

# GLASGOW ECONOMIC COMMISSION

## FINAL REPORT





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# CHAIRMAN'S MESSAGE

Councillor Gordon Matheson, Leader of Glasgow City Council and Chair of the Glasgow Economic Partnership, tasked the Glasgow Economic Commission to look at the Glasgow economy and make recommendations on the future focus and priorities for economic development in Glasgow.



The economic backdrop to the establishment of the Glasgow Economic Commission was the largest decline in economic output experienced by the UK and other advanced economies in the post-War period. The Commission's task was to "identify current or anticipated opportunities for economic and employment growth in Glasgow and take evidence and make recommendations on any new initiatives which could be brought forward over the next five years." (Annex D).

In establishing the Commission, the City sought to engage private sector leaders at the highest level. The Commission has benefited from the experience of Commissioners who lead companies that generate significant wealth and employment in Glasgow and the wider city region. I would like to record my personal thanks to Keith Cochrane (The Weir Group PLC), Ian Curle (The Edrington Group),

Benny Higgins (Tesco Bank) and Bailie Liz Cameron (Glasgow City Council), for all their input and advice which has informed and shaped the Commission's final recommendations.

I am pleased that the Commission was able to draw on the expertise and enthusiasm of a wide range of private sector and other leaders in the city, through the several work streams established by the Commission. Their role was to help advise the Commission on business and industry alignment, infrastructure and investment, further and higher education and people and skills. All work stream members gave of their time and expertise freely and willingly and for that I thank them.

Glasgow works best when it works together. The Commission is keen to see a greater focus to economic development efforts in the city. Focus on building a small number of strong, competitive industry sectors will help Glasgow to be competitive and gain national and international market share. To be successful we need to build up - and build on - our skills and better match them to the needs of ambitious employers. We need to continue to build the city's infrastructure by being bolder in looking at innovative funding solutions that incentivise private investment, as well as better co-ordinating our delivery. Above all, we need to harness the power of the city's private sector leadership, for it is from the private sector that Glasgow's next phase of economic growth will be generated.

The Commission's work builds on the contributions of a very wide range of individuals and organisations that have, at their heart, a passionate interest in Glasgow's economic future. The Commission's recommendations are presented to Glasgow and its economic development partners for their consideration and collective and enthusiastic implementation.

Let Glasgow flourish.

A handwritten signature in black ink that reads "James McDonald". The signature is written in a cursive, flowing style.

**Professor Jim McDonald**

Chair, Glasgow Economic Commission

# ACKNOWLEDGEMENTS

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## **The Commission formally acknowledges its appreciation to a range of individuals who helped it in its work:**

Work stream leaders: Bob Duff (Jacobs Engineering), Professor Anton Muscatelli (University of Glasgow), Grahame Smith (Scottish Trades Union Congress) and Steve Inch OBE (ex-Glasgow City Council) – for all their hard work and enthusiasm. Their leadership and the energy of work stream members (Annex E) were vital to the Commission and the recommendations it has made.

Members of the Commission Working Group: Jill Farrell (Scottish Enterprise), Gerry Gormal (Glasgow City Council), Kevin Kane (Glasgow Economic Commission) and Stuart Patrick (Glasgow Chamber of Commerce). Their guidance and support to the Commission was invaluable.

To Glasgow City Council which established the Commission's web presence, underwrote the cost of - and provided specialist staff to support - SLIMS Consulting in the preparation of the Commission's economic analysis; to Scottish Enterprise for providing a senior member of staff in Kevin Kane to be the Commission's full-time Secretary and for supporting the design and publication of the Commission Report; to Glasgow Chamber of Commerce whose original idea it was to create the Commission, and for its work in seeking out the views of Glasgow's private sector leaders; and to Glasgow Economic Partnership who gave the Commission its Terms of Reference (Annex D).

The Commission has benefited from the contributions of a variety of organisations and individuals, expressed in response to the Commission's online 'Call for Evidence' (Annex F). These contributions helped stimulate and challenge the Commission's thinking as it drew together its recommendations.

Finally, the Commission would like to formally record its appreciation for very significant pro bono assistance provided by the Fraser of Allander Institute which undertook the first-ever analysis of the economic impact of Glasgow's further and higher education institutions, to Richard Findlay, Professor of History at the University of Strathclyde, for his overview of Glasgow's economic history (Annex A) and to SLIMS Consulting for its assistance in helping complete the Commission's Economic Analysis.

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1. The Commission's Economic Analysis 'Glasgow's Economic Performance 2000 – 2010' (SLIMS Consulting), 'The Economic Impact of Glasgow's Higher Education Institutions' and 'The Expenditure Impact of Glasgow's Further Education Colleges' (Fraser of Allander Institute) are available at [www.glasgoweconomicfacts.com](http://www.glasgoweconomicfacts.com)

# EXECUTIVE SUMMARY

The Glasgow Economic Commission was established by the Glasgow Economic Partnership to take an independent view on the future priorities for economic development in Glasgow and the city's key economic development delivery partners i.e. the private sector, Glasgow City Council, Scottish Enterprise / Scottish Development International, Glasgow Chamber of Commerce and Skills Development Scotland.

**The Commission was specifically tasked to “identify current or anticipated opportunities for economic and employment growth in Glasgow and take evidence and make recommendations on any new initiatives which could be brought forward over the next five years.”** (Annex D – Commission Terms of Reference).

**The work of the Commission and its recommendations are based on an extensive evidence base that includes:** the Commission's analysis of Glasgow's economic performance over the past decade (Glasgow's Economic Performance 2000-2010); evidence from the Commission's work streams (Annex E); responses to the Commission's Call for Evidence (Annex F); and an economic impact analysis of Glasgow's further and higher education sectors by the Fraser of Allander Institute, 2011 (Annex C).

**In considering its recommendations, the Commission was mindful of the characteristics of successful cities as places:** where businesses innovate and invest in skills; that have excellent connectivity and quality of life; with a diverse economy and strong export base; that deliver against long-term development strategies and create an environment that is “open to business” (Refer 2.14).

**The Commission's recommendations focus on the following strategic-level issues:** detailed recommendations are provided in the relevant sections of the Commission's full report (as referenced).

## I. Private sector leadership

**The Commission recommends that a new private-public leadership body is established to focus the economic development efforts of Glasgow City Council, Scottish Enterprise, the Chamber of Commerce and others, to deliver on the city's economic potential and to ensure that Glasgow is ‘open for business’.** As part of this, the Commission wishes to see the private sector fully engaged at senior level to lead on the development of integrated Sector Action Plans<sup>2</sup> for each of the sectors identified by the Commission as providing Glasgow with the best opportunities to grow wealth and employment in the future (Refer 3.9).

## II. Focus on key growth sectors

**As a result of its extensive consultation process, the Commission's firm view is that there is a need for greater focus to current economic development efforts in Glasgow** (Refer 3.12). Glasgow has a uniquely strong asset base across many of the Scottish Government priority sectors and it is essential that Glasgow capitalises on these to fully grasp the economic and employment opportunities they provide. The city's business base, universities and colleges, skills supply, economic scale, centrality and connectivity are assets that should be developed further to support the growth ambitions of Glasgow's key sectors.

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2. It is proposed that Sector Action Plans are developed for each key sector by an industry-led group that bring together businesses, further and higher education and relevant public agencies (GCC, GCoC, SE, SDI, SDS etc.), under the leadership of a senior private sector figure and that each group have some common membership with existing Scotland-wide Industry Advisory Groups (IAGs).

**The Commission sees the greatest economic and employment growth opportunities in the following key sectors:**

- **Low Carbon Industries** (Refer 3.14);
- **Engineering, Design and Manufacturing** (Refer 3.15);
- **Life Sciences** (Refer 3.16);
- **Financial and Business Services** (Refer 3.18); and,
- **Tourism and Events** (Refer 3.19).

The Commission recognises the important contribution of the Creative Industries to Glasgow's quality of life and investment "offer" and sees an opportunity to develop a strategy that focuses on the commercial exploitation of the city's creative assets and talent (Refer 3.23).

### III. Global promotion of Glasgow and its key sector ambitions

**The Commission sees significant economic opportunity in greater global investment promotion of Glasgow's ambitions across key sectors.** The Commission is impressed by the work to position Glasgow in global tourism and events markets. The Commission wishes to see this replicated across all key sectors, with an effective 'in-Glasgow' investment team [modelled on the successful work of the Glasgow City Market Bureau (GCMB) and the private-public promotion of the Glasgow International Financial Services District (IFSD)] working in partnership with Scottish Development International (Refer 3.21).

### IV. Connectivity to national and international markets

**Glasgow's economy will increasingly rely on growing the city's private sector companies and businesses, including increasing exporting and internationalisation activity with wider UK and international markets.** For this reason, the Commission is of the view that it is vital that there is renewed emphasis by all public agencies on improving Glasgow's air, rail, road, freight and digital connectivity to UK and international markets (Refer 4.2).

### V. Innovative funding of infrastructure investment

**It is vital that Glasgow is able to continue to invest in the infrastructure that in turn attracts and underpins private sector investment.** Given the impact of constraints on public expenditure, the Commission's view is that it is vital that Glasgow and its economic development partners utilise innovative financing to incentivise the private sector to help fund the infrastructure the city needs to grow and develop its economy and employment base (Refer 5.8). This is especially the case in what the Commission regards as Glasgow's three key strategic investment areas: Glasgow City Centre, Clyde Waterfront and Clyde Gateway (Refer 5.4).

### VI. Further and Higher Education in support of key sectors

**Glasgow's further and higher education institutions are a vital economic asset to the city's (and Scotland's) economy and have a key role in supporting success in key growth sectors.** Together, the further and higher education sector in Glasgow generates £1.6bn of output in the Scottish economy. For Glasgow to grow its key sectors, boost innovation, productivity and employment, it is vital that the colleges and universities are fully engaged with key sectors and work with businesses to produce the skills, knowledge, design and innovation needed to be world class. The Commission's vision is of a "triple helix" of companies, public agencies and the further and higher education institutions where all are involved in helping the key sectors realise their growth ambitions, to their mutual benefit (Refer Ch.6).

### VII. Skills to aid the growth ambitions of key sectors

**To meet the growth ambitions of the key sectors, it is vital that Glasgow's skills 'system' is able to provide the right skills, at the right time, as needed by key sector employers and indeed all employers.** All of the partners involved in skills development in Glasgow - schools, colleges, universities, private training providers, Skills Development Scotland, voluntary organisations, trade unions, and individuals - need to ensure that they work to meet current and future needs of employers, especially those who are ambitious to grow, want to innovate and increase their productivity and competitiveness. It is equally vital that key sector employers are able to clearly articulate their skills needs and willing to invest in skills and their utilisation. The successful delivery of skills to the key growth sectors will rely on consistent and strategic engagement across the delivery partners, led by a clear articulation of the demand from employers (Refer 7.15).

# 1. INTRODUCTION

Glasgow is the centre of Scotland's largest and only metropolitan-scale economy and is one of Scotland's greatest economic assets.

- 1.1 Clearly if Scotland is to prosper it is vital that Glasgow continues to exploit its assets and make a significant contribution to the Scottish economy and to the lives and opportunities of its own citizens and those of the wider Clyde Valley region and beyond.** Glasgow is the centre of a city region with annual GVA of £35.4bn (2008) and makes a significant contribution to the Scottish economy.
- 1.2 The Glasgow Economic Commission is confident about Glasgow's future prosperity and of the positive role that greater private sector leadership can play to help grow the city economy.** Glasgow is emerging out of recession and its aim must be to develop as a strong, competitive international European city that is able to create wealth and employment for all its citizens.
- 1.3 Future growth in Glasgow will be based on greater focus on a number of key priorities: greater private sector growth, greater focus on key sectors and on producing the people and skills that will generate our future economy.** Growth will come by placing priority on key sectors to create wealth and employment; on industry-driven demand for skills and knowledge that will shape the outputs of the city's schools, colleges and universities; on infrastructure that supports the city's accessibility to national and international markets; and on priority investment areas that attract private sector investment and growth, principally Glasgow City Centre, Clyde Waterfront and Clyde Gateway.
- 1.4 As a private sector-led body, the Commission was set up to review Glasgow's economic development priorities and propose how Glasgow can best match its assets to emerging opportunities.** The Commission was formed when the economy was coming out of one of the deepest recessions of the post-War period, when public sector budgets were being significantly reduced and when the global economy was undergoing rapid restructuring.
- 1.5 Throughout its work the Commission has held to several key principles and used these to help guide its work and inform its recommendations:**

## **Engaging the city's private sector leadership**

At both city and sector levels more effective engagement with private sector leaders will enable Glasgow to grow and develop into the future. The Commission has identified a real willingness from private sector leaders to engage with the city and to focus economic development efforts to maximise private sector investment.

## **Trading with the global economy**

To grow in the future Glasgow will have to engage with markets and growth opportunities across the global economy. This is not something new to the city; Glasgow grew historically by supplying goods and services to the global economy (refer Annex A). Given the slow and uncertain economic growth in the UK economy, Glasgow needs to focus on supply to growing markets overseas. Greater engagement in the international economy is in line with UK and Scottish Government policy.



### Connecting to national and international markets

If Glasgow and the wider city region are to be able to effectively trade with the global economy the priority must be to focus on developing international - especially business-relevant - air services, cross-border (including High Speed) rail services and boosting the city's digital connectivity and its full exploitation. For Glasgow businesses to successfully engage with and grow within markets in the developed economies (e.g. EU, US) as well as emerging markets (e.g. South East Asia and 'BRIC' countries) it is vital that Glasgow is able to efficiently connect to the rest of the world.

### Focusing our efforts

Glasgow's economic development priority should be to focus its investment in a small number of key sectors where Glasgow has key strengths and assets that match opportunities. This includes sectors where the city has already demonstrated success (e.g. Financial and Business Services, Tourism & Events), newer areas of growth and opportunity (Low Carbon Industries, Life Sciences) and a sector in which it and the city region is particularly strong; Engineering, Design and Manufacturing.

### Leveraging investment and generating employment

The creation of wealth and employment is a key issue in Glasgow where unemployment and more acutely worklessness is still far too high. Our aim must be to both grow the Glasgow economy and get more Glasgow residents engaged and employed in the city's "growth engine".

### Raising ambition in our companies and our people

To be successful in a competitive global economy Glasgow needs to raise its ambitions. It needs companies with leaders who are determined to grow and willing to invest in innovation and workforce skills. We need schools, colleges and universities that challenge, stretch and develop our people and provide them with the skills, competencies and values to be successful; whether as employees, flexible workers or entrepreneurs. We also need to invest in our people in order to grow the supply of higher level skills, with a particular focus on those who at present have no qualifications or only low level skills.

## The Future

- 1.6 To be successful, we must have leadership that focuses our efforts.** That focus means exploiting our world-class assets on the following: areas where we are well-positioned to compete for opportunities for growth: driving greater private sector growth and innovation; our aspirations to be world class; and on using greater private leadership sector to help drive the city into a new phase of growth.
- 1.7 Glasgow already has a great 'asset base' of great companies (many doing business right across the globe), great universities and colleges (producing highly-skilled people and knowledge that underpin businesses competitiveness) and great people (with more graduates in the workforce than our main UK competitors).** We need to better exploit these assets to grasp the opportunities around us and drive economic growth and employment.
- 1.8 However, we also have significant challenges.** We need to improve our level of business start-ups and innovation; we need more entrepreneurs and to make better use of the knowledge and skills produced by the city's universities and colleges. We need to improve our export performance and especially get more small and medium-sized businesses to export and internationalise. We also need more companies, especially high-growth companies, to generate employment and economic growth.
- 1.9 We need to increase our engagement with the global economy.** Doing so will help boost our connectivity to national and international markets, drive demand for new air and digital services and attract investors and investment to the city and city region.

- 1.10 We need to exploit our skills and significantly improve those of the lowest skilled.** Glasgow has more graduates in its workforce than our UK competitors and has the largest pool of graduates in Scotland. This is a key economic asset for the city and its employers. However, too many people have no or only low-level qualifications. We know that low-level skills are associated with a greater risk of unemployment, worklessness and poverty and that a knowledge-based economy demands higher level skills. The message is clear: we need to improve skills and qualifications – and at a faster rate than we have been doing to date.
- 1.11 Glasgow must grasp the opportunities around it - and it will.** Glasgow did so in the past to become one of the great centres of the Industrial Revolution. Over the past twenty five years Glasgow has been successful in restructuring and diversifying its economy. It has seen the development of new sectors - Financial Services and Tourism – that have become major new sources of wealth and employment and the same will be true for newer sectors such as low-carbon industries.
- 1.12 Glasgow has a strong platform to grow as a low-carbon industries hub.** Currently Glasgow is home to international companies and universities at the leading edge of designing our low carbon future. The city and wider city region is already successful in attracting new, international investment in low carbon industries. Glasgow needs to build on this to become a city where companies design and innovate for the future, whether in off-shore renewable technology, Smart Grid technology, carbon-capture and storage or in the design of the physical infrastructure needed to enable a low carbon economy to become a reality.
- 1.13 Glasgow should re-discover and celebrate its engineering excellence.** Engineering, including design and advanced manufacturing and manufacturing services is an under-recognised asset. Engineering is 'hard-wired' into Glasgow and the wider city region, evidenced in our base of manufacturing and professional service companies, design and utility companies as well as in Glasgow's colleges and universities. Glasgow and the Clyde Valley is a world centre of engineering excellence and Clydebuilt is still a global marque of quality and innovation.
- 1.14 The Commission sees a bright future for Glasgow.** It is a future that can provide exciting opportunities for all our businesses and citizens alike. To create the future we desire, we need to focus our collective energies, enthuse ourselves and others and engage with markets beyond our shores. Glasgow has no greater motivator than itself.

## 2. ECONOMIC ANALYSIS

Glasgow sits at the heart of a metropolitan region with an annual GVA of £35.4bn and makes a powerful contribution to the Scottish economy. With an economy 60% larger than its nearest neighbour, the Clyde Valley is one of Scotland's key assets and, with Edinburgh city region, drives the Scottish economy.

- 2.1 The economic analysis that follows draws together the work undertaken on the Commission's behalf by SLIMS Consulting.** Glasgow's Economic Performance 2000-2010 is available as a supporting report (available on request from the Commission) and provides fuller data analysis and discussion.
- 2.2 Glasgow makes a very significant impact on Scotland's overall economic performance as well as making a key contribution to the purpose targets set out in the Scottish Government Economic Strategy (GES). Using 2008 data:**
- Glasgow and Clyde Valley generate 16% and 32% respectively of Scotland's GVA;
  - Glasgow and Clyde Valley is the location for 17% and 35% of all Scottish jobs;
  - Glasgow and Clyde Valley is home to 11% and 34% of Scotland's population;
  - Glasgow and Clyde Valley have 11.5% and 30% of all active business in Scotland (2009).
- 2.3 Glasgow is Scotland's largest city and is the heart of its only conurbation with a population of 1.2 million and outwith London is one of the largest concentrations of economic activity in the UK.** Given Glasgow's economic scale, the Commission sought to benchmark Glasgow's economic performance with the UK's three largest comparator city economies; Birmingham, Manchester and Leeds.
- 2.4 The Commission analysed Glasgow's economic performance (and that of its UK city competitors) over the past decade to identify its longer term trends.** Glasgow also competes worldwide and the Commission notes that detailed international benchmarking was commissioned several years ago by Scottish Enterprise and Glasgow City Council, comparing Glasgow's economic performance with that of other European cities.

### The Drivers of Global Growth

- 2.5 To help identify the future path for Glasgow economic development policy the Commission reviewed the drivers of global economic growth.** Its analysis drew on extensive business, academic and policy research and identifies the key drivers of change in the global economy as:
- Globalisation and the shift south and east
  - The rise of the service sector
  - The end of manufacturing? Not quite.
  - Climate change and the shift to a low carbon economy
  - A knowledge economy hungry for higher level skills
  - An ageing population
  - Recession, deficit reduction and private sector growth
  - Cities as drivers of global economic growth

- 2.6 These drivers provide pointers to where future global growth opportunities will be generated for high value-added products and services.** Despite a global recession the rise to economic power of emerging economies continues largely unabated. The OECD confirms this point in its latest global economic survey. We face a multi-track global economy with growth highest in emerging and BRIC economies. This is generating new opportunities for Glasgow to supply high value-added industrial and consumer products and services into growing city economies in Asian and the BRIC countries.
- 2.7 More than 80% of employment in the UK is now in the service sector.** Within the service sector there has been a huge increase in professional and business services many of which often supply wider national and international markets.
- 2.8 Though manufacturing employment has continued to decline, manufacturing output and exports have continued to rise, reflecting the increasing sophistication of manufacturing through its use of technology and its ability to provide highly skilled, well-paid employment.** Glasgow and the wider Clyde Valley region is still one of the UK's major centres of manufacturing and commentators suggest that there is significant head room for UK manufacturers to provide more services in support of their products, in what the Work Foundation terms "manu-services".
- 2.9 Climate change and the need for energy security are driving a shift towards cleaner and renewable energy sources.** This creates opportunities for firms to develop new technologies, products and services for this emerging market. A recent study estimates the value of the Scottish low carbon and environmental goods and services sector (LCEGS) increasing from £8.8bn in 2008/09 to £10.3bn by 2013/14, while across the UK as a whole it is currently worth £112bn (2008/09). Climate change will demand a massive investment in new energy infrastructure in order to accommodate and manage the shift towards a low carbon economy.
- 2.10 Whether in manufacturing or services – and increasingly the distinction is often blurred – companies increasingly need to compete by generating and exploiting knowledge.** This brings increased demand for higher level skills, often in specialist areas. It reinforces the need for specialist research infrastructure and an increased role for further and higher education institutions in supporting economic growth. The corollary is that demand and employment opportunities for those with lower or no skills has declined significantly.
- 2.11 There are also growth opportunities that derive from population trends.** Lower birth rates, increasing life expectancy and tougher limits on immigration mean that the populations of developed economies, like Scotland, are ageing rather than growing. This is increasing demand for leisure, recreation, health services and care while constraints on future labour supply will accelerate and incentivise the introduction of labour-saving and productivity-driving technology.
- 2.12 In the UK, the recovery from recession and the UK Government's focus on deficit reduction and public service reform present important challenges for economic growth over the short to medium term.** The next 10 years may well see lower levels of public spending particularly in terms of infrastructure and regeneration activity. The UK Government is placing greater emphasis on the private sector as an engine of employment growth and wealth creation, rather than the public sector, as well as on manufacturing to help 'rebalance' the UK economy.
- 2.13 A key theme in business and academic research is that cities are the main engines of economic growth in both developed and emergent economies.** In global terms, cities will continue to drive economic growth. McKinsey & Co. estimates that 60% of current global GDP is generated by only 600 urban centres worldwide. Cities in the developing world (particularly China) are set to contribute an increasingly greater share of global economic output over the next decade, with a rising population of wealthy consumers. If companies want to drive future growth, they will have to exploit the enormous market potential of consumers in emerging global cities.

## What makes a city competitive?

**2.14 The Commission sought to better understand the key factors driving successful city economies.** The Commission reviewed a wide literature (Annex G) and in its economic analysis it drew on the work of Professor Michael Parkinson for the UK and Scottish Governments to better understand the key factors that drive city economic performance in UK and European city economies. Parkinson identifies six key 'success factors':

- Innovation in firms and organisations
- Skilled workforce
- Connectivity – internal and external
- Economic diversity
- Quality of life – social, cultural, environmental
- Strategic capacity to mobilise and implement long term development strategies

**The Commission sought to measure these 'key success factors', along with two others:**

- Export capability
- Business environment

## Innovation

**2.15 Innovation or the successful exploitation of new ideas is viewed by many commentators as the single most important aspect of successful cities.** Increasingly, research is focused on the link between innovation and 'place'. This *innovation systems* thinking indicates that innovation is maximised when the opportunities for people or groups to interact are maximised. Cities like Glasgow with significant asset bases of companies and research-based universities provide an ideal 'place' for innovation to thrive and it underlies such development concepts as the *'triple helix'* and Michael Porter's work on competitive industry clusters. The Commission sees the concept of the *triple helix* (which emphasises the interaction of *government, industry* and *universities*) as an important model for Glasgow to follow if it is to maximise the impact of its focus on key sectors. In short; it is more likely that more innovation will occur in Glasgow if there is regular interaction between industry, universities and government to focus on customer and societal needs in key sectors.

**2.16 Glasgow has some important innovation assets; almost a third of Scotland's university spin-out companies originate in Glasgow's universities, and Glasgow and Strathclyde Universities rank within the UK's Top 50 research universities.** However, business expenditure on R&D (BERD) at 0.5% of GDP is low in Scotland - the lowest of all UK nations – and below that of the UK (1.1%) and the OECD benchmark (1.6%); and, Glasgow only contributes 7% to the Scottish total. However, there are positive signs of change: in the past decade BERD has grown fastest in Glasgow, with manufacturing R&D constituting half of the total. Glasgow has posted strong growth in private sector 'knowledge intensive sectors', faster than most competitors (save Manchester). Notwithstanding this however, as a proportion of all employment, knowledge workers in Glasgow (at 32%) are a smaller group than in Manchester and Leeds, though it is well ahead of Birmingham. To develop its innovation performance further, Glasgow needs to: develop stronger businesses with the leadership and drive to develop new products, services and business models; have universities that are more open and accessible to help businesses innovate to succeed; and have a focused Government able and willing to incentivise innovation and business and university interaction.

## Skilled Workforce

- 2.17 Glasgow has the largest pool of graduates in Scotland with a third of its resident workforce educated to degree level, higher than its UK competitors.** With 32% of its residents educated to degree level, Glasgow compares well with its competitors, Core Cities and the UK and, over the past decade, it has increased the number of residents with degrees by 10%, nearly twice as fast as the UK as a whole. Glasgow's large pool of graduates provides the city and its employers with a valuable resource.
- 2.18 However, a fifth of Glasgow's resident workforce has no qualifications.** This is significantly worse than its UK competitors (save Birmingham) and will need radical change to meet UK workforce targets. The 2004 UK Leitch Review proposed that by 2020 there only be 4% of the workforce with no qualifications; the Glasgow figure is currently 20%. Glasgow also needs to increase those with (S)NVQ Level 3 skills: the Leitch target is 28%, double Glasgow's current 14%. This is a very significant challenge to Glasgow's education service, further education institutions and employers, especially as progress to date has been slower than in Scotland or the UK. Raising the skill levels of those with no or only low qualifications will also help reduce unemployment and worklessness and increase numbers of those who are economically active and contributing to the city economy and the national exchequer.

## Connectivity

- 2.19 Connectivity to national and international markets is critical to Glasgow's future success.** Despite increases in air passenger traffic through Glasgow International and Prestwick airports, there has been a fall in international travel (especially to/from European destinations) through Glasgow Airport over the past decade. This reduction in European traffic, though offset by rises in critically important inter-continental traffic to the Middle East, Africa and Asia, has significant implications for business. Though the decline is in part due to the slower pace of route development at Glasgow Airport from airlines such as Easyjet and Ryanair (from its Prestwick base), it is also exacerbated by poor surface access to Glasgow Airport and the relative attractiveness of Edinburgh Airport to in-bound passengers from Europe and also Edinburgh's greater outbound business demand.
- 2.20 Rail access to the rest of the UK and London is via the West Coast Main (WCML) and East Coast Main Lines.** The WCML carries 500,000 passengers pa, a rise of 23% over the decade to 2009 and this is forecast to increase by 50% over 2009-2024. Though the WCML's four and half hour journey time to/from London is frequent – and may increase to an almost hourly service – it is slow by international HSR standards and prevents major modal shift from air services.
- 2.21 Currently Scotland is outwith UK Government plans to extend High Speed Rail (HSR) in the UK.** This will reduce Glasgow's (and Scotland's) relative accessibility to London vis-à-vis competitor cities (Birmingham, Manchester and Leeds). Although the current proposed route is broadly in line with that proposed by the Scottish HSR 'lobby', there is considerable concern that while High Speed trains may come to Glasgow, actual high speed track may stop south of the border – giving journey times around 3.5 hours rather than the 2.5 hours of a full HSR service. A 3.5 hour journey time will not be sufficient to encourage significant mode transfer from air to rail between Glasgow and London and as such will not secure the economic and other benefits identified in the original HSR business case.
- 2.22 Glasgow benefits from excellent rail and motorway access to the rest of Scotland.** Investment in rail infrastructure and services between Glasgow and Edinburgh, including electrification, is agreed and funded and will help develop the cities as a 'single business space'. Missing motorway links will soon disappear (M74, M8, M80) though the key Scottish strategic rail link – Crossrail – has yet to be addressed despite many years of discussion. Glasgow's connectivity has helped the city's economy to grow over the past decade and provided employment and other benefits to communities right across the Clyde Valley area and beyond.
- 2.23 Glasgow's digital connectivity (2MB) is on a par with other UK cities, but well below Superfast Broadband (40MB+) services of international competitors.** In 2010, Ofcom reported that fixed-line access to 2MB broadband was virtually universal, with uptake in 'Metropolitan Glasgow' at 53% (Scotland 61%, UK 71%) and mobile uptake at 10% (Scotland 12% and UK 15%). Of greater concern is the weak business (and consumer) demand and exploitation of digital connectivity in Glasgow and the West of Scotland. Though Glasgow already benefits from Superfast Broadband investment, as of August 2010 BT had upgraded only a minority of Glasgow's twenty telephone exchanges.

## Economic Diversity

- 2.24 Glasgow has had very strong employment growth, including exceptional growth in private sector employment, relative to UK city competitors, Scotland and the UK, adding circa 50,000 jobs between 2000 and 2008 plus a 27% (54,000) increase in resident employment.** In any terms, this is a very strong economic performance. This has contributed significantly to increasing resident employment in Glasgow at a rate two and half times that of Scotland as a whole.
- 2.25 Glasgow has seen significant employment change by sector, with increases in ‘real estate, renting and business activities’<sup>3</sup> as well as in health, retail and education.** The largest declines in employment were in manufacturing, including food & drink, and engineering (though all experienced increases in output).
- 2.26 In the past decade Glasgow’s strong employment growth has been matched by strong GVA growth with Glasgow outperforming its UK city competitors, Scotland and GB, particularly in manufacturing.** However, service sector productivity and growth in Glasgow has been low.
- 2.27 Financial and Business Services have been a principal driver of GVA output in Glasgow.** Financial Services almost doubled its output over the decade, with its share of Glasgow’s total GVA (at 37%) ahead of Birmingham and the UK, equal to the Core Cities average, though some way behind that of Edinburgh (49%) and Leeds (41%).
- 2.28 Glasgow has 35 businesses per ‘000 population on a par with Scotland; however the city region has only 30 businesses per ‘000 population and therefore significantly lags behind UK city region competitors (c.40) and the UK (46).** This is a key structural issue and may impact on the development of new businesses and entrepreneurship more generally.

## Quality of Life

- 2.29 Most ‘quality of life’ indices rate Glasgow as in the third quartile (despite some disagreement on how best to measure it).** Other more concrete data on, for example, vacant and derelict land shows that Glasgow and the city region have some significant quality of life challenges with 7.5% of its land area classified as either vacant or derelict. Glasgow, in comparison to North Lanarkshire, has not made as substantial an in-road to reducing vacant and derelict land, although development of Clyde Waterfront and Clyde Gateway and the work of Glasgow Housing Association will help reduce the stock of such land.

## Strategic Capacity

- 2.30 Glasgow has a history of developing its strategic capacity that stretches back over 60 years to the Clyde Valley Regional Plan (1946) and today’s Glasgow and the Clyde Valley Strategic Development Planning Authority.** Glasgow was a key partner in Scotland’s first regional transport authority (*Strathclyde Passenger Transport Executive*) as it was in Europe’s first example of devolved regional management of structural funds (*Strathclyde European Partnership*). *Glasgow Action* was the UK’s first business leadership coalition that brought together the private and public sectors to chart Glasgow’s subsequent success in economic diversification and growth. This was further developed by Scottish Enterprise and Glasgow City Council’s in a number of consecutive *Joint Economic Strategies*. More widely, the City, with City of Edinburgh Council and Scottish Enterprise, established the *Glasgow Edinburgh Collaboration Initiative* to promote the economic contribution and importance of the two cities to Scotland’s economic performance and future, while also working with partner authorities in the *Clyde Valley Community Planning Partnership*. Most recently, *Glasgow Economic Partnership* has drawn together the city’s principal economic development stakeholders and partners.

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3. This is a very wide-ranging sector that includes personnel recruitment, real estate and facilities management, software publishing, accounting, bookkeeping and legal activities as well as advertising, market research and host of others.

## Export Capability

**2.31 Glasgow has seen strong growth in the number of larger scale companies (250+ employees) in high volume export sectors and this has been increasing at a rate higher than for Scotland as a whole.** There is limited data available at city level, though evidence indicates that over the past decade Glasgow has seen an increase (5%) in the proportion of total employment in such sectors. However, this is below that of the Core Cities average and significantly below that of Manchester and Leeds (though Birmingham posted a decrease).

## Business Environment

**2.32 Glasgow city region has a high concentration of high-growth companies relative to Scotland.** High growth firms (HGFs) make a disproportionate contribution to economic and employment growth. The Scottish Government and Scottish Enterprise have actively promoted support for high growth entrepreneurship and HGFs. A recent Scottish Enterprise report notes that of 825 HGFs in Scotland, 227 (28%) were located within the Glasgow City Region, with 173 (21%) in Edinburgh City Region. This evidence suggests Glasgow City Region has a higher concentration of HGFs than either Edinburgh City Region or Scotland as a whole with 71.6 HGFs per 10,000 private businesses in 2008, compared to 64.2 per 10,000 for Edinburgh City Region and 51.3 per 10,000 for Scotland. This indicated that Glasgow and the wider region has an attractive business environment that supports fast-growing companies.

**2.33 The supply of risk capital investment to companies in West Central Scotland is relatively low despite Glasgow city region providing a good business environment for high growth companies.** Companies in the West of Scotland attract 34% of all risk capital in Scotland compared to those in the East of Scotland that attract 54%. This evidence seems to point to a supply and not a demand-side issue. This may be related to the lack of indigenous capital supply in the West, which only contributes 14% to the Scottish risk capital market. Of the risk capital raised in the West, nearly 100% is invested in engineering, technology and life sciences companies.

**2.34 Data on inward investment supports Glasgow's attractiveness to private investment.** Using 2007 data for Glasgow city region (including Ayrshire) the wider city region attracted 50% of all inward investment to Scotland. Though no figures are available for the City of Glasgow, the majority of this investment is likely to have been in Glasgow. The sectors that have attracted inward investment have been: Life Sciences (40% or £54m); Electronic Markets (25% or £33m); Financial and Business Services (14% or £19m); and Shipping and Marine (10% or £8m) – all sectors identified by the Commission as key sectors for the city's investment efforts.



# 3. BUSINESS & INDUSTRY ALIGNMENT

Given the pressures on public expenditure at UK and Scottish Government levels, the Commission is of the view that for Glasgow's economy to flourish it is essential that economic development efforts in Glasgow are focused on maximising private sector growth, especially in a small number of key sectors.

## Prioritising Our Economic Development Efforts

- 3.1 Over the past twenty five years, Glasgow has successfully diversified its economy, something that has been a conscious aim of policy efforts since the McKinsey & Co. strategy of the mid-1980s.** This strategy helped the city to develop and flourish, especially in the service sector. However, in an era of constrained domestic economic growth and real pressure on public expenditure, it is the Commission's view that Glasgow needs to focus its economic development efforts on a small number of sectors that have the potential to generate future wealth and prosperity, especially those in export sectors or with export potential. In doing so, the Commission recognises the contribution made by other sectors in Glasgow to generating wealth and employment and its view is that many of the development priorities for key sectors will benefit other sectors in the Glasgow economy (e.g. improvements in connectivity).
- 3.2 The Commission has analysed a considerable amount of industry data provided principally to it by Scottish Enterprise, the country's main economic development agency.** This data was subject to challenge and discussion by members of the Commission's Industry and Business Alignment work stream and by the Commission itself. Work stream and Commission members were unanimous in their view that economic development resources in Glasgow should focus on a small number of key growth sectors where the city has the assets and ambition to be successful, particularly on an international basis.
- 3.3 To inform its decision on key sectors the Commission applied a range of criteria.** What is the growth potential of the industry? Does it have aspirations and assets to be world class? Is there an active, private sector leadership to secure industry investment? Is there a strong academic base that generates well-qualified graduates that meet industry needs as well as one that produces industry-relevant research and innovation? Do the sectors, taken together, provide opportunities across the whole labour market, including those currently low skilled or economically inactive? The Commission also considered whether there was political leadership and support for the sector and are there public and private sector initiatives in place to support growth. Finally, the Commission considered whether there was potential to further internationalise a sector by expanding into wider UK and international markets.
- 3.4 The Commission and its work stream members agree that there are a number of sectors where Glasgow has the potential to make an identifiable and disproportionate contribution to the growth of the Scottish economy.** Some of these sectors have been a focus for economic development in Glasgow over the past 20/30 years (e.g. Tourism and Events); others over the past 10/15 years or less (e.g. Financial Services, Life Sciences) while others, although new (e.g. Low Carbon industries) stem from a longstanding global reputation for engineering excellence across design, manufacturing and services. The latter two - low carbon industries and engineering - demonstrate the enduring excellence of Glasgow and the wider city region's engineering company and skills base and the massive opportunities presented by the move to a low carbon economy with all the design, testing and engineering challenges that this will present. As Glasgow provided much of the engineering skills base that helped to exploit oil and gas in the North Sea, it has the potential to do the same, and more, in the move to a low carbon energy future.

- 3.5 The Commission and Commission work stream members took the view that it was essential that Glasgow benchmark its economic performance against that of the UK's largest city economies, namely Birmingham, Manchester and Leeds.** The motivation of the Commission was to analyse the key economic “health” indicators (wealth, productivity, employment etc.) of these centres and not to attempt to replicate their development strategies. This work is set out in the Commission’s economic analysis undertaken by SLIMS Consulting (available on request from the Commission). Similarly, there was a strong desire by industry and further and higher education leaders to benchmark Glasgow with international cities, in Europe and beyond. Though the Commission was unable to do so, it reference the work commissioned from BAK Basel Economics, a Swiss-based economic consultancy, by Scottish Enterprise Glasgow and Glasgow City Council several years ago.
- 3.6 Commission and work stream members were impressed by the success of Glasgow’s efforts to promote and brand Glasgow as a business, conference and event destination and the key role played by Glasgow City Marketing Bureau (GCMB) and the Scottish Exhibition and Conference Centre (SECC) was widely praised.** There was a strong view that Glasgow needed to build on this success to better communicate Glasgow’s other key sectors to the world. The Commission is keen that Glasgow do more to better communicate to the world its assets and ambitions, across all key sectors. It also wishes to see the promotion and attraction of conferences to develop and showcase the city key sectors. The Commission wishes to see Glasgow’s efforts align with those of the Scottish Government and Scottish Development International (SDI) to better promote Glasgow as a dynamic and successful investment location for key sectors. The success to date of the International Financial Services District (IFSD) and the positive experience of joint working between the private sector, city and national agencies is a strong example of the benefits of close private and public sector partnership in promoting the city’s ‘offer’ to both indigenous and international businesses.
- 3.7 Exporting is vital to Glasgow’s future prosperity and Glasgow’s businesses need to better service new, especially international, markets and have the connectivity to enable them to succeed.** Given that UK domestic demand is weak and uncertain, it is vital that Glasgow engage with growing, international markets. This in turn raises a key issue of Glasgow’s connectivity to the rest of the world as well as the rest of the UK. It is the firm view of the Commission that greater policy focus be given to improving Glasgow’s connectivity to national and international markets, especially via new air services, service upgrades to the West Coast Main Line and early investment in route and station design for High Speed Rail (HSR) from Scotland, in both Glasgow and Edinburgh. This will require greater alignment between Scotland and UK priorities and investment and within Scotland, between Scottish Government and city / city region priorities.
- 3.8 Strong, effective private sector leadership in the city’s economic affairs is a priority for the Commission and is not something new in Glasgow.** From its rise as a great mercantile and then industrial centre (Annex A), private sector leadership has been ‘hard wired’ into the city’s economic success. More recently, in the mid-1980s the work of the global management consultants, McKinsey & Co. – working for the Scottish Development Agency - created a new platform for the growth and diversification of the Glasgow economy based on tourism, IT and services. This in turn also led to the creation of the UK’s first business leadership body: Glasgow Action. Glasgow Action brought together Glasgow’s business and political leadership behind a cohesive strategy to strengthen, diversify and promote Glasgow. Its work, often behind the scenes and using business networks, saw Glasgow bid successfully for the title of ‘European City of Culture 1990’ and laid the foundation for Glasgow’s subsequent success as Scotland’s principal location for service sector inward investment, especially in Financial & Business Services.
- 3.9 The Commission views it as vital that Glasgow’s private sector leaders (with the support of Glasgow Chamber of Commerce) are engaged to help focus the city’s economic development priorities, ensure that the city is “open for business” and make private sector investment in Glasgow as simple as possible (e.g. via fast-track planning approval).** The private sector also has an important role to play in overseeing implementation of the city’s economic development strategy, at key sector and topic (e.g. skills and infrastructure) level. There is a wealth of knowledge and expertise in Glasgow’s private sector that can and should be brought to bear to help guide the city to attract investment. It is the view of the Commission that sector strategies should be private sector-led and fully engage with industry bodies, further and higher education as well as the city’s principal economic delivery partners; Glasgow City Council, Scottish Enterprise / Scottish Development International and Skills Development Scotland.

**RECOMMENDATION 1:** The Commission recommends that a new, private-public leadership body is established to focus economic development efforts in Glasgow, to deliver on the city's economic potential and to ensure that Glasgow is "open for business". Its creation should be facilitated by all economic development partners.<sup>4</sup>

## Key Sectors in Glasgow

**3.10** The Commission's view is that Glasgow focus its economic development efforts on a small number of key sectors and ensure the closest possible alignment of investment priorities in infrastructure, investment, further/higher education and in people and skills in their support.

**RECOMMENDATION 2:** That senior private-sector leaders develop key sector strategies by working with leaders from further/higher education (FHE) and relevant economic development partners and that sector strategies to be agreed by the new leadership body.

**3.11** There is an opportunity for greater private key sector leadership in Glasgow's key sectors, with the private sector taking the lead and public agencies responding. As stated elsewhere in this report, the growth of the Glasgow economy over the next period will be disproportionately based on growth of the city's private sector. As such, the Commission sees an opportunity to better engage private sector leadership to help grow and develop Glasgow's key sectors, in partnership with public agencies and the further and higher education sectors.

**3.12** The Commission recommends that economic development efforts in Glasgow focus on developing the city as a: **Low Carbon Industry hub; and as a centre for Engineering, Design and Manufacturing; Life Sciences; Financial and Business Services; and Tourism and Events.** The sectors were identified by the Commission using criteria developed by one of its work streams and information and data supplied to it by Scottish Enterprise and others. The Commission notes the importance of the Creative Industries to Glasgow's economy, quality of life and international projection. The Commission's view is that the development priorities of these key sectors will generate wider benefits across other sectors of Glasgow's economy and labour market.

**3.13** The Commission wishes to see Glasgow better leverage its justified global reputation as a centre for engineering excellence. Glasgow's engineering excellence stems from its role as one of the world's first industrial and heavy engineering centres, but its reputation is not antique. Glasgow and the wider Clyde Valley area is home to contemporary engineering excellence across a range of global companies and institutions; across manufacturing, design and service sectors; and, across private businesses and the city's colleges and universities that generate a flow of well-qualified engineering skills and industry-relevant innovation and knowledge.

**RECOMMENDATION 3:** That economic development efforts in Glasgow should focus on sectors with the potential to generate significant wealth and employment including: **Low Carbon Industries, Engineering, Design & Manufacturing, Financial & Business Services, Life Sciences and Tourism & Events.**

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4. The principal economic development partners in Glasgow include: the private sector, Glasgow City Council (GCC), Scottish Enterprise (SE) / Scottish Development International (SDI), Glasgow Chamber of Commerce (GCoC), Skills Development Scotland (SDS) and bodies such as Glasgow City Marketing Bureau (GCMB) etc.

## Low Carbon Industries Hub

**3.14 The Commission sees a particular opportunity for Glasgow to use its assets to develop itself as a global 'low carbon industries hub'.** Glasgow and the wider city region have an impressive renewable energy knowledge asset base, both in its business base and in its universities. The opportunity exists to build on the city's existing company base; Iberdrola's global renewable energy centre in Scottish Power, Scottish & Southern Energy and recent corporate inward investment and UK Government investments. The development of new joint private / university applied research centres in low carbon / related technologies, for example University of Strathclyde's new Technology Innovation Centre (TIC) provides a catalyst for further development and investment. The development of Glasgow as Scotland's **International Technology and Renewable Energy Zone (ITREZ)** is an exciting development for the city's economy and businesses. Priorities must be to build to existing investments, including inward investment, further develop the supply chain of SME companies and expand the number of qualified low carbon-technology graduates and technicians from across the city's universities and further education colleges. In addition – as with all the sectors identified by the Commission – there should be more effective communication of Glasgow's global ambitions in low carbon technologies.

**RECOMMENDATION 4:** In Low Carbon industries, the Commission sees opportunities to build Glasgow as a global low carbon industries 'hub' with the presence and investment of global energy and engineering firms, excellent university research and a pipeline of graduate skills.

## Engineering, Design and Manufacturing

**3.15 The Commission sees opportunities to develop and promote Engineering, Design and Manufacturing in Glasgow and the wider city region as a key driver of the city's export base.** Glasgow is a major international centre of Engineering across manufacturing, services and design. The opportunity exists to further develop the city's asset base by building on advances in technology and science, ensuring closer links between the company base and the further and higher education sectors. Engineering is a key export sector and one that Glasgow needs to develop further. As with all key sectors, there is a need to promote Glasgow and the wider region's global strength in engineering excellence in its companies and its supply of engineering skills – at all levels from technologists to graduate and chartered engineers. Given future demands for engineering skills – from the infrastructure needs of new transport to the transition to a low carbon economy – there is an opportunity to better promote engineering as an exciting and attractive career path for the city's young people. Glasgow should build on Scotland's high participation in the 'STEM' subjects (Science, Technology, Engineering and Mathematics) - vis-à-vis the UK - to promote engineering to a new generation of school, college and university students. Given the older demographic profile of many engineering businesses the opportunity also exists for greater articulation from engineering employers of the types of jobs and skills that will be required into the future. In addition, Glasgow School of Art has design and product design expertise that could be harnessed to improve design-led innovation in the sector.

**RECOMMENDATION 5:** In Engineering, Design & Manufacturing, the Commission sees opportunities to develop the city's export base by exploiting the design excellence of the Glasgow School of Art and the universities and prioritising the promotion of S.T.E.M. subjects to all our young people to enable them to pursue careers in Engineering and related industries.

## Life Sciences

- 3.16 The Commission sees opportunity in the further development of Life Sciences with greater emphasis on the commercial exploitation of Glasgow's excellence in university and NHS research and Scottish Government investment in the new South Glasgow Hospitals Campus.** From its work, the Commission is of the view that Glasgow should further distil the business opportunities presented under the umbrella term 'life sciences' where Glasgow, especially in its research and medical research base, has both world class talent and economic opportunity. Notwithstanding the excellence – and economic value – of the city's research and medical base, the real opportunity must be to attract private sector investment in the business and corporate base, most probably in those areas where the city is world-leading. Such private investment will help build the critical mass necessary to generate future investment and employment growth. The Commission's view is that more needs to be done to better leverage Glasgow's research and medical assets to attract global Life Science investors. This includes assets managed by the University of Glasgow, University of Strathclyde, Glasgow Caledonian University and NHS Glasgow and Clyde.
- 3.17 The Commission is of the view that more needs to be done to develop strategic industrial / commercial partnerships in Life Sciences between Glasgow's universities (including with global universities) and global Life Sciences companies.** Developing industry-academic collaborations could perhaps build on existing models in other sectors; the Advanced Forming Research Centre (AFRC) in Advanced Technologies or Strathclyde University's Technology Innovation Centre (TIC) in renewable energies and other models. In particular, the Commission is of the view that the massive Scottish Government investment in Europe's largest medical campus at the South Glasgow Hospitals Campus at the current Southern General Hospital presents opportunities to attract investment from Life Sciences and related (e.g. medical technologies) sectors. It should be recognised that skills demand in the Life Sciences sector is not solely confined to high value jobs, such as scientists; opportunities also exist for HNC-level technologist / technician-level jobs as well as for those with business-related skills.

**RECOMMENDATION 6: In Life Sciences, the Commission recommends greater commercial exploitation of university / NHS research and of the wider economic and commercial potential of the £1bn + investment in the South Glasgow Hospitals Campus.**

## Financial and Business Services

- 3.18 The Commission sees further growth potential in Financial and Business Services in Glasgow.** Financial Services – along with the city's tourism and events "offer" – have been a critical part of Glasgow's success in diversifying its economic base over the past twenty years. Glasgow can build on the impressive success of the International Financial Services District (IFSD) initiative which is near to meeting its ten year target to generate 20,000 jobs. Over the past decade Glasgow has developed a niche in business solutions for the FS sector; be that IT solutions (e.g. Morgan Stanley), global shared service centres (e.g. Shell) or customer contact centres. The Commission believes that opportunities will be thrown up for Glasgow to grasp by the restructuring of the wider UK and international financial services industry. Given the strong and focused partnership working between the private and public sectors, especially focused on the IFSD, the opportunity exists for Glasgow to capture some of this market. This may mean developing a clearer "offer" to FS and related investors that helps differentiate Glasgow from other UK cities, including Leeds, Manchester and Birmingham, as well as Edinburgh. Financial Services has been a significant jobs generator for Glasgow and the wider city region, one that has brought new global brands and companies to Glasgow to benefit from our skills and aptitudes as well as to contribute to greater private sector leadership. This leadership needs to continue to develop to support the development of a new IFSD-2 as well as further developing the quality and appropriateness of the skills pipeline from the city colleges and universities. A particular priority must be to develop specialist and senior professional opportunities in Glasgow's financial services sector to enable it to attract and retain talent and help the sector grow and develop.

**RECOMMENDATION 7: In Financial & Business Services, the Commission recommends that Glasgow's economic development partners plan and implement an IFSD-2, build on Glasgow's strengths in Financial Services and grasp opportunities emerging from the restructuring of the sector.**

## Tourism and Events

- 3.19 The Commission sees further growth potential for Tourism & Events and an opportunity to use Glasgow's pre-eminent role in business tourism in Scotland to communicate and promote Glasgow's aspirations in the other key sectors.** Since the path-breaking investment in the SECC over twenty five years ago, Glasgow has established itself as a major international business conference location. Successive investments in the SECC by public agencies, plus the establishment of the Glasgow City Marketing Bureau (GCMB) have reinforced the importance of business tourism to Glasgow's wider economy and especially to its hotel, restaurant and retail sectors. Allied to progressive investment in hard and soft infrastructure, Glasgow has developed an expertise in developing and staging major national and international events; be they cultural (e.g. 1988 Glasgow Garden Festival, the 1990 European City of Culture celebrations), sporting (e.g. European Champions League Final 2002, UEFA Cup Final 2007 and the XX Commonwealth Games in 2014) or business events (e.g. 1997 International Rotary Convention, 2009 MOBO Awards, 2010 Renewable UK). Through GCMB's innovative Ambassador Programme, Glasgow has successfully attracted a large number of international meetings and conventions, with over 60% of international meetings sourced via senior academics in the city's universities, particularly in areas where they are internationally active (e.g. medicine, life sciences, science, engineering and technology).
- 3.20 The new Scottish Hydro National Arena at the SECC and the 'break through' staging of the XX Commonwealth Games to be held in 2014, provide Glasgow's tourism and events sector with a significant platform for its future development.** The Scottish Hydro National Arena will be the largest all seated indoor arena in Scotland and one of largest in the UK and will, at a stroke, expand the capacity of the SECC to host business conferences as well as attract major new consumer events. It will also be a cornerstone venue for the 2014 Commonwealth Games. The Commonwealth Games will provide a major boost to Glasgow's economy and help spur significant investment in Glasgow's sporting infrastructure, in the East End, in transport (e.g. Fastlink) and in the hotel sector. The Games are also a major opportunity to present the city to a global audience and to project its business sectors to international audiences and markets. Glasgow must make as much of this opportunity as it can. The Commission has heard from prominent business leaders in Glasgow of the ways in which international sporting events have been used by other cities to re-position themselves globally. Glasgow must do the same as did when it was 1990 European City of Culture when it used it to project a modern, creative image of Glasgow and bequeathed the city a legacy of major new cultural facilities (e.g. Royal Glasgow Concert Hall, Tramway and St. Mungo's Museum).

**RECOMMENDATION 8: In Tourism and Events, the Commission recommends that Glasgow builds on the strong platform of new facilities and global promotion provided by the city's 'break-through' staging of the XX Commonwealth Games in 2014.**

- 3.21 The Commission sees significant economic opportunity in greater global promotion of Glasgow's ambitions across all its key sectors – based on the success to date of the city's successful promotion of tourism and events.** The Commission was impressed by the work to position Glasgow in global tourism and events markets. The Commission wishes to see this replicated across all key sectors, with an effective 'in-Glasgow' investment team [modelled on the successful work of the Glasgow City Market Bureau (GCMB) and the private-public promotion of the Glasgow International Financial Services District (IFSD)] working in close partnership with Scottish Development International.
- 3.22 The work of the GCMB (and the SECC) has been widely praised by the business community to the Commission and much has been said about the opportunity to use conferences and events to underpin and develop the key sectors, attracting key industry players to come to Glasgow to exchange knowledge and experience.** As the McKinsey Global Institute has pointed out recently, it is cities that are the dynamos of the global economy and they will drive global growth over the next twenty years. Scotland, though small, has great place assets in Glasgow and its other cities (principally Edinburgh, Aberdeen and Dundee). Each city adds something to Scotland's offer, helping to widen and deepen the investment that Scotland can sustain and attract. It is vital that Glasgow is able to project its distinctive assets and opportunities – especially when many of them support sectors where Scotland has a competitive advantage.

**RECOMMENDATION 9:** The Commission recommends greater global promotion of Glasgow's ambitions across key sectors and sees value in an effective 'in-Glasgow' investment team, modelled on the success of the Glasgow City Market Bureau (GCMB) and the International Financial Services District, working in partnership with Scottish Development International.

- 3.23 The Commission recognises the importance and value of the Creative Industries in Glasgow's economy, culture, quality of life and identity.** Glasgow is Scotland's largest centre of the Creative Industries, with particular strengths in media (BBC Scotland, STV and major national newspaper publishers), architecture and design and the visual and performing arts. The city boasts an array of world-class cultural and educational institutions in Glasgow School of Art and the Royal Scottish Academy of Music & Drama (RSAMD), as well as excellent performing arts companies (Royal Scottish National Orchestra, Scottish Ballet, Scottish Opera, BBC Scottish Symphony Orchestra), plus world class visual arts institutions including Kelvingrove Art Gallery & Museum, the Burrell Collection and Scotland's oldest museum, the University of Glasgow's Hunterian Museum (plus the Hunterian Art Gallery and Mackintosh House). Perhaps as importantly in looking to the future, Glasgow produces and is home to cutting-edge galleries, artists and musicians, many of them recognised and celebrated worldwide.
- 3.24 Glasgow's creative assets create wealth, sustain employment and attract / retain talent – and are an available source of innovation for the city's businesses.** Glasgow's creative assets underpin its wealth of creative talent; from artists, musicians and actors to creative producers and writers in television, theatre, film and music to the craft, technologists and marketers whose skills underpin creative production and consumption. Given that Glasgow has a real innovation challenge, there is an opportunity for Glasgow's businesses to better utilise the city's creative talent to develop more innovative products and services.
- 3.25 The Glasgow Economic Commission see the priorities for the creative industries as being to provide more support for the commercial exploitation of creative assets and talent and the better use of design-led innovation to raise business competitiveness.** The past twenty five years has seen massive public sector investment in the arts and creative industries, this is unlikely to continue at the same level. Future priorities must be to support the commercial exploitation – especially in those companies exploiting new / digital technologies and to develop a fit-for-purpose design service that SMEs can access to help them innovate and prosper – based on the depth of design talent in the city's higher education institutions and universities.
- 3.26 The Glasgow Economic Commission notes the many micro-businesses in the Creative Industries and challenges the sector to set out its growth ambitions and development priorities.** The Creative Industries comprise a small number of large commercial and other institutions (e.g. broadcasters, major arts companies, the City Council and its cultural institutions) and a very long tail of very small, flexible and project-based companies. It is vital that the sector come together to identify the key development priorities that will maximise especially private sector growth over the next period.

**RECOMMENDATION 10:** In the Creative Industries, the Commission recommends that the sector sets out its growth ambitions and a strategy that prioritises the commercial exploitation of the city's creative assets and talent.

## Other Sectors and their Contribution to the Glasgow Economy

**3.27 In proposing a focus on key sectors, the Commission is well aware of the many other sectors that make important and valuable contributions to the Glasgow economy.** Some of these help attract and retain creative talent and help make Glasgow an attractive place to live, invest and visit (e.g. the arts and Creative Industries), while others provide employment opportunities that service demographic demands (e.g. health and care) or because they are important to the city's quality of life, image and tourism sector (e.g. retail). Yet others (e.g. automotive sales and servicing) are often unseen and unsung, yet they provide real training and employment opportunities for many young people. Some, like construction, are vital if we are to have the skills to build the infrastructure, housing and business locations on which the city's continued prosperity depends. It is important that in all these sectors and more, there is active private sector leadership, that businesses clearly articulate their skills and wider connectivity and infrastructure demands to the city's economic development partners. In the Commission's view, its key recommendations are relevant to all sectors and will be of benefit to the wider Glasgow economy and its businesses.



## 4. TRANSPORT & CONNECTIVITY

The Commission has reviewed a wide range of evidence on the impact of transport and digital infrastructure and the role they play in raising productivity, economic growth and competitiveness.

- 4.1 In considering the evidence, the Commission's view is that developing (and maintaining) the appropriate quality and supply of transport, energy, water and communications infrastructure is crucial to the future performance of the city and city region economy.** Failing to tackle obsolete and inadequate infrastructure will seriously compromise the objective of securing sustainable economic growth. Infrastructure investment will create both short term employment and longer term output and employment benefits, at a time when the short and medium term prospects for the economy are uncertain.
- 4.2 Transport and connectivity are areas of particular concern and interest to the Commission.** Feedback from the business community reinforces the critical importance of the need for excellent connectivity to underpin Glasgow's future economic growth and the world class ambitions of its business sectors. The Commission considers that transportation infrastructure plays a crucial role to both enable and facilitate economic growth and competitiveness by allowing access to international and UK markets (external connectivity), access to national (Scottish) and regional (Clyde Valley) markets and traffic movement within and around the city.

**RECOMMENDATION 11: Glasgow's key connectivity priority is to improve connections to UK and international markets and the Commission recommends that all public agencies give greater urgency to improving air, rail, road and digital infrastructure to support the growth ambitions of key sectors.**

### Air Services

- 4.3 Glasgow's air services are provided predominantly by Glasgow International Airport and to a lesser extent by services available through Prestwick and Edinburgh Airports.** The Commission's main focus has been on Glasgow Airport, which is owned and operated by BAA. Ownership of the airport is currently subject to some uncertainty, which the Commission consider does not encourage medium and long term planning.

**RECOMMENDATION 12: That Glasgow City Council press the UK Government to seek early confirmation from BAA of its plans for the future ownership of Glasgow Airport.**

- 4.4 Although the requirement to increase terminal and/or airside capacity has lessened in the short term due to the fall off in passenger numbers over the recession, the long term forecast is still for significant passenger growth.** BAA's own central forecast, prepared in 2010 and taking account of the impact of the recession, is for 10 million passengers by 2020 and 16.4 million by 2040. Glasgow Airport can accommodate these forecast passenger volumes within the existing airport campus, with the second runway envisaged in the 2003 Government White Paper unlikely to be required until nearer 2040. The Airport is therefore pursuing a shorter term investment strategy to improve existing facilities, with recent and planned investment totalling over £160 million.
- 4.5 In economic terms, the Commission see the priorities for air services in Glasgow and the wider city region as being to: retain the breadth of air services to London; sustain current long and short-haul international services; develop new services to other European hubs (e.g. Schiphol); develop new routes to support Glasgow's business and tourism markets; and resolve surface access to the airport, in particular to and from Glasgow city centre.**
- 4.6 Particular emphasis has been placed on building the passenger base through expanding the routes operated by existing carriers and attracting new carriers.** Between 2002 and 2007 this was supported through the Air Route Development Fund (ARDF). Despite a positive evaluation, the national scheme was discontinued in 2008, although Glasgow City Council has continued to run a more limited scheme to support new services from both Glasgow and Prestwick airports.

**RECOMMENDATION 13:** That the Scottish Government reinstate a revised version of the Air Route Development Fund with a targeted scheme to support new route development to support the needs of businesses in the Glasgow city region and West of Scotland more widely.

- 4.7 Increasing concerns have been raised at the level of Air Passenger Duty (APD) paid for flights landing at Glasgow Airport, and the consequent knock-on impact on air fares and airline operating costs.** APD impacts directly on passenger volumes and therefore on the viability of existing services, as well as potential new routes, and represents a growing constraint on new service development outwith London's airports where connecting (or inter-lining passengers) are not subject to APD.
- 4.8 Given the on-going debate surrounding surface access to the airport and the polarised position taken by different political parties on the Glasgow Air Rail Link (GARL), the Commission considers that it appropriate that a full business review of GARL, as part of a broader review of the options to improve surface access to Glasgow Airport, is undertaken.**

**RECOMMENDATION 14:** That BAA, Transport Scotland and Glasgow and Renfrewshire Councils carry out a joint review of road and rail surface access options to Glasgow Airport to identify key improvements and in relation to the staging of the Commonwealth Games.

## Rail Services - West Coast Main Line

- 4.9 The West Coast Main Rail Line (WCML) is Glasgow and Western Scotland's main rail connection to the rest of the UK and Europe as well as to the city regions of Birmingham, Manchester and of course Greater London.** Approximately 500,000 passengers per annum travel to and from Glasgow and London on the WCML- representing growth of 23% over the period 1999-2009. Between 2009 and 2024, Network Rail forecasts an increase in passenger volumes from Glasgow-London of between 40% and 55%. The WCML offers the main alternative to short-haul – and high carbon - flights to London, but it is constrained by existing capacity (particularly south of Birmingham) as well as slow journey times (by international standards).

- 4.10 Proposals for route improvement are being progressed through the West Coast Main Line Route Utilisation Strategy (RUS) 2010.** It details the investment of over £9bn in recent years in track, signalling, and rolling stock which, together with timetabling changes (in 2008), have increased passenger capacity and reduced average journey times between Glasgow and London.
- 4.11 In the short to medium term further improvements to journey times to London are likely to be modest, although there is the prospect of an hourly service from Glasgow to London.** The current Virgin Rail franchise (which runs to 2012) provides 13 trains each way per day, with a fastest time of 249 minutes (4hrs 9 mins) and an average time of 266 minutes (4hrs 26mins). The tender process for the next franchise (from 2012 until the opening of the proposed High Speed Rail (HSR) service (provisionally 2026)) was initiated, but subsequently suspended, by the UK Government. In light of this, the Commission will refrain from making specific recommendations. However, the Commission notes the concerns of the business community regarding current and future capacity constraints and the slow journey times to/from London by international (HSR) standards. This is the basis for the Commission's wish to see an early start to planning for HSR in Scotland (i.e. "building from both ends").

## Rail Services - High Speed Rail (HSR)

- 4.12 At present, High Speed Rail is a long term opportunity for Glasgow and the West of Scotland but it may become a vital necessity, depending on the future level of Glasgow to London air services, WCML's growing capacity constraints and the competitive advantages conferred on Birmingham and Manchester by HSR time savings.**
- 4.13 HSR represents an important, sustainable, long distance travel mode and the Commission considers it vital for Glasgow (as well as Edinburgh and through them, Scotland) to be linked into this UK network at the earliest opportunity.** Planning must take place now to ensure that the optimum solution for the route alignment, station location and integration with the local and wider Scottish rail and transport network is secured. Decisions are already being taken on the phasing of HSR development, following UK Government approval in 2010. The UK Government consultation, which runs to July 2011, is an important opportunity to press the case for extension of a High Speed Line to Scotland and to seek UK Government confirmation for a clear project development timescale.
- 4.14 The current proposed route is broadly in line with that proposed by the Scottish HSR 'lobby' although there is considerable concern that while High Speed trains may come to Glasgow, actual high speed track will stop well south of the border, giving a minimum journey time nearer 4 hours rather than the 2.5 hours of a full HSR service.** The Commission considers this does not maximise the opportunity to achieve modal shift between Glasgow and London and as such it will not take best advantage of the economic and other benefits identified in the original UK business case for HSR.

**RECOMMENDATION 15:** The Commission recommends that Glasgow City Council, Network Rail, Transport Scotland and HS2 Ltd commence detailed discussions to plan for High Speed Rail (HSR) train terminal options in Glasgow city centre and work with the UK Government to commit to a specific timescale to deliver a High Speed line to Glasgow and Edinburgh and to affirm HSR as a new UK national service.

## Unlocking Growth in Strategic Investment Areas

- 4.15 Fastlink is a proposed Bus Rapid Transit (BRT) system that will operate on a (mainly) segregated road in Glasgow city centre with key destinations on the north (SECC, Glasgow Harbour, Riverside Museum, Clydebank) and south banks of the River Clyde (Pacific Quay, Southern General Campus, Braehead and Renfrew).** The Commission is aware that the scheme is not considered a 'national' priority by the Scottish Government but is considered a 'regional' and 'local' transport priority by Strathclyde Passenger Transport (SPT) and Glasgow City Council. Fastlink is a vital link to support the Clyde Waterfront, to unlock development sites along its length and to connect Glasgow city centre to major national (Scottish Hydro National Arena) and regional (South Glasgow Hospitals Campus) assets. The Fastlink draft business case was completed and submitted to Scottish Government in July 2010 and a decision on the level of funding which the Scottish Government will provide is awaited.

**4.16 The Commission considers that the Scottish Government has, in effect, made a commitment to fund or part-fund Fastlink, as compensation for the cancellation of the proposed Glasgow Air Rail Link. As yet no provision has been made to release any funding.** Given that the development of Fastlink would facilitate development of a number of sites on Clyde Waterfront, the Commission proposes that consideration be given to forward funding Fastlink, and other riverside infrastructure, through designating Clyde Waterfront as an Accelerated Development Zone (ADZ) or Tax Increment Financing (TIF) project (Refer 5.15).

## Digital Connectivity

**4.17 The Commission recognises that the availability of high capacity broadband is a potential driver of growth for both national and local economies, and it is increasingly influencing inward investment location decisions.** In business terms this contribution is reflected in improved supply chain management, productivity improvement, business innovation, and access to national and (increasingly) international markets.

**4.18 Both traditional (e.g. advanced engineering, financial services), and 'new economy' sectors (e.g. digital media, music and film, design services etc.) increasingly rely on the download and upload speeds made possible through superfast broadband to compete.** In economic development terms, the objective is to deliver internet connections that can run multiple bandwidth-hungry applications, facilitate and encourage file sharing, web-based computing and flexible working and provide existing and new business with enhanced fast data transfer capability. Greater focus and partnership working is required to enhance the city's infrastructure, encourage service provision and business uptake. In this regard, Glasgow could usefully build on its status as a former winner of the Global Intelligent Communities award.

**4.19 Virtually all of Glasgow has access to basic broadband at download speeds of at least 2mb.** While this may be acceptable for domestic and general business use, the Commission considers that this is well below the capacity required to secure real business benefits and the levels available to Glasgow's national and international competitors. BT has already made a start by introducing Superfast broadband offering speeds of up to 40mb in 3 of Glasgow's 22 exchanges and by trialling Fibre to the Premises (FTTP) provision at speeds of up to 100mb, while Virgin is planning to roll out a 100mb service.

**RECOMMENDATION 16: The Commission recommends that BT confirm the roll-out programme for Superfast Broadband across Glasgow as soon as possible and that Scottish Enterprise and Glasgow Chamber of Commerce and others work to increase broadband use amongst businesses, especially SMEs and export-oriented businesses.**

**4.20 While the focus has been on making high speed and superfast broadband available, less emphasis has been given to maximising the business development potential of the technology itself.** Ofcom (2010) suggests that while Glasgow has virtual full broadband coverage, the rate of 'take up' is only 53% - well behind the 72% in Edinburgh, the average of 73% for UK cities, and the average of 71% for the UK as a whole. As part of its own business development programme, BT has run a 'trial programme' for business users in the three Glasgow exchanges to determine how they were using / could use super-fast broadband to its maximum business potential.

**FOR CONSIDERATION: That SE and GCC consider how they can help to drive demand for superfast broadband (e.g. via procurement and on-line services) across the city - especially in the City Centre, Clyde Waterfront and Clyde Gateway - and with the Chamber of Commerce - to work with Glasgow City Marketing Bureau / SDI to consider how such provision can be used to improve the city's inward investment 'offer'.**

# 5. INFRASTRUCTURE & INVESTMENT

Investment in the city’s infrastructure is vital for Glasgow to attract and retain private investment. Glasgow needs to focus its energies on those areas that offer the greatest potential to accommodate economic activity and ensure that, in an era of constraints on public capital expenditure, it makes the most of innovative financing to help incentivise private investment in the city’s infrastructure.

- 5.1 The Commission has reviewed the many national and local infrastructure strategies that are in place and is of the view that there is insufficient agreement on transport infrastructure investment priorities between local and national agencies.** There is a perceived disconnect between the investment programmes of the infrastructure providers (who typically operate to 5 year business planning cycles) and the infrastructure consumers (who typically operate to shorter term, market-driven opportunities). Many infrastructure plans / programmes were prepared in a different set of economic circumstances and need to be reviewed and refocused to support the Commission’s proposed priorities.
- 5.2 The Commission considers that the prospect of any significant additional funding for infrastructure work funded through the traditional capital funding mechanisms over the next 3-5 years is unlikely.** It identifies the need to develop innovative approaches to infrastructure funding and applying these to deliver a clearly defined set of priorities which offer the best, most realisable, short to medium term economic benefits.
- 5.3 The Commission has reviewed the geographical investment and priority development programme and projects proposed in a wide range of existing Scottish Government, Local Government, and Government agency strategies considers them to form an acceptable basis on which to base future infrastructure development priorities.** The headline list of area regeneration and programme/project infrastructure investment priorities is shown in the table below.

	NPF2	STPR	NRS	GCVSP	CP2	SP	SW	KEY:
<b>Priority Investment Areas</b>								
Clyde Gateway								NPF2: National Planning Framework 2 2009
River Clyde Corridor								STPR: Strategic Transport Project Review 2009
City Centre								NRS: National Regeneration Statement 2006
<b>Specific Programmes</b>								GCVSP: Glasgow and Clyde Valley Structure Plan 2006
Commonwealth Games								CP2: City Plan 2 2010
Metro-Glasgow Drainage Plan								SP: Scottish Power 2010-15
Strategic Investment Sites								SW: Scottish Water 2010-15
<b>Specific Projects</b>								
High Speed Rail								
Glasgow Airport								
Glasgow Airport Rail Link								
West of Scotland Rail								
Glasgow/Ayrshire Rail								
Glasgow-Edinburgh Rail								

- 5.4 As indicated above, there is general agreement on the spatial investment priorities for the city as being Glasgow City Centre, Clyde Waterfront and Clyde Gateway.** National, regional and local planning policies all identify these areas as of strategic investment and economic opportunity.
- 5.5 Glasgow City Centre and Clyde Waterfront are key centres of the Glasgow economy and are prime locations for a number of key sectors in the Glasgow economy.** Both have posted the largest increases in employment over the past decade (G1 and G2 postal areas). A number of key sectors are located in the City Centre and Clyde Waterfront including: Financial and Business Services (IFSD), tourism and related industries (e.g. SECC), Glasgow’s retail core and, along the river, the engineering, marine and defence industries. The Creative Industries and Digital Media industries have a key location at Pacific Quay / Creative Clyde and Energy / low carbon industries as well as the majority of Glasgow’s further and higher education institutions (University of Strathclyde, Glasgow Caledonian University, City of Glasgow College, RSAMD, Glasgow School of Art and the University of Glasgow) are located in these two areas.
- 5.6 Along with the City Centre and Clyde Waterfront, the on-going development of Clyde Gateway provides an opportunity to further strengthen Glasgow’s location “offer” to key sectors.** In particular it provides a potential ‘low carbon’ demonstration opportunity for businesses - something that it should seek to exploit.
- 5.7 The current capital funding restrictions noted above threaten much of the progress seen over the past decade, with many of the programmes funded by traditional capital spending routes coming to an end.** The Commission considers that ‘kick-starting’ development in the priority investment areas is necessary to provide the city with the key basic infrastructure to support private sector investment and sector development priorities.
- 5.8 The current funding climate makes it unlikely that traditional sources of funding can sustain past levels of infrastructure investment.** The Commission has identified a range of potential innovative funding mechanisms which are either underway or under consideration elsewhere, or which are worth more detailed investigation. These operate at a number of spatial levels varying from large scale area regeneration programmes through to individual sites or property developments.
- 5.9 Large scale area regeneration programme options include:-**

**Enterprise Zones (EZ):** a defined area in which tax incentives and planning concessions are available to property developers and investors for a limited period. EZ’s are particularly appropriate where support is needed to stimulate property development. Clyde Gateway Urban Regeneration Company (URC) is currently investigating the opportunities that may be presented by seeking EZ status. This may also be appropriate for other areas of the city (e.g. Clyde Waterfront or North Glasgow).

**Accelerated Development Zones (ADZ):** are defined areas where the infrastructure investment required to accommodate and facilitate growth is financed by the non-domestic rate forecast to be generated by that growth. ADZ’s are particularly appropriate where support is needed to provide facilitating infrastructure necessary to accommodate development.

**Simplified Planning Zones (SPZ):** are areas in which the Council grants a general planning consent with no further need for developers to apply for site-specific planning consents.

**5.10 More targeted intervention options include:**

**Tax Increment Financing:** essentially paying for the infrastructure required to accommodate development from the future non-domestic rate or council tax income to be generated by development. TIF’s are broadly similar to ADZ’s but on a more limited project-specific scale. The City Council has recently submitted a TIF Business Case for Buchanan Galleries Quarter to the Scottish Futures Trust.

**Business Improvements Districts (BIDS):** levy a supplementary non-domestic rate within a defined area to undertake a defined range of service enhancements and generally operate in city and town centres. The Style Mile partnership is currently considering the merits of a city centre BID.

**Local Asset Backed Vehicles (LABV's) or Local Incentive Backed Vehicle (LIBV's):** utilise public land and property assets to stimulate private sector investment. The City Council has used the LABV approach to facilitate the £10m development at College Lands and in its education and social welfare capital investment programmes.

**Derelict Land Fund:** former Scottish Government fund used to reduce exceptional ground costs by removing the up-front infrastructure costs from the developer and recovering the cost from downstream development.

**City Growth Fund / Better Glasgow Fund:** this was a fund operated as public / private regeneration fund over the period 2003-11 with contributions of £76m from the Scottish Government (2003-08) and £36 million from Glasgow City Council (2008-11).

#### 5.11 More radical, but less developed, possible interventions include:

**Establishment of a Scottish Infrastructure Bank,** potentially offering low-cost, long-term loan funding for developments where the up-front infrastructure costs undermine commercial viability.

**Use of Municipal Bonds** by local authorities, something which is relatively common in the USA but not widely used in the UK.

**Use of Financial Guarantees by local authorities / Scottish Enterprise** (including rental guarantees) to support speculative commercial property development on strategic business sites. Clyde Gateway URC is currently proposing to use a rental guarantee to support the development of the London Road Industrial Park.

**RECOMMENDATION 17:** Given public expenditure constraints, the Commission recommends that Glasgow's economic development partners utilise a range of innovative funding and other mechanisms (BIDs, TIFs, EZ, ADZ, SPZ etc.) to catalyse infrastructure and private sector investment, principally in Glasgow City Centre, Clyde Waterfront and Clyde Gateway.

#### 5.12 All innovative funding solutions should be investigated to best match them to the challenges of attracting private funding to invest in Glasgow's infrastructure and key investment areas.

**FOR CONSIDERATION:** The Scottish Government to consider the establishment of a Scottish Infrastructure Bank (or Fund) to advance-fund the servicing of sites in strategic investment areas and in vacant and derelict sites with development potential.

## Strategic Investment Areas - Glasgow City Centre

**5.13 Glasgow City Centre is critical to the performance of the Glasgow, city region and Scottish economy.** It is the single largest location of economic activity in Scotland and daily draws in tens of thousands of residents from across the Clyde Valley and beyond into the city to work, and these numbers have steadily grown over the past decade. As Scotland's most accessible location, the city centre is the location for a number of key sectors including financial and business services, tourism, events and related business activities (e.g. retail, leisure and accommodation). It is also a hub base for Government, Local Government and other public services as well as higher and further education institutions. The importance of Glasgow city centre to the city and city region's economy cannot be overstated.

**RECOMMENDATION 18:** In the City Centre, the Commission recommends that the Style Mile Partnership / Glasgow City Council develop a new City Centre Business Improvement District (BID) proposal to help fund a City Centre Infrastructure Development Programme.

**5.14 In the Commission's view, it is vital that the attractiveness of the city centre to private sector investment is maintained and enhanced for the benefit of the economy.** As such it must enhance its connectivity – both real and virtual – and exhibit the high place quality – for the benefit of businesses and the city's people, workers, shoppers and visitors. The city centre is Glasgow's shop window – and it needs to be 'well dressed' – and maintained.

**RECOMMENDATION 19:** The Commission commends the Buchanan Quarter TIF (Tax Increment Financing) proposal, currently with the Scottish Government for approval, as an example of innovative financing to allow the early implementation of much-needed improvements to the city centre public realm.

## Strategic Investment Areas - Clyde Waterfront

**5.15 Since the Clyde Waterfront Partnership was created in 2005, the Waterfront has seen private sector investment of £1.26bn alongside public sector investment of £531m generating 18,000 new jobs and £850m of Gross Value Added (GVA).** Clyde Waterfront is a location for key sectors including Financial Services (at the IFSD), Tourism and Engineering. Major investments have included the Clyde Arc bridge, the Digital Media Quarter at Pacific Quay, HQ's of BBC Scotland and STV, the new Riverside Museum, the Scottish Hydro National Arena. Clyde Waterfront in Glasgow has been a major success story for the city and one that with investment, creativity and partnership still has much more to contribute to the city's economy.

**5.16 However, at the present time, there are significant, practical constraints to the further exploitation of the growth potential of Clyde Waterfront.** These include current funding and development constraints, transport and connectivity and continuing issues with the Waterfront's basic infrastructure, including the physical state of many of the quay walls. These constraints must be overcome with continued partnership, imagination and determination. A River Clyde Accelerated Development Zone (ADZ) proposal would include and impact on the specific areas of: Custom House Quay, Tradeston, Broomielaw (IFSD2), Creative Clyde (Pacific Quay, BBC, and the Science Centre), South Glasgow Hospitals Campus, Central Govan, SECC campus and Glasgow Harbour, plus the Inner regional Fastlink scheme.

**RECOMMENDATION 20:** In Clyde Waterfront, the Commission recommends that the Scottish Government support SE, GCC and private developers in the preparation of a business case for a River Clyde Accelerated Development Zone (ADZ) as a possible vehicle to part-fund the Inner Regional Fastlink Scheme (and its part-construction prior to the Commonwealth Games and completion of the South Glasgow Hospitals Campus), upgrade quayside walls and remediate vacant and derelict sites.



## Strategic Investment Areas - Clyde Gateway

**5.17 Clyde Gateway Urban Regeneration Company was established in 2008 with a 25-year vision and Business Plan to create a new quarter in the city region, attractive to new investment and new residents.** The opportunities provided by Clyde Gateway are based on the area's increased accessibility, via the M74 extension, and the major new-build facilities (National Indoor Arena, Sir Chris Hoy Velodrome and the Games Village) built to stage the XX Commonwealth Games in 2014. Clyde Gateway is also an opportunity to pilot 'low carbon' regeneration, with the Games Village being developed to the highest environmental standards and opportunities to develop combined heat and power (CHP) systems. Clyde Gateway also provides an opportunity to expand and upgrade the city's supply of industrial and commercial space to facilitate growth.

**RECOMMENDATION 21:** In Clyde Gateway, that the Urban Regeneration Company build on existing investment in the Commonwealth Games, M74 and digital infrastructure to expand industrial and Grade B commercial provision in support of key sectors, including developing a low carbon location 'offer' to business.

**FOR CONSIDERATION:** That Scottish Power be encouraged to investigate how the use of 'Smart Grid' technology can be accelerated to underpin Glasgow's ambitions to be a low carbon industry hub and enhance Clyde Gateway's low carbon location 'offer'.

## Strategic Investment Areas – Alignment and Co-ordination

**5.18 With specific reference to the Clyde Waterfront and Clyde Gateway, the Commission recognises the importance of ensuring that capacity planning and forward investment plans of service-providers are strategically aligned to minimise disruption, duplication and missed opportunities to develop sites more quickly.**

**FOR CONSIDERATION:** That a Glasgow Infrastructure Planning Board be created to co-ordinate / maximise the economic impact of investment by all major infrastructure providers (private & public), and that Scottish Water and Scottish Power be asked to prepare capacity plans for key development sites in Clyde Waterfront, Clyde Gateway and elsewhere in order to maximise the city's 'investment readiness'.

**5.19 The Commission notes that Glasgow (and Clyde Valley) has a legacy of derelict and vacant land whose scale and incidence is unique in Scotland.** In many ways the derelict land that now exists is more challenging, with many sites polluted with heavy metals and other toxins. It is vital that this 'negative' is addressed with vigour by national agencies and local government, working closely with the private sector. The Commission notes that up-front costs to remediate such sites often frustrate national and local policies that seek to maximise the city's land use, and reduce the negative carbon impacts associated with green-field edge-of-town and out-of-town development.

## 6. FURTHER & HIGHER EDUCATION

Glasgow's further and higher education institutions are critical economic assets in the Glasgow and city-region economy and are key to supporting business innovation, raising productivity, attracting investment and talent and increasing entrepreneurship.

- 6.1 The further and higher education institutions (FHEs) are critical to underpinning the competitiveness and innovation of Glasgow's economy and its key sectors (e.g. Low Carbon Industries, Engineering, Design and Manufacturing, Life Sciences, Financial and Business Services and Tourism and Events).** The skills, research and knowledge that the FHEs produce helps attract and retain investment and talent. The FHEs also contribute to Glasgow's distinctiveness and to its vibrant arts and cultural life that makes the city attractive to residents, new talent and visitors. FHE institutions are critical to supporting creativity and Glasgow's role as Scotland's Creative Industries hub. In their own right as businesses, FHE institutions make a significant contribution to the Glasgow and Scottish economy.
- 6.2 Glasgow's universities and colleges are also some of the city's largest businesses and employers with many of them – especially the Higher Education Institutions (HEI's) – being some of the city's most important international businesses.** Glasgow has a very strong presence in higher and further education, with a cluster of institutions with the scale, excellence and subject range that can and should attract more students, researchers and talent to the city. FHE has the potential to grow further by providing education and training to overseas markets, especially non-EU markets, as well as by expanding its services to key sectors and employers throughout the city and city region.
- 6.3 In particular, Glasgow HEIs are critical to the Scottish economy and contribute 31% of the total economic output generated by HEIs in Scotland (at £1.26 billion) with the universities of Glasgow and Strathclyde generating the 2nd and 3rd largest individual HEI impacts.** When the impact of their supply of graduates into the wider economy is taken into account, the economic value of the HEI sector rises dramatically and underlines the critical economic role now played by HEI sector in a modern, knowledge-based economy. When one adds the economic impact of Glasgow Further Education Colleges the expenditure impact of Glasgow's FHE sector on the Scottish economy rises to £1.6 billion.
- 6.4 The FHE sector is vital to underpinning innovation and ensuring a skilled workforce in Glasgow's key sectors.** All successful industrial clusters rely on a two-way flow between businesses and universities and colleges around skills, research and knowledge. To further strengthen this in Glasgow, the Commission wishes to see the FHE sectors deeply embedded in the key sector groups it wishes to see established so that FHE are able to respond to – as well as help shape – industry demand.

**RECOMMENDATION 22:** The Commission recommends that Glasgow's FHE institutions are fully engaged at a senior level in the development of key sector strategies, to ensure FHEs provide 'smart' support in delivering skills and knowledge exchange to boost key sector competitiveness and innovation.

## Aligning Skills Supply to Business Demand

- 6.5 The Commission recognises the growing numbers of graduates produced by the city's FHE institutions and the need to better align their skills with the current and future needs of key sectors and the city's employers more generally.** The Commission is of the view that Glasgow Chamber of Commerce, which represents over 500 private sector organisations in the city, could provide a valuable 'ready-made' link between the FHE sector and Glasgow businesses to help better link FHEs to the needs and demands of private sectors business and employers.

**RECOMMENDATION 23:** The Commission recommends that Glasgow Chamber of Commerce be resourced to enable it to support intelligence-sharing and best practice links between the Glasgow business community, FHE institutions and the key sectors via joint information-sharing and awareness-raising events.

- 6.6 To maximise economic growth in Glasgow, the Glasgow Economic Commission recommends the further and higher education (FHE) sectors better align their supply of skills and knowledge to the business demands of the city's key sectors.** On a key sector basis, FHE programme and course delivery should be reviewed to ensure the closest possible alignment of FHE supply to key sector demand, build on existing good practice and, in the skills area in particular, work within the sector skills frameworks develop by Scotland's key sectors, Skills Development Scotland, Sector Skills Councils and others.
- 6.7 Current Further Education provision - delivered via the 'Academy' model<sup>5</sup> - is seen to work well, and should be extended to other key sectors as appropriate.** For industries where there is a particularly long 'tail' of technician, technologist and support job opportunities there is a need to ensure that skill supply is appropriately aligned with the demands of growth industries (e.g. the low carbon or 'green skills' agenda). It is important that each sector examine how an Academy model might help supply industry-ready skills.

**FOR CONSIDERATION:** That each sector strategy group (with Glasgow's FHEs) consider the applicability of the National Skills Academy model to deliver technician / technologist and support-level skills to key sectors.

## Boosting Internships and Graduates/Business Programmes

- 6.8 It is vital that graduates of Glasgow's FHE institutions have both the right academic skills and competences to contribute to raising workplace productivity.** To be successful, it is vital we have well-trained and motivated workers as well as companies that make the most use of the skills of their workforces. The Commission has heard from many employers a lack of corporate or workplace readiness when taking on graduates, as well as examples of good practice (e.g. Club 21 at the University of Glasgow). There needs to be a better bridge between education, work experience and working in industry.

**FOR CONSIDERATION:** FHEs to work with the Chamber of Commerce and private sector companies to consider how to expand work experience placements and internships, especially in key sectors, to support greater work-readiness among students and graduates.

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5. National Skills Academies in England & Wales deliver specialised skills to employees and learners in response to specific business sector needs. They are set-up and led by employers whose aim is to improve business competitiveness in key areas of the economy. In each sector, they operate to a consistent set of Training Quality Standards but without any fixed format. Some are delivered in training centres, some in the workplace itself or wholly online according to the needs of the sector itself.

## Embedding Entrepreneurship in Education

- 6.9 Entrepreneurship and innovation are integral to any successful economy.** It is clear from the Commission's economic analysis that Glasgow has far fewer businesses than its UK competitors. To increase the number of business, including high growth businesses, Glasgow needs a concerted campaign to promote and support entrepreneurship right across the city including in: schools, colleges, universities, workplaces and local communities. Glasgow needs new businesses and more entrepreneurs. Glasgow also needs to build the right environment in which entrepreneurial activity is supported. To help these aims, there is an opportunity for greater collective drive by FHE institutions (as well as the city's schools) to offer and deliver entrepreneurship training to young people – across further and higher education - in a low-risk, supportive environment. Currently, around 2% of all Glasgow's FHE students participate in a formal element of entrepreneurship 'education provision. This must increase if Glasgow is to see a rise in new business starts, and particularly high growth starts.
- 6.10 Entrepreneurship programmes, with varying degrees of success, are delivered throughout our education system.** From 'Dragon's Den'-style initiatives in our primary schools, through to 'Stock Market Challenges' and the Young Enterprise Scotland' initiative for secondary school pupils through to SDI's 'Talent Scotland' programmes for graduates. Despite the provision of opportunities to learn about the how to run an enterprise, a deeper embedding of the skills of entrepreneurialism should be an integral part of all further and higher level education. FHE institutions must be encouraged to offer greater and more integrated entrepreneurship support to students, from HNC level and up. The importance of aftercare and on-going support must be a focal point for the creation of any enterprise or business start-up training.

**RECOMMENDATION 24:** The Commission recommends greater support for entrepreneurship with the city's FHE institutions, working with private partners and key enterprise organisations (e.g. Young Enterprise Scotland, Princes Scottish Youth Business Trust, The Hunter Centre and Business Gateway) to map current entrepreneurship support and how it can be expanded.

## A Growth Sector for the Glasgow Economy

- 6.11 The Commission, like other commentators such as McKinsey & Co., sees a rising, long-term, global demand for higher education.** Higher education is an expanding market worldwide and one that Glasgow institutions can supply – either from Glasgow or by creating overseas bases (as is already the case), either by themselves or in partnership with locally-based institutions. The Commission is aware of the growth ambitions and potential of the city's higher education institutions and, notwithstanding current funding issues, sees long-term growth potential in higher education, especially to educate and /or attract students from outwith Scotland, most especially international students from outwith the EU.
- 6.12 Glasgow has the largest concentration of further and higher education institutions in Scotland.** It also has the widest range of subject areas; from engineering, medicine, science and technology and related subjects to the professions, social sciences, liberal, visual and the performing arts, including specialist arts' institutions (Glasgow School of Art and the Royal Scottish Academy of Music and Drama).
- 6.13 To help fund growth over the next period, the higher education sector must work with the private sector to attract investment.** Future efforts should build on existing and planned industry-financed research centres such as the Advanced Forming and Research Centre (AFRC) and the Technology Innovation Centre (TIC) that produce industry-relevant research and cement excellent industry-higher education relationships. Other opportunities include attracting private funding for facilities such as student accommodation to help attract more international, especially non-EU, students to study in Glasgow. The development of a wider range of private sector and charitable Foundation income streams will help fund future growth and help better align the work of institutions with the demands of business and especially key sectors.

**FOR CONSIDERATION:** Glasgow's FHE institutions to consider the development of a joint demand-based Prospectus to attract private investment in additional student accommodation across the city to increase the attractiveness of FHE to a wider student base.

- 6.14 Glasgow’s further and higher education institutions play a key role in Glasgow’s knowledge-based economy and this should be recognised more widely by public sector agencies and partners.** Though there are regular meeting between individual agencies and institutions, often on a Principal Relationship Management (PRM) basis – there is an opportunity to develop a more strategic dialogue between FHE institutions and other public agencies. FHE should be represented in the proposed new private-public leadership body.
- 6.15 Given the need to realise efficiencies in order to invest in excellence, FHE institutions may wish to investigate the opportunities presented by the development of a shared procurement / services agenda.** This could be done in conjunction with other relevant parties (e.g. Scottish Funding Council, Glasgow City Council etc.) and where possible learn lessons from similar shared services’ experience (e.g. the Arbutnot Review of Services for the Clyde Valley Partnership). This could include, but not be limited to, shared telecoms / ICT services, energy [e.g. Combined Heat and Power (CHP)] and other services)

**FOR CONSIDERATION:** Glasgow’s FHEs to consider working collaboratively to investigate the potential benefits of a shared procurement / services agenda (e.g. telecoms / ICT, energy, accommodation etc.) to increase business efficiency and attract private investment to the city.

- 6.16 The city’s FHE institutions and key partners should seek to more fully exploit the global growth of higher and further education and align them to the growth ambitions of the city’s institutions to their and the city’s economic benefit.** The ambition should be to articulate and promote Glasgow FHE capabilities, both domestically and internationally, and highlight the scale, breadth, depth, excellence and concentration of FHE in Glasgow in order to attract more students, researchers and (especially private and Charitable Foundation) investment in the city’s FHE sector and institutions.
- 6.17 The creation of a ‘City of Education’ (or similar) marketing initiative would represent a significant opportunity for Glasgow to better exploit its FHE assets and present them to a growing international market.** 60% of international conferences to Glasgow originate from contacts within the higher education, especially in medicine, Life Sciences, science, engineering and technology. A joint marketing initiative could build on the very strong links between the higher education sector and work of the Glasgow City Marketing Bureau (GCMB) to successfully market Glasgow as an international education and research location.

**RECOMMENDATION 25:** The Commission recommends that the FHE institutions work collectively with Glasgow City Marketing Bureau to develop a considered ‘Glasgow, City of Education’ marketing campaign to attract more international (especially non-EU) students, research talent and academic investment to Glasgow.

**FOR CONSIDERATION:** FHE institutions / Glasgow City Marketing Bureau to consider the scale and growth potential of “educational tourism” (e.g. visiting friends / relatives studying in Glasgow and visitors who come specifically to study on short-stay / summer courses) and how it might be expanded.

## Promoting FHE Place-Based Development Opportunities

- 6.18 Glasgow’s higher education institutions include some of the city’s most iconic buildings and places** – from the neo-Gothic spires of the University of Glasgow to the Art Nouveau perfection of Glasgow School of Art. There is an opportunity to promote the city and the importance of its FHE institutions by using them to help create new themed quarters and districts. The Commission is aware of proposals to do this in several areas of the city.

**6.19 The Commission supports the wish of cultural institutions in the north of the city centre to develop an “Avenue of the Arts”.** These institutions include Glasgow School of Art, Glasgow Film Theatre, the Royal Scottish Academy of Music and Drama (RSAMD), Scottish Opera / Theatre Royal, The Piping Centre and the Royal Concert Hall. Together they present a unique and powerful asset whose physical setting and promotion could add to Glasgow’s reputation as a ‘powerhouse for the Arts’.

**6.20 The proximity of Glasgow Caledonian University and the new City of Glasgow College ‘super campus’ and the University of Strathclyde on Cathedral Street provide the opportunity to better present and promote these institutions and their links to the city centre.** Upgrades to pedestrian links between them and to/from the city centre, principally from Buchanan Street, should be pursued with vigour.

**FOR CONSIDERATION:** Glasgow City Council to consider the opportunity, perhaps via the Buchanan Galleries TIF, to invest in the ‘Avenue of the Arts’ proposal and to upgrade the public realm between Buchanan Street and Glasgow Caledonian University, City of Glasgow College and University of Strathclyde to reflect the economic value of FHE to the city economy.

**6.21 The Commission is supportive of the ambitions of the University of Glasgow to develop with the City Council an international cultural ‘hub’ centred on Kelvingrove Art Gallery & Museum and the University.** The creation of a cultural ‘hub’ centred on closer integration of Kelvingrove Museum & Art Gallery, (a redeveloped) Kelvin Hall and the University of Glasgow’s own cultural assets (i.e. Hunterian Museum, Hunterian Art Gallery and Mackintosh House and associated University collections) would create an internationally recognised cultural hub - akin to a Scottish ‘South Kensington’.

**FOR CONSIDERATION:** Glasgow City Council and Glasgow University to consider plans to develop a international cultural hub centred on Kelvingrove Art Gallery & Museum, (a redeveloped) Kelvin Hall, and the University of Glasgow’s Hunterian Museum, Art Gallery, Mackintosh House and associated University collections.

# 7. OUR PEOPLE & SKILLS

Being able to access the right skills is a key element in Glasgow's investment attractiveness as is increasing our people's skills to ensure Glasgow's success in an increasingly knowledge-based, value-added global economy.

- 7.1 As the Commission's own economic analysis demonstrates, access to a skilled workforce is an essential feature of any competitive city economy.** Those cities with higher-skilled profiles are the ones who have best weathered the recent recession and are best placed to take advantage of the upturn. Making Glasgow a high-skill location that invests in its people and attracts and retains the highly-skilled (and the services and quality of life they demand) will make the city more attractive to investment, help develop the key sectors and build the city's economy and employment.
- 7.2 To improve the future prospects of the Glasgow economy means we need to invest in our people and their skills, whether they are in education, training or employment, or currently outwith the labour market.** It is vital that Glasgow's industries, businesses and people invest in skills and learning. Glasgow needs more ambitious employers, more people who are ambitious to gain the skills that match current (and future) needs of businesses and the economy and we need more jobs that fully utilise the skills we have. Glasgow also needs an employment and skills 'system' that is able to meet these needs as well as those presented by those currently outwith the labour market.
- 7.3 Glasgow has the largest pool of graduates in Scotland with a third of its resident workforce educated to degree level (higher than its UK competitors).** Glasgow compares well with its UK city competitors, the Core Cities and the UK generally - and over the past decade it has increased this nearly twice as fast as the UK. This pool of graduate labour is a key asset for the city and its employers and helps Glasgow compete for investment.
- 7.4 However, Glasgow's performance at the low end of the skills ladder is poor and needs to improve significantly.** 20% of the resident workforce has no qualifications, significantly worse than all its UK competitors (save Birmingham): the 2004 UK Leitch Review target for 2020 is 4%. Glasgow also needs to increase those with (S)NVQ Level 3 skills: the Leitch target is 28%, double Glasgow's current 14%. This is a significant challenge to Glasgow's schools, further education colleges and employers, all the more so when progress to date has been slower than in Scotland or the UK. Raising the skill levels of those with no or only low qualifications will help increase their employability and reduce their incidence of unemployment and worklessness, thereby increasing those who are economically active and contributing to the city economy and to the national exchequer.
- 7.5 For growth to be sustainable it is important that those areas of the city facing greatest economic disadvantage, and the people who live there, are not left behind.** The Commission is of the view that Glasgow cannot flourish unless the opportunity exists for all of its citizens to flourish. To create sustainable economic growth requires that economic and social inequity in Glasgow must be reduced and that skills development and employment provide the essential first step to help reduce economic disadvantage.

- 7.6 The Commission notes the significant increase in youth unemployment in Glasgow and the challenge this presents to the city as a whole - employers, colleges, welfare to work efforts, the city's Education Service and the Third Sector.** The long-term economic and social costs of youth unemployment are very significant – to the individual, society and ultimately to the economy. Addressing this issue is important if Glasgow is to build its skills base and reduce the level of employment disadvantage in the city. Hence the importance of the city's **Future Jobs Fund** and **Commonwealth Jobs Fund**.
- 7.7 The Commission believes that central to success in the city's people and skills agenda is agreement by the key organisations and employers that training and skills investment must be prioritised to (i) align with and sustain the growth of Glasgow's key sectors and (ii) to unlock the economic potential of all citizens and help eradicate employment disadvantage that is faced by too many Glasgow residents.**
- 7.8 Glasgow has a wealth of skills institutions, from schools, to colleges and universities.** To best harness these assets, it is important that skill suppliers constantly review and improve their training and skills 'offers' to ensure they meet the current and future needs of employers, particularly private sector employers. Equally it is important that employers, by engaging with suppliers, are able to articulate their needs as clearly as possible and with as much evidence as they are able to provide.
- 7.9 With regard to our people and skills the Commission's vision is for a Glasgow economy where:**
- **More Glasgow businesses are ambitious to be world-leading in their industries**, who invest in leadership and management, make better use of high-performance working practices and invest in and utilise the skills of their workforces more effectively;
  - **Glasgow's colleges, universities and learning providers provide both individuals and employers with effective support** to make informed choices about skills investment, building on existing arrangements for collaboration between institutions, and with employers and trade unions;
  - **Employers in Glasgow engage collaboratively and through their respective sectors, with the trade unions and providers, to identify future skills requirements and priorities** and ensure that Glasgow's employment and skills providers understand and rapidly respond to what is needed;
  - **Glasgow's people are inspired and motivated by the enhanced work and life opportunities that lifelong learning provides**, have the support, confidence and skills to participate and succeed by committing more to their own learning and development;
  - **Individuals, employers and providers are empowered to make the right decisions**, helping the system to work better through the provision of relevant labour market information, appropriate support, encouragement / incentives and strategic leadership.
- 7.10 Given public sector expenditure constraints, the Commission's view is that priority in public funding be given to (i) stimulate greater participation and co-investment with employers and individuals at higher-skill levels (e.g. technician / technologist and Modern Apprenticeship levels) and (ii) those furthest from the labour market to help them access education, training and employment.**
- 7.11 The Commission's key recommendations for our People and Skills issues in Glasgow are grouped under three main priorities, to:**
- Raise employer ambition and investment in skills;
  - Increase individual commitment to and participation in learning and development;
  - Improve the responsiveness of the employment and skills system.



**7.12 To help deliver its recommendations, the Commission believes that it is important that there is a forum that brings together employers, the Chamber of Commerce, the City Council, FHE, Skills Development Scotland, training providers, Scottish Trade Union Congress (STUC) and Scottish Sector Skills Alliance to focus on meeting the skills requirement of key sectors and others and those sectors with known demand in Glasgow.** Such a body would operate, in effect, as a ‘Glasgow skills partnership’ and the Commission believes that the **Glasgow Employer Board (GEB)** has the potential to fulfil this role. It is also important that the GEB works to shape skills development, utilisation and the skills ‘system’ in Glasgow. To ensure that training initiatives focused on reducing worklessness are closely aligned with sector skills priorities, it will be important that the Glasgow Employer Board works with the **Glasgow Works Partnership Board** (under the Chairmanship of Jim McColl) and with bodies such as the new Glasgow Regeneration Agency, Third Sector Forum and Interface.

**RECOMMENDATION 26: Glasgow Employer Board to expand its role to improve skills investment and utilisation in key sectors, stimulate greater / wider employer networking and collective action and articulate current and future skills needs to schools and FHE institutions.**

**RECOMMENDATION 27: Glasgow Employer Board to engage with the Glasgow Works Partnership Board to ensure close alignment of national and local employment programmes (e.g. Commonwealth Jobs Fund) and (private, public sector and Third Sector) providers with the skills needs of key sectors and those sectors with known demand.**

## Raising Employer Ambition and Investment in Skills

- 7.13 The Commission’s own economic analysis notes the need for Glasgow - indeed Scotland - to have more innovative and high-performing businesses; businesses that drive demand for investment, jobs and skills.** Much of the desire to be ‘world-class’ comes from having good leadership and management, leadership that knows it must use high-performance working practices to be competitive and that values, invests and exploits the skills of its workforce. There needs to be a commitment to more fully engage the energies and resources of all social partners<sup>6</sup> behind Glasgow’s economic success to support such ambition.
- 7.14 Greater exporting and internationalisation of Glasgow’s business have emerged as key ways in which to help grow Glasgow’s economy.** Scottish Development International (SDI), Scottish Council for Development and Industry (SCDI) and the Chambers of Commerce are working in partnership to deliver ‘Smart Exporter’ which aims to increase the uptake of companies with the potential to export. To be successful our employers must have the ambition and leadership to succeed. Working with Scottish Enterprise, Glasgow needs to focus on building the leadership capacity of companies with the greatest potential to grow.
- 7.15 Glasgow’s employers need to be able to articulate their skills needs, collaborate with other employers and support agencies and provide directive to the supply of appropriate skills to the labour market in order to realise their growth potential.** A more co-ordinated approach to engagement and provision of employability support to those who are disengaged is vital to reduce the polarisation experienced in our city. Ensuring that the skills demand at all levels (from technician to high value expert jobs), is articulated and planned for, is an essential part of our city’s success.
- 7.16 It is vital that we raise employer ambition and innovation and company engagement and investment in skills with other social partners, especially in the key sectors.**

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6. Employers, unions, colleges, universities, training providers, public sector agencies, GCC and the third sector.

## Increase Individual Commitment to and Participation in Learning and Development

**7.17 To maximise individual opportunity for skills and sustainable employment, the Commission see opportunities to embed training and work opportunities in public sector procurement contracts.** Ensuring that such contacts deliver both value-for-money and local training and employment opportunities, may help to provide a catalyst to help people back into formal training and employment, and help to reduce worklessness.

**RECOMMENDATION 28:** That public procurement contracts are used to more actively promote increased employment, training and work-experience opportunities.

**7.18 The Commission and Glasgow City of Science recognise Glasgow's strong presence in science, technology and engineering across low carbon industries, engineering and life sciences.** It is important that the city builds on its existing strengths and expands the number of all our young people who are engaged in Science, Technology, Engineering and Maths ('STEM') subjects – from secondary school, to college and university – to enable them to access career opportunities. Work should be undertaken by Glasgow City of Science with employers, Scottish Engineering, the City Council's Education Service and others to develop and define career pathways into science and technology industries, at all skills levels. Consideration should be given to developing an awareness-raising campaign to promote career opportunities in STEM-related sectors, especially to under-represented groups (woman, ethnic minorities etc.).

**FOR CONSIDERATION:** That Glasgow City of Science, Scottish Engineering and others consider developing a joint campaign to attract and inform Glasgow's young people on career pathways in Low Carbon industries and Engineering (e.g. renewables, marine, aerospace, civil, electrical and software engineering) and other key sectors, and seek ways to expand delivery of existing initiatives and attract under-represented groups.

## Improving the Responsiveness of the Employment and Skills System

**7.19 The Commission is persuaded that Glasgow needs to build a more strategic, agile and labour market-led employment & skills system that is capable of matching skills supply to the changing demands of employers.** The Commission sees this as a key role for the Glasgow Employer Board.

## Reducing Polarisation

**7.20 Reducing employment polarisation in Glasgow is an economic imperative as it brings into use unused human potential, helps expand the tax base and, in turn, reduces social, health and other public costs associated with worklessness.** Glasgow has a strong record in reducing worklessness. Over the past decade in a period of significant net jobs growth, Glasgow saw a higher than average fall in worklessness. The city has a strong, institutional (public and third sector) strength in providing employability services. It is vital, that these services are aligned to the demands of the economy and the needs of the key sectors and other growth sectors (e.g. health, retail, hospitality and care). Fulfilling the skills demand by the key and growth sectors in the city should be a priority for all agencies that work with citizens to provide sustainable employment and self-employment opportunities.

**7.21 The city's employability skills and in-work support structures must be better aligned.** Once in work, individuals must continue to receive appropriate support to maintain and develop their skills in line with employer needs and their own ambitions. Glasgow Works aims to ensure that there is an alignment of support services across the spectrum; from those who are completely disengaged from the labour market, through to those who need additional support to sustain employment. Support@Work is a Trade Union-supported initiative in Edinburgh which provides additional in-work support. Examples of good practice must be more readily shared and promoted amongst employers and agencies, facilitated by the Glasgow Employers Board and Glasgow Works.

**RECOMMENDATION 29:** That GCC, Skills Development Scotland and partners engage the Department of Work and Pensions (DWP) and Jobcentre Plus (JCP) to pilot more flexible approaches for those on benefits to train without adversely affecting their income and provide more focused opportunities to move from welfare to work.

**7.22 Particularly in the current economic environment, it is vital that employers are supported to maintain levels of in-work skills and training investment.** Skills Development Scotland has a dedicated Employer Engagement programme which works with employers to assess and plan their skills investments, carry out training needs analysis and signpost to appropriate provision. Scottish Enterprise offers similar 'Training Specialist' service to their Account Managed companies to ensure that a company's Business Plan is underpinned by the right kind of staff training and development. Available subsidy and grant support to employers should be more easily accessible to companies not currently working with Scottish Enterprise.

# ANNEX A

## GLASGOW AND THE FUTURE: LESSONS FROM THE PAST

Professor Richard Findlay, Department of History, University of Strathclyde

**The growth of Glasgow has been inextricably linked with the development of the international economy; from the second half of the eighteenth century, Glasgow has been a significant player in most of the key developments that have shaped our modern global economy.** From the 1750s, the tobacco trade, which the city dominated, was part of the opening up of the trans-Atlantic economy and Glasgow merchants owed their success to entrepreneurial dynamism, innovative business practices and an ability to undercut competitors. Not only was Glasgow an instrumental player in shifting the hub of the global economy away from the Mediterranean towards the Atlantic, its thinkers, in particular Adam Smith, laid down the template of modern economic thought. The relationship between trade, material improvement, the development of society and the relationship between economic development and human progress were all given expression during the Scottish Enlightenment and such ideas have a resonance to this day.

**Glasgow was a central player in the first industrial nation and its textile, mining, iron and shipping industries ensured that its global significance was not only maintained, but increased during the first half of the nineteenth century.** Technological expertise, skilled and educated labour and entrepreneurial dynamism meant that the region was able to move from a dependence on basic industrial goods to develop cutting-edge industrial concerns that supplied the growing demand for capital investment goods that signaled the development of the global economy as we now understand it. Ships, locomotives and heavy engineering that fuelled and moved the 'second' industrial revolution earned the city the title of 'workshop' of the world. In this phase of economic development, technological innovation and invention was critical in maintaining a competitive lead which the city was able to hold until the early twentieth century. It produced about a fifth of the world's ships launched in 1913. Not only did Glasgow power ahead in terms of its industrial development, it was also an important conduit for trading, finance and other services. The city's Stock Exchange, for example, was the second largest in the UK and Glasgow was home to global shipping, oil, tea and other trades. It had the highest concentration of millionaires outside of London and produced the wealthiest man in Britain, Thomas Lipton, before the First World War. No wonder then, that Glasgow was called the 'Second City of the Empire'. From the 1850s, Glasgow also pioneered some of the first innovations in municipal ownership in utilities and public services and its geometrical grid pattern was copied by cities across the world.

**The 1920s and 1930s was a period of economic downturn due to structural problems in the world economy and the experience of the city was shared by other large manufacturing and industrial conurbations throughout the world.** During World War Two and its aftermath, the Glasgow economy contributed more than its fair share to the war effort and was central in providing the capital investment infrastructure necessary for the reconstruction of the post-war European economy. The last quarter of the twentieth century has been widely recognised as a period when Glasgow's economic fortunes began to slip. The decline of traditional industries that increasingly relied on state intervention, de-population and changing global market conditions painted a picture of growing weakness and a failure to maintain the City's traditional economic prowess.

From the preceding historical outline, a number of key points can be made.

**First, change and renewal are part and parcel of Glasgow's economic story and often change has been interpreted as 'decline'.** The ending to the tobacco trade, the decline of textiles in the 1860s, the dislocation after World War One and other periods were all portrayed as 'decline' at the time, only to then witness regeneration and renewal. Although much public attention has focused on the decline of the traditional heavy industries, less attention has focused on the adaptability of the Glasgow economy to reinvent and regenerate itself throughout its history.

**Second, the skill sets, scientific and technological resources of the area have been instrumental in powering economic development.** Maybe it is worth emphasising that the one of the great strengths of the Glasgow economy in the past was that it was dominated by small-scale business and the trick was the ways in which these were linked together through sub-contracting to produce large-scale industrial outputs. Undoubtedly, this was where much of its flexibility came from, although on the negative side it meant that it did not achieve the economies of scale inherent in larger industrial concerns. Glasgow also had a strong social-business infrastructure that enabled networks, intelligence and contacts to be made and maintained. It is worth speculating that as the economic concerns of the City became larger and more homogenised and standardised, its competitiveness declined.

**Third, the City had a psychological resilience and commitment to a 'can do' policy that verged on arrogance.** This sense of self-belief is impossible to qualify and measure in a tangible sense, but few could doubt its significance. It can be summed up as 'because we are successful, we will become more successful'. The corollary of this, however, is that a sense of failure or decline becomes self-reinforcing in the opposite direction. One is tempted to ask to what extent has a mentality of defeatism and decline - and giving political priority to dealing with the consequences of decline - been an inhibiting factor in the city's regeneration?

**Fourth, there is the issue of expectation.** Where should Glasgow be today? Other large global cities have experienced the process of decline and renewal and by and large, there are few places in the world that achieved Glasgow's significance in the global economy that are now written off. Not only should we look to other great cities of the world that have undergone the same process to learn how renewal has been achieved, but perhaps more importantly, we can take succor from the fact that 'bouncing back' seems to be part and parcel of the natural process. The dynamism, energy and entrepreneurial qualities that made cities great places in the past simply do not vanish, but may instead become dormant for a period.

**Fifth, one advantage that great cities have is that they have a cultural and social infrastructure that gives considerable value-added in the present.** Glasgow has the largest collection of municipal art in Europe, a concert hall, theatres and the like, and whatever its current challenges, it looks and feels like a great city to outsiders and visitors. The architecture of the city centre is impressive and can be matched by few places in the world today. Together with drawing on its own economic legacy, perhaps more can be made of these enduring assets.

# ANNEX B

## WHAT MAKES A SUCCESSFUL CITY ECONOMY?

Kevin Kane, Secretary, Glasgow Economic Commission

**Along with the SLIMS Consulting analysis, the Commission has been impressed by a number of contributions to the debate over city success and competitiveness.** These include contributions from the OECD, McKinsey & Company, the Economist Intelligence Unit and Greg Clark, a global commentator on cities and regions.

**The OECD's 'Barcelona Principles' (2009) were developed for use by cities and regions, (including by the Scottish Government) to help frame policies to maximise "local recovery and reinvestment" after the global financial crisis of 2008 and the subsequent economic recession.** To be successful the OECD calls for both purposeful short-term action but also cautions on the need to build robust, long-term economic strategies - the Commission's report is a contribution to the latter. The OECD makes some powerful points for cities thinking about future: their need to maximise "investment readiness"; stay open to the world economy; and, to pay more attention to building relationships and local-national alliances. These are all relevant to Glasgow.

At a UK level, McKinsey & Company have highlighted seven priorities for the UK economy, many of which resonate with the Commission with respect to Glasgow and its economic future.

1. **The need to raise productivity, sector by sector** and the need to invest in skills, management, leadership and better planning. This is an issue for Glasgow whose productivity, though ahead of its larger UK city competitors, lags that of the best.
2. **Recognise impact of multinationals on the economy.** Much of the investment in Glasgow's International Financial Services District has been driven by large UK and multinational companies who have brought their technology, management practices and global outlook to the Glasgow economy.
3. **The importance of transport and energy** which McKinsey estimate will see investment of £500bn over the next twenty years in the UK. This provides real opportunities for Glasgow in low carbon industries and engineering more generally.
4. **The need to support industrial clusters of innovation.** Glasgow needs to improve its innovation profile and the Commission's focus on key sectors and their associated assets is one way to build a better innovation profile for the city.
5. **The need for more and better health and education services** driven by demographic trends and the needs of the knowledge economy, despite the acute pressures on public budgets. Indeed, McKinsey call for more universities to meet projected global demand.
6. **Greater financial responsibility for cities** is something that the Commission welcomes. To be able and responsible both to raise funds as well as spend them will help focus minds on the real investments that will help build a strong Glasgow's economy.
7. **Increased older people in the workforce.** Demographic trends will mean not only more older people, but many more who work. This is a workforce challenge to us all; to employers, customers (who will also be ageing) and to older individuals themselves.

**Over the past decade, many commentators have forecast that the key to future economic success is to improve a city's quality of life, celebrate diversity and that jobs (and investment) will follow where talent wants to be.** This was most keenly expressed by Professor Richard Florida, particularly in the long period of growth to 2008. However, a recent Economist Intelligence Unit report (Liveonomics: Urban liveability and economic growth) concluded that the most important factor in attracting new people to a city or region is jobs; that jobs take precedence over liveability. It also concluded that the key issues that cities should focus on are: delivering the housing needed to meet demand; opening the door to foreign investment – something that Glasgow has always done; and enlisting the business sector to help build a city's liveability, by it investing in culture, parks, sports facilities etc. Glasgow, like many Victorian cities, can point to a legacy of such business endowments in its libraries, museums, art collections and parks. Finally, its advice to cities is to focus on the basics: transport, roads, housing, schools and safety and help build their liveability and attract investment, jobs and in-migrants.

**Compared to its international rivals, what are UK cities good at?** According to Greg Clark, UK cities are good at: urban regeneration of industrial cities (with Glasgow an exemplar city that has successfully diversified its economy). We're also good at developing knowledge and creative industries, much more so than our international competitors and we're better at sustainable urban development that brings together physical renewal, social development and economic development. However, we still face some continuing challenges. Outwith London, there are few city examples of comprehensive economic transformation; Glasgow and Manchester are seen as successes, while most Northern English cities are not. There has only been sluggish progress in de-centralising the UK state, it remains the most centralised of all OECD economies and consequently its cities lack vital economic tools. What can we learn from others to help improve our own economic performance? He points to: how to better tackle deprivation and poverty; the links between crime and liveability; expanding civil liberties; and, greater self-government for cities and localities.

**Clark draws on his specialised knowledge of individual cities across the developed and developing world to produce his '7 Habits of Highly Successful Cities'. These are:**

1. **City identity and reputation** – vital to protect and project it in a globalised world;
2. **Know ourselves deeply** – need to link future aspiration with the past and present;
3. **Know others very well** – know who to learn from, internationally;
4. **Build a family for the city** – at the company, sector and government levels;
5. **Make the city's promise personal** – connect to individual citizen and business aspirations;
6. **Renew /realign experience and identity** – ensure no gap between reality and city projection;
7. **Build the next generation with integrity & consistency** – no one giant leap, lots of steps.

**The Commission has been mindful of the above advice in thinking about Glasgow's future economic development priorities.** Glasgow has a rich economic development tradition stretching back thirty years, more if one looks at the city's development especially in the Victorian era when it expanded exponentially. The opportunity is to use that tradition to help shape our focus for how the city's economy will develop over the 21st century to the benefit of all its citizens and businesses.

# ANNEX C

## THE IMPACT OF THE FHE SECTORS ON THE SCOTTISH ECONOMY<sup>7</sup>

Kristinn Hermannsson, Katerina Lisenkova, Peter McGregor and Kim Swales Fraser of Allander Institute, University of Strathclyde

Higher education institutions (HEIs) impact in two main ways on their host regional economies; first through their purchase of inputs from other firms, employing people who consume Scottish goods and services and the expenditure impacts of student spend; and second, their impact on the supply side of the Scottish economy, via the impact of graduate skills on labour productivity and the production and exchange of knowledge to companies and organisations. There are also substantial, if disputed, wider, non-market impacts of higher education.

### I. Expenditure impacts - Glasgow FEIs & HEIs contribute £1.63bn to Scottish output

#### Using simple expenditure multipliers:

- Glasgow HEIs contribute £1,258 million to Scottish output, 31% of the total output generated by Scottish HEIs - or £1,627m if we add Glasgow's further education colleges;
- Of Scotland's 20 HEIs, Glasgow and Strathclyde Universities have the 2nd and 3rd largest impacts with Caledonian 8th, Glasgow School of Art 18th and Royal Scottish Academy of Music and Drama 20th.
- There is strikingly little variation in conventional output multipliers across Scottish HEIs.

#### However, when analysing the impact of only privately-funded and non-Scottish public funding of HEIs the output multipliers, exhibit a number of significant changes:

- Though all multipliers are lower, relative ranking of HEIs' impacts changes significantly;
- Overall Glasgow HEIs rank lower with Glasgow University 6th, Strathclyde 9th, RSAMD 11th, GSA 16th and Glasgow Caledonian 18th - reflecting generally lower levels of private and non-Scottish public funding vis-à-vis other Scottish HEIs.

### II. Scottish HEI graduates and 'knowledge' expands long-run Scottish GDP by 4.2%

Demographic processes will increase the proportion of graduates in the Scottish labour force. Assuming no change in the number of HE participants by key age cohorts and or Scotland's net retention rate of graduates at 88% (which has stable over the 5 years for which Fraser of Allander has data), implies graduates as a proportion of the Scottish labour force will rise from 37% (2010) to 41% (2020) and to 44% (2030).

Taking this with a mean graduate wage/earnings premium (the wage differential enjoyed by graduates) of 45% - which has been remarkably stable in the face of increasing proportion of graduates in the workforce - implies a 4.2% increase in long-run Scottish GDP. More graduates in the workforce boosts productivity (as well as wages and salaries and knock-on expenditure impacts). Even if one takes a lower 30% graduate premium, the impact on Scottish GDP is still very substantial. Additionally, it is estimated that Scottish HEIs help increase long-term total factor productivity in Scotland by between 10% and 2% (worst case) - again a very substantial economic impact. Add to that the expenditure impact of Glasgow's Further Education colleges at £369m (or 0.21% gross output in Scotland) the evidence points to the very significant impact of HEI and FECs on the Glasgow, wider Clyde Valley and Scottish economies.

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7. This is a précis of two full reports produced on the Commission's behalf by the Fraser of Allander Institute (refer [www.glasgoweconomicfacts.com](http://www.glasgoweconomicfacts.com))



# ANNEX D

## TERMS OF REFERENCE

### The Commission Remit – Agreed in Nov 2010 by Glasgow Economic Partnership

The ten year economic development strategy for Glasgow - **A Step Change for Glasgow**, was launched in 2006 with an accompanying Action Plan developed and launched in 2008. Responsibility for the delivery and implementation of the Strategy and Action Plan rests with the Glasgow Economic Partnership.

A mid-term refresh of the Strategy is due during 2011 and, given the credit crunch and subsequent economic recession, the review of the Strategy carries even greater significance for economic recovery and a return to growth.

### Terms of Reference

**The Glasgow Economic Partnership has established an independent commission to review the city's Economic Strategy and Action Plan in the light of rapid and significant changes in world, UK and Scottish economic affairs.**

The purpose of the Glasgow Economic Commission is to:

- Review the evidence of the current condition of, and future prospects for, the economy of the City of Glasgow and its city-region in a UK, European and global context and consider the implications of this for the Economic Strategy and Action Plan.
- Consider the implications of UK and Scottish government policy and budgets for the delivery of the city's Economic Strategy and Action Plan.
- Consider the current alignment between business, the public sector and higher and further education and how this can be strengthened to support regional economic growth.
- Take evidence and make recommendations on the economic development assets of Glasgow - including people, infrastructure and financial resources (revenue & capital).
- Identify current or anticipated opportunities for economic and employment growth in Glasgow .
- Take evidence and make recommendations on any new initiatives which could be brought forward over the next five years.
- Take evidence and make recommendations for delivering the new Strategy in the context of a challenging fiscal and economic outlook.

# ANNEX E

## WORKSTREAM MEMBERSHIP

### **Industry & Business Alignment** (led by Bob Duff, Jacobs Engineering)

Archie Bethel, Babcock International Group  
Dave L Clark, Thales  
Graham Hutcheon, The Edrington Group  
Dr Peter Hughes, Scottish Engineering  
Alan Kidd, GlaxoSmithKline  
Paul Lewis, Scottish Enterprise  
Kim Lowe, John Lewis Partnership  
Frank Mitchell, Scottish Power Energy Networks  
Lesley Sawers, SCDI  
John Sharkey, SECC Ltd.  
Scott Taylor, Glasgow Marketing Bureau  
Graeme Waddell, Scottish Enterprise West Advisory Board

### **Infrastructure & Investment** (led by Steve Inch OBE, ex-Glasgow City Council)

David Anderson, Transport Scotland  
Richard Bellingham, University of Glasgow / Sustainable Glasgow  
Grahame Buchan, Glasgow & Clyde Valley Joint Structure Plan  
Dr Iain Docherty, University of Glasgow  
Derek Drummond, Scottish Power  
Jim Fitzsimmons, Capella Developments  
Sandy Gillon, Glasgow City Council  
Tony Hughes, Glasgow City Council  
Gordon Kennedy, Clearbluewater 2.0  
Bruce Kiloh, SPT  
George Kirk, Scottish Power  
Amanda MacMillan, Glasgow Airport  
James McClafferty, BT  
Ian Manson, Clyde Gateway  
Susan Nichol, Ivanhoe Cambridge  
Bill Potts, Glasgow City Council

Ken Ross, Ross Renewables & Development Ltd.  
Anna Steven, BT  
Allan Thomson, Scottish Water  
Iain Wardrop, Ryden  
Stuart White, Glasgow Airport  
Councillor Alistair Watson, Glasgow City Council

### **Further & Higher Education (led by Prof. Anton Muscatelli, University of Glasgow)**

Professor Pamela Gillies, Glasgow Caledonian University  
Professor Neal Juster, University of Glasgow  
Paul Little, City of Glasgow College  
Iain McMillan, CBI Scotland  
Linda McTavish, Anniesland College  
Professor Kenneth Miller, Strathclyde University  
Professor Seona Reid, Glasgow School of Art  
Edmond Rogers, Morgan Stanley  
Professor John Wallace, Royal Scottish Academy of Music & Drama (RSAMD)

### **People & Skills (led by Grahame Smith, STUC)**

David Coyne, Glasgow Works  
Karen Glen, Skills Development Scotland  
Jacqui Hepburn, Alliance of Sector Skills Councils  
Ian McDonald, Scottish Enterprise Board Member  
Sharon McGrath, City Building PPL  
Jim McHarg, Weir Engineering Services Ltd  
David Scott, GTG Training  
Susan Walsh, Cardonald College

### **Economic and other Analyses (led by Kevin Kane, Glasgow Economic Commission)**

Chris Brodie, SLIMS Consulting  
Graeme Brodie, SLIMS Consulting  
Kristinn Hermannsson, Fraser of Allander Institute  
Professor Peter McGregor, Fraser of Allander Institute  
Anne Murray, Glasgow City Council

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Richard Cairns, Audit Commission – Infrastructure Workstream Advisor  
Gary Mappin, GVA Grimley – Infrastructure Workstream Advisor  
Andrew Screen, GVA Grimley – Infrastructure Workstream Advisor  
Sandy Telford, DL Piper – Infrastructure Workstream Advisor  
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# ANNEX F

## CALL FOR EVIDENCE

**As part of its work, the Commission issued a public call for evidence, inviting interested parties to register their views and supporting evidence regarding the economic opportunities for Glasgow.**

The Call for Evidence was structured around six key questions:

1. What are the key economic and business opportunities that Glasgow must grasp in the next 5-10 years?
2. Can you provide some evidence to back up your views?
3. What assets and capabilities do the city, its businesses and institutions have to help the city achieve success?
4. How significant is this opportunity for Glasgow's economy (e.g. it is a niche or a large scale wealth & employment opportunity)?
5. What actions need to be taken in order to grasp these opportunities?
6. What investments are needed – both public and private – to realise these opportunities and how might these be funded?

A range of responses were received from public, private and educational sector representatives. The Commission took full cognisance of the views and evidence presented in making their Recommendations. The Commission acknowledges and thanks those who took the time to contribute to this process.

### Call for Evidence Contributors

<b>Adaptocare Ltd.</b>	Stuart McKee, General Manager
<b>Castle Precision Engineering</b>	Marcus Teifenbrun, Managing Director
<b>Creativ Partners</b>	Murray Buchanan, Director
<b>Glasgow Chamber of Commerce</b>	Stuart Patrick, Chief Executive
<b>Glasgow City Council</b>	James Arnott, Principal Officer
<b>Glasgow City Council</b>	Councillor Nina Baker
<b>Glasgow City Council</b>	Councillor Martha Wardrop
<b>Glasgow City of Science</b>	Donald McInnes, CEO
<b>Glasgow Housing Association</b>	Heather Voisey, Partnerships Manager
<b>Glasgow School of Art</b>	Professor Seona Reid, Director
<b>INDEZ</b>	Dr Peter Mowforth, Director
<b>National Violence Reduction Unit</b>	Chief Inspector Tony Bone, Director
<b>RSAMD</b>	Elaine Whyte, Partnerships Manager
<b>Scottish Enterprise</b>	Jill Farrell, Financial Services & West Director
<b>Siemens Plc</b>	Nigel Kirby, Sales & Development Director
<b>The Style Mile</b>	David MacLeod, Partner, Dram Communications
<b>Visit Scotland</b>	Liz Buchanan, Regional Director

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