



Glasgow City Region City Deal

Cabinet

Report by Director of Programme Management Office

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Item 7

12th December 2016

PROGRAMME STATUS UPDATE

Purpose of Report:

To provide Cabinet members with an update on key programme issues.

Recommendations :

It is recommended that the Cabinet notes the contents of the report.

Background

This report provides members with an update on various key programme issues. The information is extracted from regular monthly reports that are submitted to the Chief Executives' Group. The report includes all of the three investment streams Infrastructure, Innovation and Skills & Employment, together with other activity carried out across the programme.

Overall GCV City Deal programme summary

The following table provides a summary of overall progress in all areas of the City Deal as at November 2016:-

Programme Name	Programme Elements								
	Overall Programme Status	Risk	Finance	Resources	Legal	Timeline Gateway Review Preparation	Benefits Realisation	Communications	
INFRASTRUCTURE									
East Renfrewshire	G	G	G	G	G	G	F	G	G
Glasgow City Council	A	G	A	G	G	A	F	F	G
Inverclyde	G	G	G	G	G	G	F	F	F
North Lanarkshire	G	G	G	G	G	G	F	F	F
Renfrewshire	G	G	G	G	G	G	F	F	F
South Lanarkshire	G	G	G	G	G	G	F	G	G
West Dunbartonshire	G	G	G	G	G	G	F	G	G
SPT	G	G	F	F	F	F	F	F	F
Regional Projects	A	G	G	G	G	A	F	F	F
INNOVATION									
Medicity	G	G	C	C	C	C	F	G	G
ICE	G	G	G	G	G	A	F	F	G
Supporting Growing Business	G	G	C	C	C	C	F	G	G
EMPLOYMENT AND SKILLS									
In Work Progression	G	G	G	G	G	G	F	N/A	G
Working Matters	G	G	G	G	G	G	F	N/A	G
Youth Gateway Guarantee	A	G	G	A	G	G	F	N/A	F

Key:	Status
C	Complete
G	On schedule/budget or no issues
A	Behind schedule/budget or issues with a plan
R	Significantly behind schedule/budget with no plan to recover or significant issues
F	Future Project Milestone
N/A	Information Not Available

Key Activity Update

(1) Programme Progress

(a) Infrastructure Programme

Projects at Amber:

Glasgow City Council; Canal & North Project - is currently reflecting an Amber status through the reforecasting of project plans and the subsequent impact that this may have on cash-flow. This has changed the overall Glasgow City Council programme to Amber as highlighted in the above table.

Regional Project; Airport Access Project – remains at amber. The Stakeholder Working Group has now met on a number of occasions. This Group was created between all parties to assist in the delivery and evaluation of this key project.

All other infrastructure projects remain on programme.

Brexit -As a result of Brexit implications, the Cabinet requested that the Chief Executives' Group were to investigate the potential for and the implication of the acceleration of infrastructure projects. Member Authorities have completed the first stage in a two stage process and identified a total of 16 projects at an estimated cost of £283.5million. It is intended to undertake stage 2 which will undertake analysis on areas such as financial, procurement, approvals, risks and report back their findings in December Cabinet.

(b) Innovation Programme

All projects remain on programme.

(c) Employment and Skills Programme

Projects at Amber:

Youth Gateway – has been forecast at amber as further work is required to complete the Business Case. The Chief Executive Group has agreed to the establishment of a short-term working group all stakeholders in order to close of the Business Case.

All other projects remain on programme.

(2) Economic Modelling and Analysis

(a) Economic Development Group

Economic Development Group continues to develop the economic regional strategy. It has now established an extended Economic Development Group working with a range of stakeholders from across the City region, Scotland and UK.

(b) National Panel

Work continues in the creation of the Independent Economic Assessment Panel. The economic assessment panel will link into the Economic Development Group and play an important part in the Gateway process.

(c) Independent Commission on Urban Growth

The Commission is meeting regularly and has indicated to the UK Government that it would like to meet with the National Panel.

(3) Reporting

The draft revised Assurance Framework is currently out for consultation across all Member Authorities and key stakeholders. The PMO is coordinating feedback from the Member Authorities, Scottish and UK Governments and it is intended that the PMO to bring forward the refreshed Assurance Framework to Cabinet in February 2017.

(4) Finance

The following section has been set up to detail the financial monitoring around the City Deal Infrastructure Projects.

EXPECTED SPEND 16/17 VS BUSINESS CASE APPROVALS BY PROJECT

CITY DEAL INFRASTRUCTURE FINANCIAL MONITORING										TABLE 1
ACTUAL SPEND 16/17 vs BUSINESS CASE APPROVALS BY PROJECT										
Infrastructure Authority/Project	Estimated Project Funding	Actual Spend 15/16	Expected Spend 16/17	Cumulative Projected Spend to 16/17	CYTD Spend	Funding Allowed through Business Case Stage Approvals	Revised Grant Allocation 15/16	Grant Allocation 16/17	Cumulative Grant	Cumulative grant/ cumulative spend
ERC M77 Strategic Corridor	44,000,000	958,491	2,660,759	3,619,250	1,311,144	173,000	901,000	1,776,000	2,677,000	74%
Levern Works						912,000				
	44,000,000	958,491	2,660,759	3,619,250	1,311,144	1,085,000	901,000	1,776,000	2,677,000	
Glasgow Canal and North (Sighthill)	67,790,000	4,434,434	20,908,000	25,342,434	10,373,000	50,458,000				
Glasgow City Centre	115,520,000	102,527	845,000	947,527	148,000	148,000				
Glasgow Clyde and Waterfront	113,900,000	235,800	764,000	999,800	432,000	7,390,000				
Glasgow Collegelands	27,000,000	92,391	239,000	331,391	172,000	2,590,000				
Glasgow MGSDP	45,800,000	149,050	601,000	750,050	183,000	4,018,000				
Total Glasgow	385,910,000	5,014,202	23,357,000	28,371,202	11,308,000	64,604,000	23,450,000	-	23,450,000	83%
Inchgreen	9,427,000	-			10,000					
Inverkip	3,250,000	4,000	100,000	104,000	4,000	260,000				
Ocean Terminal	14,137,000	30,000	100,000	130,000	20,000	800,000				
Total Inverclyde	26,814,000	34,000	200,000	234,000	34,000	1,060,000	90,000	1,598,000	1,688,000	721%
North Lanarkshire A8/M8	12,587,000	72,463	264,500	336,963	130,623	484,000				
North Lanarkshire Gartcosh/Glenboig	66,311,000	138,342	2,805,944	2,944,286	151,389	3,233,600				
North Lanarkshire Pan Orbital Transport Corridor	93,565,000	79,382	184,000	263,382	97,795	1,101,000				
Total North Lanark	172,463,000	290,187	3,254,444	3,544,631	379,807	4,818,600	412,000	10,062,000	10,474,000	295%
Renfrewshire CWRR	78,290,000	672,434	2,602,000	3,274,434	1,436,000	3,056,000				
Renfrewshire GAIAR	51,395,000	645,778	2,155,000	2,800,778	1,354,000	2,720,000				
Total Renfrewshire	129,685,000	1,318,212	4,757,000	6,075,212	2,790,000	5,776,000	1,496,000	6,418,000	7,914,000	130%
South Lanarkshire Cathkin Relief Road	21,628,457	1,494,441	10,457,000	11,951,441	6,633,630	21,628,000				
South Lanarkshire Council Community Growth Areas	62,300,000	497,116	3,100,000	3,597,116	2,735,172	7,806,000				
South Lanarkshire Greenhills	23,088,011	305,190	450,000	755,190	658,618	2,358,000				
South Lanarkshire Stewartfield Way	62,212,230	66,540	50,000	116,540	112,074	1,205,500				
South Lanarkshire Total	169,228,698	2,363,287	14,057,000	16,420,287	10,139,494	32,997,500	3,109,000	7,190,000	10,299,000	63%
West Dunbartonshire - EXXON	27,897,000	191,079	440,201	631,280	290,833	500,000	220,000	1,468,000	1,688,000	267%
Airport Link	144,294,000	321,325	1,005,000	1,326,325	744,000	1,149,000	322,000	1,188,000	1,510,000	114%
SPT	30,000,000		448,550	448,550				300,000	300,000	67%
TOTAL INFRASTRUCTURE	1,130,291,698	10,490,783	50,179,954	60,670,737	26,997,278	111,990,100	30,000,000	30,000,000	60,000,000	99%

Table 1: Expected Spend 16/17 Vs Business Case Approvals By Project

This table details the total expenditure per Project from the latest estimates. This is then compared with out-turn for 2015/16 and the projected spend for 2016/17.

The projected spend for the Infrastructure Projects for 2016/17 has dropped to £50.180m, from the previously reported position of £92.907m, (August). Following a concentrated exercise last period to restate the cashflows there have been further slight movements. SPT's projection for 2016/17 has increased by £0.15m and Glasgow has seen a further reduction. The total grant allocation for 2016/17 is £30m. In 2016/17 the spend levels for City Deal projects based on 100% spend will still exceed the grant level of £30m, however this is based on 100% of the grant. The cumulative spend is £26.997m compared with expected cumulative spend of £60.671m, (48.9%). This is an increase of 18%.

North Lanarkshire, Renfrewshire, Inverclyde, West Dunbartonshire and the Airport Link are still expected to be below their grant allocations levels at the end of 16/17. The modelling of the grant allocation for 2016/17 requires to be updated to ensure that there is enough City Deal expenditure to allow the remaining grant to be allocated against City Deal expenditure within 2016/17. Directors of Finance are currently assessing flexibility options within the grant.

The Directors of Finance Group will consider the revised financial projections at their meeting on 1 November 2016 and will feed back their proposed actions to the Chief Executives Group

CITY DEAL INNOVATION FINANCIAL MONITORING

CITY DEAL INNOVATION FINANCIAL MONITORING										TABLE 4
PROJECT FUNDING AND EXPECTED SPEND vs GRANT DRAWDOWNS										
INNOVATION Authority/Project	Business Case Stage	Latest Cabinet Approval	Revised Project Funding	Actual Spend 15/16	Expected Spend 16/17	Cumulative Spend	Grant Allocation 15/16	Claim to Date	%age in year claim to date	
GCC - Integrated Grow on Initiative (IGI)	FBC	Oct-15	1,670,000	1,670,000	-	1,670,000	1,670,000	1,670,000	100%	
NLC - MediCity	FBC	Mar-15	1,012,000	1,012,000		1,012,000	1,012,000	1,012,000	100%	
MRC- Imaging Centre of Excellence (ICE)		Mar-15	16,000,000	7,404,857	8,595,143	16,000,000				
TOTAL INNOVATION			18,682,000	10,086,857	8,595,143	18,682,000	2,682,000	2,682,000		

Table 2: City Deal Innovation Financial Monitoring

This table displays total project costs for the three Innovation projects, compared with the actual spend for 2015/16, expected spend levels for 2016/17 and the grant allocations approved.

CITY DEAL SKILLS AND EMPLOYMENT FINANCIAL MONITORING

CITY DEAL SKILLS AND EMPLOYMENT FINANCIAL MONITORING								TABLE 5
PROJECT FUNDING AND ACTUAL SPEND vs GRANT DRAWDOWNS								
SKILLS AND EMPLOYMENT Authority/Project	Revised Project Funding	Actual Spend 15/16	Expected Spend 16/17	Cumulative Spend	Grant Allocation 16/17	Claim to 16/17	%age in year claim to date	
EDC - Working Matters	100,869	8,512	34,277	42,789	33,623	8,512	25%	
ERC - Working Matters	75,851	-	12,236	12,236	25,284	-	0%	
IC - Working Matters	215,241	30,577	72,000	102,577	71,747	30,577	43%	
GCC - Working Matters	1,912,946	113,999	737,234	851,233	637,649	113,999	18%	
NLC - Working Matters	459,075	58,080	237,000	295,080	153,025	58,080	38%	
RC - Working Matters	447,559	69,664	149,700	219,364	149,186	69,664	47%	
SLC - Working Matters	522,218	174,073	283,500	457,573	174,073	87,037	50%	
WDC -Working Matters	237,480	15,834	116,666	132,500	79,160	15,834	20%	
ALL - Working Matters	528,761	38,192	121,486	159,678	352,508	214,446	61%	
TOTAL WORKING MATTERS	4,500,000	508,931	1,764,099	2,273,030	1,676,255	598,149		

Table 3: City Deal Skills And Employment Working Matters

Working Matters actual spend 15/16 column are the figures which were supplied for the Statement of Grant Usage for 2015/16. South Lanarkshire has spent the full grant due for 2015/16. The column claim 16/17 shows the first payment in advance for 2016/17 minus the reconciling carry forward amounts from 2015/16.

For 2016/17 the actual spend projected is £1.764m compared with grant allocation of £1.676m. The projection for the year has been supplied by each member authority as part of the monitoring arrangements.

The Directors of Finance have recently considered the spend profile for the first full year of this project and will be considering an update on their current projections for the year. The Directors of Finance will also consider the evaluation of the project.

Youth Gateway have now presented figures which detail the cumulative spend levels for 2015/16 and actual spend levels for 2016/17 to the end of June 2016.

SKILLS AND EMPLOYMENT Authority/Project	Business Case Stage	Latest Cabinet Approval	Revised Project Funding	Actual Spend 15/16	Expected Spend 16/17	Cumulative Spend to date	Grant Allocation 16/17	Claim to Date	%age in year claim to date
EDC - Youth Gateway			360,000	273,000		273,000	N/a		
ERC - Youth Gateway			300,000	101,500		120,900	N/a		
IC - Youth Gateway			900,000	-		-	N/a		
GCC - Youth Gateway			6,300,000	6,000,000		7,500,000	N/a		
NLC - Youth Gateway			2,400,000	1,700,000		2,240,000	N/a		
RC - Youth Gateway			1,560,000	1,200,000		1,600,000	N/a		
SLC - Youth Gateway			2,400,000	1,300,000		1,900,000	N/a		
WDC - Youth Gateway			780,000	588,000		672,655	N/a		
TOTAL YOUTH GATEWAY			15,000,000	11,162,500	-	14,306,555			

SKILLS AND EMPLOYMENT Authority/Project	Revised Project Funding	Actual Spend 15/16	Expected Spend 16/17	Cumulative Spend to date	Grant Allocation 16/17	Claim to Date	%age in year claim to date
In Work Progression	300,000		78,400	78,400			

The In-work Progression has submitted the first monitoring and is expected to spend £78,400 to the end of 31 March 2017. The grant will be claimed on the basis of milestones.

PMO BUDGET

The adjusted PMO budget is now at £917,037 for 2016/17. At this stage the budget projection is showing a small underspend of £14.4k. The only vacancy remaining is the 0.5 wte funded economics graduate and the post is not expected to be filled until January 2017. The estimated costs for the recruitment costs for the new Director post are currently contained within the 2016/17 budget projection.

(5) Risk

The Programme Risk Register was prepared and formed part of the Chief Executive Group papers. Project Risk logs are currently being prepared by each project and support groups.

(6) Benefits Realisation/ Community Benefits

The PMO has developed a draft Benefit Realisation Strategy which, includes a draft list of project outputs, has been issued across Glasgow City Region and their comments are currently being collated.

The Benefit Realisation Plan for the City Deal Programme will be a key component in Programme monitoring, management and reporting.

(8) Recommendations

It is recommended that the Cabinet note the contents of the report.