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**To:** Leadership Board

**On:** 1 April 2015

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**Report by:** Director of Development and Housing Services

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**Heading:** Update on City Deal

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**1. Summary**

- 1.1 This report seeks to update the Board on the work that has been progressing on delivering the Renfrewshire Council City Deal commitments, following the formal signing of the City Deal in August 2014
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**2. Recommendations**

- 2.1 The Board is asked to note the progress made by the Council on establishing the governance and staffing structures to deliver the City Deal projects, together with the progress to date on development of the projects.
- 2.2 It is recommended that the Board notes the allocation of DWP grant to the Council and notes the Council's match funding contribution of £507,150 for the Working Matters programme from existing funding sources.
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**3. Background**

- 3.1 The City Deal will deliver an investment of £1.13bn across the Glasgow City Region, including £274m on three infrastructure projects in the Renfrewshire area, together with additional investment into employment support through the Labour Market Project.
- 3.2 The infrastructure projects are forecast to result in an additional 29,000 permanent jobs for the City Region and provide enhanced accessibility for

Renfrewshire residents to 59,000 jobs. There will be significant local business and investment opportunities over the lifetime of City Deal. The construction of the projects will provide a large number of local job opportunities, with appropriate Community Benefit clauses incorporated into the contracts.

- 3.3 As part of the City Deal provision was made for support to 3 employability programmes (from May 2015) with a view to introducing new ways of working to assist specific groups identified as suffering greater disadvantage in the labour market.

### **Infrastructure Projects**

- 3.4 With an infrastructure cost of £51m, the **Glasgow Airport Investment Area Project** will provide investment in road infrastructure enabling expansion of Glasgow Airport and the development of other key business sites in the vicinity of the airport. Improvements to walking and cycling links will be incorporated in to the project to promote active travel.
- 3.5 With an infrastructure cost of £78m, the **Clyde Waterfront and Renfrew Riverside Project** includes a new lifting bridge over the River Clyde between Renfrew and Yoker along with the construction of the Renfrew North Development Road and other infrastructure improvements which will enhance accessibility to key development sites along the River Clyde including Braehead.
- 3.6 With an infrastructure cost of £144m, the **Airport Access Project** will be jointly delivered by Glasgow City Council and Renfrewshire Council. The project aims to deliver a new fixed link between Glasgow Airport and Central Station, stopping at Paisley Gilmour Street station.

### **Labour Market Projects**

- 3.7 There are three labour market projects currently being progressed by the Councils and the PMO, namely
- the new £9million **Employment Support Allowance (renamed “Working Matters”) Project** which aims to assist long term unemployed adults with complex issues back into suitable work.
  - The £300,000 **In Work Progression Pilot Project in Glasgow** which aims to support people stuck in a cycle of low paid, temporary work and benefits
  - The £15million **Youth Employment Project involves the Councils working together** to set out and provide a minimum employability service guarantee for young people across the City Region, aligning existing activity across the Glasgow & Clyde Valley Region to maximise outcomes.

Renfrewshire Council is working closely with the other member authorities to ensure that the Labour Market projects deliver maximum benefits and aligns with existing Renfrewshire employment support activities.

The Working Matters programme is based on a budget of £9million over a 3 year period - this is being funded on the basis of 50% DWP and 50% Local Authority Funding.

The Working Matters Project grant allocation from DWP is £4.5m with this being matched by £4.5m of cash and in-kind match from across the participating Authorities. The proposed allocation is based on two elements:-

- Number of Incapacity Benefit (IB)/Employment Support Allowance (ESA) claimants per local authority; and
- Anticipated Work Programme Leavers per local authority.

There are a number of areas that need to be funded at a Clyde Valley level such as performance management and evaluation. Agreement has been reached that Glasgow City Council will take the lead in managing performance management activity to ensure consistency across the City Deal region and providing a programme monitoring function at local authority level and performance management reports to the Clyde Valley PMO.

The Lead Authority costs, information systems and evaluation have therefore been deducted from the DWP grant and the balance has been allocated across the Local Authorities. Renfrewshire's share of the funding after the deduction of the Lead Authority Costs is £449,559 with a required match of £507,150.

The anticipated programme in Renfrewshire will be delivered as part of the wider Invest in Renfrewshire and employability programmes, with financial support from existing and planned IIR and EU funding budgets, matched to DWP support.

### **Programme Management Office (PMO) and Governance Arrangements**

- 3.8 Following the formal signing of the City Deal agreement on 19 August 2014, work has been progressing on establishing formal governance arrangements to manage the delivery of City Deal.
- 3.9 The Cabinet Agreement has now been signed by all 8 Councils and the first meeting of the Cabinet was held on 20 January 2015, with meetings being held on a quarterly basis.
- 3.10 The Chief Executive's Group has been established with the first meeting held on 4 February 2015, with meetings on a monthly basis thereafter.
- 3.11 The central Programme Management Office (PMO) has been established, based in Glasgow City Council (as Lead Authority) and work is ongoing in developing this resource to monitor and report on the City Deal programme and projects.

- 3.12 The PMO has been working on finalising the Assurance Framework which will govern the process for decision making and delivery of the City Deal. The Assurance Framework is in three parts.
- Part 1 sets out the governance structures including membership, roles and responsibilities of the Cabinet and the processes for ensuring accountability, probity, transparency, legal compliance and value for money, together with the role of other groups and partners in supporting the work of the City Deal.
  - Part 2 sets out the funding mechanism and explains the process for progressing and evaluating Business Cases and how the overall programme outputs will be measured.
  - Part 3 sets out the requirements for managing and reporting the agreed projects.
- 3.13 The Assurance Framework is to be formally signed off by UK and Scottish Governments by the end of March 2015 to enable the implementation stage of City Deal to commence in April 2015.

#### **Renfrewshire Governance Arrangements**

- 3.14 At a local Renfrewshire level, the internal governance arrangements have been developed and implemented with a City Deal Programme Board chaired by the Chief Executive and attended by the Directors of Development & Housing, Finance & Resource and Community Resources along with the City Deal Project Director, Heads of Corporate Governance, Planning & Housing and the Procurement Manager.
- 3.15 Governance arrangements have been agreed with Glasgow City Council for the joint Airport Access project, with a Chief Executives Steering Group established and meeting on a monthly basis.
- 3.16 A Project Directors Delivery Group comprising officers from Glasgow and Renfrewshire meets to discuss the operational detail of progressing the project. Discussions with Glasgow City Council have resulted in an agreement that a suitably experienced member of staff will be seconded from Glasgow to act as project manager for the Airport Access project.
- 3.17 In due course a Stakeholders Working Group, comprising representatives from key stakeholders such as Glasgow Airport, Network Rail and Transport Scotland will also be established to assist in the delivery of this project.

#### **Business Cases**

- 3.18 The City Deal team are currently developing draft Strategic Business Cases (SBCs) for the three infrastructure projects, which require to be submitted (in draft) to the PMO by 31 March 2015. The final versions of the SBCs will be brought to the Board for approval prior to formal submission.

#### **Project Status**

- 3.19 Stakeholder meetings are progressing to engage with key stakeholders for the three Infrastructure Projects to ensure that projects are developed taking in to account the wider development environment.

- 3.20 Work is progressing on a procurement strategy for Consultants for the two Renfrewshire Infrastructure Projects with a PIN notice issued on 20 March 2015.
- 3.21 Significant work is being undertaken jointly by the Project Team and the Economic Development team to ensure that each project will deliver the maximum benefits to Renfrewshire and the City Region in the short, medium and long term. This is a key element of City Deal and will be a focus for the development of the projects, ensuring alignment with other policy priorities and investments.
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## Implications of the Report

1. **Financial** - There are significant financial implications arising from the Council's participation in City Deal. These are set out in detail in section 6.13 of the report approved by Council on 14 August 2014. In particular the Council is estimated to receive £112 million of government grants towards the cost of the two projects set out at section 3.4 and 3.5 and the airport link will be funded by grant. The Labour Market Programme's match funding requirements are set out in paragraph 3.7, and will be funded from the Council's Invest and Renfrewshire Programme Budgets.
2. **HR & Organisational Development** - A staffing structure has been agreed for the City Deal, with costs met through the City Deal funding.
3. **Community Planning – Jobs and the Economy** The Renfrewshire City Deal projects will result in a significant increase in jobs and improved economic conditions in Renfrewshire and will increase the accessibility to the wider job market across the Glasgow and Clyde Valley Region for residents of Renfrewshire. Delivery of improved access to Glasgow Airport will support passenger growth and the consequent economic benefits of increased jobs and visitors within Renfrewshire.
4. **Legal** – The Council has formally signed up to the City Deal Cabinet Agreement. Further legal agreements are likely to be required in due course as the projects develop.
5. **Property/Assets** - The projects will, upon completion, require an element of routine and cyclical maintenance. This will be accommodated within the revenue maintenance budget.
6. **Information Technology** - None
7. **Equality & Human Rights** -  
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation,

the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** - None
9. **Procurement** – An initial Renfrewshire City Deal procurement strategy has been developed and a City Deal Legal & Procurement Sub-Group has been established across all member authorities to optimise the overall procurement approach to City Deal, where appropriate.
10. **Risk** – Project specific and Programme level risk registers have been established as part of the project initiation. These will be kept under regular review and reported to the Programme Board.
11. **Privacy Impact** - None

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**List of Background Papers**

(a) none

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