

GLASGOW CITY REGION Economic Strategy

2017 – 2035



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Foreword

As the Leaders of the eight local authorities of the Glasgow City Region (GCR) we have produced this Economic Strategy for the region. This is not the first time we have collaborated, and this builds on the important work of the previous strategies. But we believe that this Plan marks an important and distinctive moment in our collaboration. Aligned to the delivery of our City Deal, we have taken a longer-term view to 2035 of the collective action required by us and our partners to secure our City Deal jobs and Gross Value Added (GVA) goals and to achieve our overall vision so that we deliver greater economic success for GCR and the country.

In June 2016, we met as the City Region Cabinet and agreed that we would collaborate more formally going forward. This is about ensuring each part of the conurbation plays an equally important role. We will work as one to ensure the continued and accelerated growth and success for our city region, with each local authority playing a leading role.

The core aim of this Economic Strategy is sustained and inclusive economic growth through significantly improving productivity, boosting incomes; strengthening and growing the diverse business base to creating more and better jobs; and increasing the working age population by supporting more people into work and attracting and retaining talent.

GCR is at the forefront of city region working in Scotland. But we cannot and should not do this alone. We are already putting in place stronger links to the private sector and academia. We plan to work more closely with the Scottish Government, National Agencies and the UK Government to bring this plan and our vision to fruition. This strategy is the start of a process where we, and others, will need to work differently in order to deliver more.

GCR is firstly a collaboration of the city region, but we are part of a network of places in Scotland, the UK and Europe which have complementary assets of which we can make better use. Through the Scottish Cities Alliance, Core Cities and other organisations we want to share our learning of what works and develop a deeper understanding of how best to achieve sustainable, inclusive growth.

We are bold in our ambitions to increase our economic competitiveness and tackle intergenerational inequalities, ensuring that our residents and businesses have the opportunity to reach their full potential to contribute to and benefit from the economic success of GCR.

Executive Summary

The Glasgow City Region (GCR) brings together the eight local authorities of: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council.

Our Vision and Economic Strategy

This document builds on the City Deal projects and targets and purposefully takes a long-term outlook to 2035. The strategy is accompanied by an intensive short term three-year action plan. Our 2035 Vision is:

A strong, inclusive, competitive and outward-looking economy, sustaining growth and prosperity with every person and business reaching their full potential

Our vision reflects the region's strong starting point as a powerhouse of the Scottish Economy contributing broadly one third of Scotland's Gross Value Added (GVA); population; jobs and businesses. We have secured one of the largest City Deals in the UK and are implementing new economic governance to deliver the Deal along with new ways of collaborating and cooperating to improve the region's economic future and improving people's lives.

At the time of writing this strategy the UK is in an uncertain place. The uncertainty around future Brexit negotiations is contributing to a fluctuating policy context. We must be flexible to respond to market conditions to ensure that GCR maintains good progress towards achieving the vision and delivering successfully on the objectives in the strategy.

The core aim of this Economic Strategy is sustained and inclusive economic growth through significantly improving productivity, boosting incomes; strengthening and growing the diverse business base to create more and better jobs; and increasing the working age population by supporting more people into work and attracting and retaining talent to the Glasgow City Region. We have identified eleven objectives that support this aim. These objectives are interconnected and in order to succeed, we must focus on all eleven concurrently:

Attract and retain talent and enterprises relocating to GCR. In order for GCR to maintain its place as Scotland's biggest economy and to increase growth rates the GCR needs more highly skilled residents and productive businesses. Our working age population is not growing and the population as a whole is growing less than the Scottish average.

Improve economic outcomes for all through addressing long standing barriers in the labour market such as skills and health, both for those who are currently out of work and those on low incomes. We want a city region which enables our residents to have the opportunity to benefit from economic success. A disproportionate number of GCR residents have few, low or no skills and are not

benefiting from GCR growth. Unless we take action here the levels of inequality (employment, income, health, education) will not reduce. The city region is committed to supporting those out of work who are economically inactive or unemployed and those in low income jobs to ensure that success benefits all members of society. Linked to this is the need for all GCR residents have access to good quality Careers Information, Advice and Guidance that is based on Labour Market Information to help them make the appropriate qualification choices.

Create a skills and employment system that meets the current and future needs of GCR businesses and supports our residents to access jobs and progression opportunities. The challenge is to ensure that the skills system is effective in supporting people and businesses to reach their full potential, including those who are currently in work to progress. This requires a responsive and flexible city region skills system that works with employers to design courses that deliver employer ready residents.

Grow the presence of Scotland's Growth Sectors in the city region so that we increase the total number of GCR's businesses and employees who work in these sectors. The Scottish Government has identified six sectors where Scotland has a distinct comparative advantage and that tend to be more productive and innovative than others. Whilst GCR will not be in a leader in all six areas, it does make sense for GCR to have a focus on growing these sectors alongside those with the potential for greater growth and higher productivity.

Significantly improve the productivity of GCR's diverse business base through increased investment, innovation and exporting. GCR boasts an incredibly diverse business base, home to some world-leading businesses. This is the core strength of the GCR economy. We want to support all businesses to succeed, increasing their competitiveness through increased productivity and fostering innovation.

Increase the number of sustainable and high growth start-ups surviving beyond five years. Almost 7,000 new businesses start in GCR each year. But many of these do not survive beyond five years. Whilst GCR sees a number of university spin outs, the number could be increased, with more start-ups in the private sector.

Grow GCR supply chain activity whose growth underpins the success of GCR sectors. GCR benefits from a diverse post-industrial business base which is not dominated by any one sector. What is clear is that GCR businesses have a key role in supply chains that could be nurtured to grow, but this role is not fully understood or articulated.

Building on the City Deal bring forward in parallel strategic programmes, projects, and associated investment that maximise the value of the Deal. In 2014 GCR secured a city deal which covers infrastructure investment, life sciences, business support and employment and skills. City Deal is at the heart of this strategy, and the city region must look at how to maximise benefit from it.

Maximise the potential of the key GCR economic assets. GCR has superb assets with which to drive growth and develop a more innovative, creative economy. Our people are the regions greatest asset. Other examples include the Queen Elizabeth University Hospital Campus, which has now seen investment in Stratified Medicines

and the International Financial Services district. Glasgow Airport is also a key asset which can be better supported to drive growth. This includes increasing business and leisure passenger numbers, but also by creating a connected, creative and versatile business environment in its environs.

Actively promote GCR globally, with a focus on international investment opportunities. GCR has taken an important step to demonstrate its potential by working together as a city region. This should be used to drive international investment by articulating a specific city region investment proposition and promoting the unique strengths and assets of the single economic area at events such as MIPIM.

Increase in the number of housing and commercial completions and decrease the amount of derelict and vacant land. If GCR is to grow and attract talent and businesses, there needs to be a marked increase in the number of housing completions and modern premises. Whilst there is no shortage of land, there are significant challenges in bridging the delivery gap, including the decline in delivery in urban brown field sites.

Achieving these objectives will require a coordinated effort among our economic delivery partners. We have developed a three-year action plan in line with our overall vision, prioritising those actions that we believe can achieve greater collaborative and joint working and which provide stimulus to our economy, including:

- Implementing at pace and scale the recommendations from our Skills Investment Plan;
- Establishing an Enterprise and Jobs Hub;
- Developing a dedicated innovation policy and plan, strengthening our diverse business base and supporting the export capabilities of our businesses;
- Proposals for accelerating projects within the City Deal Infrastructure Fund;
- Integrating health and work services to support economic development, ensuring that all our unemployed residents have access to the right service at the right time to support them back into the workplace; and
- Building on the spirit and culture of the City Deal Governance Arrangements we will determine the best economic development system for the Glasgow City Region to ensure a seamless and coordinated approach to planning and delivering the action areas outlined in this plan.

This first three-year Action Plan supports delivery of our objectives and is intended to provide:

- A single, agreed and shared vision for the growth and prosperity of the Glasgow City Region;
- An alignment of goals and plans among the region's economic delivery partners with a clear focus on place-making;

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- A call to action in pace, scale and certainty in the delivery of economic related activities;
 - A signpost in how to increase capacity for developing and implementing policy, projects and programmes over the longer-term; and
 - The vision to better link and coordinate activity among the economic delivery partners.

The objectives we have set out in this strategy are all interconnected, and in order for us to succeed we need to focus on all eleven concurrently.

From the start we have been clear that for GCR to achieve the level of economic success we envisage, this strategy needs to be delivered by a range of partners; it is not a strategy for the eight local authorities, it is a strategy for the Glasgow City Region. Delivering successfully the actions and objectives will require a multi-disciplinary approach involving many organisations.

Our plan looks to grow and strengthen our business base, increasing our competitiveness by improving productivity through fostering innovation. We will work to ensure that opportunities and benefits from growing the economy positively impact on the quality of lives of all our people, tackling inequalities and disadvantage by providing them with the tools to find work, stay in work and improve their well-being, delivering economic success through inclusive growth.

Glasgow City Region

Economic Strategy 2017 – 2035

& Action Plan 2017 – 2020

1 Introduction

The Glasgow City Region (GCR) brings together the eight local authorities of: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council.

There has been joint working and collaboration in the West of Scotland ever since the council boundaries were created. This strategy marks a new approach and a new way of working, where we work as one single economic geography, doing business differently and organised around a common agenda.

A key question we must answer is how can we ensure the benefits of economic growth are more widely shared across the region? The challenge in driving inclusive growth across the Glasgow City Region is the ‘triple lock’ that exists on poorer communities and the place they live. Traditional policy and economic incentives that ought to work have not for too many people and places. There are a number of reasons for this:

- Policy which just aims to help individuals often leads them to exit the area without movers replaced by poorer incomers.
- Policy to improve the physical infrastructure of deprived areas seems to have not produced a change in the trajectory of many communities in an economic sense.
- Low labour market attachment and weak skills ensure that the resident population remains poorly placed to access employment.

This triple lock has proved almost impossible to break. If there are three aspects to the problem: economic (demand); personal (supply) and physical / community, then the solution must also tackle all three. The challenge for the City Region is to build a strong and more competitive economy in ways that ensure the opportunities and benefits are shared through boosting incomes, creating more and better jobs and supporting people, particularly the long term unemployed and economically inactive into work. Collaborative working across local and central government, business and knowledge institutions will be key to making this happen to ensure economic success through inclusive growth.

Recent events such as the signing of the city deal have been transformational. We want to create more jobs and growth for the GCR and for Scotland by working closer and across a wider agenda than before. In early 2015 our eight local authorities formally established a joint Glasgow and Clyde Valley Cabinet, consisting of the leaders of all eight councils, with the leader of Glasgow City Council as Chair. The Cabinet speaks with a single voice.

The eight local authorities represent the communities we serve. As we do now, in the future we will continue to provide services to support our local communities. City region working is doing together what is best done at scale, whilst maintaining our local plans and continuing to work with our local businesses and communities. Each local area has in place individual plans for developing and growing their local economy, from specific economic plans or strategies through to plans integrated within a wider community planning approach. We will continue to implement these, whilst ensuring that our growth contributes to the success of GCR and that we collaborate rather than compete.

We have identified that we each do a lot of the same things, and have common ambitions for growth in our local plans. We will continue to focus on important local issues, but in some areas we will be able to achieve success quicker and more effectively by collaborating. For example, we are already working together to reduce youth unemployment with the Glasgow and Clyde Valley Guarantee which is streamlining activity across the city region, ensuring that all our young people have access to good quality employment.

Each of our local authority plans has commonality through a focus on:

- Creating of more and better jobs
- Strengthening and growing the business base in absolute terms, by the size of business and improving the productivity of existing businesses
- Building the skills base and improving employability
- Infrastructure to support economic growth
- Growing the working age population
- Targeting key sectors of strength and opportunity: economic diversity
- A focus on innovation; sustained growth and prosperity for all

City region working is about doing some of this together where we and our Councils determine that it is in the best interests of our residents to do so.

2 The Context

Why economic geography matters

The wider context for this work is one where cities and metropolitan regions are increasingly seen as the engines of growth and the drivers of long term economic success. Economic geography matters, driving investment and productivity across a region. The close proximity of a skilled labour force, associated knowledge spill overs, access to a varied supply chain and more integrated policy and programme planning and delivery are key to the economic growth of city regions.

Agglomeration is an area of growing interest amongst policy makers. Agglomeration economics has the potential to unleash economic growth, bringing greater prosperity and helping to rebalance the UK economy. The effect is to encourage greater collaborative working amongst cities and regions. In some cities, new institutional relationships have emerged, with local authorities combining to share powers and resources and to develop new ways of working that seek to overcome past barriers. In other areas, less formal, more collaborative relationships have developed, examining the barriers that are hindering their increased agglomeration and looking for new ways of working together in order to create economic and social benefits.

Underpinning such formal and informal collaboration is the recognition that the functional economic areas in which agglomeration benefits accrue do not sit neatly on administrative boundaries. Indeed, the spatial level at which economic analysis and strategy are best undertaken rarely coincides with the boundaries of a single local authority. Economic flows and markets often operate at a wider geographical level overlapping a number of local authorities, with implications for a range of policies, including skills and training, and transport, and the need for their alignment across borders.

Glasgow City Region

GCR comprises the largest city region in Scotland and one of the largest in the United Kingdom, with a population of almost 1.8 million. Our Gross Value Added (GVA) in 2014 was over £40 billion. We are a driving force in the Scottish and UK economies: 32% of Scotland's GVA, 33% of Scottish jobs and 29% of Scotland's businesses. 24% of GCR is employed in the Scottish Government Growth Sectors (a summary of the socio-economic profile for the GCR is included in Appendix 1). Whilst size does not equal success, the scale and diversity of GCR is important. We are outward looking, with a well-earned international reputation as a location for business, leisure and culture. GCR has successfully revitalized and rebranded itself in recent times. There are notable physical improvements, and we have turned around a slow industrial decline to become a cultural, vibrant European city region that is known for its pride, passion and people.

GCR has a very high containment rate of almost 93% for those living and working within the region. Responding to this, the region collaborates across public services covering strategic planning; health; and transport. There are strong linkages between the city and surrounding areas in employment, education, and culture. The region provides a broad range of housing, tourism and leisure to complement and support the regional core. Glasgow itself provides 48% of GCR employment, and the good transport and road network facilitate commuter journeys. The region's universities encourage cross-regional travel to

learn and the excellent healthcare facilities based primarily around the regional centre support the region's health and wellbeing.

City region working, characterised by collaboration rather than competition, is becoming common across the UK. Working together provides opportunities to create growth that exceeds the sum of the constituent parts. The RSA City Growth Commission concluded that for UK plc to succeed we need to grow the economies of all our major urban areas. In order for this to happen, the Commission argued, local leaders need to be sufficiently empowered to drive this growth based on place. Leaders need to be able to build on an area's specific characteristics; it cannot come from the centre through a one size fits all approach. Whilst this work at scale can be seen in many of England's core cities and their wider functional economic geographies, GCR is leading the way in Scotland.

Working together as a city region will ensure that we can compete on a par with the top performing European and UK city regions. This is simply not possible if the eight local authorities act individually. It will require further joined up working in a framework that is designed by the Cabinet around well-articulated priorities. This strategy is a first and critical step towards achieving this. An outline of our journey of collaboration is included in Appendix 2.

Stronger collaboration at a city region level will give us a better ability to shape priorities and to work together to deliver on the many issues that need addressing across traditional local authority boundaries. This is not to duplicate local authority provision, but rather to identify the big issues and opportunities within a place that would benefit from a strategic, joined up response which is more than any one Council has the size, technical expertise or resources to cover effectively.

Glasgow and Clyde Valley City Deal

The successful delivery of City Deal is fundamental to all our plans. Signed in 2014, the Glasgow and Clyde Valley City Deal is an agreement between the UK Government, the Scottish Government and the eight Local Authorities across GCR. The GVA, jobs and productivity benefits are expected to impact across the GCR, Scotland and benefit the wider UK with around £1 billion of net additional GVA per annum and over 8,000 jobs to Scotland as a whole.

It sets out how the region will create economic growth through:

- Implementing a £1.13 billion Infrastructure Fund to improve transport and regenerate/develop sites
- supporting growth in the life sciences sector
- helping small and medium enterprises to grow and develop
- setting up programmes to support unemployed people
- testing new ways of boosting the incomes of people on low wages

The deal required the establishment of a streamlined and strengthened GCR governance model. Each of the elements of the governance structure is advancing. The City Deal Cabinet, Chief Executives' Group, Economic Commission, and Programme Management Office are established. The Chair has been appointed to the Economic Leadership Board and we welcome his appointment and the future working with his team.

This city deal is one of the largest ever agreed in the UK. At the heart of the flagship Infrastructure Fund is the strategic imperative to improve the region's economic performance. The infrastructure fund represents a "once in a generation opportunity to deliver a step-change in the economic potential of the region and drive long-term economic growth". At its core is the ability of the projects to provide jobs and maximise GVA. The fund is expected to¹:

- Deliver a sustainable uplift in GVA of 4% (c.£2.2bn p.a.) for the City Region and additional tax revenues of some £20.7bn over the 40-year lifetime of the fund as a result of the uplift in GVA at net national level
- Support an overall increase in the economy of around 29,000 jobs in the City Region
- In addition to the £1 billion secured from the Scottish and UK Governments and funding of £130 million from the local authorities, the infrastructure fund is expected to lever a further £3.3 billion of private sector investment.

Successful delivery of the city deal will:

- Create 15,000 construction jobs through the ten-year City Deal construction programme.
- Work with 19,000 unemployed residents and support over 5,500 back into sustained employment.
- Spread the benefits of economic growth across Glasgow and Clyde Valley, ensuring deprived areas benefit from this growth.

Scotland's Economic Strategy

Scotland Economic Strategy (March 2015) sets out the Scottish Government's "*ambition to create a more cohesive and resilient economy that improves the opportunities, life chances and wellbeing of every citizen in our country*".

The two pillars of the economic strategy are Increasing Competitiveness and Tackling Inequality. GCR has a broad and large business base, with the right ingredients to make this stronger. But we also have some of the most deprived and marginalised communities in Scotland. Success can only be achieved by addressing both at the same time.

The pillars are underpinned by four key priorities to deliver sustainable economic growth:

1. Investment – people, infrastructure and assets
2. Innovation – new ways of doing things
3. Inclusive Growth – fair work and regional cohesion
4. International – open to trade, migration and new ideas

We believe that the two pillars of the Scottish Governments' Economic Framework – growth and inclusion – can be achieved faster and more effectively if policies and resources at a

¹ Glasgow and the Clyde Valley Infrastructure Fund: Economic Case, October 2015

national level are aligned to local plans and if the cities are given more control over their budgets to tailor investment to local priorities. The Scottish Cities Alliance has published various documents on Empowering Scotland's Cities calling for Scottish cities to be empowered as per their English counterparts. They set out the cities' asks of both the Scottish and UK Governments in terms of unlocking the economic potential of Scotland's cities as well as what this will enable the cities to deliver in return.

Scottish Fiscal Devolution – The Scotland Bill

The outworking and implementation of the Smith Commission Agreement between the UK and Scottish Governments will see the devolution of further powers to the Scottish Parliament around the governance of Scotland; control of measures to promote prosperity, the economy, jobs and social justice; and greater financial responsibility and a new Scottish Government fiscal framework.

The Scotland Bill outlines the devolution of new powers to Scotland, including around income tax, a share of VAT receipts in Scotland, powers over certain aspects of welfare and housing related benefits, Air Passenger Duty, and rail franchising.

The result of implementing the Smith Agreement is that the Scottish Government will be responsible for raising 40% of all tax revenues in Scotland, with 50% of the Scottish Government's budget funded directly from revenues raised in Scotland.

A report by the economic research institute, Fraser of Allander² stated that “*whether Scotland is better or worse off as a result of these new powers will entirely depend upon how Scotland's economy performs.....the Scottish budget will be no better or worse off provided Scotland matches the growth per head in devolved tax receipts in the rest of the UK. If Scotland outperforms the rest of the UK economically resources will rise, and if it underperforms resources will fall.*”

The Scottish Cities Alliance has called for the Scottish Government to pass on a proportion of the prospective fiscal retention from the Scotland Bill and for the power to raise local taxes. Alongside this are complementary asks for control over Scottish budgets pertaining to regional infrastructure, international activity and attracting inward investment.

Looking forward, there are opportunities to explore new ways in which GCR can work within this new devolved context. Place based working, targeted investment and devolved funds and powers can all help GCR grow a stronger, more competitive and out-ward looking economy. There is a need for more formal agreements, structures and resources if we are to deliver successfully the GCR Economic Strategy. It is in the best interests of our people to work together and in the best interests of Scotland's Economy.

Current UK Policy Context: Planning for the Future

At the time of writing this strategy the UK is in an uncertain place. The uncertainty around future Brexit negotiations creates a fluctuating policy context. But there are a number of factors that are certain in relation to city regions worldwide. As the world rapidly urbanises it is cities and their metropolitan areas that are propelling growth and drivers of long-term

² Scotland's Budget 2016, Fraser of Allander Institute, September 2016

economic success. This is a global phenomenon, and new cities in places such as China and India are emerging to challenge those which have traditionally been the principal economic powerhouses.

What is clear therefore is that more than ever our city regions need to be the bedrocks of the nation's growth and prosperity. The Scottish Government's Agenda for Cities in 2011 advocates the fundamental role of cities and their surrounding areas in growing the Scottish economy. The midway review was published in January 2016, outlining the progress to date and reaffirming the Scottish Government's commitment to cities as the engines of growth. However, there is currently limited discretion and control for city leaders over budgets and arguably little incentive for cities to implement radical solutions or invest to grow their local economy given the lack of retention of the proceeds of growth.

Brexit

The UK is experiencing a seismic change politically, economically and socially following the referendum vote to leave the European Union (EU). There is uncertainty of what will happen next in terms of governance, policy and the impact on the UK economy. What is clear is that the vote to leave the EU and its impact will be felt acutely by across cities and metropolitan areas. The possible impacts include disruption to labour supply, the loss of significant EU funding streams such as ESIF and ERDF, jobs and investment linked to European trade, future investment in infrastructure and business, universities' ability to attract EU academics and students, and research and innovation investment.

The response of City Regions to the UK withdrawal from the EU will be key to limiting any negative economic impact. Cities must reach out to businesses, universities, colleges and investors to assess the range of possible scenarios resulting from the referendum result as well as identify those opportunities that can support City Region growth in the longer term. The drive for investment and inclusive growth is now central for City Regions.

What this suggests is that GCR needs to go forward faster, accelerating the City Deal projects and invest more to ensure that we are a leading, competitive city region in the coming years.

3 The Vision

The 2035 Vision for the Glasgow City Region is:

A strong, inclusive, competitive and outward-looking economy, sustaining growth and prosperity with every person and business reaching their full potential

Our vision reflects the region's strong starting point as a powerhouse of the Scottish Economy contributing broadly one third of Scotland's Gross Value Added (GVA); population; jobs and businesses. We have secured one of the largest City Deals in the UK and are implementing new city governance to deliver the Deal along with new ways of collaborating and cooperating to improve the region's economic future and improving people's lives.

We are responding to the Scottish Government's ambition to be more competitive, strengthening the region's economic diversity in ways that ensure that opportunities and benefits from sustainable growth and prosperity benefit people and communities across the region.

The Glasgow City Region has a diverse business base, within which many businesses are thriving. But we believe all our businesses have the potential to achieve much more. This vision is about strengthening that base with every business being supported to be as productive as it can be, fostering innovation and significantly increasing the competitiveness of the region.

Crucially, we need to bring more people into the labour market to tackle employment and income inequalities, target deprivation and combat poverty. We will ensure every person across the region has the opportunity to reach their full potential. We will also build on city deal skills and employment programmes and work with businesses to ensure that all work in GCR is fair work, with appropriate progression opportunities for our residents.

Delivering the vision will require input from a range of economic delivery partners, each with different experiences, expertise and capacities. The principles of collaboration, interdependency, and connectedness will be key. Each of the economic delivery partners will play a vital role in working towards the shared vision with the alignment of individual plans alongside local and central government and the private sector all playing vital roles in supporting and delivering the vision.

4 Opportunities and Challenges

The Glasgow City Region is one of Scotland's and the UK's successful city regions. We are proud to be Scotland's largest metropolitan area. Our economic geography, scale and diversity are some of the region's greatest assets. GCR's economy has significantly transformed over the last twenty years with substantial improvements made across a range of economic indicators.

GVA has increased, employment and skills levels have improved, entrepreneurship is increasing and growing enterprises are yielding economic benefits. But for all the good things that are happening we have a legacy of poverty and decline that hold back our potential. Like many large metropolises, we have high levels of inequality, with large differences in employment, skills, health, education and deprivation within the conurbation.

The Glasgow City Region has steadily grown in recent years. But it has the potential to do much more by working towards a single, shared vision. For it to succeed work must be predicated on an agreed set of assets, developing the GCR's unique strengths. However, the region faces a number of challenges if it is to achieve sustainable economic growth over the longer term.

The challenge for the City Region is to build a strong and more competitive economy in ways that ensure the opportunities and benefits are shared through boosting incomes and creating more and better jobs. Collaborative working across local and central government, business and knowledge institutions will be key to making this happen.

4.1 Our People

Our residents are one of our greatest assets and biggest challenges. GCR has produced world leading entrepreneurs and inventors, and they are loyal and passionate about GCR. We are committed to improving life chances of all our residents and providing people with the opportunity to contribute to and benefit from sustained economic growth.

We have seen skill levels rise dramatically in recent years; the number of residents with NVQ L4+ has risen from 29.4% to 39.8% between 2004 – 2014, a better performance than many other UK city regions. But this has yet to translate into significant improvements in the performance of the business base.

But not all of our residents are currently benefiting from this success. Whilst GCR contains about a third of the population and economy of Scotland, it is disproportionately affected by poverty, containing almost 60% of the most deprived wards in Scotland. Life expectancy for males and females across the GCR is 74.89 years and 79.74 years respectively. Almost 11% of our resident population have no qualifications. This represents a significant challenge, and we want to ensure that the growth of GCR is inclusive to all.

The impact of the recession has been significant, and GCR has been challenged with falling employment numbers between 2009-2014. We have been working hard to support our residents into meaningful activity, and his work has accelerated thanks to City Deal. GCR has successfully reduced the number of benefit claimants since 2010 – down from 20% to 14% in the five-year period.

What is important is that we continue to support those furthest from the labour market, whilst continuing to nurture everyone to achieve their potential. We want to raise the number of those economically active, and raise the GVA per worker, meaning that more of our population is in work and, those that are, are more productive and wealthier.

But this is only part of the picture. Great city regions grow, drawing in talent whilst retaining the highly skilled. With almost 1.8 million residents, GCR accounts for around a third of Scotland's population. Whilst this is impressive and makes GCR the only true conurbation in Scotland of a comparable scale to the UK's other large conurbations, population growth is slow and has not been uniform; between 2004 – 2014 some districts lost residents, whilst population growth in Glasgow has been highest at 5%.

The city region is not currently attracting in large numbers of external migrants. Our population is only expected to grow marginally over the next 10 – 20 years with slower population growth than the rest of Scotland and the UK. Most troubling is that the working age population over the period to 2024 is expected to fall by over 30,000³.

We want to create the conditions and environment that draws in global talent and businesses. Growing the working age population through attracting and retaining talent and by bringing more people into the labour market through tackling the higher rates of economic inactivity and unemployment, in particularly youth unemployment, is a key priority if we are to achieve our vision of growth and prosperity with every person reaching their full potential.

³ Glasgow City Region Skills Investment Plan (DRAFT), June 2016



Figure 1: Population change 2004-2014, ONS; National Records of Scotland

Our Skills Investment Plan sets out the vision, ambition and aspirations for the City Region for the next 20 years in terms of skills and employment. Our challenge is to ensure that the skills system is effective in supporting people and business to reach their full potential. At present, there is a disconnect between the economic and skills strategies at local and national levels. Currently no employment and skills investment decisions are made formally at the City Region level, although there is significant joint activity.⁴ Greater effort also needs to be made in aligning the skills provision with the needs of business. Addressing the shortcomings in our skills agenda is fundamental if we are to equip people to reach their full potential, strengthen our business base and achieve economic success through inclusive growth.

⁴ Glasgow City Region Skills Investment Plan (DRAFT), June 2016

What does this mean we need to focus on?

Attract and retain talent and enterprises relocating to GCR. In order for GCR to maintain its place as Scotland's biggest economy and to increase growth rates GCR needs more highly skilled residents and productive businesses. Our working age population is not growing, and the population as a whole is growing less than the Scottish average.

Improve economic outcomes for all through addressing long standing barriers in the labour market such as skills and health, both for those who are currently out of work and those on low incomes. We want a city region which enables our residents to have the opportunity to benefit from economic success. A disproportionate number of GCR residents have few, low or no skills and are not benefiting from GCR growth. Unless we take action here the levels of inequality (employment, income, health, education) will not reduce. The city region is committed to supporting those out of work who are economically inactive or unemployed and those in low income jobs to ensure that success benefits all members of society. Linked to this is the need for all GCR residents have access to good quality Careers Information, Advice and Guidance that is based on Labour Market Information to help them make the appropriate qualification choices.

Create a skills and employment system that meets the current and future needs of GCR businesses and supports our residents to access jobs and progression opportunities. The challenge is to ensure that the skills system is effective in supporting people and businesses to reach their full potential, including those who are currently in work to progress. This requires a responsive and flexible city region skills system that works with employers to design courses that deliver employer ready residents.

4.2 Our Businesses

We boast an incredibly diverse business base. This means GCR is not over-reliant on one sector. The region is home to leading businesses and has developed and grown in comparative strength in areas such as financial services; business administration; creative industries; distribution; transport; and manufacturing and production. This sectoral mix highlights the diversity of the City Region economy.

Across Scotland, the six growth sectors tend to grow faster and be more productive than other sectors. Just over 200,000 people work in them in GCR, which, whilst good, is below the Scotland average. This does not tell the whole picture however, with Financial & Business Services accounting for almost 10% of GCR employment (83,185 people).

Location Quotients, Growth Sectors, 2014

	GCV	Scotland	LQ
Energy	12,281	72,007	0.52
Life Sciences	4,817	16,901	0.87
Financial and Business Services	83,185	226,722	1.11
Food and Drink	15,567	121,933	0.39
Sustainable Tourism	54,588	196,019	0.85
Creative Industries	29,671	71,596	1.26
Growth Sectors (All)	200,109	705,178	0.86
Total Employment (All Sectors)	836,525	2,540,188	1.00

Source: BRES

In total there are approximately 45,000 businesses in GCR; this number has risen almost 18% since 2010. The majority of these businesses are micro or small, with only 1,080 businesses registering more than 50 employees in 2015. Our focus is on helping all of our existing businesses to grow and become more productive. We have identified exporting and innovation as two key areas of focus here.

Strengthening our business base through increasing export capabilities is a key economic challenge. GCR has a number of very successful companies, however in terms of the total number of businesses in the region, those exporting high value goods and services is relatively small by comparison. The challenge is to grow the number of exporting businesses across the region through increasing productivity and access to new markets.

Promoting innovation and R&D among our SME base is key. In order to achieve sustained economic growth for the Glasgow City Region through improving productivity will require a different and greater focus on innovation activity. Innovation and R&D is a key driver of sustained growth and should be part of day-to-day activities across our diverse business base. In both turnover and employment innovative firms grow twice as fast as firms that do not innovate⁵. Business expenditure on innovation and R&D is generally low across Scotland. Our challenge is to increase innovation activity across the region so as to achieve our vision for the City Region of a stronger, more competitive and outward looking economy.

Alongside this, we want to increase the number of sustainable and high growth start-ups in GCR. The number of those self-employed has risen by 23% since 2010. But looking at the

⁵ Scottish Enterprise Economic Briefing Paper, November 2015

evidence, only 40% of new businesses survive after five years. There is currently no integrated business support across the city region, which could nurture and advise these young companies to maximise their growth and employment potential.

Our world-class knowledge institutions have a key role to play in helping strengthen our business base through supporting innovation and R&D and commercialisation of academic research and providing the supply of students skilled to meet industry needs. We have some of the best universities and centres of excellence in the world, attracting academics with significant research capabilities and UK and international students with great promise to the GCR. They are also significant contributors to the region's economy. However, we could and must do more to promote greater co-ordination and cooperation between business, knowledge institutions, government and investors.

We have the start of the infrastructure needed to support greater innovation and research and development among the region's diverse business base. These economic assets are critical to achieving the Vision and key to improving productivity; attracting and retaining talent; securing more and better jobs and bring people back into the labour market.

What does this mean we need to focus on?

Grow the presence of Scotland's Growth Sectors in the city region so that we increase the total number of GCR's businesses and employees who work in these sectors. The Scottish Government has identified six sectors where Scotland has a distinct comparative advantage and that tend to be more productive and innovative than others. Whilst GCR will not be in a leader in all six areas, it does make sense for GCR to have a focus on growing these sectors alongside those with the potential for greater growth and higher productivity.

Significantly improve the productivity of GCR's diverse business base through increased investment, innovation and exporting. GCR boasts an incredibly diverse business base, home to some world-leading businesses. This is the core strength of the GCR economy. We want to support all businesses to succeed, increasing their competitiveness through increased productivity and fostering innovation.

Increase the number of sustainable and high growth start-ups surviving beyond five years. Almost 7,000 new businesses start in GCR each year. But many of these do not survive beyond five years. Whilst GCR sees a number of university spin outs, the number could be increased, with more start-ups in the private sector.

Grow GCR supply chain activity whose growth underpins the success of GCR sectors. GCR benefits from a diverse post-industrial business base which is not dominated by any one sector. What is clear is that GCR businesses have a key role in supply chains that could be nurtured to grow, but this role is not fully understood or articulated.

4.3 Our Place

Transport and connectivity are fundamental to the longer-term success of Glasgow City Region economy. Significant investment has been made by the Scottish Government on major transport projects and the implementation of the City Deal by the local authorities will significantly advance this. The City Deal Infrastructure Fund will provide for and significantly improve transport infrastructure throughout the City Region with investment of over £500 million on a range of road and rail projects.

GCR is the gateway to Scotland. Glasgow International Airport is a key strategic economic asset for the region and for Scotland serving 110 destinations worldwide and with ambitious plans that by 2030 handling nearly 13 million passengers per annum. The region has an extensive road and rail network with further improvements planned through the City Deal Infrastructure Fund.

However there remains a disconnect between transport planning and investment and economic growth strategy in GCR, and integration of transport planning with economic development. Research by the Scottish Cities Alliance shows that transport infrastructure is the number one criterion considered by foreign investors in making an investment decision on whether to locate in a particular region and an increasingly important element of this is the active travel offer (cycling and walking). A quality integrated transport network is vital for growing a successful economy.

GCR is underperforming on the number of housing completions, with only 24 new houses completed per 10,000 residents each year, compared to a Scotland average of 35 new homes. This is at a time when house building is still slow post-recession, and entering the new post-Brexit period of uncertainty. A lot of GCR housing is low density, and low land values and sale prices mean that house builders are not seeing the returns on investment that mean they will build. Locations which could be attractive to the market are often contaminated, with high remediation costs that also disincentivise the market. The investment and infrastructure must work together to increase available housing and employment land in places that supports the delivery of the city region's economic, housing and land use strategies.

We estimate that there are over 1,800 derelict and vacant sites in GCR (a total area of over c.3, 000 ha) which might be better used to drive economic growth. With GCR's high number of entrepreneurs and students, this land could benefit from a meanwhile uses initiative. Meanwhile is the temporary use of vacant buildings or land until such a time that they can be brought back into commercial use again. A concerted effort in this area could improve the social and physical fabric of an area and provide cheap property for young businesses and start-ups.

GCR has impressive visitor numbers and is the second most visited destination for shopping in the UK after London. Tourists visit locations across the city region, and we are currently championing Paisley's bid to be UK City of Culture in 2021. If successful GCR will be home to the first ever town to hold this title. We are building on a strong track record here, with Glasgow City a former European Capital of Culture. Tourism is one of our key assets, attracting over 3.2 million visitors to the region in 2014.

GCR's image has altered dramatically, with the Commonwealth Games and significant capital investment ensuring a successful transition from industrial centre to cultural hotspot. The city is a significant attractor of business tourism with Glasgow City in particular continuing to build its reputation as a city destination attracting tourists and business conferences from across Europe.

We are fortunate to be home to six successful universities – The University of Glasgow; the University of Strathclyde; Glasgow Caledonian University; Glasgow School of Art; The Royal Conservatoire of Scotland and the University of the West of Scotland with internationally recognised and world-leading research activity and centres of excellence in areas such as engineering; health; business; science; music, drama and the arts.

What does this mean we need to focus on?

Building on the City Deal bring forward in parallel strategic programmes, projects, and associated investment that maximise the value of the Deal. In 2014 GCR secured a city deal which covers infrastructure investment, life sciences, business support and employment and skills. City Deal is at the heart of this strategy, and the city region must look at how to maximise benefit from it.

Maximise the potential of the key GCR economic assets. GCR has superb assets with which to drive growth and develop a more innovative, creative economy. Our people are the regions greatest asset. Other examples include the Queen Elizabeth University Hospital Campus, which has now seen investment in Stratified Medicines and the International Financial Services district. Glasgow Airport is also a key asset which can be better supported to drive growth. This includes increasing business and leisure passenger numbers, but also by creating a connected, creative and versatile business environment in its environs.

Actively promote GCR globally, with a focus on international investment opportunities. GCR has taken an important step to demonstrate its potential by working together as a city region. This should be used to drive international investment by articulating a specific city region investment proposition and promoting the unique strengths and assets of the single economic area at events such as MIPIM.

Increase in the number of housing and commercial completions and decrease the amount of derelict and vacant land. If GCR is to grow and attract talent and businesses, there needs to be a marked increase in the number of housing completions and modern premises. Whilst there is no shortage of land, there are significant challenges in bridging the delivery gap, including the decline in delivery in urban brown field sites.

5 Action Plan

Achieving the objectives outlined above will require a co-ordinated effort. Here we set out our action plan for the next three years (2017-2020) to strengthen and grow our economy in line with our overall vision. Our priorities are a combination of those that address the need for greater collaboration and joint working; actions to support and provide stimulus to our economy; and those that relate to particular sectors.

What is needed to deliver this growth is an integrated policy toolkit, targeting opportunities and benefits so that there is a measurable improvement across GCR. Each of the elements in support of achieving the vision should be of a scale and intensity to achieve a marked change that permeates to all areas and to all residents – especially those most marginalised and disengaged. Each element must come together in an integrated way to deliver sustainable and inclusive economic growth.

In the next three years we will:

- implement at pace and scale the recommendations from our Skills Investment Plan to “*create the most effective skills system, compared to other comparable city regions across the UK and Europe, through evidenced based investment and innovation*”⁶. We will adopt a City Region approach to skills. The starting point for this will be to build the evidence base to better understand the regions skills needs; the extent to which existing provision effectively addresses these needs and can address future skills needs and where best investment in skills can provide the greatest return for the region.
- establish an Enterprise and Jobs Hub for the Glasgow City Region. We will immediately progress the actions identified through the Enterprise Portfolio led by Renfrewshire Council. A first step will be to align the enterprise services of the local authorities to support business at a City Region level as well as creating a GCR information and intelligence hub.
- develop the export capabilities of our business base. This is critical if we are to remain competitive. We will as part of the Enterprise and Jobs Hub establish a centre of excellence for exporting and promoting greater investment and innovation among SMEs across the region. We will with our economic delivery partners in government, knowledge institutions and business develop a dedicated innovation policy and action plan to grow the exporting potential of the region.
- work with our partners in Government, agencies and Strathclyde Passenger Transport to ensure strategic transport planning is embedded as a driver and enabler of economic growth as part of a more integrated approach to economic development and inclusive growth.
- expand on the city region joint working around unemployment to deliver a sustainable Guarantee to all young people to ensure all our young people are in education or employment.

⁶ Glasgow City Region Skills Investment Plan (DRAFT), June 2016

- given the uncertainty surrounding the outcome of future negotiations by the UK Government following EU referendum result to leave the EU, bring forward proposals for accelerating the projects within the City Deal infrastructure fund that support and create employment and provide a stimulus for the region's economy.
- undertake an assessment of housing delivery models and financing, including areas such as partnerships with the private sector, use of compulsory purchase, and meanwhile uses in town centres and bring forward new mechanisms to support and enhance delivery, as well as new development opportunities.
- develop a clear regional brand identity. We will evolve the City Region brand to reflect the value of our people, to attract new talent, visitors and investment. We will develop and implement a specific city region investment proposition and we will strengthen our links with Scottish cities and build stronger relationships with other part of the UK and world-wide.
- continue to strengthen and build diversity in our business base. The region has particular strengths in areas such as business and professional services; creative industries tourism; medical and life sciences; advanced manufacturing and production. We will bring a particular focus to:
 - Business and professional services: harnessing the concentrations of businesses in GCR, and better linking to London and European HQs and their supply chains.
 - Creative and digital: further developing the area's vibrant and flourishing sector, use the BBC as an anchor institution in this
 - Sustainable Tourism: securing more of the UK's visitor economy, with Glasgow Airport acting as an international entry point (seek to maximize benefits from Scottish Government's recent publication of a document setting out its detailed plans for implementation of a 50% cut to APD at Scottish Airports with effect from 2018). Build the conference base
 - Medical and life sciences: building on the assets in GCR, enabling the further growth of the medical and life sciences sector and supporting other businesses to diversify and become part of the sector's supply chain. A focus on start-ups and spin outs
 - Social business: a review of the Social Enterprise sector to understanding how to maximise their input, and to look at if current public sector procurement is inclusive. This would also look at how best to maximise take up of Social Impact Bonds in GCR.
- develop a GCR Fair Work Strategy. We will deliver a GCR living wage, and build on the learning from the City Deal in work progression prototype in all sectors to help those on low pay.
- integrate health and work services to ensure that all our unemployed residents have access to the right service at the right time to support them back into the workplace.
- develop a comprehensive support service to deliver higher levels of entrepreneurship & internationalisation. This will build on the large number of

start-ups to ensure good quality and high survival rate, and help more firms to look outwards as exporters and encourage more inward investment.

- as a matter of urgency develop and put in place embedded capacity and a system of economic delivery partners, aligning efforts for joint planning, developing, decision making and implementing policies and programmes that relate to the growing our economy through inclusive growth.

6 Delivering the Strategy

If we are to implement the economic strategy and deliver the desired outcomes, we need to work more closely and collaborate more than previously. It will require a multi-disciplinary approach involving many organisations and individuals with a wide range of experience, expertise and capacities in a “network of public, business and non-government sector parties which work collaboratively to create better conditions for economic growth, social cohesion and employment generation” (OCED 2010). No one single organisation can perform this role.

Strategic capacity and governance at the City Region level is one of the most significant challenges that any City Region faces. To overcome this challenge requires a new kind of leadership and a firm commitment to collaborative working from local authorities, central government, business and other economic development delivery partners. There is no one model for joint working that can or should be followed. We have a track record of working together on a range of strategies and initiatives and we have formalised this collaborative working with the implementation of the City Deal Assurance Framework and the establishment of a Cabinet supported by local authority Chief Executives, by business through the economic leadership board and an academia led economic commission.

We will continue to build a single and guiding coalition for the Glasgow City Region. We will advance the vision and focus on the City Region as a place, with the same seriousness of intent that would be found in any of the constituent councils, rather than as an informal partnership.

However, there is greater potential for more formal alignment at the local level in terms of integrating our plans and programmes to support economic growth. Equally, local authorities have limited input into national policy and strategy that directly affects and / or impacts our region such as regional transport and employment and skills investment decisions, which are critical for economic success.

Building on the spirit and culture of the City Deal Governance Arrangements we will determine the best economic development system for the Glasgow City Region. Working with the Organisation for Economic Cooperation and Development (OECD) we will work to ensure a seamless and coordinated system is in place to plan and deliver the action areas outlined in this plan. Collaboration, interdependency and connectedness are key principles of developing the system. The success of the model will depend on each of the delivery partners working toward the shared vision including local and central government, business and other stakeholders all playing key and vital roles in supporting and delivering success.

Having the system in place for the City Region will ensure all partners across the system have a clear understanding of the vision to build a stronger, more inclusive, more competitive outward looking economy with each partner across the system aligned in terms of their own policy and strategy. It will allow for delegation of activities across a number of organisations based on their capacity and expertise and inject new insight and perspective going forward.

We will draw on the advice from the Economic Commission whose function will be extended beyond its current City Deal role. The Economic Leadership Board alongside the Chambers of Commerce will reflect the views and advice from business.

Measuring Progress and Impact

Monitoring the implementation of the strategy and the extent to which activity contributes to our overall vision will be critical. An effective monitoring and evaluation framework will be developed to enable us to undertake ongoing review of progress, aligned to the delivery of the City Deal.

7 Conclusion

This plan outlines some of the key challenges and opportunities for GCR in the next twenty years. We are ambitious for the city region; we believe that GCR has the potential to be a leading global city region in the era when cities drive a nation's economic growth.

Our plan looks to grow our business base, whilst ensuring that our residents are supported and have the opportunity to contribute to and benefit from our economic successes. We will also invest in the right infrastructure to underpin this inclusive growth.

We have outlined our action plan for the next three years, and the delivery structures and governance we will put in place to deliver it. This is our aspiration, but we cannot do this alone and as a next step we invite our partners and stakeholders to talk with us about how you can help us with our goals.

The objectives we have set out in this strategy are all interconnected, and in order for us to succeed we need to focus on all eleven concurrently.

This is the ambition of GCR. We hope you share it with us.

Appendix 1: Glasgow city region Economic and Social Profile

The table below sets out a range of economic and social indicators for the GCR and compared to other regions and Scotland.

Theme	Indicator	Glasgow City Region	Sheffield City Region	West Midlands Combined Authority	Scotland	Gap between GCR and Scotland
Labour Market	Unemployment Rate (% of working age population), 2015	6.7%	6.3%	8.1%	5.9%	0.8%
	Youth Unemployment Rate (16-24), 2015	15.7%	-	19.8%	14.4%	1.3%
	Economic Activity Rate (% of working age population), 2015	76.0%	75.9%	70.1%	77.7%	1.7%
	Employment Rate (% of working age population), 2015	70.9%	71.0%	64.4%	73.1%	2.2%
	Out-of-work benefits claimants (% of working age population), 2015	14.3%	14.7%	15.6%	11.3%	3.0%
Work and pay	Full-time gross weekly wages of residents (£, median), 2015	£534			£527	-£7
	Full-time gross weekly wages of workers (£, median), 2015	£526			£529	£3
The economy	GVA (£million), 2014	£40,226	£32,513	£55,544	£123,543	
	GVA per capita 2014	£22,421	£17,747	£19,778	£23,102	£681
	GVA per job 2014	£48,135	£44,391	£45,810	£48,635	£500
	TTWA (2014)	92.7%				
	% Employed in growth sectors (2014)	23.9%			27.8%	3.9%
	Biggest sectors	Wholesale & retail trade, Administrative and support service activities, Health & social work				Wholesale & retail trade, Health & social work

Inequality	Life Expectancy (Male), 2012	74.89	78.34	77.96	76.61	1.72
	Life Expectancy (Female), 2012	79.74	82.12	82.29	80.83	1.09
	% of wards within 5% most deprived in Scotland (2012)	10.2%			100.0%	N/A

Education & skills	% with NVQ3+ aged 16-64	57.4%			60.2%	2.8%
	% with no qualifications (16-24)	12.7%			9.4%	3.3%

Measuring GCR's productivity

Below the national level we tend to measure productivity using Gross Value Added (GVA) as the key indicator of total economic output. This is based on the workplace where the GVA is created, not where the worker lives, and basically is calculated by adding up all profits made by firms in an area and all wages earned by people working in an area. It is important to note that some types of income (primarily benefit payments) are not included in this calculation as they are a redistribution of existing incomes.

GCR's GVA was £40 billion in 2014. This means that GCR is 33% of Scotland's economy.

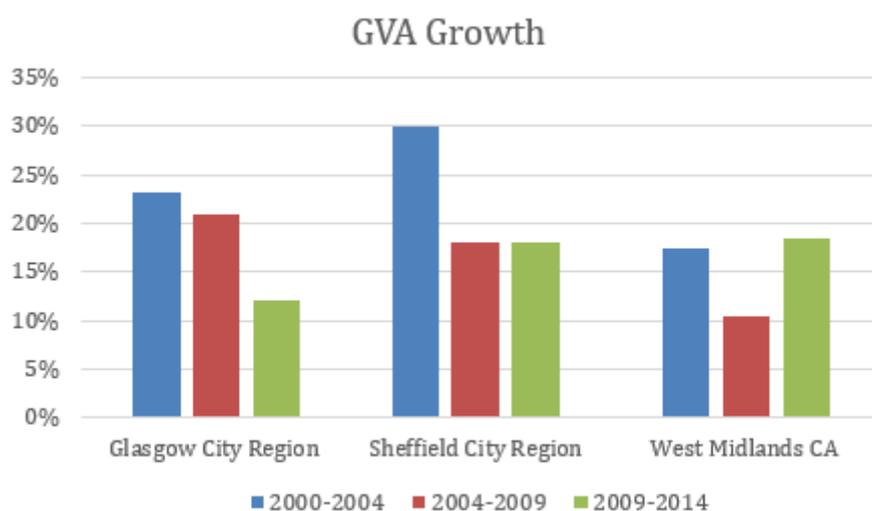
We have compared GCR's GVA with two other city regions: Sheffield and the West Midlands. The ONS measure used here includes an area slightly larger than GCR, with Helensburgh and Lomund included.

GVA (£million)	2010	2011	2012	2013	2014	Per Capita (2014)
Glasgow City Region	35,092	35,829	36,110	38,158	40,266	22,421
Sheffield City Region	28,783	29,629	30,298	31,272	32,513	17,747
West Midlands CA	48,965	50,211	52,103	54,145	55,544	19,778
Scotland	107,653	110,285	112,594	118,135	123,543	23,102
United Kingdom	1,397,744	1,443,281	1,485,776	1,546,914	1,618,346	24,958

GVA per capita

Sharing GVA across all residents gives an indication of the economic performance of a whole place as it includes though who may not be currently contributing to GVA. For example, children, students and retired people are examples of those less likely to contribute to GVA.

The latest figures for 2014 show that GVA per capita in GCR was £22,421 compared to a Scottish average of £23,102.

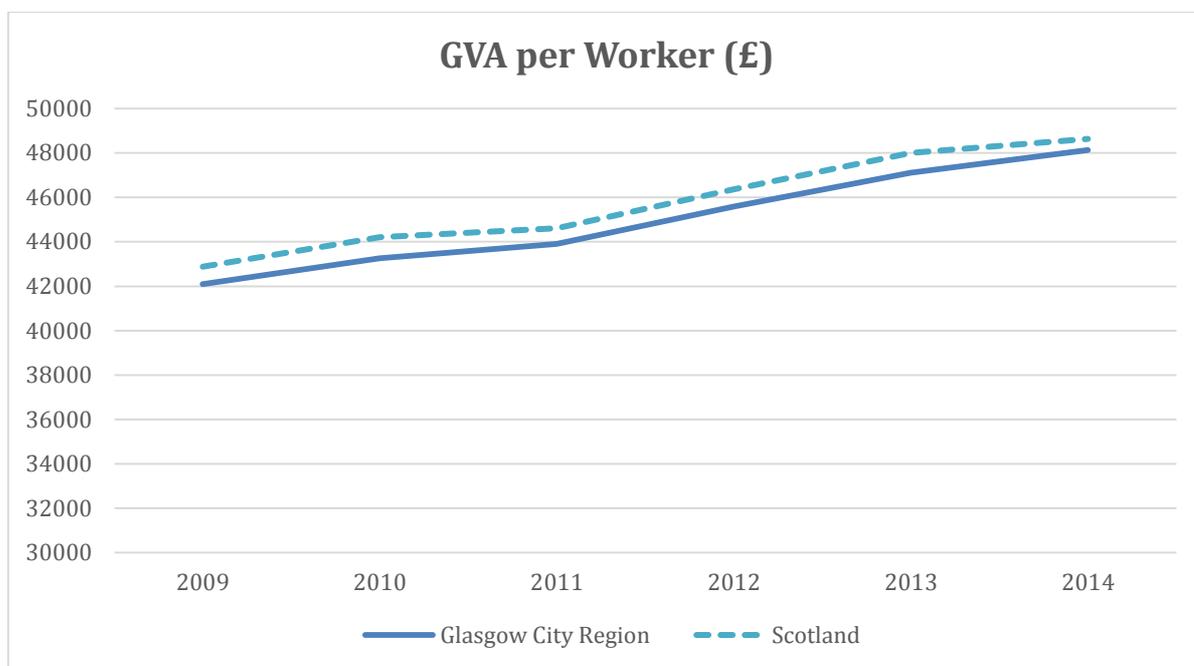


GVA per job

GVA per job uses the total number of workforce jobs to give a measure of labour productivity. In GCR this gives a more favourable picture and suggests that GCR businesses are reasonably productive. Positively the gap between the Scottish average and GCR is closing. GCR's figure is still less than Scotland, but higher than the two English city region comparators.

Figures for 2014 show that GVA per job in GCR was £48,135 compared to a Scotland average of £48,635.

Region name	2009	2010	2011	2012	2013	2014	Change 2009-2014
Glasgow City Region	42,089	43,257	43,907	45,581	47,108	48,135	14.36%
Sheffield City Region	37,750	39,969	41,309	42,520	43,743	44,391	17.59%
West Midlands CA	40,538	42,205	43,219	44,559	45,558	45,810	13.01%
Scotland	42,880	44,205	44,603	46,365	48,002	48,635	13.42%



GVA by industry

Looking at sectors, over 50% of GCR's GVA comes from three sectors: Manufacturing & Production; Distribution; transport; accommodation and food; and Public administration; education; health. This has remained fairly steady since 2009.

Glasgow City Region	2009	2014
Agriculture, forestry and fishing	0.2%	0.2%
Manufacturing and Production	14.8%	15.6%
Construction	6.8%	7.2%
Distribution; transport; accommodation and food	18.4%	18.1%
Information and communication	4.7%	4.5%
Financial and insurance activities	7.8%	7.7%
Real estate activities	7.0%	8.7%
Business service activities	11.5%	10.6%
Public administration; education; health	24.8%	23.4%
Other services and household activities	4.1%	4.1%

In 2014 Oxford Economics produced an economic forecast for GCR from 2013-2038. The outlook reveals that GCR will remain a key contributor of economic growth. The baseline forecasts suggest that the city region is expected to create over 30% of new Scottish jobs over the decade ahead. However, the baseline forecasts suggest that, despite a growing population, GCR will not regain pre-crisis peak levels of employment until after the end of the forecast horizon to 2038.

2013-2023 Forecast

Over the course of the next decade (2013-23) the base employment forecast projects an increase of 32,000 jobs, recovering around only 40% of the post-crisis employment loss. In GVA terms the city region is forecast to grow by 2.6% in the 2013-23 period, the same pace as the Scottish economy as a whole. The projection for the fifteen years from 2023 sees annual GVA growth averaging 2.5%, again in line with the Scottish average.

Sectoral growth

By 2023 Oxford Economics estimate that 25% of jobs in GCR are expected to be in business oriented service activities. This compares with 20% on the eve of the financial crisis in 2007 and 22% in 2013. The numbers of jobs within the tourism sector are projected to increase and growth within this sector is expected to outstrip the overall average. Growth in within the creative industries (1.1% per annum) is also expected to outperform the overall average (0.4% per annum). The construction sector is likely to see increasing employment through the period to 2038. However, this would leave total employment a little below its peak level in 2008.

The long-term decline in employment in manufacturing is projected to continue, with employment dropping at an annual average rate of 1.5% over the twenty-five years to 2038, a loss of over 20,000 jobs. The public sector is forecast to lose 15,000 jobs in the decade to 2023. In the fifteen years from 2023 employment in Health is projected to rise by over 8,000, while that in Education and Public Administration is broadly flat. This means that the share of Glasgow City Region employment in the public sector is projected to fall from 6% in 2013 to 5% in 2023 and 4% in 2038.

Life Sciences currently accounts for just over 4,000 jobs within the area (1% of total employment). The outlook suggests that employment within the sector is forecast to change little from current levels, rising marginally to 2023 but then falling marginally over the next fifteen years.

Appendix 2: Our Journey of Collaboration

As a city region we have shown that we are ambitious. In recent years we have agreed arguably the largest City Deal in the UK; delivered large scale regeneration projects such as Clydebank and Clyde Gateway; completed the largest teaching hospital in the UK; and delivered the Commonwealth Games in 2014. This track record, legacy and assets are rightly seen as city region successes and opportunities.

2014 was a landmark year with the success of the Commonwealth Games followed by the signing of the £1.13bn city deal. This shows the potential gains that accrue from collaboration.

1996	Abolition of Strathclyde Regional Council
2003	Clyde Valley Community Planning Partnership / Glasgow and Clyde Valley Structure Plan Joint Committee established
2003	'Metropolitan Glasgow: Our Vision for The Glasgow City Region' 10-year vision for the development of the Metropolitan Glasgow region launched
2006	Strathclyde Partnership for Transport formed
2008	Refreshed Metropolitan Glasgow vision for the Glasgow City Region
2008	ClydePlan established
2008	'A Catalyst for Change' the Regional Transport Strategy launched
2011	Refreshed Economic Strategy for the Glasgow City Region 2011 - 2016
2012	Glasgow and the Clyde Valley Strategic Development Plan approved
2014	Glasgow and Clyde Valley City Deal
2014	Commonwealth Games
2015	The Glasgow and Clyde Valley Cabinet established
2016	Glasgow and the Clyde Valley Strategic Development Plan refreshed

Building on the City Deal agreed in 2014 and through the development and delivery of the Regional Economic Strategy, the GCR civic leaders are looking to a *“future where there is much closer collaboration between the respective local authorities, partner organisations, business, academia and other local stakeholders”*.

The region has a history of working together. This Regional Economic Strategy represents a more formal approach to economic collaboration and a commitment among the eight local authorities to speak with one voice and to take action that sustains and grows the region's economy, changing lives and building a better future for people and communities.

A number of GCR groups currently exist to support delivery of City Deal. This provides a great opportunity to ensure that all parts of the GCR ecosystem are working to deliver the strategy.

Below is a summary of the current Governance arrangements:

Governance structure	Purpose	Key documents
Cabinet – 8 LA Leaders, Chaired by Glasgow CC	To be responsible for the effective delivery and exploitation of the opportunities created by City Deal and to establish the economic priorities for the region.	City Deal Assurance Framework Portfolio engagement plans Joint Committee Agreement
Chief Executive Group	To support the Cabinet in delivery of its duties.	
PMO	To co-ordinate and ensure delivery of the City Deal outcomes and to undertake the project planning and monitoring for the Infrastructure projects and co-ordinate the appraisal and approval of Project Business Cases. To assess and monitor the realisation of economic benefits from the City Deal	Implementation Plan
ClydePlan	To prepare and maintain an up to date Strategic Development Plan (SDP) for the area, with clear vision and spatial strategy. Largely the plans focus on the key land use and development issues that cross the planning authority boundaries.	SDP (2012), proposed plan 2016
Strathclyde Partnership for Transport (SPT)	To plan and deliver transport solutions for all modes of transport across the region.	Regional Transport Strategy ‘A catalyst for change’
Glasgow City Region Economic Leadership Board Note: Chair agreed	To build on the Glasgow Economic Leadership Board, with new structure reflecting the themes of the City and provide a focus on business growth and sustainability, promoting entrepreneurship, and link with the sustainability and smart cities agendas.	
Regeneration and Economy Consultative Group	To bring together wider public sector partners	

Note: not yet active	around the delivery of the City Deal	
Economic Commission	To design the process for monitoring and evaluating the impact of the City Deal projects, facilitate the five yearly reviews of progress in achieving the economic growth set out in the vision for Glasgow and the Clyde Valley through undertaking economic analysis (methodology subject to final agreement with the Scottish and UK Governments), engagement with the National Panel, furthering the development of the evidence base and providing general economic advice to the Cabinet and CEOs.	
Officer Groups (chaired by Chief Executives) <ul style="list-style-type: none"> • Economic Development • Transport • Transport Appraisal Sub-Group • Communications • Legal and Procurement • Land Use • Skills and Employment • Finance 	Oversight of the relevant city deal element Maximise opportunities from the investment Support to Cabinet portfolio leads Compliance with City Deal governance structures	Skills Investment Plan Towards a City Region Enterprise and Jobs Hub

EIGHT PARTICIPATING LOCAL AUTHORITIES

