

## **Local Government and Communities Committee**

### **City Region Deals**

#### **Submission from Glasgow Airport Limited**

Thank you for the opportunity to be provide a response to the Local Government and Communities Committee inquiry into City Region Deals. This response is submitted on behalf of Glasgow Airport Limited. Glasgow Airport sits within the Glasgow City Region Deal area, and is directly involved in two City Region Deal projects: Glasgow Airport Investment Area (GAIA) and the Glasgow Airport Access Project (GAAP). Our response is naturally influenced and informed by experience of these projects.

Glasgow Airport is one of the United Kingdom's largest regional airports, providing vital connectivity to over 130 destinations across the UK, Europe, the Middle East and North America. It is one of Europe's fastest growing airports, handling 9.4 million passengers in 2016. The airport's master plan suggests passenger numbers could increase to 10.04 million in 2020 and over 16 million by 2040. The airport supports over 4,500 jobs directly and over 7,300 jobs across Scotland as a whole. It also contributes nearly £200 million in GVA per annum to the Scottish economy, making it a significant economic driver in its own right.

We hope this submission will be of assistance, however we would also welcome the opportunity to explore our response in greater detail at any supplementary inquiry sessions that may be required.

#### **What is your understanding of the purpose of city region deals?**

Our understanding of the purpose of City Region Deals is, to a large degree, influenced by our collaboration with the Glasgow City Region Deal. In summary, we believe the purpose of city region deals is to:

- promote joint working between mainly local authorities - but also other public sector organisations and the private sector – across the coherent physical, economic and social geographies that many city regions represent;
- better align major public capital investment with: a) the economic benefit of investment; and b) regional priorities which tend to be better understood and addressed at a regional level;
- stimulate private investment and additional economic activity (jobs and GVA) in a more cohesive, effective and sustainable manner; and
- provide the focus, co-ordination and, in particular, funding to tackle long-standing physical, skills and labour force challenges.

**Are city region deals on track to deliver local growth, innovation and infrastructure schemes which would not have otherwise been delivered?**

Between them, the Glasgow Airport Investment Area and Glasgow Airport Access Project are predicted to generate over £920 million GVA per annum. From our knowledge of the schemes, we believe these estimates to be very robust and indeed conservative. Even in times of strong economic growth, these would be impressive statistics. In times of economic strain and uncertainty, we should be unrelenting in our efforts to translate plans into reality.

Much progress has been made with each of the projects, although it should be noted that policy support and project development for the airport related schemes pre-date the City Region Deal programme by several years. Accordingly, we are able to offer an opinion based on experience that the City Region Deal has indeed had a discernible and positive effect on project delivery and timescales.

With City Deal, GAIA is now progressing towards concluding a masterplan for over one million square feet of business space, securing planning permission and delivering enabling infrastructure. This will unlock a development opportunity that is truly global in its scale and appeal. A number of conversations are already taking place with potential developers and occupiers attracted by the prospects of excellent connectivity, skills and the enabling infrastructure being delivered by the City Region Deal. The City Region Deal has taken a 'paper project' that has been discussed for over ten years and made it a very real and very significant economic opportunity.

In terms of the Airport Access Project, at different levels, this project has been considered for almost thirty years. Thirty years during which time many cities that Glasgow would consider itself to be in competition with have completed not just one, but two and even three fixed links to their principal airports<sup>1</sup>. Building on a rigorous exercise undertaken to identify objectives and options to achieve improved connectivity between the city and airport, the City Region Deal has provided the resources, drive and co-ordination required to pull a diverse range of stakeholders together and advance the delivery of this project.

Tangible progress includes: the establishment of a dedicated project team, Steering Group chaired by the Transport Minister and key stakeholder working group; identification of a preferred solution (tram train) and technically feasible route options; and achieving better understanding of issues and opportunities associated with running a tram train on the existing heavy rail network.

Whilst we would contend that both of the airport related projects have a very strong business case and policy rationale that would have seen them delivered at some stage, we are clear that investment and resource challenges would have delayed delivery by several years. This would inevitably have a detrimental impact on the economic contribution of the schemes and the fundamental competitiveness of the Glasgow City Region.

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<sup>1</sup> Manchester has heavy and light rail links and is planning a high speed rail link. Barcelona has heavy rail and metro links. Dusseldorf has suburban and regional/high speed rail links.

**What is your understanding of the governance arrangements for city region deals, and how well are these arrangements working in practice?**

We are only aware of the governance arrangements for the Glasgow City Region Deal and believe these to be working satisfactorily.

**Have local residents and businesses been kept informed and involved in the development and activities of city region deals?**

We have worked closely with Renfrewshire Council in relation to the airport related projects, hosting a business leaders' forum to update businesses on progress and opportunities associated with the City Region Deal. We are also aware of, and have attended, several public consultation events for the projects. In addition, good use has been made of the internet (with dedicated project web pages) and traditional/social media to raise awareness.

**Are regions not covered by city region deals able to access equivalent funding and support for growth, innovation and infrastructure schemes?**

We have no particular view on this point, other than to recognise that there are many and varied funding streams which seem to apply in different ways to different parts of the country. Given the relative economic scale and contribution of cities, we consider that it is entirely appropriate for a dedicated stream of funding such as City Region Deals to form part of that policy and funding landscape.

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

Yes. Glasgow is Scotland's only true metropolitan city region, with a population of nearly two million within a relatively self-contained economic and social geography. In areas such as transport and economic development, the scale of planning and investment required to maintain and develop the city region can sometimes be difficult to reconcile with a Scottish picture comprised of smaller cities, towns and rural areas.

It is our experience with both airport related projects that national priorities have sometimes varied from regional priorities. We do not judge whether this may have been right or wrong from a national perspective, but we are clear that devolving responsibility, funding and power (to a degree) has resulted in the airport related projects – long standing local/regional priorities – emerging at a faster pace.

**Any other issues relating to City Region Deals which you wish to bring to the attention of the Committee?**

No.

Yours sincerely,

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**Head of Planning and Development**