

MINUTE
of
EAST RENFREWSHIRE COUNCIL

Minute of Special Meeting held at 5.30pm in the Council Chamber, Council Headquarters, Giffnock on 14 August 2014.

Present:

Provost Alastair Carmichael	Councillor Ian McAlpine
Deputy Provost Betty Cunningham	Councillor Gordon McCaskill
Councillor Tony Buchanan	Councillor Mary Montague
Councillor Jim Fletcher (Leader)	Councillor Paul O’Kane
Councillor Charlie Gilbert	Councillor Tommy Reilly
Councillor Barbara Grant	Councillor Ralph Robertson
Councillor Elaine Green	Councillor Jim Swift
Councillor Kenny Hay	Councillor Gordon Wallace
Councillor Alan Lafferty	Councillor Vincent Waters

Provost Carmichael in the Chair

Attending:

Lorraine McMillan, Chief Executive; Andy Cahill, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Iain MacLean, Head of Environment (Planning, Property and Regeneration); Phil Prentice, Economic Development Manager; and Eamonn Daly, Democratic Services Manager.

Apologies:

Councillors Danny Devlin and Stewart Miller.

DECLARATIONS OF INTEREST

1153. There were no declarations of interest intimated.

CITY DEAL PROPOSAL

1154. Under reference to the Minutes of the meetings of the Cabinet of 15 August 2013 (Page 621, Item 660 refers), and 21 November 2013 (Page 776, Item 815 refers), when it had been agreed to participate in the development of a City Deal proposal for Glasgow and the surrounding area, the Council considered a report by the Director of Environment, providing an update on the development of the City Deal proposal, and now seeking approval for the Council’s full participation in the project.

The report referred to the launch by the UK Government in 2012 of its City Deals programme, the aim of which was to enable city regions to unlock their potential and maximise economic growth and employment by giving them a financial incentive to deliver such economic growth by allowing them to “earn back” from HM Treasury additional tax income generated from investment in infrastructure.

The report explained that following the Council’s earlier “in principle” participation, councils in the Glasgow City region had put together a £1.13 billion Infrastructure Fund Proposal. This included key improvements to the transport network across Glasgow and the Clyde Valley, the unlocking of key development and regeneration sites and other major projects which would raise Gross Value Added (GVA) which was in effect a local measure of jobs and productivity growth.

The report further explained that on 4 July 2014, it had been confirmed that both the Scottish and UK Governments had each made funding of £500 million available over a 20 year period. As a result of this funding it was explained that local authorities participating in the scheme would only need to fund £130 million of the £1.13 billion cost of the projects listed in the Infrastructure Fund Proposal.

Having set out the targets to be achieved by the City Deal in terms of GVA, additional employment opportunities, and attracting private sector investment, the report explained that taking into account the two major strategic transport projects; the creation of a Glasgow Airport Rail Link and bus improvements across the city region, a sum of £839 million would be directly available to the participating local authorities. Full details of the projects it was proposed to take forward in East Renfrewshire were outlined. These were noted as the creation of business incubation facilities in Newton Mearns; the development of an M77 “spur” at Junction 5 and associated link road; infrastructure improvements around the Dams to Darnley Country Park; a new rail station at Barrhead South; employment support linked to the Barrhead Foundry; and new employment opportunities at Glasgow Road, Barrhead. It was noted that the estimated cost of the projects was £44 million, but that £38 million capital grant would be available to the Council.

It was also explained that in the event the actual cost of the Council’s projects was less than the estimated £44 million, or other non East Renfrewshire Council projects did not proceed, there was an opportunity for other projects to be brought forward to be funded by the City Deal, and so a list of reserve projects, details of which were appended to the report, had been prepared.

However the report clarified that due to the structure of the grant funding, with the strategic projects being funded first, there would be no grant available in the earlier years for the other project and so authorities would need to provide up front funding for these. Full details of the implications for the Council of this approach were explained, it being noted that appropriate treasury management arrangements would be put in place.

The report also outlined the draft governance arrangements. It was explained that individual councils would be responsible for funding and delivering their own projects including any ongoing revenue costs. However, all councils would be collectively responsible for the delivery of the City Deal Programme and meeting the agreed outcomes. As part of the arrangements, a Partnership Board, with representatives from all participating councils, would be established.

Commenting on the report, Councillor Fletcher highlighted the significant funding levels that had been made available. He emphasised that there would be challenges in finding the £6 million which would result in projects of an estimated value of £44 million going forward, but that this was an excellent opportunity for the Council to take forward a series of significant capital projects in the area which it would have been much more difficult to carry out without the grant funding. These and the other capital projects being proposed across the region would also provide excellent employment opportunities for many East Renfrewshire residents.

Having clarified that it was the Cabinet and not the full Council, as stated in the report, that had received earlier reports on the City Deal proposals, Councillor Wallace expressed disappointment that since the report to Cabinet in November 2013, there had been no further information on the development of the proposals provided to Opposition Group councillors. He emphasised that he was not questioning the merit of the projects that were contained in the report, but that the lack of information provided up until now meant it was difficult for councillors to have meaningful discussions with constituents if questioned by them on the matter. He suggested that it was important a presentation was made to all councillors with more detailed information on the projects that were being put forward. In support Councillor Swift stated that without seeing the detail, there was no way for councillors to properly judge the projects.

Councillor Buchanan highlighted the pace at which the City Deal project had developed once the funding announcement had been made, and that the main projects that were being put forward by the Council had been carefully selected to ensure they met the requirements in terms of GVA. With regard to the reserve list of projects as outlined in the report, he clarified that in the event there was an opportunity for any of these to go forward as a result of the underspend, cancellation of or slippage in another project, the project selected would need to match the GVA requirements of the project not going ahead, and there would be an opportunity for all councillors to consider these projects in order to select the most appropriate replacement.

Referring to comment about lack of information, Councillor O'Kane expressed surprise as the main projects were in fact longstanding projects provision for which had been made in the Council's Local Development Plan.

Councillor McCaskill referred to the requirements for individual councils to meet the cost of any financial loss in the event one of their projects project was not completed, and expressed concern at the potential financial impact on the Council. In reply the Chief Executive explained that whilst this was a challenging condition, as the purpose of the City Deal was to create GVA, and any non-completed projects would not do so, the condition was not unreasonable. She clarified that the onus would be on councils to ensure that projects would be completed. In support of the Chief Executive, the Director of Environment explained that the East Renfrewshire project proposals would be fully investigated to make sure there was no impediment before starting them.

Referring to the reserve list of projects appended to the report, Councillor Wallace noted that only one of the projects listed had been included in the project list contained in the original report submitted to Cabinet in August 2013. He stated that it was important elected members were fully briefed on all potential projects and that all councillors were involved in taking decisions on which projects should be taken forward.

In reply, the Chief Executive, supported by the Head of Environment (Planning, Property and Regeneration) explained that if there were any changes to the Council's principal projects these would at least need to have an equivalent GVA and proposals would be bought back to the full Council for a decision. Furthermore, the Head of Environment (Planning, Property and Regeneration) confirmed that he would be happy to arrange briefing sessions for elected members to provide more detail of and information about both the main and reserve projects.

Confirming that it was always the intention that any reserve projects would be brought back to elected members for approval in the event other projects could not proceed, Councillor Fletcher highlighted the importance of having reserve projects in place as a contingency.

Having noted the assurances given by the Chief Executive, the Head of Environment (Planning, Property and Regeneration) and Councillor Fletcher, regarding the process for approving any reserve projects and the provision of information to elected members, and having heard Deputy Provost Cunningham congratulate the officers involved in developing the East Renfrewshire proposals, the Council:-

- (a) confirmed continuing participation in the Glasgow City Region City Deal Initiative, on the basis of the funding commitments now received from the UK and Scottish Governments;
- (b) delegated authority to the Director of Environment, in consultation with the Chief Executive, to conclude negotiations on behalf of the Council with regard to finance, governance, project details and any other matters including inter-authority agreements;
- (c) agreed that the Director of Environment would submit to the Council for approval those fully developed reserve projects which could be funded by project slippage; and
- (d) agreed that Councillor Fletcher, as Leader of the Council, be appointed as the Council's representative on the proposed Partnership Board, with Councillor Buchanan, as Deputy Leader appointed as substitute.

PROVOST