



Glasgow City Region Investment Zone Non-Domestic Rates Income Re-Investment Strategy V1

1. Introduction

The Non-Domestic Rates Income Re-Investment Strategy is a core document of the Glasgow City Region Investment Zone (GCR IZ) and referenced in the Memorandum of Understanding (MoU) between Ministry of Housing, Communities and Local Government, the Scottish Government and Glasgow City Council as the Accountable Body which was signed February 2026

The Memorandum of Understanding sets out the principles and arrangements for the retention and reinvestment, across the Glasgow City Region, of incremental non-domestic rates generated within the designated NDR Retention Zones. This is intended to support the delivery of the Investment Zone objectives, including economic growth, infrastructure development and innovation.

The location of three sites for retention of non-domestic rates has been agreed by the Glasgow City Region Cabinet and individually by each of the Local Authorities as follows: NDRR1 (AMIDS / Airport), NDRR 2 (Glasgow Clyde), NDRR 3 (Eurocentral) (the NDR Retention Zones). The locations of these sites are shown in the maps in Appendices 1-4.

Each constituent partnership member: Renfrewshire Council, Glasgow City Council, North Lanarkshire Council and South Lanarkshire Council have each secured formal committee approval, agreeing that their council will continue to be responsible for collecting Non-Domestic Rates locally. In addition, that any Non-Domestic Rates growth retained, as a result of the NDRR site, be pooled at the regional level and re-invested back into the GCR Investment Zone programme, in line with overall Investment Zone objectives; and that this re-investment should be pooled and determined by GCR Cabinet.

This approach has also been endorsed through the GCR Chief Executives' Group (CEG) and GCR Cabinet aligned with established GCR Governance structures.

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With approvals secured from each Member Authority Committee and the Glasgow City Region Cabinet, management and governance responsibilities will be delegated to the NDRR Steering Group.

An MoU between GCR and the Member Authorities has been signed between Glasgow City Council as the Accountable Body and the four Member Authorities, Glasgow City Council, North Lanarkshire Council, Renfrewshire Council and South Lanarkshire Council to set out the principles and arrangements for the administration of the NDRR

The Parties commit to working collaboratively in relation to NDRR, guided by the principles of transparency, equity and accountability. Transparency will be achieved through open reporting of NDRR uplift and expenditure. Equity will be ensured by allocating funds in line with agreed regional priorities rather than solely local benefit. Accountability will be maintained through governance exercised via established Local Authority committee structures and the Glasgow City Region governance framework.

Each Local Authority will be responsible for the collection and reporting of NDRR data, while Cabinet will be responsible for approving reinvestment proposals.

The Parties agree that incremental NDR uplift, calculated on a “but-for” basis, will be retained locally and transferred to a regional pooled fund. These funds will be ring-fenced for Investment Zone objectives. Costs incurred by the Lead Authority and Local Authorities in the management of NDRR shall be financed through GCR IZ Capacity Funding.

2. Purpose of NDRR Sites

As set out in the [Investment Zones in Scotland: Technical document](#), the Regional Economic Partnerships (REPs) may choose to opt in to non-domestic rates retention in Investment Zones. Retained receipts should be used to cover borrowing costs (where relevant); or re-invest in the Investment Zone to generate further growth.

The GCR IZ programme has been designed to catalyse growth of the Advanced Manufacturing and Precision Engineering (AMPE) sector. This can be seen in the major investment proposed for open access facilities which will grow existing business and attract new ones. Three NDRR sites have been identified to benefit from 100% retention of non-domestic rates growth from an agreed baseline for 25 years.

The NDR policy - IZ relief and retention guidance provides up to 100% NDR income retention within the designated tax sites over an established baseline and subject to a displacement factor. The GCR Tax Site went LIVE on 26th February 2026. The initial Baseline Income, for the delineated area within which retention is to take place will be set through an Initial Baseline Income return as at 25 February 2026, the day before tax designation.

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The local retention of incremental NDR growth generated on the NDRR Sites has the potential to provide a significant opportunity to facilitate further investment within the Investment Zone. GCR is committed to using this funding to support the growth of the priority sector (AMPE) by supporting infrastructure delivery, skills development, supply chain development and fostering links to the wider innovation ecosystem.

3. Illustrative Values

If the projected levels of investment and development are realised, the sites could generate around £160 million in retained NDR (real values), as outlined below:

	Undiscounted	Discounted using PWLB rates
Glasgow Airport and AMIDS	£56.3m	£20.8m
Eurocentral	£49.2m	£21.5m
Clyde corridor	£56.9m	£22.2m
Total	£162.4m	£64.4m

4. Objectives

The use of Retained Rates should be aligned to the GCR IZ Objectives

GCR IZ Objectives

The GCR IZ programme has been shaped around clear, GCR Cabinet-approved, objectives:

- **Build on strengths** of the Region's current and emerging cluster specialisms
- **Grow new and existing R&D focused firms** which are geared to take advantage of local academic expertise
- Create a **significant number of mid to high skilled 'good' jobs**
- **Generate short and longer-term private sector investment in the Region's cluster specialisms** – both through existing firms and wider supply chain development
- **Align with existing investment within the Region** e.g. City Deal, Innovation Districts / Innovation Accelerator, UK Shared Prosperity Fund
- Maximise the impacts through **enhancing connections to existing clusters**
- Facilitate the **development / regeneration of under-developed land and assets** within the Region
- **Extends the benefit to the whole Region** including developing options for a IZ skills programme for local residents and a regional investment fund.

5. Geographical Focus and beneficiaries

The geographical focus of the Investment Zone will cover the full Glasgow City Region (GCR) geography. At this stage, specific beneficiaries and potential projects have not yet been determined and will be subject to agreement by the GCR Cabinet.

The GCR Programme Management Office (PMO) will lead the development of the Re-Investment Strategy, working closely with the National Wealth Fund (NWF) to ensure

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alignment with national objectives, funding criteria, and best practice. This will include exploring appropriate investment themes, delivery mechanisms, and governance arrangements suitable for the Investment Zone. This will provide the opportunity to maximise the impact of retained rates, potentially bringing in other funding mechanisms.

The emerging Re-Investment Strategy will be co-developed with Key Stakeholders in the Regional Economic Partnership, ensuring that local and regional priorities, opportunities, and constraints across the City Region are fully reflected. Engagement will focus on identifying strategic outcomes, potential intervention areas, and an agreed framework for identifying and assessing future projects and beneficiaries.

Once developed, the Re-Investment Strategy, which will include expected benefits, outputs and outcomes will be presented to the Regional Economic Partnership for consideration prior to formal approval by GCR Cabinet.

6. Use of the retained rates

This Non-Domestic Rates Income Re-Investment Strategy will be developed collaboratively between the Accountable Body and the Regional Economic Partnership, which will set out:

- the objectives of the GCR NDRR programme,
- the types of investment that will be eligible,
- the process of identifying potential investments,
- the process of evaluating, prioritising and approving specific investments,
- the logistics for the flow of funds between the rating authorities, the Accountable Body and the recipients, and arrangements for monitoring, evaluating and reporting on the outcomes of investments

GCR PMO will work with partners to develop this re-investment strategy for any NDR retained rates to support GCR IZ objectives across the GCR geography and across the lifetime of the NDRR site. The Investment Zone Technical Guidance provides clarity on the activity the income from retained non-domestic rates growth should primarily be used to fund:

- Investment Zone operating costs
- physical and/or digital infrastructure that will facilitate investment in the Investment Zone area
- land assembly and/or site remediation works that will facilitate investment in the Investment Zone area.
- skills and workforce development
- innovation initiatives
- mitigating any displacement and/or negative externalities associated with the Investment Zone
- activity in support of the Investment Zone Net Zero ambitions
- the delivery of Investment Zone -specific planning measures

7. Decision Making and Governance

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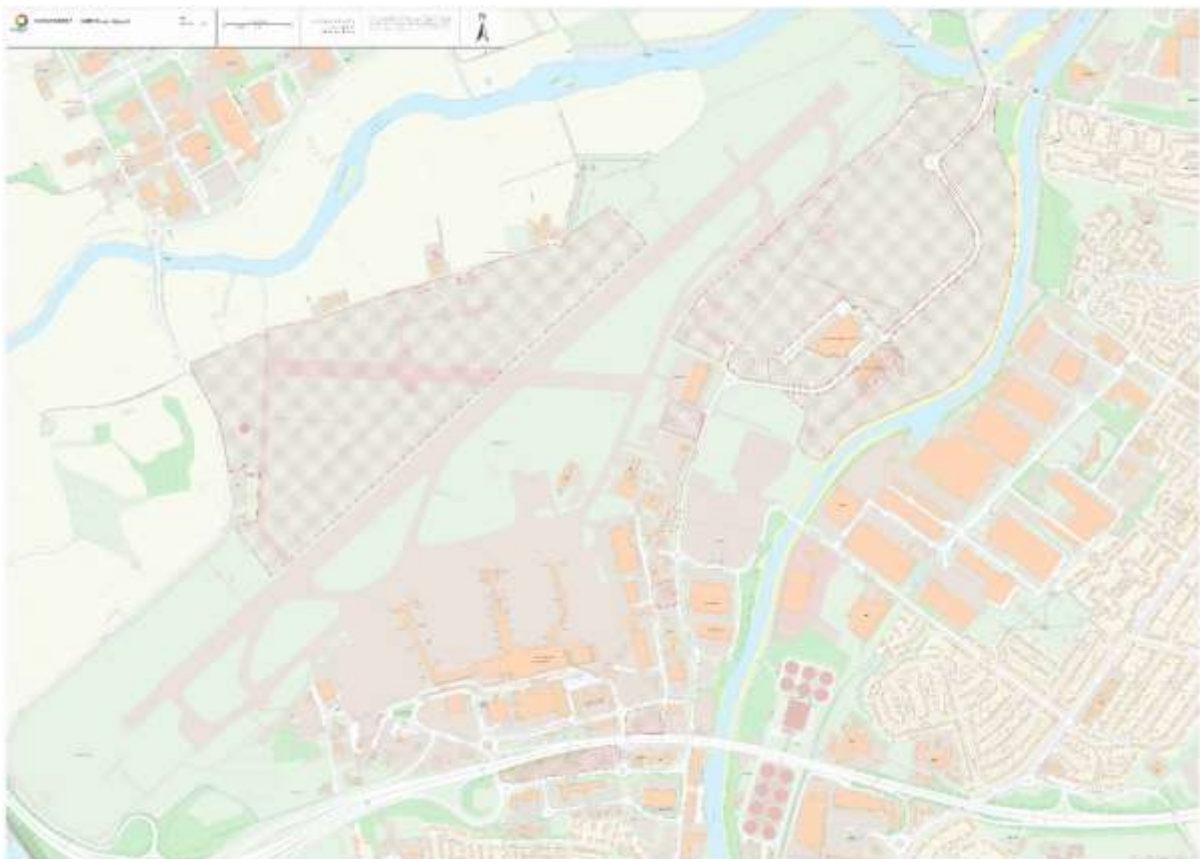
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Appropriate governance arrangements are in place to provide oversight and decision-making through established Glasgow City Region governance procedures. These arrangements will be supported by quarterly reporting on NDR uplift and expenditure and an annual review of the effectiveness of the Memorandum of Understanding.

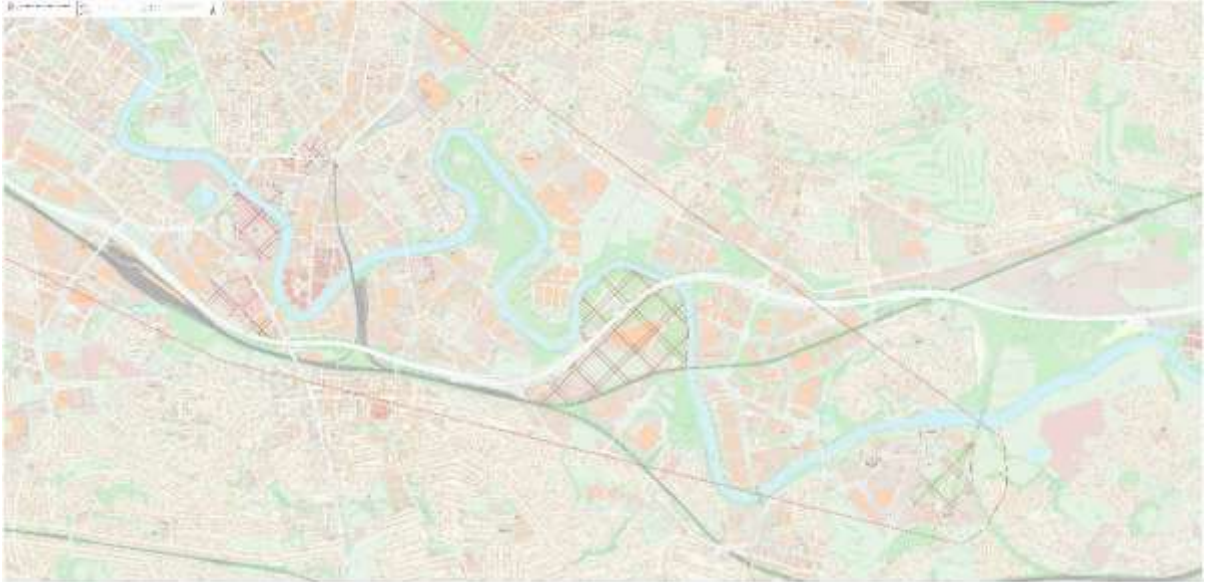
A dedicated NDRR steering group will be established between May-Sept 2026 to oversee the operational management of NDRR locations within the GCR IZ. A joint session with the Scottish Government and senior finance representatives from the four member authorities took place in March 2026 to discuss governance arrangements. Formal guidance has since been issued, and baseline reporting is scheduled for June 2026. Follow-up meetings between GCR and the four member authorities are currently taking place in advance of formally establishing the steering group.

Appendices 1-4

Appendix 1 GCR IZ NDRR 1 AMIDS and Airport



Appendix 2 GCR IZ NDRR 2 Glasgow Clyde GCC SLC CG East

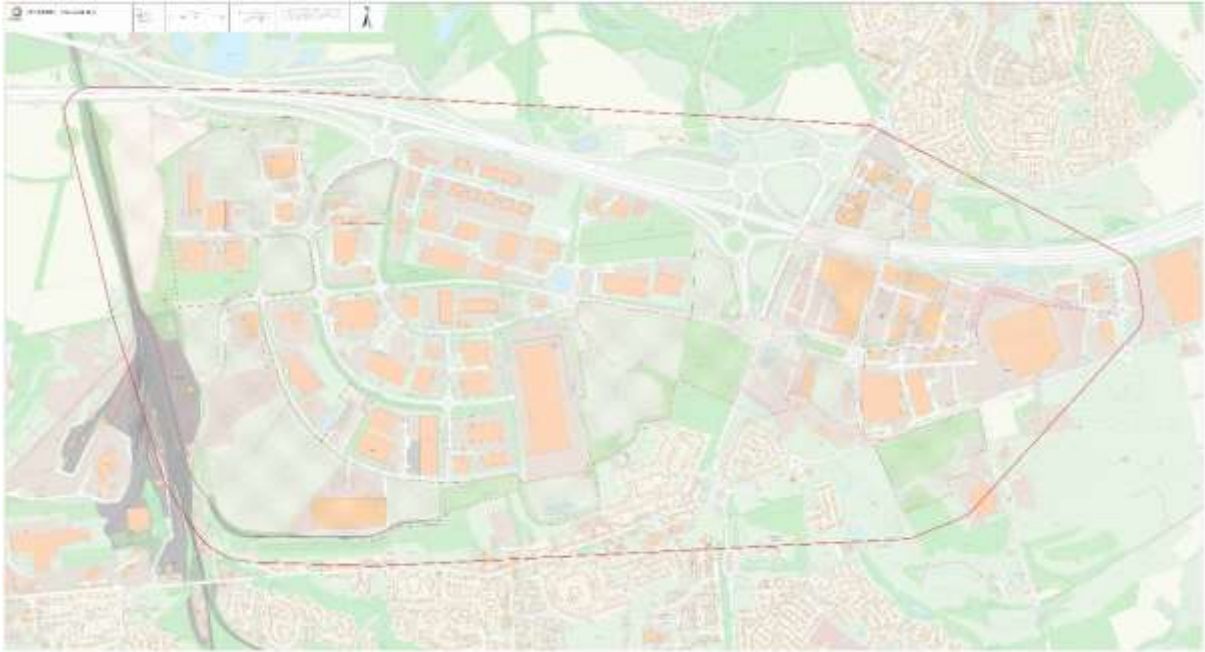


Appendix 3 GCR IZ NDRR 2 Glasgow Clyde GCC SLC CG West



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Appendix 4 GCR IZ NDRR 3 Eurocentral NLC



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