

Local Government and Communities Committee

City Region Deals

Submission from Glasgow Chamber of Commerce

About Glasgow Chamber of Commerce

Glasgow Chamber of Commerce (GCOC) has been the voice of business in Glasgow since 1783. As well as offering support to our growing membership of more than 1,200 organisations, the Chamber's role is to promote Glasgow as a great business location to potential investors and to encourage economic and business growth locally, nationally and internationally.

Call for Evidence

GCOC welcomes the opportunity to respond to this call for evidence from the Scottish Parliament's Local Government and Communities Committee on City Region Deals.

GCOC welcomes the opportunity to further engage in debate to support local and regional economic growth.

GCOC Response

Q: What is your understanding of the purpose of City Region Deals?

GCOC considers City Deals as a valuable mechanism to deliver local and regional economic growth, primarily through funding infrastructure projects and skills / employability initiatives and by encouraging partnership working between local authorities.

GCOC has championed the Glasgow City Region City Deal for two reasons - firstly, because it involves substantial investment in economic infrastructure. Secondly, because the firm discipline involved in agreeing the projects gives the local authorities a clear incentive to choose projects that have the biggest impact on economic growth.

The purpose of the Glasgow City Region City Deal is to support economic growth through:

- £1.13 billion infrastructure fund to deliver 20 projects including transport infrastructure and area regeneration
- Establishment of leading research and development and commercialisation facilities to support growth in life sciences
- Supporting business innovation with additional business incubator and grow-on space
- Tackling unemployment with targeted support for 16-24 year olds and vulnerable residents, and testing new ways of boosting the incomes of people on low wages

Q: Are City Region Deals on track to deliver local growth, innovation and infrastructure schemes which would not have otherwise been delivered?

GCOC would observe that City Deals provide a vehicle to deliver projects in an accelerated manner that may have stalled for a number of reasons. The rapid delivery of projects also creates the potential to ensure a wider catalytic benefit.

Q: What is your understanding of the governance arrangements for City Region Deals, and how well are these arrangements working in practice?

Due to the regional focus of GCOC we are most familiar and engaged with the Glasgow City Region City Deal.

The Glasgow City Region City Deal has a Cabinet which is comprised of elected representatives from each constituent Local Authority. There are three portfolios – connectivity, enterprise and Skills & Employment - with Cabinet leads.

The Chief Executive of GCOC is a member of the Glasgow and Clyde Valley Economic Leadership Board which is chaired by Lord Haughey. This Board is tasked with supporting the Cabinet by dealing with the co-ordination and maximisation of wider economic development activity related to the City Deal. There is also a Commission on Urban Economic Growth chaired by Professor Muscatelli of the University of Glasgow.

GCOC also actively participates in a number of leadership groups / forum that support the objectives of the City Deal including innovation and creative industries.

The Chief Executive of GCOC is a member of the Glasgow Economic Leadership Board which played a key role in the development of the original City Deal proposal.

Q: Have local residents and businesses been kept informed and involved in the development and activities of City Region Deals?

Our experience relates to the Glasgow City Region City Deal from a business perspective. In addition to the dedicated website, regular newsletter updates and media activity we have progressed a number of update sessions and events on the City Deal with GCOC members. We also monitor and report progress of relevant projects to our membership, including the completion of the first City Deal project the Tontine centre for innovation. The Tontine will support and sustain the development of high-growth companies in the enabling technology, advanced design and manufacturing, and creative economy sectors, with between 5 - 10 employees.

GCOC has also held a number of events to promote procurement opportunities to members.

Q: Are regions not covered by City Region Deals able to access equivalent funding and support for growth, innovation and infrastructure schemes?

We do not speak with authority on funding available to each area of Scotland but would observe that City Deal should not be the only funding mechanism available. We recognise the merits of several innovative funding mechanisms such as Tax Increment Financing, Growth Accelerator Models and indeed Business Improvement Districts.

Q: Are City Regions Deals supporting a shift towards local decision-making on major investment projects?

City Deals have already demonstrated increased collaboration at the regional local authority level and we would argue that certain projects should be delivered at local, regional and national levels. City Deal has the potential to provide a mechanism to deliver the regional level projects.

This was illustrated in February 2017 when the Glasgow City Deal Cabinet announced a joint economic strategy for the region. This new Regional Economic Strategy reflects the rising importance of city regions across the world. It matters to Scotland's economy that Glasgow City Region is prosperous, growing and ambitious for the future.

The document is strong evidence of the influence that Glasgow City Region City Deal is having on bringing the region's local authorities together to tackle the issues that will help our economy succeed. We welcome many aspects of the action plan including the drive to increase productivity through investment in infrastructure, innovation and exporting, to tackle skills gaps and to continue the growth of the region's population.

Twenty years on from the most difficult phase of Glasgow's economic history, the city region economy is robust and diverse with world class performance in advanced manufacturing, health and life sciences, digital technology and the creative industries. The action plan shows that Glasgow can look forward with confidence.