



Glasgow Economic Leadership Board

Meeting 43

Thursday 29 January 2025, 08.30 - 10.00

Conference Room 8, Technology & Innovation Centre (TIC)
99 George Street, G1 1RD

Present

Professor Sir Jim McDonald (Principal, University of Strathclyde - co-Chair)

Cllr. Susan Aitken (Leader, Glasgow City Council - co-Chair)

David Bunton (CEO, Reprocell Europe)

John Howie (Chief Corporate Affairs Officer, Babcock International) – *joined online*

Selma Hunter (CEO, Hunter Consultancy)

Jim McColl (Chairman and CEO, Clyde Blowers Capital)

Susanne Millar (CEO, Glasgow City Council)

Jane Martin (MD Innovation & Investment, SE)

Stuart Patrick (CEO, Glasgow Chamber of Commerce)

Guests

Stuart Gallacher (BAE) – *joined online*

Gordon McGuinness (SDS)

Apologies

Andy Cliffe (CEO, AGS Airports Ltd.)

Guy Jefferson (COO, SP Energy Networks)

Janice Kirkpatrick (Director, Graven)

Mark Napier (MD Global Technology, JP Morgan)

Cllr. Owen O'Donnell (Vice Chair, GCR Cabinet)
Alison McRae (CoC)

Attending

Kevin Kane (GEL)

Andrew Robertson (GCR)

Kevin Rush (GCC)

Graham Smith (GCC)

Paul Zealey (SDS)

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Welcome, introductions and apologies

- 1.1 GEL Co-Chair, **Professor Sir Jim McDonald** welcomed all to the first meeting of 2025 and wished all a bleated Happy New Year. **Professor Sir Jim McDonald** welcomed **Debbie McWilliams** (SEC) to her first GEL Board meeting and noted that **Cllr. Owen O'Donnell**, Leader, East Renfrewshire Council and Vice Chair, GCR Cabinet has joined the Board, though he had sent his apologies. **Professor Sir Jim McDonald** also welcomed **Stuart Gallacher** (BAE) who joined the meeting online from London (as did **John Howie**) and **Gordon McGuinness** (SDS) who would brief the Board on the recent Clyde Maritime Skills work undertaken by RAND.
- 1.2 **Professor Sir Jim McDonald** informed the Board of the news that **Andy Cliffe** (who had sent his apologies) had been replaced as CEO of AGS Airports Ltd. by its new owners AviAlliance. On behalf of the Board, **Professor Sir Jim McDonald** noted his thanks to **Andy Cliffe** for his engaged and dynamic role on the GEL Board.

- 1.3 **Professor Sir Jim McDonald** informed the Board that he had been appointed as Chair of Scottish Enterprise, and that both the Scottish Government and Scottish Enterprise were happy that he continues in his role as co-Chair of GEL. **Professor Sir Jim McDonald** noted that in the event of any future conflict of interest, that he would take no part in the discussion with that formally noted in the Minute and that **Cllr. Susan Aitken** would chair the relevant discussion item.

- 1.4 Apologies were noted.

2 **Minute of 8 October 2024 and Matters Arising**

Minute of 8 October 2024

- 2.1 **Cllr. Susan Aitken** invited the Board to approve the Minute of the Board meeting of 8 October 2024. The Minute was approved.

Matters Arising – GEL co-Chairs' letter to the Secretary of State for Scotland

- 2.2 **Cllr. Susan Aitken** noted that a letter had been sent to **Ian Murray MP, Secretary of State for Scotland** (included with the Board papers). Though the response had been somewhat *pro forma*, there has been constructive dialogue with **Ian Murray MP** who is supportive of GCR's ambitions. **Cllr. Susan Aitken** noted in this regard, the Chancellor's announcement that the UK Wealth Fund (formerly the National Infrastructure Bank) would establish strategic partnerships Greater Manchester, West Midlands, West Yorkshire and Glasgow City Region is very welcome as it will provide GCR with a direct link to help it develop funding proposals for large scale infrastructure projects.

- 2.3 **Stuart Patrick** welcomed progress but advised that GEL/GCR should track the implementation of the [English Devolution White Paper](#) (December 2024) which proposes 'single pot' devolution deals for England's major metro areas as well as including them directly in innovation and transport policy development. **Stuart Patrick** noted that it was vital that Glasgow should not be disadvantaged by these developments. **Action: GEL co-Chairs to write to the Secretary of State for Scotland seeking his support for a new c. £1BN Single Devolution Deal for Glasgow City region.**

Matters Arising – GEL Board invitations

- 2.4 **Kevin Kane** noted that **Mark Logan** had stepped down from his role as Scotland's Chief Entrepreneur and that he had withdrawn his prior acceptance to meet with the Board.
- 2.5 **Kevin Kane** noted that **Andy Haldane**, CEO of the Royal Society of Arts had accepted an invitation to attend/participate in the GEL Board at its meeting of 25 June 2025
- 2.6 **Kevin Kane** noted that invitations to the **Kate Forbes MSP, Deputy First Minister** and **Ian Murray MP, Secretary for State for Scotland** to meet with the GEL Board were currently with the GEL co-Chairs.

3 **GEL Board Briefing: Clyde Maritime Skills**

- 3.1 **Prof Sir Jim McDonald** invited **Stuart Patrick** to provide the background to this work.

- 3.2 **Stuart Patrick** noted that the skills work grew out of the work of the Clyde Maritime Group¹ which he chairs with **Sir Simon Lister** (CEO, BAE). The aim of the group is to investigate what could be done collectively to boost the Clyde maritime sector. **Stuart Patrick** noted that the Clyde is UK's second largest maritime cluster, after Southampton. **Stuart Patrick** passed on to **Gordon McGuinness** to introduce the Clyde Maritime Skills Study.
- 3.3 **Gordon McGuinness** noted that skills supply in the Clyde maritime sector had been impacted by Brexit, with many former EU workers leaving the sector and city, COVID and increased competition from the renewables sector. This had resulted in acute skills shortages, especially in key trades (steelworkers, platemakers, boilermakers and associated supervisory grades) in structure and outfitting activities. As a result, key employers have resorted to the hiring (expensive) agency workers from abroad (eg South Africa, Philippines), while local recruitment into apprenticeships has remained low due the poor image of the sector. However, some employers (BAE) have responded with BAE creating a Skills Academy to develop young talent into the sector. **Gordon McGuinness** passed on to **Paul Zealey** (and **Stuart Gallacher, BAE**) who spoke to a presentation circulated to Members after the meeting.
- 3.4 **Paul Zealey** noted that the purpose of the RAND work was to enhance stakeholders' understanding of the skills gaps on the Clyde and to propose opportunities for improving skills transferability, growth and sustainability. The report noted that there had been a de-prioritisation (de-funding) of vocational training, restrictions on land supply for expansion and the demographic challenge of an ageing population, though the sector itself has a balanced demographic profile. Despite clearer demand signals from the UK government, the sector is building up from a (much) reduced base, with UK now having one of the smallest civil/military shipbuilding sectors in Europe with less than 1% of the European shipbuilding market. However, the Type 26 programme on the Clyde has generated a long backlog that is driving workforce demand.
- 3.5 **Paul Zealey** said the study's recommendation to take a Clyde-wide/regionalised approach aligns well with both the Withers report and the recent OECD Glasgow local job creation review. It also aligns well with GCR Economic Strategy and the Future Skills Programme which now includes Clyde maritime skills as a priority sector.
- 3.6 **Stuart Gallcher** noted that the focus of **Sir Simon Lister** (BAE, CEO) is on practical skills and knowledge and the opportunity to recruit/train a local workforce and reduce the use foreign contract staff. There was some discussion of the necessary length of time to fully train skilled workers, however **Selma Hunter, Debbie McWilliams** and **Susanne Millar** noted that young people bring new skills and perspectives and have a positive impact on innovation and the use of technology, alongside their impatience at slow career progression. They all felt that the Clyde maritime sector should embrace the energy of young people. **Jim McColl** raised the issue of the role of Peel Ports, Clydeport's owner, who he feels do not prioritise the development of the Clyde. In his view the Clyde's port facilities cannot be replicated and should be viewed as a key national infrastructure asset.

¹ The Group includes businesses (e.g. BAE, Babcock, HMNB Faslane, Malin Group), sector bodies (National Shipbuilding Office), local authorities (GCC and Argyll and Bute), research and skill providers (University of Strathclyde, BAE Skills Academy, City of Glasgow College) and economic development and skills agencies (Scottish Enterprise, Skills Development Scotland).

- 3.7 **Professor Sir Jim McDonald** asked about the governance structure of the Clyde maritime partners with **Gordon McGuinness** noting that this is currently being considered by the partners (BAE, Malin, SE, Colleges, National Shipbuilding Office).
- 3.8 **Stuart Gallacher** emphasised that an intervention is needed now to capture the opportunity on the Clyde. **Susanne Millar** advised that the partners make a “concrete ask” of Scottish government. **Stuart Patrick** noted it was helpful that the maritime sector is now included in GCR’s skills “devo ask” of Scottish government as it is an evidenced and practical ask. **Gordon McGuinness** noted the current scale of apprenticeships on the Clyde with BAE taking on 170 apprentices annually – the largest in Scotland.
- 3.9 **Professor Sir Jim McDonald** thanked Board Members for their input and noted the GEL Board’s strong support to the Clyde partnership’s efforts to increase skills development and utilisation across the Clyde, commended the pivotal role of the private sector-led consortium that has driven this work and that it should craft a concrete ask of Scottish government.
- 3.10 **Professor Sir Jim McDonald** thanked **Stuart Patrick, Gordon McGuinness, Paul Zealey** and **Stuart Gallacher** for their input to the discussion and noted **Action: that the GEL Board be kept updated on developments of the Clyde Maritime partnership.**

4. Update – GEL Innovation Group

- 4.1 **Professor Sir Jim McDonald** invited **John Howie** to update the Board on progress.
- 4.2 **John Howie** noted that GEL Innovation in its two meetings to date had (i) considered an analysis by the GCR Intelligence Hub on sectoral clusters and comparative strengths across the city-region innovation eco-system and (ii) heard from Business of Cities on work that it has been commissioned to undertake to input to the identity theme of the Regional Innovation Action Plan (RIAP). This work will include a comparative analysis of GCR with global peers and competitors and its output will feed into the development of an innovation branding for GCR to better promote and platform the city region’s innovation assets and successes.
- 4.3 **John Howie** noted that at its meeting of 15 January 2025 GEL Innovation had considered how to best allocate an additional £10m in 2025/26 to the eleven projects in the GCR Innovation Accelerator (IA). After due consideration, the group recommended the funding of eight projects, based on their ability to deliver/draw down funds, generate significant co-investment and in some cases the potential to put GCR on the global map. **John Howie** noted that GCR’s IA programme had generated co-investment of £42m.
- 4.4 **Prof Sir Jim McDonald** thanked **John Howie** for his update.

5 GEL International

- 5.1 In introducing the item **Cllr. Susan Aitken** noted that previous international strategies had been more focused on city twinning than on developing trade, investment and Glasgow’s engagement in global networks. **Cllr Susan Aitken** invited **Graham Smith** to update the Board.
- 5.2 **Graham Smith** spoke the paper circulated with the Board papers. He asked the Board to note that GCC had approved the strategy for the period 2025-2030 (para 1.2), the

priority geographic markets (at para 1.4) and the range of stakeholders from which the final membership of GEL International would be drawn.

- 5.3 To help facilitate action, **Graham Smith** noted that there would be an International Fund (as used in Manchester) to leverage co-funding to expand Glasgow's international trade and other international activity.
- 5.4 **Graham Smith** noted that given the news about **Andy Cliffe**, consideration would be given as to whom should lead GEL International and it was now likely that the scheduled date (18 February 2025) of the group's first meeting would be pushed back.
- 5.5 **Stuart Patrick** noted that the Scotland Office had prioritised supporting Scotland's international profile and that Glasgow should seek to leverage this interest in future activities, for example, in the forthcoming China (Shanghai) International Technology Fair where Glasgow is the official guest city. **Jane Martin** asked that Glasgow liaise with SDI over its overseas focus to ensure we are all aligned. **Professor Sir Jim McDonald** noted the opportunities to globally promote GCR lead sectors such as energy, net zero transition etc.
- 5.6 **Cllr. Susan Aitken** thanked **Graham Smith** for his update.

6 GCR productivity gap with West of England (Bristol metro area)

- 6.1 **Cllr. Susan Aitken** invited **Kevin Rush** to introduce this analysis by the GCR Intelligence Hub.
- 6.2 **Kevin Rush** noted that the West of England (WoE) is the best performing of the UK 'Core Cities' and that this work had been commissioned from the Intelligence Hub to better understand Glasgow's productivity "gap". **Kevin Rush** passed on to **Andrew Robertson** of the Intelligence Hub to take Members thought the analysis.
- 6.3 **Andrew Robertson** spoke to the circulated paper and to a presentation that was circulated to Members at the close of the meeting. **Andrew Robertson** noted that the analysis shows that WoE has a larger number of companies that trade internationally (28.6%) than does GCR (22.6%) and its employment growth in knowledge intensive industries (2015-2022) was 24% compared to GCR's at 17%. In addition, there are significant in-sector productivity differences between GCR and WoE, including in high productivity sectors such as Professional, Scientific and Technical activities where firms in GCR are significantly less productive than firms in WoE. **Andrew Robertson** concluded that the results provide evidence to support GCR's strategy to attract and nurture high-performing firms in tradeable sectors to help drive growth and competitiveness, plus the need to boost productivity in GCR's (large) foundational economy. The latter actions would boost productivity in low-wage sectors, could increase GVA and improve outcomes for the poorest households, creating a more inclusive economy.
- 6.4 **Selma Hunter** noted that a high business birth and high death rate was an important indicator of business dynamism. **Professor Sir Jim McDonald** noted that the analysis had him reflect that both GCID and AMIDS should see productivity as a measure/target to better align with the GES. **Jane Martin** noted that SE has considerable experience of analysing productivity issues and that she would ensure these are shared with the Intelligence Hub. **Jim McColl** noted that evidence supports the fact that working from home (WFM) is a drag on productivity and that Glasgow has among the highest WFH rates in the UK. **David Bunton** agreed that the young workforce especially needs to be in the workplace to learn and be productive.

6.5 **David Bunton** also noted the productivity impact of the shortage of lab space. For the life sciences sector this means newer companies cannot access smaller scale labs as larger companies are “bed blocking” them as they are unable move to larger premises (eg occupiers at the West of Scotland Science Park). **Jane Martin** noted that SE has commissioned more detailed work into lab space and that she would touch base with **David Bunton** to ensure the sector’s views and experiences inform the work.

6.7 **Cllr. Susan Aitken** thanked **Andrew Robertson** for his presentation and Members for their interest and engagement with the issues raised.

7 AOB and DONM

7.1 **Professor Sir Jim McDonald** invited any AOBs.

7.2 **Kevin Rush** noted that GCC had recently approved a proposed 5% visitor levy on accommodation in Glasgow. This would now be subject to a twelve-week consultation. **Kevin Rush** noted that the issue had been discussed at the Glasgow Tourism Advisory Forum/GEL Tourism & Events work stream.

7.3 **Professor Sir Jim McDonald** noted that the next GEL Board was scheduled to take place on **26 March 2025 (08.30-10.00)** in the Technology & Innovation Centre (TIC). There being no further business, **Professor Sir Jim McDonald** closed the meeting.

7.4 Dates for GEL Board meetings in 2025 have been set and communicated to Members and are as follows. All meetings to be held in TIC.

26 March 2025, 08.30-10.00
25 June 2025, 08.30-10.00
22 October 2025, 08.30-10.00

Kevin Kane
Executive Director
Glasgow Economic Leadership

February 2025