



Glasgow Economic Leadership Board

Meeting 45

Wednesday 25 June 2025, 08.30 - 10.30

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

Present

Professor Sir Jim McDonald (Principal, University of Strathclyde - co-Chair)
Cllr. Susan Aitken (Leader, Glasgow City Council - co-Chair) – *joined online*
David Bunton (CEO, Reprocell Europe)
John Howie (Chief Corporate Affairs Officer, Babcock International) – *joined online*
Selma Hunter (CEO, Hunter Consultancy) – *joined online*
Janice Kirkpatrick (Director, Graven)
Jane Martin (MD, Innovation & Investment, Scottish Enterprise (SE))
Jim McColl (Chairman & CEO, Clyde Blowers Capital)
Dominic McKay (CEO, Scottish Events Campus (SEC))
Cllr. Owen O'Donnell (Vice Chair, GCR Cabinet, Leader, East Renfrewshire Council)
Stuart Patrick (CEO, Glasgow Chamber of Commerce)

Guests

Andy Haldane, CEO, Royal Society of Arts (RSA)
Kam Jandu, CEO, AGS Airports Ltd.

Apologies

Guy Jefferson (COO, Scottish Power Energy Networks (SPEN))
Debbie McWilliams (MD Strategy & People, SEC)
Susanne Millar (CEO, Glasgow City Council)

Attending

Kevin Kane (GEL)
Alison McRae (CoC)
Andrew Roberston (GCR)
Kevin Rush (GCR)
Paul Zealey (SDS)

1 Welcome, introductions and apologies

- 1.1 GEL Co-Chair, **Professor Sir Jim McDonald** welcomed all to the meeting and noted that **Cllr. Susan Aitken**, **John Howie** and **Selma Hunter** joined the meeting online.
- 1.2 **Professor Sir Jim McDonald** also welcomed the GEL Board's main guests - **Andy Haldane**, CEO of the Royal Society of Arts (RSA) and former Chief Economist of the Bank of England who would lead a Board discussion on maximising Glasgow city region's growth prospects and **Kam Jandu** the new CEO of AGS Airports Ltd. that

operates Glasgow Airport. **Professor Sir Jim McDonald** invited Board members to introduce themselves.

1.3

Professor Sir Jim McDonald noted that the GEL co-Chairs had been considering adding to the GEL Board. At the next GEL Board (likely late October / November 2025) the following individuals will join the Board: **Prof. Scott MacGregor** (Vice Principal, University of Strathclyde) and GEL Higher & Further Education (HFE) lead, **Vida Rudkin** (MD, Morgan Stanley) would join as the new GEL Finance & Business Services (F&BS) lead (taking over from **Mark Napier**). **Professor Sir Jim McDonald** also welcomed **Dominic McKay**, CEO of the Scottish Events Campus (SEC) who has taken over as GEL Tourism lead from **Debbie McWilliams** and **Kam Jandu** who will join as co-lead of GEL International. **Prof. Stephen McArthur** the new Principal of the University of Strathclyde and **Prof. Andy Schofield** the new Principal of the University of Glasgow would also join the Board and new GEL leads would be appointed for Digital Technologies and Advanced Manufacturing. These new additions to the GEL Board were welcomed by Board Members.

1.4

Apologies were noted.

2 Minute of 26 March 2025 and Matters Arising

Minute of 26 March 2025

2.1 **Professor Sir Jim McDonald** invited the Board to approve the Minute of the Board meeting of 26 March 2025. The Minute was approved.

Matters Arising – GEL Board invitations to DFM and SSfS [and Comprehensive Spending Review (CSR)]

2.2 **Professor Sir Jim McDonald** noted that the co-Chairs' invitation to **Kate Forbes MSP, Deputy First Minister** and **Ian Murray MP, Secretary for State for Scotland** to attend a future GEL Board had been accepted and that they wished to jointly attend. A date is to be agreed with late October / early November 2025 currently looking most likely.

2.3 **Professor Sir Jim McDonald** also noted that the co-Chairs' had written to the **Rachel Reeves MP, Chancellor of the Exchequer, Kate Forbes MSP, Deputy First Minister** and **Ian Murray MP, Secretary for State for Scotland** to urge that Glasgow city region be included in the new £30M Local Innovation Partnerships Fund that was announced for seven English metro areas and mayoral authorities in the recent Comprehensive Spending Review (CSR).

2.4 **Professor Sir Jim McDonald** invited **Kevin Rush** to update the Board on the outcome of the recent CRS for Glasgow.

2.5 **Kevin Rush** noted the omission of Glasgow from the Local Innovation Partnership Fund and the financial flexibilities offered to English core cities and metro areas. He noted that Glasgow and Edinburgh city regions were in discussion with the Scottish government on the need to "move at pace" to provide the same flexibilities as competitor city regions in England. **Cllr. Susan Aitken** added that there is a tripartite approach as each of the large cities in the devolved nations - Cardiff, Belfast and Glasgow - have similar concerns and the recent article in the Herald by the Chief Secretary to the Treasury indicates that we have the attention of the UK Government.

2.6 **Kevin Rush** also noted that Shared Prosperity Funding (SPF) had been held at the same nominal level as previously, reducing real resourcing by £20m. However, the outcome of the [Strategic Defence Review](#) will see a significant increase investment in

the defence sector to the benefit of Glasgow and the Clyde, signalled by the Prime Minister coming to BAE Systems in Glasgow to launch the review's findings.

Matters Arising – GEL Board invitation to Prof. Sir Ian Chapman, CEO, UKRI

- 2.7 **Professor Sir Jim McDonald** noted that UKRI disburses around £9BN pa and funds Innovate UK and the Catapults, both of which are important to Glasgow's innovation economy. **Professor Sir Jim McDonald** noted that a draft letter was with the co-Chairs for approval and that the invitation would be for the next but one GEL Board.

3 **GEL Board discussion: Developing Glasgow City Region's growth ecosystem**

- 3.1 **Prof Sir Jim McDonald** noted his delight in welcoming **Andy Haldane** to the GEL Board. **Prof Sir Jim McDonald** introduced **Andy Haldane** as CEO of the RSA, a former Chief Economist at the Bank of England and a former Permanent Secretary at the UK Department for Levelling Up and noted he was a leading UK economic commentator, regular FT contributor and a "deep thinker" on the UK and regional economic performance. **Prof Sir Jim McDonald** noted that the aim was for an open, 'Chatham House rules' Board discussion and he invited **Andy Haldane** to lead the discussion.
- 3.2 **Andy Haldane** thanked **Prof Sir Jim McDonald** and the GEL Board for the invitation and noted that Glasgow was his spiritual home-from-home; home for him is Sunderland. He noted that after 11 months of the new Labour government this is a good time to talk sectorally and spatially about city regional growth given the recent publication of the Strategic Defence Review, Comprehensive Spending Review and the Industrial Strategy. Despite eleven months of inaction, is this the reset asked **Andy Haldane**; he thought not. He noted that the UK had experienced two decades of stalled growth, 9.5m people economically inactive and "miserable" productivity growth at half of the historic growth trend (i.e. pre-2008 financial crash). To **Andy Haldane** the UK government cannot meet its number one mission "to boost economic growth across the *whole* of the UK" without focusing on boosting regional economic growth. He noted that Glasgow city region's economic growth of 30% over the past decade is impressive but it needed to project that scale of growth forward for the next decade too.
- 3.3 **Andy Haldane** said his mental model of growth is a triple helix. The first is **sectoral**: the need for effective public/private/academic/civic (Third Sector) engagement; if any one constituency is excluded it comes unstuck. The second is **foundational**: the economy is the "foundation stone" of success but growth must be inclusive if it is to be sustained. The third is **governance** and the "holy trinity" of people, powers and money/resources – all are mutually interdependent.
- 3.4 **Andy Haldane** then turned to the England's cities. In his view only London and Manchester have the structures, policies and governance to be successful. In the rest they may have the sectoral focus but lack foundational and/or effective governance. (for example, the Industrial Strategy doesn't talk about inclusive growth). In his view UK government is having cold feet about city regions given the election of two Reform city region Mayors. The English Devolution White Paper is "pretty modest" and speaks to an incremental addition of powers, financial settlements and a staggered and tiered change over a "sedate timescale".
- 3.5 **Andy Haldane** noted that some city regions confuse decentralisation (i.e. local delivery) and devolution (local powers). To him the devolution is key though people should recognise the institutionalised resistance to it in HM Treasury. In the short run, UKG is "spreading the cash" via the Industrial Strategy etc. which is all helpful but

notwithstanding that English cities are “underpowered” in powers, resources and people.

- 3.6 **Andy Haldane** said Glasgow city region was “very well positioned”. It has strong governance, a strong sectoral focus based on a triple helix approach to design and delivery but cautioned that the civic/Third Sector was “underweighted” (and referenced the Gordon Brown [report](#) on the need to “embed citizen empowerment”). GCR’s focus on the foundational economy was to be “hugely applaud” as was it focus on the Innovation Districts, Innovation Accelerator and Investment Zone propositions that all link “extremely well” with UK government priorities (Advanced Manufacturing, Defence, Creative etc.). In particular, he noted the strength of Glasgow city centre’s cultural institutions which collectively were as large as the world’s largest creative cluster, New York’s Lincoln Centre. GCR’s focus on the foundational economy is a USP: it makes up 80% of all jobs. **Andy Haldane** said he would add four more: health, housing, skills and social infrastructure. He noted that “too often we are long on projects and short on skills” – with the construction sector 250,000 jobs short: we need plans to fill that gap.
- 3.7 **Andy Haldane** noted he was involved in skills work in the East Midlands where they have developed the idea of a “skills escalator”: bottom-up for workers and top-down for businesses. A resilient and adaptable skills supply is an “absolute foundation for growth said **Andy Haldane**. He noted that one reason for stalled wages was that not enough people were switching jobs to get increased pay.
- 3.8 **Andy Haldane** noted the most-overlooked investment area is social infrastructure – community centres, public parks, libraries etc. All too often these are the poor relations of infrastructure spending. **Andy Haldane** said that social capital is critically important for inclusive growth and that sustainable growth cannot be built on a poor social fabric.
- 3.9 On Glasgow city region’s “devo document” and Glasgow not being in the “fast lane” if the issue is related to not having an elected Mayor, to him that was a “third order issue”. **Andy Haldane** cautioned against “asking for the full menu” and said to focus on the resources and fiscal powers to enable you to do what you need to do to unlock unrealised growth potential. He advised against being “timid” in asking for greater fiscal powers. Financial flexibilities are worth pursuing but he cautioned that Treasury had ways to limit what seemed like full flexibilities. Fiscal powers are more important.
- 3.10 **Andy Haldane** noted that GCRs relationship with the British Business Bank was an important opportunity and although its capex has been increased to £100BN, twenty times that amount will be sought from private sector, especially international investors. **Andy Burnham** has been courting international investors (at MIPEM etc.) and GCR needs to do the same as well as to develop business cases for investible projects of scale (transport, infrastructure, energy etc.). There was a “wall of money” out there and Glasgow city region needed to access it to improve inclusive growth, productivity and job opportunities.
- 3.11 **Professor Sir Jim McDonald** thanked **Andy Haldane** for his insights and thoughts and invited Board Members to discuss any issues raised.
- 3.12 **Stuart Patrick** asked why the UK government was so tied to its self-imposed fiscal rules? **Andy Haldane** said the government was “terrified” of the bond market and noted the long shadow of **Liz Truss** in the Treasury. However, in the view of **Andy Haldane** the only way to increase investment in public services is via higher economic growth and productivity. He noted that even in the Blair/Brown years productivity growth had been low, and it has stalled post the 2008 crash. In his view, too many of the recent UKG spending announcements are too backloaded; 5% GDP on defence by 2035, £39BN for housing, from 2029) and getting the inactive back into work in the

current welfare “reform” is an afterthought to a decision that is driven by a desire to reduce public expenditure. Effectively the Government is putting the “fiscal cart before the growth horse”.

- 3.13 **Jim McColl** said a recurrent weakness in the UK was its inability to attract the international “wall of money”. The UK lacks a real National Investment bank that provides businesses with working capital and export guarantees. In Germany, KfW (established 1948) is the world’s largest State-owned development bank, but it is capitalised with only 10% government funding with the balance sourced from the international bond market - and it’s not on Germany’s national balance sheet and nor it is state aid. Poland, Turkey, Spain, Italy all have such support structures. This puts UK exporters in a weak position due to lack of working capital to support trade and exporting. **Jim McColl** said that the Scottish National Investment Bank (SNIB) has not been properly set up to provide the support required by business. SNIB needs to provide guarantees and raise money in the bond markets – which would require Treasury approval. **Jim McColl** proposed that SNIB should be developed as a UK pilot. **Andy Haldane** agreed that investment vehicles in the UK are not of sufficient scale and that UK government needed to be “more muscular” in incentivising UK pension funds to invest in UK businesses.
- 3.14 **Janice Kirkpatrick** said networks such as those created by Glasgow City Innovation District (GCID) are important to SMEs and creative businesses as is the value being in the city centre. She noted that Kingston University (under a former Mac School architect and ex Strathclyde Head of Architecture, Vice-Chancellor **Professor Steven Spier**) produces an annual *Future Skills Report* and proposed that GEL use this work to help chart future GCR future skills needs.
- 3.15 **Andy Haldane** cautioned for a more “clear eyed” view of SMEs; too many are inefficient, and policy makers needed to be more discerning. He noted that national organisations cannot co-ordinate at the ‘place level’ and noted that the economic scale and importance of the Glasgow Edinburgh corridor puts it on a par with other UK 21st century “mega regions” such as the Northern Arc, Greater Manchester, the Midlands and West of England as potential countervailing regions to the Golden Triangle (London/Oxford/Cambridge) and that this is something that GCR “should lean into quite heavily”.
- 3.16 **Cllr. Owen O’Donnell** thanked **Andy Haldane** for his advice on GCR’s “devo ask”. He welcomed **Andy Haldane’s** support for GCR’s focus on the foundational economy and noted the importance of both social *inclusion* and social *cohesion*. He particularly welcomed the idea of an opportunity/skills “escalator” and noted the Scottish government’s lack of progress post the Withers report (June 2023). In terms of the opportunity ladder, **Andy Haldane** noted the strides taken to develop a greater focus on technical education via the [Greater Manchester Baccalaureate](#).
- 3.17 **Prof Sir Jim McDonald** thanked **Andy Haldane** for his overview of the issues impacting on city regional development in the context of the both the UK economy and government policy. His thoughts and advice on how GCR might address its “devo ask” were well taken and would help to “sharpen up” our touch points with both governments. **Prof Sir Jim McDonald** invited Board Members to express their thanks to **Andy Haldane** in the usual manner which they did.

4. Glasgow Airport: new investment priorities

- 4.1 **Prof Sir Jim McDonald** introduced **Kam Jandu** the new CEO of AGS Airports Ltd. and noted that the GEL Board has always recognised Glasgow Airport as a key strategic economic asset for the Glasgow city region - and Scotland. **Prof Sir Jim**

McDonald then invited **Kam Jandu** to brief the GEL Board on the new £350m investment in AGS Airports Ltd. by its new owner, AviAlliance.

- 4.2 **Kam Jandu** thanked **Prof Sir Jim McDonald** for the opportunity to brief the GEL Board and spoke to a presentation that was later shared with GEL Board Members.
- 4.3 **Kam Jandu** noted that AGS's new owners AviAlliance (and Blackstone with a 22% stake and PSP Investments, one of Canada's largest pension investment managers) are committed to Glasgow. AviAlliance is an experienced airport owner owning airports in Athens, Düsseldorf, Hamburg and San Juan (Puerto Rica).
- 4.4 **Kam Jandu** noted that Glasgow Airport attracts 8.1 million passengers p.a., up 9.5% on 2023 and that more than £3BN worth of goods are handled by the airport. The development of AMIDS as the Investment Zone's tax-free site will further encourage investment – both in AIMDS and at the airport – and Glasgow Airport remains central the city region's international connectivity and as an enabler of trade.
- 4.5 The airport has undertaken a strategic review and has identified four key transformational opportunities for the airport and region: (i) driving the growth of emerging sectors; (ii) promoting flow of people and goods; (iii) pioneering net zero aviation; and (iv) being a hub for local opportunities. AGS has identified economic impact targets for Scotland for 2040: to grow to 17 million passengers p.a., support 43,000 jobs, grow GVA impact to £2.54BN p.a. and provide "worldwide connectivity".
- 4.6 **Kam Jandu** noted that Glasgow Airport offers direct passenger flights to over 100 destinations in 30 countries, including key hubs such as Toronto, Dubai, Amsterdam, Berlin and Paris. Glasgow Airport's route development focus is on: (i) core carriers with more and larger based aircraft; (ii) ultra low-cost carriers: further diversifying its airline mix with a focus on key European cities; (iii) long haul services to China, Pakistan and India; and (iv) to re-establish direct services to the United States. **Kam Jandu** noted that Glasgow is the largest un(der)served air market in Europe.
- 4.7 **Kam Jandu** emphasised that Glasgow Airport is positioned to help drive the growth of emerging sectors, providing land to support GCR's innovation economy, support the full exploitation of AMIDS, provide international connectivity to GCR's/Scotland's international higher education and tourism, events and conference sectors.
- 4.8 **Kam Jandu** noted that for Glasgow Airport to reach its potential it has four key "asks" of the City Region and the Scottish and UK governments. These are:
- (i) **the importance of a Clyde Metro** link that includes the airport and AMIDS.
 - (ii) **route development support** to drive significant economic benefits from enhanced international connectivity.
 - (iii) **support for improved US, European and East Asian flights to better support UK and Scotland industrial strategies** [**Kam Jandu** noted he is the UK regional lead of new UK connectivity group and his advocacy of London airports paying a higher Air Passenger Duty (APD) than regional airports].
 - (iv) **the "development of a world-class DMO (Direct Marketing Organisation) for Glasgow city region.** [In 18 years as CEO of Budapest Airport, **Kam Jandu** noted that the Budapest DMO drove the airport's increased international connectivity].
- 4.9 **Prof Sir Jim McDonald** invited **Kevin Rush** to comment on the DMO "ask". **Kevin Rush** noted that Glasgow's forthcoming Visitor Levy would provide a sustainable income stream to fund a DMO. **Prof Sir Jim McDonald** invited comments from Board Members. **Jim McColl** advised Glasgow to emphasise its "gateway" status in Scotland, especially to the Highlands and Islands. **David Bunton** welcomed the

airport's focus on attracting new airlines and flight connections: **Kam Jandu** noted the interest of United Airlines from 2026/27. **Stuart Patrick** asked how the GEL Board might best support the airport's ambitions?

- 4.10 **Prof Sir Jim McDonald** thanked **Kam Jandu** for his overview and GEL Board Members for their engagement and support of Glasgow Airport.

5 AOB/ DONM

- 5.1 **Prof Sir Jim McDonald** noted that the agenda of the next GEL would be built around the invitation to the **DFM** and the **SSfS** to attend to discuss support for GCR's "devo ask". Members were advised that the current GEL Board meeting date of 22 October 2025 was likely to change to accommodate the **DFM** and **SSfS's** joint attendance.
- 5.2 There being no further business, **Prof Sir Jim McDonald** closed the meeting.

Kevin Kane
Executive Director
Glasgow Economic Leadership

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