

Glasgow City Region Investment Zone – Locations approved.

11 There was submitted a report by the Director of Regional Economic Growth providing a progress update on the Glasgow City Region Investment Zone (GCR IZ), advising that

- (1) following submission of the £160m GCR IZ budget draft to UK (UKG) and Scottish Government (SG) on 4th July 2025 that ongoing discussion with UK and SG, together with North-East Scotland, National Wealth Fund and Scottish Enterprise was required on budget flexibility however Scottish Enterprise had suggested their £25m funding could be used flexibly;
- (2) 5 tax incentives were available to companies who had chosen to locate in the GCR IZ tax site:-
 - (a) UKG had confirmed the 'value' of the 3 reserved taxes at: Enhanced Capital Allowances - £2.23m, Enhanced Structures and Buildings Allowance - £1.57m and Employer National Insurance Contributions Relief - £14.2m; and
 - (b) 2 SG devolved taxes at Land and Building Transaction Tax (LBTT) which was still to be confirmed and Non-Domestic Rates - £9.8m;
- (3) 2 issues remained outstanding that being the value of the tax relief in relation to the £160m grant and to ensure there was no financial risk to Renfrewshire Council;
- (4) should the reserved tax incentives exceed the budgeted £17.98m that this would be underwritten by the Treasury and that SG had confirmed should the budget for the devolved taxes be exceeded that this would not be covered by SG;
- (5) GCR would await confirmation from SG regarding the value of LBTT and would continue to work with SG to 'cap' the devolved taxes at £7m and this approach would both keep the grant available for the tax-site within the budgeted £25m but also would ensure no financial risk to Renfrewshire Council;
- (6) as part of the GCR IZ programme 3 locations of up to 200 hectares to a total 600 hectares could be identified for the retention of NDR and that the draft Gateway 4 submission had proposed 4 potential locations, as highlighted in maps of the presentation;
- (7) the GCR IZ NDRR site selection had required key qualification criteria and the 'But for test' - retention of non-domestic rates that was a direct consequence of Investment Zone status and of the Governments feedback based on both the maps delineating the NDRR boundaries and the justification of the clear link to the GCR IZ programme;

- (8) the GCR IZ revenue estimates would be subject to revision following Government feedback and development of the Clyde Mission model and of the commitment that individual short-listed projects would bring forward Business Case development to release grant funding; and
- (9) of a revised timeline and highlighting that the final submission of Gateway 3 and 4 would be due by 30th September 2025.

After consideration, the Cabinet

- (a) noted the report; and
- (b) approved the 3 proposed locations for the retention of Non-Domestic Rates, subject to the local agreement of Renfrewshire Council, Glasgow City Council, North Lanarkshire Council and South Lanarkshire Council.