



Glasgow City Council

**Economy, Housing, Transport and
Regeneration City Policy Committee**

Report by Director of Regional Economic Growth

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Item 2

3rd June 2025

Economic Development Update

Purpose of Report:

This report provides Committee with a background to the work carried out by Economic Development and an update of activity across the Division over the last year.

Recommendation:

Committee is asked to:

- Discuss the attached report on the function and activity of Economic Development.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1. Introduction

- 1.1 This paper provides a background to the Economic Development function within the Council, providing information on the ten key areas it covers, before presenting key achievements over the last year. It concludes with performance monitoring data regularly reported through the Chief Executive's Senior Management Team.

2. Background

- 2.1 Glasgow City Council's Economic Development team is responsible for delivering the city's [Economic Strategy](#), which defines the actions we are taking to deliver an inclusive, sustainable and more productive economy for our city.
- 2.2 The division has a wide-ranging remit with teams working in collaboration with city partners to deliver our goals. More information on the various teams within the division is below.
- 2.3 There are ten key component parts to the division: Business Glasgow; Employment & Skills; Invest Glasgow; Green Economy, Innovation & International; Digital Economy; Grants & Monitoring; Glasgow Film Office; Strategic Projects; UK Shared Prosperity Fund (UKSPF); and Marketing and Communications. Further detail of each area is provided within the [Economic Development Annual Report](#).

3 Key achievements over the last 12 months

- 3.1 *Business Glasgow* provides a comprehensive package of support for pre-trading entrepreneurs, start-ups and established SMEs, and delivers the Business Gateway Glasgow service. It extends assistance beyond the traditional pre-start remit to include existing businesses, social enterprises and co-operatives. In addition to one-to-one and group advisory services, a suite of programmes is available, including expert guidance through the Glasgow Business Growth Framework, Digital Expert Support, and a two-tier Start-up Grant. Over the past two years, these initiatives have delivered more than £1.5 million of additional support to Glasgow SMEs. There are over 5,000 active accounts with businesses and over the last year, more than 1,600 individual businesses and entrepreneurs have been supported.

Following COP 26, the city's first Green Business Support offer for SMEs was launched. This includes a Green Business Grant, which has awarded over £400,000 to organisations seeking to reduce their carbon footprint, adapt to climate change or mitigate future emissions. The popular Step Up to Net Zero programme has been funded, delivered in partnership with the Chamber of Commerce, which places a dedicated individual within an SME to conduct an

in-depth review of business practices, to identify practical measures to improve circularity and move towards net zero.

During the past year, Glasgow's first Social Innovation Challenge Fund has also launched. The fund will make £250,000 available to partner organisations, to work collaboratively to tackle the systemic barriers to entrepreneurship faced by underrepresented groups, particularly women and minority-ethnic communities.

- 3.2 The *Employment and Skills* team deliver Glasgow Futures, an integrated employability programme designed to support individuals across all ages who are furthest from the labour market or experiencing in-work poverty. The Local Employability Partnership (LEP), which is chaired by the Council and consists of key strategic players in the city, provides leadership and governance to the agenda. Since 2020, Glasgow Futures has supported around 12,000 people, helping them overcome barriers, gain qualifications, and access work opportunities.

The LEP will oversee £18.7m investment in employability services in 2025/26 through a combination of GCC, UKSPF, and Scottish Government's No One Left Behind funding. This will support over 30 projects led by Council Family and third sector providers, delivering holistic, all-age support tailored to individuals based on need. Over 40 organisations will collaborate under a No Wrong Door model, ensuring specialist key worker support reaches those who need it most.

The LEP will continue driving the Just Transition Skills Action Plan in 2025/26, ensuring investment aligns with growth sectors and the foundational economy. A sharper focus is being placed on addressing short to medium-term skills gaps, especially where this is inhibiting investment and growth. Furthermore, in the context of the Child Poverty Programme and in line with the national Fair Work First policy, Glasgow Futures will develop new approaches that support individuals working in lower-paid sectors to increase their earning potential and progress in work.

- 3.3 Led by *Invest Glasgow*, 2024/25 proved to be a successful year for inward investment in the city. In comparison to 2023/24, results recorded demonstrated an uplift of 75% in the number of projects (from 37 to 65); 6% in the number of jobs (from 2,314 to 2,458); and 36% in the estimated CapEx for the year (from £325.7m to £512m).

The dominant sectors for project numbers in 2024/25 were Financial and Business services, followed by Retail and then Engineering and Advanced Manufacturing. The top five source markets are the UK as the main market with 33 projects, followed by the US (10 projects), Germany (4 projects), Netherlands (3 projects), and Spain (3 projects). The top three sectors for project numbers were Financial and Business Services (22 projects), Retail (13 projects), and the Digital Economy (6 projects).

One of the standout projects for both capital expenditure and jobs is the planned £28 million investment by Halon Entertainment, a Los Angeles-based visualisation and animation company, to establish a new Glasgow studio, creating up to 250 jobs over the next three years. The company specialises in real-time visualisation, virtual production, and animation for feature films, television, and gaming. Scottish Enterprise has also committed £3.9 million in funding to support Halon's expansion.

Glasgow has once again been named in fDi Intelligence's European Cities and Regions of the Future as the 2025 rankings were announced in February 2025. The flagship research assesses the attractiveness of cities and regions for foreign direct investment (FDI), with a data-driven ranking of locations against peers with similar population sizes. After topping the category last year, Glasgow maintains a top 3 position for FDI Strategy ahead of Leeds, Dusseldorf, Torino, and Krakow and placed 8th for Connectivity.

3.4 The *Green Economy, Innovation and International* function is a broad area covering three key elements of the division's work and delivering a broad range of activity over the last year.

3.4.1 Led by the *Green Economy* team, the Council established a cross-party Just Transition Working Group, which made recommendations for supporting Glasgow's workers, businesses and communities to move towards a net zero city and ensure equity and fairness as they do so. The first annual update was presented to committee in November 2024 on these recommendations, with a key focus currently on engaging with local communities to ensure that the transition is both meaningful to them and that they can play an active part in shaping it. In this light, recent work has included the Bloomberg-funded Youth Climate Action Fund, as well as a City Changemakers project in selected wards with local people and supported by the C40 network. Glasgow also continues to play an active role in the Global Resilient Cities Network, which links it to many other cities around the world on issues of climate, economic development and social justice.

Following the approval of the £4m budget for the Model for Climate Investment project at the City Administration Committee in March 2024, the Climate Finance Manager commenced the development of the internal and external specialist team. The internal team consists of Legal, Procurement and Finance specialists, who were strategically appointed to spearhead the initiative. In addition to the internal team and following successful procurements, two external consultancies have been appointed. Brodies have been appointed as the external legal and procurement specialists with Price Waterhouse Cooper (PWC) being appointed as financial consultants. Work is underway to progress with establishing the core project information to advance the development of the business case. The recommended option for driving forward the model for climate investment will be established over the summer following the conclusion of investigatory work and full risk analysis. This will allow for the population of the Outline Business Case and development of the procurement strategy to deliver Glasgow's model.

3.4.2 The *Innovation* team supported Glasgow City Region by co-ordinating an Innovation Accelerator programme with local projects across a range of key sectors with UK Government funding of £33 million for 2023-25 and a further £10 million for 2025-6. These are intended to bring novel products and processes to market, grow well-paid jobs, and help to close the productivity gap for Glasgow in line with the key missions of the city and regional economic strategies. They build on local strengths around advanced manufacturing, life sciences, quantum technology, and financial services. Partners have also worked together to publish a Regional Innovation Action Plan, which is leading the development of six key themes on areas such as skills, inclusion and infrastructure in order to build the local innovation eco-system further and grow Glasgow's reputation on a national and global scale as an innovation hub. This work reports to a new Innovation Group of Glasgow Economic Leadership. It has also informed the new Investment Zone for the city-region, which will see £160 million of national government support to local businesses in the advanced manufacturing and precision engineering sector – with a key focus on the sub-specialisms of space, maritime and semi-conductors.

The Council works closely as a core partner with the two Innovation Districts in the city, in collaboration with Scottish Enterprise and the Universities of Glasgow and Strathclyde as anchor institutions. The Innovation Districts draw on a 'triple helix' of academic, business and public sector partners to reflect the region's industrial strengths and bring a strong sense of place to investors and national government. £1.8 million of UK SPF funding was provided in 2024-25 to the two Innovation Districts to fund a range of programmes, including targeted interventions to drive entrepreneurship amongst underrepresented groups, include women-led and minority ethnic community-led businesses, with further funding being allocated for 2025-6. The Council has also worked with the further education sector in the city and city-region and supported the six colleges in their successful bid for Innovate UK funding to work with local businesses.

3.4.3 The Council, led by the *International* team, convened partners in 2024 from across a range of sectors, including more than 100 local businesses, to develop a new International Strategy for the city, with the key aim of projecting a strong collaborative Team Glasgow approach on the world stage. This has been focused both on the economic development agenda of trade, inward investment and city marketing, as well as drawing on themes of civic, educational and cultural connections for Glaswegians and city institutions – with a particular acknowledgement of the significance of the Glasgow 850 celebrations and the opportunity it brings to engage both the world and local residents on Glasgow's global standing. A set of key international events has been identified for potential attendance by businesses and agencies in order to promote trade and investment and the new strategy aligns well with the messaging and market priorities which the innovation and Invest Glasgow work brings with it.

3.5 The purpose of the *Digital Economy* function is to maximise the benefits of leveraging digital technology to support a sustainable and growing economy as identified in both the Glasgow Digital Strategy and the Scottish Technology Ecosystem Review.

3.5.1 To support this aim a key focus area for the *Digital Economy* team has been to leverage UKSPF to stimulate and increase market square activity in the city.

Following the completion of the funding period 2023-2025, the three Tech Ecosystem Subsidies established (Meetup, Event and Rent) have exceeded all set targets and helping to support:

- 18 tech companies successfully move into co-working space
- 33 tech meetups take place regularly across the city
- 23 tech events to bring diverse sectors and ecosystem actors together.

This has collectively contributed to:

- 201 jobs safeguarded
- 29 new businesses created
- £12.51m in increased investment
- 66 organisations involved in new knowledge transfer activity.

Due to their successful impact on the local ecosystem, both Meetup and Event Subsidies will continue to be funded through UKSPF for 25/26 with demand high.

3.6 The *Grants and Monitoring* team is responsible for three key workstreams: monitoring and compliance for the Glasgow Futures employability programme (covered under 3.2 above), and delivery of the Glasgow Communities Fund (GCF) and Glasgow's Holiday Programme (GHP) grant programmes.

The GCF is currently in the final year of a 3-year programme (2023-2026), providing £16m of grant support annually to third sector organisations. Aligning directly with Grand Challenge One of the Council's Strategic Plan, 217 organisations are currently supported to deliver a diverse range of support programmes in local communities across the city. In 2023/24 organisations reported engaging with 390,222 individual service users and 903 organisations as part of their delivery programmes. Monitoring data for 2024/25 shows engagement with 270,230 services users by end of September 2024 (annual monitoring data for 2024/25 will be submitted by organisations in June 2025).

A framework for delivery of the next phase of the GCF (2026-2029) was approved by the City Administration Committee on 5 December 2024. 465 applications received during the application window of 13 February to 7 April 2025 are currently being assessed. An Oversight Group comprising lead officers from across the Council Family is leading on the strategic planning, design and delivery of the assessment framework which will result in a

collaborative programme of funding recommendations presented to the City Administration Committee later this year.

Glasgow's Holiday Programme supports organisations to deliver programmes of engagement, activities and food to children and young people (ages 0-18 years) during school holiday periods. The 2025/26 programme of £2.2m grant support was approved by the City Administration Committee on 24 April 2025. It will support 59 providers to deliver programmes in every ward from Summer 2025, with provision of 200,679 anticipated funded spaces being available to an estimated 19,233 beneficiaries city wide.

On 25 September 2024, over 200 delegates came together at a Celebration and Learning event for organisations supported by the GCF and GHP. The event included facilitation by 23 table hosts and 20 pop-up stalls from the GCF and GHP funded organisations. Feedback from the event has been wholly positive.

- 3.7 As part of the *UK Shared Prosperity Fund (UKSPF)* Glasgow was awarded over £27m to deliver projects from 2022 until 31 March 2025. The programme was led by Economic Development and covered both revenue and capital projects across the themes of Communities and Place, Supporting Local Business and People and Skills as well as the Multiply programme to promote numeracy skills. In total 17 projects were funded and engaged with over 100,000 individuals, with all successfully achieving the projected outputs and outcomes. At programme closure Glasgow reported to UK Government that the entire £27m had been effectively utilised to support the city's economic growth.

Over the programme period projects supported a number of outputs and outcomes, including:-

- 5 capital infrastructure projects including the Citizen's Theatre and the Briggait
- 2,118 people into employment, including self employment
- 168 community-led arts, cultural, heritage and creative programmes
- Almost 900 volunteering opportunities
- Over 570 grants awarded to SMEs to improve business competitiveness and sustainability
- The development of 30 new to market products

Glasgow has been awarded £11.8m for the UKSPF one year extension for 2025/26 and projects, the majority of which are continuing from the original programme, were approved at CAC on 30 January 2025 and are now underway.

4 Performance Monitoring

- 4.1 The Chief Executive's Senior Management Team (SMT) meet quarterly to review wider service priorities and performance.

4.2 The table below shows the outcomes, targets and performance reported over the last financial year:

Outcome/ Theme / Strategy	Milestone / Target 2024/25	Q4 2024/25	Performance Note	RAG
Number of businesses receiving advice and support from GCC Business Team	1200	1313	Target exceeded.	G
Number of Glasgow residents who started their own business as a result of our support	500	429	Glasgow returned the second highest start-up figure for all Scottish local authorities. With a fully resourced team, the team is looking to exceed the target of 500 starts for 25/26.	A
Number of businesses receiving specialist consultancy support aimed at growing their business	40	65	Target exceeded.	G
Number of businesses receiving support aimed at enhancing business digital performance	23	40	Target exceeded.	G
Number of businesses supported through the Green Business Grant	23	38	Target exceeded.	G
Number of businesses supported through the Tech Grant (Event, Meet-up & Rent)	25	60	Target exceeded.	G
Number of jobs created by Invest Glasgow projects	2,000	2,314	Target exceeded.	G
Number of new Investments	20	31	Target exceeded.	G
Number of company	10	21	Target exceeded.	G

Outcome/ Theme / Strategy	Milestone / Target 2024/25	Q4 2024/25	Performance Note	RAG
expansion projects by Invest Glasgow				
Percentage of performance monitoring returns provided by organisations in receipt of Glasgow Communities Fund.	100%	100%	100% on Annual Monitoring Returns / and Mid-Point Monitoring returns.	G
Number of anticipated children and young people identified as service beneficiaries by the Holiday Programme Providers.	31,353	31,353	Summer 24 – 21,701 October 24 – 8,043 Actual Total: 29,744	G
Number of employability engagements	4,730	4,629	The number of engagements for 24/25 will increase once the monitoring has been fully concluded.	G
Total number of engagements who progressed into employment, Further/Higher education, modern apprenticeships, school, volunteering, self-employment.	1,991	1,737	The number of progressions for 24/25 will increase once the monitoring has been fully concluded.	G

5. Next Steps

Over the next 6 months, a number of activities will take place, including, but not restricted to:

- Supporting a delegation of SMEs and spin outs to attend the Shanghai International Technology Fair where Glasgow is designated guest host city, affording significant opportunities for engagement around investment opportunities, attracting investors and angel funds.

- Consider attendance at COP30 in Belem, Brazil and, if attendance is agreed, will look once more to co-ordinate its presence and activities with other Glasgow partners, such as the Universities and Chamber of Commerce. There have also been discussions with global networks such as C40, ICLEI and the Global Resilient Cities Network in the run-up to Belem. They have been key partners for Glasgow in its hosting of COP26 and presence at subsequent COP events.
- Delivery of a networking and celebration event for the Social Innovation Challenge Fund, bringing together delivery partners, participants and the wider ecosystem, aimed at forging connections, removing barriers and improving access to support services.
- For Employment and Skills, next steps include the establishment of a LEP working group led by Kelvin College to take forward interventions that address skills demands of growth sectors and provide in work progression opportunities for people in low paid employment. Over the coming months, the LEP will be developing future commissioning plans. This will be based on an evaluation of performance and will ensure that provision is in place following the conclusion of existing contracts and service agreements. The LEP will ensure that future provision reaches the people who need it most through a mixed economy of support.
- Through our climate investment work, a Political Oversight Group will be formed, with regular meetings established. At the same time, the Procurement Strategy and Outline Business Case development will take place, establishing a route for a community investment platform.
- Planning and delivery of the 27th State of the City Economy conference on 28 November.

6. Policy and Resource Implications

Resource Implications:

Financial: None. Projects and activities are funded through a combination of GCC budgets complemented by Scottish and UK Government funding.

Legal: Legal Services provide guidance and support to a range of activity, including Subsidy Control and Grant Agreements.

Personnel: None. Activities are delivered by Economic Development staff or partners/city stakeholders

Procurement: Procurement advice and guidance is provided when necessary to ensure compliance when purchasing services.

Council Strategic Plan: The following Strategic Plan outcomes are supported:

Grand Challenge 1 – Reduce Poverty and inequality in our communities - Mission 3: Improve the health and wellbeing of our local communities and Mission 4: Support Glasgow to be a city that is active and culturally vibrant.

Grand Challenge 2 – Increase opportunity and prosperity for all our citizens - Mission 2: Support the growth of an innovative, resilient and net zero carbon economy.

Grand Challenge 3 – Fight the climate emergency in a just transition to a net zero Glasgow – Mission 2: Become a net zero carbon city by 2030

Grand Challenge 4 – Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities - Mission 1: Create safe, clean and thriving neighbourhoods.

Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25</i>	Yes. Specifically Tackling Poverty, Reducing Health Inequalities and Empowering Communities
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<i>What are the potential equality impacts as a result of this report?</i>	The Council's activity as detailed in this paper has the potential to reduce poverty, create well-paid jobs and support inclusive growth.
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<i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i>	The provision outlined in this paper is designed to support the most socio-economically disadvantaged individuals in the city. Projects will improve the physical environment, address social issues and increase economic activity.
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Climate impacts:

<i>Does the proposal support any Climate Plan actions? Please specify:</i>	The work noted in this report both contributes to the key aims of the Climate Plan in relation to a greener economy and innovation for net zero, particularly through learning from global peer city networks.
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What are the potential climate impacts as a result of this proposal? This work looks to align trade and investment with the city's net zero ambitions and therefore support a range of positive climate impacts.

Will the proposal contribute to Glasgow's net zero carbon target? Yes, this approach is a contributor to the realisation of the city's net zero target through supporting businesses in this sector to grow.

Privacy and Data Protection impacts: This report has no impacts upon privacy or data protection.

6.0 Recommendations

6.1 Committee is asked to:

- Discuss the attached report on the function and activity of Economic Development.