

TITLE PAGE

GLASGOW CITY REGION REGIONAL ECONOMIC STRATEGY

(DRAFT SEPTEMBER 2021)



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1 Foreword

Glasgow City Region has a proud history of operating globally. It was a pioneer of the first industrial revolution. And, as we move towards Industry 4.0, the Region is transforming its economy to continue to play a leading role in the industries of the future.

Whether it is Low Carbon, Precision Medicine or Advanced Manufacturing we are developing products and services which will transform the economy and reshape people's lives for the better – both at home and overseas.

As leaders of the eight partner councils we recognise each of our own areas have their own unique strengths, which support our local communities. And we must build upon them.

But equally, we are a metropolitan Region. Our residents seamlessly cross council boundaries for work. Whilst 75% of our business trade comes from within the Region.

This strategy has been developed in the year of COP 26. And, as such, the drive to net zero will act as backdrop to everything we do to make the Region more prosperous for all. As the Region is showcased internationally, this strategy demonstrates our ambition to create a truly innovative economy. With the accompanying action plan it will act as a benchmark for setting the path to net zero and building resilience whilst also allowing our residents and businesses to thrive.

In addition to the climate emergency, a number of other serious challenges need to be confronted – COVID-19, Brexit, AI and

demographic shifts - all of which require a unified strategic approach. It is also essential that we address the economic exclusion that has for too long blighted our communities. To do so, will also require addressing the long-standing issue of low productivity which has constrained the economy.

Collectively, we recognise these challenges mean we need to act differently. As we move into implementation, we will develop new and innovative ways of working across our partnership.

Success will be achieved through true collaboration. We are committed to working with the Scottish Government to deliver '*greater, greener and fairer prosperity*' for the country. And we will support UK Government Levelling Up aspirations by working with the private sector and our local communities.

We are determined to forge a more balanced economy – one that improves living standards in a just and equitable manner. This will come, in part, from our commitment to Community Wealth Building to deliver resilient communities that reap the benefits of local assets and spending. This is critical as we look to address the challenges of recovery from COVID-19.

In taking a transformational approach to delivery, we will work with partners across the private sector to deliver the Fair Work opportunities our residents need and that will allow our economy to flourish. We will also work with investors who can see the many long-term growth opportunities that be found from the Region's talented labour market, its industrial capability, and high quality of life on offer.

2 Executive Summary

Glasgow City Region is key to the National Economy

Glasgow City Region accounts for roughly one third of the Scottish economy. It is an engine of growth and one that has evolved to a knowledge-based service economy.

Challenges and Opportunities

But, it has three Grand Challenges which need to be addressed:

- Creating an Inclusive Economy
- Enhancing Productivity
- Addressing the Climate Emergency

In doing so, there are seven transformational opportunities that can help reshape the economy for all:

- Foundational Economy
- High Growth Sectors
- Accelerating Climate Action
- Health
- Skills
- Technology
- Place

Vision and Mission

The Regional Partners' commitment to transforming the economy to address the challenges can be seen in a new vision and three interlinked missions:

BY 2030, GLASGOW CITY REGION WILL HAVE THE MOST INNOVATIVE, INCLUSIVE AND RESILIENT ECONOMY IN THE UK

Mission 1: By 2030, the Region will have the most inclusive major city-region economy in the UK

Mission 2: By 2030, the Region will have the most productive major city-region economy in the UK

Mission 3: By 2030, the Region will have the most advanced city-region economy in the UK in the race to net zero and climate resilience

Priorities

Following extensive engagement across the Regional Partnership, 19 cross cutting action area priorities have been agreed which have been used to develop the delivery programmes.

Priority Programmes

As part of the first phase of delivery of the Strategy, 12 priority programmes have been developed:

P.1 City Deal
P.2 Innovation Districts
P.3 Clyde Mission
P.4 Metro
P.5 Retrofit
P.6 Future Skills Programme
P.7 Foundational Economy Pilot
P.8 Fair and Healthy Work Programme
P.9 Green Business Support
P.10 Green Demonstrator Programme
P.11 Emerging Tech Programme
P.12 Vacant and Derelict Land
(3) Existing
(2) Development
(7) Emerging

Detailed Action Plan

A detailed action plan will be developed which will outline the scale of each programme and how they will be delivered.

Innovative Delivery Approaches

The delivery will build upon local expertise and the emerging delivery, economic capacity, and capability of the Regional team.

Community Wealth Building

A key component of the delivery approach will be to use a Community Wealth Building approach to maximise the local impacts of investment in programmes and projects across the Region.

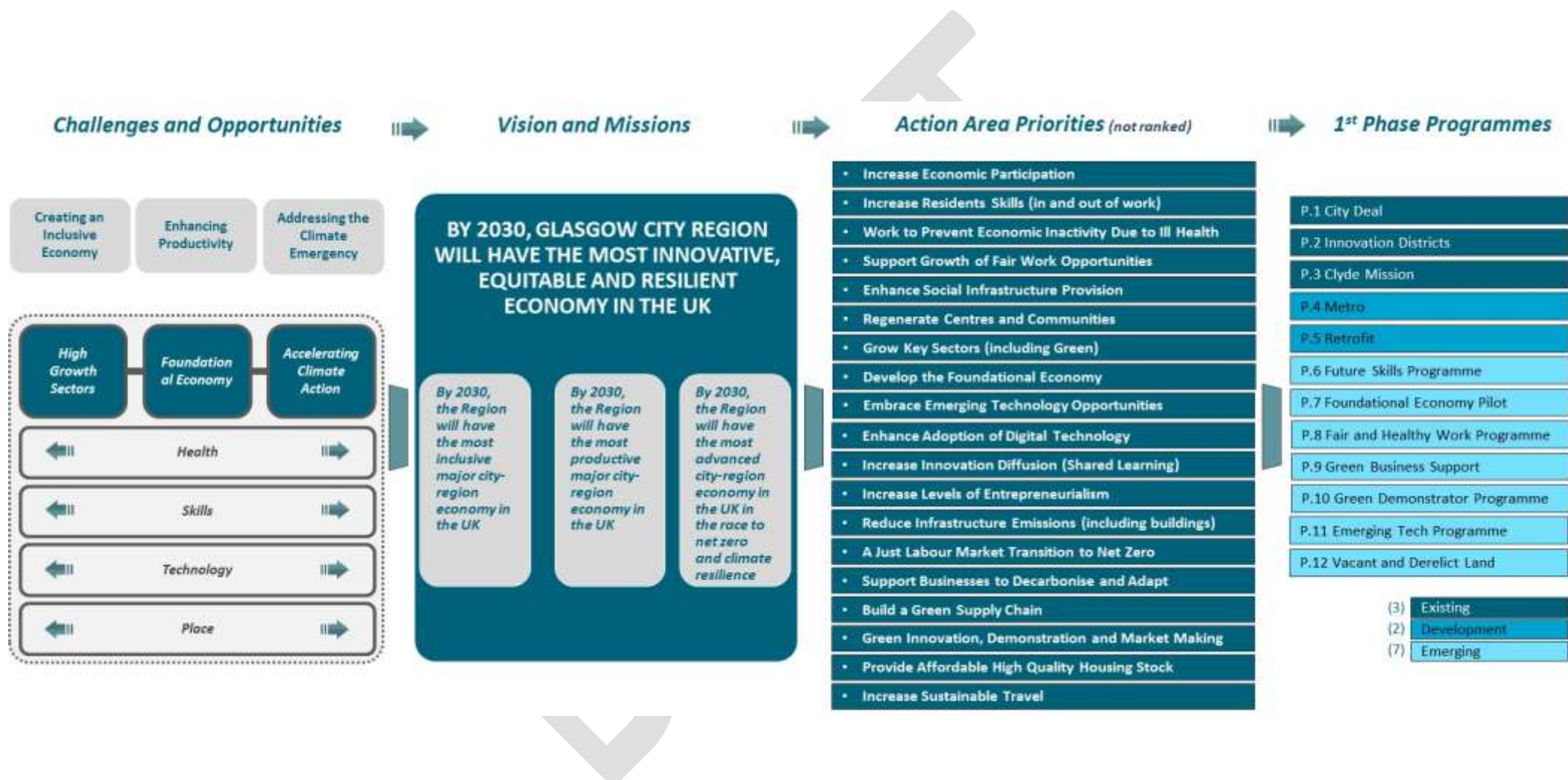
Working with Investors

Delivering the vision and missions will require billions of investment by both the public and private sector in our residents, communities and business base. We will develop robust business cases for the programmes and work with local, national and international funders to make them happen. We will also look to set up a Regional Investment Fund to help support some of the more challenging projects and programmes.

Our Asks from Government and the Private Sector

In order to deliver an inclusive economy and level up the Region, considerable support will be required:

- **Government** – funding for the programmes, delivery and procurement reform, plus support for national economic assets within the Region (the City Centre, SEC Campus and Glasgow Airport)
- **Private Sector** – progressive companies (big and small, private and third sector) will be critical to realising the vision and missions. And will play a key role in the delivery of each programme.



3 Introduction

This strategy has been developed in partnership with our eight councils and with government partners and agencies. It sets out an evidence base of our economy today and the future challenges we collectively face. It identifies the opportunities we must grasp and where we need to prioritise our resource.

As we emerge from COVID-19 to a completely changed world, we recognise that further dramatic transformation lies ahead. As such, to achieve our ambitions and economic resilience, our approach will continue to evolve and adapt to the changing environment.

Strategy Framework and Evidence Based Approach

Traditionally strategies are developed for 10 to 20 year time horizons and reviewed every five years. However, as the strategy is being prepared in a period of flux, it is designed to be a framework for action – based on a rigorous evidence base approach. This includes:

- the **Regional Economic Baseline** published in February 2021 and
- the **Strategy Evidence** documents, which include a more detailed review of the biggest challenges facing the Region.

Strategy Structure

The document is split into four parts:

- **The Region's Economy** – focusing on the how the economy functions, key data, and some of its key strengths)
- **Our Grand Challenges and Opportunities** – which outlines the Grand Challenges from the Baseline and seven key opportunities to transform the economy
- **What We Will Do** – the vision, mission and strategy priorities
- **How We Will Deliver the Strategy** – the action plan including priority programmes, the approach to delivery, how we will work with investors and the Region's of government and private sector

Monitoring and Adjustment of the Strategy and Action Plan

The Strategy includes a high level action plan and emerging programmes. These will be used, with the underlying analyses, to shape the detailed action plan that will follow in the next financial year (Summer 2022). The Strategy will be reviewed annually, and actions adjusted accordingly.

THE REGION'S ECONOMY

(image)

This section provides a summary of the Glasgow City Region economy, its key attributes and some of the distinctive strengths of our eight council areas.

4 Glasgow City Region Economy

Glasgow City Region is Scotland's metropolitan region. It is home to*:

- **1/3 of Scotland's population**
- **1/3 of its Labour force**
- **1/3 of its business base**
- **1/3 of its economic output**

When Glasgow City Region works, Scotland works.

*(the numbers range from 28-34%)

5 The Economy in Numbers

- Total Residents: **1.847 million**
- Total Employment: **855,000**
- Total Number of Businesses: **49,900**
- Total GVA: **£47.3bn**
- CO2 Emissions per head: **4.5 tonnes**

Glasgow City Region ('GCR') has a broad and versatile economy. It is underpinned by a strong foundational base which has played a significant role in the development of a strong knowledge-based economy that has evolved at over time:

	Business Counts	Employee Jobs
Services	39,540	736,000
Production	270	15,450
Manufacturing	2,795	52,000
Construction	6,265	51,000
Agriculture	1,045	2,250
Total	49,905	855,000

Within the services sector, those with the largest numbers of jobs are:

1. Human Health and Social Work – 138,000
2. Wholesale and Retail – 115,000
3. Administrative and Support Service Activities – 92,000

High Value Industries with a strong regional competitive advantage:

over the past three years, the Region has built a competitive advantage in a number of high value industries including

- Professional, Scientific and Technical Activities
- Financial and Insurance Activities, and
- Information and Communication.

Top 5 Biggest Sectors to the Economy: Of the £47.3bn of GVA generated in the GCR the largest industrial contributors included:

- Human Health and Social Care (£5.3bn)
- Wholesale and Retail (£4.6bn)
- Manufacturing (£4.3bn)
- Construction (3.3bn)
- Financial and Insurance Activities (£3.2bn)
- Professional, Scientific and Technical Services (£2.7bn)
- Information and Communication (£2.7bn)

Growth in GVA

Over the past 10 years, Glasgow City Region has had the largest percentage growth in GVA per hour worked of all the UK's core city regions and London.

6 The Region's Attributes

One of the Region's strengths is its diverse economic base. This is due, in part, to the Glasgow City Region's member authorities having a wide range of unique strengths – which help to ensure that Glasgow City Region is a truly functioning metropolitan region.

East Dunbartonshire has a sustainable and resilient local economy focused in vibrant town centres, business parks and enterprise centres. Tourism is centred on its outstanding natural and historic environment. It is also home to some of the most desirable residential neighbourhoods in Scotland, which is reflected in its residents being amongst the highest earners in Scotland with above-average life expectancy.

East Renfrewshire has well established economic strengths in Manufacturing, Administrative Support Services and Construction. It has a highly qualified local labour market, a variety of flexible business locations, access to Scotland's top performing schools, and a strong housing market – culminating in the area's residents having the highest median earnings in Scotland.

Glasgow is a global leader in innovative industries such as Precision Medicine, Quantum Technologies, and Advanced Manufacturing. It also has a large business base and five world class higher education facilities. It is an important tourism and culture destination and was recently ranked as one of the top green cities in the UK to work and live.

Inverclyde has a proud history in Manufacturing and heavy Engineering. It boasts a unique coastline and riverside heritage with a deep water port - a key asset for boosting material movements and the leisure economy. City Deal infrastructure projects such as Inchgreen and Ocean Terminal

will create local employment opportunities and increase economic production and place vibrancy.

North Lanarkshire is home to the Region's most productive workforce, (GVA per hour worked). Its strengths include Human Health & Social Work activities, Manufacturing, and Construction. The area is also growing specialisms around Digital Connectivity and Sustainability within their local economy. North Lanarkshire is also a major rail freight hub and has great connectivity with the rest of Scotland via motorways.

Renfrewshire plays a significant role in the region's goods and services exporting economy. It has long standing strengths in Retail, Construction, Transport & Storage and Creative Industries. It is home to the Advanced Manufacturing Innovation District, which is adjacent Glasgow Airport - Scotland's principal long-haul airport and largest charter hub.

South Lanarkshire has a large and vibrant SME base, with those employed in the local economy ranked as having the highest Quality Jobs in Scotland. Key sectors of strength include Information & Communication and Professional, Scientific and Technical activities. South Lanarkshire also offers access to exceptional natural, cultural and historical sites.

West Dunbartonshire benefits from having a high concentration of high-level occupations. Manufacturing and the Financial & Insurance industries produce the most economic output within the area. Key organisations located in the area include Chivas, Aggreko, and the Golden Jubilee Hospital, which is home to world class centres for heart and lung services, orthopaedics, ophthalmology and diagnostic imaging.

There are four pillars which underpin long term successful economic development – human, economic, social, and natural capital. Glasgow City Region has a series of attributes across these which have helped to shape its communities and create future opportunities for economic prosperity.

Human Capital

High Skills: 45% of the Region's residents are degree qualified or above

6 Universities: the Region has the largest concentration of UK universities outside London

STEM Strengths: the Region is the no.1 Core City Region for students and graduates in Finance, Business, Digital Tech, Engineering, Design and Advanced Manufacturing

Economic Capital

Export Strength: almost 25% of all the Region's goods and services are exported outside of Scotland

Investment Strength: The Region is the only place in Scotland to feature in all nine of the Scotland Investment Opportunity Areas

Connectivity: The Region has key links to UK and Europe with network of ports, rail, motorway and airport

Social Capital

Entertainment and Culture: the Region is globally renowned for its international festivals and sporting events, often hosted in the SEC, the largest events campus in Scotland

Vibrant 3rd Sector: there is a large presence of third sector organisations, which are transforming our local communities

Openness, Tolerance and Trust: Glasgow is ranked as top city in Europe for openness, tolerance and trust

Natural Capital

River Clyde: the Clyde runs through the heart of the Region offering a wide range of social, economic and environmental opportunities

Renewables: The Region is home to the 2nd largest onshore windfarm in Europe. Glasgow is ranked 6th in Europe for innovative tech firms specialising in low carbon sectors

Greenness: as well as existing parks and open space, over 18 million trees are being planted across the Region over the next 10 years

OUR GRAND CHALLENGES AND OPPORTUNITIES

(image)

Extensive work over the past year has resulted in the production of the Regional Economic Baseline – a detailed individual and collective analyses of the economic performance of the Region and its' eight local authority areas. This dedicated economic intelligence is helping us to understand the key issues, challenges, and opportunities facing the Region – all of which are set out in the next chapter.

7 Grand Challenges

Whilst the Region has a series of strengths that will provide new economic opportunities, there are also a series of long-term challenges which need addressed. As identified in the Glasgow City Region Economic Baseline, the Region has three Grand Challenges:

7.1 CREATING AN INCLUSIVE ECONOMY

Key Components

- **Low Employment Rates** – particularly amongst females and those from BAME groups
- **Economic Inactivity Due to Ill Health** – rates have remained stubbornly high for decades and currently stands at over 88,000 residents
- **Residents with Low Skills** – over 126,000 residents had no qualifications in 2020
- **Employment in Low Paid Sectors** – 264,000 residents work in low paid sectors
- **Rising Underemployment / Skills Underutilisation** – the Region has large numbers of workers not getting enough hours or not using all their skills in their current roles
- **Deprivation** – the above are key drivers of the Region having some of the most deprived communities in Scotland.

7.2 ENHANCING PRODUCTIVITY

Key Components

- **Economic Inactivity Due to Ill Health** – mental health issues are a key factor in people being outside the labour market and COVID-19 is likely to make this worse
- **Residents with Low Skills** – numerous studies highlight this as the key drag on the Region's productivity
- **Sluggish Foundational Economy** – although it accounts for 60% of employees, it has some of the least productive sectors
- **Low Levels of Innovation** – the R&D spend in the Region's business base lags behind the rest of the UK
- **Business Rates** – the number of businesses per capita across the Region is significantly behind other Core City Regions

7.3 CLIMATE EMERGENCY

Key Components

- **A Step Change in Action to Meet the Challenge** – there are a various implementation gaps for mitigation, adaptation and nature restoration, to protect our economy, places and residents
- **Climate Risks** – The Region is at risk from rising sea levels, flooding, coastal erosion and heatwaves, with significant challenges in town centres and the Clyde Corridor.
- **Business Support** – Climate action can improve efficiency, productivity and competitiveness, but support is needed to help businesses achieve this.
- **The need for Just Transition and Just Resilience** – Without equity being a key consideration in design of interventions (e.g. in infrastructure or skills), there is a risk that the transition will exacerbate inequalities and leave some behind.

Glasgow City Region is one of four in the UK with “the strongest potential to join London, Oxford and Cambridge as engines of Britain’s future economy

Connected Places Catapult

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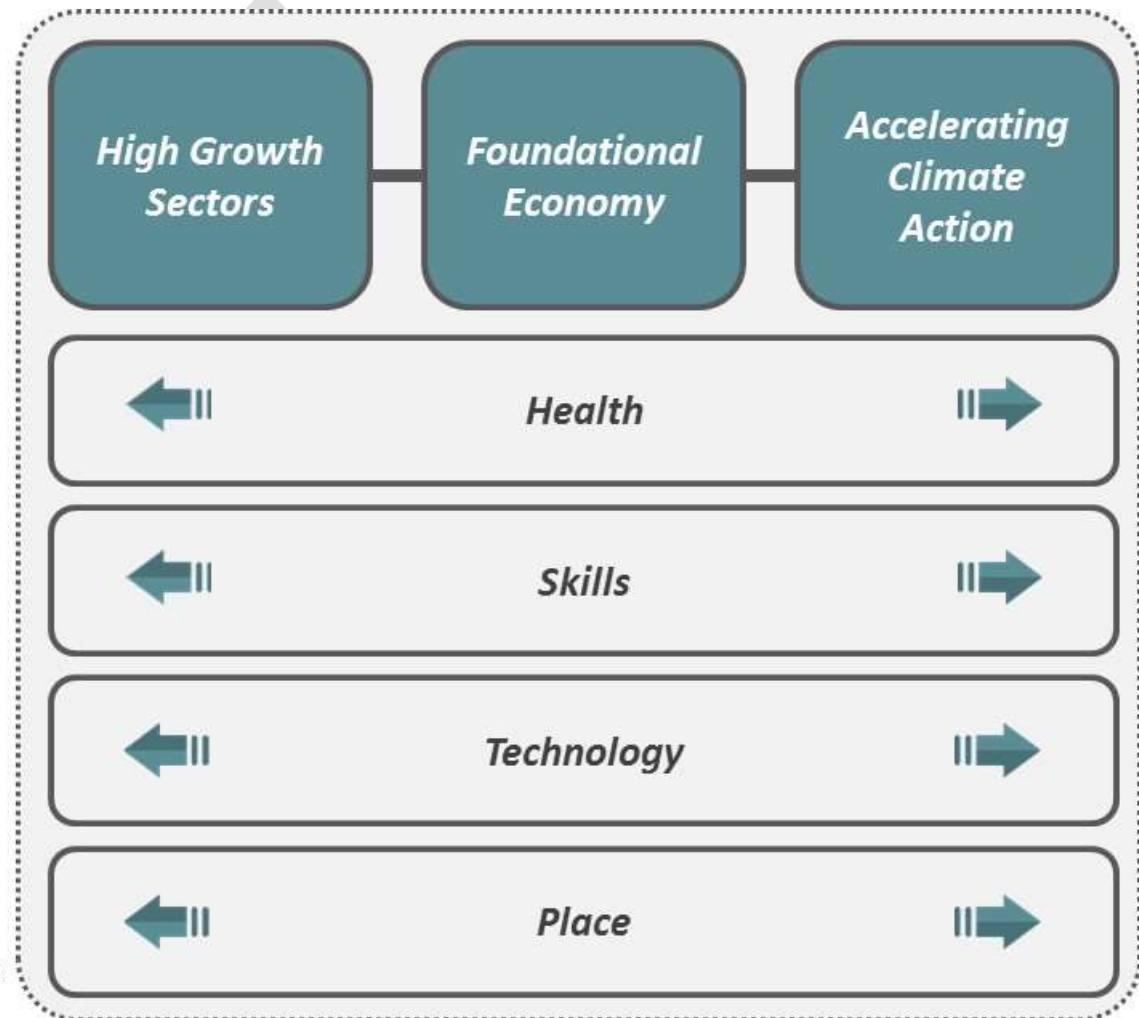
8 Transformational Opportunities

Addressing the Region's Grand Challenges will take considerable effort. Some of the levers of change lie out-with the powers of the current Regional system. But, over the coming decade, by taking truly innovative approaches – by doing some things differently and some different things – transformation is achievable.

Following extensive analyses of the Region's particular challenges and strengths, a series of opportunities have been identified.

Three of these are key distinct opportunities, whilst four of them underpin how the economy functions.

With the right resources and stakeholder commitment, these opportunities can transform the economy and help create prosperous communities that work for all.



8.1 TRANSFORMATIONAL OPPORTUNITIES: FOUNDATIONAL ECONOMY

Why a focus on the Foundational Economy can help address the Region's Grand Challenges

It provides our essential goods and services: The Foundational Economy delivers the essential goods and services which are critical to our living standards – from the provision of social care, to the food we consume, and the transport we use. The COVID-19 pandemic has only served to highlight how essential these industries are.

It is the backbone of our Regional economy but is critical locally: It consists of 60% of total employee jobs and 40% of the Region's business base. But whether it is in the provision of health services, or the quality of our high streets, improving the Foundational Economy will deliver real benefits in our local communities.

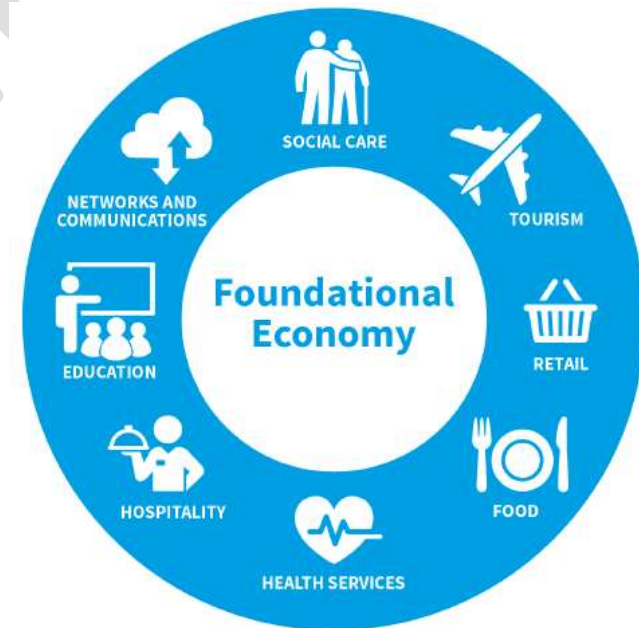
It covers most of the sectors hardest hit by COVID-19: From Retail to Tourism, most of those businesses which have suffered the most severe impacts from COVID-19 are within the Foundational Economy.

Supporting the Foundational Economy sectors can help tackle inequality and boost productivity: The residents of our most deprived communities tend to work in the Foundational Economy. It covers a significant proportion of low paid jobs in the Region. It also includes a large number of the Region's less productive, but no less important, businesses.

There is a growing body of evidence that strengthening these sectors, and improving pay and skills progression within them, can boost productivity and help tackle socio-economic inequalities. Climate change also presents a significant risk to many of these sectors, cascading through the Region's infrastructure and supply chains.

It has strong links to Wellbeing Economy and Community Wealth

Building: Supporting the Foundational Economy will also help deliver local well-being and requires taking a community wealth building approach.



8.2 TRANSFORMATIONAL OPPORTUNITIES: HIGH GROWTH SECTORS

Why a focus on High Growth Sectors can help address the Region's Grand Challenges

Building on the Region's competitive advantages in High Growth sectors: The past decade has seen the Region thrive across a series of highly productive broad industries including – **Information and Communication, Financial and Insurance Activities, Professional, Scientific and Technical Activities, and Manufacturing.**

These broad industries are some of the most productive across the Region. Their continued growth – employing over 176,000 people and worth a combined £12.7bn to GCR's economy – will capitalise on the Region's current competitive advantages in fields such as:

- Advanced Manufacturing
- Digital Economy (IT, Telecoms and Media)
- Fintech and Data
- Low Carbon, Adaptation and broader Environmental Goods and Services.
- Healthcare and Precision Medicine
- Space

With **overlapping skill and technology requirements**, these industries also offer significant **opportunities for cross-sectoral growth**. They also link with other Regional strengths in the Creative sector.

Inward Investment Potential: the opportunities from inward investment in the Region can be seen in SDI's Inward Investment Plan. It highlights

across Scotland that only 3% of businesses are owned outside of Scotland, yet they employ 34% of the country's workforce and contribute 46% of Scotland's GVA. With opportunities for major spill over benefits, attracting investment into the Region can offer significant local impacts. The Plan identifies nine opportunity areas for inward investment – across three broad areas of Net Zero, Digital and High Value Manufacturing. **Glasgow City Region is the only area in Scotland that the Plan has identified as having strengths across all nine opportunity areas.**

Green Opportunities: there are major opportunities for continued development of high quality / high value jobs in Green Sectors as noted in section 8.3.

Skills Opportunities: there will continue to be a major growth in the demand for the types of skills required as we transition into Industry 4.0 – such as AI, data analytics, and software engineering. The Region already has competitive advantages within these areas.

Generating High Value Jobs: As shown by the growth of the Financial Services District in Glasgow, these sectors can help to bring high value jobs into the Region.

Addressing the Productivity Gap: with their high levels of worker productivity, historic foreign direct investment patterns, future growth potential, and export strengths, these sectors offer the chance to significantly reduce the Region's productivity gap. **Addressing this gap could generate an additional £10bn within Glasgow City Region's economy.**

Case Study – Transformation through Innovation

Economic Transition: Over the last few decades the GCR economy has transitioned. From a production-based economy, focused on industry, it is now a service-based economy with growing strengths in knowledge-intensive and innovation led sectors.

Global Attractiveness: Over the past three years, the Region has had the largest growth in Finance and Insurance production amongst the UK's Core City Regions. This is in part from global firms such as Barclays, JP Morgan, and Morgan Stanley growing their presence in the area due to our highly skilled workforce.

An Integrated Approach to Knowledge Based Growth: The growth in GCR's economy has been driven by sectors that have benefited from the establishment of our three innovation districts. These districts are focused on turning cutting edge research into successful enterprises that are leaders in their respective fields. Such an integrated approach can also be seen in the MediCity project which has helped create 70 new life science and medical-technology companies in the Region.

The growth has been cultivated by determined efforts to make links between the four components of dynamic Regional economies - a

Quadruple Helix Approach:



Success through our Innovation Districts

The Region's Innovation Districts were the first in Scotland and are led by the University of Strathclyde and the University of Glasgow. They take a place-based approach to foster cross sectoral innovation.

Glasgow City Innovation District (GCID): Originally focused on *Energy, Enabling Technologies and Advanced Manufacturing*, GCID is helping to grow Regional strengths around *5G and Advanced Communications, FinTech, HealthTech, Industrial Informatics, Space and Quantum*.

Glasgow Riverside Innovation District (GRID): GRID is facilitating the creation of new enterprises in today's most dynamic sectors – including *Precision Medicine, Quantum Technology and Nanofabrication*.

The location of the GRID also benefits the surrounding Govan area, which has suffered with historic levels of socio-economic deprivation.

Advanced Manufacturing Innovation District Scotland (AMIDS): AMIDS aims to become an internationally recognised institute for *innovation, research, and Advanced Manufacturing*.

AMIDS is already home to the National Manufacturing Institute of Scotland and the Medicine Manufacturing Innovation Centre.

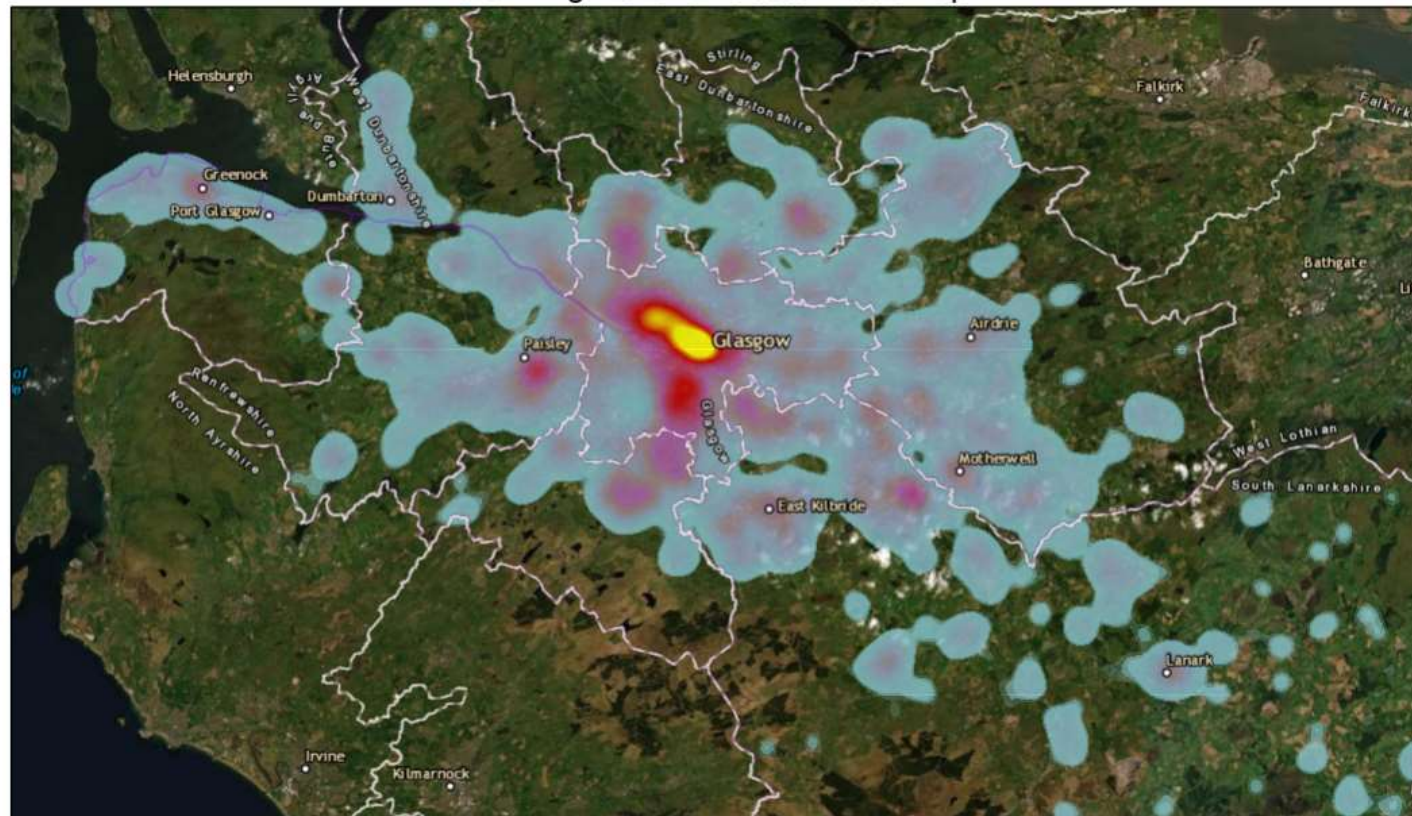
Growing Investment

Underpinned by extensive City Deal investment, the Innovation districts have helped make the Region one of the UK's top three fastest growing technology investment hubs. Over the last five years, £0.75 bn has been invested in the Region in key sectors such as Fintech, ICT, Health and energy. (TechNation)

The concentration of some of these key sectors across the Region can be seen in the map below:

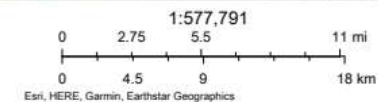
- *Creative Industries*
- *Finance and Business Growth*
- *Life Sciences*
- *Tech and Engineering*

GCR High Growth Sector Heat Map



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Local Authorities



8.3 TRANSFORMATIONAL OPPORTUNITIES: ACCELERATING CLIMATE ACTION

Why a focus on the Embracing the Climate Challenge can help address the Region's Grand Challenges

All places must urgently eliminate carbon emissions: globally, emissions must halve this decade for a realistic chance of keeping the goal of 1.5 degrees of warming within reach. Left unchecked, this could have disastrous impacts on livelihoods, and depress GDP by 3.5% by the 2080s. These risks are systemic and impact all parts of the economy – affecting infrastructure, business locations, labour productivity, access to capital, and supply chains. The Region must play its part.

Cutting emissions and building our resilience to climate change has the potential to have transformational impact on the Region's economy:

- **Ensuring a fairer and more equal economy:** If equity is embedded from the outset, climate action can play a strong role in reducing social and economic inequality – by reducing energy costs, and the impacts of extreme weather on the most vulnerable, thus strengthening their potential for economic participation.
- **Supporting regeneration of town centres and communities:** Many of the measures to reduce emissions and build resilience, such as insulation, district heating, or sustainable drainage systems and green infrastructure also support wider regeneration of town centres and communities, improving the attractiveness of places to live and work.
- **Improving infrastructure performance and reliability:** Decarbonising our existing infrastructure, and building its resilience to a changing climate, increases its efficiency and reliability. It also helps provide

low cost, reliable infrastructure for residents and businesses. New green infrastructure, including nature-based solutions can add significant added value to the Region's economy.

- **Improving economic and business competitiveness:** Eliminating emissions and building resilience of businesses (e.g. in business processes or supply chains) can reduce overall costs and improves productivity, efficiency and reputation.
- **Moving to a circular economy:** Moving to circular business models, by minimizing the use of raw materials and reducing waste at source, can create sustainable resource management and generate production and resource efficiency.
- **Increasing inward investment:** Businesses are increasingly factoring in the transition and physical risks from climate change into decisions about where to invest and locate. Climate action and policy certainty can ensure the Region remains a globally attractive place to invest and do business. In addition, significant investment is needed for the net zero transition, which can also deliver major local benefits.
- **Job creation:** Much of the activity needed to decarbonise and build resilience of the Region's economy is labour intensive with high multiplier effects. Significant investment will be required to kick-start markets in key areas such as housing retrofit. Enabling activities such as green financing and cleantech will also provide major opportunities. These provide major opportunities to grow a more inclusive and productive Regional economy.

Case Study – Reinventing the Clyde

Once the source of earlier prosperity and commerce for Glasgow City Region – today the River Clyde presents both a challenge and an opportunity to a Region that continues to reinvent itself for the 21st century.

In an 80-mile corridor over 100,000 people live in a footprint of just 500 metres on either side of the river, where 6,600 businesses support 160,000 jobs, and bring an estimated GVA of £6.5 billion to the Scottish economy.

But the River Clyde is perhaps the greatest untapped development opportunity in Western Europe. Home to swathes of vacant and derelict land, equivalent in size to 15 times the size of the SECC Campus, it has also the potential to play a leading role in the transition to net zero. For instance, a new £20 million state of the art District Heating Network, the first large-scale water source heat pump scheme of its kind in Scotland, extracts water from the Clyde to generate heat for buildings on the site of the former John Brown Shipyard in Clydebank.

Following extensive public and private investment over the past 20 years, today the river is home to a number of our key strategic assets including BAE Systems, headquarters for the BBC and STV, the SEC Campus and the SSE Hydro which injects £131 million annually into Glasgow's economy. The Region's [three emerging Innovation Districts](#) are all based around the river.

Extensive City Deal funding is transforming the riverside with projects to remediate land, improve public realm, increase connectivity, deliver new homes, and support commercial development. Already we are seeing the

return on this investment, with the new build Barclays campus set to open soon, the most significant inward investment ever made in Glasgow.

It has one of the deepest sea entrance channels in northern Europe, with extensive available industrial dockside space and the potential for more. Greenock Ocean Terminal is Scotland's deepest container terminal with three ship to shore cranes which can lift 35-40 tonnes each.

The river also brings challenges. Some of Scotland's most economically disadvantaged communities live alongside the river and the growing issue of climate change and of rising sea levels bring the risk of flooding.

The Scottish Government's Clyde Mission, in which Glasgow City Region is a key partner, has begun the process of addressing these challenges. The objective of Clyde Mission is to:

'Make the Clyde an engine of sustainable and inclusive growth for the city, the region and Scotland'

An acceleration of investment and decisions by our partners, across government and industry sectors, in delivering this Mission will be central to supporting a green recovery and providing a catalyst for economic transformation for the Region, Scotland and the UK.

8.4 TRANSFORMATIONAL OPPORTUNITIES: HEALTH

Why a focus on Health can help address the Region's Grand Challenges

Despite recent improvements, the scale of long-term sick economically inactive residents remains significant: It is estimated that 30.7% of economically inactive residents are excluded from the labour market due to health conditions. The COVID-19 pandemic has hit people with underlying health conditions hardest.

Good health and wellbeing are both vital inputs to a productive economy: Good health and wellbeing across the population support people's ability to participate in society. There are also clear links between health status and labour productivity. It has been estimated that up to one third of the Region's productivity gap could be attributed to health-related issues. This represents a lost opportunity for our economy. A focus on addressing health inequalities is essential to growing a more inclusive and productive economy.

Need to support an ageing population and workforce: The Region's population is getting older. It is important to invest in our health service to allow people to work for longer (particularly as there will be fewer young people entering the labour market) and to help ensure people maintain a good quality of life for as long as possible.

Addressing the Region's longstanding health issues is also about equity: For too long the health of the Region's residents has lagged behind other places. Our healthy life expectancy (HLE) is below the national average, with both male and female HLE declining in the short-term.

Climate Change can exacerbate socio-economic inequalities including health: from air pollution to risk from extreme events, the most vulnerable residents including those with underlying health conditions are at most risk from climate change. Focusing on the climate factors that can influence health, can help keep people in work.

Good health is a clear outcome of a strong and fair economy: The economy plays an important role in our health and wellbeing. There is unambiguous evidence that poverty and income inequalities are major causes of ill-health. Creating an inclusive economy with equality of outcomes for all is fundamental to improving health and wellbeing and reducing inequalities.

A Changing Clinical Health Sector: the clinical health sector is changing rapidly driven by technology. For instance, global tech firms are entering the health sector due to the technology they can bring to supply chains, records management, predicting illness and supporting procedures. The Region is already building its specialities this changing sector. With support from, investment from the City Region City Deal, the University of Glasgow is help create a Precision Medicine cluster in Govan, which sit alongside the Clinical Innovation Zone at GRID.

8.5 TRANSFORMATIONAL OPPORTUNITIES: SKILLS

Why focusing on Skills can help address the Region's Grand Challenges

A highly skilled workforce is critical to the Region's economic success: A skilled workforce is essential to increasing business productivity. It is also key to delivering the infrastructure projects required, such as energy retrofit, to achieve net zero, as well as attracting investment into the Region.

Higher Skills is a route out of unemployment and low pay: An individual's skills are the key factor in determining their employment status. The Region has a relatively high proportion of residents with no qualifications and generally low working-age employment rate. It also has large numbers of workers in low paid sectors.

The Region has significant skills gaps and skills shortages. The level of employers reporting skills gaps is above the Scottish average, harming productivity. A high percentage of employers also report skills shortage vacancies, representing lost opportunity for unemployed individuals seeking work, job progression within the workplace, and graduates with qualifications that do not meet employers' needs.

The Region has high levels of skills under-utilisation. This indicates issues with the skills provision system – particularly around medium skills such as apprenticeships – but also offers an opportunity to make better use of the skilled workforce.

The nature of skills is changing. As digitalisation and AI, an ageing population and the need to tackle climate change (such as the need to develop a circular economy) increasingly impact upon the labour market, new skillsets will be required. Glasgow City Region needs to be ahead of these trends to improve economic resilience, competitiveness and ensure growth is inclusive.

Case Study – Maximising Community Impacts of Regional Spending

The Region has been leading in work to maximise benefits to local people and businesses through the procurement of City Deal contracts.

Activities including supplier events, and the launch in May 2021 of a new detailed Procurement Pipeline showcasing more than £150 million of upcoming City Deal projects are supporting our local businesses to bid for and win contracts. To date local companies have won City Deal contracts to the value of £116 million – **61% of all contracts awarded so far.**

A new Regional strategy for Sustainable Procurement and Community Benefits was launched in June 2021. The new strategy mandates an approach for **decisions we make in procurement to address inequalities and climate change, benefit local communities, and vitally provide opportunities for local businesses.**

There are big asks too of businesses who win our contracts to support all of these ambitions; to work more closely with us to **open up supply chains to support local SMEs**; and to deliver community benefits that really make a difference – that help local young people, communities and those that need it most; and to support work in climate change and reducing emissions.

Securing contractual community benefits through the delivery of our City Deal infrastructure investment is a key priority. So far we have secured **hundreds of new jobs and apprenticeships and skills and training opportunities for young people**, and financial support for community projects – all delivered by suppliers of our City Deal contract.

The approach to delivering the new Regional Economic Strategy will demonstrate a stronger people-centred approach. This will be evident through our Community Wealth Building work underway such as in plans to support inclusive digital innovation through a new innovative **Community Wealth Building Digital Lab**. And through our commitment to introduce a Regional approach to match the requested needs of communities with contractual benefits provided by our suppliers.

....in the next 10 years, we're going to reinvent every industry on this planet, but the change is one that is for the benefit of masses, whether it's in longevity or food or banking.....Computation is the foundation.

[Peter Diamandis](#) (entrepreneur and futurist)

(image)

8.6 TRANSFORMATIONAL OPPORTUNITIES: TECHNOLOGY

Why a focus on Technology can help address the Region's Grand Challenges

Industry 4.0 will reshape some of our largest sectors: technology will continue to disrupt industry and the way we live our lives over the coming decade – often in ways which are not yet fully clear. The transformation will be driven by the combination of technological advancements fostered by the rapid growth in computational powers. According to analysis by McKinsey, this will be seen in various technology trends:

- Process Automation
- Internet of Things
- 3D Printing
- Cloud Infrastructure
- Quantum Computing
- AI
- Programming 2.0
- Blockchain
- Bio-Revolution and
- Clean Technologies

This will reshape some of the Region's largest industries including Health, Energy, Manufacturing, Retail, and Transportation. Whilst this will offer significant opportunities for productivity growth and can enhance our quality of lives (such as health breakthroughs), it could also lead to significant disruptions – changing the nature of some jobs, tasks, disruption to business process etc.

Pace of Change: one of the impacts of COVID-19 has been the adoption of technology by a diverse range of companies across a variety of different sectors. There is evidence that a couple of years of progress has been captured in just a few months. Such rapid rates of technological change are expected to continue over the next decade.

Labour and Skills Changes: these changes will impact the nature of demand for jobs across the Region. We need to ensure that our residents grow and develop the skills most likely to be in demand in the future. As well as the technical skills, such digital, analytical and engineering, employers are expected to focus more on the growth of social, emotional, creative and critical thinking skills.

8.7 TRANSFORMATIONAL OPPORTUNITIES: PLACE

Why focusing on Place can help address the Region's Grand Challenges

Tackling deprivation: GCR has some of the most deprived communities in the country. These communities require access (skills, physical, and education) to decent employment opportunities and investment in local infrastructure if there is any chance of addressing the blight this has on households.

Reimagining Places: COVID-19 has sped up the shift to online shopping which was already impacting demand in high street across the Region. The move to more blended working arrangements for some workers may have potential long-term impacts on the Region's high streets. The impact on Glasgow city centre and some of the GCR's other key retail centres will require significant effort to ensure that these places and spaces continue to thrive in the future. There are also similar issues for demand for commercial and industrial property in other employment locations – in terms of future requirements, with implications for the existing stock within these locations and the wider built environment.

Addressing the vacant and derelict land challenge: the Region has some of the largest levels of vacant and derelict land in Scotland – often closest to some of its most deprived communities. Work needs to continue with local communities and the private sector to find new uses for these underutilised assets.

Supporting the local strengths across the Region: from the exporting of goods and services, to the provision of local goods and services, there a

variety of economic strengths across the Region (see map on next page). The Region needs to find ways to support these different economies.

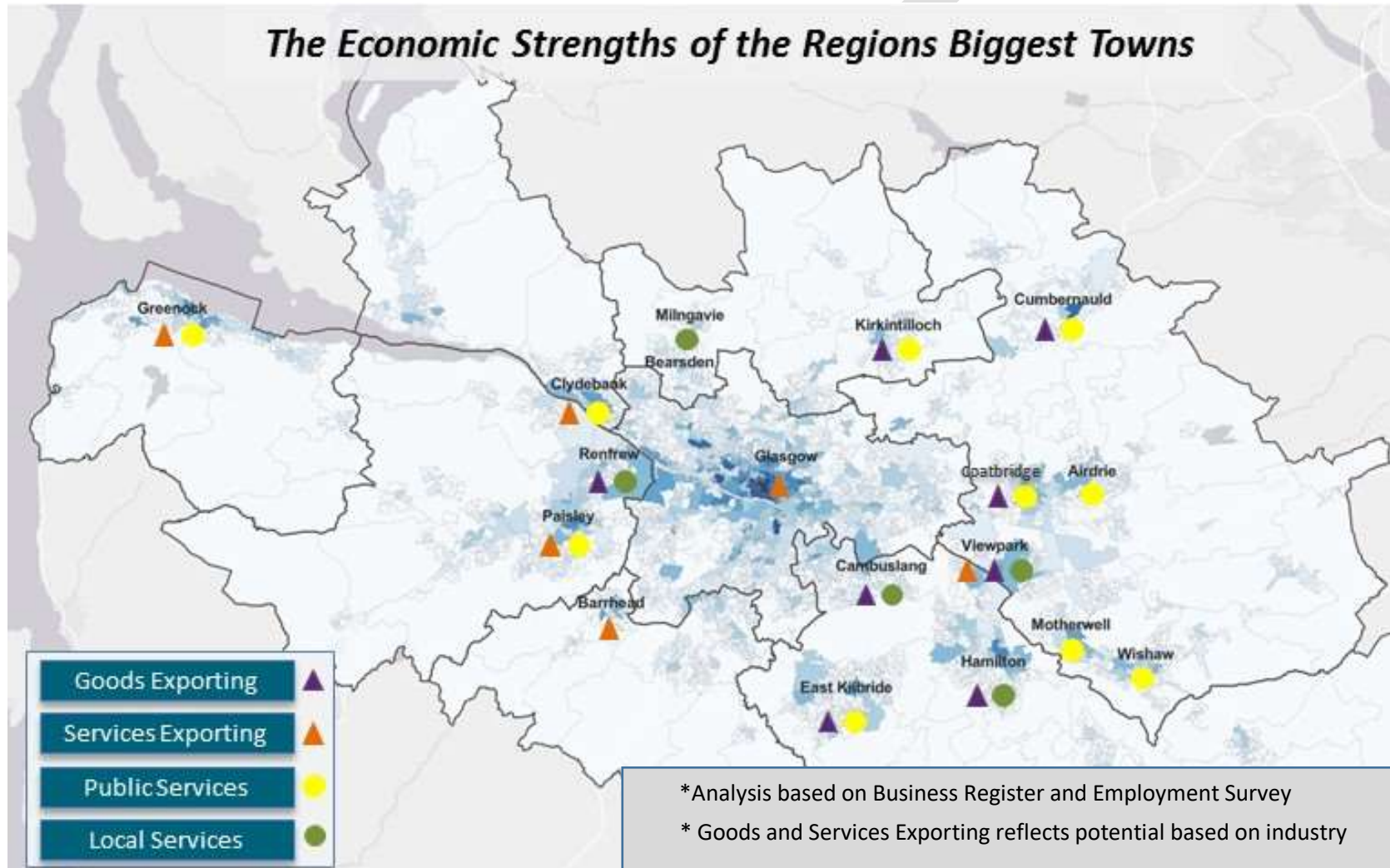
A metropolitan Region requires metropolitan infrastructure: it is critical that the Region has the infrastructure – commercial, transport, digital, education, and housing – in the right places to support its economic growth and ensure all residents have access to economic opportunities.

Green Infrastructure: the move to net zero will require significant infrastructure investment across the built environment. It will also require major investment in a variety of climate adaptation measures to prevent flooding in some of our communities.

High quality places and spaces Successful economies require highly skilled workers and inward investment. It is essential that Glasgow City Region is retains and attracts those workers who will entice investment, and drive productivity. It is also critical to have the right environment to attract inward investors that bring well paid, highly productive jobs.

Good quality affordable housing: one of the current attractions of the Region is that its housing is relatively affordable. With purchase and rental prices rising, there is a need to ensure that this continues. This will need to come, in part, through the provision of social housing. The provision also needs to be of a good and sustainable standard for all residents, no matter their background or circumstances.

Creative and Cultural Sectors: another key strength of the Region is its long established creative and cultural sectors. The vitality and vibrancy of these sectors offers help provides the Region's global brand and add to the quality of life for residents.



WHAT WE WILL DO

(image)

Building on the challenges and opportunities of the previous chapter, the next section sets out our strategy to address these challenges and opportunities, our priorities or the areas we will focus on, and introduces our three missions.

9 The Vision

**BY 2030,
GLASGOW CITY REGION WILL HAVE THE MOST
INNOVATIVE, INCLUSIVE AND RESILIENT
ECONOMY IN THE UK**

10 The Missions

The Region will work to achieve the vision and address the three Grand Challenges through three missions. The assessment of how successful the Region is in delivering the Missions will be evidenced through its performance against key metrics. These are noted in the following page.

By 2030, the Region will have the most inclusive major city-region economy in the UK

By 2030, the Region will have the most productive major city-region economy in the UK

By 2030, the Region will have the most advanced city-region economy in the UK in the race to net zero and climate resilience

(Note: the targets overleaf 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. **Targets in red are key outcome targets.** The indicators will be reviewed during the action plan stage and may be adjusted including new indicators being added)

Inclusive Economy Indicators

- **Employment Rate**
Current Rate: 72.2%
Target: 79.4%
Improvement Target: +85,200 Employed
- **Economic Inactivity Due to Ill Health**
Current Rate: 30.7%
Target: 22.1%
Improvement Target: -24,700 Individuals
- **Residents with no Qualifications**
Current Rate: 10.6%
Target: 3.7%
Improvement Target: -82,300 Individuals
- **Employment in Low Paid Sectors**
Current Rate: 30.8%
Target: 25.8%
Improvement Target: -43,100 Jobs in Low Pay
- **Rising Underemployment**
Current Rate: 7.1%
Current Target: Lowest % in Scotland
Improvement Target: Maintain Lowest %
- **Worklessness**
Current Rate: 27.8%
Target Rate: 20.6%
Improvement Target: -84,800 Workless

- **Child Poverty**
Current Rate: 26.0%
Target: 23.5%
Improvement Target: -7,900 Children

Enhancing Productivity Indicators

- **Business Expenditure on R&D**
Current Rate: £194.9 per head
Current Target: £526.9 per head
Improvement Target: +£600m*
- **Patent Applications Per Capita**
Current Rate: 4.5
Target: 20.1
Improvement Target: 15.6 patents per capita
- **Proportion of High Skilled Occupations**
Current Rate: 47.2%
Target: 53.7%
Improvement Target: +57,100 Occupations
- **Enterprise Rate**
Current Rate: 412.0
Target: 598.3
Improvement Target: +22,600 Enterprises

- **Business Births**
Current Rate: 63.9
Target: 98.0
Improvement Target: +4,100 Business Births
- **GVA per Hour Worked**
Current Rate: £32.6
Target: £35.3
Improvement Target: +8.3%

Climate Emergency Indicators

- **Investment in Net Zero Projects**
Current Rate: x% Current Target: x%
Improvement Target: x
- **Green Jobs (% of total Jobs)**
Current Rate: 1.3%
Target: 2.3%
Improvement Target: +8,000 Green Jobs
- **Emissions (CO2 tonnes) Per Capita**
Current Rate: 4.5
Target: 3.2
Improvement Target: -2,200 CO2 tonnes

11 Priorities

A series of cross cutting action area priorities have been developed which come from the Vision and Missions. These were determined following extensive analysis and workshops with representation from across the partnership. Details of which can be found in the Strategy Evidence documents. These priorities have been used to develop the programmes of action.

Missions

Action Area Priorities *(not ranked)*

● ● ●	• Increase Economic Participation
● ● ●	• Increase Residents Skills (in and out of work)
● ● ●	• Work to Prevent Economic Inactivity Due to Ill Health
● ● ●	• Support Growth of Fair Work Opportunities
● ● ●	• Enhance Social Infrastructure Provision
● ● ●	• Regenerate Centres and Communities
● ● ●	• Grow Key Sectors (including Green)
● ● ●	• Develop the Foundational Economy
● ● ●	• Embrace Emerging Technology Opportunities
● ● ●	• Enhance Adoption of Digital Technology
● ● ●	• Increase Innovation Diffusion (Shared Learning)
● ● ●	• Increase Levels of Entrepreneurialism
● ● ●	• Reduce Infrastructure Emissions (including buildings)
● ● ●	• A Just Labour Market Transition to Net Zero
● ● ●	• Support Businesses to Decarbonise and Adapt
● ● ●	• Build a Green Supply Chain
● ● ●	• Green Innovation, Demonstration and Market Making
● ● ●	• Provide Affordable High Quality Housing Stock
● ● ●	• Increase Sustainable Travel

● Inclusive Economy ● Enhancing Productivity ● Climate Emergency

HOW WE WILL DELIVER THE STRATEGY

(image)

This section outlines the 12 programmes we will take forward. We also set out a series of principles on how we will work to deliver our ambitions including a commitment to a stronger people-centred approach to local economic development.

The final element of the strategy summarises our approach to bringing investment into the Region to deliver the strategy and action plan – both the focus of any investment and also how we will seek to increase investment. The section also includes the asks of government (Scottish and UK) and the private sector to deliver the strategy.

12 Action Plan

12.1 PROGRAMME DEVELOPMENT: THE APPROACH

Developing Programmes to Match the Needs of Local Residents and Businesses

Ultimately, levelling up and ensuring that the residents can achieve their potential will require different approaches across different communities.

We will build upon the strengths and opportunities of the Region. But, we will need to target programmes to reflect residents and business needs in our local areas. For instance, some of our communities are suffering from depopulation, whilst others are suffering from too much demand.

So, we are looking to work with partners on targeted programmes that address local challenges by providing:

- A. Jobs for local residents
- B. Residents with the skills to access jobs on their doorsteps and provide employers with the skills they will need now, and in the future
- C. The connectivity to allow people and business to realise the employment and business opportunities across the Region and beyond
- D. The Resilience to protect the Region's homes and economic assets

Programme Identification

In order to deliver the Vision and Missions, and in line with the priorities identified in section 10, a series of high-level programmes have been identified.

These are the first phase of programmes. They have been identified as meeting some, or all, of the factors below:

- **Help Achieve the Missions:** can feasibly improve performance across the Region based on whether it has worked elsewhere and or has been shown to make a difference
- **Require Partnership Working and Operate Regionally:** they require collective input of more than one agency/cannot be addressed as effectively under business as usual; add value and do not duplicate local/individual agencies' business as usual activity. They are also within our statutory powers/vires to influence
- **Meet new or emerging priorities:** they are projects which are required to meet a new/emerging statutory requirement (e.g. climate targets) which we have a chance to work collectively on to develop solutions;
- **Regional Investment Scale:** they can attract investors by delivering at a Regional scale. They also should provide best value through packaging up potential investments, collective procurement and service provision

Some of which are more advanced than others. For those more advanced programmes, scoping work and business case development continues.

In the next few years, further programmes will be developed – which will take account of needs, the impact of original programmes and capacities (financial and organisational).

P.1 City Deal
P.2 Innovation Districts
P.3 Clyde Mission
P.4 Metro
P.5 Retrofit
P.6 Future Skills Programme
P.7 Foundational Economy Pilot
P.8 Fair and Healthy Work Programme
P.9 Green Business Support
P.10 Green Demonstrator Programme
P.11 Emerging Tech Programme
P.12 Vacant and Derelict Land

(3)	Existing
(2)	Development
(7)	Emerging

Next Steps

Over the next six months the City Region team will:

- Develop a detailed action plan which will include ownership of actions/tasks for these projects with indicative costs and a monitoring and evaluation framework;
- Create a logic model for each programme to ensure it delivers against the missions and priorities
- Undertake an Equality Impact Assessment / Health Inequalities Assessment on the emerging action plan.

The action plan will be a living document which will be refreshed and reported on annually.

12.2 PROGRAMME DEVELOPMENT: EXISTING PROGRAMMES

There are a number of Regional programmes which are currently underway and which will play a significant role in the delivery of the Vision. They will all play a significant role in achieving the Missions.

P.1 Glasgow City Region City Deal Programme

Programme Investment: Over £1bn in major infrastructure across the Region to facilitate regeneration and improve connectivity. This also includes the development of business incubator space and programmes to tackle labour market issues.

Programme Impacts: Over a 10-year period, it is estimated that the programme would **support over 75,000 jobs and generate £4.4 billion in Gross Value Added.**

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ○

P.2 Innovation Districts

Programme Investment: Continued development of the existing and emerging place-based innovation districts across the Region.

Programme Impacts: With the purpose of cross sectoral innovation that grows R&D, start-ups, investment, and employment in the Regions highest value sectors.

See case study in Section 7 for further details

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ○

P.3 Clyde Mission

Programme Investment: The continued development of this nationally important place-based mission to make the Clyde an engine of sustainable and inclusive growth for the Region.

Programme Impacts: To build upon recent investments such as the Innovation Districts and address the deprivation and climate challenges facing the surrounding area.

See case study in Section 7 for further details

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

12.3 PROGRAMME DEVELOPMENT: DEVELOPMENT PHASE PROGRAMMES

There are also multiple Regional programmes with the potential to have major impacts in achieving the Vision and Missions that are currently under development. These are programmes that have received approval in principal, but which are going through various stages of business case development.

P.4 Glasgow City Region Metro

Programme Investment: A detailed feasibility study is underway for investment in a new public transport provision to improve connectivity across the Region.

Proposed Programme Impacts: The programme is proposed to deliver a series of impacts to be felt in communities across the Region:

- It will focus on unserved and underserved areas, with relatively poor connectivity
- It will improve access between key hubs (such as city / town centres, major health and education facilities, employment centres, key retail, leisure / sports facilities)
- It will integrate major transport hubs such as Central and Queen Street stations, Glasgow Airport and suburban interchanges.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.5 Glasgow City Region Housing Retrofit Programme

Programme Investment: A business case is being developed for a series of projects to retrofit domestic properties across the Region in line with zero emissions targets.

Proposed Programme Impacts: There are a wide range of impacts which will be achieved through the programme:

- Reduction in CO2 emissions in the race to achieve net zero
- There will be a large number of employment opportunities and a complementary Regional skills project will ensure the programme is inclusive
- The programme will also provide a wide range of opportunities to grow the Region's business base

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

12.4 PROGRAMME DEVELOPMENT: EMERGING PROGRAMMES

Following a review of the priorities and the existing / under development programmes, a series of other programmes have been identified. With the exception of P.11 (Emerging Tech Programme) which will be place specific, the ambition is for these to be Regional in scale but delivered locally. A summary of the programme ambitions is noted below. A comprehensive scope will be provided within the detailed Action Plan.

P.6 Future Skills Programme

Programme Ambitions: Set up the mechanisms to develop regional skills programmes. This will be designed to develop a skilled workforce to meet the current and emerging demands of the public and private sector – from existing needs in the private sector hospitality trade to public sector replace demand to future skills to achieve net zero.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.7 Foundational Economy Pilot

Programme Ambitions: Create a pilot project which supports the growth of the Foundational Economy to implement living wage, skills progression, and adoption of new business processes to support business growth across the Region. In doing so, it is anticipated that there will be increased efficiencies and positive productivity impacts for these businesses as well.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.8 Fair and Healthy Work Programme

Programme Ambitions: Develop a programme with the private sector designed to support the development of fair work practices – including the promotion of inclusive employment, and development of policies designed to support workers remain in work when ill.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.9 Green Business Support

Programme Ambitions: To review how Business Support programmes across the Region can help businesses transition to Net Zero. This will be designed to help business meet climate needs as well as helping them target business growth opportunities.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.10 Green Demonstrator Programme

Programme Ambitions: To develop a demonstrator scheme which showcases innovative Regional approaches to providing net zero infrastructure. The first phase project will focus on the provision of the electric vehicle charging infrastructure across the Region.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.11 Emerging Tech Programme

Programme Ambitions: To create a programme, with the universities / innovation districts, which allows the Region to continue to develop its specialisms in an emerging tech - such as Fintech, Precision Medicine or Advanced Manufacturing. The aim for it to cut across sectors with high growth potential.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●

P.12 Vacant and Derelict Land

Programme Ambitions: To develop a systematic programme approach to address the long-standing issue of vacant and derelict land across the Region.

Mission Impacts

Inclusive Economy ● **Enhancing Productivity** ● **Climate Emergency** ●



13 Delivery Approach

13.1 DELIVERY APPROACHES: BUILDING ON EXISTING STRENGTHS

The Strategy and the detailed Action Plan will be delivered through the expertise of the Regional Partnership. This will be supplemented by the growing capacity and capabilities within the Regional teams.

Partnership Expertise

Since the launch of the previous Regional Economic Strategy, the Glasgow City Region Economic Partnership, and the delivery organisations (Scottish Enterprise, Skills Development Scotland, Public Health Scotland, Scottish Funding Council, local universities and colleges, and the partner councils) have moved towards more Regional operating models. This was highlighted by the approach to develop and deliver the Regional Economic Recovery Plan which set out the Region's response to the economic impact of the pandemic. This will also be seen in the responsibilities set out in the detailed Action Plan.

Local Authority Strengths

Also, since the last Regional Economic Strategy, the Region's local authorities have continued to deliver and enable a wide range of programmes and projects which are transforming their local communities.

Increased Regional Delivery Capabilities

At the same time, through its Programme Management Office (PMO), the Region, has overseen the delivery of £260m of City Deal investment across the eight local authorities.

Building on the success of the City Deal, the Regional team has expanded to establish eight portfolios to support the delivery of the strategy. The team has also overseen the development of the Regional Economic Recovery Plan. The plan has a series of high-level actions which have been brought into the strategy.

Economic Intelligence and Insights

The ability of the Region to develop programmes and policies which can address the Grand Challenges have been strengthened by the development of the country's first Intelligence Hub.

As well as playing a leading role in the development of the Strategy, the Hub provides a range of economic intelligence related services including data analysis, policy research, economic modelling, strategy development, and project evaluation for the City Region and the City Deal.

The Regional team is also supported by the Commission for Economic Growth. The Commission is a panel of leading economists, policy and delivery experts who provide a range of advice on the Region's economy.

13.2 DELIVERY APPROACHES: INNOVATION – NEW WAYS OF WORKING

Achieving the Vision and Mission will require new ways of working – both innovating existing processes and mechanisms whilst also finding the most effective approaches to delivering new programmes and services

Our approach to innovative delivery will come through some **key principles**:

- **Delivering at the Scale and Locality which Best Fits Needs:** the economy largely functions at a Regional scale. But the actions taken to make change must be designed and delivered at the scale at which they can be most effective. Often this will be through the delivery of local services targeted at local communities, but the ambition will not be limited to that locality.

Other interventions will require a Regional scale of delivery. This will include programmes such as the Metro, Clyde Mission and Regional Skills. Any emerging Regional programmes and projects will be developed using robust logic models with the feasibility based on evidence of what works elsewhere.

- **Taking an Evidence Based Approach to Trialling, Learning, Adapting and Adopting:** finding new ways of working will require understanding what works and learning from it. In delivering the Strategy, we will monitor, evaluate, and adjust when required. Too often in the past, great pilot projects do not get scaled up because of short-term funding arrangements. We will commit to ensuring that any pilot projects are part of a long-term funding package.
- **A Commitment to True Partnership Working:** partnership working is demanding. But we recognise that the only way to achieve transformational outcomes is through perseverance and a determination to do the right things in the best possible way. In delivery, we will ensure the right organisation with the right skills leads – whether public, private or third sector – and others support where appropriate.

13.3 DELIVERY APPROACHES: COMMUNITY WEALTH BUILDING

Community wealth building will be a key enabler of the Strategy. By using the assets, power and wealth of anchor organisations across the Region to redress our inequality problem, the approach will help make the Region more productive, and more sustainable.

Anchor organisations are vital to the approach. They are large, well-established employers and procurers, rooted in place – including our local authorities, NHS boards, universities and colleges, as well as private and third sector employers.

The Regional Commitment to Community Wealth Building

To further the approach to community wealth building at a Regional level we are committed to working across all five pillars:

- **Socially productive use of land and property** – making better use of properties and land not being used, considering the value for local communities.
- **Progressive procurement of goods and services** - building local supply chains and supporting local employment opportunities
- **Fair employment and just labour markets** - providing ‘fair work’ and supporting other employers (especially providers) to do the same. Plus focusing on those excluded from the economy.
- **Plural ownership of the economy** - incentivising ethical business practices including anchor organisations working collectively to support smaller social enterprises to develop and grow.
- **Making financial power work for local places** - using the Region’s wealth wisely, investing longer-term funds in local business opportunities, developments, credit unions and co-ops.

Glasgow City Region Community Wealth Building in Action

Work has already begun on a Regional approach to community wealth building, but there is much more we can do. We have worked with [CLES](#) and Scottish Government to take stock and identify priority actions aligned to two of the five pillars.

- **Pillar 1: ‘socially productive use of land and property’** – a regional approach to vacant and derelict land is being progressed to bring pockets of disused land in some of the most deprived parts of the Region back into use. Crucially, we are focused on socially productive uses for these lands where, often, ‘hope value’ and an economic approach has previously failed.
- **Pillar 2: ‘progressive procurement of goods and services’** – initial analysis found that 50% of Regional spend, remains within the Region. This comes from a much good practice in the Region which is already under way. It has now led to the development of a Regional Sustainable Procurement Strategy which looks to increase local multipliers even further.

Further work will focus on the remaining three pillars – identifying what anchor organisations are already doing that fits with these and building on this good practice to move action from the margins to the mainstream of regional partner work.

Commitment to community wealth building approaches in the day to day activities of regional anchor organisations has the power to address the Grand Challenges, driving a fair work agenda and leveraging spend to better balance social and economic goals.

14 Working with Investors

As noted in the Transformation Opportunities section, meeting the Grand Challenges will require considerable effort and new ways of working. It will also require significant and new investment. This **investment will be a mix of public and private, covering three broad areas:**

We will invest in our people

- Focusing on improving health and raising skills so that people can realise their potential
- Supporting entrepreneurs to allow them to develop their businesses and establish new ones
- Working with businesses to encourage them to grow and develop their labour force to support the business as well as the individual

We will invest in communities

- Enhancing the social, economic and physical infrastructure of our most deprived communities
- Reactivating our unrealised assets – the Clyde, V&DL
- Decarbonising our infrastructure and building the climate resilience of our places.

We will invest in growing our business base

- Supporting businesses to invest in R&D
- Continuing the growth of the Innovation Districts through investments such as City Deal
- Working with partners on a City Deal 2 proposal that focuses on expanding our High Growth sectors
- Establishing a fund for investing in the foundational economy

Our Approach

Making the case

We will take a rigorous evidence led approach to making the case for all forms of investment and change by identifying the economic, financial, environmental and social opportunities within our emerging programmes.

Reviewing and Refining and Investment Eco-system

Working with partners, we will review the investment eco-system across the Region. This will include a review of our institutional investment networks to find opportunities to increase the value of private sector led investments in our business base.

Working with Funders

Delivering all of our Regional ambitions will require billions of pounds of investment in infrastructure, especially to support net zero and climate resilience. This will require new and innovative funding and delivery mechanisms to deliver at the scale required. We will facilitate and steer broader inward investment, as well as seeking private sector partners to find the right investment and delivery mechanisms to meet the Region's missions.

We will work with the Scottish National Investment Bank and UK Infrastructure Bank to deliver projects that can generate environmental, social and financial returns for the Region and rest of the country.

Regional Investment Fund

We will look to establish a Regional investment fund. This will focus on seed funding for key development projects – such as the reuse of vacant and derelict land. It will also consider investment in other emerging programmes such as growth of the green and foundational economies.

Business Support Approaches

We will establish new ways of using our business support services to work with businesses who invest in their workers through Fair Work programmes – particularly focusing on those sectors which offer significant inclusive employment opportunities. Support will also be conditional on working to meet net zero and climate resilience targets.

....the global market for FDI will only become more competitive, making it imperative to keep listening and responding to what investors want. This includes recognising the rising focus on sustainability and cleantech

[EY 2021](#) “Why rising FDI beckons for Scotland but engagement remains key”

15 The Region's Asks

The Scale of the Challenge Cannot be Underestimated

Addressing the Grand Challenges will, by their nature, be difficult. Despite being the engine of the Scottish economy, the Region has the most deprived communities in the country. It is for this reason that the Region has set up such an ambitious vision and mission. It is also why the Region will be taking such innovative approaches to programme delivery.

Opportunity for Transformation and a Future Economy for All

The Region has the attributes to allow it to address its challenges. Whether it's the resilience of its residents, the scale of its further and higher education services, or its emerging start up community, the human, economic, social, and environmental assets are there. ***But help is needed to bring the Region's attributes together to work for all.***

The levers to deliver this do not all sit at the local and Regional levels. With the right support (organisational and financial) Glasgow City Region has the opportunity to forge a new economy. One that is truly inclusive, one that innovates to achieve its productivity potential, and one that has embraced the need to reach net zero.

In doing so, the Region can level up internally (within the Region) and externally (with other regions) so it takes its place amongst the UK's most prosperous regions.

Government Asks

To deliver the Strategy, the key asks of the Scottish and UK Governments are:

- **Financial Support for the programmes** – this means:
 - Continued support for those existing programmes (P.1 – P.3)
 - Acceleration of investment in Clyde Mission to ensure this once in a generation programme can become the largest green regeneration programme in Europe
 - Support for those programmes (P.4 – P.12) in the development and emerging stages through, and upon completion, of their business cases.
- **Support for delivery reform** – backing to deliver existing services in new ways that will invariably require our partners to also take new approaches to delivery. See P.6 Future Skills and P.9 Green Business Support Programmes
- **Empowerment** – new powers which will enable the delivery of the Action Plan. This includes:
 - Setting up Glasgow City Region as a Community Wealth Building pathfinder
 - Extend powers to reserve contracts for supported business, namely social enterprises who promote the inclusion of disabled or disadvantaged people.
 - Legislative reform for new fiscal, land and property powers to support the development of the P.2 Innovation Districts, P.3 Clyde Mission, P.4 Metro, P.5 Retrofit and P.12 Vacant and Derelict Land programmes

- **Continued Support for National Assets within the Region** – there are a series of economic assets across the Region which are key to the wider national economy but have been hit by the COVID-19 pandemic and require special consideration. We request that the government continues to support:
 - **Glasgow City Centre** – as the densest concentration of jobs in the country, it is the economic core of the Region city centre. It has faced the longest and most severe COVID economic restrictions on top of an acceleration in the speed of change in key sectors most especially retailing. It also requires flexible in planning and finance (such as building repurpose allowance) to allow it to change the function some of its buildings
 - **SEC Campus** – as will be showcased at COP26, the campus is the focal point for the country's high value events and conference activity. Support is required to create one of the most sustainable conference facilities in the world through expansion plans to create the “best event campus in Europe.”
 - **Glasgow Airport** – the Airport has lost the majority of connectivity including 100% of long haul, 70% of international and 50% of domestic routes. As we work towards recovery, Glasgow Airport is a key strategic asset and rebuilding our connectivity is critical in aspirations to attract investment, jobs, trade and tourism. Support sector as it works towards rebuilding connectivity, including route development funding / marketing support. Develop a national aviation strategy focused on recovery and future sustainability of the sector.

Business Community Support Asks

The private sector's role in achieving the missions will be vital. Local, national, and international businesses will create the jobs and invest their resources to transform the economy.

From small micro businesses to large corporates, we recognise that an ever-increasing number of firms are placing social and environmental responsibilities at the heart of their businesses. The Regional Partnership is looking forward to working with these businesses alongside those from the third sector to renew our local communities and deliver the strategy.

As we develop the detailed action plan, we will define the scale of investment, both public and private, required to deliver the programmes. There will be significant opportunities for businesses to play key roles in all programmes.

Contact details

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