



Glasgow City Council

Committee: City Administration Committee

Report by Councillor Susan Aitken, City Convener for Inclusive Economic Growth

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GLASGOW INVESTMENT STRATEGY & ACTION PLAN 2019-2023

Purpose of Report:

To inform committee that a refreshed investment strategy has been developed by Invest Glasgow in collaboration with key partners and seek approval for the implementation of the Glasgow Investment Strategy and Action Plan 2019-23

Recommendations:

It is recommended that Committee approves the Glasgow Investment Strategy and Action Plan 2019-23.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

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1. Introduction

- 1.1 The purpose of the report is to seek committee approval for the refreshed Glasgow Investment Strategy and Action Plan 2019-23 (Appendices 1 & 2) as the road map for Glasgow's investment activities.

2. Background

- 2.1 One of the early actions in the Glasgow Economic Strategy (GES), launched in November 2016, was the development and launch of an inward investment strategy for Glasgow:

“Working in partnership with Scottish Development International (SDI), Invest Glasgow will launch a new foreign direct investment strategy targeted at key markets in Europe, North America and the Far East.” (Action 24, page 35)

The Glasgow Investment Strategy refresh will align with the refresh of the Glasgow Economic Strategy which will be presented by the Leader of the Council at the State of the City Economy Conference on 22 November 2019.

- 2.2 The draft has provided a framework for Invest Glasgow to continue to work towards its goals of attracting FDI and capital investment to support the city's inclusive growth agenda, however a number of developments – including the establishment of the Glasgow Partnership for Economic Growth (GPEG); and expansion and refresh of the Glasgow Economic Leadership (GEL) Board; the creation of the Council's Inclusive Growth Strategy and Action Plan; the commissioning and implementation of the Glasgow Narrative/Bragging Book; new strategic approaches at Scottish Enterprise and the Scottish Cities Alliance; new regional working arising from the recommendations of the Enterprise and Skills review; and learning and new activity stemming from the Council's attendance at MIPIM in 2019 – have all necessitated and supported refreshed thinking and an updated, more comprehensive strategy.

3. Objectives

- 3.1 The main objective in developing a strategy is to set out how Invest Glasgow and partners will work together to ensure that Glasgow is promoted as a sustainable location of choice for investors in order to bring more and better quality jobs, and to boost fair work and productivity.
- 3.2 Invest Glasgow and partners will work closely with developers and investors to ensure the city's sustainability principles and strategic outcomes outlined in the City Development Plan are upheld, ie. creating “a thriving and sustainable place to live and work”. Our propositions will promote Glasgow as a city which invites only the highest standards of design quality and development which preserves and protects our built and natural heritage.

- 3.3 The strategy is based on robust data from industry standard sources such as fDi Markets (part of the Financial Times Group), the annual EY Attractiveness Survey, as well as more bespoke commissioned work from The Business of Cities and Professor Greg Clark.
- 3.4 The establishment of the GPEG Inward Investment Hub has created the appropriate forum for discussion with, and collaboration among, key partner agencies ensuring synergies of approach and alignment of policies.

4. Key amendments and updates

- 4.1 A fundamental change proposed for the strategy is the change in title from inward investment to investment strategy. This reflects the dual requirement to bring FDI for jobs as well as capital for sustainable infrastructure and development to the city. Both are essential to support our key sectors and create the conditions for inclusive growth, as exemplified by Barclays at Buchanan Wharf in Tradeston.
- 4.2 The updated strategy also more explicitly addresses the inclusive growth agenda. Having run the draft investment strategy through the inclusive growth diagnostic tool, the strategy will support the fair work programme with a pledge to ensure that Glasgow encourages only those investors who are aligned with the city's fair work principles including, but not limited to:
- no zero hours contracts;
 - paying the Glasgow Living Wage as a minimum; and
 - the pursuit of equality and job quality.

Invest Glasgow will also use the www.investglasgow.com website to promote Glasgow as a Fair Work City.

- 4.3 Invest Glasgow will continue to work with partners to strike the right balance between infrastructure and people. Invest Glasgow is already in discussion with Skills Development Scotland (SDS) to ensure that the strategy and action plan focuses on the talent and skills pipeline to attract a world-class workforce and support investment.
- 4.3 There has also been an opportunity to update the context, taking on board developments since 2016 and strengthening the evidence base with the inclusion of the new data generated by Professor Greg Clark's work on The Glasgow Business Narrative and Glasgow Bragging Book to encourage a greater level of ambition in attracting more investment. Additional resource will be required to capitalise on the opportunities presented by this new business narrative to:
- raise the city's investment and business profile;
 - propel Glasgow up existing rankings and establish a foothold in other relevant rankings and indices; and

- identify specific audiences, reports and markets to target in order to improve the visibility Glasgow's business strengths and industry specialisms.

To that end, a new post is being created – City Marketing Manager – to operate as part of the Invest Glasgow team to lead on the delivery of these ambitious goals.

- 4.4 Refreshing the strategy has enabled Invest Glasgow to revisit and reset targets in particular the jobs target by 2023 from 10,000 to 15,000 on the basis that between 2016 and 2019 over 8000 jobs have been created in Glasgow from inward investment, not including the bulk of the Barclays jobs at Buchanan Wharf. This new stretch target, while challenging in the face of Brexit, is nevertheless deemed achievable.
- 4.5 Existing inward investors in Glasgow remain committed to their investment (Barclays, JP Morgan and Morgan Stanley) despite uncertainties around Brexit but new investors to Glasgow are somewhat more cautious. According to the EY Attractiveness Survey 2019, “the decline in projects across most regions of the UK appears to reflect the uncertainty surrounding the Brexit process”. The outcome of Brexit may necessitate a further review in due course.

5. Monitoring and review

- 5.1 Progress against the targets in the strategy and the action plan will be monitored by Invest Glasgow and regularly reviewed by the GPEG Hub with a view to a full update in 2023 in line with the Glasgow Economic Strategy.

6. Policy and Resource Implications

Resource Implications:

Financial: All costs met from existing budgets.

Legal: N/A

Personnel:

Procurement: N/A

Council Strategic Plan: The report supports the theme **A Thriving Economy**.

Priority 1: Deliver the Economic Strategy 2016 to 2023 and ensure it is supported by expert external advice from the Glasgow Partnership for Economic Growth.

Priority 3: Ensure the outcomes of these strategies and the City Deal benefit the city and the people of Glasgow by: reporting on economic performance to the Glasgow Partnership for Economic Growth.

Priority 5: Use our initiatives and procurement to ensure that fair employment practices and the living wage are built in to all work the Council does across Glasgow.

Priority 8: Support the hospitality, events and conference market through the Economic Strategy and Glasgow Tourism and Visitor Plan.

Priority 11: Develop the international strand of the Glasgow Economic Strategy to promote Glasgow's economy, commerce, world class heritage and events globally and learn from other international cities.

Priority 12: promote Glasgow as a centre of excellence for broadcast and media and make the case for new services to be based here, including a film studio for Scotland

Equality and Socio-Economic Impacts:

Aligns to key the priority to reduce inequality across Glasgow by creating inclusive growth - a thriving economy that we can demonstrate benefits the city, its citizens and businesses. This means a growing economy that creates jobs and investment, builds on Glasgow's position as a world class city, helps us to tackle poverty, tackles poor health in the city and improves our neighbourhoods.

Does the proposal support the Council's Equality Outcomes 2017-22

Yes

What are the potential equality impacts as a result of this report?

Positive impact

Please highlight if the policy/proposal will help address

Yes

*socio economic
disadvantage*

Sustainability Impacts:

Environmental: No significant impact

Social: No significant impact

Economic: Will deliver potential economic and social value through increased economic investment

**Privacy and Data
Protection impacts:** No significant impact

7. Recommendations

It is recommended that Committee approves the Glasgow Investment Strategy and Action Plan 2019-23.