Commission. In total there will be three Gateway Reviews. If Glasgow and Clyde Valley meet agreed outputs and outcomes at each review they will unlock the full £1 billion of funding from the UK and Scottish Governments.
- **Gateway Review 1:** This review is scheduled to take place in May 2019 and if successfully passed will unlock £250 million of payments for 2020/21 – 2024/25. At the first Gateway Review the independent Commission will submit an assessment to the UK and Scottish Governments of the estimated economic impacts of the investments made to date. The assessment will be based upon both the early stages of economic evaluation work and Glasgow and Clyde Valley's record of delivering agreed infrastructure projects.
 - **Gateway Review 2:** This review is scheduled to take place in May 2024 and if successfully passed will unlock £300 million of payments for 2025/26 – 2029/30. The second Gateway Review will focus on overall economic performance in the 10 years since the Glasgow and Clyde Valley Infrastructure Fund became operational, factoring in the impact of the planned programme of investment. The Commission will use their initial assessment in 2015 to establish a counterfactual for growth in Glasgow and the Clyde Valley, Scotland and the UK in the absence of the City Deal. The Infrastructure Fund's performance will be assessed against this counterfactual, taking into account wider economic conditions.
 - **Gateway Review 3:** This review is scheduled to take place in May 2029 and if successfully passed will unlock £300 million of payments for 2030/31 – 2034/35. The

third Gateway Review will follow a similar process to Gateway Review 2, taking into account wider economic conditions.

The Commission on Urban Economic Growth

23. To facilitate Gateway Reviews, Glasgow and Clyde Valley will establish an independent Commission on Urban Economic Growth, to undertake analysis and make recommendations to the UK and Scottish Governments on the performance of the Infrastructure Fund against agreed metrics. To support their analysis and recommendations the Commission will have an important role in furthering the development of an evidence base that explores the delivery and measurement of local and national growth derived from infrastructure investment. The work of this Commission will be shared with comparable Commissions that are being established by Cambridge and West Yorkshire, as they establish and monitor their own local Infrastructure Funds.
24. To enable this work to begin as quickly as possible Glasgow and Clyde Valley will set out detailed proposals to the UK and Scottish Governments on the operation of the Commission by November 2014, to permit the establishment of the Commission in December 2014. The proposal for the Commission will include:
- Detailed terms of reference for the Commission, reflecting the overall approach that will be adopted by the Commission in undertaking its analysis.
 - The membership of the Commission, including number of people and the chairperson. Members will be nominated by the UK Government, the Scottish Government and Glasgow and Clyde Valley.
 - The Commission's work programme, including clear milestones for reviews and reports.
 - An assessment of the Commission's operating costs.
 - An agreed role for how the Scottish Government uses its analytical capability to support the work of the Commission.
 - How the Commission will feed into the existing assurance frameworks and governance structures in place.
25. By March 2015 the Commission will commence work on defining its approach to the first Gateway Review in 2019. Its conclusions will be published by December 2015. In tandem, the Commission will commence work to refine its approach to the second and third gateways. An assessment of additional economic growth at the Scotland and UK levels will be a key issue for these reviews. All published findings from the Commission will be used by UK and Scottish Government Ministers to inform their deliberations as to whether Glasgow and Clyde Valley have met the conditions of a Gateway Review.

Local Authority Borrowing to support the Glasgow and Clyde Valley Infrastructure Fund

26. Throughout the course of the City Deal programme Glasgow and Clyde Valley local authorities will be responsible for financing the capital investment programme. The difference in the profile between the proposed capital investment and the capital grant funding may require a local authority to borrow to fund any difference in expenditure and grant. The cost of any external borrowing is the responsibility of the local authority and is to be managed by the local authority in accordance with prudential principles – it must be prudent, affordable and sustainable. In a scenario where a future Gateway is not achieved, leading to any reduction or cessation of City Deal capital grant, then it will be the responsibility of individual local authorities within Glasgow and Clyde Valley to manage the

financial impact of this within their local authority budget, utilising reserves or surpluses as required.

Supporting the Growth of the Life Sciences Sector and Growing Small and Medium Enterprises

27. Complementing the flagship Infrastructure Fund the UK Government and local leaders from Glasgow and the Clyde Valley have agreed a life science and business support investment package that will: build on existing Scottish Government investments; support growth in the city's life science sector; and enable small and medium enterprises across the city to grow. As part of this City Deal three schemes will be taken forward, subject to final approval of business cases in September 2014.

Stratified Medicine: Imaging Centre of Excellence

28. Stratified Medicine is an exciting field in healthcare, providing new opportunities to: develop tailored treatments for individuals; and to create large numbers of new high quality jobs. To support this sector leaders across Glasgow and the Clyde Valley and the UK and Scottish Governments have agreed to support the **development of a Stratified Medicine: Imaging Centre of Excellence**.
29. Based at the £1 billion New South Glasgow Hospitals Campus (which is currently under construction) this enhanced facility, led by the University of Glasgow, will provide life science research and innovation facilities that include: business incubator space for small and medium sized enterprises specialising in stratified medicine; room for clinical researchers specialising in applied imaging research; and space for companies from the pharmaceutical sector. Glasgow and Clyde Valley believes this scheme will generate 396 high-value new jobs over a seven year period and generate £88 million for the local economy.
30. To take this scheme forward the UK Government will provide £16 million of funding over three years (2014/15 – 2016/17) to establish a world leading Stratified Medicine: Imaging Centre of Excellence on the site of the South Glasgow Hospital. This will add to £48 million of investment in Stratified Medicine assets that has already been committed by a range of funders including significant contributions from the Scottish Government, Scottish Funding Council, Scottish NHS and the University of Glasgow. Release of UK Government funding will be subject to development of a final business case which is supported by the Medical Research Council as: being good value for money; and demonstratively enhancing Glasgow's life sciences sector. UK Government officials will consult with the Scottish Government when assessing this business case.

MediCity: Healthcare Services and Medical Technology

31. Much of Glasgow's healthcare and medical technology sector is comprised of small or micro businesses, which are often poorly connected with: other complementary businesses; the health service; and researchers/academics that specialise in this field. Despite these constraints local leaders in Glasgow and the Clyde Valley believe this sector has significant potential to grow and to provide new jobs.
32. Therefore, as part of this City Deal, the UK Government and local leaders have agreed to support the **establishment of MediCity Scotland**. Located in the campus of BioCity Scotland (on the outskirts of Glasgow) this new facility will bring together: academics; entrepreneurs; clinicians and business support services. Together this grouping of individuals and services will support companies in Scotland's healthcare sector to develop new healthcare services and medical technology for the market. Glasgow and Clyde Valley believes this scheme will create 50 new healthcare businesses and create 350 new jobs over seven years.
33. To take this scheme forward the UK Government will provide £1.2 million of capital funding in 2014/15, subject to final agreement of the scheme's business case including clarification

of how MediCity will be integrated with existing health service and medical technology facilities across the UK. This will be matched with up to £2.79 million of local funding, with significant contributions from BioCity Scotland and North Lanarkshire Council. Scottish Enterprise is also considering how it may be able to support the project.

Glasgow Grow-on Centre for Business Incubation and Development

34. As an entrepreneurial city Glasgow's rate of new business start-ups is above the national average. However the city's rate of business failure is higher than comparable cities such as Edinburgh, Manchester and Birmingham. In order to provide further support to Glasgow's new businesses the UK Government and local leaders have agreed to **establish a new Centre for Business Incubation and Development in the Tontine Building**, which is located in the Merchant City quarter of Glasgow. This space will be open to ambitious and growing small and medium enterprises from all economic sectors. Services provided at this centre will also be aligned to programmes being taken forward by Scottish Enterprise, therefore maximising the range of business support available to companies.
35. This new facility will accommodate up to 50 businesses at any given time and will provide high quality flexible work spaces for companies that have between two and twenty staff. As part of this scheme Glasgow City Council and the University of Strathclyde will provide additional business support services including: business mentoring; access to finance services; and back-office services such as ICT, Human Resources and legal/accounting services. Glasgow and Clyde Valley believes that this scheme, over a five year period, will support 125 firms and create 600 new jobs.
36. To take this scheme forward the UK Government will provide £1.67 million of capital funding in 2014/15 to Glasgow City Council, subject to final agreement of the scheme's business case. This business case will also seek to ensure that the business support provided is both coordinated and targeted and does not duplicate the work of Scottish Enterprise. UK Government funding will be matched by up to £2.42 million of local funding.

Supporting Growth – Tackling Long Term Unemployment and Increasing Earnings

37. The Glasgow and Clyde Valley City Deal will build on local work to reduce unemployment across the city region, ensuring that unemployed people benefit from the job opportunities that will result from the major investment that this deal will unlock.
38. The UK Government, the Scottish Government and Glasgow and Clyde Valley have agreed to develop three schemes to boost employment and earnings. These are:
 - Tackling entrenched unemployment for Employment and Support Allowance claimants, with an explicit focus on those leaving the Work Programme.
 - Boosting youth employment and skills training opportunities via the creation of a single integrated Glasgow and Clyde Valley Guarantee for Young People, which will streamline existing services.
 - Piloting a new scheme working with employers and people in low paid jobs to boost earnings and increase upward labour mobility.

Reducing Unemployment for those on Employment Support Allowance

39. Across Glasgow and the Clyde Valley area over 100,000 people are unemployed and claiming Employment Support Allowance. The UK Government, Scottish Government and local leaders are committed to helping the hardest to reach claimants into work. Therefore, aligned to national and Scottish initiatives such as the Work Programme and the Employability Fund, Glasgow and Clyde Valley will **launch a new jointly funded employment scheme for individuals in receipt of Employment Support Allowance** to improve their employment outcomes. This new scheme will provide intensive support to individuals seeking employment – both: those Employment Support Allowance claimants who have left the Work Programme without finding work; and Employment Support Allowance claimants prior to entry into the Work Programme.
40. In order to deliver these outcomes Glasgow and Clyde Valley will trial a new model of local service delivery, working in partnership with the UK Government (Cabinet Office and Department for Work and Pensions) and the Scottish Government. This model will feature personalised employment support that is integrated with wider local support services such as health and social care and skills training. By drawing on the different strengths of specialist organisations and services, Glasgow and Clyde Valley believe it is possible to design a more responsive employment support programme that can meet the multiple and complex challenges faced by the individuals on health related benefits. These include: mental health conditions; physical disabilities; homelessness; lack of relevant or appropriate skills; low confidence; and drug and alcohol dependency amongst others. This personalised support will be co-ordinated by a central caseworker that understands the services that are available to individuals and can provide challenge and support to help individuals overcome their complex barriers to finding sustained work.
41. Local leaders in Glasgow and Clyde Valley estimate that over the next three years (2015/16 – 2017/18) this programme will work with 4,000 individuals and help at least 600 Employment Support Allowance claimants into sustained work. To take this scheme forward the UK Government will provide £4.5 million of revenue funding. This will be matched with £4.5 million of revenue funding from local partners. Through the Employability Fund operated by Skills Development Scotland, the Scottish Government already commissions activity in partnership with local authorities and the Department for Work and Pensions. The mechanisms in place for this local contracting will continue to provide

flexibility to determine how local skills investment is better aligned across the city region and will ensure skills investment is utilised to support the hardest to help where appropriate.

Reducing Youth Unemployment

42. Ensuring young people are able to access good jobs across Glasgow and Clyde Valley is a key priority for the UK Government, Scottish Government and local leaders. Building on existing local and national programmes Glasgow and Clyde Valley will create an integrated service for young people as part of the City Deal.
43. To take this forward local partners will utilise existing and planned investment into skills, training and employment support for young people to underpin a **Glasgow and Clyde Valley Guarantee, which will provide employment and support services for those aged 16-24**. To deliver this Guarantee the employment support activities of local partners, UK Government and Scottish Government across the Glasgow and Clyde Valley area will be streamlined. Local partners will seek to fund their streamlined activities in part through Glasgow and Clyde Valley's allocation under the European Commission's Youth Employment Initiative and the mainstream European Social Fund allocation for employability activity. Subject to this funding being agreed this programme will invest up to £15 million between 2015/16 – 2017/18, working with 15,000 young people and helping around 5,000 into sustained work.
44. In support of this local investment the UK Government, via local Department for Work and Pensions, will support the delivery of integrated services for young people through joint working arrangements that include providing additional local flexibility to align national services with local investment and by ensuring that investment avoids duplication of activities. All partners will work together to ensure their investment is used consistently and coherently so that skills investment better meets the needs of the local economy, taking into account the Regional Skills Investment Plans and Regional Skills Assessments being produced for these areas by Skills Development Scotland.

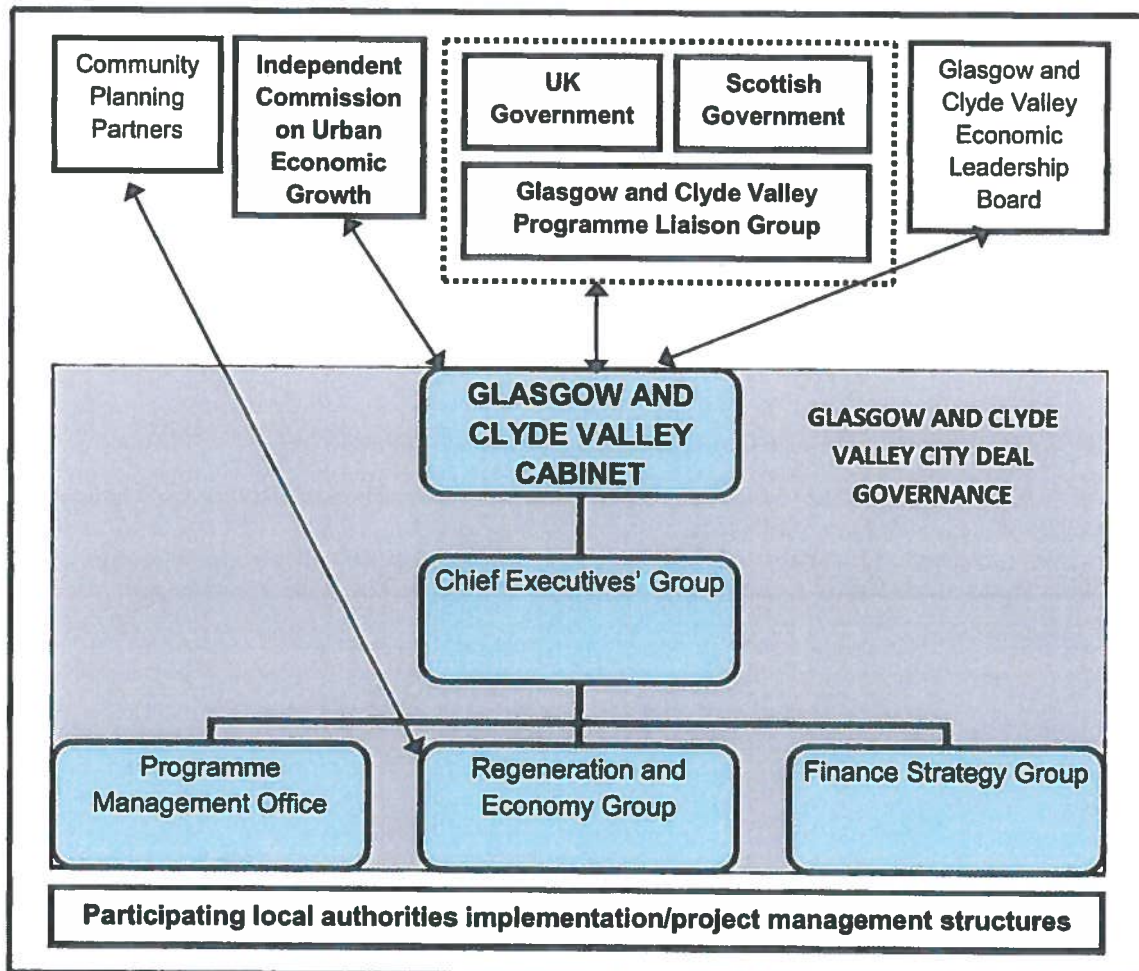
Boosting Earnings of those on Low Incomes

45. As part of this City Deal the UK Government has agreed to work with Glasgow City Council to **design and implement a joint in-work progression prototype** that will work with employers and employees in sectors with high concentrations of low pay, to reduce the reliance on in-work benefits. The aim of this scheme will be to test the type of support that employers can provide to boost earnings and the wider merit in designing sector based career ladders that provide inter-firm pathways into better jobs, boosting wages and career progression for the low paid. This prototype will help inform the UK Government's wider policy on boosting earning as part of the transition to Universal Credit.
46. In order to take this scheme forward the UK Government will provide £0.3 million of funding to test this new employment led approach to raising people's income, which will be matched with £0.3 million of local funding. The Scottish Government will work with local partners to investigate how existing workforce development funding can support this activity.

Glasgow and Clyde Valley Governance

47. In order to ensure the delivery of the Glasgow and Clyde Valley City Deal local partners will establish a governance model that: streamlines and strengthens the existing governance and partnership arrangements across the city region; enables the delivery of programmes agreed in this City Deal; and ensures that assurance is provided to the UK Government and the Scottish Government that local leaders are making decisions which will drive economic growth across the city region.
48. **Governance arrangements will be driven by a newly established Glasgow and Clyde Valley Cabinet.** Supporting this decision making body will be: a Chief Executives' Group; Finance Strategy Group; Regeneration and Economy Group; the Independent Commission on Urban Growth (discussed above); and the Glasgow and Clyde Valley Economic Leadership Board. A City Deal Programme Management Office will also provide critical capacity and expertise to ensure the City Deal is delivered. All elements of the proposed governance arrangement will be agreed and in place by December 2014. Representatives from Department for Work and Pensions and Jobcentre Plus will be invited to join, and play an active role, in governance that relates to the delivery of the labour market programmes in this City Deal.
49. These arrangements will build on the existing Community Planning Partnership and Glasgow Economic Leadership Board and will provide a greater focus to the remit and practices of both groups going forward.

Figure 1: City Deal Governance Arrangements and its interaction with: the UK Government; Scottish Government; private sector and Commission on Urban Economic Growth



50. **The Glasgow and Clyde Valley Cabinet** will be the ultimate decision making body in the governance structure. It will be responsible to the UK and Scottish Governments and will act in the joint interests of the eight participating local authorities across Glasgow and the Clyde Valley. The eight full members will operate on a one member, one vote basis. For the Infrastructure Fund, voting will apply to all members with approved infrastructure projects. A partnership agreement will be drawn up between the parties setting out the decision making and arbitration processes in detail.
51. The members of the Glasgow and Clyde Valley Cabinet will be the Leaders of the participating local authorities and the Chair of the Cabinet (which will be the Leader of Glasgow City Council). The Chair of the Cabinet will act, where necessary, as the point of contact for both the UK Government and Scottish Government Ministers with regard to the implementation and management of this City Deal. The Cabinet will meet quarterly and will make strategic decisions regarding all aspects of the Glasgow and Clyde Valley City Deal.
52. Working together the **Chief Executives' Group** will take operational responsibility individually (for activity within their local authority area) and collectively across Glasgow and Clyde Valley. The Chief Executives will meet in advance of the Leaders to propose a programme of work for the Leaders and they will individually prepare briefings for their own Leaders.
53. **The Finance Strategy Group** will be chaired by one of the Chief Executives and will be made up of senior finance specialists from the eight local authorities. This group will focus primarily on the strategic finance aspects of the Glasgow and Clyde Valley Infrastructure Fund. The programme of work will include, but is not be restricted to:
- Advice and research on long term borrowing and negotiation with lenders.
 - Development of standard control and reporting templates.
 - Development of modelling system for monitoring programme implementation and financial profiles.
54. **The Regeneration and Economy Group** will be chaired by one of the Chief Executives and will provide strategic guidance to both the Glasgow and Clyde Valley Cabinet and individual local authorities with regard to the implementation of the investment programme that flows from the Glasgow and Clyde Valley Infrastructure Fund. It is intended that the work of the Regeneration and Economy Group ensures the maximum leverage from the capital investment in terms of new employment opportunities, community benefits and sustainable design. Local authorities will draw on the highly successful 2014 Commonwealth Games legacy structures in the design of this group. This group will replace the current Clyde Valley Community Planning Partnership Officers Group, providing a renewed focus for integrating service delivery across partners.
55. **The Commission on Urban Economic Growth** will be established to monitor and verify the impacts of the investment programme, at a regional and national level, that flows from the Glasgow and Clyde Valley Infrastructure Fund. The proposal is that the Commission is chaired by an independent expert in the field of economics, with members nominated by the UK Government, the Scottish Government and the Glasgow and Clyde Valley Cabinet. Glasgow and Clyde Valley will set out detailed proposals on the operation of the Commission by November 2014.
56. In support of the Cabinet a **Glasgow and Clyde Valley Economic Leadership Board** will also be established. The current Glasgow Economic Leadership will be recast to have a region wide remit and makeup, to provide links to industry. This will assist in the maximisation of the benefits of the investment programme that flows from the Glasgow and Clyde Valley Infrastructure Fund.

Programme Management Office

57. As part of Glasgow and Clyde Valley's Governance arrangements a City Deal **Programme Management Office** will be established in Glasgow City Council. This Programme Management Office will act as both secretariat to the Glasgow and Clyde Valley Cabinet and will act as the central point for appraisal and monitoring of all aspects of the City Deal.

58. The key responsibilities of the Programme Management Office will be:

- Organisation of meetings of the Glasgow and Clyde Valley Cabinet and Chief Executives' Group, preparation of agendas and recording the decision making process.
- Acting as first point of contact for UK and Scottish Governments.
- Preparing reports for the UK and Scottish Governments on City Deal delivery, for use by the Glasgow and Clyde Valley Programme Liaison Group.
- Conducting the appraisal of new and substitute schemes in the investment programme for the Glasgow and Clyde Valley Infrastructure Fund.
- Working with individual local authorities to assist the implementation of projects.
- Analysis and reporting on: progress; impact; and wider benefits realisation.
- Liaison and co-ordination of programmes with other regional partners.

59. In addition, the Programme Management Office will be empowered with "step-in rights" by Glasgow and Clyde Valley Cabinet when delivery of any City Deal project or programme is at risk. These "step-in rights" will enable the Programme Management Office to undertake a detailed analysis of a project or programme and recommend a series of mitigating actions to the Glasgow and Clyde Valley Cabinet.

UK and Scottish Governments supporting City Deal Implementation

60. To support the implementation of the Glasgow and Clyde Valley City Deal the UK Government, Scottish Government and Glasgow and Clyde Valley will establish complementary tripartite City Deal implementation arrangements. These arrangements will:

- Facilitate joint working between Glasgow and Clyde Valley, UK Government and Scottish Government.
- Provide a mechanism to ensure that Glasgow and Clyde Valley, UK Government and the Scottish Government are meeting their commitments in this City Deal and associated implementation.
- Enable all partners to challenge one another if City Deal delivery is not on track and agree mitigating actions.
- Provide a forum to highlight successes.
- Ensure funding provided as part of this City Deal is being drawn down and spent according to agreed funding profiles.

61. This Programme Liaison Group will comprise the Senior Responsible Officer for each element of the City Deal, a representative from the Scottish Government and a

representative from the UK Government Cities and Local Growth Unit. Officials will meet on a quarterly basis and will review progress on City Deal implementation. The Glasgow and Clyde Valley Programme Management Office will provide the Group with a copy of the Glasgow and Clyde Valley Cabinet's quarterly performance report that will:

- Highlight City Deal successes.
- Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales.
- Provide information on outputs and outcomes agreed.
- Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

62. The UK Government will work with Glasgow and Clyde Valley to agree a timetable for the production of these reports and will take the lead in convening the Glasgow and Clyde Valley Programme Liaison Group.

Ongoing Monthly Support

63. In support of the Glasgow and Clyde Valley Programme Liaison Group, officials from the UK Government Cities and Local Growth Unit, the Scottish Government and Glasgow and the Clyde Valley will discuss City Deal implementation on a monthly basis. These sessions will discuss progress against City Deal Implementation Plans and will pro-actively tackle emerging implementation risks.

Summary of Commitments

Glasgow and Clyde Valley Infrastructure Fund

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Pool local authority resources to contribute a minimum of £130 million of capital funding from 2015/16 – 2034/35 for the Glasgow and Clyde Valley Infrastructure Fund. • Develop a robust city-wide single assurance framework, by December 2014, which will guide decision making and ensure infrastructure schemes taken forward will deliver: value for money; additional economic growth; and support economic inclusion. • Adopt the city-wide single infrastructure assurance framework in advance of April 2015. • Work with the UK and Scottish Governments to agree the design, remit and make-up of a Commission on Urban Economic Growth for Glasgow and Clyde Valley by November 2014. This will enable its formal establishment in December 2014. • Provide funding to support the ongoing operation of the Commission on Urban Economic Growth. • Commission on Urban Economic Growth to define its approach to the first Gateway Review, with findings 	<ul style="list-style-type: none"> • Support the Glasgow and Clyde Valley Infrastructure Fund with £500 million of funding over a 20 year period (2015/16 – 2034/35), subject to Gateway Reviews. • Review the Glasgow and Clyde Valley city-wide single assurance framework and provide a formal endorsement of it, subject to it meeting best practice requirements. • Provide funding in annual grant payments to a nominated lead local authority in line with an agreed funding profile over a 20 year period (2015/16 – 2034/35). • Work with the UK Government and Glasgow and Clyde Valley to agree the design, remit and make-up of a Commission on Urban Economic Growth for Glasgow and Clyde Valley by November 2014. This will enable its formal establishment in December 2014. • Work with Glasgow and Clyde Valley to explore ways in which the Scottish Government could use its analytical capability to support the work of the Commission on Urban Economic Growth. • Utilise the findings of the Commission on Urban 	<ul style="list-style-type: none"> • Support the Glasgow and Clyde Valley Infrastructure Fund with £500 million of funding over a 20 year period (2015/16 – 2034/35), subject to Gateway Reviews. • Review the Glasgow and Clyde Valley city-wide single assurance framework and provide a formal endorsement of it, subject to it meeting best practice requirements. • Provide funding in annual grant payments in line with an agreed funding profile over a 20 year period (2015/16 – 2034/35). This funding will be routed via the Scottish Government and passported directly to the nominated lead local authority within Glasgow and Clyde Valley. • Work with the Scottish Government and Glasgow and Clyde Valley to agree the design, remit and make-up of a Commission on Urban Economic Growth for Glasgow by November 2014. This will enable its formal establishment in December 2014. • Utilise the findings of the Commission on Urban Economic Growth to inform Ministerial deliberations as to whether Glasgow and

<p>published in December 2015.</p> <ul style="list-style-type: none"> • The work of Commission on Urban Economic Growth will be shared with comparable Commissions that are being established by Cambridge and West Yorkshire, as they establish and monitor their own local Infrastructure Funds. • Put in place robust safeguards to ensure they are able to manage the costs associated with any individual project or group of projects, including the costs of meeting any borrowing undertaken, should the outcomes expected at a Gateway Review not be achieved. • Work with relevant partners such as Transport Scotland to ensure that investment projects complement other infrastructure projects. 	<p>Economic Growth to inform Ministerial deliberations as to whether Glasgow and Clyde Valley have met the requirements of the three Gateway Reviews.</p> <ul style="list-style-type: none"> • Subject to due Parliamentary process, bring forward proposals to change the current legislative provisions relating to local authority capital borrowing and repayment based on prudential principles. 	<p>Clyde Valley have met the requirements of the three Gateway Reviews.</p>
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Supporting the Growth of the Life Sciences Sector and Growing Small and Medium Enterprises

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Submit final business cases for the following schemes: Stratified Medicine Imaging Centre of Excellence; MediCity; and Glasgow Grow-on Centre for Business Incubation and Development for consideration by Department for Business, Innovation and Skills. • Provide £9 million of 	<ul style="list-style-type: none"> • Provide £39 million match funding to support the development of the Stratified Medicine Centre. This includes £20 million from Scottish Government, £2.3 million of European Union funding and £16.8 million from NHS Scotland. 	<ul style="list-style-type: none"> • Department for Business, Innovation and Skills will review final business cases in consultation with the Scottish Government for the following schemes: Stratified Medicine Imaging Centre of Excellence; MediCity; and Glasgow Grow-on Centre for Business Incubation and provide a final decision on these by the end of September

<p>local match funding to support the development of the Stratified Medicine Imaging Centre of Excellence.</p> <ul style="list-style-type: none"> • Provide up to £2.79 million of local match funding to support the development of MediCity. • Provide up to £2.42 million of local match funding to support the development of the Glasgow Grow-on Centre for Business Incubation and Development. 		<p>2014.</p> <ul style="list-style-type: none"> • Subject to the approval of final business cases: <ul style="list-style-type: none"> ○ Provide £16 million of UK Government match funding to support the development of the Stratified Medicine Imaging Centre of Excellence, profiled over three years (2014/15 – 2016/17). ○ Provide £1.2 million of UK Government funding to support the development of MediCity in 2014/15. ○ Provide £1.67 million of UK Government funding to support the development of the Glasgow Grow-on Centre for Business Incubation and Development in 2014/15.
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Supporting Growth – Tackling Long Term Unemployment and Increasing Earnings

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Design, commission and implement a new scheme to provide employment support to up to 4,000 Employment and Support Allowance claimants and help 600 in sustained work. • Invest £4.5 million to fund the Employment and Support Allowance Scheme. • Create a single pan Glasgow and Clyde Valley Labour Market team to take responsibility for the implementation, delivery and co-ordination of the labour market 	<ul style="list-style-type: none"> • Work in partnership to ensure contracting of the Employability Fund continues to provide local flexibility to determine how existing skills investment is better aligned across Glasgow and Clyde Valley and utilised to support the hardest to help where appropriate. • Work in partnership to align investment in skills to best meet the needs of the local economy and to complement the new investment in infrastructure via the City Deal. 	<ul style="list-style-type: none"> • Commit to support the design and implementation of the Employment and Support Allowance scheme. • Invest £4.5 million to fund the Employment and Support Allowance Scheme. • Department for Work and Pensions to represent the UK Government as part of the joint pan Glasgow and Clyde Valley Labour Market team. • Work with Glasgow and Clyde Valley and the Scottish Government to align and integrate existing

<p>components of the City Deal by September 2014.</p> <ul style="list-style-type: none"> • Work with Department for Work and Pensions, Scottish Government and local partners to create a single integrated Guarantee for Young People across Glasgow and Clyde Valley. • Align £15 million of existing and future investment to support young people into work. • Glasgow City Council to Co-invest £0.3 million and work with Department for Work and Pensions to design an employer led progression prototype to boost earnings and career progression for low paid workers. 		<p>and future national and locally determined labour market schemes as part of the Glasgow and Clyde Valley Guarantee, particularly for those claiming benefits.</p> <ul style="list-style-type: none"> • Invest £0.3 million and co-design with Glasgow city Council an employer led progression prototype to boost earnings and career progression for low paid workers.
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Governance

Glasgow and Clyde Valley commitments	Scottish Government commitments	UK Government commitments
<ul style="list-style-type: none"> • Establish the following governance boards to drive the delivery of the Glasgow and Clyde Valley City Deal by December 2014: Glasgow and Clyde Valley Cabinet and associated sub-boards; the Glasgow and Clyde Valley Economic Leadership Board; the Commission on Urban Economic Growth; and the City Deal Programme Management Office. • Join the Glasgow and Clyde Valley Programme Liaison Group that will meet on a quarterly 	<ul style="list-style-type: none"> • Take part in the Glasgow and Clyde Valley Liaison Group that will meet on a quarterly basis. • Take part in monthly City Deal implementation updates, to ensure City Deal programmes remain on track and emerging risks are mitigated. 	<ul style="list-style-type: none"> • Establish and take part in the Glasgow and Clyde Valley Liaison Group that will meet on a quarterly basis. • Set up and take part in monthly City Deal implementation updates, to ensure City Deal programmes remain on track and emerging risks are mitigated.

<p>basis.</p> <ul style="list-style-type: none">• Take part in monthly City Deal implementation updates, to ensure City Deal programmes remain on track and emerging risks are mitigated.		
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SCHEDULE PART 2

STAFF

1. The Lead Authority's Duties

- 1.1 The Cabinet may authorise the appointment by the Lead Authority of sufficient suitably qualified and experienced employees to undertake the Functions on behalf of the Cabinet for such periods and subject to such conditions of employment as the Cabinet shall approve.
- 1.2 The Cabinet's prior approval will be required in respect of any proposals to amend materially the terms and conditions of employment of the PMO.
- 1.3 The Lead Authority will provide payroll and comprehensive personnel services for the PMO. For the avoidance of doubt, where the discharge of such services requires the Lead Authority to seek assistance and advice from other departments of the Lead Authority or from outside agencies they may do so. Such additional services will be reported to the Cabinet and the costs thereof included in the costs to be paid by the Member Authorities in terms of paragraph 2.1 of this Part 2 of the Schedule.
- 1.4 The Lead Authority shall effect such insurance policies as it considers necessary in connection with its obligations under this part of the Schedule and any premiums shall be included in the costs to be paid by the Member Authorities in terms of paragraph 2.1 of this part of the Schedule.

2. Member Authorities' Duties

- 2.1 The Member Authorities hereby agree to pay all costs, expenses and outgoings reasonably incurred by the Lead Authority ("the employment costs") in connection with the performance by the Lead Authority of its obligations under this part of the Schedule. Each Member Authority's share of the employment costs shall be calculated by reference to that Member Authority's Contribution Rate.
- 2.2 Without prejudice to Paragraph 2.1 above, as part of the procedures under Clause 7 of these terms and conditions an estimate of the employment costs shall at the beginning of each year be agreed between the Lead Authority and the Cabinet. Such employment costs shall be paid quarterly in advance by each Member Authority in accordance with the Contribution Rate.

3. Termination

- 3.1 In the event that the Cabinet is dissolved and has remaining staff, they shall be given the option to transfer on their terms and conditions of employment in force as at the date of termination of the Cabinet to either the Member Authority from where they

have been seconded, or to a post with another Member Authority. The Member Authorities shall among themselves provide such posts in so far as reasonably practical in accordance with the proportions set for Contribution Rates.

- 3.2 Any outstanding employment costs of the Lead Authority not otherwise met in terms of this Schedule shall be apportioned between the Member Authorities in proportion to their Contribution Rate.

SCHEDULE PART 3

PMO AND SUPPORT SERVICES

1. Support services for the Cabinet

- 1.1 The Director and the PMO shall supply to the Cabinet, its sub committees and Portfolios such administrative and technical support as it may reasonably require to discharge the Functions to include:
- preparation and circulation of agendas and minutes;
 - publishing the Cabinet processes and outcomes;
 - facilitating engagement with stakeholders; and
 - managing Cabinet communications including establishment of a Cabinet website.
- 1.2 The Director or his/her nominee will be the Clerk to the Cabinet and either alone or at the request of the Chair of the Cabinet or on the requisition of at least one-fourth of the whole number of Members of the Cabinet shall have power to call meetings of the Cabinet.
- 1.3 The Chief Executive of the Lead Authority or his/her nominee will have power to call upon the services of such other employees of the Lead Authority to enable him/her to discharge his/her duties to the Cabinet.
- 1.4 The Lead Authority shall directly or indirectly make available to the Cabinet such committee rooms and members' accommodation as may be required to allow the Cabinet to discharge its functions.
- 1.5 The PMO shall agree a budget with the Cabinet annually in advance of 31 March in each year for the financial year following. The budget shall be apportioned between the Member Authorities in accordance with the Contribution Rate and will be payable quarterly in advance by them to the Lead Authority. Any additional services required by the Cabinet not included in the budget shall after authorisation by the Cabinet be invoiced to the Member Authorities in accordance with the Contribution Rate.
- 1.6 The Director and the PMO shall act as the first point of contact with the UK and Scottish Governments in relation to the delivery of the City Deal.

2. PMO Services for the Cabinet

- 2.1 The PMO shall supply to the Cabinet and the Chief Executives' Group such PMO and support services as the Director may reasonably require to discharge his/her duties (for the avoidance of doubt such services may include financial, legal, audit and other professional or technical services).
- 2.2 The PMO shall enter into an annual grant agreement with the UK and Scottish Governments in relation to the Infrastructure Fund, and the Department of Work and Pensions in relation to the Labour Market Funds, and shall act as grant recipient in respect of City Deal monies.
- 2.3 The PMO will scrutinise project applications and proposed business cases and make recommendations to the Cabinet via the Chief Executives' Group. Where necessary expertise does not exist within this team to fulfil this responsibility, external support will be commissioned and managed by this team.
- 2.4 The Lead Authority will enter into a grant agreement for the City Deal programme and approved by the Cabinet and will allocate and account for distribution of grant income to Member Authorities and third parties as approved under the City Deal.
- 2.5 The PMO will produce, monitor, review and update the Programme Management Business Case.
- 2.6 The PMO will analyse and provide quarterly reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by the Cabinet. These will be discussed at quarterly meetings. Monthly updates will also be given to the UK and Scottish Governments to discuss progress on delivery of the City Deal.
- 2.7 The PMO will prepare the annual report and accounts for the Cabinet and arrange for audit of such accounts.
- 2.8 The PMO will provide a full toolkit of documentation to Member Authorities delivering projects including: business case templates; appraisal guidance; reporting templates; risk registers; and such other documentation as may be required by the Cabinet from time to time.
- 2.9 The PMO will analyse and report on the impact of the delivery of projects and the delivery of wider economic benefits agreed in business cases and grant awards all in accordance with commitments made to the UK and Scottish Governments.

2.10 The PMO shall provide advice on strategy and policy to the Cabinet ensuring that there is consistency on strategic economic and related issues. The PMO will establish and lead such informal advisory and expert groups as are required for the formation of advice to the Cabinet.

2.11 The PMO will liaise with and co-ordinate programme delivery across other Glasgow and Clyde Valley Regional Partners, and National Bodies, including Non Departmental Public Bodies, as far as such co-ordination advances the aims of the City Deal and the Functions of the Cabinet.

3. Costs

3.1 The Director shall include in the budget agreed in terms of Clause 7 of these terms and conditions provision for the costs of such PMO and support services. Each Member Authority shall on agreement of that budget be responsible for payment of a proportion of the PMO and support services charge calculated by reference to the Contribution Rate quarterly in advance to the Lead Authority.

3.2 Any additional PMO and support services required by the Director shall after approval by the Cabinet be invoiced by the Lead Authority to each Member Authority in accordance with their Contribution Rate.

SCHEDULE PART 4

PREMISES

1. Premises

- 1.1 The PMO shall provide accommodation and back office functions for the PMO as required.
- 1.2 The Member Authorities shall pay their share of any costs (if applicable) of any premises occupied by the PMO calculated in accordance with the Contribution Rate. Those costs may be the cost of purchasing, leasing, sub-leasing or occupying the premises under a licence agreement and may include the service costs of the premises.

**APPENDIX 3 – REMIT OF THE INDEPENDENT COMMISSION ON URBAN
ECONOMIC GROWTH**

REMIT OF THE INDEPENDENT COMMISSION ON URBAN ECONOMIC GROWTH

Terms of Reference - Draft

Purpose

The Commission is being established as part of the process of implementing the Glasgow and Clyde Valley City Deal. The City Deal is a three way agreement between the Local Authorities in the Region, acting as the Glasgow and Clyde Valley Cabinet, the Scottish Government and the UK Government.

The overarching objective of the City Deal is to create economic growth across the City Region..

The main aim of the Commission is to contribute to the evaluation process for City Deals being driven by the UK and Scottish Governments. Work is underway to specify the evaluation methodology at a UK and Scotland level, and the Commission will contribute to that by managing the local evaluation which will complement the wider study.

The Commission will identify appropriate indicators to measure the impact of the Glasgow City Deal at the City Region level, the Scottish level and the UK level. To inform this, the Commission will contribute to the development of an appropriate counterfactual at these three levels, using a range of information and intelligence, to allow effective evaluation of the infrastructure fund at gateway points. The targets set at the gateway points should ensure that net additional impact occurs at the City Region level, the Scottish level and the UK level.

The Commission will develop and implement an evaluation framework for the City Deal, and specifically will:

- Develop a model for measuring economic growth at City Region level, including identifying existing data sets and working with partners to develop any new datasets required. This model will also measure the impact at a Scottish and UK level
- Design a framework of performance indicators for the City Deal covering the impact of the project at the City Region and national level.
- Provide strategic evaluation advice to the City Deal stakeholders.
- Set clear recognisable criteria – consistent with standard economic appraisal analysis – to measure success at the City Region and national level, as compared to the counterfactual scenario which will be determined by the Commission, for the individual gateway reviews (including assessment of spill-over effects) ensuring that true additional economic impact occurs at a city region and national level.

Membership

- The Commission will be made up of no more than eight members, acting in an individual rather than representative capacity
- Membership will be open to anyone meeting the skills and experience profile
- Selection for the Commission will be by an appointments process led by the Cabinet of the City Deal.
- The Commission will work with analysts within Scottish and UK Government to agree appropriate roles and involvement, and to ensure local and national evaluation activity is complementary

Timeframe

The Commission will undertake a programme of work spanning 25 years from 2014 to 2039, subject to the successful release of funds at each gateway point.

Accountability

The Commission will be accountable to the City Deal Stakeholders, made up of the UK Government; The Scottish Government; and the Clyde Valley Local Authorities. The UK Cities Minister; The Scottish Cities Minister and the Chair of the Clyde Valley Cabinet will agree the membership and proceedings of the Stakeholder group.

Review

The work of the Commission will be reviewed formally every five years by the Stakeholders Group. This review will take place in the middle of each phase of the work programme commencing in 2017.

Working Method

The Commission will undertake its work programme conducting or commissioning research and analysis into indicators of economic growth, and by agreeing modelling and monitoring frameworks with the Stakeholder Group.

The City Deal Programme Management Office will provide Secretariat support to both the Commission and the Stakeholder group.

The Commission will submit reports to UK and Scottish Governments in line with the timeframe outlined above.

**APPENDIX 4 – GLASGOW AND THE CLYDE VALLEY CITY DEAL INITIAL
PROJECT LIST**

GLASGOW AND THE CLYDE VALLEY CITY DEAL INITIAL PROJECT LIST

Infrastructure Fund Programme - Table 1

Sponsor	Grantee	Project Name	Outturn Cost (Nominal) £000's	Status
ERC		M77 Strategic Corridor	£44,000	
GCC		Metro Glasgow Drainage	£45,800	
GCC		City Centre and North	£199,200	
GCC		Clyde Waterfront	£113,900	
GCC		Collegelands Calton Barras	£27,000	
INV		Inchgreen	£9,427	
INV		Ocean Terminal	£14,214	
INV		Inverkip	£3,777	
NLC		Gartcosh Community Growth Area	£43,801	
NLC		M8 Corridor Access Improvements	£8,962	
NLC		Pan Lanarkshire Orbital Transport Corridor	£119,700	
RC		Clyde Waterfront and Renfrew Riverside	£78,289	
RC		Glasgow Airport Investment Area	£51,395	
RC/GCC		Airport Access	£144,294	Regional Project
SPT		Strathclyde Bus	£30,000	Regional Project
SLC		Greenhills Road/A726	£23,088	
SLC		Cathkin Integrated Roads	£21,628	
SLC		Community Growth Areas	£62,300	
SLC		Stewartfield Way	£62,212	
WDC		Exxon	£27,897	
		Total	£1,130,884	

Innovation Programme- Table 2

Sponsor	Grantee	Project Name	Grant Funding £000's
	Biocity (Scotland) Limited	Medi city	£1,200
	University of Glasgow	Stratified Medicine Imaging Centre of Excellence	£16,000
	Glasgow City Council	Glasgow Gro-on and Incubation Centre	£1,600

Labour Market Programme- Table 3

Sponsor	Grantee	Project Name	Grant Funding £000's
	All 8 member Authorities	Employment Support Allowance Scheme	£4,500
GCC	n/a GCC	Youth unemployment Progression prototype	n/a £300

**APPENDIX 5 – GLASGOW AND CLYDE VALLEY INFRASTRUCTURE FUND
ECONOMIC ASSESSMENT METHODOLOGY**

Glasgow City Council

Glasgow and Clyde Valley
Infrastructure Fund
Economic Assessment
Methodology

20 January 2015

This report contains 12 pages

Appendices contain 4 pages

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1 Introduction

1.1 Background to the Glasgow and Clyde Valley Infrastructure Fund

The Glasgow and Clyde Valley 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, a significant proportion of which will be net at the national level.

The Glasgow and Clyde Valley local authorities first came together to explore the idea of an economically-prioritised Infrastructure Fund and City Deal in June 2013, based on the City Deal concept already underway in England. This began a yearlong process to establish the £1.13bn Infrastructure Fund agreed by both Scottish and UK Governments in July 2014.

In summary, the Glasgow and Clyde Infrastructure Fund will provide a ten year programme of targeted infrastructure investment, estimated to deliver:

- A sustainable uplift in GVA of 4% (c. £2.2bn p.a.) for the city region;
- Additional tax revenues of some £20.7bn over the 40 year lifetime of the fund as a result of the uplift in GVA at net national level.

The Payments-by-Results (PbR) agreements with the UK and Scottish Governments returns a proportion of this to the local authorities, subject to their performance on programme delivery and economic outcomes. The risk of the investment is borne by the local authorities, as payments beyond the first Gateway Assessment (2019/20) by the Scottish and UK Governments are contingent on programme delivery and improved economic outcomes.

The purpose of this paper is to set out the methodology and approach the Glasgow and Clyde Valley partner authorities adopted for assessing the net economic impact of the Infrastructure Fund programme. This process was undertaken using best-in-class modelling techniques as the local authorities themselves are at risk if the programme does not deliver the promised economic benefits.

This objectives of this modelling approach were two-fold:

- First, to allow a ‘long-list’ of proposed projects to be prioritised against the lead objective of maximising economic growth (as measured by GVA), which ultimately resulted in the 20 projects included in the Fund; and
- Second, to calculate the overall impacts of the agreed programme by allowing for substitution and feedback effects between individual investments.

It is essential to note that the reported economic and fiscal outcomes (i.e. 4% uplift in GVA) represent the outputs of the second of these phases, and therefore will not match the economic appraisals for individual projects which may under or overstate the benefits of a particular investment by not allowing for feedback effects within the wider investment programme.



*Glasgow City Council
Glasgow and Clyde Valley Infrastructure Fund
20 January 2015*

The process recognised that individual business cases would need to be prepared in the usual way for each project selected as part of the normal governance arrangements for project delivery.

2 Project prioritisation and appraisal

2.1 Overview of project selection process

The assessment of Infrastructure Fund projects focused on the mature net impacts of the enhanced connectivity delivered by the investment programme on jobs and productivity (together GVA). This required a bespoke suite of modelling tools in order to transparently prioritise projects against the Fund's lead objective of maximising economic growth.

For this purpose, the authorities commissioned work to further develop the existing Strathclyde Integrated Transport and Land Use Model (SITLUM), which analyses the employment impacts of projects, together with a productivity model developed by KPMG. This enabled the partner authorities to estimate the impact of each proposed investment by either changing the level and/or distribution of employment and/or changing the average productivity in an area (this is covered in additional detail in Section 4.2).

Project selection followed a rigorous process to ensure the programme will target strategic economic opportunities and therefore generate the highest economic returns. An initial long list identified 83 potential projects was sifted by representatives from all the local authorities against criteria of potential GVA impact; cost and deliverability to create a medium list of roughly 40 schemes to be appraised using the modelling framework.

The selection and modelling of projects was an intensive process requiring detailed information on both the economic impacts and project costs. External consultants were hired to validate these assumptions (David Simmonds Consultancy for economic data, and Gleeds for cost data).

Projects were then prioritised on the basis of GVA return per £1 of whole life net cost. It is important to note that the net GVA impact of each scheme was assessed at the spatial level of the Fund geography to ensure that prioritised projects generate a regional gain, rather than simply displacing economic activity within the region. This also ensured that regional impacts were more closely aligned to national growth.

2.2 Creating a programme

Once the 40 projects were modelled individually, the top performing projects (in terms of GVA/£) were assembled into a 'programme' or 'package' of investments. The purpose was to link projects together into an integrated programme, testing their interactions together within the same modelling framework. This allows for projects to be combined as one single programme, where complementarities or adverse impacts can be picked up. It also helps to identify aspects of the programme that may be over-supplied, such as too much land development.

For example, a road project that may score well as a single intervention, might actually turn out to have adverse impacts on another good road project through causing congestion in parts of the network. Conversely, a public transport project may enhance a housing intervention, making their joint impact stronger than their individual benefits.

However, it is likely that adverse impacts are more pronounced than complementarities since the impacts are artificially constrained at the national level which is the usual practice in UK appraisals. Overall, given this constraint, it would be expected that combining the projects into a single programme would reduce their marginal impact (as was the case for the Clyde Valley projects).

The programme for the Glasgow and Clyde Valley was subject to a number of iterations to ensure balance in terms of the type of infrastructure included and the spatial distribution of impacts (which was a secondary criteria for the Fund partners). This process was as follows:

- Package modelling was completed for a range of fund sizes between £1.0-2.0 to test the overall impact of the programme for diminishing returns across a range of fund sizes.
- Scenario testing was then completed on the preferred package size (c.£1.2bn) to QA the model inputs and ensure programme balance in terms of the type of investment included.
- The preferred package was then tested based on the updated Reference Case (more on this in the next section) to ensure the results were as accurate as possible.
- Finally, in order to ensure a balanced access to employment across the geography, the agreed £1.13 billion package was modelled including a revised SPT bus package.

In summary, projects were prioritised based on individual GVA/£ contribution, but overall GVA results are based on the package as a whole and take into account the underlying interactions between projects. The reported economic results relate to the programme, rather than simply the sum of individual projects.

2.3 **Assessment of net impacts: The Reference Case**

The modelling framework assessed the impact of investments in comparison to a detailed reference case (the counterfactual), therefore all of this growth is ‘additional’ i.e. would not happen in the absence of the Fund. In line with HM Treasury Green Book, the assessment of net impacts, or the additionality of impacts, takes account of:

- The GVA impacts and revenues that would otherwise be delivered under the ‘reference case’ (these impacts are often referred to as ‘deadweight’). The ‘reference case’ or ‘Do Minimum’ scenario was constructed from several sources, described in the following section. The reference case provides a scenario against which the impacts of the Infrastructure Fund were assessed in order to ensure the programme did not include the effects of other concurrent investments (e.g. the Edinburgh Glasgow Improvement Project); and
- Displacement effects and the resulting net impacts at different levels of geography. Displacement refers to the abstraction of economic activity from one location to another. For example, as a result of the Infrastructure Fund investment programme, businesses (and thus jobs) attracted into the area may have come from elsewhere in the city centre, Clyde Valley region and/or the rest of the country.

The economic modelling framework was used to analyse potential employment impacts to 2035 by forecasting changes from a base year of 2011. The main output of the model was to compare the forecast difference in employment between the reference case or 'do minimum' scenario and the 'do something' scenario i.e. the Infrastructure Fund investments. Clearly, a realistic reference case is essential since it is the incremental change against which all projects were measured.

In order to create the most accurate picture of the economy over the modelling time period, the reference case for Glasgow and the Clyde Valley was created from two sets of inputs:

- **Top-down inputs** form the overall demographic and economic scenario for Scotland.
 - *Demographic scenario*: the model used demographic forecasts completed for the Glasgow and Clyde Valley Strategic Development Plan (2011). This was then checked for consistency at the national level using the GROS 2010-based population and household projections.
 - *Economic scenario*: the model used Oxford Economic Forecasts. Again, this was consistent with the Glasgow and Clyde Valley Strategic Development Plan.
- **Bottom-up inputs** comprise zone-level inputs on planned transport and land development.
 - *The highway network*: the model relies on the SATURN definition of the highway network. The forecast was then checked against Transport Scotland's list of planned highway projects as set out in the National Transport Strategy Delivery Plan and the major road projects listed on the TS website as of October 2013.
 - *The public transport network*: the forecast changes to public transport included planned SPT changes to the bus network as well as reductions in rail journey times between Glasgow and Edinburgh.
 - *Land use inputs*: planning policy inputs describe the scale and location of future permissible development. The sources for this information included the Glasgow and Clyde Valley Strategic Development Plan, the individual partner authorities, and Scottish Water/Transport Scotland's 2012 Assembly of Residential Planning Policy Inputs exercise.

Together these inputs formed a detailed spatial reference case against which to measure the proposed infrastructure investments.

This reference case was updated at two points during the process. Initial updates were done at the outset of the modelling process in September 2013. A final update was then undertaken in April 2014 in order to ensure the reported impacts of the Infrastructure Fund represented the most accurate representation of planned investment possible at the time of reporting.

3 How infrastructure influences economic and fiscal outcomes

3.1 What do we mean by connectivity?

Infrastructure investment enables firms to access other businesses, their employees and their customers. Access to these markets can be captured through connectivity, which is determined by:

- The time, cost and convenience of accessing these markets, which is dependent on the quality of the transport network;
- The opportunities (or type of market) that can be accessed, including other businesses that can serve as potential trading partners, and the pools of labour that could serve as potential employees; and
- The extent to which people are willing to travel given the time, cost and ease of the journey to these opportunities, which can be determined by observing the relationship between the difficulty of travel and the pattern of demand for travel (typically, the importance of an opportunity decreases as the difficulty of travel increases).

Improving the connectivity of a location can generate productivity gains to businesses and in turn generate jobs and GVA growth in the following ways:

1. **Existing businesses become more productive** as enhanced connectivity results in cost savings or increased efficiencies by making it possible for them to serve their markets at a lower cost, to better source and access workers of the right skills at the right cost, and to specialise.
2. **Businesses and jobs relocate and sector mix changes** in response to the change in connectivity, which in practice means that relocation is a signal that productivity gains have been created – otherwise businesses would not move.
3. **Business and households relocate:** in response to the change in connectivity, businesses move closer to where the benefits of the transport intervention are felt, which will typically be host to more productive businesses. In particular, dense city centre environments tend to exhibit higher levels of productivity and offer higher wages. This is partly due to the type of business environment that these places offer. As businesses move to more productive locations, the geographic redistribution of jobs could have a material impact on regional productivity.

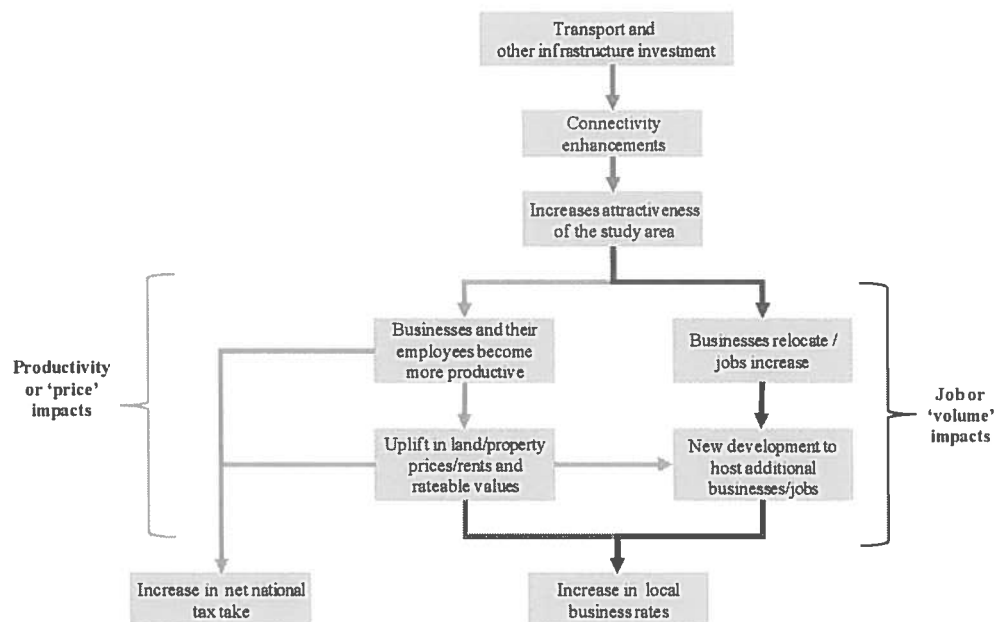
Only the first of the three impacts on productivity described above would typically be captured in conventional Transport Scotland STAG appraisal (in line with its ‘Wider Impacts’ guidance). This is because the second and third imply that improving connectivity changes the pattern and location of businesses, but conventional STAG appraisal assumes land use is fixed. This represents a key difference between the modelling framework used for the Infrastructure Fund compared to a conventional STAG appraisal.

STAG appraisal guidance does allow for the estimation of economic impacts due to changes in the location of economic activity within the ‘Economic Activity and Location Impacts (EALIs)’ module, but this is applied on a case by case basis. Given the size of the interventions contained within the Glasgow and Clyde Valley Infrastructure Fund, it was appropriate to apply this methodology in order to measure the impacts on business and resident location decisions.

3.2 How economic impacts relate to fiscal impacts

The figure below describes how transport and infrastructure investment leads to local and national fiscal impacts.

Figure 1: The relationship between the economic and fiscal impacts of infrastructure investment



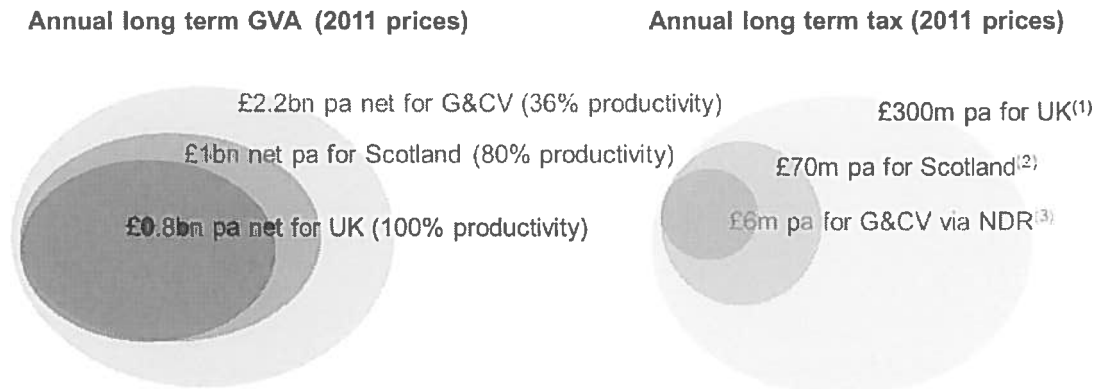
The enhanced connectivity and productivity delivered by the Glasgow City Region investment programme will be reflected in the increased value of land and property within the Clyde Valley.

This value uplift represents an increase in businesses’ willingness to pay to locate in the area (given the productivity it offers) and will create the demand for employment space, leading to new development. This suggests that impacts on rateable values and business rates provide insights into the productivity gains delivered.

The productivity gains delivered represent a genuinely net national increase in economic output, with every £1 of productivity generated translating into around 40 pence in additional total tax to HM Treasury.

The figure below sets out the linkages between the net impacts on GVA and tax at the local, regional and national level.

Figure 2: The additionality of GVA and fiscal impacts at different geographies



- (1) c.40% of net national GVA translates into tax
- (2) Assumes that post Scotland Act Scotland retains some 7% of Scottish GVA in tax
- (3) G&CV population share (32%) of net additional Scottish NDR (£20m). Additional Council Tax revenues assumed to be matched by additional costs

4 The economic assessment

4.1 Introduction

At the outset of the modelling exercise in July 2013, the partner authorities examined the modelling tools already available in order to identify a preferred approach. A technical review conducted by David Simmonds Consultancy identified two possible models that met the partner's criteria in terms of their ability to assess a range of different types of investments at a detailed spatial level. The two options identified were:

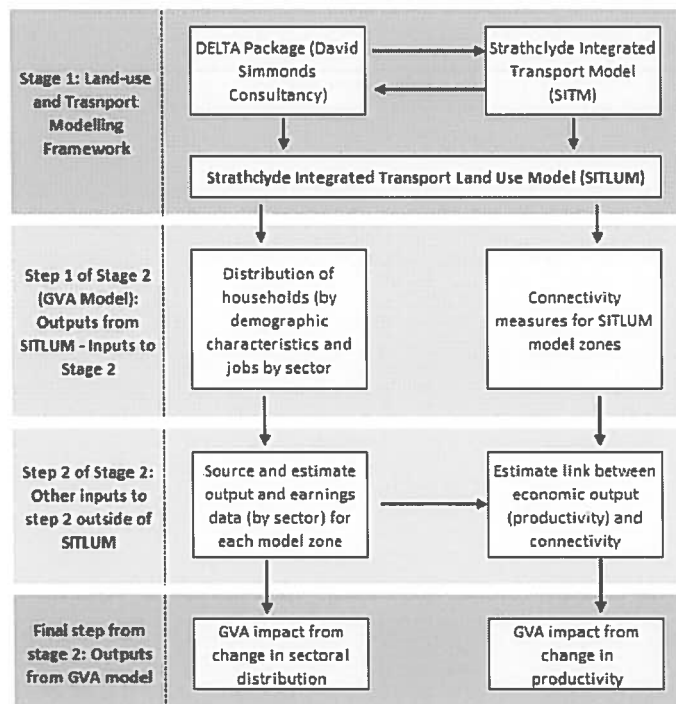
- The TELMOS land use model with TMfS as the underlying transport model; or
- The SITLUM land use model with STM as the underlying transport model.

Although both models offered similar technical capabilities, the partner authorities ultimately chose to proceed with SITLUM because of its significantly faster run time (which was essential in order to model c. 40 projects within given time scales) and its more detailed zone structure at the Clyde Valley geography.

4.2 The modelling framework

The diagram below shows an overview of the modelling framework. The overall approach to modelling the economic impacts can be split into two stages. The first stage relates to the update of the SITLUM model, while the second stage involves the post-estimation of the GVA impacts of proposed schemes. We start with a description of the SITLUM model.

Figure 3: Modelling approach overview



4.2.1 **Part one: Land use and transport modelling**

The SITLUM model is a land-use/transport interactive model, based on the Strathclyde Interactive Transport Model (SITM) and the land use model developed by David Simmonds Consultancy (DSC) through its DELTA product. The interaction of land use and transport is fundamentally concerned with the process by which people and businesses make location choices.

The main processes of the model are as follows:

- In each period, the model works out how residents/businesses will relocate or locate for the first time in the study area;
- It works out where those households and jobs are likely to want to go depending on characteristics of each area, including both accessibility and available floorspace;
- It uses a sorting process to determine which of them occupies each available location;
- It matches up workers and jobs in a recruitment cycle;
- It works out how the final choice feeds back in to changes in the characteristics of each area, and the choices made by different workers; and
- It allows developers to respond by building, subject to planning constraints.

Overall, the model tries to take into account as many observed features of how people make choices as possible, making use of an approach which steps through time. SITLUM can therefore be described both as a quasi-dynamic model, since the model solves for a set of partial adjustments in each time step, and as a Location-Interaction model, because the site choice is used to determine the interactions (between businesses and commuters).

The benefits of this type of approach are that it can reflect our own observations of what, and why land use decisions are made, including the types of decisions that don't seem 'rational' and changes that take time to happen. It is therefore closer to how we believe the world to operate.

This type of modelling framework has the same drawbacks as any large-scale model as the process of implementation and validation of parameters is lengthy and requires multiple iterations. However, despite the potential drawbacks and length of model build, the framework is appropriate for the CVIF since it is specifically suited and much more reliable for comparing schemes than estimating the absolute level of impact of any one scheme. This, after all, is the main objective of the CVIF modelling approach.

4.2.2 **Part two: Measuring the GVA impact of interventions**

Before explaining how the KPMG model takes the outputs from the SITLUM model to calculate GVA, it is useful to explain what GVA actually measures, which is essentially an indicator of the state of local and regional economies. GVA is defined as the 'contribution to the economy of each individual producer, industry or sector in the United Kingdom'¹. The conventional way to measuring GVA in the UK at a regional level is

¹ ONS 'Guide to Gross Value Added' (<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/national-accounts/gva/index.html>)

through an income-based approach. This simply means that the income of workers (through wages) and businesses (through profits or rents) are aggregated.

However, in the context of infrastructure project appraisal at the local level, it is widely accepted that allocating business rents and profits to a specific location is very difficult given the difficulty of obtaining spatial data of company profits. Accordingly, it is usual to use earnings data (workplace-based wages) as a proxy for GVA – this can be thought of as the productivity of an area.

In the context of the Glasgow and Clyde Valley Fund, three types of infrastructure are considered, namely transport, residential development and commercial development (regeneration). This approach attempts to ask the right questions about how these types of infrastructure impact on the local economy, and develops a framework to capture these impacts in a robust and consistent way. Broadly speaking, the impacts of each type of infrastructure can be described as follows:

- First, a **transport** network determines the ease of making journeys to different economic opportunities;
- Second, **residential development** impacts through the provision of housing determining the size of the labour market available to businesses; and
- Third, **commercial development** impacts through the provision of employment space determining the size of business-to-business markets, and through wider **regeneration** (such as through improvements to the public realm) which can improve the attractiveness of a location acting as a catalyst for unlocking development.

The KPMG economic modelling work used outputs from SITLUM (i.e. the distribution of people and jobs), as well as connectivity measures to estimate the GVA impact of proposed schemes. There are two specific mechanisms in the modelling framework through which GVA impacts are picked up: first, through a change in an area's employment distribution; and second, through changes in the productivity of specific employment sectors. We discuss these separately below.

4.3 **The economic impacts of projects**

4.3.1 **Employment distribution**

The simplest way to look at the GVA impact of a specific scheme is through the changes in the distribution of jobs in the specific location, as well as in other parts of the study area (the Clyde Valley in this case) – for example, through the displacement effects (the movement of jobs from other locations) that result from an intervention. This is the first mechanism through which GVA impacts are picked up in the KPMG model.

The overall GVA impact, which could be positive or negative, will come through changes in the sectoral distribution of employment. A positive impact could be due to three reasons: a net increase in jobs in the Clyde Valley; the displacement of employment from less productive parts of the Clyde Valley to more productive ones; and the change in the overall employment distribution in favour of more productive sectors.

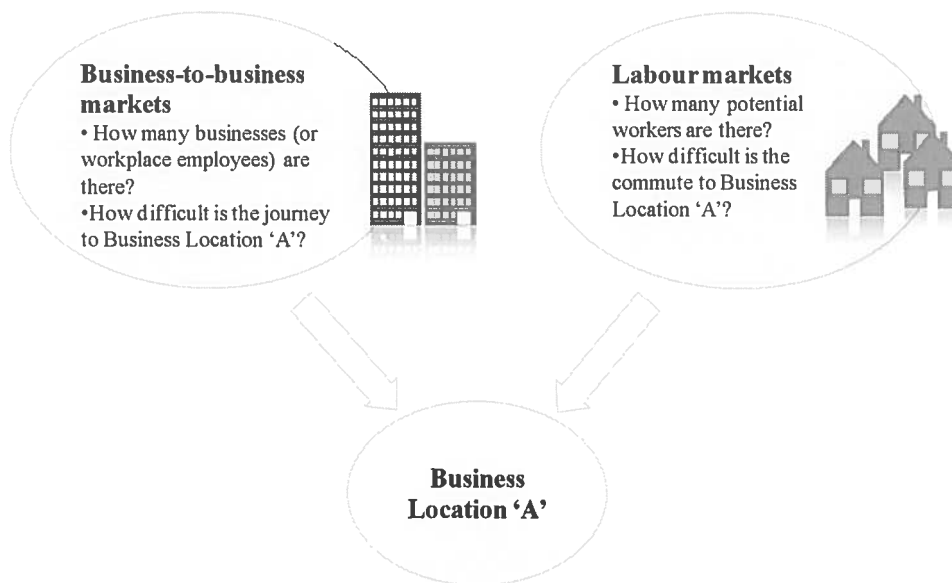
4.3.2 **Productivity**

However, the first mechanism through which a GVA impact is estimated (namely through the spatial and sectoral distribution of jobs) does not explicitly say anything about changes in the productivity of the Clyde Valley. Accordingly, we have developed another layer to our GVA modelling approach that specifically deals with the relationship between GVA and connectivity. This is the second mechanism through which GVA impacts are estimated.

This second mechanism looks specifically at the factors that affect business location decisions, such as productivity and hence the competitiveness of places. For example, a transport network opens up trade opportunities for businesses and provides access to a sizeable workforce. For the latter, it provides access to job opportunities. In essence, our approach asks the right questions about how infrastructure impacts on the local economy, and develops a framework to capture such impacts in a robust and consistent way.

The diagram below provides an illustration of how the connectivity of business location ‘A’ is influenced by the location of labour and other businesses, and how easy it is to access those markets. Essentially, this encompasses the three types of infrastructure that are proposed in the context of the Glasgow and Clyde Valley Fund.

Figure 4: Connectivity and business location decisions



It would be easy simply to assume that connectivity is a measure that relates only to the transport infrastructure. However, our approach to connectivity is more detailed and is specifically concerned with the size of the workforce and trading opportunities that is available to a business. This could be impacted by the transport infrastructure, housing and commercial developments, and regeneration of areas.

This approach to modelling connectivity is unique in that it allows the productivity impacts to be articulated separately from the employment impacts of the fund. This is

relevant to both local and national debates as productivity improvements represent a net gain to the national economy.

Appendix: Worked project examples

To help in understanding the GVA impact of a project, it is perhaps useful to give numerical examples of notional projects and outputs. In here, we show two project examples to help make the point.

Project example 1: Transport improvement

The first example involves a notional light rail project that is specifically designed to improve access to a specific district that currently suffers from poor accessibility. The net investment required is £50 million over the whole life of the project. For the purpose of this illustration, we have also assumed there are only four employment sectors and that the benefits accrue in one year, 2021. The two tables below show the economic baseline for the two districts without the transport intervention ('do nothing' scenario) – that is the employment projections in each of these two districts without the intervention.

District A ('Do Nothing' Scenario)		
Employment Sector	2011	2021
	No.	No.
Construction	22,225	18,195
Consumer Services	81,699	81,033
Manufacturing	19,376	15,634
Producer Services	86,735	98,682
GVA Per Worker	2011	2021
	£s	£s
Construction	51,035	55,507
Consumer Services	42,161	45,912
Manufacturing	69,256	84,578
Producer Services	80,268	97,193
District A Total GVA	£12.9bn	£15.6bn

Source: KPMG analysis (for illustrative purposes only)

District B ('Do Nothing' Scenario)		
Employment Sector	2011	2021
	No.	No.
Construction	817	638
Consumer Services	5,852	5,183
Manufacturing	3,768	2,901
Producer Services	3,854	3,901
GVA Per Worker	2011	2021
	£s	£s
Construction	58,534	70,705
Consumer Services	54,077	65,323
Manufacturing	82,062	138,153
Producer Services	101,203	125,096

District B Total GVA	£1.0bn	£1.3bn
<i>Source: KPMG analysis (for illustrative purposes only)</i>		

The baseline forecasts in the table above show that total GVA for District A is projected to increase from £12.9bn in 2011 to £15.6bn in 2021, while District B's total output is expected to increase from £1.0bn to £1.3bn over the same period. The analysis above goes through the mechanisms of the overall approach as described in the flow chart on page 1 of this note.

Stage 1: Measuring the impact of the intervention on the spatial distribution of people and workers (SITLUM)

The results from the SITLUM model show that the transport intervention is expected to result in the creation of 1,000 jobs in the producer services sector in District A, but 50% of these jobs will be displaced from District B and the remainder will be a net addition to the region. The main outputs from SITLUM, namely the new distribution of people and workers are then used as inputs to the GVA model. These are described separately below.

Step 1 of stage 2: The GVA impact from the change in the employment distribution

As described earlier, the first impact on GVA in our modelling approach comes through the change in the employment distribution. The change in the distribution of employment shows an increase in the proportion of producer services in District A and reduction in the same sector in District B.

Overall, this will result in an increase of around £100 million in District A's total GVA (through the additional workers in the producer services sector and overall employment) and a fall of £65 million in District B's GVA (through the reduction in workers in the producer services sector and overall employment). This results in a net increase of £35 million in the region's GVA.

Step 2 of stage 2: The GVA impact from the change in the employment distribution

Meanwhile, the second mechanism of our GVA modelling approach (which is concerned with the relationship between connectivity and productivity) showed that the improved connectivity for businesses in District A is expected to result in a 5% increase in average productivity in the producer services sector in that area. This suggests that average productivity (GVA per head) in District A's producer services sector is expected to register £88,807 in 2021 – compared with the baseline assumption of £84,578 shown in the table above. Taking this into account, the increase in worker productivity in the producer services in District A will result in an increase of another £65 million in District A's GVA.

Overall GVA impact

Overall, the net GVA impact of the intervention (excluding any external impacts on the national economy) will result in a £100 million increase in GVA (£35 million due to the change in employment distribution and £65 million due to productivity) over the baseline

assumption. Given that the net investment required is £50 million over the life of the project, this implies that the project results in £2 of net GVA benefits for every £1 of net cost. This will need to be set against the results from other proposals to assess its relative impact and ranking within the fund's appraisal mechanisms.

Project example 2: Commercial office development

Using the same districts and baseline, the second example involves a notional development of commercial offices that is specifically designed to create employment capacity in a city centre area, where demand has outstripped supply. This has had an impact on rental costs, pushing potential occupiers away to other districts. The net investment required is £50 million over the whole life of the project. The results from the modelling framework described below follow the same logic as in project example 1 and the flow chart in Section 4.2.

Stage 1: Measuring the impact of the intervention on the spatial distribution of people and workers (SITLUM)

The results from the SITLUM model showed that the commercial development is expected to result in the creation of 2,000 jobs in the producer services sector in District B, but 75% of these jobs will be displaced from District A and the remainder will be a net addition to the region. The second stage of the modelling framework (GVA impacts) is discussed below.

Step 1 of stage 2: The GVA impact from the change in the employment distribution

The change in the distribution of employment (increase in the proportion of producer services' workers in District B and reduction in the same sector in District A) will result in an increase of around £250 million in District B's total GVA and a fall of £150 million in District A's GVA – that is a net increase of £100 million in the region's GVA.

Step 2 of stage 2: The GVA impact from the change in the employment distribution

The second mechanism of our GVA approach showed that the improved connectivity for businesses in District B is expected to result in a 3% increase in average productivity in the producer services sector. This suggests that average productivity (GVA per head) in District B's producer services sector is expected to register £142,298 in 2021 – compared with the baseline assumption of £138,153 shown in the table above. The increase in worker productivity in the producer services in District B will result in an increase of another £20 million in District B's GVA.

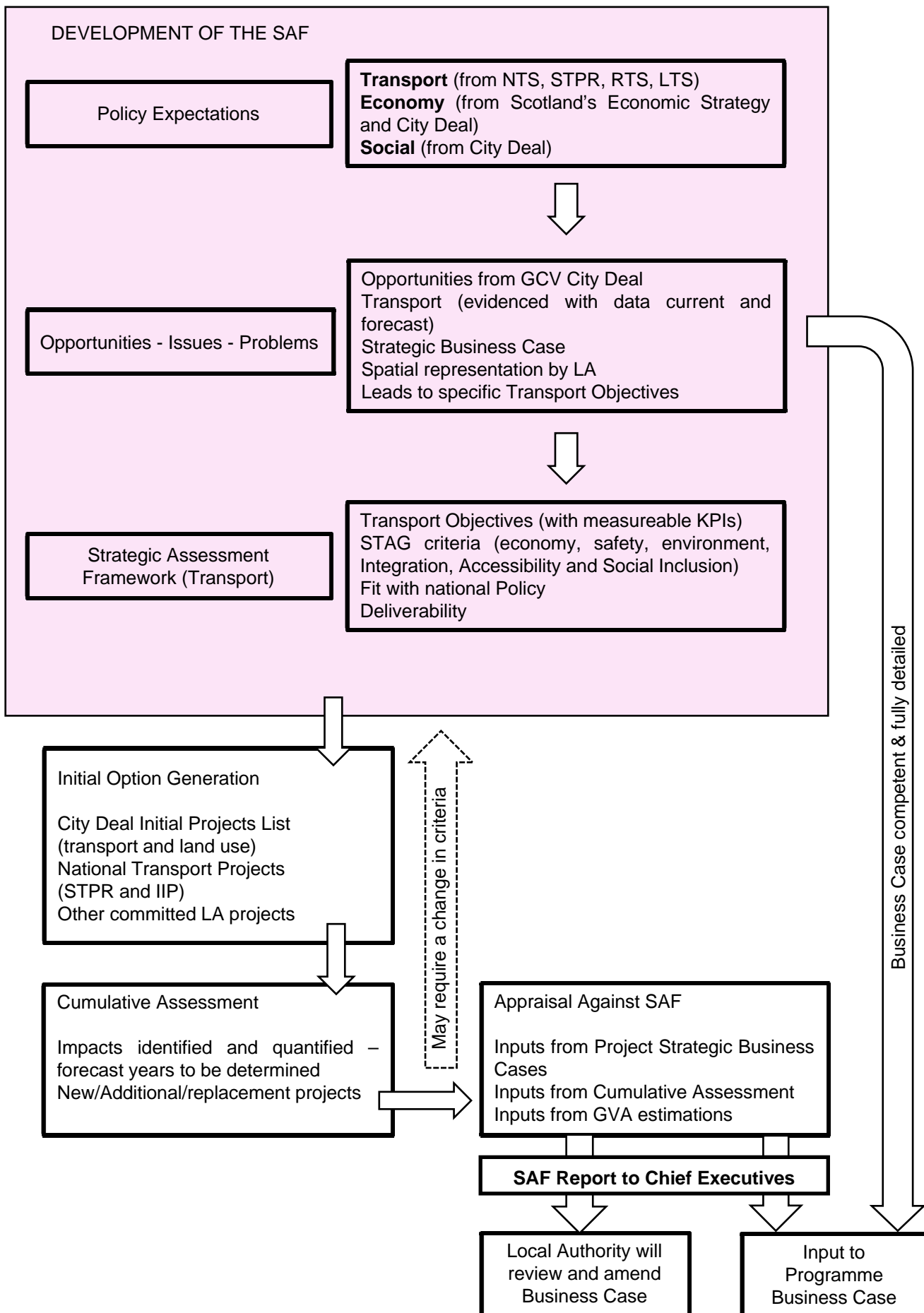
Overall impact

Overall, the net GVA impact of the intervention (excluding any external impacts on the national economy) will result in a £120 million increase in GVA (£100 million due to the change in employment distribution and £20 million due to productivity) over the baseline assumption. Given that the net investment required is £50 million over the life of the project, this implies the project results in £2.4 of net GVA benefits for every £1 of net cost. This means that based on a GVA appraisal framework, the second project should be prioritised.

The rationale for this is that, on a relative basis, the first project presented lower value for money since jobs were displaced from a more productive location (District B) to one that is less productive (District A). Even though the scale of displacement (at 50%) was lower in the first example and that the relative increase in productivity was higher (at 5%), this was still not enough to offset the loss of jobs from a highly productive location.

APPENDIX 6 – SAF TRANSPORT METHODOLOGY

SAF (Transport)



APPENDIX 7 - PROJECT BUSINESS CASE GUIDANCE AND TEMPLATE

PROJECT BUSINESS CASE GUIDANCE AND TEMPLATE

Guidance for Member Authorities Completing a Project Business Case Template

A Business Case is a powerful decision making tool in deciding initially if a project should be undertaken and also in deciding how the project will be implemented throughout its duration.

The Business Case should:

- provide a framework for informed decision making in planning and management of the project, the City Deal Programme and subsequent benefits realisation;
- provide a clear and concise record of the current status of the project and decisions made to date, and
- provide a consistent approach of reporting across the City Deal Programme.

The Business Case seeks to establish that the proposed project will:

- comply with the terms of the City Deal;
- meet the business need;
- take forward the most appropriate option;
- be achievable;
- be affordable, and
- offer value for money.

It should be maintained throughout the project and reviewed at each key decision stage to check that the project objectives are still valid and achievable.

There are 8 main sections within the Business Case template as summarised in the table below:

Section	Purpose
Executive Summary	To provide a clear and concise summary of the key features of the Business Case.
Strategic Fit	To document why the project needs to be done, what the project is, how it fits in with the City Deal and how it is intended to be implemented.
Options Appraisal	To demonstrate how the preferred solution has been chosen. It should demonstrate that all potential options were identified and compared, resulting in a preferred option that achieves all objectives and delivers best value for money.
Commercial Aspects	To document the involvement of other parties, and identify any

	challenges or risks this may present.
Economic Case	To identify the economic impact of the project.
Financial Case	To identify the forecast expenditure and income over the period of the project.
Sustainability Case	The sustainability case assesses whether proposals are themselves sustainable and how they contribute to the wider sustainability agenda
Project Governance and Management	To identify the team that will deliver the project, the proposed procurement process and the project schedule.

This template has been prepared using good practice guidelines and will be distributed to all projects within the City Deal Infrastructure Fund.

The project teams are required to complete this template in full, using the structure provided.

At the start of each section a short introduction has been provided summarising what the section will achieve once complete.

To assist in preparation of each section, the following have been provided as appropriate:

- Structured sub headings;
- Areas to consider;
- Example content;
- Assumptions to be made, and
- Good practice methodology.

It is acknowledged that all projects will not have available all information at this time. Where no information is available, please clearly state this. This Business Case will be updated throughout the City Deal Programme.

Where information is not available note this within the relevant section highlighting when the information will become available.

Any queries in completing this template should be made in writing to the PMO.

Before submission to the PMO, each Business Case should be signed off by the Member Authority, following appropriate governance structures.

1. EXECUTIVE SUMMARY

This section should provide a clear and concise summary of the key features of the Business Case.

The Executive Summary should be written after all other parts of the Business Case are complete and it should be comprehensive enough to describe the project to a non-expert reader.

Suggested areas for inclusion include:

- Strategic need for the project;
- Options shortlisted;
- Proposed solution;
- Forecast cost;
- Contingency plan, and
- Proposed team and project management arrangements.

The summary should be no longer than 2 pages in length.

2. STRATEGIC CASE

This section should document the strategic case for the project. It needs to be compelling and clear for a non-expert in the area. It should set out the:

- strategic need for the project
- strategic and policy context for the project
- existing arrangements
- project objectives and contribution to the programme objectives
- project scope
- dependencies and constraints
- project stakeholders
- benefits
- risks.

2.1 Strategic Need

This section should set out the strategic need for the project including a description of:

- the problem e.g. *constraints and barriers to growth in the locality*
- the rationale for the intervention / for new investment
- the background to the proposal and where it originated from
- the need that will be met by the project and why it is needed now
- the consequence of not delivering the project i.e. the policy off/ counterfactual case

2.2 Strategic And Policy Context For The Project

This section should set out the strategic and policy context for the project including a description of how:

- the project fits with UK, Scottish, Regional and Local policy landscape
- the project fits with the strategic objectives of the City Deal Programme

2.3 Existing Arrangements

This section should set out the existing arrangements including the arrangements that currently deliver comparable outputs, if any.

2.4 Project Objectives And Contribution To The City Deal

This section should set out the project objectives and contribution to the City Deal objectives including a description of:

- the project and its specific objectives. Objectives should be specific, measurable, achievable and include a timeframe within which they will be delivered
- how the project objectives align with the City Deal objectives.
- any significant connections between this project and others in the locality or elsewhere in the Glasgow and Clyde Valley City Region

2.5 Project Scope

This section should set out the project scope including a description of:

- A summary of the project scope details of technical standards where appropriate.
- how the project differs to any current interventions/existing arrangements
- how the project is intended to be implemented including what the money will be spent on
- How the project addresses all the areas of need
- A description of what constitutes success for the proposal and how will this be measured
- Any evidence which is available on what works in this area or similar policies (including monitoring and evaluation evidence, lessons learned or pilots)

2.6 Dependencies And Constraints

This section should set out the dependencies and constraints including a description of:

- the internal factors on which the successful delivery of this project are dependant, for example availability of resource, any sequencing or sub projects. A dependency will arise when a change in another project or variable will have a direct consequence in this project.
- the external factors on which the successful delivery of this project are dependant, for example successful procurement of a contractor, use of facilities in the future, considerations such as private ownership of assets within the project footprint.
- the constraints on the project. A constraint is a factor that places demands on the project that may impact the preferred solution.

2.7 Stakeholders

This section should outline stakeholders including a description of:

- the main stakeholder groups and their contribution or interest in the project;
- any conflicts between stakeholder groups and their demands, and
- any stakeholder engagement completed to date.

A stakeholder is defined as an individual or group with an interest, an involvement or being affected by the activities or outcomes of the project. A stakeholder map is provided for completion in Appendix A. The map provides a general categorisation of stakeholders. There may be project stakeholders not included within this list, so please add to the table where necessary.

2.8 Benefits

This section should set out the benefits that the project will deliver including:

- A description of each benefit
- timescale for delivery
- a description of how these benefits are linked to project objectives
- a summary of any assumptions made and
- Identify how the achievement of each claimed benefit will be measured, and the timescale for doing so.

A standardised suite of outputs is provided in Appendix B1. This suite should be used where possible to describe and quantify the benefits within the Realisation table.

Every project will have a different number of benefits and dis-benefits. Please increase the table sizes as appropriate

Every benefit should be included within the Benefit Realisation table in Appendix B2.

Where relevant, a narrative description of transport improvements should be included indicating locations affected and the nature of the improvements in journey times, passenger numbers etc.

Any benefit identified within the Benefits Realisation table below must be capable of being measured. If it is not possible to derive a method of measuring the benefit, it should not be used as a justification for the Business Case. An individual Benefit Tracking Template Appendix B3 should be completed for all benefits.

It is essential that once identified, all intended activity and outputs have SMART targets assigned to them to determine what will be 'realised', when. Targets and milestones should be quantified so that a true assessment of their success can be monitored. Direction of travel targets "reduce" or "increase", without specific metrics, should be avoided where possible.

In addition to benefits, a project may also have [dis-benefits]. [Dis-benefits] have the same properties as a benefit but have a negative impact upon the business. It is important that dis-benefits are identified, measured and tracked, but the focus will be on minimising the negative impact that a [dis-benefit] will have.

2.9 Risk

This section should set out:

- The top 5 risks for the project as at the date of writing using the risk register;
- The emerging risks, for example a change in scope or technology;
- The internal risks, for example available resource and dependencies;
- The external risk, for example changes in the financial markets, future demand risk;
- Any mitigation plans in place, and
- Confirm if the risks are included on the project risk register.

Please include the full risk register as an appendix.

3. OPTIONS APPRAISAL

The purpose of this section is to demonstrate how the preferred solution has been chosen. It should demonstrate that all potential options were identified and compared, resulting in a preferred option that achieves all objectives and delivers best value for money.

This section is to encompass a SWOT analysis of opportunities and problems which may include elements which may prevent development or create economic opportunity for example.

3.1 List of Options

This section should include:

- An outline of the options considered to deliver the objectives including a "Do Minimum" option

Options may include alternative locations, varying scope or a range of delivery mechanisms.

3.2 Options Appraisal

This section should include:

- A description of how the list of options above was appraised to determine the preferred solution, and
- Where available, provide evidence of adjustments to costs and sensitivity analysis of options, for example risk, optimism bias, contingency.

Good practice options appraisal would include the following steps for each option to determine the preferred option that delivers best value for money:

- Prepare information on all options
 - (a) Quantitative
 - Calculate the cost and net present value with sensitivity analysis including risk and optimism bias adjustments to determine best value for money, and
 - Prepare a risk quantification to show the cost incurred in dealing with a risk if it materialises and putting in counter measures to ensure that it does not occur e.g. review the project risk register against all options
 - (b) Qualitative
 - Determine opportunities for innovation and collaboration with others e.g. cost sharing, collaboration with private sector to share costs;
 - Investigate service delivery options with advantages and disadvantages of each, e.g. in-house, partnership, contracting etc;
 - Review implementation options to determine optimum pace and phasing e.g. consider if the project could be broken into incremental phases or roll out;
 - Assess the key benefits of each option (with reference to the standardised suite of indicators where relevant)

- Confirm that each option is desirable, viable and achievable. Treasury Green Book Guidance is provided on how each of these are measured.

Score each option on the areas above to determine a weighted average score, and the preferred option will be the option that provides the best overall score.

3.3 Preferred Option

This section should include a summary of the preferred option.

4. ECONOMIC CASE

This section should detail the **value for money** (vfm) case for the preferred option.

At this stage, a preferred option must be identified, with clear evidence detailing the scale of the problem, and in what way, and to what extent, the proposal will address it.

A full vfm analysis should be undertaken where possible, with the preferred option maximising the NPV/public pound, with evidence supporting the conclusions. This analysis will need to be Green Book compliant. The value for money template is included in Appendix C.

The section should include:

- A clear narrative of the market failure
- what the costs (including an assessment of optimism bias) and benefits are - quantified and/or monetised where possible
- how uncertain they are
- the realistic do nothing scenario (counterfactual)
- sensitivity testing
- an explanation of additionality, displacement, risk and uncertainty
- where possible, net benefits should be provided at the Member Authority, City Valley and Scotland levels
- Net Present Value or Benefit Cost Ratio calculations, drawing together all monetised information on costs and benefits and qualitative detail on all non-monetised costs and benefits

5. COMMERCIAL ASPECTS

The purpose of this section is to document the involvement of other parties, and identify any challenges or risks this may present.

5.1 Delivery Specification

This section should include:

- A summary of any requirements of other parties, including for example any conditions which have been specified by other project funders, including:
 - External parties, for example private sector or other public bodies, and
 - Internal parties, for example other Council departments.

Where an output specification has been agreed or prepared, please enclose as an appendix.

5.2 Funding Options and Payments Arrangements

This section should include:

- An outline of the external funding options;
- A review of the implications of private sector funding and where appropriate the alternative arrangements if private sector funding does not meet expectations in the current market, and
- Where payments are to be made to external parties, detail the planned payment process, for example payment of invoices on presentation, payment at set stages of completion, ongoing lease style payments.

5.3 Risk Allocation and Transfer

This section should:

- Identify the parties to which risk has been allocated within the table below, and
- Where risk is to be kept within the Council, detail who will have responsibility for monitoring and controlling risk.

Risk should be transferred to the party best placed to manage it, for example where a contractor will undertake site activity, they may be best placed to manage construction risk.

The table below contains generic risks for a large scale project. There may be additional project specific risks. Where relevant, please add them within this table. The risks should align with your project risk register.

Risk identified	Risk Transfer	
	Kept within Member Authority	Transfer to External Party
Design and build		
Commissioning		
Operation		
Demand		
Residual value		

Technology		
Regulation		
Contractor default		
Political		
Internal business		

6. FINANCIAL CASE

Each project must provide summary financial information as per the financial template in Appendix D attached. The level of information requested is required to allow transparency in respect of the key financial components of the project and to provide a baseline against which the key financial costs identified within the Business Case can be monitored. It is assumed that the financial information provided within the Business Case will be a summary of more detailed information held by the authority which is the project owner.

In respect of each of the sections you should note the following;

6.1 Overall Project Approval

This section should include:

- the project costs which were included in the formal programme submitted to and approved by UK/Scottish Governments. Any subsequent Cabinet approved virements should be identified.
- the most recent Current Project Estimate (which may be different) also requires to be detailed.

6.2 Project Funding

This section should outline:

- Council Funding - Includes borrowing, other grants and revenue contributions etc., and
- Third Party Contributions – Contributions identified should be additional to those identified at the formal approval stage and already included within the approved project cost above.

6.3 Summary of Project Costs

The total per this section should equal the Current Project Estimate as set out above.

6.4 Phasing of Project Expenditure

The best estimate of the phasing of expenditure should be detailed within this section.

6.5 Expenditure on Assets Not Council Owned

This section is intended to capture project expenditure to be incurred on assets not owned by the lead Council, and to provide a high level overview in respect of the owning agencies for these assets.

6.6 Ongoing Revenue Implications

Where an investment project will require an ongoing revenue commitment, this should be identified with the first year in which these costs will arise and also the source of funding for these costs. This will normally be the project owner, however where more than one Council or public agency has a role in the delivery of the project, then consideration is required to be given as to future responsibility for ongoing revenue costs.

6.7 Main Financial Dependencies

This section should:

- Identify where the project has a financial dependency (e.g. external third party funding);
- Detail any financial dependencies on other internal projects, for example where it has been assumed that costs /designs have been applied to an alternative project within the Council that, if changed, may impact this project and cause additional costs;
- Detail any financial dependencies stakeholder requirements, for example if stakeholder requirements change, the solution and hence budget may be impacted, and
- Detail any funding dependencies, for example where funding is dependant on factors such as design, or the income is dependant on private sector investment.

6.8 Financial Risks

Any material financial project risks should be listed.

7. SUSTAINABILITY CASE

The sustainability case assesses the environmental viability of a proposal. It tests both whether proposals are themselves sustainable and how they contribute to the wider sustainability agenda.

As a guide, the following components should be considered as part of the sustainability case:

- Environmental risk management - does the proposal reduce carbon emissions or mitigate for any increases, how does it improve air quality and reduce noise pollution, what will the impacts be on waste and re-cycling?
- Resilience - how will the proposal withstand known longer-term risks such as climate change impacts and enhance the resilience of city systems and infrastructure, including more use of green/blue infrastructure to accommodate greater rainfall?

- Greener place making - does the proposal bring derelict or brownfield land back into productive use, whilst focusing on the low carbon aspects of residential and commercial developments (particularly in relation to energy and the potential for renewables), and how does it enlarge or improve the amount and quality of greenspace accessible to local residents?
- Active and lower carbon travel - how will the proposal shift travel to lower carbon modes of transport, such as mass transit and electric vehicles, and how will it provide greater opportunities for walking and cycling?
- Biodiversity - how will the proposal protect and enhance habitats and local species of plants and animals?
- Evaluation - how will the proposal estimate what environmental impacts it will have and what will it do to enhance the positive ones and minimise or mitigate for the negative ones?
- Smart city systems - how can urban analytics and smart technologies enhance all of the above?

8. PROJECT GOVERNANCE AND MANAGEMENT

The purpose of this section is to identify the team that will deliver the project and confirm that they have the appropriate level of skills and experience. It should also include the proposed procurement process and project schedule.

8.1 Project Roles

All projects must be appropriately staffed by officers with relevant experience and expertise. It is important that each role is documented, shared and understood as this will ensure various parties know what is expected of them and what they can expect from others.

This section should:

- Confirm that the project team have appropriate expertise and skills to deliver the project – have appropriate and sufficient resources been identified with the right specialist skills and capability to deliver (including commercial, legal, finance, analytical etc.), and
- Detail any additional resource required, including external advisers.
- Set out key project roles and responsibilities.

The following roles would be expected to be outlined in the Business Case:

- Senior Responsible Officer (SRO): The individual with overall accountability and ultimately responsible for the delivery of the project, the SRO's role is to ensure that the project is focussed and meets its objectives.
- Project Sponsor (PS): The individual accountable to the SRO and those charged with governance, the Project Sponsor is the key driving force behind the project.
- Project Manager (PM): The individual responsible for the day-to-day running of the project on behalf of the Project Sponsor, this is the manager responsible for leading and directing the Project Team and delivering the project.
- Project Team: The Project Team is responsible for executing tasks and producing deliverables as outlined in the Project Plan and directed by the Project Manager.

Standard role profiles are available from the PMO as a starting point to guide Project Teams on what each of the above roles.

8.2 Project Governance Structure

This section should include a detailed proposed, or existing, governance arrangements for the project within Member Authorities' own structures including overall responsibility for the project or policy, management procedures and accountability structures.

8.3 Procurement and Community Benefits Strategy

This section should:

- Set out the indicative procurement timetable, and
- Detail the justification for the proposed approach
- Outline community benefits which will be delivered via procurement exercise. These should also be included in the Benefits Realisation Plan.

Where procurement is completed, please provide detail of what has been done to date, and the work undertaken in arriving at the preferred procurement strategy.

8.4 Risk Management

This section should explain project risk management arrangements. Please refer to the City Deal Risk Management Strategy included at Part 3 of the Assurance Framework.

All projects must develop and maintain a Risk Register to record identified risks; a scored assessment of their likelihood and probability and mitigating actions.

All risks identified at this stage must be appended to the Business Case in the risk register

template.

8.5 Other Legal Matters for Consideration

This section should set out any information relating to:

- State Aid;
- Compulsory Purchase Orders (CPOs);
- LA powers / Government powers STAG / TAwS / Planning / Crown Estates
- Land ownership.
- Equality Impacts as per the Equality Act 2010.

These matters may present risks to the project and therefore require inclusion in the project Risk Register.

8.6 Project Schedule

This section should set out the project delivery schedule outlining key project milestones. Infrastructure projects should outline the expected dates for the completion of the following milestones:

- Scoping
- Design
- Procurement
- On site date
- Completion date.

8.7 Project Monitoring and Evaluation

This section should set out monitoring and evaluation details for the project, both within the Member Authority and the PMO.

Please refer to Part 3 of the Assurance Framework which details the City Deal project monitoring framework during the project delivery phase.

Each benefit outlined in Appendix B2 will be monitored on a bi-monthly basis using the methodology set out in its Benefit Tracking Template as per Appendix B3. Please refer to Part 2 for the governance arrangements which will be applied to benefit realisation tracking.

APPENDIX 8 - BUSINESS CASE APPRAISAL CRITERIA

BUSINESS CASE APPRAISAL CRITERIA

Business cases will be appraised in relation to the extent to which all requirements have been fully achieved.

The assessment of achievement will also take into consideration:

- whether the level of detail in each section is appropriate to the stage of the business case which has been submitted for approval i.e. Strategic, Outline or Full Business case;
- the source and quality of the evidence provided, including the length of time since any analysis was undertaken.

Business case section	Sub-section	Business case requirements – appraisal questions	Achieved (Partly/Fully)	Additional information required to achieve fully
Strategic case	Strategic Need	Has the problem and the need that will be met by the project been clearly described, quantified (where relevant) and evidenced?		
		Has the rationale for the intervention/for new investment been identified?		
		Has the case for why the project is needed now been provided?		
		Has the consequence of not delivering the project i.e. the policy off/ counterfactual case been explained?		
	Strategic And Policy Context For The Project	Has the fit with UK, Scottish, Regional and Local policy been demonstrated?		
		Has the fit with the strategic objectives of the City Deal Programme been demonstrated e.g. will the project support the development of key growth centres, strategic employment sites, creation or maintenance of economically important routes?		
	Existing Arrangements	Have existing arrangements including those which currently deliver comparable outputs been outlined?		
	Project Objectives And Contribution To The City Deal	Has a clear description of the project and its objectives been provided?		
		Have SMART objectives been provided (Specific, Measurable, Assignable, Realistic, Time-related)?		
	Project Scope	Has a clear description of what the project will deliver been provided?		
		Has a clear explanation of how the project differs to any current interventions/existing arrangements been provided?		
		Has a clear description of how the project will be implemented including what the money will be spent on, been provided?		
		Has a clear case been made for how the project addresses all the areas of need?		
		Has a clear description of what constitutes success been provided?		

Business case section	Sub-section	Business case requirements – appraisal questions	Achieved (Partly/Fully)	Additional information required to achieve fully	
		Has any evidence demonstrating the success from similar projects been provided (including monitoring and evaluation evidence, lessons learned or pilots)?			
	Dependencies And Constraints	Have internal factors on which the successful delivery of this project are dependant been identified?			
		Have external factors on which the successful delivery of this project are dependant been identified?			
		Have factors that place demands on the project (constraints) been identified?			
	Stakeholders	Have the main stakeholder groups and their contribution or interest in the project been identified?			
		Have conflicts between stakeholder groups and their demands been identified?			
	Benefits	Have project benefits been clearly described?			
		Have project benefits been quantified where appropriate?			
		Has the timescale for the realisation of benefits been provided?			
		Have assumptions been identified?			
		Have clear measurement, monitoring and evaluation plans been identified to track the delivery of each stated benefit?			
	Risk	Have internal risks been identified?			
		Have external risks been identified?			
		Have mitigation plans been developed for all risks?			
		Have all risks been included on the project risk register?			
		Have all risks been appropriately scored?			
	Options Appraisal	List of options	Is there a reasonable range of options?		
		Options appraisal	Have all potential options been compared using a SWOT analysis?		
Is ruling out of potential promising options clearly justified?					
Preferred option		Has evidence been provided demonstrating that the preferred option achieves all project objectives?			
		Has evidence been provided demonstrating that the preferred option provides the best value for money and if not do un-quantified benefits justify the cost?			

Business case section	Sub-section	Business case requirements – appraisal questions	Achieved (Partly/Fully)	Additional information required to achieve fully
Economic Case	Cost/Benefit Analysis	Are all costs and benefits quantified ² and if not has this been justified?		
	Sensitivity and risk profile	Has appropriate sensitivity analysis been completed, including worst case scenario?		
		Have economic risks, constraints and dependencies been identified, managed and allocated?		
		Is optimism bias properly included and aligned with risk?		
		Are wider impacts assessed e.g. sustainability, competition, regulatory impact?		
	Additionality	Have deadweight, displacement, leakage and substitution effects been identified?		
		Have net benefits been identified at a Glasgow, Clyde Valley and Scotland level?		
Commercial Aspects	Commercial Aspects	Does the delivery specification address the requirements of the stated parties including other project funders which have been identified		
		Have funding options been outlined and fully considered?		
		Have alternative arrangements been identified where required private sector funding does not meet expectations in the market at the required time?		
		Where payments are to be made to external parties, are planned payment processes clear?		
Financial Case	Financial Appraisal	Has evidence been provided demonstrating that full budget funding has been secured and budgeted for by all parties?		
		Have benefit monitoring and evaluation costs been included?		
		Have the impacts on income/expenditure a/c and on balance sheet been provided if applicable?		
		Have potential cost over runs been provided for?		
		Have any guarantees been provided?		
		Have financial risks been identified, managed and allocated?		
Sustainability Case	Sustainability case	The sustainability case assesses whether proposals are themselves sustainable and how they contribute to the wider sustainability agenda		

² Including: correct discount rate; figures in real terms/constant prices at base year, sunk costs excluded; opportunity costs of already-owned assets included; residual values included; double counting avoided; transfer costs / benefits excluded; uses only economic resource costs (payment good/service); Financing items/sources excluded; second round effects included (e.g. only genuine job creation); Tax/subsidy treatment must be non-distorting between options.

Business case section	Sub-section	Business case requirements – appraisal questions	Achieved (Partly/Fully)	Additional information required to achieve fully
Project Governance and Management	Project roles	Have project roles and responsibilities been clearly stated?		
	Project Governance structures	Have robust project governance arrangements been clearly stated in relation to approval processes within the Member Authority?		
		Have robust project management arrangements been clearly stated in relation to the operational delivery of the project within the Member Authority?		
	Risk management	Has a detailed risk management plan been developed for all elements of risk?		
	Procurement Strategy (including Community Benefits)	Has the procurement strategy been clearly stated?		
		Has the proposed approach been clearly justified?		
		Has the body (or bodies) which will deliver the project been clearly identified?		
		Has evidence been provided demonstrating that the delivery body have the relevant skills and capacity for delivery?		
		Has evidence been provided demonstrating that the delivery body is the most effective body to deliver the project?		
		Have robust contracting arrangements been demonstrated?		
		Have clear contractual key milestones and delivery dates been provided?		
		Have commercial risks been identified, managed and allocated?		
		Have community benefits through procurement been identified?		
	Other legal matters	Have other legal matters been clearly considered as appropriate, including: <ul style="list-style-type: none"> • State Aid; • Compulsory Purchase Orders (CPOs); • LA powers / Government powers STAG / TAUS / Planning / Crown, and • Land ownership. • Environmental Impacts • Equality Impacts as per the Equality Act 2010. 		
	Project Schedule	Has a detailed project schedule been provided?		
		Are there clear delivery dates and detailed milestones?		
		Is the proposal practically deliverable and what are the delivery plans?		
	Project Monitoring	Have project monitoring arrangements been clearly set out (who, when, how and costs)?		

APPENDIX A: STAKEHOLDER MATRIX

Stakeholder Group	Contribution	Expectation/Demand	Engagement to date
Local Authorities			
(E.g. Glasgow City Council, South Lanarkshire Council)			
City Deal Bodies			
(E.g. Cabinet, Chief Executive's Group)			
Private Sector			
(E.g. Developers, Local businesses)			
Other Public Sector Bodies			
(E.g. Scottish Government, Police Force)			
Transport Bodies			
(E.g. Transport Scotland, First ScotRail)			
Community Groups and Users			
(E.g. Current users, Local schools)			

APPENDIX B1: ECONOMIC, PHYSICAL AND SOCIAL BENEFITS AT OUTPUT LEVEL

Infrastructure benefits

- Vacant and derelict land brought back into use (hectares)
- Land remediated (hectares)
- Business space new (sqm)
- Business space enhanced (sqm)
- Retail space new (sqm)
- Retail space enhanced (sqm)
- Public realm new (sqm)
- Public realm enhanced (sqm)
- Office space new

Utility benefits

- Electricity cables new (m)
- Electricity cables upgraded (m)
- New/enhanced sewage network
- Water mains

Communications benefits

- Number of households benefiting from new broadband
- Number of households benefiting from upgraded broadband
- Number of businesses benefiting from new broadband
- Number of businesses benefiting from upgraded broadband

Transport

- Journey time
- Journey time reliability
- Traffic flows
- Speed
- PT Patronage
- Walking / Cycling
- Mode share
- Accidents
- Frequency
- Catchment area served
- Access to employment
- Population changes

Employment benefits

- Total jobs created
- Sector created
- Occupational
- Number of New Entrant Trainee places created (this should be subset of total jobs created)
- Number of Apprenticeships created (this should be subset of total jobs created)
- Total jobs safeguarded (this related to existing jobs which have been safeguarded and does not include Total jobs created)

Training and skills benefits

- Number of qualifications gained
- Number of project participants assisted into employment
- Number of project participants assisted into training
- Number of project participants assisted into further education
- Number of project participants assisted into volunteering

Environmental benefits

- Greenspace created (hectares)
- Greenspace enhanced (hectares)
- Land decontaminated (hectares)
- Wildflower area created (hectares)
- Area of land protected flood (hectares)
- Households protected from floods
- Sustainable Urban Drainage System created (sqm)
- Noise prevention
- Waste - Construction materials recycled (tonnage)
- Waste - Construction material diverted from landfill
- Energy generation per year through solar panels (kilowatts)
- Energy metrics

Housing benefits

- Number of dwelling created
- Number of affordable homes
- Number of social housing units

Community benefits

- Volunteers engaged

Business benefits

- Profit generated (£)
- Business turnover (£)

Financial benefits

- Leverage - Private sector income secured/levered

APPENDIX B2: BENEFITS REALISATION PROFILE

Benefits

	Description of benefit to be achieved (using standardised output descriptions where relevant)	Quantity of outputs to be achieved during project life cycle	Date when outputs to be achieved / realised in full	Outputs to be achieved by May 2019 (Gateway 1)	Outputs to be achieved by May 2024 (Gateway 2)	Outputs to be achieved by May 2029 (Gateway 3)	Assumptions
Benefit 1							
Benefit 2							
Benefit 3							
Benefit 4							

Dis Benefits

	Description	Assumptions	Mitigation Plan
Dis-benefit 1			
Dis-benefit 2			

APPENDIX B3: INDIVIDUAL BENEFIT TRACKING TEMPLATE

Benefit 1	
Benefit Management	
The person/role accountable for ensuring benefit happens – Benefit Owner	
The person/role accountable for ensuring benefit is tracked – Benefit Reporter	
Benefit Description	
Description of targeted benefit/output (quantified where possible/relevant)	
Intended beneficiary(ies)	
Businesses (describe sector, size, location, numbers)	
Residents (describe age, gender, social economic classification, employment status)	
Community (describe area benefit confined to / geographic focus)	
Benefit Realisation Timescale	
Overall outputs targeted and time when expected to have occurred	
Outputs to be achieved by May 2019 (Gateway 1)	
Outputs to be achieved by May 2024 (Gateway 2)	
Outputs to be achieved by May 2029 (Gateway 3)	
Benefit Baseline Value	
Benefit Tracking / Monitoring and Evaluation	
Methodological statement of how the benefit realisation will be measured, for example project monitoring data and/or planned project evaluations	
Measurement frequency	
Benefits Contributions and Dependencies	
Other benefits to which this contributes (e.g. B1, B4 etc)	
City Deal Objective supported	
Dependencies	
Risks of non-achievement	

APPENDIX C: ECONOMIC CASE

Value for Money Business Case Template Cost Benefit and Cost Effectiveness Analysis						
Present Value (£m)	<i>Description of composition, profile and time period of costs and benefits</i>					Total (range)
Direct Economic Benefits (a)	<i>Outline benefits as per the Green Book. Include who the beneficiaries are- small businesses, consumers, HE students etc</i>					
External/Indirect Benefits (b)	<i>Spillovers, supply chain impacts etc</i>					
Total Economic Costs (c)	<i>Costs should be expressed in terms of relevant opportunity costs.</i>					
Total Exchequer Costs (d)	<i>This should not include Exchequer flow backs such as tax effects.</i>					
Unmonetised Costs/Benefits						
	3-year (range)	5-year (range)	10-year (range)	20-year (range)	Lifetime (range)	Core Assumptions
Direct NPV per Public Pound ((a-c)/d)						
Direct NPV per Total Pound ((a-c)/c)						
Wider NPV per Public Pound ((a+b-c)/d)						
Wider NPV per Total Pound ((a+b-c)/c)						
Sensitivity Analysis						
Variable	<i>Description of flexed assumptions</i>					Lifetime Wider NPV per Public Pound
	<i>Detail individual variables that have been flexed. Include the worst case scenario and switching values (values at which key variables would cause the cost benefit values to change enough to affect the choice of preferred option).</i>					
VfM Appraisal Summary (150 words max here – add separate sheet for fuller qualitative description if required)						
<i>Provide a clear summary of above Net Present Value Analysis.</i>						

APPENDIX C: ECONOMIC CASE (CONTINUED)

Technical and/or Qualitative Summary	Methodology, Key Assumptions and Evidence (if relevant)
Total Economic Costs (monetised and unmonetised by main affected groups)	<i>Qualitative description of the approach taken and key quantitative assumptions and references</i>
Exchequer Costs	
Total Direct Benefit (spillovers etc)	<i>Explain if analysis is an evaluation based assessment of a current programme, or appraisal based assessment of current/new programme based on indirect but relevant research/evaluation results.</i>
Total Indirect Benefits (spillovers etc)	
Additionality	<i>Consider deadweight, displacement, leakage and substitution effects.</i>
Appraisal Period	
Discount Rate and Prices	
Optimism Bias	Has this been considered? If not, why?
Risk and Uncertainty	
Distributional Weighting	
Any further VfM Notes	<i>Additional value for money notes not covered above.</i>

APPENDIX E: INFORMATION REQUIRED AT EACH STAGE OF BUSINESS CASE DEVELOPMENT

Business Case Template Section	Strategic Business Case (SBC)	Outline Business Case (OBC)	Full Business Case (FBC)
1. Executive Summary	To be included in all iterations of business case		
2.1 Strategic Need	Detailed information, completed in full but may be revised later at OBC	SBC's detailed information revisited and updated where required	OBC's detailed information revisited and updated where required
2.2 Strategic and Policy Context for the Project	Detailed information, completed in full but may be revised later at OBC	SBC's detailed information revisited and updated where required	OBC's detailed information revisited and updated where required
2.3 Existing Arrangements	Detailed information, completed in full but may be revised later at OBC	SBC's detailed information revisited and updated where required	OBC's detailed information revisited and updated where required
2.4 Project Objectives and Contribution to the City Deal	Detailed information, completed in full but may be revised later at OBC	SBC's detailed information revisited and updated where required	OBC's detailed information revisited and updated where required
2.5 Project Scope	Detailed information, completed in full but may be revised later at OBC	SBC's detailed information revisited and updated where required	OBC's detailed information revisited and updated where required
2.6 Dependencies and Constraints	High level information for key dependencies and constraints	Detailed information for all dependencies and constraints	OBC's detailed information revisited and updated where required
2.7 Stakeholders	High level information for key stakeholders populated in Stakeholder Matrix (Appendix A)	High level information for all stakeholders populated in Stakeholder Matrix (Appendix A)	Detailed information for all stakeholders, updated where required
2.8 Benefits	High level information on key benefits populated in Appendix B2	Detailed information on all benefits, populated in Appendix B2. Individual Benefit Tracking Template (Appendix B3) completed for each	Detailed information on all benefits, updated where required

Business Case Template Section	Strategic Business Case (SBC)	Outline Business Case (OBC)	Full Business Case (FBC)
		benefit.	
2.9 Risk	High level information for key risks	Detailed information for all risks	Detailed information, updated from OBC where required
3.1 List of Options	Long-list of options stated	Description of short- list of options	As per OBC
3.2 Options Appraisal	Qualitative appraisal (e.g. SWOT analysis) of a long-list of options resulting in a recommended shortlist for further appraisal at OBC stage	Detailed information as required for all elements of the options appraisal, including Value for Money (VFM) appraisal of the short-list	As per OBC
3.3 Preferred Option	Indication of the possible/recommended way forward based on the options appraisal subject to VFM analysis at OBC stage	Preferred option clearly identified and described following VFM	Information on preferred option updated where required
4. Economic Case	High level information. VFM analysis (Appendix C) not required.	Detailed information including VFM of options/ Appendix C completed in full according to Green Book requirements.	Detailed information including VFM, updated where required for preferred option
5.1 Delivery Specification	High level information	Detailed information	Detailed information, updated from OBC where required
5.2 Funding Options and Payments Arrangements	High level information	Detailed information	Detailed information, updated from OBC where required
5.3 Risk Allocation and Transfer	High level information for key risks	Detailed information for all risks	Detailed information, updated from OBC where required
6.1 Overall Project Approval	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
6.2 Project Funding	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required

Business Case Template Section	Strategic Business Case (SBC)	Outline Business Case (OBC)	Full Business Case (FBC)
6.3 Summary of Project Costs	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
6.4 Phasing of Project Expenditure	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
6.5 Expenditure on Assets Not Council Owned	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
6.6 Ongoing Revenue Implications	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
6.7 Main Financial Dependencies	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
6.8 Financial Risks	Indicative/high level information	Detailed information	Detailed information, updated from OBC where required
7. Sustainability Case	High level information	Detailed information	Detailed information, updated from OBC where required
8.1 Project Roles	High level information	Detailed information	Detailed information, updated from OBC where required
8.2 Project Governance Structure	High level information	Detailed information	Detailed information, updated from OBC where required
8.3 Procurement and Community Benefits Strategy	High level information	Detailed information on procurement strategy to be implemented	Detailed information including the findings of the procurement analysis
8.4 Risk Management	High level information	Detailed information	Detailed information, updated from OBC

Business Case Template Section	Strategic Business Case (SBC)	Outline Business Case (OBC)	Full Business Case (FBC)
			where required
8.5 Other Legal Matters for Consideration	High level information	Detailed information	Detailed information, updated from OBC where required
8.6 Project Schedule	High level information	Detailed information	Detailed information, updated from OBC where required
8.7 Project Monitoring and Evaluation	High level information	Detailed information	Detailed information, updated from OBC where required

APPENDIX 9 - PROJECT STATUS REPORT TEMPLATE

GLASGOW AND CLYDE VALLEY CITY DEAL PROJECT STATUS REPORT TEMPLATE

Updated for Period Ending : _____

Member Authority: _____

Update By : _____

Section A - Project Details

Project Title:

Client:

Key Contacts:

Project Manager:

Description of the Project:

Section D - Financial Information

Project Financial Status		Green				
	Business Case	Approved Project Budget	Expected Project Outturn	Budget Variance	Expenditure to Date	
	£	£	£	£	£	
Project Totals	0	0	0	0	0	

Cash Flow Forecast

Year	Business Case	Approved Project Budget	Current Probable Outturn	Variance
	£	£	£	£
Prior Years Actual	0	0	0	0
2013/2014	0	0	0	0
2014/2015	0	0	0	0
2015/2016	0	0	0	0
2016/2017	0	0	0	0
Total	0	0	0	0

Financial Comments

Section E - Change Controls

Number of Approved Change Controls				Cumulative Cost of Approved Change Controls		Time Impact of Approved Change Controls (Days)
Number of Pending Change Controls				Cumulative Cost of Pending Change Controls		Time Impact of Pending Change Controls (Days)
Number of Rejected Change Controls				Cumulative Cost of Rejected Change Controls		

Section F - Contract Claims

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Section G - Top Project Risks - please provide project's top 5 risks

Risk Register Ref	Risk Rating	Risk Description	Mitigation Measures

Section H - Issues - please provide the project's top 5 issues

Issues Register Ref	Priority	Description	Mitigation Measures

Section I - Interdependency

(i.e. Actual or potential interdependency with this project, other projects or the programme).

Interdep Register Ref	Description

APPENDIX 10 - PROJECT RISK REGISTER TEMPLATE

**GLASGOW AND CLYDE VALLEY CITY DEAL
PROJECT RISK REGISTER**

Project Title:	
Member Authority:	
Project Location:	
Project Sponsor:	
Project Manager:	
Date:	

Risk Ref No	Status	Risk Description	Inherent Impact	Inherent Probability	Inherent Risk	Rank	Owner	Control Actions	Residual Impact	Residual Probability	Residual Risk	Rank	Date Checked	Movement in Period
					0	Medium					0	Medium		
					0	Medium					0	Medium		
					0	Medium					0	Medium		
					0	Medium					0	Medium		
					0	Medium					0	Medium		
					0	Medium					0	Medium		
					0	Medium					0	Medium		

APPENDIX 11 - ISSUES REGISTER TEMPLATE

**GLASGOW AND CLYDE VALLEY CITY DEAL
PROJECT ISSUES REGISTER**

Project Title:	
Member Authority:	
Project Location:	
Project Sponsor:	
Project Manager:	
Date:	

An issue is a relevant event that has happened, was not planned and requires management action.

Project Issue No	Project Issue Type	Owner	Service/ Org	Date Identified	Issue Title	Description	Impact	Stakeholders	Priority	Status	Timescale	Date Closed	Actions/ Update	Date of Update
1									High	Open				
2									Medium	Closed				
3									Low					

APPENDIX 12 - DEPENDENCY REGISTER TEMPLATE

APPENDIX 13 - FINANCE MONITORING TEMPLATES

GLASGOW AND CLYDE VALLEY CITY DEAL

FINANCIAL MONITORING

Member Authority:

SECTION 1 - Overall Project Approval

	£0	£0	Third Party Inc'd In Approval
Approved Baseline project Cost (Per City Deal Formal Approval)			
Cabinet Virement Approvals			
Revised Approved Project Cost	_____		
	=====		
Current project Estimate	_____		
	=====		

SECTION 2 - Project Funding

	£0
Council Funding	
Third Party Contributions (Additional to Section 1 Above)	
Amount to be funded from City Deal Grant	
Total Funding	_____
	=====

SECTION 3 - Summary of Project Costs

	£0
Feasibility Costs	
Construction	
Land Acquisition	
Equipment	
Land Remediation	
Internal Council Management & Design Fees	
External Consultants Costs	
Other Third-Party Costs	
Other Costs	
Total	_____
	0
	=====

Phasing of Project Expenditure

Year		£0
1	2015/16	
2	2016/17	
3	2017/18	
4	2018/19	
5	2019/20	
6	2020/21	
7	2021/22	
8	2022/23	
9	2023/24	
10	2024/25	
	Later Yrs	
Total		<u>0</u>

Project Expenditure of Non-Council Assets

Estimated Expenditure on Assets not Council Owned	£0
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Details of Owners of These Assets

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SECTION 4 - Ongoing Revenue Implications

	£0
Full Year Revenue Implications	<u> </u>
First Year Revenue Implications	<u> </u>
Revenue Funding Source	

Main Financial Dependencies

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Main Financial Risks

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APPENDIX 14 - CHANGE CONTROL REQUEST TEMPLATE

GLASGOW AND CLYDE VALLEY CITY DEAL

CHANGE CONTROL REQUEST TEMPLATE

Project Title:	
Member Authority:	
Project Location:	
Project Sponsor:	
Project Manager:	
Date:	

Issue Date:			
Change control number:		Change to be monitored?	Y/N
Change request by:	Design [] Project Sponsor [] Contract [] Client/User []	Response Date:	

DESCRIPTION OF CHANGE:

REASON FOR CHANGE:

OPTIONS:

RECOMMENDATION(S): Option (no)
Advantages / Disadvantages / Comments:

Investigation Time / Programme Implications / Comments:

Risk assessment required: <input type="checkbox"/> Y/N	Risk Category: <input type="text"/>
---	--

Risk assessment before implementing change:
 Impact Probability Proximity Rating

Risk assessment after implementing change:
 Impact Probability Proximity Rating

Cost implications:	omit £	add £
Construction cost of change		
Cost associated with programme change		
additional fees		
other costs		
Total Estimated Cost		

NOTES (including interdependency/dependency):

Lead / Supervising Officer

Name:

Signature:

Date:

Project Manager:

Name:

Signature:

Date:

Escalate Change Request to PMO / SRO: [Y/N]

PMO / SRO Outcome:

Approved

[]

Rejected

[]

Design Change and Cost Estimate Adjustment

Approved

[]

Rejected

[]

Project Sponsor

Name:

Signature:

Date:

Circulation:

Recipient to sign and return to Lead/ Supervising Officer on completion of action

Signature:

Date:

architecture []

quantity surveying []

structural engineer []

civil engineer []

electrical engineer []

mechanical engine []

inspectorate []

specialist consultar []

cdm []

cdm []

Circulation:

Recipient to sign and return to Lead/ Supervising Officer on completion of action

Signature:

Date:

Chief Exec's Group []

City Deal PMO []

Project Sponsor []

Project Manager []

APPENDIX 15 – CITY DEAL PROGRAMME

ID	City Deal Reference No.	Task Name	Duration	Start	Finish	16 Feb '15	M	T	W	T
1		Programme Title	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
2										
3		Project Title	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
4										
5		Strategic Definition	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
6		Strategic Business Case	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
7		Outline Business Case	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
8		Detailed Business Case	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
9		Committee Approval	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
10		Funding	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
11		Stakeholder Consultation	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
12		Scope and Brief Definition	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
13		Procurement - Consultant	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
14		Detailed Design	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
15		Advance Works	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
16		Utilities Advance Works	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
17		Site Investigation	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
18		Approvals / Consents	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
19		Procurement - Contractor	0.2 wks?	Wed 18/02/15	Wed 18/02/15					
20		Construction	0.2 wks?	Wed 18/02/15	Wed 18/02/15					

Project: City Deal Programme Templa
Date: Wed 04/03/15

Task Split Progress

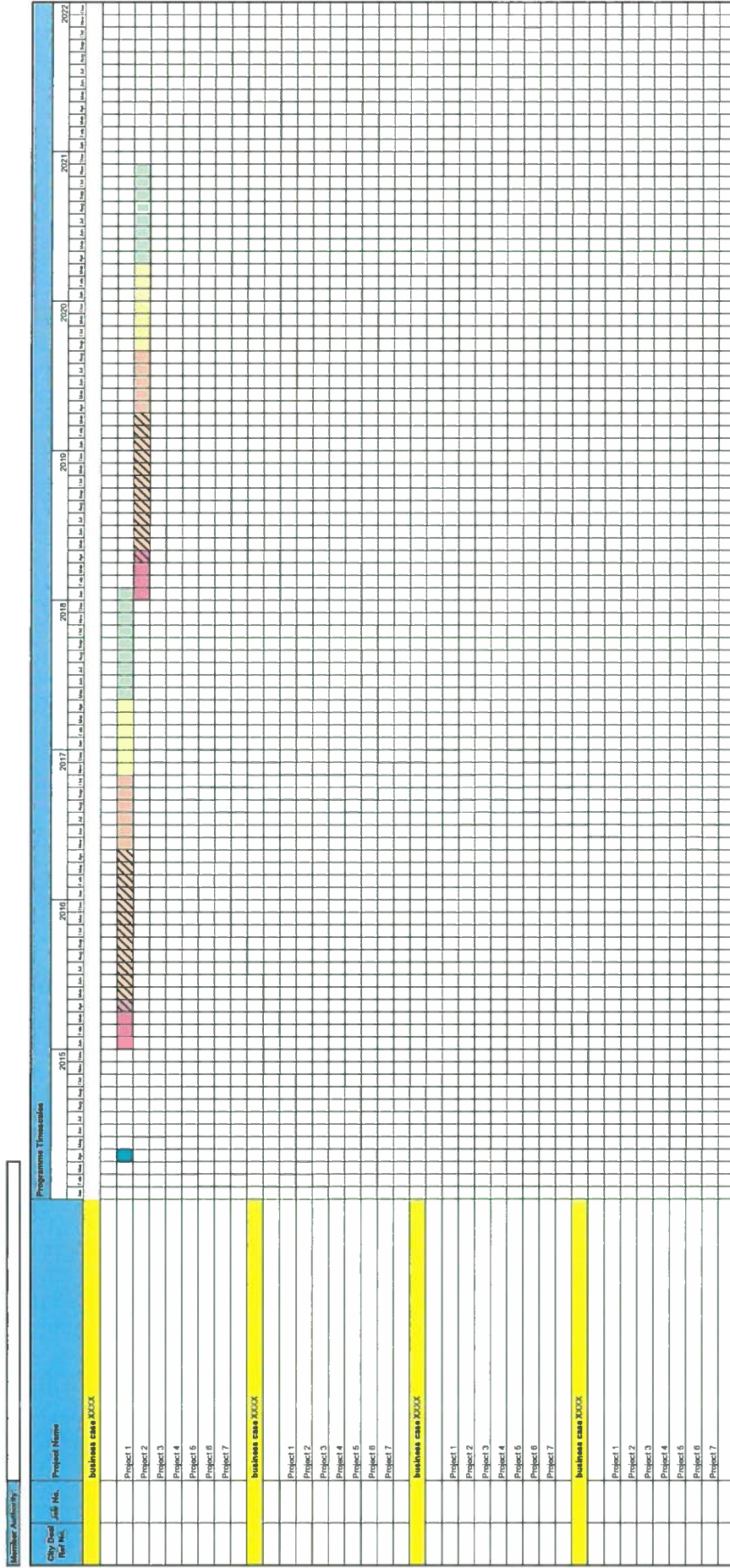
Milestone Summary Project Summary

External Tasks External MileTask Split

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APPENDIX 16 – CITY DEAL PROGRAMME TIMESCALE

GLASGOW AND CLYDE VALLEY CITY DEAL
PROGRAMME TIMESCALES



KEY

- Strategic Business Case submitted
- Scope and Brief Definition
- Procurement of Consultant
- Detailed Design
- Procurement of Contractor
- Construction Period
- Developers Activities