Item 3 (a)

17th November 2026

Glasgow Economic Leadership Board

Meeting 49

Tuesday 30 June, 08.30-10.00

Technology & Innovation Centre
99 George Street, Glasgow G1 1RD

Present

Professor Sir Jim McDonald, Emeritus Principal, University of Strathclyde / GEL co-Chair
Cllr. Susan Aitken, Leader, Glasgow City Council / GEL co-Chair
Chris Courtney, CEO, National Manufacturing Institute Scotland (NMIS) / *GEL Advanced Manufacturing lead*
John Howie, MD, Vanguard Aerospace & Defence Ltd. / *GEL Innovation lead (online)*
Selma Hunter, CEO, Hunter Consultancy
Kam Jandu, CEO, AGS Airports Ltd
Guy Jefferson, COO, Scottish Power Energy Networks (SPEN) / *Green Economy lead*
Janice Kirkpatrick, Director, Graven / *GEL Creative Economy lead*
Sir Simon Lister, MD, Naval Ships, BAE
Professor Scott MacGregor, Vice Principal, University of Strathclyde / *GEL HFE lead*
Professor Stephen McArthur, Principal, University of Strathclyde
Jim McColl, Chairman & CEO, Clyde Blowers Capital
Jane Martin, MD, Innovation & Investment, Scottish Enterprise
Cllr. Owen O'Donnell, Vice Chair, GCR Cabinet & Leader, East Renfrewshire Council
Stuart Patrick, CEO, Glasgow Chamber of Commerce / GEL International lead

Apologies

David Bunton, CEO, Reprocell Europe / *GEL Life Sciences lead*
Dominic McKay, CEO, Scottish Events Campus / *GEL Tourism & Events lead*
Susanne Millar, CEO, Glasgow City Council
Kevin Rush, Head of Regional Economic Growth, Glasgow City Region
Professor Andy Schofield, Principal, University of Glasgow

Attending

Kevin Kane, Executive Director, GEL
Alison McRae, Senior Director, Glasgow Chamber of Commerce
Paul Zealey, Regional Skills Lead, Skills Development Scotland (SDS)

Guests

Clare Alexander, SE
Leonore Frame, SE
Elaine Morrison, SE
Andrew Robertson, GCR

1 Welcome, introductions and apologies

1.1 **Professor Sir Jim McDonald** welcomed all to the meeting.

1.2 **Professor Sir Jim McDonald** welcomed Board guests **Elaine Morrison** (SE), **Leonore Frame** (SE) and **Andrew Robertson** (GCR) who joined to speak to the Defence 7 Security sector item which would be led by **John Howie** (who joined the meeting remotely) and **Sir Simon Lister**. **Professor Sir Jim McDonald** also welcomed **John McGhee,** Executive Director of Education for Glasgow who would speak about school transitions to sustainable employment.

1.3 **Professor Sir Jim McDonald** noted that this was the last meeting that **Cllr. Susan Aitken** would attend as Leader of Glasgow City Council and co-Chair of GEL. **Professor Sir Jim McDonald** noted that time was provided for on the agenda for **Cllr. Aitken's** reflections on Glasgow and GEL.

1.4 **Kevin Kane** noted the apologies.

1.5 **Professor Sir Jim McDonald** handed the Chair to **Cllr. Susan Aitken.**

2 Minute of 20 April 2026 and Matters Arising

Minute of 20 April 2026

2.1 **Cllr. Susan Aitken** invited the Board to approve the Minute of the Board meeting of 20 April 2026. The Minute was approved.

3 Matters Arising

GEL Board invitations

3.1 **Cllr. Susan Aitken** noted that the **Rt. Hon. Alan Milburn** was unable to meet with the GEL Board in 2026 and possible dates were being sought for 2027.

3.2 **Cllr. Susan Aitken** noted that the co-Chairs had agreed to invite the First Minister**, John Swinney MSP** and/or the Cabinet Secretary for Economy, Tourism & Transport, Stephen Flynn MSP to a future GEL Board to discuss regional empowerment and the Scottish Government's Bill. **ACTION: A GEL Board invitation to be sent to the First Minister and Cabinet Secretary.**

GCR Regional Empowerment

3.3 **Cllr. Susan Aitken** noted that the GCR Cabinet had agreed the governance of the GCR's regional empowerment "ask" which is being take forward by a number of thematic work streams across GCR, plus a joint Glasgow-Edinburgh work stream on funding and governance with the work under an Oversight Group involving all the work stream Chairs, chaired by **Professor Sir Jim McDonald.**

Janice Kirkpatrick noted that the CEO of Edinburgh **Paul Lawerence** knows **Andy Burnham** well and that we should use his relationship. In response, **Cllr. Susan Aitken** noted that **Susanne Millar** works closely with **Paul Lawerence**.

Meeting with Prof. Sir Ian Chapman (UKRI)

3.4 **Cllr. Susan Aitken** invited **Professor Sir Jim McDonald** to update the Board on the GEL Board meeting with **Prof. Sir Ian Chapman***,* CEO of UKRI which had taken place at the University of Glasgow, via an invite from GEL Board member **Prof. Andy Schofield**.

3.5

Professor Sir Jim McDonald noted that **Prof. Sir Ian Chapman** was currently overseeing a significant reset of UKRI to better align its £9BN of research funding behind the priorities of the UK's Industrial Strategy. From a UKRI perspective it is clear that the M8 corridor is a significant innovation corridor with UK strengths in AI, Energy, Photonics and Quantum amongst others. **Professor Sir Jim McDonald** noted that it was a "frank" and constructive discussion that invited the need for a clear GCR innovation narrative that draws on the strengths, assets and capabilities of all the partners: academia, industry and the public sector.

3.6 **Professor Sir Jim McDonald noted** that **Prof. Sir Ian Chapman** had come away with a very good impression of GCR and its capabilities and he noted that **Prof. Sir Ian Chapman** had also visited NMIS, and the Health Innovation Hub in Govan/GRID while in Glasgow. **Cllr. Susan Aitken** noted her impression that UKRI was very focused on capital investment. **Professor Sir Jim McDonald** noted that significant groundwork had been laid by GEL in promoting and developing GCR's innovation economy and that we now needed to push to clearly communicate those strengths at the UK level.

3.7 **Cllr. Susan Aitken** handed the Chair to **Professor Sir Jim McDonald**

4. The Defence Sector Opportunity in Glasgow City Region

4.1 **Professor Sir Jim McDonald** noted that today's Defence & Security item was the second Board meeting where the sector and its opportunities for Glasgow city region would be discussed. Today, the focus would be on the opportunity and how to best capture the value and strategic positioning.

4.2 **Professor Sir Jim McDonald** invited **John Howie** to introduce the item. **John Howie, Andrew Robertson** and **Elaine Morrison** spoke to a presentation that was circulated to the Board after the meeting.

4.3 **John Howie** noted that the purpose of the presentation was to outline how GCR could use the projected increase in defence spending as a catalyst for economic growth and how GEL could use GCR's existing triple helix model to offer the MOD an innovative solution to its supply chain and capability challenges.

4.4 **John Howie** noted the reality of rising global insecurity and the political recognition of need to increase defence spending, including in the UK, however, there still remains a significant funding challenge. **John Howie** noted that the MOD's top expenditure areas play to GCR's strengths including in technical, financial and other business services, shipbuilding, aircraft and spacecraft. MOD spend is via key defence "Primes" (BAE, Babcock, Thales, Rolls Royce) with very little spend directly with SMEs. MOD's technology needs are changing towards AI, uncrewed autonomous systems, cyber and electronic warfare etc.

4.5 **Andrew Robertson** noted that GCR's defence sector is strong, with a significant presence of Primes with the River Clyde at the heart of the city region's defence industrial capabilities. However, given the rise of global technology and innovation-led "neo-primes" this potentially provides opportunities for GCR's diverse set of high-growth technology companies to become dual-use, innovation-led defence contractors.

4.6 **Elaine Morrison** noted the changing policy and funding environment. Defence is viewed by HMG as an engine for regional growth, with strong backing for UK-based companies to be at the leading edge of defence innovation (sovereign capabilities). UKG recognises that defence procurement has to be transformed and that new partnerships – both industrial and institutional – need to be forged if the UK is to rise

to the challenge. In policy terms, defence is a UK reserved matter though skills and economic development support is via Scottish government. The Scottish government has a 'pause' on some defence areas, though other UK devolved nations are in the process of changing their enterprise support. However, **Elaine Morrison** noted that Scottish government policy does not impact support coming from local authorities.

4.7 **Elaine Morrison** noted that a survey of industry views notes a strong interest in new technologies and dual-use capabilities, however, industry sees MOD (and Primes) as difficult to access with a high cost of entry and certification with some concerns round the public perception of the defence sector. The support required includes: better access to the MOD pipeline and Primes, investment in facilities, early-stage funding assess feasibility, a clearer visibility of the pipeline and a joined-up, single "front door" approach to stakeholder support.

4.8 **Elaine Morrison** presented the opportunity proposition for GCR as a 'GCR-first for Scotland' approach to the MOD based on GCR's defence & security strengths and GCR DMO's track record of innovation programmes, calls and challenges (e.g. IA, IZ, LIPF etc.).

4.9 As to the next steps, **Elaine Morrison** indicated that the group see four key areas to be completed by end-September/October 2026: baselining the sector opportunity, engaging with government (MOD, HMG, SG), a governance proposal for GCR's defence sector and for GEL to oversee the shaping of a proposition with short and longer terms objectives and activities.

4.10 **Professor Sir Jim McDonald** thanked **John Howie, Andrew Robertson** and **Elaine Morrison** for their presentation and invited **Sir Simon Lister** to add his thoughts and perspectives.

4.11 **Sir Simon Lister** noted that the UK defence narrative is formed in London and the South East. He advised that Glasgow should take an avowedly entrepreneurial and innovation-led approach that would be of direct benefit to MOD. He noted we should use the politics of place to reinforce what we can do here and help change the defence narrative. We need to support SMEs engaging with Primes and MOD and to make "common cause and new connections".

4.12 **Professor Sir Jim McDonald** noted the convening power of GEL to help make things happen and to represent the industrial and stakeholder interests of GCR. **John Howie** noted we needed to "turbo drive" MOD spend in GCR. On how best to do this, **Stuart Patrick** noted that GCR was best placed to deal directly with MOD, given Clyde Maritime and the Prestwick Aerospace narrative. **Cllr. Owen O'Donnell** said that getting Scottish government buy-in and support is critical but would take some time. Hence, he welcomed a GCR direct approach to MOD. **Cllr. Owen O'Donnell** also noted that his GCR Cabinet colleagues would welcome the focus on the defence sector as it represents real jobs and quality jobs across GCR. **ACTION: Cllr. Owen O'Donnell proposed that the GEL defence sector presentation be presented to a future GCR Cabinet.**

4.13 **Cllr. Susan Aitken** said that GCR could help solve the Scottish government's problem for them, noting the shift in urban politics to the Greens. GCR can be nimbler and smarter. **Jane Martin** said that SE's regional approach is to support those regions that have the assets and the capabilities to act and that in the defence sector GCR is well placed to do so. **Chris Courtney** noted that the MOD needed new models and approaches and that NMIS was ideally placed to assist. **Selma Hunter** noted that SME skills were critical and that AFRC and NMIS should be used to help fill any skills gaps and support those SMEs with the drive and capacity to enter the defence market. **Prof Stephen McArthur** said we should be using AI to support the Primes with a focus on

producing products for MOD with the development of roadmaps and foresighting being important guides to companies. **Stuart Patrick** asked whether MOD would be cautious about the (US-based) neo-primes. **Sir Simon Lister** said that HMG requires the "sovereign capability" when it comes to systems and integration of systems. Neo-primes would supply tools, not systems.

4.14 **Prof Scott MacGregor** wondered whether any GCR proposition could be made to be a more UK-based offer; **Sir Simon Lister** said working with Primes would enable GCR to do this. **Sir Simon Lister** also urged a greater demand side focus and how we can influence decision-makers in Whitehall. **ACTION: Sir Simon Lister proposed inviting GEL to the next MOD meeting with Primes in Glasgow (in the next six months or so)**. **Sir Simon Lister** also noted that we needed to attract and engage with key MOD decision makers such as **Rupert Pierce** the UK's National Armaments Director (NAD).

4.15 **Professor Sir Jim McDonald** noted that GEL should aim for September 2026 to develop a GCR defence & security proposition that meets what the MOD needs and includes key SMEs with the drive, innovation and capability to scale-up. The following actions were noted:

(i) **GEL to lead the development of a GCR defence & security proposition (and share via SE to support regional excellence elsewhere in Scotland).**

(ii) **That Strathclyde and Glasgow universities' research profiles be shared soonest with John Howie and Sir Simon Lister (including Professor Sir Jim McDonald, Kevin Kane and Kevin Rush to assist with coordination) and incorporated into the GCR defence innovation proposition – with an update to the GEL Board of 5 October 2026 by Prof's Andy Schofield and Stephen McArthur).**

(iii) **That John Howie and the Defence & Security sub-group produce an updated GCR defence cluster that incorporates GCR innovation strengths in High Value Manufacturing, Data/AI and other MOD technologies of interest where there are GCR strengths.**

(iv) **That Sir Simon Lister and John Howie populate an "influencing matrix" for GCR to use in communicating/socialising its defence proposition.**

(v) **Sir Simon Lister to update the co-Chairs of likely timescale/date for forthcoming meeting with senior MOD officials (e.g. NAD, MOD) in Glasgow.**

(vi) **That the GCR Cabinet Chair consider presenting the Cabinet with the GEL defence & security presentation and the opportunity for GCR.**

4.16 **Professor Sir Jim McDonald** thanked GEL Board Members for their active participation in this important Board discussion.

4.17 **Professor Sir Jim McDonald** handed the Chair to **Cllr. Susan Aitken.**

5 Pathways to Sustainable Employment

5.1 **Cllr. Susan Aitken** introduced **John McGhee** who is the new Executive Director of Education for Glasgow.

5.2 **John McGhee** spoke to a presentation entitled 'Pathways to Sustainable Employment' that was circulated to Board Members after the close of the meeting. He noted that as Executive Director of Education he was keen to shift the dial to a school system that was aligned with economic trends, opportunities and sustainable growth. He noted that a key challenge is that too many young people in Glasgow struggle to access clear pathways into skilled employment, while employers report facing skills shortages. In his view, the school system was not "intentional" enough and he was determined to change that.

5.3 **John McGhee** noted that education and skills are an economic growth engine and that a skilled population attracts business and investment, as well as driving innovation, productivity and competitiveness. Cities with stronger education systems see higher wages and employment rates and to do this well, it requires a well-aligned skills pipeline that includes, school, employers and the higher and further education sector.

5.4 The key economic trends shaping skills includes: a rapidly changing labour market, new growth sectors (digital, green energy, AI, health, advanced manufacturing etc.), technological and climate transitions that are reshaping jobs, an increasing demand for higher level technical skills. These are all issues that schools must respond to dynamically.

5.5 **John McGhee** outlined what better pathways would look like. There would be: (i) multiple routes for young people: academic, technical and vocational; (ii) clear progression: from school-to FE/HE, hybrid and into employment; (iii) flexible entry/exit points across life stages; and (iv) no "one pathway" for all but a connected system.

5.6 In Glasgow, **John McGhee** wants to help build a placed-based skills system, with greater school-employers collaboration, with a focus on growth sectors, and using local labour market data to shape the curriculum. To him, education should reflect Glasgow's growth strategy.

5.7 **John McGhee** outlined his vision for greater employer engagement with schools. He wanted to see employers as co-designers of curricula and qualifications, providing greater work experience and apprenticeships, greater involvement in local Skills Improvement plans and helping make improve the job readiness of Glasgow's young people.

5.8 **John McGhee** wanted to see a better 'system design' for sustainable employment, with the key principles being: (i) a joining up of education, skills and employment systems; (ii) building lifelong learning pathways; (iii) a focus on inclusion and social mobility; and, (iv) alignment of funding and governance locally.

5.9 The challenge is very significant for Glasgow and **John McGhee** outlined its scale with reference to several KPIs of the Glasgow Economic Strategy (2222-2030). Glasgow has the highest proportion (10.6%) of "no quals" of any UK Core City. To bring Glasgow up to the average would mean an additional 82,300 people gaining qualifications. To improve the scale of worklessness, 86,400 people would have to move from economic inactivity into employment or training. To improve the proportion of those in high skill occupations, would require an additional 60,400 people gaining the skills to do so.

5.10 **John McGhee** outlined the key actions to implement his vision. To reframe the existing Employability Strategy Group, map local skills demands and future trends, create a city-wide pathways framework, embed employer participation in schools, expand technical and vocational options, track outcomes (jobs, wages, progression) beyond the current 6-month stage and develop a strong talent pipeline to help Glasgow attain sustainable economic growth.

5.11 **Prof Scott MacGregor** invited **John McGhee** to develop his thoughts further by engaging with GEL Higher & Further Education, of which he is a member.

5.12 **Cllr. Susan Aitken** noted that due to time constraints that **Alison McRae's** presentation of current employer engagement through the Chamber of Commerce in developing Glasgow young people would be held over to the next GEL Board in October.

5.13 **Cllr. Susan Aitken** thanked **John McGhee** for his thoughtful and stimulating presentation.

5.14 **Cllr. Susan Aitken** handed the Chair to **Professor Sir Jim McDonald.**

6 Reflections

6.1 **Professor Sir Jim McDonald** noted that this was final GEL Board meeting of **Cllr. Susan Aitken** as co-Chair of GEL and he invited her to reflect on GEL in her time as Leader of Glasgow City Council, Chair of the GCR Cabinet and co-Chair of GEL.

6.2 **Cllr. Susan Aitken** thanked **Professor Sir Jim McDonald** and noted that GEL had been "pivotal" to shaping her understanding and appreciation of economic development. **Cllr. Susan Aitken** noted that over her almost ten years in the role, GEL had shifted in the past five years or so to a more action-orientated role and that GEL had been at the forefront of GCR's increasing interest and involvement in innovation and key sectors. GEL has constantly reinforced the fact that Glasgow city region is one of the UK's leading city regions and metropolitan areas (and Scotland's only one). Despite undoubted progress, **Cllr. Susan Aitken** noted there is still a job of work to be done and GEL is vital in that effort. Greater regional empowerment is the next stage, while more still needs to be done to persuade both governments of the value of city region economies and city regional working. In both these areas, the "economic leverage" of GEL Members is vital. **Cllr. Susan Aitken** thanked GEL Board Members for their continuing support.

6.3 **Professor Sir Jim McDonald** thanked **Cllr. Susan** Aitken for her comments and then presented **Cllr. Susan Aitken** with a GEL award in recognition of her leadership and service and led the GEL Board in a round of applause. **Professor Sir Jim McDonald** noted that the award was modelled on the GEL logo and had been designed and 3D - manufactured by engineers at NMIS - the National Manufacturing Institute Scotland – and asked **Chris Courtney** to thank the staff involved.

7. AOB/ DONM

7.1 **Professor Sir Jim McDonald** noted that the next GEL Board was scheduled for Monday 5 October 2026.

7.2 There being no other business, **Professor Sir Jim McDonald** closed the meeting and thanked Members for their contributions.

Kevin Kane
Executive Director
Glasgow Economic Leadership July 2026