



Glasgow City Council

Operational Performance and Delivery Scrutiny Committee

Report by Director of Regional Economic Growth

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Item 1

18th August 2021

ECONOMIC RECOVERY UPDATE – PROGRESS OF PRIORITIES AND IMPACT OF COVID-19 ON SERVICE PROVISION

Purpose of Report:

To update the Operational Performance and Delivery Scrutiny Committee on economic recovery activities during the Covid-19 lockdown and recovery period.

Recommendations:

The Operational Performance and Delivery Scrutiny Committee is asked to note the report.

Ward No(s):

Citywide: ✓

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

Executive Summary

- 43,261 Covid 19 grant payments made to Glasgow businesses totalling £298.3m;
- £2m of government funding received to deliver the Parental Employment Support Fund (PESF);
- £11.9m of Council and Scottish Government funding to develop a multi-camera television studio in the Kelvin Hall;
- £4.3m of funding received from Scottish Government to deliver the Young Person's Guarantee (YPG);
- £250,000 of funding made available to the Council in order to enhance the current Partnership Action on Continued Employment (PACE) offer;
- Anticipated £10m contributed to the Glasgow economy following two major film productions in the city;
- Ten pantries established in the city, developed with £1.3m of funding through the Scottish Government's Town Centre Fund;
- Monitored spend of £8.8m carried out for the European Social Fund Employability Pipeline;
- £21m of procurement published for external design contracts related to Sustrans-funded Avenues; and
- Successful placement of the M8 Bridge on 31st July 2021

1. Introduction

- 1.1 The purpose of this report is to update the Operational Performance and Delivery Scrutiny Committee on the services affected and economic recovery activities carried out during the Covid-19 lockdown and recovery period.
- 1.2 Information regarding the performance of Economic Development was included in the Chief Executive's Annual Service and Improvement Report which was presented to the General Purposes City Policy Committee (GPCPC) on 21 May 2021. Whilst activities in 2020/21 mainly focussed on recovery, reporting on 2021/22 progress going forward will be focussed on renewal and the ongoing delivery of the actions in the Strategic Plan. The GPCPC paper can be accessed here <https://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=100638>
- 1.3 The Operational Performance and Delivery Scrutiny Committee previously considered a presentation on 24th February 2021 from the Director of Property and Land Services advising of the approach taken by Development and Regeneration Services in delivering the operational response to the pandemic and to recovery and renewal.
- 1.3 This report provides an update of the information provided to Committee in February 2021.
- 1.4 It also provides details of key achievements made during the period across Economic Development before focussing on areas, outlined below, that impacted on the component parts of Economic Development: Business Support; Invest Glasgow; and Employment and Skills:
 - Performance and key statistics on priority services during the lockdown/response period;
 - Details of services that were reduced/suspended during the Covid19 lockdown/response period;
 - Key challenges/issues experienced during response; and
 - Recovery activity and when suspended services or activity may be partially or fully reinstated.
- 1.5 Finally, the report details key council plan actions paused before concluding with an update on the Glasgow City Deal Programme. An update on the most recent economic statistics for the city is attached at Appendix 1.

2. Covid-19 Business Grants

- 2.1 It is worth noting at the outset of this paper that the last sixteen months have been dominated by the administration of business grant support on behalf of

Scottish Government, with significant Economic Development resource directed to this.

2.2 To highlight this, the table below presents the work up to 3rd August 2021 that has been delivered. Further details on eligibility for each of the schemes is presented in Appendix 2:

	Fund	Applications	Awarded	£
1	Phase 1 - Small Business Grant Fund and Retail, Hospitality & Leisure Grant Fund	10777	9541	£ 112,585,000
2	Phase 2 - Multiple Property Grant Fund	1200	805	£ 7,826,250
3	Phase 3 - Tenant/Occupier Grant Fund	568	350	£ 3,497,000
4	Newly Self Employed Hardship Grant Fund and Bed & Breakfast Grant Fund	1112	614	£ 1,229,000
5	Brake Restrictions Grant Fund	1339	880	£ 2,947,720
6	Furlough Support Grant Fund	423	379	£ 701,250
7	Contingency Grant Fund	45	31	£ 960,000
8	Strategic Framework Business Grant Fund	8868	4628	£ 49,604,100
9	Strategic Framework Business Grant Fund - Restart Grant			£ 42,278,000
10	Retail & Leisure Top-up	4831	3388	£ 21,066,000
11	Hospitality Top-up			£ 14,738,000
12	Taxi and Private Hire Vehicle Support Fund	4948	4669	£ 7,003,500
12	Taxi and Private Hire Vehicle Top-up			£ 7,002,000
13	Contingency Fund Plus Grant Fund - Breweries, Indoor Football Centres and Travel Agents Support Fund	85	45	£ 755,000
14	Contingency Fund Plus Grant Fund 2 - Bingo Halls and Casinos	6	6	£ 1,100,000
15	Small Accommodation Providers Waves 1-3	75	66	£ 990,000
16	Discretionary Fund	1953	1251	£ 4,252,000
17	Discretionary Fund Top-up	922	922	£ 2,170,000
18	Discretionary Fund - Strategic Framework Business Fund - City Centre Top Up	1482	1482	£ 8,155,000
19	Local Restrictions Fund - Level 3		2020	£ 2,306,475
19	Local Restrictions Top Up		2020	£ 769,425
19	Local Restrictions Fund - Level 2		1573	£ 3,606,325
19	Local Restrictions Fund - Soft Play Grant Fund		10	£ 124,000
20	Taxi Operators Fund	3187	2470	£ 2,680,000
		41821	43261	£ 298,346,045

2.3 Discretionary Funding was also provided by Scottish Government and approved by the Council. Approved by City Administration Committee on 28th January 2021, the first phase of Discretionary Funding was circa £4.4m. It offered three levels of payment based on company size and in line with those being considered by other local authorities. A key Council priority is ensuring the protection of jobs and supporting businesses to retain staff during these unprecedented times. A tiered structure was implemented.

- £9,000 for businesses employing between 25 and 50 staff;
- £6,000 for businesses employing between 10 and 24 staff; and
- £3,000 for businesses employing 9 staff or less.

On 25th March 2021, City Administration Committee approved the distribution of additional discretionary funding received from Scottish Government. This was distributed in three ways, as shown in the table below:

	Place-based Top-up	Discretionary Fund Top-up	COVID Business Hardship Fund
Fund (approx.)	£8.1m	£2.1m	£800k
Award	Rateable Value <£18k = £3,000 Rateable Value £18k to £51K = £6,000	Additional award of Phase 1 payment	£3,000 for businesses employing 9 staff or less

	Rateable Value >£51k = £10,000		£6,000 for businesses employing between 10 and 24 staff £9,000 for businesses employing between 25 and 50 staff
Criteria	Located within city centre boundary and in receipt of Strategic Fund or Discretionary Fund (Phase 1)	Received Phase 1 Discretionary Fund payment	As per Committee paper of 28 th January 2021
Application	Closed – direct payment	Closed – direct payment	Open application

3 Key achievements

- 3.1 Despite the challenges presented by the pandemic, Economic Development delivered a range of positive economic initiatives to respond to the immediate challenges and others that will lead to longer term economic growth.
- 3.2 The Glasgow Economic Recovery Group (GERG) was convened by Glasgow City Council and the city's major partners, to respond to the immediate challenges of supporting the local economy and plan for Glasgow's medium and long term economic recovery.
- 3.3 One of GERG's earliest pieces of work was the drafting and submission of the city's response to the Scottish Government's Independent Advisory Group on Economic Recovery at the end of May 2020. GERG followed up with a further submission to the Scottish Government in June 2020, to build upon the initial GERG submission with a detailed implementation plan of Glasgow specific actions and asks. This was supplemented with additional actions identified through the work of the Business of Cities and a 20-point action plan was agreed by GERG in August 2020.
- 3.4 In January 2021 the Council approved the retrofitting of the Kelvinhall, which will see the development of an £11.9m multi-camera television studio that will support the strong growth in screen within the city and see a greater volume of entertainment and drama productions delivered by the facility. This project is funded through a combination of Council-approved and Government backed funding.
- 3.5 In order to secure available funding to deliver immediate economic stimulus by investment in infrastructure projects, officers identified a number of 'shovel ready' projects to be included in a short brochure produced by the City Region which will be used in discussions with Scottish and UK Government and other funders. The projects identified were considered by officers developing the first submission to the UK Governments Levelling Up Fund. A copy of the document, entitled Ready To Go, can be accessed via this link - <https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62A-FQDNDXZ3ZLT1ZL> .

- 3.6 Recognising the importance of a sustainable economic recovery with environmental considerations at its heart, Glasgow City Council has confirmed that the development of a Green New Deal will be at the heart of the city's economic plan for the future.

This includes developing a portfolio of green infrastructure projects for Glasgow, embedding Green New Deal in the new economic strategy and identifying potential innovative finance solutions for funding projects, including a widespread energy retrofit scheme.

To support this, the Council has recruited a Green Economy Manager who will lead on the development of this activity in the run up to COP26 with a Green New Deal paper to be presented to ESCR Committee on 24th August 2021.

- 3.7 In August 2020 the Scottish Government announced the Young Person's Guarantee (YPG), providing £120m to support all young people aged 16-24 access a job, training, volunteering or continuing in education. £30m of this funding was allocated to Local Government to deliver activity. In Glasgow this equated to c. £4.3m in the financial year 20/21. This funding will be awarded to the Council and will be used to fund projects that will be delivered across the Council and Council family as well as by external partners and providers.

Through the Local Employability Partnership a YPG steering group was established to develop activity. The steering group comprises representatives from Economic Development, Education Services, Glasgow Chamber of Commerce, Glasgow Council for the Voluntary Sector (GCVS), Regional Colleges Board, Skills Development Scotland (SDS) and the Department of Work and Pensions (DWP). An outline programme of activity was submitted to the Scottish Government at the end of 2020 and has been subsequently re-profiled early February 2021 and comprises a range of separate but connected activity;

- Glasgow Guarantee
- Supporting Growth Programme
- Modern Apprenticeship (MA) Sustainability
- Glasgow Code Learning
- Volunteering
- 'Step-Up' Glasgow
- Additional Support for Learning (ASL) Support, access to MAs
- Health and Social Care Partnership (HSCP) Key Workers
- Developing the Young Workforce (DYW) co-ordinators in Secondary Schools
- Towards Better Futures / On-route

The Scottish Government has advised that they intend to allocate £70m toward the YPG in financial year 21/22. Local Authorities await details of this funding.

- 3.8 In addition to the YPG a further £250,000 funding has been made available to Glasgow City Council to enhance the current Partnership Action on Continued

Employment (PACE). This funding has enabled Jobs and Business Glasgow (JBG) to recruit additional key workers to provide direct support and advice to individuals made recently unemployed as a result of the pandemic, focusing on the older age group, not able to access the support of YPG. These roles will liaise directly with the service offered by the other PACE partners – SDS and DWP. One of the roles of the new PACE staff will be to ensure better linkages between the eight Local Authorities that make up the Glasgow City Region. This should provide a more consistent, joined up offer, irrespective of which Local Authority the business or individual is based.

3.9 A two-year extension to the European Social Fund (ESF), providing employability support to ‘all-age’ residents with multiple barriers to employment began delivering activity in April 2021. The programme will continue to deliver support across a range of key target groups up to March 2023. The areas covered by the programme include:

- Disability;
- Lone Parents;
- Black and Minority Ethnic (BAME);
- Health conditions, including mental health; and
- Addictions, homelessness and ex-offenders.

This provision is also supported by the Scottish Government financed Parental Employability Support Fund (PESF), which directly focuses on increasing income through employment – one of the key drivers in addressing child poverty.

3.10 The Digital Economy team supported all of the Mobile Network Operators (MNOs) with 5G deployment resulting in Glasgow now having 5G coverage from all 4 MNOs. In addition, Glasgow has established the first Telecoms Unit within a local authority in the UK, launched in October 2020. The Telecoms unit is aimed at providing a single point of engagement between the Council and those organisations investing in and deploying digital infrastructure. The benefits of having this unit are already apparent in growing investment, including having signed ‘small cell’ agreements with 4 digital infrastructure organisations using GCC street furniture to ensure Glasgow has enhanced 4G coverage and is future proofed for further 5G roll-out. This approach has been welcomed by all industry players.

3.11 Despite the dramatic drop in FDI levels (see 5.2) and investor activity during the pandemic, Invest Glasgow still succeeded in garnering global recognition and introducing several new products to our portfolio of digital collateral. Key achievements include:

- Launch of Zoom Prospector Glasgow City Region Site Selector and Community Data Portal (www.investglasgow.com/siteselection&dataportal)
- Production of the digital Green Investment Prospectus for COP 26 (<http://investglasgow.com/green/>)
- Launch of the first Glasgow Narrative and Bragging Book (www.investglasgow.com)

- Invest Glasgow named “Global runner-up IPA (investment promotion agency) of the year at the virtual fDi* Awards 2020. (*part of the Financial Times Group)

3.12 Despite the many Covid-related restrictions Glasgow has experienced, the city overcame all challenges to support two major feature film franchises shooting in Glasgow city centre in July: *Indiana Jones* and *The Flash* (Batman). The Glasgow Film Office and colleagues in Neighbourhood, Regeneration and Sustainability (NRS) collaborated to ensure the smooth running of the production schedules while minimising disruption to the business of the city. It is estimated that these two productions alone will add an impressive £10m to the Glasgow economy in this financial year.

3.13 Following discussions with Fareshare Glasgow in 2017, Economic Development began to promote the pantry concept to community groups across the city. Pantries are locally controlled and operated social enterprises, they sell surplus food to local members from shop premises. People join the pantry and are able to purchase £15 worth of food for £3. A wide range of fresh, frozen, chilled and ambient foodstuff are available. Pantries source their food through Fareshare and other food manufacturers and distributors. During 2020 Economic Development supported the number of pantries in the city to increase from four to ten. In the last year, these 10 pantries have utilised 2,500 tonnes of food, worth £9m from Fareshare alone. The new pantries were developed using capital money from the Scottish Government’s Town Centre Fund, totalling £1.3m.

3.14 Running costs come from a variety of sources including the Big Lottery, GCC and Scottish Government. Pantries generate income with the aim of being financially self-sustaining over time. Discussions are ongoing with pantries to develop dedicated growing spaces to increase the range of fresh food available.

4 Business Support

4.1 Priorities during the lockdown/response period

Priorities during the lockdown/response period were directed to administering grants on behalf of Scottish Government, ensuring that grant funding made available was processed as quickly as possible to ensure the survival of businesses in the city.

4.2 Performance and key statistics on priority services during the lockdown/response period

Key achievements over the last year have been delivery of 20 grant programmes on behalf of Scottish Government and processing over 41,800 applications totalling almost £300m in grant funding to businesses in the city.

4.3 *Details of services that were reduced/suspended during the Covid19 lockdown/response period*

The growth accelerator at Tontine remains closed until 16th August 2021, with no access to the building for businesses during the period of restrictions.

Other services that were reduced/suspended during the Covid19 lockdown/response period included the Business Gateway service as well as access to the European Regional Development Funded (ERDF) Business Growth programme. Details of demand and uptake for both supports since they were re-opened in July 2020 are shown in the tables below:

ERDF Business Support Framework Phases 1 & 2 – Number of Businesses Supported

<i>Applications</i>	<i>April 18 to Mar 19</i>	<i>April 19 to Mar 20*</i>	<i>July 20 to July 21**</i>
Approved	182	61	167
In progress	N/A	N/A	131
TOTAL	182	61	298

*The transition between Phase 1 and Phase 2 took place, and the implementation of a procured framework of suppliers

**Activity paused due to pandemic

Business Gateway – Number of Businesses Supported

<i>Activity</i>	<i>April 18 to Mar 19</i>	<i>April 19 to Mar 20</i>	<i>July 20 to July 21</i>
Planning to Start	379	512	1,109
Early Stage Growth*	29	49	348
Business enquiries – Growth**	177	155	37
Workshops – Glasgow	971	857	332***
TOTAL	1,527	1,573	1,826

*Changes to the process of recording nationally explains the variation between previous years.

**The removal of the Pipeline offer and Account Management explains the variation between previous years.

***Activity paused during the pandemic.

Community Business Boost Programme

	<i>April 18 to Mar 19</i>	<i>April 19 to Mar 20</i>	<i>Aug to Nov 20</i>	<i>May 20 to now*</i>

Applications received	8	30	34	0
Applications approved	4	17	20	0
Value of grants awarded	£25,553	£164,302	£189,804	0

*Change to process and eligibility – 4 applications in progress

4.4 *Key challenges/issues experienced during the response*

Key challenges/issues experienced during the response were mainly restricted to staff resource and IT capability. The former, at the height of the grants, saw the entire Economic Development function, as well as staff from elsewhere in DRS and Assessors from Corporate Finance administering the vast amount of applications received. This was at a time where many staff were coping with the stress of the pandemic, isolation and home-schooling, making delivery of the programmes extremely challenging. All of this was delivered with IT equipment which was not built for remote working, placing increased pressure on staff to deliver and a reliance on the Council's SIT team to develop technological solutions that would reduce the need for greater staff resource.

4.5 *Recovery activity and when suspended services or activity may be partially or fully reinstated*

In terms of recovery activity, all services within the business support function are now fully operational albeit with restrictions on staff meeting businesses face-to-face and working from home where possible, in line with council policy.

5 Invest Glasgow

5.1 *Priorities during the lockdown/response period*

Without the opportunity to take Glasgow's investment offer to investors due to travel restrictions, the priority for Invest Glasgow shifted to putting greater effort and resource into marketing and communication to ensure that Glasgow's existing strong international profile was not diminished or our competitive position lost.

Invest Glasgow has been developing a number of transformative digital tools and platforms to market the city's investment offer both in terms of FDI and property. Our shop window will be 100% virtual and fully integrated into our new website currently under development. In the meantime, we have linked our new Glasgow City Region site locator and community data portal to our existing website. This presents investors with a virtual shop window into the Glasgow City Region backed up with robust data which is updated in real time.

We have also established a new digital platform and we are in the process of migrating all our collateral to the new platform including prospectuses, pitch-books, propositions and the Glasgow Narrative and Bragging Book, the latter of which is also currently accessible via the home page of our website. In moving to digital collateral, Invest Glasgow is reducing the cost and inefficiencies of large volumes of hard copies and also contributing to our net zero targets.

5.2 Performance and key statistics on priority services during the lockdown/response period

According to UNCTAD (United Nations Conference for Trade and Development) levels of foreign direct investment (FDI) dropped dramatically at all geographic levels since the start of the pandemic:

- globally down 40%;
- Europe down 60%;
- further decline 5-10% during 2021; and
- bounce back expected 2022.

Glasgow's FDI levels dropped by circa 62%. As a result Glasgow, like most cities, has experienced the following:

- a decline in/disappearance of corporate site location visits; and
- cancellation of large-scale events (real estate trade shows such as MIPIM); contributing to fewer enquiries, leads and investments.

The table below shows recorded performance outcomes since 2016/17 (source Invest Glasgow and SDI data) showing a significant drop in performance against our KPIs. In recent weeks, however, Invest Glasgow has been recording a modest but encouraging increase across all KPIs indicating early signs of recovery. Since Q1 of 2021/22, Invest Glasgow has recorded 13 projects – 7 new and 6 expansions, 542 new jobs and 23 new enquiries.

Inward Investment Outcomes for Glasgow 2016-2021¹

KPI Description	16-17	17-18	18-19	19/20	20/21	YoY Change (%)	Totals
Enquiries	80	95	96	93	31	-66%	395
Investments (New & Expansion)	80	66	83	50	21	-58%	300
New company investments	54	34	48	26	10	-62%	172
Company expansions	26	32	35	24	11	-54%	128
New jobs created	2,789	2,344	3,147	3,619	1,133	-69%	13,302

¹ Based on data recorded by Invest Glasgow and SDI.

5.3 *Details of services that were reduced/suspended during the Covid19 lockdown/response period*

Given Covid-related restrictions, Invest Glasgow has been unable to deliver its usual services, particularly attendance at overseas events and participation in inward investor visits to the city.

Consequently, Covid 19 has brought about a need to look at different ways to deliver services in order to continue to attract new investment while supporting existing investors. While the number of enquiries has dropped, the focus has switched to marketing and promotion. This required us to accelerate access to different information and communication technology (ICT) tools, ranging from videoconferencing and virtual site-visit facilities, a robust CRM and communication tools and relevant data solutions. Digital client prospecting, capable of correctly identifying potential leads, and virtual-reality solutions for site visits became much more important than ever before.

5.4 *Key challenges/issues experienced during the response*

The key challenges included initial ICT issues and staff adapting to working from home, as mentioned above. In addition, almost all of the Invest Glasgow and Glasgow Film Office teams were deployed to support the processing of Covid grants to businesses which for some was stressful (learning new procedures and dealing with volumes of applications). This severely impacted on what Invest Glasgow could deliver of its usual activities in the first 4-5 months of the pandemic. However, thanks to the resilience of staff, these challenges were effectively overcome to ensure a seamless transition to a new way of working and new ways of delivering Invest Glasgow services.

5.5 *Recovery activity and when suspended services or activity may be partially or fully reinstated*

Invest Glasgow and the Glasgow Film Office are now 100% back to business as usual albeit delivering remotely. Invest Glasgow will continue to adapt to changing circumstances to contribute to recovery activity.

6 Employment and Skills

6.1 *Priorities during the lockdown/response period*

The initial priority was to consider if the Council should alter any of the Employability and Skills provision it commissions to meet the changing employability landscape, as a response to the impact of the pandemic. This issue was considered by the Local Employability Partnership (LEP) in Glasgow. The LEP is the strategic decision-making forum, chaired by GCC, comprising key stakeholders from across the city including; Higher and Further Education, HSCP, Skills Development Scotland (SDS), the DWP, Chamber of Commerce, Federation of Small Business and Third Sector representatives.

It was the view of the LEP that Council services should continue to focus on individuals with multiple barriers to employment and furthest from the labour market. Residents who have been more recently impacted by the pandemic would continue to be supported through the services of the DWP and SDS. If those individuals had additional barriers to employment they would then be able to access Council service provision. It was also noted that the residents with multiple barrier to employment would face additional challenges in securing work given the increase in newly unemployed in the city.

In the year to April '21 staff continued with the design and commissioning of Phase 2 of the European Social Fund (ESF) employability pipeline. The final phase of ESF runs until March 2023 and had to be procured by the end of March '21. Over the two year period it will provide around £10m worth of support across 10 internal council and external projects.

From autumn 2020 significant resource was allocated to the design and delivery of the Scottish Government funded Young Person's Guarantee (YPG). YPG offers every young person 16-24 years old the opportunity to continuing in education, access training, a job or volunteering. A YPG steering group was established with Education Services, SDS, DWP, Glasgow Chamber of Commerce, Glasgow Regional Colleges Board and GCVS to guide this activity. A comprehensive programme of complementary interventions went live 1st April '21.

Vocational Training Officers (VTO) based in Economic Development continued to provide support to managers and Modern Apprentices (MAs) across the council family.

A total of £2m has been received for the Scottish Government funded Parental Employment Support Fund (PESF). The funding is to be used to address child poverty and increase income from employment. A programme has been developed that involves:

- Glasgow Life delivering a Family Finance Keyworker (FFKW) service in conjunction with employability services;
- Education/Early Years for child development officer training for parents;
- Social Work for the provision of Welfare Rights officer support aligned to the FFKW and employability and most recently the arrangements for support for young parents at the Young Parents base in Smithycroft to ensure their ongoing engagement in school is being put in place; and
- Clyde Gateway are about to begin working in local secondary schools with parents of young people engaging in the Young Person's Guarantee programmes – taking forward a 'whole families' approach to employability.

6.2 *Performance and key statistics on priority services during the lockdown/response period*

Glasgow Guarantee:

	16/17	17/18	18/19	19/20	20/21	21/22
Modern Apprentices	557	432	327	307	130	22
Jobs	454	355	235	179	81	11
Total	1011	787	562	486	211	33

The programme witnessed a year on year decrease due to the changes in the Glasgow economy and a general reduction in youth unemployment between 2017 and 2019. In 2019 the programme was refreshed to reflect this, with the focus firmly on those individuals furthest from the labour market and supported by employability providers. This approach better aligns with the Scottish Government's No One Left Behind (NOLB) principles.

GCC Modern Apprenticeship (MA) programme:

	16/17	17/18	18/19	19/20	20/21	21/22
Recruited	123	142	153	160	59	27*
Forecast funding agreed with Skills Development Scotland (SDS)	123	147	153	168	168	135

*27 MAs recruited to date, the expectation is another 72 will be in post by September '21 (City Building x 60, Education x 10, Financial Services x 2) and 135 total being achieved by the end of the financial year.

European Social Fund, Employability Pipeline:

Phase 1 (July '16 – Mar '21)	Approved Monitoring 2018/19	Approved Monitoring 2019/20	Approved Monitoring 2020/21	Whole programme*
Engagements (1)	1457	1318	109	3280
Progressions (2)	1699	562	191	2928
Results (3)	431	575	87	1264
Overall spend	(40% ESF and 60% match)			£8,817,859.88

* Monitoring for 2020/21 is not complete due to the impact of Covid

- (1) Individuals registered on the programme
- (2) Barrier removal, Vocational activity, Employer Engagement, In-work support
- (3) Number of people getting a qualification, entering education or training, securing employment, remaining in work at 26 weeks

A comparative analysis of annual performance for ESF is difficult because:

- What is monitored and approved in a year is not always what has actually happened in that year – only what has been evidenced in that period

- There is significant activity from January 2020 onwards not yet evidenced because of the restrictions – GCC Monitoring Officers are not able to physically access provider records to confirm activity (a requirement of ESF).

Parental Employment Support Fund:

Through Glasgow Life the service has been fully up and running since May 2021 and has supported over 100 parents.

Young Person’s Guarantee:

	20/21	21/22
Outcomes	28*	272

*Delivery commenced November 2020

GCC Intern Programme:

	2018	2019	2020	2021
Outcomes	28	30	26*	26

*26 interns proposals had been confirmed for 2020, however the programme was postponed due to Covid impact

6.3 *Details of services that were reduced/suspended during the Covid19 lockdown/response period*

GCC continued to offer and support the Glasgow Guarantee programme, however lack of demand from business significantly reduced the number of opportunities being offered.

Physical monitoring of ESF and European Regional Development Fund (ERDF) activity was paused from late March 2020 and was partially resumed from September 2020 onwards. Full monitoring capacity was restored by March 2021 as the staff concerned were released progressively from work on processing COVID 19 business grants.

While the Council Modern Apprenticeship (MA) programme continued during 20/21 recruitment for that year was severely impacted. The normal MA intake would be in the region of 160 per annum, this reduced to less than 70 for the year 20/21. At any one point there are over 350 apprentices employed across the Council family and these individuals and their managers are supported by Vocational Training Officers (VTO) based in Economic Development. VTOs were limited in their ability to meet with young people due to restrictions. While MA number in 21/22 are returning to something nearer ‘normal’ the recruitment profile is slower than in previous years.

The decision was taken to postpone the 2020 GCC Intern programme. The Intern programme normally supports up to 30 Glasgow residents, who have completed their HND or are entering their final year of Undergraduate study, gain vital paid work experience over 12 weeks and contribute to a live Council project. The 2021 programme has gone ahead, offering placements to 26

Glasgow residents, 6 of whom took up their offers from the postponed 2020 programme.

6.4 *Key challenges/issues experienced during the response*

Recruitment across the private sector slowed significantly while restrictions were in place, affecting the uptake of the Glasgow Guarantee. As the Glasgow economy re-opens it is hoped that business demand for Glasgow Guarantee will increase. GCC continue to work with partners in the Chamber of Commerce, FSB and third sector support organisations to promote the opportunities through programme.

In a similar vein, the YPG programme offers significant support to young people to access employment opportunities. All YPG activity links with the Glasgow Guarantee programme, providing the ability to convert work experience, training and volunteering placements into sustainable employment. As the economy continues to bounce back more positive outcomes should be achieved.

6.5 *Recovery activity and when suspended services or activity may be partially or fully reinstated*

To support the Scottish Government's No One Left Behind (NOLB) employability agenda the co-design of a new all age, needs based, person-centred programme has commenced. This approach will continue over the next 18 months with the support of the Local Employability Partnership and full programme roll-out in April '23

7 Digital Economy

7.1 *Priorities during the lockdown/response period*

Much of the planned digital infrastructure deployment in Glasgow was curtailed initially during lockdown given the required restrictions. However, following recognition that this was critical infrastructure, Digital Economy continued liaison with the digital infrastructure organisations to support deployment and service upgrades for key services responding to the pandemic. In parallel with this, there was significant activity progressed to encourage, attract and grow investment in infrastructure including implementing "barrier busting" processes to ensure efficient and effective engagement.

7.2 *Recovery activity and when suspended services or activity may be partially or fully reinstated*

The recovery activity within Digital Economy will focus on:

- supporting and/or implementing (as appropriate) the recommendations from the Scottish Technology Ecosystem review ("The Logan Report") to enhance the sustainability and success of tech SMEs; and

- working with City stakeholders and businesses to exploit the advantages of fit-for-purpose digital infrastructure.

8 Details of any key council plan actions paused

- 8.1 As detailed earlier all Economic Development activities were paused from the period 23 March until the end of July 2020 in order that staff could be wholly dedicated to processing the Scottish Government's Covid 19 Business Grants.
- 8.2 From August 2020, as the pressure on grants processing eased and administration moved to being more automated services began to gradually restart. This included the Business Gateway service (details of uptake in 4.3 above) and the Community Business Boost (CBB) Programme to support business start-ups. Since reopening in August 2020, the CBB programme has received 58 applications with 20 being approved, and a financial commitment of £189,804 being made.

9 Glasgow City Deal

- 9.1 The City Deal Programme Management Office (PMO) continues to prioritise the development and delivery of the Glasgow City Deal Infrastructure Programme.
- 9.2 The City Deal Programme continues to drive projects forward in design and tender preparation whilst directing the delivery of live construction projects. The following list details key programme achievements since the last update:
- Successful placement of the M8 Bridge on 31st July 2021;
 - Construction complete on Collegelands Calton Barras Junction Improvements project;
 - Tendered construction of Argyle Street West and Cambridge Street 'Avenues';
 - Procurement published for external design contract for the £21M Sustrans funded 'Avenues' and approval of Communications, Engagement and Behavioural Change Strategy;
 - Lead consultant appointed for block of 8 'Avenues' including George Square
 - Appointment of contractor and commencement of construction works on Tradeston Bridge, joint funded by Barclays;
 - Successful completion of 4 integral drainage projects with the appointment of contractor for 1 other;
 - Completion of Garscube Toll construction project to improve cycling and pedestrian facilities with improvements to road junction;
 - Finalisation of the design for the Govan Partick Bridge and construction tender published; and
 - Winner of the Sustainable Drainage & Flood Management Initiative, Water Industry Awards 2021 for North Glasgow Integrated Water Management System (Smart Canal).

- 9.3 The City Deal Infrastructure Programme Recovery Plan, detailing the interventions required to ensure delivery of live contracts and procurements as far as is possible within budget, remains an active document. It is anticipated that with the further easing of restrictions the Infrastructure Programme will be revised, taking into account all known financial implications, the capacity of internal and external resources, security of supplies, and contractor availability.
- 9.4 The Covid-19 pandemic has impacted upon the delivery of the City Deal Programme, affecting both live contracts and procurements. Issues are now being experienced in terms of the availability and cost of certain construction materials. These are due to a combination of factors that relate to the pandemic, Brexit, and the recent Suez Canal blockage. The issue remains under ongoing review. However, it is expected that we will be managing the impacts for months and possibly years to come. The full financial impact is currently unknown although the supplier relief / Covid costs for the initial lockdown period (March to June 2020) have been finalised and approved by the Council's Capital Programme Board for all City Deal contracts.
- 9.5 Although contractors were off site at various stages throughout the pandemic, all of the City Deal live construction contractors have re-commenced works and are progressing with the planned interventions.

10 Policy and Resource Implications

Resource Implications:

Financial: None.

Legal: None.

Personnel: None.

Procurement: None.

Council Strategic Plan: Specify which theme(s) and outcome(s) the proposal supports

- Thriving Economy
1, 3, 5, 6, 8, 9, 19, 11, 12
- Excellent and Inclusive Education
28
- A Healthier City
44
- Resilient and Empowered
Neighbourhoods
79

- A Well Governed City That Listens and Responds
99

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25 n/a

What are the potential equality impacts as a result of this report? No significant impact.

Please highlight if the policy/proposal will help address socio economic disadvantage. n/a

Sustainability Impacts:

Environmental: n/a

Social, including opportunities under Article 20 of the European Public Procurement Directive: n/a

Economic: n/a

Privacy and Data Protection impacts: n/a

11 Recommendations

- 11.1 The Operational Performance and Delivery Scrutiny Committee is asked to note the report.

Appendix 1: Economic Overview

Glasgow City: Key Economic Statistics

INDICATORS	VALUE	3 YEARS % CHANGE	CORE CITY AVE 3 YEAR % CHANGE
POPULATION (2020)	635,640	+2.4%	+2.0%
JOBS (2019)	414,000	+0.0%	+3.4%
UNEMPLOYMENT (2020)	14,900	-1.0% points	-0.7% points
RESIDENTS WITH NO QUALIFICATIONS (2020)	55,300	+0.4% points	-2.6% points
BUSINESSES (2020)	19,415	+7.5%	+4.4%

Claimant Count

The latest claimant count data was recently published for April 2021:

- **7.3%** - the latest claimant count rate for Glasgow was 7.3% in June 2021. This equates to 32,680 residents. It represents an increase of over 14,700 claimants since February 2020
- **UK Core Cities** – Birmingham is highest at 10.8% and Bristol lowest at 5.3%
- **Scottish and UK averages** - 5.2% and 5.6% respectively

Annual Population Survey

The Office for National Statistics (ONS) released their annual update of the Annual Population Survey (APS) in April. The latest update covers the calendar year 2020 and therefore encapsulates the first 10 months of the COVID-19 pandemic from March to December.

Employment / Unemployment: Glasgow's labour market appears to have remained relatively resilient to the COVID-19 pandemic in 2020 – with Employment levels increasing slightly and the Unemployment Rate remaining stable. This translates to approximately 12,200 additional individuals gaining employment in 2020.

Despite the positive performance Glasgow ranks as having the 3rd lowest employment rate amongst the UK Core Cities. Even though the Scottish labour market appears to have been more affected than Glasgow's between 2019 and 2020, both Glasgow's employment and unemployment rates remain weaker than the Scottish and UK national rates in 2020.

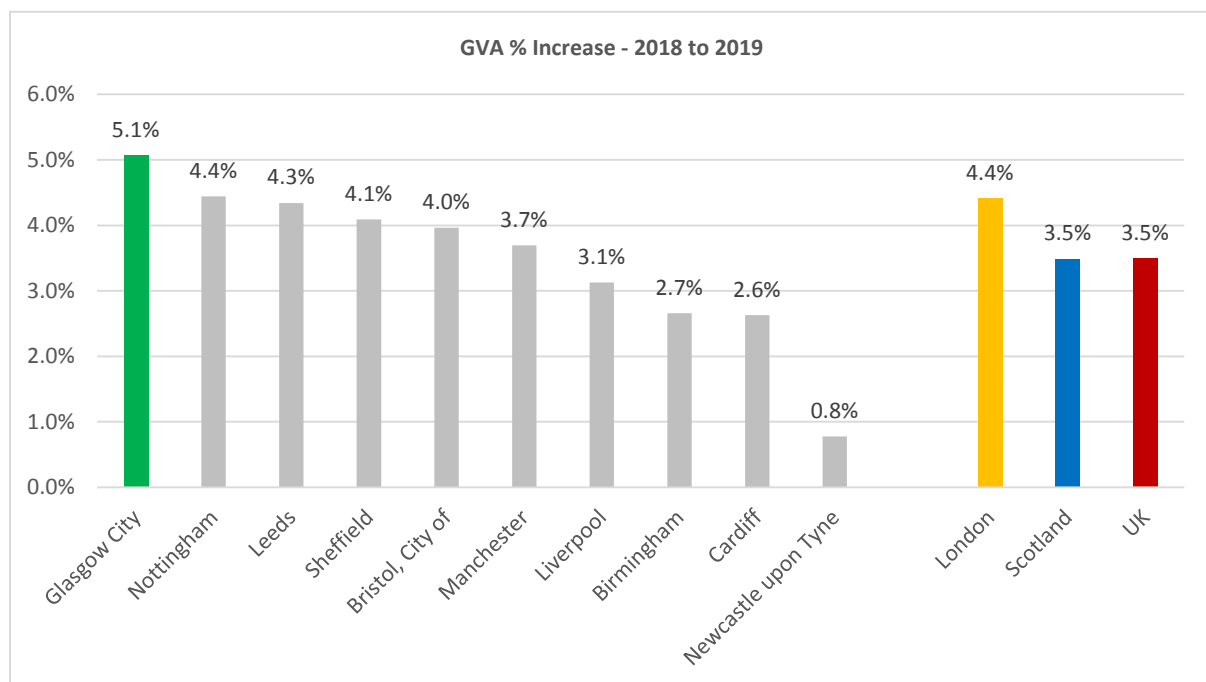
Educational Attainment: Glasgow's Educational attainment indicators experienced positive changes between 2019 and 2020, with the rate of individuals earning a degree-level qualification increasing by 6.5% points and the rate of individuals with no qualifications decreasing by 3.7% points.

The 3.7% point reduction in the rate of individuals with no qualifications was the joint largest reduction experienced within the UK Core Cities between 2019 and 2020, but it has not completely recovered Glasgow's rate from the percentage point increases experienced between 2017 and 2019.

Gross Value Added

The ONS has recently published their latest estimates of Gross Value Added (GVA) – covering the year 2019. Although these figures are pre COVID-19, there was some positive news for Glasgow:

- **Increase:** The Glasgow economy grew by 5.1% (+£1.1bn) between 2018 and 2019 to £22.2bn.
- **Size of Economy:** Glasgow accounts for roughly 15% of Scotland's total economic output.
- **Relative Increase:** The increase in GVA in Glasgow was the largest % increase recorded amongst the UK Core Cities, and a larger % increase than that of the Edinburgh (3.3%). Glasgow's percentage increase was also greater than the increases estimated for Scotland (+3.5%), the UK (+3.5%), and London (+4.4%).
- **Long Term Position:** Despite this short-term increase, Glasgow's long-term % increase in GVA over the last decade remains below average against the UK Core Cities and is below the national growth experienced in both Scotland and the UK.



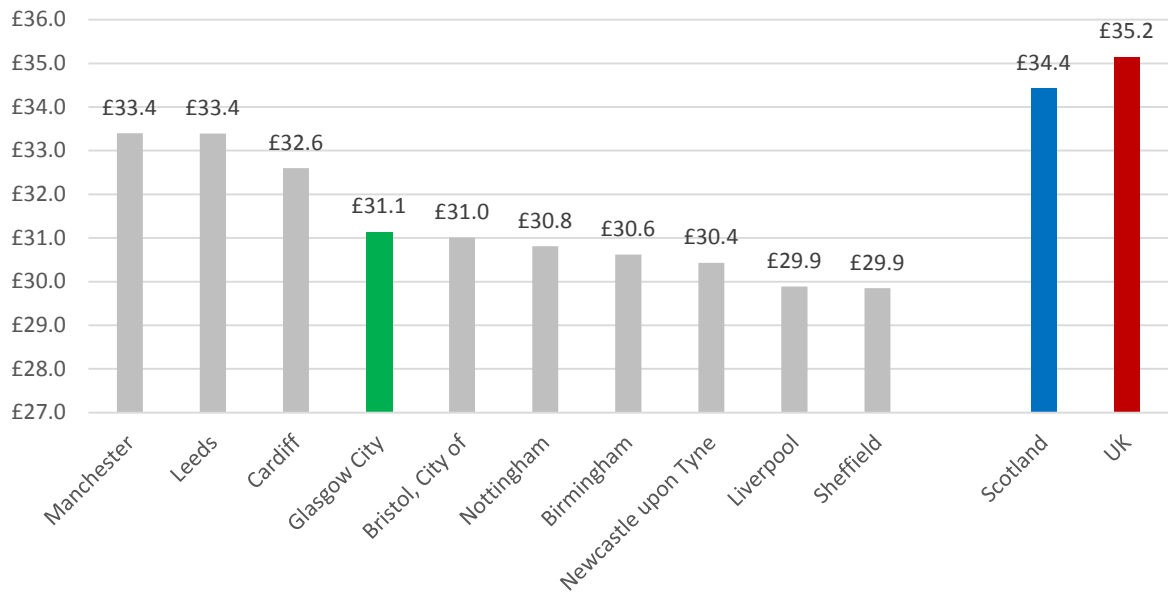
GVA per hour worked and GVA per job filled

2019 estimates of subregional productivity per hour worked and per job filled were published by the ONS in July 2021. These are the ONS' preferred measurements of productivity rather than the classical GVA per head methodology.

2019: Glasgow's GVA per hour work was estimated as £31.1, with its GVA per job filled estimated as £50,816.

Relative Position: Glasgow now has the 4th highest level of productivity amongst the UK Core Cities, across both measurements, behind Bristol, Manchester, and Cardiff. The wider Glasgow City Region is the second most productive in the UK, behind West of England.

GVA Per Hour Worked 2019



Appendix 2: Grant Fund Key

	<i>Programme</i>	<i>Description (as per Grant Offer Letter)</i>
1	Phase 1 - Small Business Grant Fund; and Retail, Hospitality & Leisure (RHL) Grant Fund	<ul style="list-style-type: none"> • A one-off £10,000 small business grant to the ratepayers of properties with specified uses in receipt of the Small Business Bonus Scheme (SBBS) or Rural Relief, or eligible for SBBS but in receipt of Nursery Relief, Disabled Relief, the Business Growth Accelerator Relief or Fresh Start. Certain property uses were excluded. • A one-off £25,000 grant to the ratepayers of properties in the retail, hospitality and leisure sectors. Certain property uses were excluded.
2	Phase 2 – Multiple Property Grant Fund	<p>Linked to Phase 1:</p> <ul style="list-style-type: none"> • Ratepayers with multiple properties; Following the initial one-off grant awarded through either Fund, each additional property for which the applicant pays rates & which also meets the eligibility criteria will qualify for a grant equal to 75% of the one-off grant. For the SBFG the first qualifying property will be eligible for £10,000, and qualifying properties thereafter eligible for £7,500. For the RHLGF the sums will be £25,000 and £18,750 respectively. • Cumulative Rateable Value; ratepayers that hold one or more properties in the Retail, Hospitality, and Leisure sector whose rateable values do not exceed £18,000 and whose cumulative rateable value is between £35,001 and £51,000 will now be eligible for the SBGF for each of their qualifying Retail, Hospitality, and Leisure properties.
3	Phase 3 – Tenant/Occupier Grant Fund	<ul style="list-style-type: none"> • The tenants and/or occupiers of non-domestic properties such as shared office spaces, incubators and industrial units, where they are not the ratepayer but can evidence that they are required to contribute towards the charges associated with the non-domestic rates liability via the ratepayer for that property may now be eligible for the SBGF, provided the property meets the necessary qualifying criteria, and satisfactory supporting evidence can be provided. • Cumulative Rateable Value: Ratepayers that hold one or more properties in the Retail, Hospitality, and Leisure (RHL) sector, whose cumulative rateable value (of all RHL and non-RHL properties) is between £35,001 and £51,000, have – since 2 May -been eligible for the SBGF for each of their qualifying Retail, Hospitality, and Leisure properties which has an individual rateable value that does not exceed £18,000. From 2 June, the total cumulative rateable value range will be amended from £35,001 - £51,000 to £35,001 - £500,000
4	Self Employed Hardship Grant Fund and Bed & Breakfast Grant Fund	<ul style="list-style-type: none"> • The Scottish Government on 15 April 2020 announced further £100m support for businesses and self-employed in Scotland during coronavirus (COVID-19). This included £34m funding for newly self-employed people who are not eligible for the UK Government's Coronavirus (Covid-19) Self-

		<p>employment Income Support Scheme or other forms of COVID-19 business support, and who are not in receipt of working age benefits but are facing financial hardship. Eligible applicants will receive a one-off £2,000 fixed sum grant.</p> <ul style="list-style-type: none"> The purpose of this fund is to provide hardship relief to Bed & Breakfast and other Small Serviced Accommodation businesses who have not been able to access support through other schemes as a result of banking status. Successful applicants will receive a one-off payment of £3,000.
5	Brake Restrictions Fund	<p>Split into two parts:</p> <ul style="list-style-type: none"> The COVID-19 Business Closure Fund was available to hospitality and other businesses required to close (except for takeaway) by these new and extended restrictions. It operates as a two-tiered scheme, with a smaller grant of £2,875 for businesses with a Rateable Value (RV) of up to and including £51,000 and a larger grant of £4,310 for those businesses with a RV of £51,001 and above. An upper limit of £21,000 in total will apply to any eligible business operating multiple premises. The COVID-19 Business Hardship Fund was available to support some businesses that remain open but are still significantly impacted by the restrictions including those in the direct supply chains of firms that must close. Also operates as a two-tiered scheme, with payments of £1,440 or £2155, dependent on Rateable Value. An upper limit of £14,000 will apply in total to any eligible business operating multiple premises.
6	Furlough Support Grant Fund	<p>The furlough support grant will offer eligible businesses required to close by law £1,650 for premises required to close by law where at least one member of staff has been furloughed during the period 9-31 October 2020.</p>
7	Contingency Grant Fund	<p>This fund is targeted at Nightclubs and Soft Play Centres. This first phase of the Contingency Fund will operate as a three-tiered scheme, with awards dependent on Rateable Value. Eligible businesses will receive a:</p> <ul style="list-style-type: none"> £10,000 grant for a property from which they operate with a rateable value of £18,000 or under; or a £25,000 grant for a property from which they operate with a rateable value between £18,001 and £51,000; or a £50,000 grant for a property from which they operate with a rateable value above £51,001. Businesses operating multiple premises will be eligible for each one, with second and subsequent locations payable at 75% of the standard rates set out above. The business should pursue only one claim for all locations, working with the local authority in which the business is headquartered.
8	Strategic Framework Business Grant Fund	<p>This financial support will offer grant support for business impacted by protective measures. More specifically, it provides:</p>

		<ul style="list-style-type: none"> • A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place. • A grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place.
9, 10, 11	Strategic Framework Business Grant Fund - Restart Grant; Retail & Leisure Top-up; and Hospitality Top-up	<ul style="list-style-type: none"> • Strategic Framework Business Fund Transition Payment – A pro-rata payment equivalent to two weeks of a Strategic Framework Business Fund Closure Grant award determined by Rateable Value as follows: <ul style="list-style-type: none"> • Properties with a Rateable Value up to £51,000 will be eligible for a £1,000 payment • Properties with a Rateable Value of £51,001 or over will be eligible for a payment of £1,500. • COVID-19 Business Restart Grant - a one-off payment specifically to support the costs of re-stocking and re-opening or other restart impacts. The level of award that businesses are eligible for is contingent on both the Rateable Value of their premises and the sector in which they operate. • Eligible businesses in the retail sector will be eligible for a payment of £6,000. • All other eligible businesses will be eligible for a grant of: <ul style="list-style-type: none"> - £8,000 for properties with a Rateable Value below £15,000 - £12,000 for properties with a Rateable Value between £15,000 - £51,000 - £18,000 for properties with a Rateable Value of £51,001 or above
12	Taxi and Private Hire Vehicle Support Fund; and Taxi and Private Hire Vehicle Support Fund Top-up	Following the introduction of tighter regulations, the budget available for this fund increased to £57 million, providing a one-off grant payment of £1,500 to all of Scotland's 38,000 taxi and private hire drivers.
13, 14	Contingency Fund Plus Grant Fund - Breweries, Indoor Football Centres and Travel Agents Support Fund; and Contingency Fund Plus Grant Fund 2 - Bingo Halls and Casinos	<ul style="list-style-type: none"> • This fund is intended to provide one-off grants of up to £25,000 for travel agents and indoor football centres based on the rateable value of the premises from which they operate as well as grants of up to £30,000 for breweries based on both their rateable value and annual production levels. • For Contingency Fund Plus Grant Fund 2, financial assistance will be paid, as a one-off grant of £50,000 for each premises.
15	Small Accommodation Providers Waves 1-3	<ul style="list-style-type: none"> • Wave 1: <ul style="list-style-type: none"> - Large Self-Catering Grant: A one-off grant of £2,000 for large self-catering businesses (properties that accommodate 7 or more people) and are subject to Non-Domestic Rates. - Exclusive Use Grant: A one-off grant of £10,000 for "Exclusive Use" properties providing overnight

		<p>accommodation (in the main building, lodges at the property or a combination of both) and are subject to Non Domestic Rates.</p> <ul style="list-style-type: none"> - Bed & Breakfast paying Council Tax Grant: A grant of £2,000, payable every 4 weeks, to Bed and Breakfast businesses, not subject to Non Domestic rates but who pay council tax. These payments will be 4 weekly from the start of January 2021 to cover the Level 4 restrictions which apply from 26th Dec 2020 lockdown period for the duration of level 4 restrictions. • Waves 2&3 <ul style="list-style-type: none"> - A grant of £2,000, payable every 4 weeks, to Bed and Breakfast, guest houses and self-catering businesses, not subject to Non Domestic rates but who pay council tax. These payments will be 4 weekly backdated from the start of January 2021 to cover the Level 4 restrictions which apply from 26th Dec 2020 lockdown period for the duration of level 4 restrictions, and no later than 31 March 2021.
19	Local Restrictions Funds, Level 3	<p>Businesses in Glasgow that the Regulations specifically require to remain closed at Protection Level 3 but would be permitted to open in other parts of Scotland from Monday 17 May 2021 are eligible for each week Glasgow remains at Protection Level 3:</p> <ul style="list-style-type: none"> • a grant of £750 for properties with Rateable Value of £51,001 or over; or • a grant of £500 for properties with Rateable Value up to £51,000. <p>Businesses in Glasgow that the Regulations specifically require to modify their operations by virtue of being in Protection Level 3 are eligible for each week Glasgow remains at Protection Level 3:</p> <ul style="list-style-type: none"> - a grant of £525 for properties with Rateable Value of £51,001 or over; or - a grant of £350 for properties with Rateable Value up to £51,000. <p>Businesses in Glasgow that the Scottish Government consider to be impacted by travel restrictions but that are not specifically required to close or modify their operations by Regulation at Protection Level 3, are eligible for each week Glasgow remains at Protection Level 3:</p> <ul style="list-style-type: none"> - a grant of up to £500 for properties with a Rateable Value of £51,001 or over; or - a grant of up to £250 for properties with a Rateable Value up to £51,000 or which pay Council Tax rather than Non-Domestic Rates.
19	Local Restrictions Fund, Level 2	<p>Businesses in the Soft Play sector that the Regulations require to remain closed at Protection Level 2 but would be permitted to open in other parts of Scotland from 5 June 2021 are eligible for:</p> <ul style="list-style-type: none"> - a grant of £750 each week for properties with Rateable Value of £51,001 or over; or

		<ul style="list-style-type: none"> - a grant of £500 each week for properties with Rateable Value up to £51,000. <p>Specified hospitality businesses that the Regulations require to modify its operations as a result of being in Protection Level 2 are eligible for:</p> <ul style="list-style-type: none"> - a grant of £525 each week for properties with Rateable Value of £51,001 or over; or - a grant of £350 each week for properties with Rateable Value up to £51,000.
19	Local Restrictions Top-up	Rates as above – one off payment for an additional week where Glasgow businesses remained in Level 2.
19	Local Restrictions Soft Play Grant Support Fund	<p>The Soft Play Support Fund is comprised of two elements:</p> <ul style="list-style-type: none"> • Award Levels for Businesses in Local Authority Areas in Protection Level 1 Soft play businesses that meet the eligibility criteria and are located in an area that was subject to PL1 restrictions on 5th June 2021 will receive a one off top up payment of: <ul style="list-style-type: none"> - £3,500 for premises with a Rateable Value below £51,000; or - £5,000 for premises with a Rateable Value of £51,001 or over. • Top Up Payments for Soft Play Businesses in Local Authority Areas in Protection Level 2 Soft play businesses that meet the eligibility criteria and are located in an area that was subject to PL2 restrictions on 5th June 2021 will receive a one-off top up payment of: <ul style="list-style-type: none"> - £9,000 for premises a with a Rateable Value below £51,000. - £14,000 for premises with a Rateable Value £51,001 or over.
20	Taxi Operator Support Fund	<p>The grant is payable based on the number of vehicle licences each company, partnership, sole trader or trust (operator) holds, as follows:</p> <ul style="list-style-type: none"> - one vehicle - a single award of £1,000; - two to nine vehicles - a single award of £3,000 for all vehicle eligibility; - ten to forty-nine vehicles - a single award of £7,000 for all vehicle eligibility; or - fifty or more vehicles - a single award of £15,000 for all vehicle eligibility.