

# Glasgow City Region

Place-Based Investment Strategy – Scoping phase

Draft Report 5 May 2026

# 1. Executive Summary

## Context

This report is intended to support Glasgow City Region (GCR) in diversifying and broadening its funding sources to deliver its ambitions through innovative, place-based investment that addresses local challenges and builds on regional strengths.

GCR is Scotland's largest metropolitan economy, home to 1.8 million people and accounting for around one-third of national employment and nearly 30% of businesses. While historically rooted in heavy industry, the region has diversified into sectors such as financial services, advanced manufacturing, digital industries and higher education, supported by a highly skilled workforce. However, the public sector remains the largest employer, and productivity continues to lag the UK average.

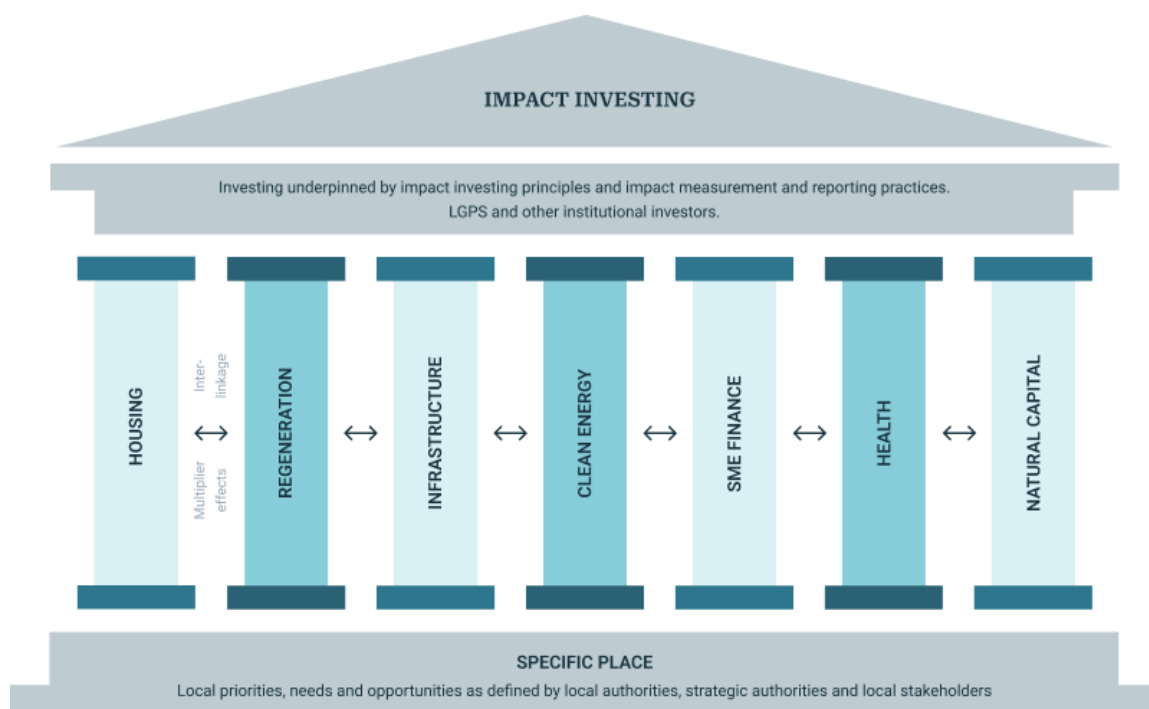
The Region's Economic Strategy sets out ambitions to improve productivity, support an inclusive economy and address the climate emergency. Achieving these goals will require significant, coordinated investment aligned with community needs. However, fragmented governance and limited devolved powers constrain GCR's ability to deliver integrated, long-term strategies compared to peers such as Greater Manchester, which has benefited from stronger devolution and higher inward investment.

GCR performs around the UK average on job growth and quality but trails leading city regions and exhibits significant inequalities within and between local areas. Socially, while Scotland has lower overall poverty rates than the UK average, deprivation remains concentrated in parts of GCR.

Environmentally, the region has ambitious net zero targets. Glasgow's Net Zero Route Map projects emissions reductions of 60% by 2030 with £23.5bn of investment, rising to 80% with £36.8bn—highlighting the scale of investment required.

## The PBII model

Place-Based Impact Investing (PBII) represents a transformative approach to mobilising institutional investment in support of regional growth strategies. Place-based impact investments aim to deliver both competitive financial returns and positive local outcomes, targeting the specific needs of places to strengthen economic resilience, prosperity, and sustainable development. They are structured around seven core “pillars,” (see figure below) which align institutional private market asset classes with key place-based policy priorities.



The Good Economy 2022 \*

Greater Manchester provides a leading example, with a long track record of leveraging its pension fund to support regional investment. PBII aligns financial returns with social, economic and environmental outcomes, helping to bridge the gap between capital and community needs.

Effective PBII requires coordinated action across an ecosystem of stakeholders, including local government, pension funds, fund managers and central government. Success depends on alignment, clear governance, and a shared vision for regional growth.

Key success factors include:

1. **Strong coalitions** – alignment around a shared narrative
2. **Shared vision** – clear, evidence-based and with widely supported goals
3. **Effective governance** – transparent and enabling decision-making
4. **Capacity building** – local capability to structure and deliver investment
5. **Pipeline development** – a supply of investable opportunities
6. **Data** – to inform prioritisation and track impact

## Applying PBII in GCR

Stakeholders highlight strong ambition and growing investment activity, with opportunities across housing, infrastructure, clean energy and innovation. However, significant challenges remain in converting project pipelines into investor-ready propositions, due to complexity, limited de-risking, and gaps in commercial structuring.

Governance fragmentation across eight local authorities complicates coordination and investor engagement, while capacity constraints limit delivery. Blended finance and partnership models are seen as essential, particularly where public funding and land can crowd in private capital.

Investor appetite exists - especially for stable, income-generating assets - but opportunities must be clearer, better structured, and lower risk to attract capital at scale. Housing, infrastructure and innovation are key opportunity areas, though viability challenges and remediation costs remain barriers.

Commercial space, housing and regeneration are seen as areas of greatest unmet need. From an investor perspective, Glasgow is seen as a high-potential but underperforming market, with a persistent gap between ambition and delivery.

Overall, GCR does not lack opportunity, and investor capital is available, but requires stronger governance, clearer investor engagement, enhanced delivery capability, and scaled blended finance solutions to translate potential into investable projects. Engagement levels are variable across individual Member Authorities and across asset classes. Generally, Glasgow City Council has more capacity to do this engagement than others and has some successful examples to build on. Demonstrating the ability to execute at pace is key.

## How can GCR attract more investment?

GCR has a range of strategic levers it can use to attract investment - such as pipeline coordination, funding, planning, infrastructure and investor engagement - but many are constrained by fragmented governance and limited devolved powers. Greater devolution could enable stronger coordination, more investable pipelines, and scalable investment platforms. It would also create the opportunity to provide a single 'front door' for institutional investors to engage with.

A strong place-based coalition is critical. While relationships across local authorities, universities and partners are positive, there is a need for a clearer shared vision, defined roles, and more coordinated investor engagement. Currently, GCR acts primarily as a coordinating body, with most delivery powers held locally, creating complexity for investors.

The region benefits from major institutional assets, including its universities and Strathclyde Pension Fund, but these are not yet fully aligned to support local investment at scale. There is an opportunity to better mobilise local capital and strengthen collaboration.

To become more investment-ready, GCR must strengthen governance, develop a clearer outcomes framework, and build internal capability—particularly in commercial and financial expertise. Initiatives such as the National Wealth Fund partnership provide a strong foundation for this.

Developing a clear, investor-ready pipeline and scalable investment vehicles—particularly through blended finance—will be essential. There is also potential to establish pan-regional delivery entities to coordinate major investments.

Improved use of shared data and analytics will support better decision-making, prioritisation, and impact tracking. This should build on the capability of the GCR Intelligence Hub with input from the region's Universities.

## Next steps and guiding principles

GCR is well positioned to attract institutional investment but lacks the advantages of more devolved city regions such as Greater Manchester. A twin-track approach is recommended: maximise impact within existing structures while working with partners to secure greater devolution and unlock the region's full investment potential.

The immediate priority is to develop a PBII strategy building on the Economic Strategy and this report's findings. Key actions include: formalising a regional place coalition to enable PBII, agreeing shared economic, social and environmental goals, and engaging with the Scottish Government on devolved powers. In parallel, GCR should develop an investor-ready pipeline, prioritising early "quick win" projects, deepen investor engagement, and strengthen regional delivery capacity, building on initiatives such as the National Wealth Fund partnership.

Guiding principles for delivery include acting with urgency, building on existing strengths, and ensuring long-term resilience. A clear shared vision should align stakeholders, supported by meaningful community engagement, better alignment of incentives between public and private actors, and fair sharing of risks and returns. GCR should also remain outward-looking, learning from leading city regions to continuously strengthen its approach.

## 2. Introduction

This report was commissioned by Glasgow City Region (GCR) to provide insights and recommendations on attracting large-scale, long-term, socially responsible private investment to help deliver prosperity for all people and places in the Region. It has been researched and written by The Good Economy (TGE), a specialist impact advisory firm, building on its influential work on Place-Based Impact Investing (PBII), including with the local government pension scheme (LGPS).

This report also comes during a period of extensive government policy and institutional reform, both at Westminster and in Holyrood.

Our approach to this study has been collaborative and consultative throughout. The TGE research team worked closely with the GCR team and other local stakeholders. In preparing this report, TGE conducted 14 in-depth interviews, facilitated two workshops / meetings with local stakeholders, and carried out a survey of local government bodies in the Region to understand their experiences with and demand for private investment.

The remainder of this document is structured as follows:

- Section 3 outlines the opportunity for outcome-aligned investment in GCR.
- Section 4 provides an overview of Place-Based Impact Investing as a framework for enabling such investment.
- Section 5 describes the current investment landscape in GCR based on feedback from a range of local stakeholders and a group of institutional investors who decide whether to invest in GCR or elsewhere.
- Section 6 sets out how GCR could seek to improve its investment attractiveness by applying the findings of Section 5 to the model outlined in Section 4.
- Section 7 provides recommended next steps and guiding principles.

## 3. The Glasgow City Region Investment Opportunity

### 3.1 Geography, Economic and Political context

Glasgow City Region (GCR) is the largest metropolitan economy in Scotland and one of the UK's major urban economic centres. The Region comprises eight local authorities that together form a functional economic area centred on Glasgow, Scotland's largest city.

The Region has a population of around 1.8 million people, representing roughly one-third of Scotland's population and workforce. It also accounts for around 34% of Scotland's jobs and almost 30% of the country's businesses, reflecting its role as the primary economic engine of western Scotland. It is the fourth-largest Core City Region in the UK.

Historically shaped by heavy industries such as shipbuilding and engineering, the Glasgow metropolitan economy has undergone substantial structural transformation since the late twentieth century. Economic activity has diversified into sectors such as financial and business services, advanced manufacturing, digital industries, higher education, and the creative economy – although the public sector dominates in terms of employment. GCR also benefits from a highly skilled labour force, with the highest proportion of working-age residents achieving RFQ4 (equivalent to at least first year of University) or higher among the UK Core City Regions.<sup>1</sup>

### 3.2 What Outcomes can Investment Help Achieve in Glasgow City Region?

Investment in a place will not automatically benefit local communities (and may even exacerbate existing inequalities); to do so it must be consciously aligned with the outcomes those communities need. Here, we briefly set out the main economic, social and environmental outcomes that communities across GCR are seeking to achieve for which investment is needed, whilst recognising that investment alone (even if well-targeted) will not deliver these outcomes on its own.

In doing so, we recognise that many existing relevant plans are prepared at Local Authority level within GCR, reflecting the limited devolved powers currently available to GCR compared with Mayoral Combined Authorities in England and Corporate Joint Committees in Wales.

GCR's Regional Economic Strategy (RES)<sup>2</sup>, published in 2021, identified three grand challenges facing the region: building an inclusive economy, enhancing productivity and addressing the climate emergency. These grand challenges are underpinned by nine strategic priorities covering social, economic and place themes, as summarised in Figure 1 below.

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<sup>1</sup> GCR Intelligence Hub, 2025. [Exploring the Factors Driving Glasgow City Region's Productivity Gap with the West of England.](#)

<sup>2</sup> Glasgow City Region Economic Strategy, 2021

FIGURE 1: GCR'S GRAND CHALLENGES

	PRIORITIES	GRAND CHALLENGES		
		Inclusive Growth	Enhancing Productivity	Climate Emergency
SOCIAL	• Reducing the absolute level of multiple deprivation in areas within the most deprived 20% SIMD areas;	✓		
	• Reducing economic inactivity due to ill health	✓	✓	
ECONOMIC	• Improving the overall skills profile of the Region by reducing the proportion of population with no/low qualification levels	✓		
	• Increasing the number of, and improving the spatial distribution and access to, fairly paid, good quality, sustainable jobs across the Region	✓	✓	
	• Increasing the number of businesses per capita and the productivity of the existing business stock	✓	✓	
PLACE	• Reducing the level of vacant and derelict land in close proximity to residential and business areas through regeneration and the enhancement of openspace	✓		✓
	• Improving access to employment locations via public transport/active travel and improved digital connectivity; and	✓	✓	✓
	• Ensuring the availability and access to affordable, quality housing with a focus on developing on vacant and derelict land	✓	✓	✓
	• Reducing CO2 emissions to meet Net Zero targets			✓

### 3.3 Economic Outcomes

GCR's Economic Strategy, published in 2021<sup>3</sup>, sets out key economic outcomes it believes the Region needs to achieve, as summarised below.

FIGURE 2: GCR'S DESIRED ECONOMIC OUTCOMES

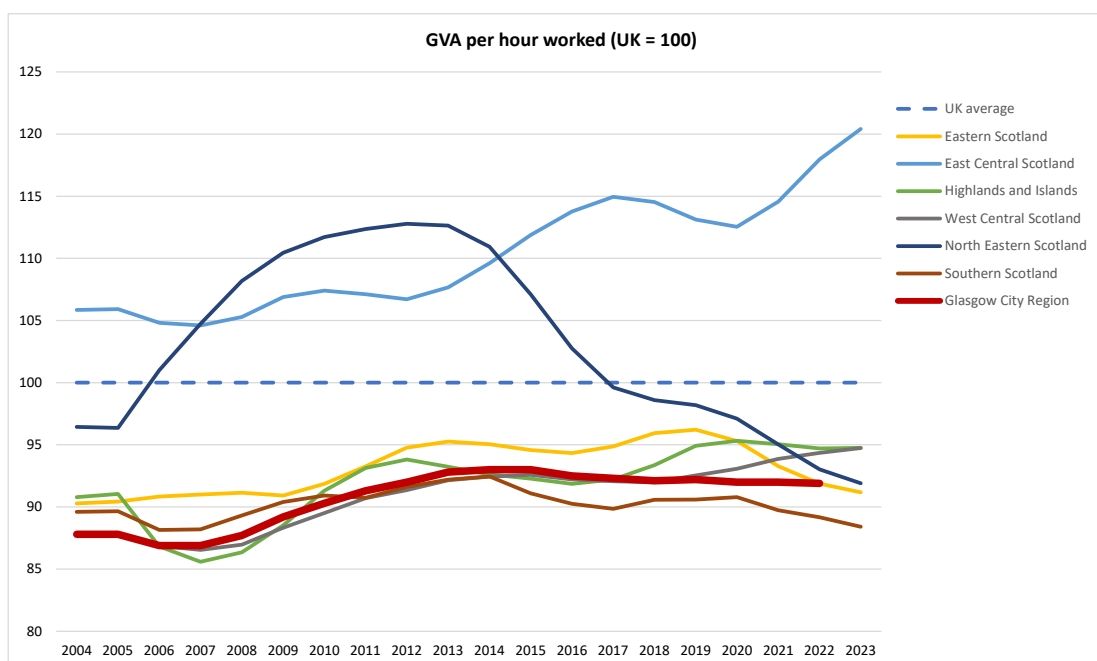
INCLUSIVE ECONOMY INDICATORS			ENHANCING PRODUCTIVITY INDICATORS			CLIMATE EMERGENCY INDICATORS		
Employment Rate	CURRENT RATE 72.2%	IMPROVEMENT TARGET +85,200 Employed	Business Expenditure on Research and Development	CURRENT RATE £204.7 per head	IMPROVEMENT TARGET +400 million	Green Jobs (percentage of total jobs)	CURRENT RATE 1.2%	IMPROVEMENT TARGET +8,000 jobs
Economic inactivity Due to ill health	CURRENT RATE 30.7%	IMPROVEMENT TARGET -24,700 individuals	Patent Applications Per Capita	CURRENT RATE 4.4	IMPROVEMENT TARGET 15.6 patents per capita	Emissions (CO2 tonnes) Per Capita	CURRENT RATE 4.5	IMPROVEMENT TARGET tbc
Residents with No Qualifications	CURRENT RATE 18.6%	IMPROVEMENT TARGET -82,300 individuals	Proportion of High-Skilled Occupations	CURRENT RATE 47.2%	IMPROVEMENT TARGET +60,400 Occupations	<p>Note: the targets are based on top performing Core City Regions. As they are based on comparators, they will change over time depending on performance of other regions. <b>Targets in red are key outcome targets.</b> The indicators will be reviewed during the action plan stage and may be adjusted including new indicators being added.</p>		
Employment in Low Paid sectors	CURRENT RATE 30.3%	IMPROVEMENT TARGET -16,200 Jobs in Low Pay	Enterprise Rate	CURRENT RATE 411.6	IMPROVEMENT TARGET +23,100 Enterprises			
Rising Underemployment	CURRENT RATE 7.4%	IMPROVEMENT TARGET -3,400	Business Births	CURRENT RATE 63.9	IMPROVEMENT TARGET +4,200 Business Births			
Worklessness	CURRENT RATE 27.8%	IMPROVEMENT TARGET -86,400 Workless	£20 per Hour Worked	CURRENT RATE £32.5	IMPROVEMENT TARGET +8.2%			
Child Poverty	CURRENT RATE 26.0%	IMPROVEMENT TARGET Continuous annual reduction						

<sup>3</sup> Glasgow City Region Economic Strategy, 2021

## Productivity and growth

Figure 3 below shows regional productivity trends within Scotland over the last twenty years<sup>4</sup>. GCR has consistently underperformed the UK average, and significantly underperformed East Central Scotland.

FIGURE 3: SCOTLAND'S REGIONAL PRODUCTIVITY



A useful socio-economic comparator to GCR is the Greater Manchester Combined Authority (GMCA). Greater Manchester is the largest city-region economy in the UK outside London and has a population of more than three million people. Like Glasgow, it has undergone significant economic restructuring over recent decades, transitioning from a historic industrial base towards knowledge-intensive sectors including advanced manufacturing, financial and professional services, digital industries and higher education.

Greater Manchester has experienced strong economic growth in recent decades and has recorded the largest increase in productivity of any UK region or mayoralty over the past two decades (based on GVA per hour worked – although the true extent of this is contested<sup>5</sup>), alongside attracting more inward investment than any UK city region outside London.<sup>6</sup> <sup>7</sup> However, labour productivity levels in the two city-regions remain broadly comparable when measured by GVA per hour and GDP per capita (see Figure 4 below).<sup>8</sup> Also, GCR has had much higher levels of average gross investment rates in the last decade (2010-2020) than Greater Manchester<sup>9</sup>.

<sup>4</sup> Office for National Statistics, 2025. [Regional and subregional labour productivity in the UK](#).

<sup>5</sup> <https://www.economicsobservatory.com/have-the-uks-northern-cities-really-experienced-a-productivity-miracle>

<sup>6</sup> The Northern Powerhouse Partnership, 2025. [Productivity data show green shoots in closing North-South divide as Greater Manchester named productivity growth capital of UK](#).

<sup>7</sup> Invest Manchester, 2025. [Manchester Ranked UK's Best Performing City Outside London For Attracting Inward Investment](#).

<sup>8</sup> Muscatelli, A., 2025. [Independent Report on Regional Economic Development in Scotland](#).

<sup>9</sup> GCR Intelligence Hub, 2025. [Exploring the Factors Driving Glasgow City Region's Productivity Gap with the West of England](#).

FIGURE 4: COMPARISON OF GREATER MANCHESTER AND GCR GDP PER HEAD



**The principal difference between the two economies lies in their scale:** Greater Manchester has expanded its total economic output more rapidly through population growth, labour force expansion and higher levels of inward investment.

One explanation for this lies in Greater Manchester's programme of devolution. Initially agreed with the UK Government in 2014, the devolution deal established the Greater Manchester Combined Authority (GMCA) and was followed by the introduction of a directly elected mayor in 2017. Through successive agreements with central government, GMCA has gained increased control over policy areas including transport, housing, skills and economic development, alongside multi-year funding settlements and investment programmes. This governance framework has enabled Greater Manchester to pursue a more integrated approach to economic development and infrastructure investment, while also building local place-based impact investment capacity – including through its strategic partnership with Greater Manchester Pension Fund.

In comparison, recent reviews (such as Professor Sir Anton Muscatelli's Independent Report on Regional Economic Development in Scotland) of Scotland's economic development framework have highlighted that the current policy landscape is often fragmented, with multiple overlapping strategies and institutions operating across national and regional levels. This complexity can weaken the ability of city regions, such as the GCR, to coordinate investment and deliver coherent long-term economic strategies. Strengthening regional governance and devolving greater economic powers could support more integrated, place-based approaches that reflect the distinct strengths and challenges of Scotland's diverse regional economies, helping to direct greater flows of capital towards local development priorities.

At the same time, critics have highlighted the persistence of severe inequalities reproduced by property-led development in Greater Manchester, arguing that it favours rentier interests while driving gentrification and displacement<sup>10,11</sup>. Large pockets of deprivation remain across much of the city and its surrounding towns<sup>12</sup>. These inequalities include one in three children growing up in child poverty (similar to Glasgow), and 74,000 people registered on the city region's social housing waiting lists<sup>13</sup>.

<sup>10</sup> Rose I (2024) *The Rentier City: Manchester and the Making of the Neoliberal Metropolis*. Repeater

<sup>11</sup> <https://sheffield.ac.uk/crafic/news/new-report-critiques-supply-side-urban-development>

<sup>12</sup> [Growth = wealth? Not for everyone. - CLES](#)

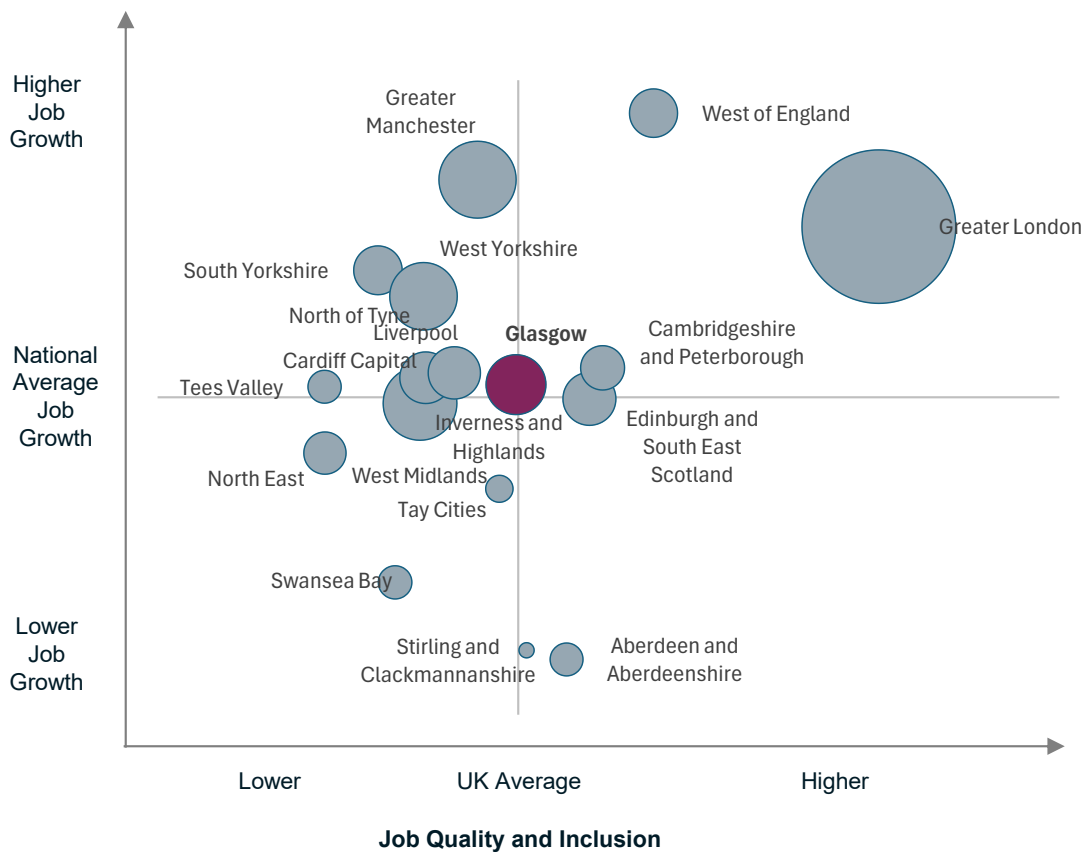
<sup>13</sup> D'Arcy et al. (2019) 'Low Pay in Greater Manchester.' Resolution Foundation, p.5.

## Good jobs

TGE has developed a Good Jobs methodology, with three dimensions – Job Quantity, Job Quality, Job Geography – reflecting the prevailing views of academic and policy experts as well as governments on the societal contribution of businesses as employers. We have used this methodology to map the current composition of employment in GCR compared with other regions across the UK and within Scotland.

Figure 5 below shows how the job market in GCR compares with other regions across the UK in terms of job growth (i.e. how many jobs are associated with high growth sectors) and job quality and inclusion (are jobs accessible and reasonably paid for the local population). The size of the bubbles represents the relative size of each regional employment base.

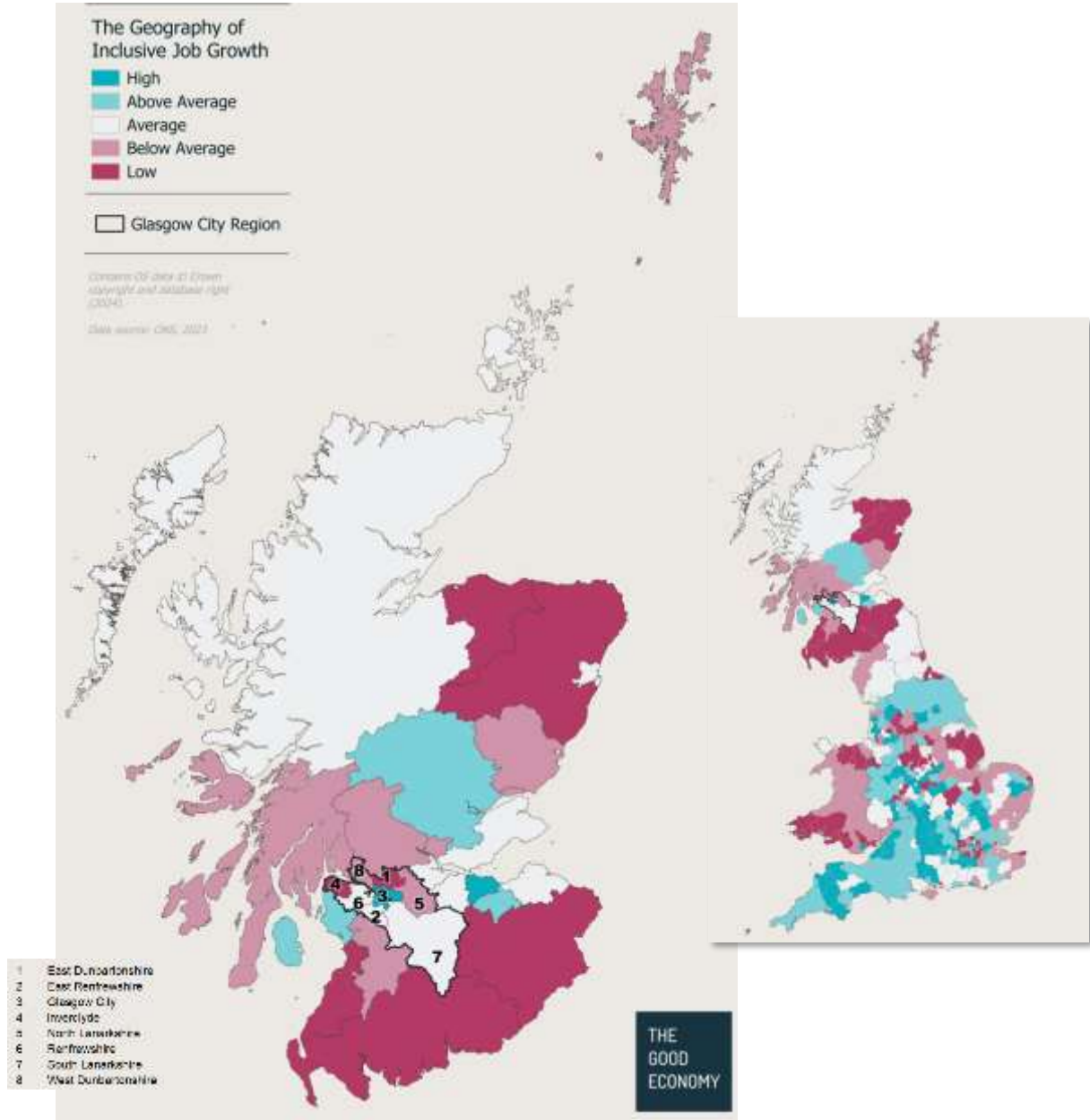
FIGURE 5: INCLUSIVE JOB GROWTH



Taken as a whole, GCR is very close to the national average across both dimensions, significantly behind London on both job growth and job quality and inclusion, and also behind Greater Manchester on job growth.

Figure 6 below shows a more granular view across Scotland. It is notable how varied the picture is across the individual Local Authority areas that make up the GCR. Whilst Glasgow City performs relatively well on a composite measure, East Dunbartonshire and Inverclyde in particular score poorly.

FIGURE 6: INCLUSIVE JOB GROWTH ACROSS SCOTLAND



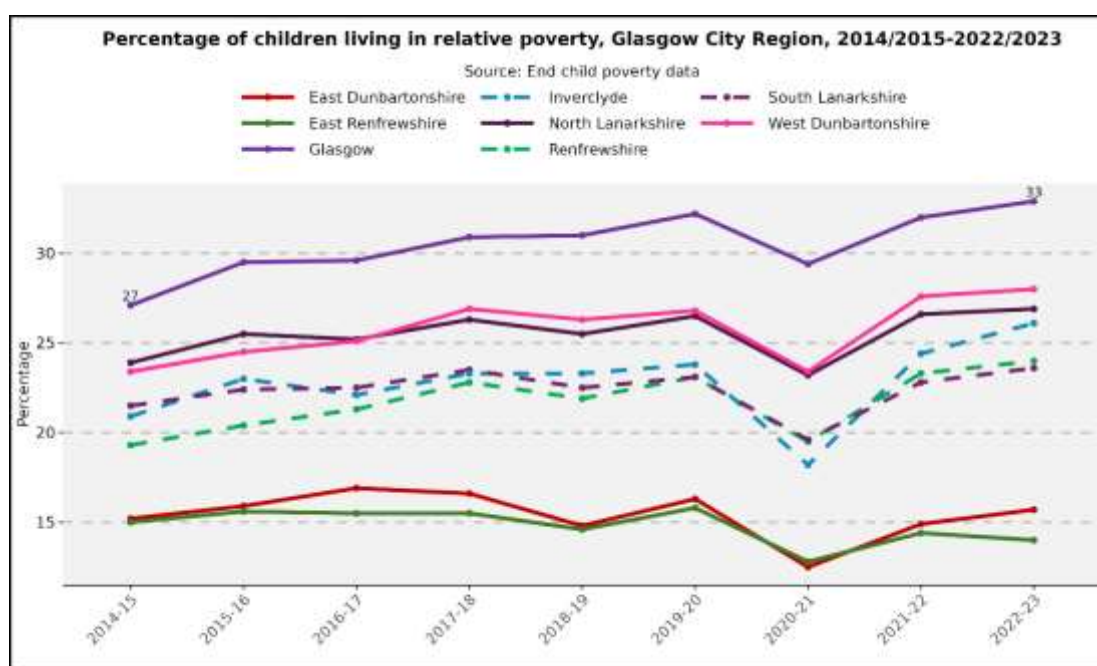
It should be noted that, while job growth is often associated with high growth sectors as highlighted in the Westminster Government’s Modern Industrial Strategy and the Scottish Government’s National Strategy for Economic Transformation, inclusive jobs that are accessible to less qualified workforce participants are often generated by the foundational economy. This includes sectors such as social care, food, housing retail, transport and hospitality. Around 60% of employee jobs in the GCR are provided by the foundational economy, and its role in anchoring local economic resilience should be recognised in any outcomes-led investment strategy.

### 3.4 Social Outcomes

#### Poverty and inequality

The GCR Economic Strategy includes a number of metrics that relate to social outcomes – including, in particular, child poverty. Analysis by the Social Metrics Commission<sup>14</sup> suggests that Scotland as a whole has outperformed the UK average in terms of overall poverty rates for the last two decades, although significant pockets of deprivation remain. Child poverty rates vary widely across GCR, as shown in Figure 7 below. In Glasgow City, 33.5% of children live in poverty, one of the highest rates in the UK and well above the Scottish average of 21%<sup>15</sup>.

FIGURE 7: PERCENTAGE OF CHILDREN IN RELATIVE POVERTY, GCR, RECENT TRENDS<sup>16</sup>



#### Health

Glasgow City Region experiences worse health outcomes and higher mortality than the Scottish average, with significantly lower life expectancy and healthy life expectancy.<sup>17</sup> It also compares poorly with other UK and European cities, showing evidence of “excess mortality” beyond what deprivation alone would predict<sup>18</sup>. Within the region, there are very large inequalities: more affluent areas such as East Dunbartonshire and East Renfrewshire outperform Glasgow City by several years of life expectancy, while gaps within Glasgow itself can exceed 10–15 years between the most and least

<sup>14</sup> Measuring Poverty 2024, Social Metrics Commission

<sup>15</sup> Child Poverty in Glasgow, 2024 – Centre for Civic Innovation

<sup>16</sup> [www.understandingglasgow.com/childrens-indicators/poverty/children-in-poverty](http://www.understandingglasgow.com/childrens-indicators/poverty/children-in-poverty)

<sup>17</sup> Glasgow City Council, *Life Expectancy & Mortality*, and ScotPHO, *Scottish Public Health Observatory data*

<sup>18</sup> Walsh, D. et al. (2016), *Investigating “excess” mortality in Scotland and Glasgow*, ScotPHO; and subsequent comparative city research

deprived communities<sup>19</sup>. Overall, progress in improving health has stalled in recent years and inequalities have widened, reflecting deep-rooted socio-economic and structural challenges<sup>20</sup>.

### 3.5 Environmental Outcomes

The GCR Economic Strategy also includes targets for CO<sub>2</sub> emissions per capita and green jobs. Glasgow City Council has also developed a Net Zero Route Map based on a scientific analysis of all the policies, projects and initiatives currently in place in Glasgow. The Net Zero Route Map shows a projected 60% reduction in carbon emissions by 2030 if backed by £23.5 billion of investment. It also plots a course for an accelerated reduction in carbon emissions that will achieve an 80% reduction in carbon emissions by 2030 with support of investment worth £36.8 billion.

There is currently no pan-regional investment strategy for achieving Net Zero.

### 3.6 How investment can Support Desired Outcomes

To achieve the range of outcomes outlined above, significant investment will be needed – alongside other interventions. Different types of investment would be expected to contribute differently to various desired outcomes, as illustrated in the table below (not an exhaustive list). Any investment strategy should seek to ensure that each investment is set up to maximise its contribution to the outcomes it is best placed to support.

Investment Areas	Economic Outcomes	Social Outcomes	Environmental Outcomes
<b>Housing</b>	<p><b>Economic benefits to residents</b> from being in a home that is affordable and energy efficient, so cheaper to run.</p> <p><b>Job creation</b> (direct and indirect), e.g. through construction and operation of homes (including build-to-rent, affordable housing).</p> <p><b>Local business development and economic activity</b> e.g. through working with local developers and suppliers.</p> <p><b>Increased Council Tax</b> from increased resident population.</p>	<p><b>Improved individual and community wellbeing</b> – from affordable, quality, secure homes.</p> <p><b>Improved educational outcomes</b> from children being in a stable home.</p> <p><b>Increased access to economic opportunities.</b></p> <p><b>Reduced homelessness.</b></p>	<p><b>Reduced carbon footprint</b> e.g. through retrofit and low carbon new builds.</p>
<b>Regeneration / Commercial Real Estate</b>	<p><b>Job creation</b> (direct and indirect).</p> <p><b>Catalytic for local and regional development</b> e.g. increased business activity, consumer spending, follow-up investments in the same area. Increased provision of innovation lab space to support growth sectors.</p> <p><b>Enables government-supported regeneration</b> projects to happen.</p> <p><b>More resilient commercial stock</b> based on retrofit of ageing stock.</p>	<p><b>Revitalisation of town centres</b> and high streets.</p> <p><b>Improved access to essential services</b> (retail, health, education, employment opportunities).</p> <p><b>Social inclusion</b>, particularly for underserved groups.</p> <p><b>Improved public health</b> from improved public realm e.g. through more active travel, improved green space.</p>	<p><b>Reduced carbon footprint</b>, e.g. through decarbonising of commercial developments.</p>
<b>Infrastructure</b>	<p><b>Job creation.</b></p> <p>Increase in local and regional connectivity, productivity, and competitiveness.</p> <p>Regional productivity and competitiveness.</p>	<p><b>Better public service provision.</b></p> <p><b>Improved wellbeing of local residents</b> e.g. through more job opportunities, better transport, digital inclusion, and lower pollution.</p>	<p><b>Increased provision and efficiency of utilities.</b></p> <p><b>Transition to low carbon transport</b> and enabling remote working.</p>

<sup>19</sup> Glasgow Centre for Population Health (GCPH), *Health in a Changing City*; Understanding Glasgow indicators

<sup>20</sup> European Public Health research on stalled life expectancy trends (post-2010) and Understanding Glasgow, *Life Expectancy Trends*

Investment Areas	Economic Outcomes	Social Outcomes	Environmental Outcomes
<b>Clean Energy</b>	<p><b>Job creation</b> in manufacturing, construction, operations, and maintenance.</p> <p><b>Support for regional supply chains</b> (engineering, logistics, fabrication, services).</p> <p><b>Energy security.</b></p>	<p><b>Increased future ready skills and job opportunities</b> for local people.</p> <p><b>Reduced energy costs and fuel poverty.</b></p> <p><b>Health outcomes</b> from cleaner air.</p> <p><b>Community ownership</b> or benefit sharing models.</p>	<p><b>Lower carbon intensity of grid.</b></p> <p><b>Reduction in emissions.</b></p> <p><b>Contribution to local climate action plans or Net Zero targets.</b></p>
<b>SME Finance</b>	<p><b>Local enterprise growth</b> - increase in start-up, survival, and growth rates of SMEs and related job creation – direct and indirect.</p> <p><b>Increased regional productivity, innovation,</b> particularly through Industrial Strategy growth strategies and increased R&amp;D investment.</p> <p>Attracting and retaining high-value firms and highly skilled workers.</p> <p><b>Diversification</b> of the economic base.</p> <p><b>Strengthening of foundational economy sectors,</b> e.g., care, food, construction, retail.</p>	<p><b>Inclusive entrepreneurship,</b> including support for women-, minority-, and youth-led enterprises.</p> <p><b>Improved access to skills and employment</b> through apprenticeships, upskilling, and vocational pathways.</p> <p><b>Community wealth building,</b> with more income and ownership retained in local hands.</p> <p><b>Resilience of local communities</b> to economic shocks by supporting a diverse base of SMEs and strong local business ecosystem.</p>	<p><b>Acceleration of green innovation</b> in clean energy, circular economy, sustainable agriculture, etc.</p> <p><b>Adoption of low-carbon practices</b> (e.g., energy efficiency, sustainable packaging, waste reduction).</p> <p><b>Growing businesses in the 'right' way</b> by building in awareness and best practice in key fundamentals, emphasising decision making for sustainable growth over short term and potentially environmentally damaging short-term gains.</p>
<b>Health</b>	<p><b>Productivity</b> – increasing workforce participation through reduced sickness</p>	<p><b>Improved physical and mental health</b></p>	
<b>Natural Capital</b>	<p><b>Fundamental to all economic activity</b> – negative outcomes if not protected.</p> <p><b>Attract and retain high-value workers</b> through attractive places.</p> <p><b>Rural job creation and skills development,</b> e.g. ecologists.</p>	<p><b>Health and wellbeing benefits</b> of access to nature.</p>	<p><b>Carbon and air pollution mitigation; increased climate resilience and adaptation,</b> e.g. flood mitigation, carbon sequestration.</p>

### 3.7 Summary

GCR is a Region with a rich and diverse heritage and a critical position in the geography of Scotland. It has a strong asset base to draw on with strengths in key sectors with future growth potential. However, it currently underperforms the UK average on some key measures for economic productivity. It is in a strong position to address the challenge of net zero, but there is much still to be done. Its key challenge is one of scale: if GCR can grow its economy this will unlock the capacity to address many of its other challenges.

The GCR Economic Strategy sets out some clear ambitions for improvement against measurable economic targets. To achieve this ambition, significant and coordinated investment will be needed in several areas. In the next section we argue that the Place-Based Impact Investing (PBII) model provides a good framework through which to address this challenge, before going on in Sections 5 and 6 to set out in broad terms how this might be done given the particular conditions of GCR.

## 4. Place-Based Impact Investing

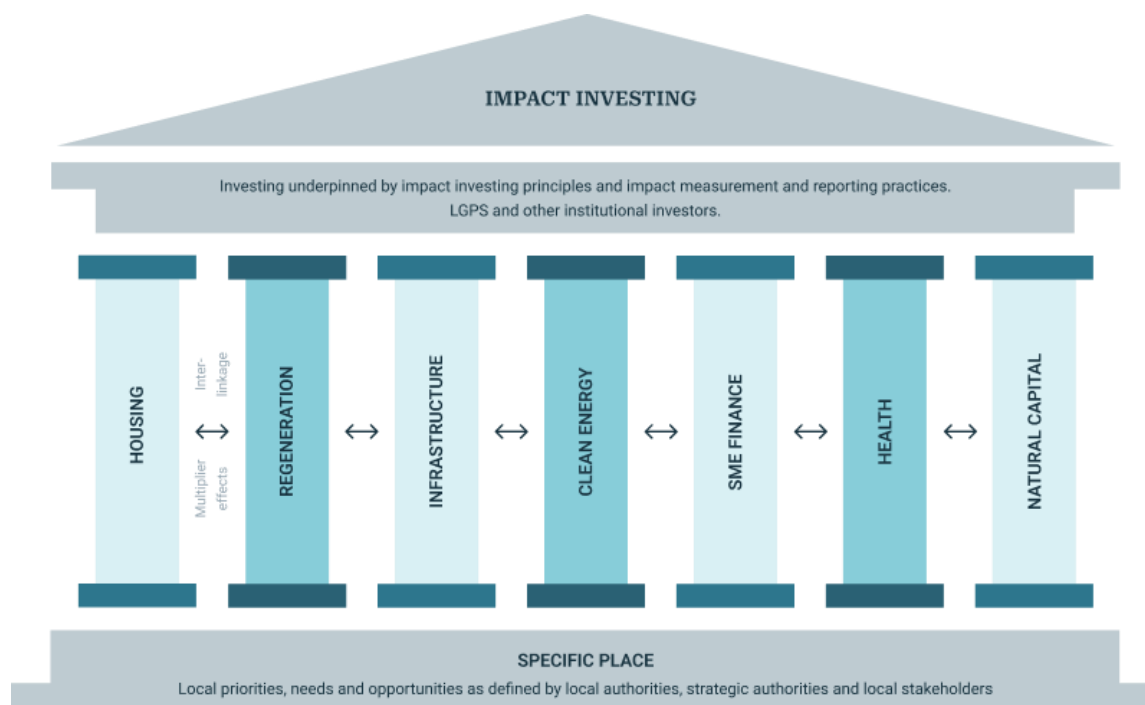
This section provides an overview of the PBII model as a framework for scaling up institutional investment to support regional and local growth plans. Since being introduced in the UK in 2021, this approach has gained significant traction and is now embedded in UK Government policy (in particular through the Pension Schemes Bill), although not yet formally applied in Scotland.

### 4.1 The Place-Based Impact Investing Model

The Good Economy's Place-Based Impact Investing (PBII) work is about catalysing and shaping the market for place-based impact investing that delivers real benefits to local people and places, in collaboration with others, by facilitating a constructive dialogue between stakeholders across sectors focused on connecting capital with place. We should have one question in mind - how do we connect capital to communities in ways that put sustainable prosperity within reach of everyone?

The conceptual model was described in the seminal 2021 white paper *Scaling Up Institutional Capital for Place-Based Impact*<sup>21</sup> published with the Impact Investment Institute and Pensions for Purpose. Place-based impact investments were defined as investments made with the intention to yield appropriate risk adjusted financial returns as well as positive local impact, with a focus on addressing the needs of specific places to enhance local economic resilience, prosperity, and sustainable development based on the seven pillars of impact investing (see figure below). These 'pillars' represent private market asset class categories as used by institutional investors and also map onto place-based policy priority areas.

FIGURE 8: THE PBII 'PILLAR' MODEL



The Good Economy 2022 \*

<sup>21</sup> [White Paper TGE Place Based Impact Investing May 2021.pdf](#)

Based on extensive research and consultation with the Local Government Pension Scheme (LGPS) as a case study, the white paper recommended that UK institutional investors should invest more in their own backyard, particularly in under-invested areas. Currently, PBII is limited, with local government pension schemes investing only around 1 per cent of their portfolio in ways that could directly support local and regional economic development and positive place-based impact creation.

The UK Government has now incorporated the thinking behind the PBII model into policy, at least in relation to the LGPS in England and Wales. The Scottish Government is also considering whether to adopt elements of the approach. The Community Wealth Building (Scotland) Act 2026 creates a supportive enabling framework for the PBII model by embedding a statutory, place-led approach to economic development focused on inclusive growth and local resilience. Through its emphasis on mobilising the economic power of anchor institutions, coordinating local action plans, and strengthening pipelines of investable opportunities, the Act aligns closely with PBII's core principles of targeting capital to local needs and delivering both financial and social outcomes. While it does not mandate investment activity, it helps address key barriers to PBII - particularly around coordination, pipeline development, and place-based prioritisation - thereby creating conditions more conducive to deploying institutional capital, including from LGPS, into locally impactful investments.

## 4.2 Asset classes mapped to GCR investment priorities

Institutional investors typically develop investment strategies in relation to allocations to asset classes to achieve a diversified portfolio that will deliver target risk-adjusted returns that are used to pay pensions or deliver returns to shareholders. The majority of pension fund capital is invested in the listed markets (listed equities, bonds etc). However, pension funds and other institutional investors do make allocations to private markets. This is typically for financial reasons, e.g. to achieve diversification and yield, but also increasingly as part of strategies which aim to contribute to positive social and environmental impacts. In terms of private market allocations, investors group prospective investments by asset class as defined in the pillar model above. GCR has a programme of priority projects designed to enable delivery of its Grand Challenges. The table below summarises the current programme, highlighting elements of potential relevance to institutional investors focused on particular asset classes.

	Housing	Regeneration	Infrastructure	Clean Energy	SME Finance	Health	Natural Capital	Other
City Deal Programme	x	x	x					
Investment Programme			x					
Clyde Metro Programme			x					
Clyde Mission			x	x			x	
Electric Vehicle Charging Infrastructure Programme			x					
Commercial Land & Property Programme		x						
Housing Retrofit Programme	x		x					
Sustainable City Region Programme				x			x	
Innovation Programme		x		x	x			
Green Business Support					x			
Inclusive Economy Programme			x		x			
Future Skills Programme								x
Inverclyde Programme						x		x
Economy and Health Programme						x		x

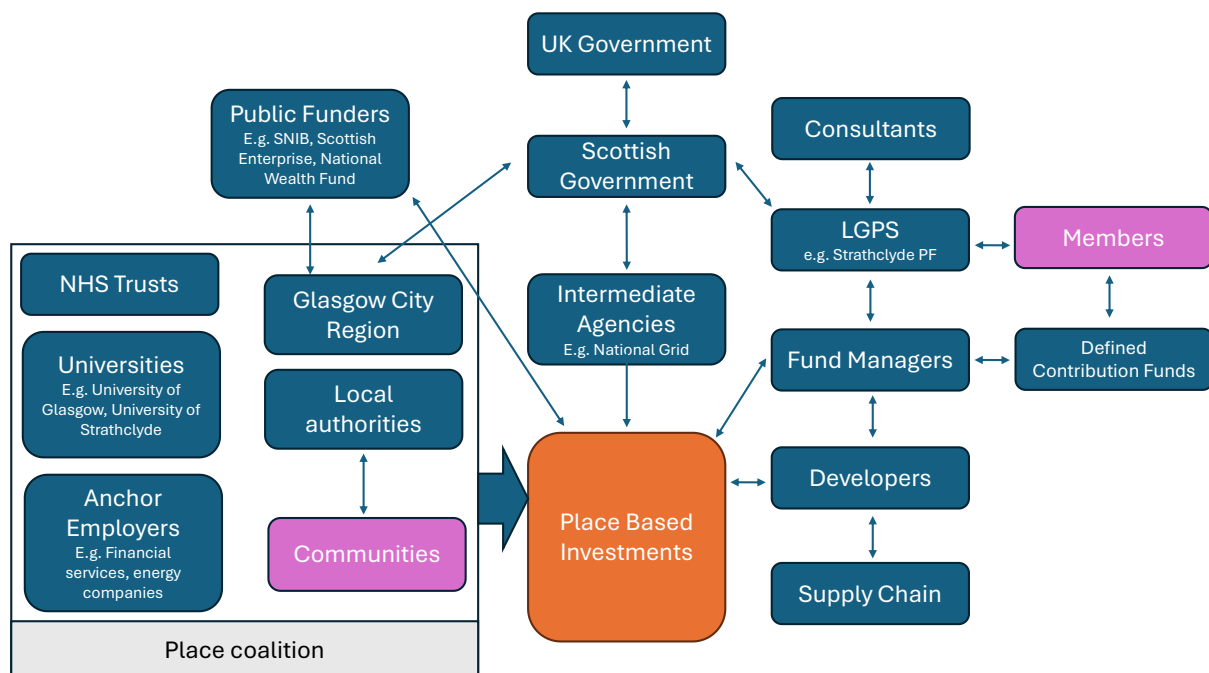
There are a number of ways in which GCR could seek to leverage in private investment in these areas. This could be at the deal level e.g. co-investment with a specialist fund manager, or by trying to leverage private capital into funds that GCR manage, allowing a direct approach to asset owners. Alternatively, GCR could look to set up new blended finance vehicles (bringing together scarce public funds with private capital sources to unlock marginal investment opportunities, for example) where appropriate. A useful early step would be to develop an investment pipeline, building on the initiatives outlined above, with opportunities tagged more explicitly by relevant asset classes and investment readiness.

All of this is best addressed through a co-ordinated PBII strategy which GCR should develop following this report. This would take the existing programmatic approach and cut through it with an investor-focused lens (i.e. reflecting the columns in the table above rather than the rows) – adding in a top-down view reflecting the scale of local need. For example, what is the quantum of housing, infrastructure etc needed to deliver desired outcomes, and to what extent is pipeline in place to deliver it?

### 4.3 The Place-Based Investment ecosystem

Behind the conceptual model of PBII, there is a complex ecosystem of players whose activities need to be aligned to deliver effective, impactful investment in places. The figure below shows the key stakeholder groups in this ecosystem in the GCR context, highlighting some of the main relationships between them.

FIGURE 9: PLACE-BASED INVESTMENT ECOSYSTEM



## 4.4 Summary – Key success factors for PBII

In a short space of time, PBII has evolved from an emerging concept to a core element in cross-party policy for regional development, a sector-wide approach to investment reporting and an increasingly important driver of investment on the ground. It is useful to reflect on this experience to date, as well as looking at comparable models from overseas, and draw out some key features of emerging best practice which can be used as a framework to test the investment readiness of a Region like GCR against.

### *1. Build a Strong Place Coalition*

One of the key things investors look for when considering whether to invest in a place is whether there is strong cohesion between local stakeholders. If this is not already in place, steps to consider include identifying principal stakeholders in the place, and building relationships with them around a shared narrative, strategic goals, pooled data, and recognition of what each party brings to the table.

### *2. Develop a Shared Vision and Goals*

The place coalition needs to create an ambitious but credible vision setting out what the place should look and feel like to live and work in, and the investment required (alongside other interventions) to achieve it. This should be informed by objective data on strengths and weaknesses and authentic community engagement which helps shape the process and activities. Political buy-in is also critical.

### *3. Create Effective Governance*

A robust cross-agency governance model that provides clarity and transparency to all parties, applies proportionate scrutiny to all opportunities, and enables good projects to progress at pace is also vital.

### *4. Build Capacity to Deliver*

Lack of local capacity to develop and deliver sufficiently detailed place-based investment strategies to attract investors is a common theme across UK local government. At a minimum, local stakeholders need sufficient in-house capability to act as an intelligent client when bringing in external resource to support their engagement with private investors.

### *5. Create Investment Pipeline and Vehicles*

Identifying a pipeline of genuinely investable opportunities gives long-term investors confidence to engage on the basis that they will be able to profitably deploy capital at a reasonable pace. In some cases, it is useful to create investment vehicles (such as Greater Manchester's Good Growth Fund) where the upfront cost and time required to set them up is repaid through streamlined delivery and efficient allocation of risks between parties. It is critical to finding areas where it is possible to start delivering results, both in terms of starting to address regional challenges, and giving investors confidence in the place coalition's ability to get things done.

### *6. Boost Regional Data Capabilities*

Successful places monitor progress against key objectives and build in feedback loops, iterating strategy and delivery according to new insight. Robust data, reviewed on a timely basis, is a critical ingredient in setting and tracking progress against a strategy and holding partners to account against their commitments.

In the next section, we set out the views of a range of stakeholders on the investment opportunities and challenges facing GCR, before outlining how the PBII model might best be applied to the specific conditions of the Region in Section 6.

## 5. Applying PBII in Glasgow City Region

In the previous section we identified key elements required to enable successful place-based investment in a region. Before getting into the detail, we provide an overview of how stakeholders within GCR view the investment challenge, and how investors from outside the Region currently view the opportunity to invest there.

### 5.1 Place Stakeholder Perspective

We sought the views of a range of stakeholders within the Region, through interviews and a survey. See Appendix 1 for a list of interviewees and survey respondents.

#### Interview findings

We interviewed a range of stakeholders from the Glasgow City Region, alongside representatives from the Universities of Glasgow and Strathclyde, The Scottish National Investment Bank (SNIB), and Glasgow City Council. These discussions explored the Region's approach to attracting institutional investment, current programmes and partnerships, and the implications of devolution and delivery capability. Key themes emerging from these conversations were:

##### **1. Strong ambition and expanding investment activity**

GCR is at an early stage in developing a coordinated approach to attracting institutional investment. While individual member authorities are actively pursuing opportunities across sectors such as housing, infrastructure, clean energy, and advanced manufacturing, formal activity at the city-region level is currently centred on the National Wealth Fund (NWF) Strategic Partnership. Through this, GCR has been tasked with identifying and developing a pipeline of investable projects and is now working with NWF to strengthen this pipeline and bring forward early-stage opportunities to investor readiness. Alongside this, a small number of place-specific initiatives - such as Glasgow City Council's collaboration with Aviva and SNIB - are piloting innovative partnership models that could inform wider adoption across the region.

##### **2. Challenges in converting pipeline into investable propositions**

While a range of programmes is underway across the region, it is important to distinguish between those primarily funded through government grants—such as the Regional Economic Strategy (RES) programmes—and the emerging pipeline of investable projects being developed through the National Wealth Fund (NWF) Strategic Partnership. The latter represents the main vehicle for identifying opportunities requiring private finance rather than public grant funding. However, this pipeline remains at an early stage, with many projects still requiring significant development to become investor-ready. Challenges include project complexity, early-stage design, and limited capacity to structure opportunities in ways that align with investor requirements. There is therefore a broader system-wide gap between initial concepts and fully developed investment propositions, requiring enhanced capability in project development, commercial structuring, and packaging. Looking ahead, initiatives such as the Investment Zone—potentially supported by a dedicated regional investment fund and reallocation of Non-Domestic Rates—may provide new mechanisms to address this, although delivery will depend on overcoming existing capacity and capability constraints.

##### **3. Governance complexity and the role of devolution**

The eight-member authority structure creates complexity in decision-making, coordination, and investor engagement. Relationships between authorities have improved and are more consensus-driven, but deeper devolution - particularly involving financial risk - will sharpen trade-offs and may

strain this cohesion. There is a need for clearer governance structures and potentially new legal entities to enable cross-authority investment and borrowing at scale.

#### 4. Importance of blended finance and partnership models

Blended finance approaches - combining public subsidy, land, and institutional capital - are seen as essential to unlocking investment, particularly in housing and regeneration. Models such as Sighthill<sup>22</sup> and Cowlares<sup>23</sup> demonstrate how upfront public investment and land contribution can unlock substantial private capital. Public finance institutions (e.g. SNIB, the National Wealth Fund (NWF)) play a critical role as both capital providers and market-makers, helping to reduce risk and crowd in private investment.

The **Sighthill Transformational Regeneration Area** and emerging **Cowlares development corridor** are good examples of how Glasgow is already using partnership models to unlock large-scale investment. Sighthill is a long-running, £250m+ regeneration programme delivered through a partnership between Glasgow City Council, the Scottish Government, Glasgow Housing Association/Wheatley Group and private developers, combining public grant (e.g. City Deal infrastructure funding for the new bridge and connectivity) with housing association finance and private development to deliver mixed-tenure housing, commercial space and social infrastructure.

Cowlares, by contrast, represents an earlier-stage opportunity where **public land assembly (Network Rail, local authority)** and planned transport investment (including links to Clyde Metro) are being positioned to crowd in private and potentially institutional capital for a major mixed-use urban extension. Together, they illustrate a continuum - from Sighthill's **mature blended finance model** (grant + housing finance + private development) to Cowlares' **pipeline-stage platform opportunity**, where stronger devolved powers could enable more proactive structuring of large-scale, investable regeneration propositions.

#### 5. Investor appetite exists but requires de-risking and clarity

Institutional investors, including pension funds, are interested in the Region but require well-structured, de-risked, and clearly defined opportunities. There is particular appetite for long-term, income-generating assets across housing, regeneration, infrastructure and clean energy pillars, while early-stage or higher-risk projects remain harder to finance. Stronger alignment with investor requirements, including clearer articulation of returns, risk, and structure, is needed to unlock capital at scale.

#### 6. Capability and capacity constraints in delivery

While in-house capability has improved, there remain gaps in commercial expertise, financial modelling, and deal structuring. Public sector capacity constraints limit the ability to develop pipeline, manage partnerships, and deliver complex projects. External advisers and intermediaries continue to play an important role, but there is a need to build stronger internal "intelligent client" capability.

While capacity has strengthened in parts of the City Region - particularly within larger authorities such as Glasgow City, North Lanarkshire and Renfrewshire - capability remains uneven, with smaller member authorities facing more significant constraints. Across the Region, there are specific gaps in commercial expertise, including financial modelling, deal structuring, and the negotiation of complex arrangements (e.g. joint ventures, development agreements, and concession-style contracts). These challenges sit alongside broader system-wide pressures on public sector capacity - also seen across England - which can limit the ability to progress early-stage pipeline, engage effectively with investors, and structure projects to a sufficiently advanced stage. While there is established programme management and delivery capacity in place, particularly for grant-funded programmes, there remains

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<sup>22</sup> [Masterplan - Glasgow City Council](#)

<sup>23</sup> [Cowlares Regeneration - Glasgow City Council](#)

a need to strengthen internal “intelligent client” capability to better manage external advisers, shape investable propositions, and navigate complex commercial partnerships. Alongside this, greater capacity to co-ordinate key internal functions such as planning and procurement to enable investment proposals to be brought forward at reasonable pace would be beneficial.

### **7. Housing, infrastructure, and innovation as core opportunity areas**

Housing is a central priority, with acute shortages and clear opportunities to scale delivery through partnership models. Infrastructure and net zero investment, including EV charging, heat networks, and transport systems, represent major long-term opportunities. Universities are a key regional asset, with potential to strengthen commercialisation through more coordinated approaches such as pooled spin-out vehicles similar to Northern Gritstone.

### **8. Structural and viability constraints remain significant**

Many projects face viability gaps, often requiring substantial subsidy and upfront public investment, particularly for remediation and enabling works. Legacy industrial land, contamination, and infrastructure constraints add cost and complexity to development. Wider structural challenges - including underperformance relative to comparator cities and socioeconomic inequalities - further complicate investment delivery.

These themes highlight a Region with strong ambition, active partnerships, and clear opportunities, but where governance complexity, capability constraints, and persistent viability challenges continue to limit the conversion of opportunity into investable, scalable projects.

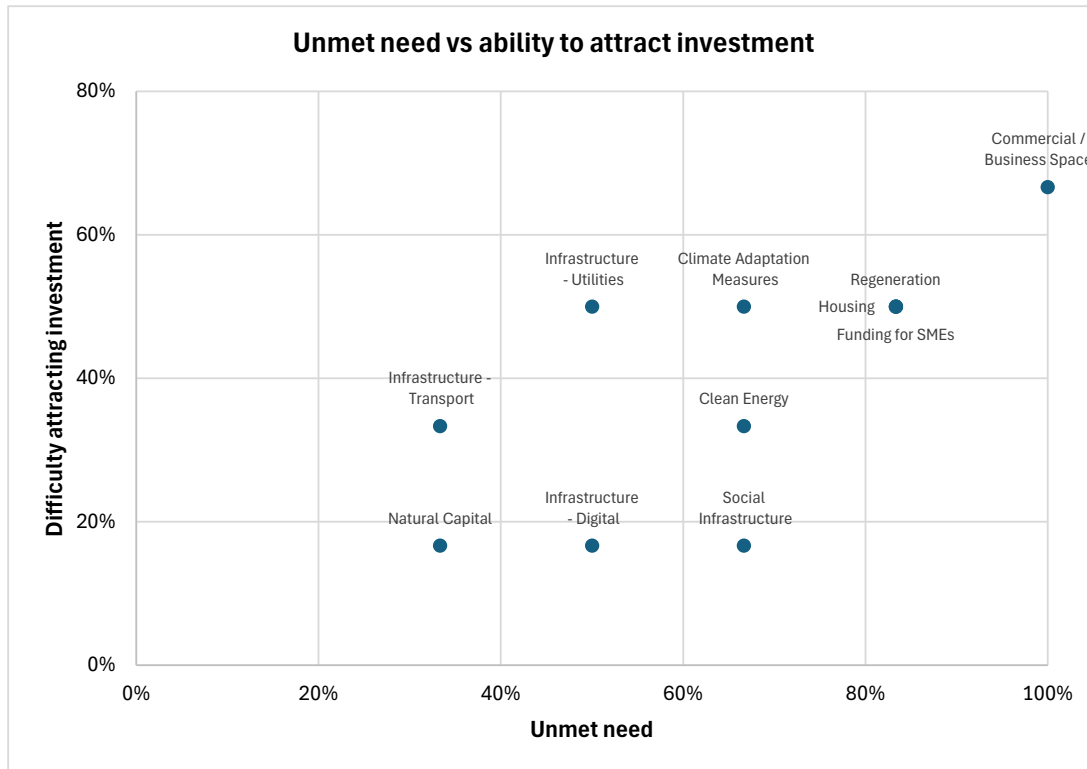
## **Survey results**

We surveyed the eight local authorities across the Region to identify areas of unmet investment need. In total, six responses were received.

Across different asset types, the survey indicates that commercial and business space projects exhibit the highest levels of unmet investment need, with 100% of respondents rating this as a priority area (4 or 5 out of 5). This asset class was also identified as the most challenging in which to attract investment. Other areas with significant unmet investment need include housing, regeneration, and funding for SMEs (see

Figure 10). These findings highlight the demand for targeted investment to address gaps in essential infrastructure and economic development across the Region.

FIGURE 10: UNMET NEED AND INVESTMENT CHALLENGE



Respondents also identified several factors that could help unlock greater investment. The most important were a more clearly articulated regional vision, greater technical capacity to develop investment propositions, and increased certainty in the wider policy environment. Access to more public money to leverage in private investment and greater local and regional political support were seen as less pressing.

For almost all of the asset types, respondents considered the regional level to be the most appropriate for coordinating investment activity (see Figure 11 below). The exception was social infrastructure, where the majority felt coordination should take place at the local authority level. These findings are based on a relatively small sample of responses, but suggest a level of appetite for increasing the role of the GCR as a facilitator of investment activity.

FIGURE 11: MOST APPROPRIATE LEVEL TO CO-ORDINATE INVESTMENT

	National	Regional	Local	Other
<b>Housing</b>	0%	50%	33%	17%
<b>Regeneration</b>	0%	67%	17%	17%
<b>Infrastructure - Digital</b>	0%	83%	17%	0%
<b>Infrastructure - Transport</b>	17%	83%	0%	0%
<b>Social Infrastructure</b>	0%	33%	67%	0%
<b>Infrastructure - Utilities</b>	33%	50%	17%	0%
<b>Commercial / Business Space</b>	0%	60%	40%	0%
<b>Clean Energy</b>	17%	83%	0%	0%
<b>Climate Adaption Measures</b>	17%	67%	0%	17%
<b>Funding for SMEs</b>	17%	67%	0%	17%
<b>Natural Capital</b>	0%	67%	33%	0%

## 5.2 Investor perspective

We spoke to a number of institutional investors with experience of engaging with stakeholders in the Glasgow City Region over several years. The aim was to gather their perspectives on the attractiveness of Glasgow compared with other places in which they are active and understand what GCR and other local stakeholders could do to improve its attractiveness to investors. Key themes emerging from these conversations were:

### 1. A growing but still maturing investment ecosystem

GCR's investment ecosystem is expanding, with increased investor presence and local offices improving deal flow and market sophistication. Institutional investors are already active across asset classes, including real estate, housing, lending, and growth capital linked to the university ecosystem. However, compared to leading UK cities, the ecosystem remains relatively early-stage and continues to develop depth and maturity.

### 2. Emerging partnership models and blended finance approaches

New partnership-based delivery models are being piloted, particularly involving collaborations between local authorities, SNIB, and institutional investors such as Aviva. These models are seen as promising and potentially scalable, although they are currently complex and resource-intensive to implement. Blended finance structures are beginning to emerge, combining public subsidy and land contributions with institutional capital to unlock projects.

### 3. Strong relationships but uneven system performance

Investors report positive engagement with key institutions, including the Scottish Government, SNIB, universities, and parts of local government leadership (notably Glasgow City Council). However, this strength is not consistent across the system, with variability in capability and coordination affecting overall performance.

### 4. Pipeline exists but lacks readiness and coherence

There is a clear base of opportunity, particularly in regeneration sites and university spin-outs. Despite this, the pipeline is often fragmented, not investment-ready, and lacks clear packaging aligned to institutional investor requirements.

### 5. Positive fundamentals but frustration on delivery

Investors view Glasgow as a high-potential UK city, often compared to Manchester, with strong sectoral strengths in manufacturing, life sciences, and the knowledge economy. There is clear appetite from institutional capital, with investors open to partnerships and willing to invest across housing, infrastructure, and SME finance. However, there is a consistent perception of a delivery gap, with ambition not matched by execution. Investors cited examples in Manchester and Birmingham where they had found it easier to make tangible progress. Specific interventions that had helped included active creation of broad-based local political buy-in, willingness to use Council-owned land creatively and an appetite to enter into long-term joint venture vehicles between public and private sector partners.

### 6. Delivery credibility and investor interface challenges

Some respondents raised issues with project management, slow progress, and poor conversion of ideas into deliverable projects among GCR's member authorities as key concerns. The investor interface is fragmented, with no clear single entry point for institutional investment and difficulties navigating multiple councils and internal silos. Investors often experience inconsistent engagement, ranging from strong relationships to stalled or blocked interactions.

## 7. Gaps in commercial capability and approach

There is a perceived over-reliance on investors to shape projects, with public sector bodies often issuing RFPs rather than defining investable opportunities. Gaps in understanding of viability, developer economics, and investor requirements can lead to unrealistic expectations and stalled delivery. Risk aversion and reluctance to act as a first mover further slow progress.

## 8. Opportunities for system transformation and delivery reform

There is strong support for a single regional “front door” to simplify engagement, build investor confidence, and enable prioritisation at scale. Invest Glasgow fulfils a similar role in relation to *inward* investment (i.e. encouraging and supporting businesses to locate themselves in Glasgow), which is a different although highly complementary market to *institutional* investment which is the focus of PBII. Dedicated regional delivery capability - such as a shared pipeline unit or arm’s-length development entity - could help turn ideas into investable projects and coordinate delivery.

## 9. Significant place-based and sectoral opportunities

Large-scale regeneration and housing delivery are seen as major opportunities, with potential to replicate successful UK models. The innovation ecosystem, particularly university spin-outs, offers strong growth potential if better integrated and supported. Transport and infrastructure investment, including mass transit and bus franchising, are critical to unlocking productivity and labour market growth.

## 10. Need for more sophisticated financial structuring

Scaling blended finance approaches (bringing public and private sources of capital together) will be key to addressing viability challenges and attracting institutional capital. There is a clear need for pre-development funding solutions to support early-stage activities such as remediation and planning. Mobilising local capital, including pension funds, represents an additional opportunity if appropriate structures are in place. An early step here could be to agree a high-level Memorandum of Understanding between GCR and Strathclyde Pension Fund, similar to the one adopted between South Yorkshire Mayoral Combined Authority and South Yorkshire Pension Fund<sup>24</sup>, for example. LGPS Funds are generally reluctant to invest risk capital at the early stage of projects, but they are often more comfortable to work alongside bodies such as SNIB or NWF to unlock the opportunity to contribute long-term, patient capital once early risks have been addressed.

## 11. Persistent viability and funding constraints

Many projects face fundamental viability gaps and require subsidy or public intervention to proceed. Pre-development funding shortages and the high cost of remediation - particularly on contaminated or legacy industrial sites - are major barriers.

## 12. Capability, governance, and coordination barriers

In common with much of local government across the UK, public sector capability gaps, particularly in commercial and financial expertise, limit effective delivery. Capacity constraints and weak project ownership further hinder progress. Fragmentation across authorities and internal silos reduce coordination and create inconsistent investor experiences.

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<sup>24</sup> [Auth Dec 23 - SYMCA MoU - Appendix 1.pdf](#)

### 13. Challenging market and policy environment

The wider investment climate is more constrained, with reduced appetite for development risk and real estate exposure. Institutional capital, including LGPS funds, is more cautious and selective. Policy uncertainty, particularly around regulation such as rent controls, creates additional risk and reduces investor confidence.

## 5.3 Summary

GCR does not lack opportunity, but currently lacks the institutional capability and structures needed to consistently translate these into investable, scalable propositions. As it seeks to develop a more intentional approach to investment, there are some clear strengths to build on and areas to focus on to start driving improvement.

#### Positive foundations

- Strong economic fundamentals and clear investor interest.
- Emerging partnership and blended finance models.
- Positive leadership and stakeholder relationships in parts of the system.

#### Focus areas for development

- Bolster pipeline development and delivery capability.
- Build cross-agency governance and create clear investor interface.
- Understand and address persistent viability challenges and early-stage funding gaps.

#### What will unlock institutional capital

- A single, credible regional entry point for institutional investors (similar to the role played by Invest Glasgow in relation to inward investment), supported by effective cross-institutional governance.
- Dedicated pipeline development and delivery capability.
- Scaled blended finance solutions to address viability gaps.
- Early 'quick win' demonstrator projects which deliver tangible results to build confidence.
- Greater policy certainty within the region and between GCR and Scottish Government.
- Improved commercial capability within the public sector.

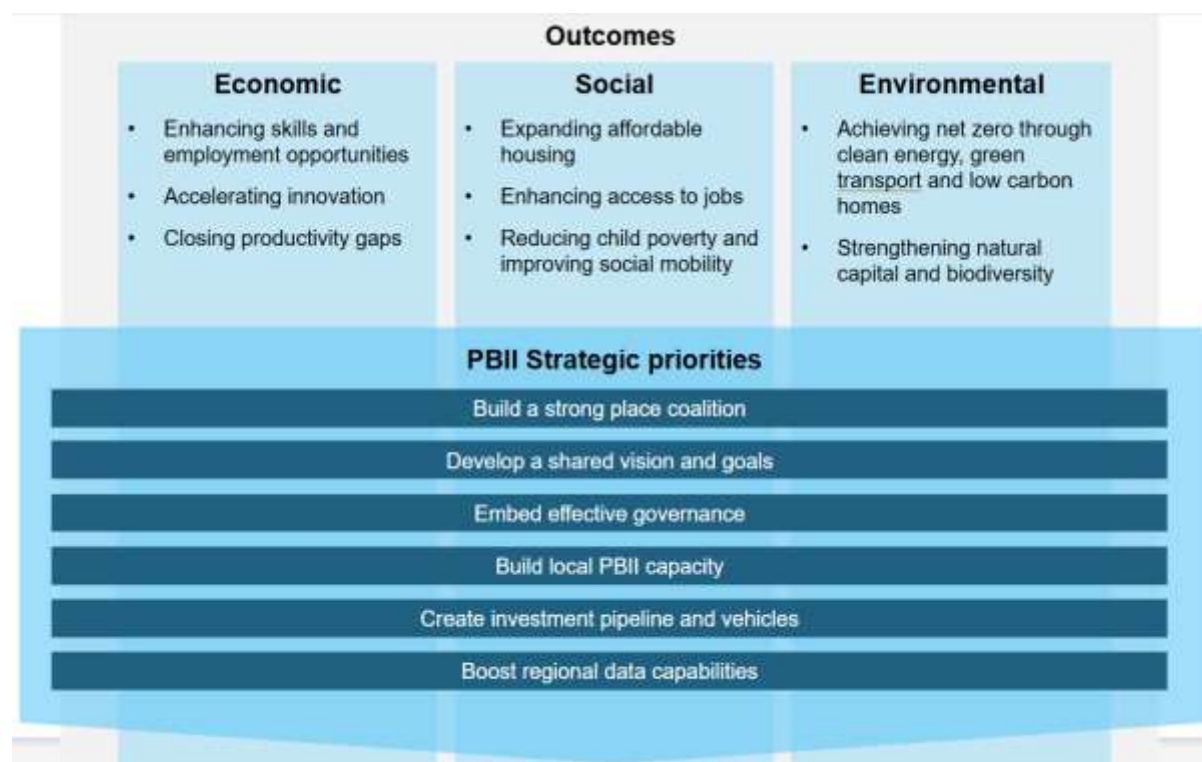
## 6. How can GCR attract more investment?

This section assesses the Glasgow City Region against the PBII framework elements introduced earlier and highlights areas for improvement in investment readiness. This is very much an initial, high-level view to be validated and expanded on in subsequent phases of work.

### 6.1 A model for PBII in Glasgow City Region

TGE has developed a framework setting out the key building blocks required to deliver PBII in a region, as shown in Figure 12 below. It starts from a clear articulation of the economic, social and economic needs of the Region, which is woven through the elements required to deliver investment that is aligned with those needs. The outcomes highlighted here are illustrative and would need to be agreed between local stakeholders, building on the goals in the Regional Economic Strategy.

FIGURE 12: A MODEL FOR PBII IN GLASGOW CITY REGION



This section sets out actions GCR could take to become more investment ready in relation to the various components of this model. We start by considering the strategic levers available to GCR today, and what more it might be able to do based on a more expansive devolution settlement.

## 6.2 Strategic levers available to GCR

There are a number of strategic levers a city region may be able to deploy to attract greater institutional investment to help deliver desired place-based outcomes. These include:

- Strategic coordination & pipeline
- Capital funding (place-based)
- Programme funding
- Sector-focused investment tools
- Project development & financing support
- Spatial planning & land
- Transport & infrastructure systems
- Financial powers
- Innovation & business support
- Skills & labour market
- Institutional investor engagement

In the table overleaf we assess what GCR is able to do today in relation to each of these levers, and what more it might be able to do in the context of a more extensive devolution settlement. This assessment is clearly contingent on the details of any specific devolution model.

### Strategic levers available to GCR today and after potential further devolution

Category	Current levers (today)	Relevance to institutional investment	Potential additional levers under devolution	Enhanced relevance to institutional investment
Strategic coordination & pipeline	Regional Economic Strategy + PMO pipeline management	Improves <b>pipeline visibility</b> and alignment with economic priorities	Statutory regional authority with stronger mandate	Creation of a <b>credible, aggregated pipeline</b> of investable opportunities across sectors and places
Capital funding (place-based)	City Deal (£1.13bn) unlocking sites via infrastructure	Provides <b>early-stage de-risking</b> (site readiness, enabling works) that makes projects investable	Long-term devolved infrastructure fund (e.g. the Greater Manchester Investment Fund)	Enables <b>programmatic co-investment</b> and predictable deal flow suited to long-term investors
Programme funding	Regional UKSPF allocation New Local Growth Fund	Supports <b>feasibility, business cases, and revenue-side interventions</b> that improve project viability	Full control of successor fund	Ability to <b>blend capital and revenue funding</b> , improving risk-return profiles for institutional investors
Sector-focused investment tools	Investment Zone (tax incentives + innovation funding)	Creates <b>place-based propositions</b> in growth sectors with clearer investment narratives	Expanded regional control over incentives and zones	Ability to structure <b>scalable sector platforms</b> (e.g. advanced manufacturing clusters) attractive to institutional capital
Project development & financing support	National Wealth Fund partnership	Strengthens <b>project preparation, structuring and access to concessional finance</b>	Greater autonomy to originate and co-structure deals	Region can act as <b>co-sponsor/co-investor</b> , improving bankability and investor confidence
Spatial planning & land	Regional Spatial Strategy	Provides <b>planning certainty and land pipeline visibility</b>	Stronger land assembly + potential land value capture	Enables <b>site aggregation and value capture mechanisms</b> , key to large-scale regeneration investment
Transport & infrastructure systems	Emerging projects (e.g. Clyde Metro), limited powers	Early-stage pipeline but <b>limited ability to structure system-wide investment propositions</b>	Devolved transport authority + integrated system powers	Ability to develop <b>large, stable infrastructure platforms</b> (core target for pension funds/insurers)
Financial powers	No regional borrowing/investment vehicle; reliance on councils	Limits ability to <b>structure blended finance or take risk positions</b>	Regional borrowing + investment powers	Creation of <b>place-based investment vehicles/funds</b> such as a Mayoral Development Corporation, cornerstone capital, guarantees, and recycling of returns
Innovation & business support	Innovation action plan developed by GCR / Innovate/ SE being overseen by new Glasgow Economic Leadership Innovation Group	Partial linkage between <b>innovation pipeline and investable opportunities</b>	Devolved R&D / Innovate UK-type funding	Stronger <b>deal origination pipeline</b> from innovation through to scale-up investment
Skills & labour market	Limited regional control	Indirect impact on <b>project viability and sector growth</b>	Control over skills funding and provision	Reduces <b>labour market risk</b> , improving long-term attractiveness of place-based investments
Institutional investor engagement	Convening role; ad hoc engagement	Helpful for relationship-building but <b>not yet a full investment counterpart</b>	Ability to act as a formal investment partner	Region as a <b>credible counterparty</b> : aggregating demand, co-investing, underwriting risk

## 6.3 Build a strong place coalition

One of the key factors investors look for when considering whether to invest in a place is whether there is strong cohesion between local stakeholders and an aligned place-based vision. Our view is that GCR has all the elements to form a strong place coalition, but there is work to be done on agreeing a shared vision, joining the dots across various strategies, and clarifying roles and responsibilities, including in relation to identifying strategic priority investment projects and interacting with institutional investors.

Figure 13 below illustrates where relevant capabilities, powers and resources currently sit across the key institutions within the Region and what different stakeholders bring to the table in terms of funding and other resources such as land and skilled workforce.

FIGURE 13: DRAFT PLACE COALITION MATRIX

		Glasgow City Region	Local Authorities x8	Universities (Glasgow, Strathclyde, Glasgow Caledonian)	NHS Greater Glasgow and Clyde	Major employers (e.g. financial services, energy)	Strathclyde Pension Fund
Capabilities/ powers	Economic development	•	•	•			
	Spatial strategy		•	•			
	Planning authority		•				
	R&D/Innovation			•	•	•	
	Capital programme		•	•	•		
	Housing demand		affordable housing waiting list	student population	key workers	skilled workers	
Funding/ economic assets	Holyrood funding	Finance & Local Government Directorate, Transport Scotland, Scottish Enterprise	Finance & Local Government Directorate, Specific portfolios (e.g. Education, Social Justice) via ringfenced grants	Scottish Funding Council	Health & Social Care Directorate		Local Authorities + (employer contributions)
	Westminster funding	HMT, DLUHC, DfT, DSIT	DLUHC, DfT, DWP	UK R&I, DSIT	HMT		HMT, DWP
	Place-focused patient capital						•
	Land ownership		•	•	•	•	
	Fixed asset investment			•	•	•	
	Council tax		•				
	Business rates		•				
	Research funding			•	•		
	Skilled workforce	•	•	•	•	•	

Below we outline the current position of some of the key stakeholder groups identified above and indicate areas where partnerships could be further strengthened to enable more effective engagement with investors in future.

## GCR and its member authorities

The current allocation of key relevant powers between GCR and its member Authorities is summarised in the table below.

Policy / Power Area	Glasgow City Region (GCR)	Member Local Authorities
<b>Strategic economic planning</b>	Sets high-level regional strategy through the Regional Economic Strategy (non-statutory, partnership-based).	Statutory local economic strategies and development plans sit with each council; ultimate decision-making power remains local.
<b>Transport (strategic)</b>	Limited coordinating role (e.g. City Deal transport projects, collaboration with SPT). No full control over regional transport system.	Roads, local transport planning, and delivery are controlled by councils; SPT provides wider coordination but is separate from GCR governance.
<b>Land use planning</b>	No statutory planning powers. Can influence via regional strategies and investment priorities. Currently scoping a Regional Spatial Strategy	Full statutory control over planning, development management, and local development plans.
<b>Housing delivery &amp; strategy</b>	No direct control; can support through regional funding programmes and partnerships.	Primary responsibility for housing strategy, delivery, land assembly, and partnerships with housing associations.
<b>Regeneration &amp; place-making</b>	Coordinates City Deal regeneration investments and some regional programmes.	Core regeneration powers sit with councils, including land assembly, CPO powers, and delivery of local regeneration schemes.
<b>Investment promotion (FDI)</b>	Limited direct role; works with Scottish Enterprise and partners to support inward investment at a regional level.	Councils play a local role in attracting and facilitating investment; national agencies (e.g. Scottish Enterprise) lead on FDI.
<b>Business support / SME development</b>	Coordinates some regional programmes but delivery largely sits elsewhere.	Delivered locally and via national agencies (Scottish Enterprise, Business Gateway hosted by councils).
<b>Innovation / university links</b>	Plays a convening role (e.g. innovation districts, City Deal innovation projects). Responsible for managing Investment Zone and Local Innovation Partnership Fund	Direct relationships with universities and delivery of local innovation ecosystems sit with councils and institutions.
<b>Skills &amp; employability</b>	Co-ordinates Skills programmes (e.g. Maritime Skills Programme)	Delivery of employability programmes is largely local; skills policy sits primarily with Scottish Government.
<b>Fiscal powers / revenue raising</b>	No independent taxation or borrowing powers.	Councils retain core fiscal powers (council tax, business rates within national framework, borrowing).
<b>Capital investment (major projects)</b>	Manages and allocates City Deal funding across the region; acts as a programme coordinator.	Develop and deliver projects, often acting as accountable bodies for funding and implementation.
<b>Public land &amp; assets</b>	No direct ownership; relies on coordination across partners.	Councils own and control significant land and property assets within their areas.
<b>Institutional investor interface</b>	No single formal “front door”; NWF Strategic Partnership engagement.	Investors typically engage directly with individual councils, leading to variation in approach and experience.

Overall, GCR is currently a coordinating body, not a statutory authority: it influences strategy and allocates regional programmes' funding (e.g. Investment Zone, City Deal), but does not hold core powers. Local authorities retain most delivery powers, especially over planning, housing, regeneration, and land. Fragmentation is structural: investors must navigate multiple councils because no single body holds consolidated powers.

Many stakeholders we spoke to agreed that relationships between GCR and its member authorities are generally positive and constructive, which in itself is attractive to investors. A revised devolution settlement which allowed GCR to play a more leading role as an interface with investors would be beneficial, but care would need to be taken to avoid the existing good will and trust between these levels of regional and local government to be undermined.

## Universities in GCR

Universities are a central pillar of the Glasgow City Region's economic and investment proposition, forming one of the largest and most diverse higher education clusters in the UK outside London. With over 100,000 students across institutions including the University of Glasgow, the University of Strathclyde and Glasgow Caledonian University, they provide a substantial and continuous pipeline of skilled talent into key growth industries such as advanced manufacturing, life sciences, energy transition, digital and business services. Collectively employing tens of thousands of people and contributing several billions of pounds in economic output each year, they act as major anchor organisations and help shape the city's labour market, support public services, and underpin Glasgow's international reputation as a centre of research, innovation and culture.

Relations between GCR and the Universities within the Region are good, but could be deeper in some areas – for example in relation to co-ordination and shared learning on capital investment programmes.

## Strathclyde Pension Fund

Strathclyde Pension Fund (SPF) is the largest Local Government Pension Scheme (LGPS) Fund in Scotland. It has 12 Local Authority members, including the eight members of GCR plus East, North and South Ayrshire, and Argyll and Bute (see Figure 14 overleaf).

SPF does not currently have an explicit strategy to invest within the GCR, SPF or even Scotland regions. It does have a Direct Impact Portfolio (DIP) which invests in key private markets sectors (affordable housing, renewable energy, infrastructure and private equity/debt for SMEs) within the UK as a whole. The DIP currently includes 70 investments under 36 managers across these asset classes. A number of the underlying assets are within the Strathclyde region or Scotland more broadly, but this is not a result of a specific requirement set by SPF. For example, it has one affordable housing investment that is entirely within the Strathclyde region. SPF is also a cornerstone investor (alongside the British Business Bank (BBB)) in Foresight's Scotland Fund which invests in SMEs (via private equity) and infrastructure.

Ten out of the twelve private equity fund managers SPF works with happen to be headquartered in Scotland (again, not an intentional strategy) but these managers collectively only deploy around 20% of their funds within Scotland. Conversely, the fourteen infrastructure/renewables fund managers SPF invest with are all headquartered in London, but deploy 28% of their money in Scotland.

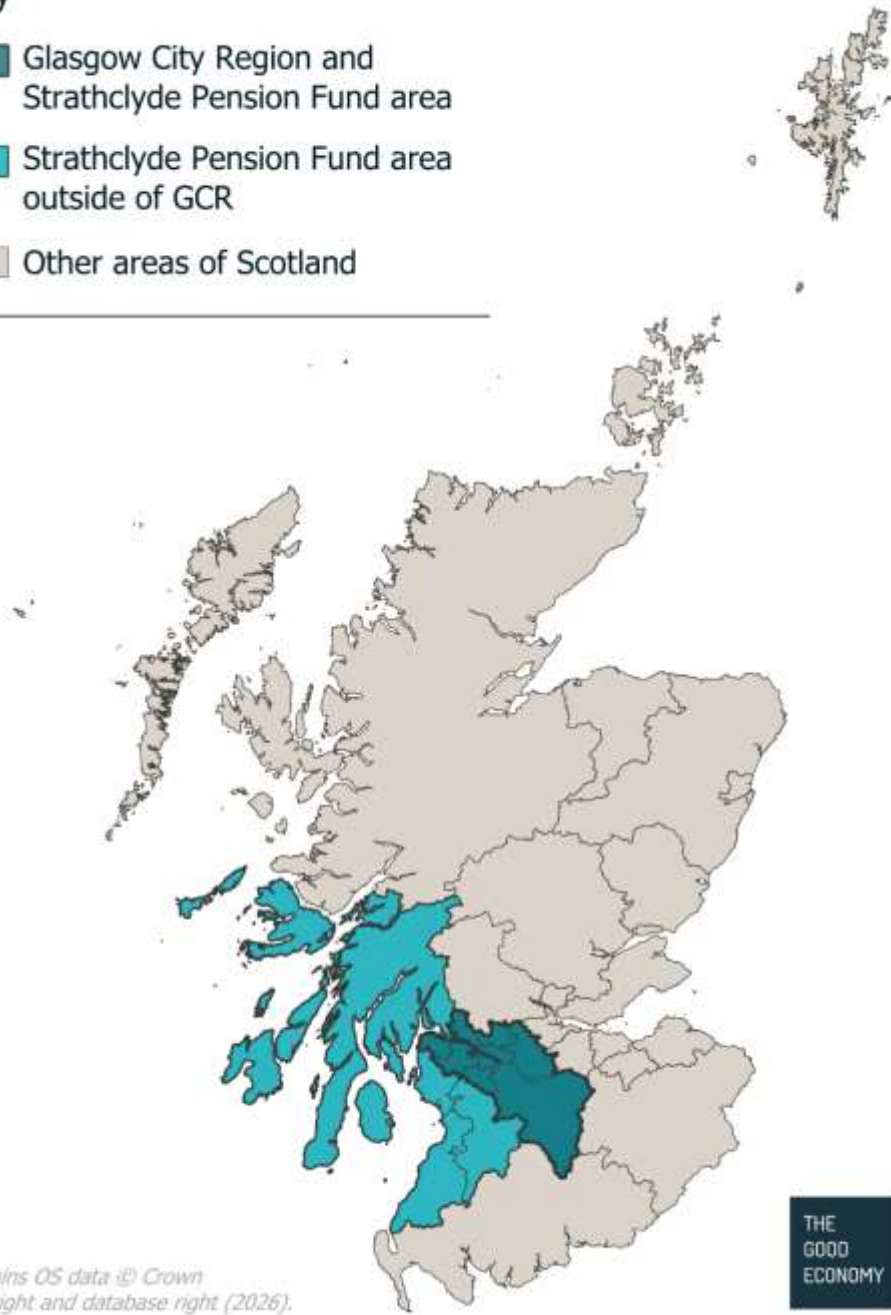
SPF has good data on its existing investments within the different geographies outlined here, but does not systematically publish reports on their financial or impact performance. It has increased its target asset allocation to the DIP from 5% to 7.5% in the last two years, and is open to exploring more opportunities to invest locally, seeing particular potential in areas such as affordable housing and renewable energy storage. All investments need to meet SPF's risk-adjusted return requirements (see

below), and any geographic restriction would only be considered provided it did not unduly restrict the volume of potential opportunities needed to enable healthy portfolio performance.

FIGURE 14: GCR AND SPF REGIONS

Key

- Glasgow City Region and Strathclyde Pension Fund area
- Strathclyde Pension Fund area outside of GCR
- Other areas of Scotland



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FIGURE 15: STRATHCLYDE PENSION FUND'S RETURN REQUIREMENTS

Asset class	Required return (IRR)
Venture Capital Fund	20%+
Affordable Housing, Solar Energy	7-7.5%
Overall minimum requirement	6.5%

However, SPF would be wary of any hard mandate to invest a specific allocation locally. There are also certain key risks (such as, for example, land remediation and planning risk) which it is not positioned to take – other sources of funding would need to be found to address these to enable longer-term investment from SPF.

In addition to BBB, SPF co-invests with SNIB, with whom it has aligned objectives. It also collaborates with the other Scottish LGPS Funds and other investors.

SPF could potentially play a more prominent role in underpinning institutional investment in the GCR. As a starting point, providing greater transparency on locally-based investments within its existing DIP allocation, alongside clarity on the criteria it applies in its investment decision-making process, would be of value to other stakeholders within the Region.

## 6.4 Develop a shared vision and goals

GCR has an established vision as set out in the GCR Economic Strategy. As such it is endorsed by the Leaders of all its member authorities. The overall vision to have the Most Innovative, Inclusive and Resilient Economy in the UK is supported by three missions - By 2030, the Region will have the most:

- inclusive major city-region economy in the UK
- productive major city-region economy in the UK
- advanced city-region economy in the UK in the race to net zero and climate resilience.

These missions are underpinned by fifteen quantified metrics with improvement targets against each. This provides a promising foundation for an outcomes framework to enable investment to be linked to wider economic, social and environmental goals. This outcomes framework will need to set out how any particular investment should be expected to contribute to place goals. This could build on an expanded version of the table set out in Section 3.6.

## 6.5 Embed effective governance

A robust governance model that provides clarity and transparency to all parties, applies proportionate scrutiny to all opportunities and enables good projects to progress at pace is also vital. TGE believes there is an opportunity to develop governance frameworks within which the public sector and private sector agree on shared outcomes (drawing from the shared vision and goals outlined above) and underpin this with a robust impact reporting approach that provides long-term shared accountability for results.

There are existing examples to build on. It would be worth considering agreeing some form of Memorandum of Understanding similar to the one adopted between South Yorkshire Mayoral Combined Authority (SYMCA) and South Yorkshire Pension Authority (SYPA)<sup>25</sup>, which sets out mutual objectives, areas for engagement and nature of engagement.

<sup>25</sup> [Auth Dec 23 - SYMCA MoU - Appendix 1.pdf](#)

## 6.6 Build local capacity to deliver

A common theme from our various discussions (and fairly typical of similar conversations with local government bodies around the UK) was the urgent need to build greater in-house capability to enable greater institutional investment to flow in. Expertise is needed in a number of areas, including:

- Understanding of the commercial drivers of real estate development, including what type of schemes are most likely to be viable in a particular place and time and where catalytic investment might best be deployed
- Knowledge of the criteria investors use to judge the investability of opportunities and development of a pipeline assessed against these criteria
- Ability to ensure internal processes such as planning and procurement are applied in a consistent, transparent and appropriate manner to ensure desirable investments are not subject to unreasonable cost and delay.

In February 2025, GCR was announced as one of four areas across the UK to take part in the UK Government's new National Wealth Fund (NWF) partnership. This is a strategic partnership which provides hands-on support and tailored commercial and financial advice, which aims to help regions to develop and secure long-term investment opportunities.

In October 2025, the NWF [announced a new and enhanced regional offer through the Regional Project Accelerator](#) which will prioritise longer-term and deeper strategic partnerships. The Regional Project Accelerator provides:

- **Strategic Partnerships** – helping to develop projects and portfolios to ensure they are investment ready and support local priorities.
- **Flagship project advisory support** – NWF teams will provide focused longer-term support for flagship projects.
- **Local Government Knowledge Service** – A digitally- enabled offering to share NWF knowledge and experience and enable peer-to-peer learning, with online resources, conferences, webinars and targeted one-to-one support.
- **Low-cost lending direct to local government** – the NWF has £4bn lending capacity to local authorities throughout the UK, which it will use to support complex, transformational and higher-risk projects that align with Government priorities and regional and local ambitions.

The contribution of the NWF partnership to capacity building is a positive start which GCR should seek to build on. A proportion of any additional funding associated with a new devolution settlement should ideally be reserved to enable this, similarly to the approach taken by GMCA, which used a portion of its original City Deal funding to invest in in-house capability. GMCA's model from the outset was to act as a **strategic commissioning and investment body**, rather than just distributing grants. That required internal capability to structure deals, negotiate with developers and investors and manage long-term funds (e.g. housing and infrastructure loans).

## 6.7 Create investment pipeline and vehicles

Beyond its programme of priority projects, GCR does not currently have a detailed, pan-regional pipeline of opportunities for investors to engage with. Developing one – using a consistent, investor-aligned template - should be a priority in order to improve clarity, comparability, and investability.

The emerging partnership between Glasgow City Council, SNIB and Aviva offers a promising blended finance model. If successful, it could be scaled and replicated across the City Region, particularly in areas such as housing and regeneration. The Glasgow Connectivity Commission<sup>26</sup> recommended the creation of a city-region level body to plan and coordinate transport infrastructure. In practice, this points towards the need for a more formal, statutory city-region authority—closer in model to Mayoral Combined Authorities (MCAs) in England—rather than a non-statutory “development agency.” Such a model would combine transport, spatial planning, and investment powers at the regional level, alongside the potential for fiscal devolution (e.g. mechanisms to capture land value uplift). Within this framework, targeted delivery vehicles such as Development Corporations would continue to play an important role. These are typically focused on specific sites or regeneration areas, with powers such as land assembly (including CPO), site-specific planning flexibilities, and the ability to shape commercial outcomes over the long term.

The experience of Greater Manchester demonstrates how a statutory city-region authority can effectively deploy Development Corporations as delivery tools within a single, integrated regional strategy and pipeline. There is also an opportunity to learn from Greater Manchester’s experience, by mitigating the risk of inadvertently exacerbating inequality through property-led investment models as outlined earlier. GMCA is now trying to course-correct through its new Good Growth Fund model, which merits further examination.

Any expanded devolution settlement should therefore prioritise the creation of a strong, statutory regional governance model with clear powers over transport, planning, and investment, complemented by the use of Development Corporations as place-based delivery mechanisms. This combination would support more coordinated decision-making, strengthen the pipeline of investable opportunities, and improve the City Region’s ability to attract and deploy institutional capital at scale.

## 6.8 Leverage regional data capabilities

Data is important for:

- Establishing baseline conditions (economic, social and environmental).
- Quantifying success measures against the strategy.
- Understanding and testing ‘theories of change’ (i.e. how investment is expected to lead to desired outcomes).
- Identifying and prioritising investment opportunities.
- Informing market engagement and commercial arrangements with delivery partners.
- Tracking progress on an ongoing basis, feeding back into both delivery and strategy.

The data held by the GCR Intelligence Hub is a good starting point to build from. Wherever possible, stakeholders across the Region should adopt an open approach to sharing data for mutual benefit, alongside adopting common standards for how data is collected and structured to enable pan-regional patterns of opportunity to be identified and developed.

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<sup>26</sup> CONNECTING GLASGOW Creating an Inclusive, Thriving, Liveable City, 2019

### 6.9 Illustrative Collective Theory of Change

A Theory of Change (ToC) is a useful model to articulate and test a hypothesis for how a particular set of activities is intended to contribute to a set of desired outcomes. The table below summarises an illustrative ToC which GCR and its partners could develop as an organising framework. The logic behind it could be summarized as “**If** Glasgow City Region and local stakeholders coordinate priorities, prepare investable pipelines, use public powers to de-risk delivery, and measure outcomes consistently, **then** institutional investors will be more able and willing to allocate capital into regional opportunities, **leading to** stronger economic performance, better social outcomes and faster environmental transition.”

Inputs: place coalition	Inputs: investors	Core activities	Outputs	Outcomes
Regional leadership across the eight councils, City Region structures, Scottish/UK Government, universities, NHS, housing, transport and community partners	Pension funds, LGPS pools, insurers, asset managers, banks, social investors and mission-aligned foundations	Build a strong place coalition	Regional investment prospectus and priority pipeline	<b>Economic outcomes</b> More productive businesses, stronger innovation clusters, more good-quality jobs, increased inward investment, and improved access to finance for local SMEs.
		Develop shared vision and goals	Shared impact framework and reporting approach	
Existing strategy, including the Regional Economic Strategy, City Deal and Glasgow Investment Strategy	Long-term capital seeking stable, risk-adjusted returns and measurable impact	Embed effective governance	Investor roundtables and market testing	<b>Social outcomes</b> More affordable homes, better access to transport and services, improved skills pathways, reduced labour-market exclusion, and greater community benefit from development.
			Blended finance structures for priority themes	
Public land, planning powers, convening power, procurement, grants, guarantees and early-stage development funding	Investment expertise, fund structuring, due diligence, stewardship and scale capital	Build local capability	Investment-ready business cases	<b>Environmental outcomes</b> Lower carbon emissions, better energy efficiency, greener infrastructure, improved climate resilience, and more investment in the transition to net zero.
Shared social, economic and environmental priorities	Place-based impact measurement and reporting frameworks	Create investment pipeline and vehicles	Public-private-community governance arrangements	<b>Investment-market outcomes</b> A stronger regional track record, lower perceived risk, repeat investment, and a clearer route for pension funds and other institutions to invest in Glasgow City Region while meeting fiduciary requirements.
		Leverage regional data capabilities	First cohort of funded projects	

## 7. Next Steps and Guiding Principles

### 7.1 Next steps

This report is the culmination of a scoping exercise to assess the potential for Place-Based Impact Investing in GCR. Its findings make clear that GCR is starting from a position of some strength when it comes to attracting institutional investment. Conversely, it is also clear that GCR lacks many of the advantages that bodies like GMCA hold based on a more generous devolution settlement.

We therefore recommend a twin-track approach: GCR should build a plan around the model set out in this paper to maximise its effectiveness within current structural arrangements, while working closely with partners including Scottish Government and its member authorities to agree revised devolution parameters that enable the investment potential of GCR to be fully realised.

Pulling this together, the next task is to develop a PBII strategy for GCR that builds on the existing Economic Strategy and the findings set out in this report. This would include:

- Building on existing relationships to formalise the GCR place coalition, including some form of Memorandum of Understanding all parties can sign up to
- Alongside this, agreeing some strategic goals around economic development, social inclusion and environmental sustainability to inform the outcomes investment needs to help deliver
- Engagement with Scottish Government to build support for greater devolved powers to enable greater institutional investment at Regional scale
- In parallel, working with member authorities and NWF, and building on the NWF Priority Project Pipeline to develop a broader investment-ready pipeline of opportunities across the PBII asset pillars that take account of local needs and priorities – giving priority to ‘quick win’ opportunities that demonstrate ability to deliver results to investors and local communities alike
- Deeper and broader investor engagement to convert and scale up interest in the Region
- Building on the NWF partnership and learning from the likes of GMCA to develop greater in-house capacity at Regional level to enable execution at scale.

An investment strategy developed in this way has potential to position GCR as a leading City Region for institutional investment within the UK.

### 7.2 Outline investor engagement plan

Below we outline a plan for engaging with prospective investors. This is illustrative at this stage: the detail would need to be worked out between GCR and other place coalition partners (including, in particular, Strathclyde Pension Fund).

#### Objectives

- Position GCR as an investable place with a clear pipeline and credible governance
- Align regional priorities with fiduciary duties (risk-adjusted returns, liquidity, scale)
- Build long-term partnerships, not one-off transactions
- Mobilise local capital first (SPF) to crowd-in wider institutional investment

### Core principles

- **Investor-led framing:** speak in terms of risk, return, scale, and track record
- **Place-based alignment:** connect investments to SPF's regional footprint and stakeholders
- **Early and continuous engagement:** co-design, not just pitching
- **Simplicity and aggregation:** bundle smaller projects into investable propositions
- **Transparency and credibility:** clear governance, reporting, and delivery capability

### Target audiences

- Strathclyde Pension Fund (anchor local investor)
- Other Scottish LGPS funds and LGPS pools
- UK pension funds and insurers
- Development finance institutions (e.g. SNIB, NWF)
- Asset managers (infrastructure, real assets, private credit)
- Impact investors and foundations

The engagement programme might follow the phases and timings outlined below.

Phase	Timing	Purpose	Key Activities	Outputs
<b>1. Insight &amp; Alignment</b>	0–6 months	Understand investor needs and build relationships	Bilateral engagement with SPF; map risk/return appetite; align with regional priorities; establish joint working group	Investor requirements brief; priority themes; initial SPF partnership
<b>2. Co-design Opportunities</b>	6–12 months	Develop investable propositions	Structure pipelines; bundle projects; design investment vehicles; test with SPF and peers; run workshops and market sounding	Investment-ready pipeline; agreed structures; SPF role defined (e.g. anchor investor)
<b>3. Market Engagement &amp; Capital Raising</b>	12–24 months	Crowd-in wider institutional capital	Publish investment prospectus; run roadshows; engage wider investors; leverage SPF as credibility signal	Capital commitments; first closes; expanded investor base
<b>4. Delivery &amp; Long-term Partnership</b>	Ongoing	Build track record and scale investment	Deliver projects; report on performance and impact; maintain investor relationships; develop repeatable programmes	Proven track record; increased allocations; sustained partnerships

### Key engagement tools

- **Investment Prospectus** (clear, data-driven, investor-focused)
- **Pipeline dashboard** (live, transparent, prioritised)

- **Standardised business cases**
- **Impact framework** (aligned with investor ESG requirements)
- **Dedicated investor relationship function** within GCR

#### **Specific approach to Strathclyde Pension Fund**

- Position SPF as:
  - **Anchor investor**
  - **Strategic partner**
  - **Co-designer of vehicles**, not just a capital provider
- Emphasise:
  - Local economic benefits for members
  - Long-term, stable returns (e.g. infrastructure, housing)
  - Strong governance and risk management
  - Opportunities for **scalable deployment**
- Explore:
  - Regional co-investment platform
  - Allocations to place-based funds
  - Direct investment alongside experienced managers

#### **Risks to manage**

- Mismatch between **project scale and investor expectations**
- Insufficient pipeline readiness
- Perceived political or delivery risk
- Over-complex structures
- Lack of internal capacity within GCR to engage effectively

#### **Success factors**

- SPF visibly engaged early
- At least one **flagship investment** delivered
- Clear, consistent investor narrative
- Strong public-private alignment
- Repeatable pipeline and governance model

## 7.3 Guiding principles

The following guiding principles are relevant to all stakeholder groups involved in developing and delivering the investment strategy:

- **Act with urgency:** Recognise the imperative to get things moving – there is an urgent need to address growth as a means of improving wellbeing, addressing net zero and demonstrating the Region’s ability to deliver to prospective investors.
- **Build on existing strengths:** Recognise and build on existing pockets of capability and expertise – don’t try to build perfection from scratch.
- **Ensure long-term resilience:** Institutional investment is long-term by nature, so the approach needs to be designed to withstand not only economic shifts or changes in political leadership but also future reorganisations. Investments should contribute to a resilient, sustainable and fair economy.
- **Mobilise behind the shared vision:** A clear place vision that encompasses social and environmental goals, in addition to economic objectives, will provide clarity about what all parties are collectively trying to achieve – a ‘North Star’ to focus on even if organisational structures, policies and the wider landscape are shifting.
- **Engage with communities effectively and intentionally:** Community engagement should be seen as central in informing investment strategy on an ongoing basis, not simply a hurdle to overcome in the planning process.
- **Aligning incentives for delivery:** Local government needs to have skin in the game to minimise delays; by the same token, investors need to sign up to (and be held to account against) supporting delivery of local priorities.
- **Share risks and returns equitably:** In any commercial arrangement, risks should be allocated to the party best able to manage them, and returns should be appropriately distributed. For example, local stakeholders are in a better position to understand risks relating to local supply chains and community sentiment than more nationally focused partners, who will conversely be able to bring lessons from elsewhere to the table.
- **Learn from others:** Look outwards and be open to learning to draw on and shape best practice – there are good examples in Greater Manchester and elsewhere. Embed openness to learn from your own people and engage in dialogue with peers to drive systemic shifts.

## Appendices

### Appendix 1 – List of Interviewees and Survey Respondents

FIGURE 16: LIST OF INTERVIEWEES

Organisation Type	Organisation	Name	Role
Local Government	Glasgow City Region	Kevin Rush	Director of Regional Economic Growth
Local Government	Glasgow City Council	Mary Kerr	Climate Finance Lead
Pension Fund	Strathclyde Pension Fund	Ian Jamison	Investment Manager
Bank	Scottish National Investment Bank	Susan Campbell	Director – Market Creation (Place)
University	University of Glasgow	Mike King	Innovation District
		Liam Middleton	Director of Economic Development
		Andrew Docherty	Head of Economic Development Projects
University	University of Strathclyde	Alisdair Gunn	Director - Glasgow City Innovation District
University	University of Stirling	Iain Docherty	Dean of the Institute for Advanced Studies and Professor of Public Policy and Governance
Institution	Global Ethical Finance Initiative	Angus Clelland	Assistant Manager
Investor	Aviva	Mark Bousfield	Economic Development and Commercial Investment
Investor	Foresight Group	Emma Hardcastle	Director – Investor Relations, Private Equity
		Duncan Thorburn	Investment Manager
Investor	Federated Hermes	Selena Ohlsson	Director – Real Estate Client Solutions
		Mark Russell	CIO – Real Estate
Investor	Ex Aberdeen	Craig MacDonald	Former Head of Fixed Income at Aberdeen
Investor	L&G Investment Management	Melissa Lockett	Investment Director

FIGURE 17: LIST OF ORGANISATIONS SENT THE LOCAL GOVERNMENT SURVEY

Organisation
East Dunbartonshire Council
East Renfrewshire Council
Glasgow City Council
Inverclyde Council

Organisation
North Lanarkshire Council
Renfrewshire Council
South Lanarkshire Council
West Dunbartonshire Council

## Appendix 2 – List of Key Sources

FIGURE 18: LIST OF KEY SOURCES REFERENCED WITHIN THIS REPORT

Resource	Author / Source	Year published
Manchester Ranked UK's Best Performing City Outside London for Attracting Inward Investment.	Invest Manchester	2025
Glasgow City Development Plan.	Glasgow City Council	2017
Glasgow City Region Economic Baseline.	Glasgow City Region	2021
Glasgow City Region Economic Strategy.	Glasgow City Region	2021
The Rentier City: Manchester and the Making of the Neoliberal Metropolis	Isaac Rose, Repeater Books	2024
Centripetal Cities: A critique of supply-side urban development	Richard Goulding, Adam Leaver and Jonathan Silver The University of Sheffield	2025
Measuring Poverty 2024	Social Metrics Commission	2024
Child Poverty in Glasgow, 2024	Centre for Civic Innovation	2024
Exploring the Factors Driving Glasgow City Region's Productivity Gap with the West of England.	Glasgow City Region Intelligence Hub	2025
Regional and subregional labour productivity in the UK.	Office for National Statistics	2025
Independent Report on Regional Economic Development in Scotland.	Professor Sir Anton Muscatelli	2025
Health in a changing city: Glasgow 2021.	Bruce Whyte, Mairi Young, Katharine Timpson Glasgow Centre for Population Health	2021
Scaling-Up Local Investing for Place-Based Impact: A Strategic Framework and Guidance for LGPS [White Paper].	The Good Economy	2025
Scaling up Institutional Investment for Place-Based Impact [White Paper].	The Good Economy, Impact Investing Institute, Pensions for Purpose	2021
Productivity data show green shoots in closing North–South divide as Greater Manchester named productivity growth capital of UK.	The Northern Powerhouse Partnership	2025
CONNECTING GLASGOW Creating an Inclusive, Thriving, Liveable City, 2019	The Glasgow Connectivity Commission	2019