

Glasgow City Region

Devolution Deal : An Emerging Proposal



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Leader's Foreword

The Glasgow City Region is Scotland's Metro Region. For a decade, the Region's democratically elected local leaders have worked collaboratively to deliver one of the biggest infrastructure programmes in the UK and fundamentally transform our regional economy. Now is the time for both of our governments - at Westminster and Holyrood - to commit to rapid devolution of the powers and resources befitting our scale and record of delivery, and which will unlock the most compelling opportunity in these islands for inclusive economic growth, equity, innovation and transformation of place.

Earlier this year, the City Region Cabinet made this devolution proposition to both the UK and Scottish governments and asked them to work together with us to shape a devolution deal and integrated settlement that matches those provided to our metro region peers in England, through a model that recognises and responds to our position as a city in a devolved nation and respects the successes our collaborative governance model has already achieved.

We've had many conversations and made some progress since then. But we in the Glasgow City Region want to go faster. We know the scale of the opportunity on our doorstep, and we know that it is our local empowerment, resourcing and action that will unleash it. With the ability to shape and drive forward skills programmes; enterprise and business growth; inward investment; land assembly and development; sustainable transport investment; and climate adaptation and green infrastructure, we can up the pace of the physical and economic transformation already underway, in a way that works for our places and people.

As we approach the annual budgets of the Westminster and Holyrood governments, we're now publishing the Glasgow City Region's devolution proposition, to put it at the front of the minds of the Chancellor and the Cabinet Secretary for Finance. The Glasgow City Region leaders are not only making an ask of them, we are making an offer: be bold and grasp this moment - the Chancellor, to match the investment already delivered to our English peers; and the Finance Secretary, to regionalise the powers and resources of the national agencies - and we will deliver the rewards we know we can reap for our respective economic growth ambitions, driven by equity, inclusion, sustainability and community.

The time for the Glasgow City Region is now.



Susan Aitken

Chair of the Glasgow City Region Cabinet and
Leader of Glasgow City Council

Executive Summary

Over the past decade, Glasgow City Region's GVA has increased by over £20bn, accounting for well over 35% of all GVA growth across Scotland. The Region is ready to **drive Scotland's economy even further**—but to do so, it needs the **same devolution deal** as Greater Manchester and West Midlands: a **£400m per annum integrated settlement**. With this, we will **deliver locally evidenced, place-based solutions** that tackle systemic challenges, boost productivity, and drive nationwide growth.

Over the past decade, the Region has demonstrated that it has robust governance arrangements and highly functioning delivery mechanisms that work. This is highlighted by our **proven track record**. Our **£1.13bn City Deal**, Scotland's largest infrastructure programme, is already unlocking **10,000 new homes**, attracting **£2.76bn of private investment**, and creating **16,000 jobs**. Our **DSIT-funded 5G project** will improve public services while cutting costs for local authorities and the NHS.

With the **£160m Investment Zone**, we're building on strengths in **advanced manufacturing, space, maritime, and semiconductors**. Glasgow City Region already produces more **small satellites than anywhere in Europe** and boasts a highly integrated **defence supply chain**. With greater local control, we will take a more targeted approach to how we grow sectors, we will use our technology capabilities to **expand exports, close the productivity gap** with Europe, and boost Scotland's economy.

We're also tackling **deep-rooted social challenges**. For example, in Inverclyde, we have the local authority with the greatest breadth and depth of socio-economic challenges in Scotland. We have made this a regional priority and are finding innovative ways of supporting it. But with additional levers we will be able to create programmes based on well evidenced local needs and opportunity to foster growth and ensure that benefits are shared by all.

Despite a highly skilled workforce, we have the **highest economic inactivity due to ill-health** among the UK's Core Cities. Through partnerships with **Public Health Scotland** and academia, we are driving **Fair and Healthy Work programmes** and **Scotland's first Foundational Economy pilot** to get more people back into work. But the existing **multi-pot funding arrangements** are holding us back.

An **integrated settlement** will allow us to **scale what works** and quickly deliver **meaningful benefits**. With Glasgow City Region making up **one-third of Scotland's economy**, our growth will drive prosperity across the UK. By building on and enhancing existing regional activity that complements local authority delivery, there are no structural or organisational barriers. **Glasgow City Region is geared up to implement a new devolution arrangement and provide a model for the rest of Scotland.**



1. Introduction

Over the past decade, the public, private, education and third sectors have worked tirelessly to find and deliver the right policies and programmes to enhance the prosperity of Glasgow City Region. But whether through budgets, or funding and delivery arrangements, the Region is being constrained by the existing model of funding and devolved powers.

Through the Innovation Accelerator and National Wealth Fund, the UK Government has recognised we present the same scale of growth opportunity as our peers in Greater Manchester and West Midlands Combined Authorities. However, their trailblazer deals afford them the chance to realise that potential – an opportunity currently denied to Glasgow City Region. Given the size of our population (one third of Scotland), strength of our business base and the talent shaping the economy of the future, a devolution deal for Glasgow City Region is the only fair and equitable settlement.

The Region is delivering Scotland's biggest infrastructure programme and in doing so has successfully seen it through the Covid pandemic and inflation crisis. These projects have helped leverage major private investment including Scotland's largest ever inward investment with the new £300m Barclays campus.

Our universities have created Scotland's first Innovation Districts. Attracting hundreds of millions of private finances, they have helped to create clusters of strength in a wide range of sectors. Our specialisms in space, maritime and telecommunications mean we have an integrated defence supply chain. Combined with our specialism in semi-conductors, quantum technologies and Medtech we have fast become a focal point for security and economic resilience.

The transformation in our business base means that our GVA per hour worked has grown by over 35% across the last decade. A growth rate higher than that seen in West Midlands, Liverpool City Region, West Yorkshire and West of England.

We very much welcome the recent designation of the Region as a strategic partner with the National Wealth Fund. Glasgow City Region will look to combine this opportunity with those offered by the likes of the Scottish National Investment Bank and institutional investors, to ensure that any devolution deal maximises the opportunity for private sector investment.

The Region has a clear track record of delivery as showcased in Appendix B. Yet, we are not a combined authority. Instead, we have found the ways that work best for us through co-operation and collaboration. With an integrated settlement that matches our English counterparts, the Region will continue to showcase new models for delivering inclusive economic growth. And we will provide both governments with an approach that can readily be adopted across Scotland.

It is recognised that significant work and consultation is required before any deal can be formalised. But this note outlines a clear ambition and proposal for that deal. One that reflects local evidence of need and opportunity. One that is ambitious and realistic. One that builds on our delivery strengths noted in Appendix A and aligns with priorities of both Governments.



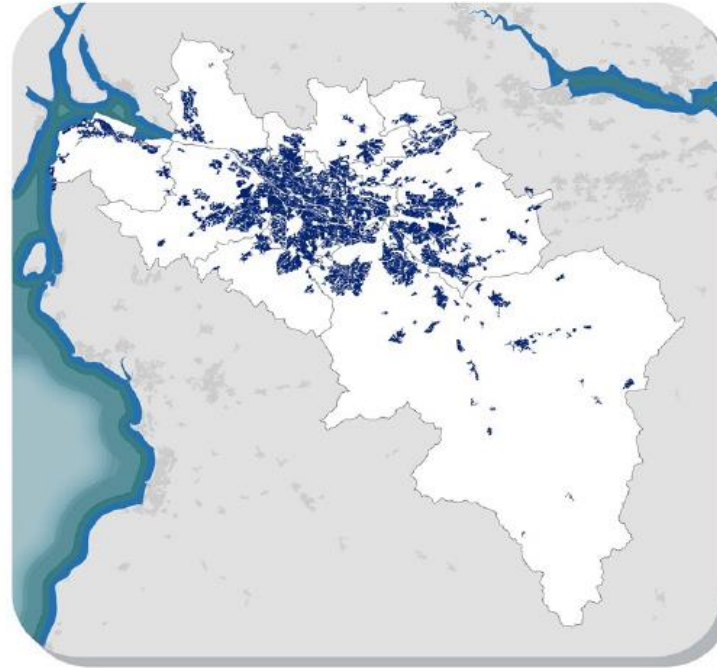
2. Glasgow City Region

Glasgow City Region is Scotland's metropolitan region. It constitutes eight local authorities formally brought together in 2014 through the City Deal investment fund. It is truly a functioning economic geography and one that partners have been working to maximise the opportunities our scale brings and the unique challenges we face.

Glasgow City Region Scotland's Metropolitan Region



Main Built Up Areas within the City Region



- With over 1,845,000 residents, it houses one third of Scotland's population.
- There are over 950,000 jobs in the Region, over one third of the country's employment.
- A broad range of industries in the Region produce over £53bn in GVA, also a third of Scotland's.

3. Lessons from the Past Decade of Regional Delivery

Over the past decade, as the Region has developed, it has learned five clear lessons on the challenges of going from strategy to delivery of regional activity. Any devolution deal needs to incorporate these:

1. Conditional Pots

Time limited funds that primarily reflect national priorities don't always maximise local impacts.

The Levelling Up Fund is a clear example. Local authorities competing for relatively shallow pots, which are costly to bid for, don't always direct investment to where it is most needed.

Locally led investment decisions would deliver better outcomes and greater value for money.

2. Lack of Flexibility in Funding

The City Deal fund has been great for communities across the Region. However, we were required to allocate funding for projects too early in the process.

Over the decade, from the project to the national level, circumstances have naturally changed. Yet making changes to projects and funding has been incredibly complex and time consuming for all parties.

We know the flexibility afforded to Greater Manchester and West Midlands means they can be a lot more responsive in reacting to evolving opportunities and needs.

3. Regional Partnership Working Needs To Be True Collaboration

All partners collaborated in the development of Regional Economic Strategy (RES). Yet, at the Regional Partnership it is only the local authorities and regional team who report delivery against the strategy and regional activity.

Equally, the Region was not invited on to the Scottish Government's NSET Delivery Group nor to the Council of Nations and Regions, despite multiple requests to participate.

4. Money Drives Behaviour

Without significant allocation of funds for regional activity, this is unlikely to change.

The City Deal funding has transformed how the Region's local authorities operate because it encouraged collaboration and fostered partnership working.

Now is the time for Scottish Enterprise, Scottish Development International and Skills Development Scotland to have regional funding to deliver against clearly agreed regional objectives.

Similarly, like our counterparts in Greater Manchester and West Midlands Combined Authorities, we need the UK government to offer a dedicated budget to the Region to deliver against mutually agreed outcomes.

5. We Need Powers to Borrow and Invest

We understand the fiscal constraints under which both governments operate. We recognise there will be times it makes sense to borrow for regional activity.

Under the existing arrangements, this would require one council borrowing on behalf of the others which would be challenging. A lot of our plans for regional working (whether that be a metro or the reimagining of our town centres) can be delivered in partnership with the private sector.

Having powers for land assembly and Tax Incremental Financing for schemes such as mass transit is essential to give us with the time, resources and capacity to deliver at scale – without always having to look to government for support.



GLASGOW
CITY REGION

4. GCR Devolution Deal Proposition - Ready to Deliver

Glasgow City Region has made significant progress in bringing economic growth, regenerating places, and delivering public sector innovation. A Devolution Deal presents an opportunity to build on this foundation, ensuring the Region remains at the forefront of transforming our industries and communities.

Thus far, regional working has been an evolution as relationships have been built and matured. Now is the time for a step change to ensure the Region can fulfil its economic potential and meet the needs of all its residents.

Greater Manchester and West Midlands are by every metric our comparators. Many of the aspects of the trailblazer deals are right for Glasgow City Region. A consolidated long-term budget with the key powers, and specific policy and delivery areas is required for the Region¹.

For example, we note the common theme of transport across the English Regions. With a desire to improve connectivity in the Region – through initiatives such as the proposed Clyde Metro – this policy and delivery area, along with the associated key powers, would be a natural next step for the Region.

We want to make sure that any deal builds on the Region's successes and reflects the needs and opportunities as agreed by our regional partners.

So, the Region is looking for **an Integrated Settlement from both Governments and a Single Outcome Agreement focused on innovation², business support, skills, infrastructure and transport.**

With established structures, processes, and institutional capabilities already in place, this deal could begin immediately.

Governance Model

Given the success of the governance arrangements to date (noted in Appendix A), an integrated settlement could easily be delivered under the existing arrangements, and we would welcome further discussions on a model which provides us with additional powers to borrow and invest.

¹ <https://www.centreforcities.org/publication/miles-better-improving-public-transport-in-the-glasgow-city-region/>

² https://www.gla.ac.uk/research/az/publicpolicy/news/headline_1107833_en.html

An integrated settlement of £400m annually channelled via the Scotland Office and Scottish Government would deliver financial parity with Greater Manchester and West Midlands combined authorities. The deal should focus on the continuation of activity that naturally sits at the regional scale, where the Region has proven delivery capabilities (see Appendix A. v.) and complements existing local authority delivery. The types of programmes which would be delivered under this settlement, building on the Region's delivery to date, are below. As outlined, the vast majority of activity could start immediately, with further activity focused on transport and additional powers to follow.

Theme	Programme / Fund	Phase 1 2025 Onwards	Phase 2 2030 Onwards
Growing a Resilient Modern Economy	Innovation Programme – devolution of Innovate UK Funding in UK	✓	
	Skills Programme – powers / funds to direct regional apprenticeships and college planning programmes and delivery of recommendations of the Withers Report	✓	
	Infrastructure Fund – successor to the successful City Deal programme	✓	
Transforming Places and Inclusive Growth	Shared Prosperity Fund – any successor is delegated directly to the Region	✓	
	Foundational Economy Pilots – fund to support business innovation	✓	
	Economic Inactivity Data & Health – programme to support employees' participation in fair and healthy work opportunities in SMEs	✓	
	Whole Family Wellbeing Funding – devolution of this crucial funding to maximise the impacts across the Region	✓	
	Child Poverty Funding – programme to build on successes of local initiatives such as Pathfinder projects	✓	
Public Service Reform	Health & Social Care and Housing Transformation Funds – transformation programme to support tech adoption and delivery	✓	
	GCR Transport – support for new delivery arrangements to provide integrated metropolitan mass transport system across the Region including Clyde metro programme delivery		✓
	Scottish Government – a seat at the table when spending decisions are made, and an allocation of funding for regional activity by Scottish Funding Council, Scottish Enterprise / SDI, Skills Development Scotland and Transport Scotland	✓	
	Powers – delivery, transport land assembly and finance		✓

5. The Benefits to Both Governments of a Glasgow City Region Devolution Deal

As the Region strives to deliver against its vision and missions (see Appendix A. iii), such a deal would be catalytic. As well as the local benefits, we are equally confident a devolution deal for Glasgow City Region – in line with the aspiration noted above – would deliver a series of significant benefits to both governments.

As well as the fiscal benefits that a growing economy with active local participants would bring, the deal would lead to the development of new models of delivery (noted in Appendix B) that can be captured throughout the rest of the country. These include:

- 1. A scalable cluster and supply chain development model:** The same ingenuity that made Glasgow City Region a global leader in the 19th and 20th centuries is now shaping the industries of the future. And as this model of technological diffusion takes hold, Glasgow City Region isn't just strengthening its own economy—it's creating a blueprint for economic transformation across the UK. It is developing a replicable and scalable model of cluster and supply chain development for local and regional growth which focuses on the transferring the design and manufacturing of a wide range of overlapping technologies into broad industry. It will drive regional growth by encouraging businesses to share resources, skills, and knowledge, thereby strengthening the competitiveness of key industries across the country.
- 2. A new model of inclusive innovation and economic growth:** Linked to the model above, we have developed an approach to inclusive innovation which is bringing all sectors, including the foundational economy, to the centre of economic development. In doing so, we are focused on the social and economic determinants of inequality to ensure that all residents have meaningful opportunities to benefit from local growth.
- 3. New ways of attracting private investment through leverage of pooled funds:** GCR offers a scale not available elsewhere in Scotland. We have half of the ten most populous localities in Scotland situated within the Region. And we know from recent engagements, that if we can find the right mechanisms and seed funding, our proposals for renewing land and commercial property at scale are attractive to institutional investors.

In delivering an integrated settlement to Glasgow City Region, we would create a model for regional devolution that could be rolled out across Scotland.

6. Why Now?

A devolution deal for Glasgow City Region is not just about equity with other UK regions. It is a natural progression. The Region has a proven track record of delivery of programmes for both Scottish and UK governments (see Appendix A. ii). Our work has evolved, and we are now rethinking how we grow an economy which works for all. In doing so, we are delivering a wide range of economic development initiatives, shaped by a clear vision and underpinned by evidence-based policies and programmes.

After a decade of delivery, and a variety of political cycles, there is a maturity in delivery. Whilst funding pots were initially distributed across the Region, investment is now being strategically targeted where it will have the greatest impact – whether that's tackling poverty in areas like Inverclyde or supporting economic growth around our Innovation Districts).

Through the robust governance and delivery structures set up for the City Deal infrastructure fund, and relatively small amounts of additional funding, the Region has been successful in adopting a quadruple helix approach to economic development – uniting the public sector with academia, industry and the community. With greater devolution, the creativity which has long been the hallmark of the Glasgow City Region economy will empower the Region's partners to more efficiently and effectively deliver on its vision and missions.

Appendix A

A Decade of Regional Delivery

A.i. Governance. A simple but Effective Model

Delivery in the Region has been based on a slimline yet highly effective model of collaboration and co-operation. One that has not required the establishment of new entities. All regional work is overseen by Glasgow City Region Cabinet and Glasgow City Region Partnership.

These groups benefit from guidance of the Glasgow City Region Commission for Economic Growth, which includes some of the UK's most eminent economists and economic development experts, such as Professor Sir Anton Muscatelli and Professor Graeme Roy. Additionally, Glasgow Economic Leadership, co-chaired by Professor Sir Jim McDonald, Chair of Scottish Enterprise, and Cllr Susan Aitken, Chair of Glasgow City Region Cabinet, brings together a host of influential industry leaders.

Work is delivered by the eight local authorities, supported by a small but effective core regional PMO team – the ninth delivery partner. Since the establishment of the governance arrangements, there have been a series of changes in the political make-up of the Cabinet and senior leadership in local authorities. Yet regional working continues to flourish, based on the principle of regional activity when it makes the most economic sense.



Regional Policy, Strategy and Delivery

Glasgow City Region Cabinet

8 Leaders of Local Authorities
Democratic Accountability and Decision Making for all Regional Working

Glasgow City Region Chief Executives Group

8 Chief Executives of Local Authorities
Make Recommendations to Cabinet

Local Authorities

Council teams delivering
regional activity such as City Deal

Glasgow City Region PMO

33 Staff Members
Research and Insight,
Strategy Development, Programme
Development and Programme
Oversight & Delivery

Advisory

Glasgow City Region Partnership

Input from Chief Executives, Private Sector, Scotland office, Scottish Government,
Scottish Enterprise, Skills Development Scotland, Public Health Scotland, SPT

Glasgow City Region Commission For Economic Growth

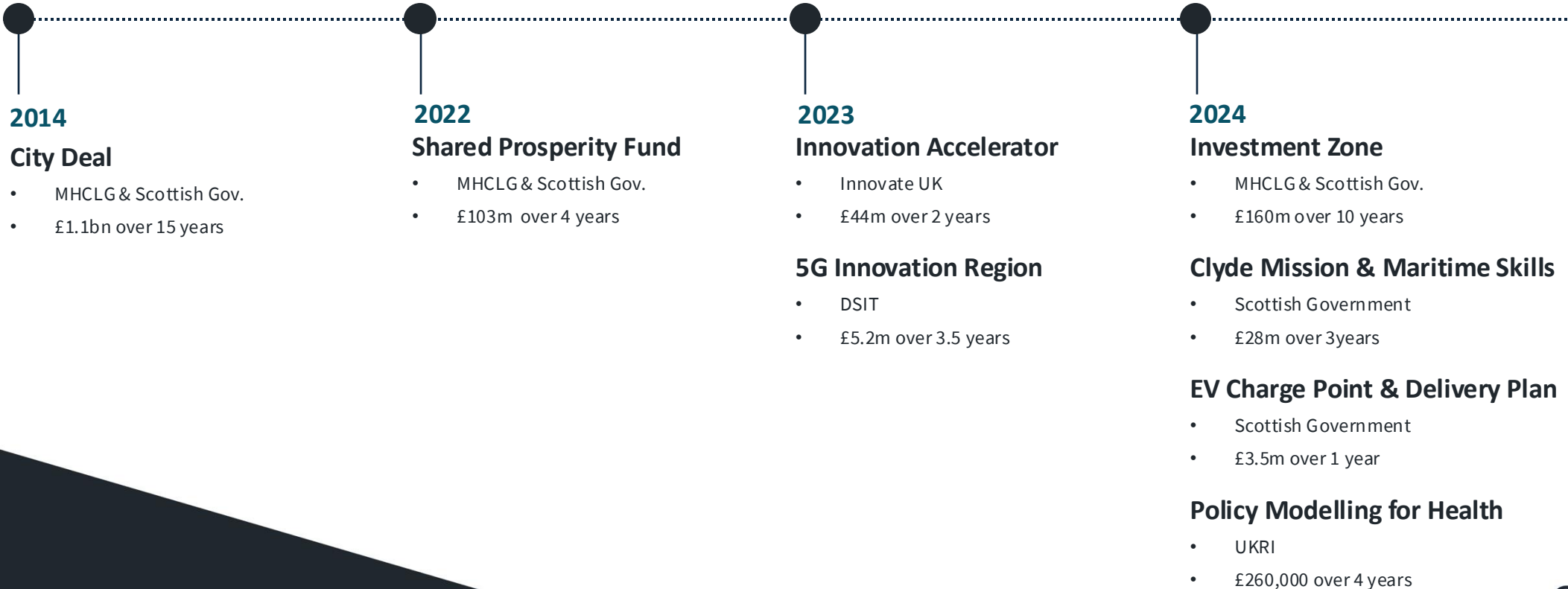
Advisory from senior economists
and academics from the Region's universities

Glasgow Economic Leadership

Private sector advisory groups

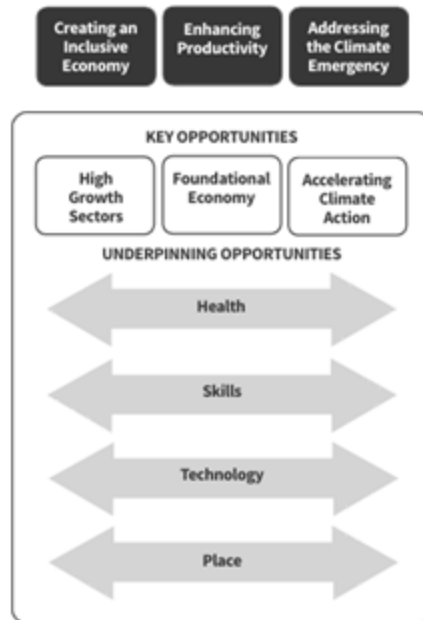
A.ii. Government Funded Regional Activity: A Trusted Delivery Partner

The strength of the Glasgow City Region model has seen it become a trusted delivery partner for a wide range of government departments. A partner that can be **entrusted to fulfil policy objectives in a way that no other Region in Scotland has been able to**. One that has been able to quickly and effectively deliver programmes like the Innovation Accelerator and 5G Innovation Region. As outlined in Appendix B, the Region has maximised the benefit of these multi pot funding arrangements. However, an integrated settlement would further accelerate the Region's growth in a way that benefits all.



A.iii. The Regional Economic Strategy: A Clear Vision and Missions

Regional activity has ramped up since 2022. This coincides with the publication of the latest GCR Regional Economic Strategy. Developed by the regional Intelligence Hub in collaboration with a wide range of partners, the strategy is based on a comprehensive evidence review of the Region's challenges and opportunities. Whilst some political and wider macroeconomic factors may have shifted over the past three years, the fundamentals of the Region's underlying challenges and underpinning opportunities remain the same. And therefore, its missions continue to shape all regional activity.



Vision and Missions

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



A.iv. Regional Ambition and Action:

The Region's missions are bold and ambitious. They are a statement of intent for how the Region will grow the economy and better the lives of all residents.

Achieving the missions would mean over the next 5 years:

- **72,000 new jobs in the Region**
- **22,800 fewer economically inactive residents in the Region due to ill-health**
- **77,700 fewer residents with no qualification**
- **21,000 new businesses**
- **Increase business R&D by £1/2bn**
- **An increase in GVA per hour worked of £2.50 per worker**

(*These are based on the current gap to top performing core city region so numbers will change over the next 5 years)

There are 14 programmes being delivered by the Region to support the missions which are in themselves ambitious. These are evidence-based programmes which are suited to delivery at regional scale:

Programme	Description	Funding / Status
City Deal	Scotland's largest infrastructure programme	Funded: £1.13bn
Clyde Mission	Scotland's largest regeneration opportunity	Initial Investment: ~£28m
Inverclyde	Supporting Scotland's most socio-economically deprived Council area	Initial Investment: ~£10m
Commercial Land and Property	Scotland's largest commercial land and property transformation programme	Business Case in Development
Clyde Metro	Developing a fully integrated mass transit public transport system for the Region	Business Case in Development
Housing Retrofit	Programme to support retrofit of the Region's Housing Stock	Seeking Funding
Sustainable City Region	A multi faceted place-based programme to support the transition to net zero	Initial Investment £0.5m; Considering options for scale
Electric Vehicle Charging	A unique concession agreement to support roll out of charging points across the Region	Initial Investment: £3.5m; Due to unlock £30m private funding
Inclusive Economy	A series of projects focused on social and economic determinants of inequality	Proposed Initial Investment: ~£1m pilot from Glasgow City Council
Economy and Health Programme	Various projects focused on relationship between health, inequality, & the economy	Business Cases in Development; Initial Investment ~£0.6m
Future Skills	Sector based skills support programme to meet needs of employers and residents	Initial Investment: ~£0.25m
Innovation Programme	Various initiatives which are creating a modern economy for the Region & Scotland	Initial Investment: ~£250m
Investment Programme	The development of a fund which attracts private sector investment to support growth	Business Case in Development
Green Business Support	Delivery of a package of green business support to businesses in the Region	Initial Investment £0.5m; Considering options for scale

A.v. GCR PMO: The Capability and Capacity to Deliver

As noted in section A. i., the GCR PMO works alongside local authorities as the ninth delivery partner. It is the largest regional team in Scotland, yet relatively small compared to its English counterparts. This size has enabled the team to operate with the agility and focus of a start-up to capitalise and deliver against various funding opportunities. The team has taken an evidence based long term approach to the development of programmes, processes and procedures. Whilst the team are following the principles of systems thinking to **create new models of public sector delivery** to ensure the programmes deliver the Region's ambitious vision and missions.

The Region's Ninth Delivery Partner - Integrated Strategy and Programme Office

Programme Delivery Team	- A team of delivery experts overseeing the delivery of City Deal, SPF and the Investment Zone - Over £1.3bn of projects under management
Programme Development Team	- A team of policy and business case experts - Responsible for creating business cases for services and large-scale transformation projects which, to date, could attract over £0.5bn of private sector funding
Strategic Planning	- The team includes Scotland's only dedicated strategic spatial planning teams - Are shaping housing provision and regeneration across the Region
The Intelligence Hub	- From economic baselines to sophisticated economic complexity analysis the team provides the economic research and insight to support regional working - Have created a Policy Lab with leading academics from local universities

Team Skills

- Programme and project management
- Business Case Development
- Economic Development
- Economics
- Skills Development
- Business Support
- Employability
- Social Policy
- Health
- Strategic Planning
- Regeneration
- Housing
- Net Zero
- Environmental Management
- Digital Technologies
- Programme Evaluation

Appendix B

A Decade of Regional Success

B.i. Transforming Places: Leveraging Public and Private Sector Investment

The Glasgow City Region City Deal is the largest in Scotland. With over £1.1bn of funding from Scottish and UK Governments, the Region is overseeing the delivery of 22 projects which are transforming communities and driving productivity growth across the Region. To date over 750ha of land has been made ready for development and 65km of new roads and public realm have been created.

This has unlocked a wide range of investment across the Region which is helping residents and business including:

- Over 10,000 homes being built
- Almost 200,000 sqm of commercial and industrial floor space being created

The projects are transforming places:

- **£330m of investment by Barclays** in a former industrial site in Glasgow is the largest inward investment project in Scotland and **strengthening the Region's base as digital tech and services hub (as noted on the next page).**
- The investment has supported the **Region's Innovation Districts** which has **helped unlock over £500m in investment to date** with projects such as the £300m Candelriggs redevelopment, £65m National Manufacturing Institute Scotland, £56m Medicines Manufacturing Innovation Centre, £32m Imaging Centre of Excellence and Clinical Innovation Zone.
- **The most deprived community** in Scotland is in Inverclyde. It is directly benefitting from a new £20m Cruise ship terminal on its doorstep which, a year after opening, is already expected to **exceed its initial target of 150,000 visitors.**
- East Kilbride is the sixth largest settlement in Scotland. Over £27m in City deal funding in the **town centre redevelopment will unlock over £350m in GVA at a Benefit Cost Ratio of 7.7.**

This agile model of regional working has shown itself capable of delivering.
By 2035, the £1.13bn programme is on track to generate significant returns including:



Private Sector Leverage
£2.76bn



Net Additional Operational Jobs
15,900



GVA Uplift
£7.7bn

B.ii. Growing a Resilient Modern Economy

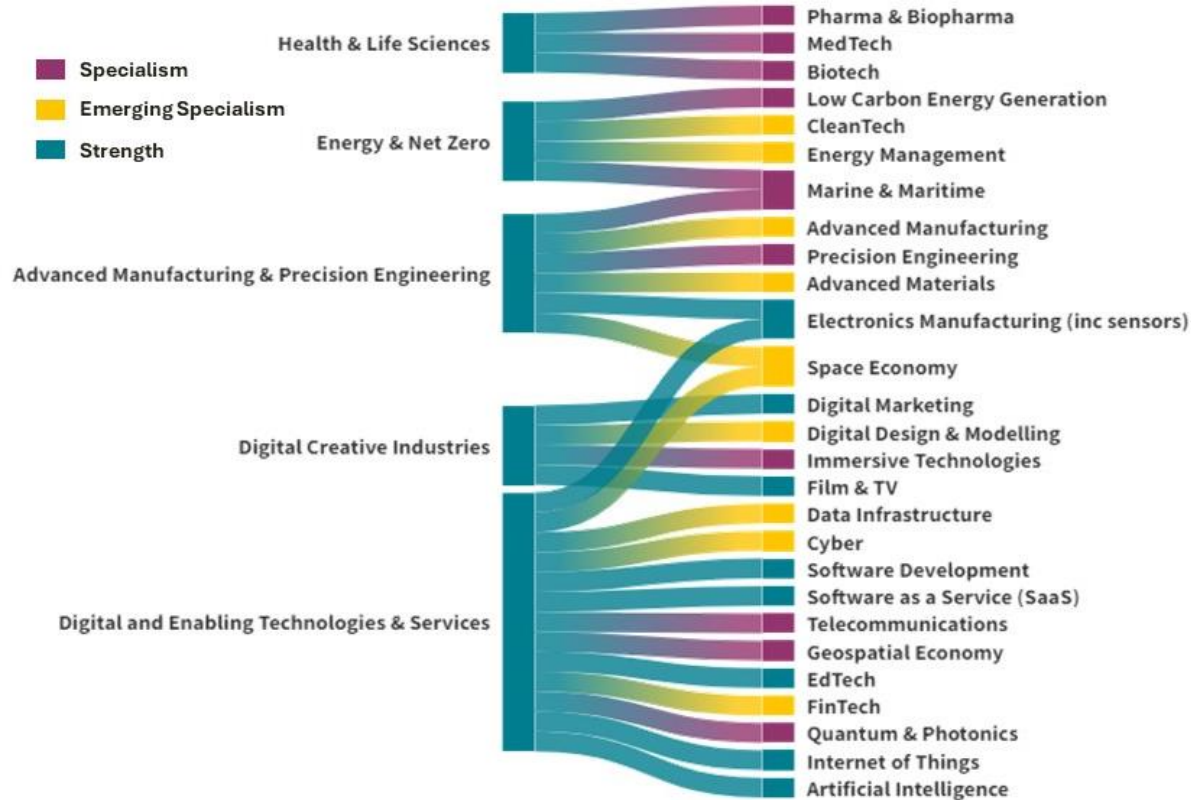
Glasgow City Region is leading the way in developing and applying cutting-edge technologies that drive the industries of the future. With a diverse economy that reflects the UK average, the Region has built strong capabilities in digital technology, advanced manufacturing, engineering, creative industries, life sciences, and clean energy.

However, what truly sets Glasgow City Region apart is its ability to leverage these strengths across multiple sectors, boosting productivity and fostering innovation-led growth. By embedding advanced digital tools, automation, and AI into all sectors, the Region is proving that innovation isn't just for tech firms — it's a catalyst for productivity and prosperity across every sector.

This strategy is already delivering results – making businesses more competitive, attracting investment that fuels further growth and developing one of Europe's fastest growing startup ecosystems.

These start-ups are nurtured by our six universities, with investors attracted to our rich talent pipeline. Glasgow City Region leads the UK's Core City Region for residents with higher level qualifications, who are playing a crucial role in growing our modern economy.

GCR Innovation Clusters



Using a Triple Helix Approach to Growing Our Clusters

25

Investment Zone

Creating a Resilient, Sovereign Economy

- The GCR Investment Zone is focused on **advanced manufacturing and precision engineering**.
- Investment is planned to concentrate in space, maritime and semi-conductor sectors all of which can **support the defence industry**.
- The Region has a robust defence supply chain ecosystem with strong linkages across sectors which make it ideal for investment and innovation.
- Significant investment will be in **open access facilities** which will **support wider supply chain growth, technology diffusion and resilience**.
- The £160m fund attracted **bids of almost £2bn**.

Innovation Accelerator

Proving Commercial Value

- The clusters work also informed the Region's innovation accelerator programme, turning world class research into commercial success, with projects demonstrating a return of 1.5:1

B. iii. New Ways of Delivering Inclusive Growth

Glasgow City Region recognises that while frontier sectors drive economic growth, the **Foundational Economy is equally—if not more—important for improving living standards**. To strengthen this vital part of the economy, the Region is launching **Scotland's first Foundational Economy pilot**. Informed by extensive research from the Intelligence Hub, the initiative will focus on delivering innovative business support services to enhance the quality and resilience of essential everyday sectors. By strengthening the Foundational Economy, the Region aims to create opportunities for those furthest from the labour market, ensuring that economic progress benefits all communities.

Funding for this initiative is not coming from any government source. Instead, Glasgow City Council has taken the lead on **the pilot based on the evidence of the regional team**.

This approach reflects the **growing maturity of regional collaboration**, which is also evident in a recent Cabinet agreement to make Inverclyde a regional priority. The **area faces some of the most severe and persistent economic challenges in Scotland**. While the government has acknowledged this by establishing a Taskforce, meaningful funding has yet to follow. Recognising the urgency of the situation, the Region has stepped up, providing an additional ~£10 million in funding to support the Inverclyde in February 2025. However, with a **more flexible, integrated settlement, the potential impact could be significantly greater**.

Smart and Connected Social Places

Real Cashable Savings

Over the past 18 months, the Region has successfully delivered a DSIT funded 5G Innovation Region project. Due to its success, it is only one of three of the original ten regions to get follow on funding for the next year.

The project is trialling the use of integrated smart digital connectivity in social housing and care homes. It has identified **a clear business case for an approach which will improve the quality of service to tenants, and social care users**.

And in doing so, will accrue cashable savings to public sector bodies such as the local authorities and NHS.

The invest to save model shows that for every for every £1 spent, £1.50 to £5 will be saved, depending on the challenge and solution.

With an integrated settlement, **unlocking these benefits through public service reform** would again be significantly easier.

Devolution Deal: An Emerging Proposal