



Glasgow City Council

City Administration Committee

Item 1

18th September 2025

**Report by Councillor Susan Aitken, Leader of the Council
and City Convener for City and City Region Economy and
Just Transition**

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GLASGOW CITY REGION INVESTMENT ZONE – NON-DOMESTIC RATES RETENTION

Purpose of Report:

This report provides Committee with an update on the ongoing development of the Glasgow City Region Investment Zone (GCR IZ) programme, specifically the proposal of Non-Domestic Rates Retention (NDRR) sites.

Recommendations:

It is recommended that Committee:

- Notes the opportunity of retaining Non Domestic Rates uplift as part of the Glasgow City Region Investment Zone;
- Agrees to the sites identified in Appendix 1 being submitted to the Scottish and UK Governments as GCR Investment Zone Non-Domestic Rates Retention Sites
- Notes that growth retained as a result of the NDRR site will be pooled at the regional level and re-invested back into the GCR Investment Zone programme, in line with overall Investment Zone objectives; and
- Agrees that this re-investment should be determined by GCR Cabinet.

Ward No(s):

Citywide: ☐

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

1 Background

- 1.1 GCR Investment Zone (GCR IZ) is progressing through the Government five-stage Gateway Process for approval of the Investment Zone programme. This process was instigated following announcement in the summer of 2023 that Glasgow City Region (GCR) would receive £160m grant allocation and be the location of one of the two Investment Zones (IZ) in Scotland, and one of 12 across the UK. The other Scottish IZ is located in the North-East Scotland (NES) region.
- 1.2 Following an extensive analysis and engagement process, led by the GCR Programme Management Office, the sectoral focus of the GCR IZ was confirmed by GCR Cabinet on 11th June 2024 as Advanced Manufacturing and Precision Engineering.
- 1.3 Following the recommendation of a dedicated Strategic Investment Panel, a subset of the Regional Economic Partnership, Cabinet agreed on 25th February 2025, six short-listed projects and a tax-site. Table 1 provides an overview of the projects:

Table 1: GCR IZ Shortlisted Projects

Sector	Project	Grant Ask
Space	Skyrora	£3.7m
	Project PRISM	£33.2m
Semi-Conductors	Laser Supply Chain	£25.5m
	NCASP	£35.3m
	Neuranics	£5.1m
Maritime	Malin Group	£20m
Tax Site	AMIDS/Glasgow Airport	£30m
Sectoral Support	Investment Fund	£30.7m
	Business Support / Skills	£10m
Capacity Funding	N/A	£6.4m
Total		£200m

- 1.4 Following value engineering of projects, and additional funding from Scottish Enterprise, this programme is now agreed at £181m.

2. Proposed Locations

- 2.1 In addition to the £160m grant and £21m funding from Scottish Enterprise, Regional Economic Partnerships (REPs) can propose three sites of up to 200 hectares each, to a total of 600 hectares that could be considered as potential sites for the retention of Non-Domestic Rates (NDRR) over a twenty-five year period. As per the agreement of the GCR Chief Executives' Group, on 14th May 2025, the GCR PMO engaged with the Member Authorities (MAs) to understand the potential opportunities.
- 2.2 The GCR Project Management Office (PMO) developed a high-level application and evaluation process and asked MAs to submit options by Friday 30th May 2025.
- 2.3 Six of the eight MAs submitted proposals to be considered by the PMO. Based on these submissions, a number of options have been taken forward and further refined following feedback from the Scottish Government. Advice and guidance

on the options has been provided by KPMG, through their original GCR IZ commission with Renfrewshire Council. This has helped shape the refinement of the three proposed NDRR locations. The proposed locations are considered to present the best link to the Investment Zone objectives, together with the most viable development timeline.

- 2.4 Table 2 provides details of the NDRR locations that are being proposed as part of the Gateway process, outline maps are included in Appendix 1:

Table 2: List of proposed NDRR locations

Location	Member Authority	Potential Size
AMIDS / Airport	Renfrewshire Council	146 Hectares
Eurocentral	North Lanarkshire Council	195.5 Hectares
Glasgow Clyde Corridor	Glasgow City Council / South Lanarkshire Council	167.9 Hectares

- 2.5 Scottish Government guidance has made clear that GCR must make a robust argument for the rationale for any proposed NDRR location. Any location must meet the 'but-for' test, where "retention of non-domestic rates is a direct consequence of Investment Zone status". It is incumbent on GCR to provide a clear narrative for the locations that are proposed.
- 2.6 The PMO has continued to work with Renfrewshire Council, North Lanarkshire Council, Glasgow City Council, South Lanarkshire Council and Clyde Gateway URC to further refine the location options in advance of the final formal submission of Gateway 4 at the end of September 2025.
- 2.7 The GCR PMO is confident there is a clear rationale for the three areas that have been proposed and initial feedback from SG supports this. The NDRR site at the Airport / AMIDS has a clear link to the GCR IZ and the Advanced Manufacturing sector via the proposed tax-site. Meanwhile there are already a significant number of Advanced Manufacturing companies located within the Eurocentral boundary. The proposal that covers GCC and SLC is centred on existing Advanced Manufacturing activity through the Innovation Districts at both Glasgow and Strathclyde Universities and clearly link with the ongoing development at the Clyde Gateway URC. In addition, there were a number of strong bids for the original GCR IZ 'open call' based in each of the potential locations for NDRR.

3. Proposed Glasgow Clyde Corridor Locations

- 3.1 Officers engaged with colleagues in South Lanarkshire Council and key stakeholders including University of Strathclyde, University of Glasgow, Clyde Gateway and Scottish Enterprise to identify sites that have the potential to develop and grow advanced manufacturing activity over the duration of the NDRR programme.
- 3.2 The site identification process initially targeted the Glasgow City Innovation District, Glasgow Riverside Innovation District and Clyde Gateway areas. Consideration was given to sites that have the potential to accommodate new manufacturing activity as well as those more suited to associated research and development activity.

- 3.3 The initial focus was on identifying undeveloped sites that are considered as short to medium term development opportunities. Thereafter the focus shifted to areas of longer-term potential including existing industrial areas that have the potential to transition towards advanced manufacturing in the priority sectors (space, advanced semi-conductor and maritime) as the market develops.
- 3.4 A list of the proposed sites in scope for NDRR is included in Appendix 1. A map, showing the locations can be found [here](#).

4. Principles and Purpose

- 4.1 The revenue generated from the retention of Non-Domestic Rates (NDR) is over and above the GCR IZ £160m grant allocation and is the devolved responsibility of the Scottish Government. The retention of rates is on the basis of any uplift in NDR, within the 'red-line' boundary, from an agreed baseline with Scottish Government.
- 4.2 As part of the Gateway process, reference in section 1.1, GCR need to demonstrate that any uplift in NDR would not have been possible without the Investment Zone programme – this is how we are able to justify the retention of rates. In the absence of NDRR process, all rates collected by the Local Authority are transferred to the Scottish Government, as normal. Establishing NDRR sites as part of the programme will enable any uplift in NDR, above an agreed baseline, to be retained and reinvested to support the GCR Investment Zone objectives.
- 4.3 As noted to a previous CEG meeting (14 May 2025) and GCR Cabinet (27 May 2025), following Scottish Government guidance, any NDR retained should be pooled at the GCR level and their re-investment supporting the objectives of the IZ Programme, should be determined by GCR Cabinet.
- 4.4 Retained non-domestic rates must be used to promote the Investment Zone's objectives and for activity that: would not otherwise occur; demonstrably requires public funding; and is most appropriately funded from retained non-domestic rates, rather than other public funding pots.
- 4.5 Noted below are the GCR IZ Objectives, agreed by both GCR Cabinet and UK / Scottish Governments:

GCR IZ objectives

- Build on strengths of the Region's current and emerging cluster specialisms
- Grow new and existing R&D focused firms which are geared to take advantage of local academic expertise
- Create a significant number of mid to high skilled 'good' jobs
- Generate short and longer-term private sector investment in the Region's cluster specialisms – both through existing firms and wider supply chain development
- Align with existing investment within the Region e.g. City Deal, Innovation Districts / Innovation Accelerator, UK Shared Prosperity Fund
- Maximise the impacts through enhancing connections to existing clusters

- Facilitate the development / regeneration of under-developed land and assets within the Region
- Extends the benefit to the whole Region including developing options for a IZ skills programme for local residents and a regional investment fund.

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

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

5 Governance

- 5.1 It is expected that a formal legal agreement will be developed between Glasgow City Council, on behalf of Glasgow City Region, and the four Member Authorities to agree the approach for the collection and retention of NDR within the Investment Zone programme.
- 5.2 This approach will align with the established GCR governance arrangements already in place through Finance Strategy Group (FSG), Chief Executives' Group (CEG) and GCR Cabinet.
- 5.3 Reports have been approved by the Chief Executives' Group on 14th May 2025 and City Region Cabinet on 27th May 2025 that make reference to the pooling of NDR at a regional level, with their redistribution and use being agreed by Cabinet.

6 Next Steps

- 6.1 During September, Renfrewshire Council, Glasgow City Council, North Lanarkshire Council and South Lanarkshire Council will all seek local committee approval for the collection and retention of Non-Domestic Rates, in line with the requirements of Gateway 3 process.

- 6.2 A final draft of Gateway 3 and 4 will be submitted by GCR PMO to UK and Scottish governments by Tuesday 30th September 2025. Failure to meet this deadline may result in GCR IZ losing year 1 grant of £16m. If City Administration Committee approval for the collection and retention of NDR cannot be secured before the submission deadline of 30th September, the NDRR site will be removed from the GCR IZ programme.

7 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Potential for significant income generation in future years
<i>Legal:</i>	Legal agreements with other local authorities who have identified NDRR sites will require to be developed
<i>Personnel:</i>	None.
<i>Procurement:</i>	None.

Council Strategic Plan:	The following Strategic Plan outcomes are supported: Grand Challenge 2 – Increase opportunity and prosperity for all our citizens - Mission 2: Support the growth of an innovative, resilient and net zero carbon economy Grand Challenge 3 – Fight the climate emergency in a just transition to a net zero Glasgow – Mission 2: Become a net zero carbon city by 2030
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Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>	Indirectly.
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What are the potential equality impacts as a result of this report?

No significant impact.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

Potentially through economic regeneration.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Activity may support the following Climate Plan Themes:
Theme 2: Just and Inclusive Place.
Theme 3: Well Connected and Thriving City

What are the potential climate impacts as a result of this proposal?

Capital investment proposals are likely to have beneficial impact on climate as a result of improving or augmenting existing buildings to the most modern standards, or developing new buildings that are sustainable.

Will the proposal contribute to Glasgow's net zero carbon target?

N/A

Privacy and Data Protection impacts:

None.

8 Recommendations

It is recommended that Committee:

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Appendix 1: List of Proposed Sites

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
GRID 1	Hardgate Road	3.18	Undeveloped	Ogilvie Construction	Manufacturing	N/A	10,000	2040
GRID 2	Clyde Waterfront Innovation Campus Plot 2	11.30	Undeveloped	Scottish Enterprise, Govan 1	Office/Lab	N/A	5,000	2028
GRID 3	Clyde Waterfront Innovation Campus Plot 3	-	Undeveloped	Scottish Enterprise, Govan 1	Manufacturing	N/A	3,000	2032
GRID 4	Clyde Waterfront Innovation Campus Plot 4	-	Undeveloped	Scottish Enterprise, Govan 1	Office/Lab	N/A	5,000	2035
GRID 5	Church Street Innovation Zone (Plot J)	0.20	Undeveloped	University of Glasgow	Office/Lab	N/A	4,831	2030
GRID 6	Church Street Innovation Zone (Plots G)	0.26	Undeveloped	University of Glasgow	Office/Lab	N/A	6,250	2033
GRID 7	Church Street Innovation Zone (Plot H)	0.26	Undeveloped	University of Glasgow	Office/Lab	N/A	6,250	2035
GRID 8	SkyPark	0.62	Undeveloped	Britel Fund Trustees Limited	Office/Lab	23/00618/FUL	19,620	2035
GRID 9	Turner & Co, 64 Craigton Road, Glasgow	2.44	Underdeveloped	Turner & Co	Manufacturing	N/A	N/A	N/A
GRID 10	South Street Cluster	42	Underdeveloped	Various	Mailtime	N/A	N/A	N/A
		60.26					59,951	

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
GCID 1	Broomielaw	6.50	Underdeveloped	Scottish Enterprise	Office/Lab	N/A	7,000	
GCID 2	Met Tower	0.40	Vacant	Bruntswood Met Tower Ltd	Office/Lab	23/00915/FUL	27,336	
GCID 3	Former Student Union, 90 John Street	0.15	Vacant	University of Strathclyde	Office/Lab	25/00470/FUL	6,198	2027
GCID 4	TIC East Site	0.40	Undeveloped	Scottish Enterprise	Office/Lab	00/02622/DC	20,000	
GCID 5	TIC West Site (INOVO 2)	0.60	Undeveloped	Scottish Enterprise	Office/Lab	17/03374/DC	9,995	
GCID 6	City of Glasgow College, Riverside Campus	0.80	Undeveloped	City of Glasgow College	Office/Lab	N/A		
GCID 7	Tontine Building	0.50	Development Opportunity	GCC/Stelmain	Office/Lab	N/A		
GCID 8	Queen Street Car Park	0.80	Development Opportunity	Network Rail	Office/Lab	N/A		
GCID 9	Lighthouse, Mitchell Lane, Glasgow	0.10	Vacant	GCC	Office/Lab	N/A		
GCID 10	West Campbell Street/Cadogan Street	0.30	Undeveloped	TBC	Office	N/A		
GCID 11	University Centre	0.60	Development Opportunity	University of Strathclyde	Office/Lab	N/A		
GCID 12	McCance/Collins Building	0.43	Development Opportunity	University of Strathclyde	Office/Lab	N/A		
GCID 13	Charles Oakley Building	1.33	Development Opportunity	University of Strathclyde	Office/Lab	N/A		
GCID 14	Argyle Street/James Watt Street	0.34	Development Opportunity	TBC	Office/Lab	N/A		
GCID 15	Buchanan Bus Station	3.61	Development Opportunity	GCC	Office/Lab	N/A		
		16.86					70,529	

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
Gateway- Dalmarnock 1	Xworks	1.1	Undeveloped	Clyde Gateway	Advanced Manufacturing	GCC 25/01132/FUL	4,051	2026
Gateway- Dalmarnock 2	The Foundry	0.75	Undeveloped	Clyde Gateway	Hotel	N/A	5,467	2029
Gateway- Dalmarnock 3	Dalmarnock Riverside	1.2	Undeveloped	Clyde Gateway	Office /Lab	N/A	7,430	2032
Gateway- Dalmarnock 4	Dalmarnock North	0.8	Undeveloped	Colhoun Estates	Advanced Manufacturing	256/00561/FUL	4,000	2027
Gateway - Dalmarnock 5	Dora St/Reid Street	0.39	Undeveloped	Spectrum	Advanced Manufacturing	N/A	2,000	2030
		4.24					22,948	

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
Gateway- Shawfield 1	Red Tree Labs	1	Undeveloped	Clyde Gateway	Lab	SLC P-20-1456	4,804	2027
Gateway- Shawfield 2	Technology Terrace 1.3	1.00	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	2,375	2029
Gateway- Shawfield 3	Technology Terrace 1.4	0.60	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	3,312	2030
Gateway- Shawfield 4	Technology Terrace 1.5	0.60	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	2,693	2031
Gateway- Shawfield 5	Innovation Central	0.40	Undeveloped	Clyde Gateway	Office/Lab	N/A	6,239	2035
Gateway- Shawfield 6	Office Pavilion	0.4	Undeveloped	Clyde Gateway	Office/Lab	N/A	3,168	2036
Gateway- Shawfield 7	HVM 1.8	1.17	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	5,101	2032
Gateway- Shawfield 8	HVM 1.9	0.9	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	3,578	2033
Gateway- Shawfield 9	HVM 1.10	0.9	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	2,889	2034
Gateway- Shawfield 10	Office Pavilion	0.5	Undeveloped	Clyde Gateway	Office/Lab	N/A	9,012	2036
		7.47					89,067	

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
Gateway- Shawfield 11	HVM 2.3	4.5	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	4,990	2028
Gateway- Shawfield 12	HVM 2.4	1.40	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	2,107	2029
Gateway- Shawfield 13	HVM 2.5	1	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	2107	2030
Gateway- Shawfield 14	HVM 2.6	1	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	2107	2031
Gateway- Shawfield 15	HVM 2.7	2	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	3240	2031
Gateway- Shawfield 16	HVM 2.8	2	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	3240	2032
Gateway- Shawfield 17	HVM 2.9	2	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	3240	2033
Gateway- Shawfield 18	HVM 2.10	4.5	Undeveloped	Clyde Gateway	Advanced Manufacturing	N/A	4990	2034
		18.4					26,021	

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
Gateway - Rutherglen 1	Rutherglen, Downiebrae Road/Dalmarnock Road	2.23	Underdeveloped	Private	Advanced Manufacturing	N/A	20,000	2032
		2.23					20,000	

Site Reference	Location	Area	Status	Ownership	Potential Use	Planning Reference	Potential Non-Domestic Floorspace (Sqm)	Completion Date
SLC 1	Clydebridge- South	35.00	Undeveloped	SLC	Advanced Manufacturing			N/A
SLC 2	Clydebridge- North	9.00	Undeveloped	TBC	Advanced Manufacturing			N/A
SLC 3	Westburn Farm 1	12.55	Undeveloped	TBC	Advanced Manufacturing			N/A
SLC 4	Westburn Farm 2	0.90	Undeveloped	TBC	Advanced Manufacturing			N/A
SLC 5	Westburn Farm 3	1.00	Undeveloped	TBC	Advanced Manufacturing			N/A
		58.45						
		GRID						
		GCID						
		Gateway						
		SLC						
		Total					167.91	