

EAST RENFREWSHIRE COUNCIL14 December 2016Report by Director of EnvironmentGLASGOW CITY REGION CITY DEAL UPDATE**PURPOSE OF REPORT**

1. The purpose of this report is to update comprehensively the Council in relation to progress with the Glasgow City Region City Deal programme of work. It also highlights the scale and magnitude of the programme and the implications for the Council in the widest sense.

**RECOMMENDATIONS**

2. The Council is asked to:
- (a) Note the terms of this report with regard to East Renfrewshire Council and the wider Glasgow City Region and City Deal arrangements;
  - (b) Approve the proposal to pull in and increase in scope the Greenlaw Business Centre and Foundry links (business development) projects at a revised cost of £5.6million;
  - (c) To note that the additional £883,000 in relation to this project will be funded from savings elsewhere within the wider City Deal programme of work in particular for utilities provision required at Dams to Darnley Country Park, and;
  - (d) Approve the revised cashflow and indicative programme of projects as contained within Appendix 1 and Appendix 2 of the report and that the Capital Programme be amended accordingly.

**BACKGROUND**

3. The Glasgow City Region City Deal is a contract for the first and largest City Deal in Scotland (and the second largest in the UK) and was formally signed with the UK and Scottish Governments in August 2014.

4. In August 2014, the Council agreed to participate in the Glasgow City Region City Deal arrangement, and delegated to the Director of Environment, in consultation with the Chief Executive, to conclude negotiations. The Council also agreed to nominate Councillor Fletcher as the Council's representative on the proposed Partnership Board, with Councillor Buchanan as the substitute.

5. In December 2014, the Council approved the creation of the Glasgow and Clyde Valley Cabinet as a Joint Committee and agreed the delegated functions of the Glasgow and Clyde Valley Cabinet. The remit of the Cabinet includes *"all aspects of the Glasgow and Clyde Valley City Deal (infrastructure, labour market and private sector growth schemes). This includes final decisions on infrastructure investment programme; approving changes to the infrastructure fund; overarching programme management of labour market programmes; and delivery of private sector growth capital schemes"*.

6. In January 2015, a Joint Outcome Agreement was signed by all eight member authorities. Under Section 57 of the Local Government (Scotland) Act 1973 this formally established the Glasgow City Region Cabinet as a Joint Committee with the purpose of delivering the strategic economic development priorities of the City Region including the City Deal.

7. The partnership of eight neighbouring local authorities was the first ever City Deal to benefit from funding from both governments - with £500 million each provided from both the UK and Scottish Governments, and with member authorities contributing a further £130 million.

8. The £1.13 billion infrastructure fund will deliver around 20 projects focusing on improving public transport and connectivity and unlocking new sites across the City Region for housing, development and employment over the next 10-20 years.

9. Additional funding of £18.8 million from the department of Business, Innovation and Skills will deliver three further projects for Business Innovation and Growth. Funding of £4.8million from the Department of Work and Pensions will support three new Skills and Employability initiatives.

10. Business cases are being developed for all projects across the City Region with three stages of Cabinet approval for each i.e. Strategic, Outline and Full.

11. A City Region brand and website at [glasgowcityregion.co.uk](http://glasgowcityregion.co.uk) have been established. The website contains all relevant information on the programme, the governance framework, Cabinet papers and the various strategies that have been approved including Procurement and Community Benefits.

12. East Renfrewshire Council identified and planned for potential projects early on that would boost our economy, support business growth within the area, increase leisure opportunities, improve connectivity and create jobs.

13. The Council agreed to pursue a major M77 strategic corridor programme which comprises six projects intended to be delivered over the period 2015 to 2022.

14. These projects are ambitious and innovative and show once again that working together as a smaller Council we have the ability to punch above our weight.

15. To date a lot of the emphasis has been on establishing a high level vision, masterplanning and carrying out other necessary background technical studies relating to the projects. However, we are now reaching the stage where many of the concepts around our City Deal projects are beginning to take shape.

16. This report updates the Council in relation to the work which has taken place to date across the City Deal programme of work and seeks approval for adjustments to the Capital Plan.

## REPORT

17. Reports are provided below across the main City Deal areas of work;

- East Renfrewshire Council's City Deal Project updates
- Glasgow City Region Infrastructure programme update

- National Evaluation Panel and Commission on Economic Growth
- Distributed Leadership Portfolios
- Economic Development and Economic Leadership Group(s)
- Business Innovation
- Skills and Employability

## **EAST RENFREWSHIRE COUNCILS CITY DEAL PROJECT UPDATES**

18. Within the £1.13bn programme of infrastructure projects across the Glasgow City Region, East Renfrewshire's projects total £44m. The current status of and proposals relating to the Council's infrastructure programme is set out below.

### **Crossmill Industrial Units and former Nestle Site, Glasgow Road, Barrhead**

19. This project is the first City Deal Infrastructure project started and completed across the wider City Region. 10 commercial units have been constructed, with 6 already pre-let and with interest expressed from local businesses for the remaining units.

20. The Nestlé site groundworks are now complete and a report was approved by the Cabinet on 29 September 2016 regarding the disposal and subsequent development of the former Nestle site for a mixed use development.

### **Greenlaw Business Centre & Foundry Links (Business Development)**

21. These were previously two separate projects. It is now proposed to amend and integrate them.

22. The Greenlaw Business Centre as originally proposed was for 7,500 square feet of small office accommodation and 10,000 square feet of workshop accommodation.

23. Taking account of external expertise, it is now proposed to develop a more extensive centre with a greater economic impact than initially anticipated. Specifically, it is proposed that the development will now be for 20,000 square feet of small office space and a separate 3,000 square feet block of workshops. It is felt that this configuration will best appeal to the market and generate the maximum amount of Gross Value Added (GVA) which is an important element of the City Deal concept.

24. The Greenlaw Business Centre will provide much needed business space over a considerable area and will be the focal point for the Council's emerging business development incubation strategy. It will accommodate up to 40 companies and the creation of approximately 150 full time jobs. In addition construction of the facility will support around 75 jobs.

25. The legal agreement to acquire the site to accommodate the Business Centre is currently being finalised.

26. The "Foundry Links" project was originally intended to provide new business and training space in Barrhead to complement the Barrhead Foundry offer. However, a review of demand for business and education / training space in Barrhead has identified that, through limited refurbishment, the use of the existing Foundry could be intensified, better utilised and made more appropriate to act as a stepping stone with a clear link for growing businesses towards becoming established within the Greenlaw Business Centre.

27. The previously estimated capital cost (as per the approved Capital Plan) for the Greenlaw Business Centre was £3.255m with £1.462m for the Foundry Links project, totalling £4.717m.

28. Taking account of the proposed expansion to the Greenlaw Business Centre and the revised works proposed within the Barrhead Foundry, the total revised cost for this combined project is £5.6m (i.e. an additional £883,000).

29. The additional cost associated with this combined project is able to be funded from savings elsewhere within the wider City Deal programme of work, in particular for utilities provision required at Dams to Darnley Country Park. This increase can therefore be accommodated within the total approved City Deal provision of £44.094m.

30. The current programme anticipates that the Greenlaw Business Centre will open at the end of 2018 and that the Foundry works will be completed by Autumn 2018.

31. Subject to Council approval of this proposal, the Glasgow City Region City Deal Programme Management Office and thereafter the Glasgow City Region Cabinet will be advised of the changes and these will subsequently form the basis of the development of the project specific Full Business Cases.

### **Levern Access Project**

32. This project was previously known as M77 J5 to Barrhead but has since been amended to be called the Levern Access project which more accurately reflects the projects main concept/purpose.

33. This project will improve the accessibility between the Levern Valley and Eastwood creating public transport, vehicle and pedestrian links between the communities and directly to the Country Park facilities.

34. In addition it will improve connectivity to employment and leisure opportunities from across the Council area and beyond and will support future development of the Council area as an enabler for development (residential, commercial and leisure).

35. Over and above, this project will importantly alleviate traffic pressures on main routes within Barrhead.

36. The Levern Access Project will be delivered in two phases.

- The first phase includes improvements to the existing Aurs Road including the replacement of the weak bridge and the provision of a pedestrian/cyclist boardwalk on the banks of Balgraystone Dam.
- The second phase includes the creation of a new road intended to improve the accessibility between Barrhead/Newton Mearns and beyond towards the employment and other opportunities arising across the wider Glasgow City Region.

37. The works associated with the design of the realignment of Aurs Road at two stretches including the replacement of the existing weak bridge is now complete. Design and build options are currently being considered with an estimated site start of Autumn 2017 with an estimated completion of Autumn 2018.

38. Site investigations and detailed designs are currently being procured.

39. A communication plan for these significant roads projects has been developed, with information issued directly to impacted communities. Information stands have already been organised and attended by the Environment Department's Major Development Team at the Avenue Shopping Centre and Barrhead Foundry during November 2016.

40. Negotiations to acquire the land required to complete Phase 1 are progressing positively.

41. In relation to the wider and longer term project vision, several options are currently being scoped to improve the access from Newton Mearns to the Levern Valley and beyond (Glasgow Airport) towards the wider City Region. The outcome of this will be reported at the appropriate time.

## **Visitors Centre**

42. This project will comprise an estimated 780 square metre visitor centre including flexible space for café/meeting facilities/exhibition space and community use.

43. An estimated seven full time jobs will be delivered (possibly substantially more) and the project will support 70 construction jobs.

44. In addition to delivering infrastructure to help support the establishment of a wakeboard centre this will enable and facilitate future development opportunities (leisure and commercial). This is only a starting point and it is proposed to work up more detailed ambitious proposals for the park including the possibility of a hotel, garden centre, sports and other facilities. The Leisure Trust will be involved in those discussions.

45. Visitor numbers are anticipated to increase from 90,000 to over 300,000 per annum generating economic and social activity and establishing the area as a high quality leisure and recreation destination. Not only that but it will be contributing towards improving the health, wellbeing and quality of life for our residents as part of our wider place making strategy.

46. The construction and design of the proposed Visitor Centre relies upon the detailed design of the northern section of Aurs Road and the replacement of the weak bridge at the southern end. The programme has been changed (Appendix 1 refers) to reflect the construction programme for Aurs Road, with the Visitor Centre programmed for opening at the beginning of 2019. A feasibility study has been undertaken to explore the site capacity, building design and help inform the business plan. The next stage in this project will be to procure the design team.

## **New Train Station at Barrhead South**

47. This proposal will provide a direct link between the stations and communities of Barrhead and Eastwood opening up opportunities for employment (including to the 29,000 new city deal jobs), leisure and service provision. Importantly, the new train station at Barrhead South will be on the same route as Willamwood, Whitecraigs, Patterton and Neilston.

48. The project will provide sustainable public transport options for the existing community of Auchenback and new residents of the Barrhead South growth area. It will be delivered at an early stage of the development of Barrhead South, positively influencing transport decisions and improving the marketability of the sites.

49. With an estimated journey time of 26 minutes into Glasgow Central Station the new station will help open up the leisure and recreation facilities of the country park to the wider Clyde Valley with country park facilities being accessible directly from the train station.

50. Strathclyde Partnership for Transport have provided considerable assistance and helped lead on this project.

51. The final modelling for the revised Scottish Transport Appraisal Guidance (STAG) is currently being carried out following a review by Council representatives along with Transport Scotland, SPT and Network Rail. Approval of the updated STAG is expected imminently. Network Rail has reviewed the initial technical and business feasibility work undertaken and have accepted that the station can move into the formal development process. The scope of the technical appraisal work to comply with the Governance for Rail Investment Projects (GRIP) stages 1 to 3 has been agreed with Network Rail and will commence on approval of the STAG.

52. GRIP stage 4 work will follow on after completion of this work, which will then take the station towards the construction stage. It is currently anticipated that this will allow the station to be complete in 2019.

53. The new station will be serviced by the realignment to and upgrade of Balgraystone Road. This will be carried out separately from the station works, as these works can be delivered by the Council earlier to ensure any potential conflict is minimised with the proposed Wakeboard Centre and the residential development at Barrhead South.

54. The "in-principle" design for Balgraystone Road has been completed to a standard that will accommodate buses, separated pedestrian and cyclist provision and access to the residential development and Wakeboard Centre.

55. The detailed design is currently being procured with a view to works commencing on site Easter 2017. The site investigations, which are necessary to inform the detailed design, are also currently being procured.

### **Cash Flows/Capital Programme and Indicative Infrastructure Programme**

56. Appendix 1 provides a revised cash-flow for the City Deal projects to reflect the anticipated project costs and the current up to date programme timetable. The Council is asked to agree these changes be made to the Capital Plan.

57. A copy of the indicative programme of infrastructure projects is contained within Appendix 2 to this report.

### **WIDER CITY DEAL PROGRAMME OF WORK**

58. In relation to the wider City Deal Programme of work, further detail is provided below and within the appendices to this report.

#### **Glasgow City Region Infrastructure programme update**

59. A range of infrastructure projects across the wider city region are progressing at various stages. A number of business cases have been approved by the Glasgow City Region Cabinet. A copy of the original list of regional infrastructure projects is attached (Appendix 3).

## Evaluation

60. The UK Government has proposed a single approach to evaluate the effectiveness of City Deals across the UK through the appointment of a National Evaluation Panel. Given that the Glasgow City Region City Deal also benefited from Scottish Government funding, it is proposed that any national evaluation framework should be complemented by activity specific to the Glasgow City Region. A Commission on Economic Growth has therefore recently been established. Details of the panel and Commission are attached as Appendix 4.

## Distributed Leadership Portfolios

61. As part of the changing priorities and the strengthening of the Glasgow City Region the Glasgow City Region Cabinet has looked to the future and established a range of Leadership Portfolios to be managed across Council's by Council Leaders with a Chief Executive as portfolio lead, a senior officer and a number of support officers, adopting a distributed leadership portfolio.

62. The general role of each portfolio holder is to:

- Respond on behalf of the Clyde Valley City Region (GCVCR) Cabinet to announcements that relate to their policy portfolio;
- Lead conversations on behalf of the Clyde Valley City Region Cabinet with Government on issues that relate to the delivery of City Region Cabinet policy objectives, as established as part of an agreed portfolio work plan;
- Represent Clyde Valley City Region Cabinet in political engagement with Scottish Government.

63. Each portfolio is currently determining priority areas and actions to maximise collaboration and impact across the region that will complement the emerging Regional Economic Strategy and the review of Enterprise, referred to later in this report. These priorities will be incorporated into a Charter for Regional Economic Growth, which will be reported to the Glasgow City Region Cabinet for approval in February 2017.

64. The Portfolio Leads are as shown in Appendix 5.

65. As can be seen East Renfrewshire Council has been chosen to lead on infrastructure and assets (including utilities, telecoms and digital) across the City Region. This is an important remit and is being led by the Leader of the Council, the Chief Executive and the Director of Environment.

66. Portfolio leads are currently developing a remit and vision alongside the identification of key stakeholders and a set of early actions related to their areas of responsibility.

## Regional Economic Strategy/Delivery Group and Economic Leadership Group

67. A Regional Economic Delivery Group has been established comprising senior officers (primarily at Director level including this Council's Director of Environment) from within the 8 participating local authorities along with other senior key stakeholders. This Group is taking forward the development of a draft Regional Economic Strategy for the wider City Region. This draft will shortly be considered by the Glasgow City Region Cabinet.

68. An Economic Leadership Group, chaired by Lord Willie Haughey, has been established with a remit to engage with the private sector in the delivery of the outcomes which are expected to be delivered arising from the infrastructure being delivered across the City Region. Details of membership of the group are attached (Appendix 5).

69. One of the most important drivers of growth will be increasing the size and performance of the business base in the City Region. The current structures to support this are split across the eight participating member authorities and a number of other public and private bodies. These structures pre-date and do not directly involve the City Deal agreement.

70. The City Region Cabinet therefore commissioned Smart Consultancy to work with the Chief Executives to review Enterprise Services across the region to explore how support for growing the business base should be best delivered across the City Region in the future. This work has now been completed and will be reported to City Region Cabinet in December 2016. This area of work will need to take into account the Phase One report of the Scottish Government's review of the Skills and Enterprise Agencies which was published in October 2016.

71. One of the main outcomes of City Deal infrastructure investment is a significant increase in the accessibility of new employment opportunities. If the benefits of the investment in infrastructure under the City Deal are to be distributed across the population of the City Region, the local workforce will have to be equipped with the skills and capacity to take advantage of these opportunities. Therefore in a similar way to the enterprise support review, a review of employability and skills development has been carried out by Training and Employment Research Unit (TERU) University of Glasgow from a City Region perspective. The conclusion of this work (the Glasgow City Region Skills Investment Plan) was approved by the City Region Cabinet at its meeting on 18 October 2016 and is attached as Appendix 7 to this report.

72. The City Region Cabinet is responsible for determining the economic priorities for the region. To help inform this, MetroDynamics were commissioned to support the development of a Regional Economic Strategy. As advised above, this strategy is due to be considered by the City Region Cabinet in December 2016 with a view to being approved early in 2017 following a period of wider consultation.

73. Further updates will be reported to the Council on the Regional Economic Strategy and a proposed Charter for Regional Economic Growth during 2017 as appropriate.

## Business Innovation

74. The three projects under the Business Innovation and Growth theme continue to progress.

- The University of Glasgow led Imaging Centre of Excellence (ICE), is scheduled to open in early 2017 and will house the first ever 7 Tesla MRI Scanner in the UK, costing £7 million. This will enable ground-breaking medical research into stroke, cardiovascular disease and brain imaging, as well as commercialisation facilities for clinical researchers and companies developing new products and services in the life science sector.



- In May 2016 The Tontine opened, a new centre of innovation in Glasgow's Merchant City which will inject £53.6million into the economy of the City Region, support and sustain the development of high-growth SMEs in the enabling technology, advanced design and manufacturing, and creative economy sectors.
- Together with MediCity Scotland (a dedicated medical technology incubation facility based in North Lanarkshire), these three projects will cement the Glasgow City Region as an attractive location for new and established technology and the life sciences industries, creating jobs and attracting global investment.

### Skills and Employability

75. Finally, under the Skills and Employability projects, "In Work Progression" is a unique pilot specifically focused on the care sector to improve progression opportunities for the lowest paid (predominantly female staff). Using a new employer led approach the pilot will support the training and development of staff in low income jobs, boosting wages and reducing reliance on in-work benefits. Learning from the pilot, which will be independently evaluated, is anticipated to be rolled out across the whole of the UK. The "Working Matters" initiative involves regional employability partners working to a common approach for the first time, specifically targeting those furthest away from the labour market. Initial progress reports on both schemes are anticipated by the end of the year.

76. Across the overall Programme, the City Deal is expected to support an increase of around 29,000 jobs in the City Region in addition to 15,000 temporary jobs during the construction period.

## **FINANCE AND EFFICIENCY**

77. Delivery of the Council's contribution towards the City Deal programme of work is being undertaken from within existing approved financial resources. Provision has been made within the approved Capital Plan to deliver the infrastructure projects and, subject to successful gateway reviews, grant funding is expected to be received to offset 86% of the overall capital cost. Revenue costs are being met from within existing revenue budgets through careful management and the restructuring of the Environment Department to focus on major developments.

## **CONSULTATION AND PARTNERSHIP WORKING**

78. Ongoing consultation is taking place between officers across Council Departments, in particular Environment, Finance, Legal Services and Procurement. Across the wider Glasgow City Region, there is significant partnership working between the 8 participating Council's and a range of other stakeholders including Scottish/UK Governments, Transport Scotland, SPT, DWP, SDS, ClydePlan, the academic sector and the Economic Commission.

## **IMPLICATIONS OF THE PROPOSALS**

79. There are no staffing, IT, sustainability or equalities implications associated with this report.

## CONCLUSIONS

80. This report seeks to update the Council in relation to the City Deal programme of work, in particular the positive progress being made with the Council's own infrastructure projects.

## RECOMMENDATIONS

81. The Council is asked to:

- (a) Note the terms of this report with regard to East Renfrewshire Council and the wider Glasgow City Region and City Deal arrangements;
- (b) Approve the proposal to pull in and increase in scope the Greenlaw Business Centre and Foundry links (business development) projects at a revised cost of £5.6million;
- (c) To note that the additional £883,000 in relation to this project will be funded from savings elsewhere within the wider City Deal programme of work in particular for utilities provision required at Dams to Darnley Country Park, and;
- (d) Approve the revised cashflow and indicative programme of projects as contained within Appendix 1 and Appendix 2 of the report and that the Capital Programme be amended accordingly.

Director of Environment

Further information can be obtained from: Andrew Cahill, Director of Environment on 0141 577 3036 or [andrew.cahill@eastrenfrewshire.gov.uk](mailto:andrew.cahill@eastrenfrewshire.gov.uk)

November 2016

## Appendix 1

## Revised City Deal Programme Cashflow

Project	Total £000	Spent Prior to 31/3/16	2016/17	2017/18	2018/19	2019/20	2020/21
Levern Access Project	21,190	26	600	4,150	4,440	6,094	5,880
New Rail Station Barrhead South	11,554	44	1,218	3,332	6,060	900	0
Glasgow Road Corridor	911	782	130	0	0	0	0
Visitors Centre and Infrastructure	4,836	31	100	555	4,150	0	0
Greenlaw Business Centre and Foundry	5,603	76	680	1,378	3,469	0	0
<b>Total</b>	<b>44,094</b>	<b>958</b>	<b>2,728</b>	<b>9,415</b>	<b>18,119</b>	<b>6,994</b>	<b>5,880</b>



<b>Lead Council</b>	<b>Projects Description</b>
<i>Glasgow</i>	Metro Glasgow Drainage
<i>Glasgow</i>	City Centre and North
<i>Glasgow</i>	Clyde Waterfront
<i>Glasgow</i>	Collegelands Calton Barras
<i>Inverclyde</i>	Inchgreen
<i>Inverclyde</i>	Ocean Terminal
<i>Inverclyde</i>	Inverkip
<i>North Lanarkshire</i>	Gartcosh Community Growth Area
<i>North Lanarkshire</i>	M8 Corridor Access Improvements
<i>North Lanarkshire</i>	Pan Lanarkshire Orbital Transport Corridor
<i>Renfrewshire</i>	Clyde Waterfront and Renfrew Riverside
<i>Glasgow</i>	Glasgow Airport Investment Area Area
<i>Glasgow/Renfrewshire</i>	Airport Link
<i>Regional Project (SPT)</i>	Connectivity Projects
<i>South Lanarkshire</i>	Greenhills Road/A726
<i>South Lanarkshire</i>	Cathkin Integrated Roads
<i>South Lanarkshire</i>	Community Growth Areas
<i>South Lanarkshire</i>	Stewartfield Way
<i>West Dunbartonshire</i>	Exxon

### **National Evaluation Panel**

A number of regions across the UK have managed to secure Government funding to support economic growth.

In order to allow an evaluation of the effectiveness of these deals, the UK Government has proposed a single approach to evaluation across the UK through the appointment of a National Evaluation Panel. This panel will be an independent advisory panel which will oversee a rigorous economic impact evaluation of the programme of growth interventions, to inform the future allocation of funding through the 5 yearly gateway reviews.

The procurement of this national panel is almost complete.

### **Commission on Economic Growth**

Professor Anton Muscatelli, University of Glasgow  
Lorna Kelly, Head of Primary Care Support and Development, GGCHB  
Professor Duncan MacLennan CBE  
Professor Alan McGregor, University of Glasgow  
Des McNulty, Dean of Public Knowledge and Policy Exchange, University of Glasgow  
David Middleton, CBE  
Professor Graeme Roy, Fraser of Allander Institute  
Nora Senior, Former Chair of Scottish Chambers of Commerce

The role and remit of the Commission is to design a monitoring and evaluation methodology for the City Deal Programme; to advise Cabinet on regional economic strategy; participate in the procurement of the National Panel; liaise with the National Panel on behalf of the Glasgow City Region City Deal in identifying national and local indicators; establishing requirements and preparing for the gateway review ensuring capture of qualitative data.

A detailed work-plan for the Commission, which outlines the evaluation requirement needed for the next City Deal “gateway review”, will be prepared in due course.

Portfolio	Council	Council Leads	Officer Support
Land Use and Sustainability	East Dunbartonshire	Cllr Rhonda Geekie, Gerry Comes	Thomas Glen EDC
Infrastructure and Assets (including utilities, telecoms and digital)	East Renfrewshire	Cllr Jim Fletcher, Lorraine McMillan	Andy Cahill ER
Inward Investment and Growth	Glasgow	Cllr Frank McAveety, Annemarie O'Donnell	Richard Cairns WDC
Tourism and Marketing	Inverclyde	Cllr Stephen McCabe, Aubrey Fawcett	Joe Aitken GCC, Louise Aubrey RC
Enterprise	Renfrewshire	Cllr Mark MacMillan, Sandra Black	Richard Brown GCC
Transport and Connectivity	North Lanarkshire	Cllr Jim Logue, Paul Jukes	Alex Ramsay NLC
Skills and Employment	South Lanarkshire/SDS	Cllr Eddie McAvoy, Lindsay Freeland	Michael McGlynn SLC
Housing and Equalities	West Dunbartonshire	Cllr Patrick McGlinchey, Joyce White	Patrick Flynn GCC, Mary Crearie RC

Membership of the Group is as follows:

- Stuart Patrick, Chief Executive, Glasgow Chamber of Commerce;
- Gerry McCarthy, Managing Director, Texas Instruments;
- Marie Macklin, Macklin Enterprises Partnerships Ltd;
- Peter Beagley, Regional Centre Director, Intu Properties PLC;
- Douglas Smith, Chairman Scotland, CBRE Ltd;
- Silka Patel, Marketing Manager, Digital Transformation, Cisco; and
- Alison Rose, Chief Executive, RBS' Corporate, Commercial and Private Banking.

Meetings are now being set up to review the remit of the Group and to consider the developing Regional Economic Strategy.

## Appendix 6

### Membership of Economic Leadership Group

- Stuart Patrick, Chief Executive, Glasgow Chamber of Commerce;
- Gerry McCarthy, Managing Director, Texas Instruments;
- Marie Macklin, Macklin Enterprises Partnerships Ltd;
- Peter Beagley, Regional Centre Director, Intu Properties PLC;
- Douglas Smith, Chairman Scotland, CBRE Ltd;
- Silka Patel, Marketing Manager, Digital Transformation, Cisco;
- Alison Rose, Chief Executive, RBS' Corporate, Commercial and Private Banking.





**GLASGOW CITY REGION SKILLS INVESTMENT PLAN:  
DRAFT FINAL**

**8 August 2016**

**Victoria Sutherland, Alex McTier and Alan McGregor**

**Training and Employment Research Unit (TERU)  
University of Glasgow  
Adam Smith Business School  
40 Bute Gardens  
Glasgow  
G12 8RT**

**Email: [victoria.sutherland@glasgow.ac.uk](mailto:victoria.sutherland@glasgow.ac.uk)  
Telephone: 0141 330 4911**

**CONTENTS**

<u>1. BACKGROUND AND BRIEF</u>	1
<u>2. KEY LABOUR MARKET TRENDS</u>	4
<u>3. LOOKING FORWARD</u>	9
<u>4. SKILLS APPROACHES IN OTHER CITY DEAL REGIONS</u>	15
<u>5. PRINCIPLES, MISSION, STRATEGIC OUTCOMES AND AREAS OF ACTION</u>	17
<u>6. ACTION PLAN FOR 2016 TO 2019</u>	19
<u>APPENDIX : OVERVIEW OF MAJOR PLANNED CAPITAL INVESTMENTS</u>	31

## Appendix 7

## 1. BACKGROUND AND BRIEF

**Glasgow City Region and City Deal**

The Glasgow City Region (CR) is the geographical area encompassing the eight local authority areas of City of Glasgow, East Dunbartonshire, East Renfrewshire, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire. There is increased co-operation and joint working at a city region level, in part accelerated by the £1.13 billion City Deal brokered by member authorities with the Scottish and UK Governments.

**Glasgow and Clyde Valley City Deal**

The Glasgow and Clyde Valley City Deal will fund major infrastructure projects, drive business innovation and growth (including in life sciences), create thousands of jobs, and assist thousands of unemployed people back to work. It will be delivered through a programme of 26 projects, which are spread over three themes: infrastructure, employment and skills, and business growth and innovation.

**Infrastructure**

20 major infrastructure projects across the region for roads, bridges, improved transport infrastructure, quay walls, remediation, construction, public realm works, and assisting further capital developments for housing, retail and commercial. The individual projects are set out in Appendix 1.

**Employment and Skills**

£9 million 'Working Matters' employment scheme to support 4,000 individuals in receipt of Employment Support Allowance, assisting at least 600 into sustained work.

£15 million 'Youth Gateway' integrated employment programme to work with 15,000 young people aged 16-24 over the next three years, helping 5,000 into sustained work.

Pilot labour market progression scheme to support the training and development of staff in low income jobs within the care sector.

**Business Growth and Innovation**

£16 million funding for the development of the University of Glasgow-led Imaging Centre of Excellence at the Queen Elizabeth II Hospital Campus to provide ground-breaking medical research and commercialisation facilities for clinical researchers and companies in the Life Sciences sector.

£4 million MediCity Scotland facility based at Eurocentral Business Park to bring together academics, entrepreneurs, clinicians and business support services to boost the development of new healthcare services and medical technology.

## Appendix 7

£4 million Centre for Business Incubation and Development in the Tontine Building, Glasgow. The centre will provide high quality, flexible working spaces for growing small to medium sized enterprises.

The main objectives of the City Deal are that by 2036:

29,000 additional jobs will be created in the CR.

19,000 unemployed residents will receive support and over 5,500 will secure sustained employment.

Lever in an estimated £3.3 billion of private sector investment to support the delivery of the infrastructure projects.

Spread the benefits of economic growth across the CR, ensuring deprived areas benefit from this growth.

### Glasgow City Region Skills Investment Plan

The Glasgow City Region Skills Investment Plan (SIP) has been commissioned by Skills Development Scotland (SDS) on behalf of SDS and the City Deal Skills and Employment Working Group, which includes the eight local authorities, DWP, college sector, Scottish Government and UK Government. The Cabinet portfolio for Skills and Employment, held by South Lanarkshire Council, will ensure that the implementation of the SIP contributes to the wider economic strategy for the city region.

The SIP development process has involved the:

Analysis of current and future employment and skills demands alongside the current and predicted labour supply.

Review of key policies impacting on skills and employment in the CR.

Consultations with key skills partners across the CR.

Review of the skills approaches taken in other UK city regions.

Workshop sessions with the City Deal Skills and Employment Working Group to discuss and agree the mission, strategic outcomes and actions of the SIP.

This has led to an evidenced-based SIP that:

Sets out the vision, ambitions and aspirations for the City Region for the next 20 years in terms of skills and employment.

Provides a detailed 3-year Action Plan, drawing on evidence and partner views.

Alongside the SIP, two other key city region research exercises have also been carried out – namely the *Glasgow City Region Economic Strategy* and *Glasgow City Region Enterprise Review*. The SIP has been designed to complement and contribute to the implementation of the priorities and actions arising from these two exercises.

## Appendix 7

### Structure of SIP

The SIP is organised into the following sections:

**Key Labour Market Trends** – analysing the current demand for, and supply of, labour in the CR.

**Looking Forward** – assessing the future demand for labour in the CR and how the skills supply is aligned with this.

**Skills Approaches in Other City Regions** – reviewing the approaches taken in comparator UK city regions.

**Principles, Mission, Strategic Outcomes and Areas of Action** – setting out the city region-working context and the ambitions of the SIP.

**Action Plan for 2016-2019** – detailing the specific actions that the SIP will deliver on in the next three years.

## 2. KEY LABOUR MARKET TRENDS

### Current Labour Market Demand

The CR had 836,500 jobs in 2014, with its largest employing sectors being:

**Health and social work** – 144,600 jobs.

**Wholesale and retail** – 123,400 jobs.

**Administration and support services** – 93,200 jobs.

Location quotients (LQ) identify specific sub-sectors that are overrepresented in a locality. In looking at the location quotients in the CR, we included those that were more than 40% overrepresented compared to the Scottish economy and employed at least 2,000. 30 sub-sectors were identified with the main grouping being in:

**Financial services** – with ‘other credit granting’, ‘non-life insurance’, ‘security and commodity contracts brokerage’, ‘other activities auxiliary to insurance and pension funding’, ‘activities of insurance agents and brokers’ all being overrepresented. These sub-sectors employ 13,640 – but the broader financial services sector employs 32,600.

**Creative industries** – including ‘motion picture, video and TV programme production’, ‘advertising agencies’, ‘performing arts’. These sub-sectors employ 6,040 with the creative industries as a whole employing 29,600.

**Business support services** – including ‘combined facilities support activities’, ‘activities of call centres’, ‘general cleaning of buildings’ and ‘activities of head offices’. These sub-sectors employ 52,140 with 93,200 employed in administration and support services as a whole.

There are local variations across the CR with five or more of the CR’s eight local authority areas over-represented relative to the Scotland average in **construction** (48,700 jobs) and **education** (60,500), as well as wholesale and retail, admin and support services, health and social work, and other services.

The research’s consultations also highlighted the importance to the CR of:

**Tourism** – particularly in Glasgow but with attractions and events across all parts of the CR (which employs 54,500).

**Engineering** – most notably in Renfrewshire and Inverclyde (whilst there is no figure for employment in engineering, data suggests there are 17,500 employed in STEM occupations).

**Education** – with the CR having 6 universities and 6 colleges (which employs 60,500 as outlined above).

By occupation, the CR’s greatest numbers of jobs are in **professional; associate professional and technical;** and **administrative and secretarial occupations** – and all of these occupations are over-represented relative to the Scottish average. It is also over-represented in **caring, leisure and other services;** and **sales and customer service occupations.**

## Appendix 7

Wage levels across the CR as a whole are in line with the Scottish and UK averages but there are variations across its eight local authority areas – with Glasgow and South Lanarkshire having the highest workplace-based earnings, while East Dunbartonshire and North Lanarkshire have the lowest.

***Business and enterprise levels (as measured by business stock, starts, deaths and survival rates along with self-employment rates) are generally low across the CR***, with Glasgow the only local authority area above (and only marginally above) the Scottish average.

### Current Labour Market Supply

The **population** of the CR was just over 1.8 million in 2015, with just over 1.2 million aged 15-64.

- Just over a third (34%) of Scotland's working age population (15-64) lives in the CR.
- The CR working population is increased by 0.8% (or just under 9500) over the last 5 years, just under the Scottish rate of 0.7%.
- Within this, 6 local authority areas are experiencing declines in their working age population, with the working age population only growing in Glasgow and East Renfrewshire over this period.
- The CR has a higher proportion of its population aged 0-14, 20-24 and 25-54 than Scotland as a whole, while those aged 55 and over are underrepresented in the CR.

In 2015, 71% of the working age population of the CR were in **employment**.

- This is just below the Scottish and UK rates (73% and 74% respectively) – but conceals significant variations across the CR, with the employment rate varying from 67% in Glasgow to 76% in South Lanarkshire. 4 local authority areas within the CR have an employment rate above the Scottish average and 4 are below.
- The CR employment rate has increased over the last 5 years (from 67% to 71%) – reflecting improving economic conditions. The employment rate also increased in Scotland and the UK over this same period (from 71% to 73% and from 70% to 74% respectively).

The CR **unemployment rate**<sup>1</sup> in 2015 was 6.7%, above the Scottish rate of 5.9% and the UK rate of 5.4%.

Again, there is significant variation in unemployment across the CR – from 4.0% in East Renfrewshire to 8.5% in Inverclyde and Glasgow. Unemployment has declined over the last 5 years (from 10.1% to 6.7%) due to improving economic circumstances – and the CR has experienced a greater improvement than Scotland and the UK (which declined from 7.8% to 5.9% and 7.8% to 5.4% respectively).

Linked to this, the CR has:

---

<sup>1</sup> ILO unemployment rate – which measures the proportion of the working aged population that are out of work and activity seeking work.

## Appendix 7

A higher proportion of its working age population than Scotland and the Great Britain<sup>2</sup> claiming DWP out-of-work benefits (14.3% compared to 11.3% and 9.5% in 2015).

- This varies dramatically across the CR with only 6.9% of the working age population in East Renfrewshire and 7.2% in East Dunbartonshire claiming DWP out-of-work benefits compared to 16.5% in West Dunbartonshire, 16.6% in Inverclyde and 17.1% in Glasgow.
- The proportion of the CR working age population claiming DWP out-of-work benefits has declined from 17.8% in 2010 to 14.3% in 2015. Declines have also been observed over the same period in Scotland and Great Britain (from 14.1% to 11.3% and from 12.4% to 9.5% respectively).

A higher proportion of 16-19 year olds in the CR than across Scotland as a whole are not in employment, education or training (in 2014, the rates in the CR was 6.9% compared to 6.4% across Scotland).

- Again performance on this measured varied across the CR from 3.4% in East Dunbartonshire to 9.5% in West Dunbartonshire.
- The proportion of 16-19 year olds in the CR that are not in employment, education or training fell from 10.6% in 2009 to 6.9% in 2014. This is a similar decline to Scotland, which fell from 9.8% to 6.4% over the same time period.

Tackling the high levels of unemployment and economic inactivity in the CR is a key priority of the UK Government, Scottish Government, key government agencies, local authorities and the City Deal – and must be a key priority for the CR SIP.

In terms of the **skills** of the CR population, a higher proportion of working age people have no qualifications compared to Scotland and the UK (11.4% compared to 9.0% and 8.8% respectively).

This varies from 5.3% in East Renfrewshire and 5.4% in East Dunbartonshire to 14.3% in West Dunbartonshire.

The proportion of the CR working age population with no qualifications has declined from 16.6% in 2010 to 11.4% in 2015. Declines have also been observed at the Scottish (from 12.3% to 9.0%) and UK-levels (from 11.6% to 8.8%).

In contrast, 41.6% have SVQ Level 4 or above qualifications – a similar proportion to Scotland as a whole (42.5%) and above the UK rate (36.9%).

This varies from 32.0% in West Dunbartonshire to 53.6% in both East Dunbartonshire and East Renfrewshire.

The proportion of the CR working age population with qualifications at SVQ Level 4 or above has increased from 34.8% in 2010 to 41.6% in 2015. The proportion of the Scottish and UK working age populations with qualifications at this level has also increased (from 31.1% to 42.5% and from 32.6% to 36.9% respectively).

---

<sup>2</sup> Data is not available for Northern Ireland.



## Appendix 7

**Colleges and Modern Apprenticeships** are offering a large number of individuals opportunities to develop their skills – with a broad range of different subject areas/occupational frameworks being pursued.

- The most recent data available for college provision is 2014/15. Data on Modern Apprenticeships is available for 2015/16.
- In 2014/15, there were just under 118,000 enrolments in the CR's colleges. 80% were at further education (FE) level and 20% were at higher education (HE) level. The most common subjects were family care/personal development/personal care and appearance (with 19,401 enrolments or 16% of all enrolments); health care/medicine/health and safety (18,376; 16%); and information technology and information (14,707; 13%).
  - At the Scottish level, the main subject areas were health care/medicine/health and safety (accounting for 16% of enrolments); family care/personal development/personal care and appearance (16%); engineering (11%); and information technology and information (10%). The most common subjects studied and the proportion of enrolments within these is similar in the CR to Scotland – with the exception of engineering.
- In 2015/16, there were 9,105 Modern Apprenticeship starts in the CR.
  - The most common frameworks were business and administration; hospitality; retail; freight logistics; and social services – children and young people. This is similar to the Scottish picture where the most common frameworks were business and administration; hospitality; social services – children and young people; retail; and social services and healthcare.
  - 32% of MA starts in the CR were in Level 2 frameworks, 64% at Level 3, 4% at Level 4 and just 0.5% at Level 5. The equivalent proportions across Scotland are 35%, 61%, 3% and 0.4%.

Trends in subject/occupational frameworks choices are discussed in the next chapter.

In addition, employers also make a significant investment in developing the skills of their workforce with:

- 74% of CR employers funding or arranging training for their employees in the last 12 months (compared to 71% for Scotland as a whole).
- The types of training funded or arranged by CR employers were job specific training (which includes an extremely diverse range of training in terms of skill levels covered) with 85% of CR employers providing training compared to 86% across Scotland as a whole, health and safety/first aid training (75% vs. 74%) and basic induction training (68% vs. 66%), training in new technology (50% vs. 49%), management training (40% vs. 34%), supervisory training (38% vs. 34%), more extensive induction training for new staff (35% vs. 36%) and personal development training (2% vs. 2%).

### Current Mismatches in Labour Market

Where skills supply does not meet skills demand, it leads to vacancies that cannot be filled because of skills shortages, difficulties in retaining staff, existing staff not having the skills they require to do their jobs proficiently and underemployment. In 2015:

- 6.3% of employers in the CR had **skills shortage vacancies**, compared to 5.7% across Scotland as a whole.

## Appendix 7

- 26% of these employers reported skills shortage vacancies in caring, leisure and other service occupations, 20% in skilled trades and 14% in professional occupations and 14% in associate professionals. Skills shortage vacancies are caused by a shortage of skills or experience that the employer is looking for. However, the reasons these skills are in shortage can be diverse – for example, the occupation/sector being unattractive to potential entrants (for example, due to relatively low earnings) or a lack of provision in place to develop these skills.
- 8.5% of employers reported that they had jobs that they had **difficulties in retaining staff**. This is below the Scottish level of 10.0%.
- 12.4% of employers in the CR reported **skills gaps** (i.e. that there some of their staff did not have the skills they required to do their job proficiently). This is slightly below the Scottish rate of 13.5%.
  - 29% of these employers reported skills gaps in administrative and clerical occupations, 27% in elementary occupations and 20% in sales and customer services occupations.
- 33.6% of employers reported that at least some of their staff were **under-utilised** (i.e. have both qualifications and skills that are more advanced than required for their current job role). This is slightly above the Scottish rate of 32.3%.

#### Implications for SIP

From a labour market demand perspective:

The CR has a diverse employment and business base with strengths evident in higher skilled sectors, such as financial services, education (which will include university R&D functions), creative industries and engineering, but also lower skilled but high participation sectors, such as retail, tourism, administration and support services, and construction. Health and social work straddles both and is the CR's biggest employing sector. The SIP must therefore respond to both higher skilled and high participation sectors.

Business and enterprise levels across the CR are low – so reinforcing the importance of the Enterprise Review and the SIP should respond its recommendations wherever appropriate.

From a labour market supply perspective:

Whilst the working age population has grown over the last 5 years across the CR as a whole, it has declined in 6 out of the 8 local authority areas. This suggests a need to create more and better quality employment opportunities in the CR.

High levels of unemployment, out-of-work benefits claimants and young people NEET suggest more effective support is needed to help individuals gain employment.

There is a substantial amount of skills provision in the CR – with diverse options available. It will be important to capitalise on this going forward. However, the presence of skills shortage vacancies, skills gaps and underemployment suggest that more needs to be done to align this provision with the needs of employers.

### 3. LOOKING FORWARD

#### Future Labour Market Demand

There will be significant capital investment in physical developments across the CR through the *City Deal*.

The 20 major infrastructure projects are expected to create thousands of **construction jobs**<sup>3</sup>.

In the **life sciences** sector, the Imaging Centre of Excellence at the Queen Elizabeth II Hospital Campus could create 300 jobs (some of which will be very highly skilled and recruited internationally), while the MediCity Scotland facility aims to create 150 jobs within new med-tech companies over the next 5 years.

The Centre for Business Incubation and Development aims to support 125 firms and create 600 new jobs over the first 5 years.

In addition to the City Deal investments, there will be a number of **other large-scale capital investments** in the CR including:

£1 billion University of Glasgow Campus Masterplan developments, which is projected to create **2,500 construction jobs**.

£200 million Braehead centre extension.

£104 million redevelopment of Glasgow's Queen Street station.

£57 million refurbishment of Paisley Museum into the National Museum of Textile and Design.

Collectively these developments have the potential to create direct and indirect/end-use jobs and training opportunities, while transport infrastructure improvements are intended to improve access to employment opportunities across the CR.

Beyond the physical developments identified above, the **UKCES Working Futures 2014-2024 projections for Scotland and applied to the CR** forecast that the CR will see **a net increase** of 35,700 jobs by 2024.

The main **sectors** of employment increase are forecast to be in administration and support services (+14,000 jobs), health and social work (+12,000 jobs), professional, scientific and technical (+8,000 jobs), and tourism and hospitality (+4,000 jobs).

The two main sectors forecast to see employment decreases are education (-3,800 jobs) and manufacturing (-3,500 jobs).

By **occupation**, net growth in the CR will be greatest in higher skilled occupations – i.e. professional (+24,000 jobs), associate professional and technical (+14,000 jobs), and managers, directors and senior officials (+9,000 jobs), but also caring, leisure and other service occupations (+16,000 jobs).

In contrast there will be net decreases in administrative and secretarial (-9,000), skilled trades (-5,000 jobs) and process, plant and machine operatives (-3,000 jobs).

<sup>3</sup> More specific figure to be provided in future drafts – based on estimates from ongoing City Deal planning exercise

## Appendix 7

However, with 336,000 opportunities forecast to become available through **replacement demand** across the CR by 2024, there will be opportunities across all occupation types. Replacement demand data is not available by sector.

In addition to the opportunities identified above, the consultations identified **other areas of employment growth** in:

Early years care in response to the Scottish Government's increase commitment to funded childcare hours.

IT, digital and social media – building on Glasgow's aspiration to become a SMART City. There will be skills in the digital sector – but there will also be demand for digital skills across all industries. For Scotland, 2014-2024 projections indicate a 16% increase in IT related employment.

Engineering and renewables, particularly around the sustainable/low carbon industries (e.g. renewables, sustainable construction methods, and waste management). The low carbon sector is also prominent in the planning of other UK city regions (see Section 4). For Scotland, 2014-2024 projections indicate a 7% increase in STEM employment.

More widely, the consultations also highlighted the changing nature of the labour market and how different **skillsets** will be needed by individuals. These include:

Agility and resilience to respond to not only different employment opportunities (noting that changing jobs will become an increasing phenomenon) but also different tasks and demands within jobs as organisations become flatter in structure and more responsive to change.

Use and application of IT and digital skills in almost all sectors.

Enterprise, entrepreneurial and marketing skills, particularly in the creative and digital sectors where self-employment and contract work will be prominent.

Excellent customer service skills as these are required across almost all sectors – but particularly the high participation sectors.

STEM skills to respond to the advancements made in the medical, life sciences, digital and engineering sectors.

These can be viewed as cross-cutting skills that should be embedded across all education and skills provision. However, the combinations of these – e.g. IT and marketing, and medical and data analysis – means that traditional FE and HE courses may need to change to allow greater flexibility in the subject units studied.

### Future Labour Market Supply

The population of the City Region is projected to grow by 2.2% between 2014 and 2024 – equivalent to an additional 40,000 residents.

- Within this, there will be:
  - Fewer young people aged 15-24 (-31,900) and fewer in the 45-54 year age group (-51,900).
  - More people aged 0-14 (+11,900) 25-44 (+14,500), 55-64 (+38,600) and 65 and over (+58,500).

## Appendix 7

- Combined, these trends mean there will be 30,700 fewer residents of working age (15-64), yet as identified above the number of jobs is expected to increase by 35,700 across the CR. However, as discussed in the previous chapter, the unemployment rate in the CR is 6.7% - equivalent to approximately 81,000 individuals. Taking a wider measure, there were around 170,000 individuals of working age claiming DWP out-of-work benefits during 2015. Improving the employability and skills of these individuals or reducing their barriers to employment will help these individuals take up these additional employment opportunities.

Over the last 5 years, the economic activity, employment and unemployment rates have all improved.

- The CR economic activity rate has increased from 75% in 2010 to 76% in 2015.
- The CR employment rate has increased from 67% to 71%.
- The CR unemployment rate has decreased from 10% to 7%.

However, the CR continues to underperform Scotland on all of these measures (with the Scottish rates 78%, 73% and 6% in 2015) – suggesting there is scope to improve further. This is a major opportunity to promote inclusive growth in this CR, which in turn will have a big impact on Scotland as the CR contains a greatly disproportionate share of Scotland's unemployed and inactive.

In terms of skills provision:

- The most recent data available for college provision is 2014/15. Data on Modern Apprenticeships is available for 2015/16.
- Over the last 5 academic years for which there is data (2010/11 to 2014/15), the number of **college enrolments** in the CR has declined by 20% (from 147,621 to 117,634 – a decline of just under 30,000), reflecting changes in the funding and priorities set for colleges by SFC (with a shift towards more full-time provision reducing the number of enrolments and a shift towards younger students with the proportion aged 25 and over falling from 47% to 43% over this period). The equivalent decline in enrolments across Scotland as a whole was 22% (just under 86,000 enrolments).
- Within the CR decline in enrolments:
  - Subjects that have seen the largest absolute declines in provision are information technology and information (-8,865), family care, personal development, personal care and appearance (-5,098), catering, food, leisure services and tourism (-3,047) and health care, medicine and health and safety (-2,806).
  - Subjects that have seen the largest percentage declines are services to industry (-72%), humanities (history, archaeology, religious studies and philosophy) (-44%), politics, economics, law and social sciences (41%).
  - There have been increases in a small number of subject areas – sales, marketing and distribution (+46%), education, training and teaching (+26%), sciences and mathematics (+13%) and transport services (+6%).
- The number of **MA starts** declined in Scotland by 2% (or by 609) over the last 5 years (financial years 2011/12 to 2015/16). The decline was proportionally larger in the CR at 4%. There were 377 fewer MA starts in CR in 2015/16 than in 2011/12.

## Appendix 7

- Most of the frameworks that have experienced large increases in the number of MA starts over the last 5 years in CR are new frameworks (including some that have replaced previous frameworks). Similarly, the majority of frameworks that have observed large declines are frameworks that have been replaced or are no longer active.
- Amongst those frameworks that were in place by 2011/12, those with the largest increases were freight logistics (+405), hairdressing and barbering (+401), electrical installation (+272) and providing financial services (+260).
- Frameworks that have seen the largest decreases in the numbers MA starts in the CR over the last 5 years include hospitality (-299), customer service (-358) and management (-416).

Looking more specifically at **construction skills** required to deliver the City Deal projects:

- The most recent data available for college provision is 2014/15. Data on Modern Apprenticeships is available for 2015/16.
- In 2014/15, there were 7,220 enrolments in construction and property (built environment) courses in the CR colleges.
  - The number of enrolments has declined by 1,923 between 2010/11 and 2014/15.
    - ❖ As a decline of 21% this is broadly in line with the decline across all subjects (20%).
    - ❖ The decline is also similar to that across Scotland as a whole, with there being 4,628 fewer enrolments in construction and property (built environment) courses between 2011/12 and 2014/15 – a decline of 22%.
    - ❖ However, the numbers have begun to increase again, with 170 more enrolments in construction and property (built environment) courses in CR colleges in 2014/15 than 2013/14.
  - In terms of more specific subject areas:
    - ❖ The largest number of enrolments in 2014/15 were in construction (general) (4,133), building services (801) and building/construction operations (792). Smaller courses that are important to the sector are property (surveying, planning and development) (with 153 enrolments), construction management (112) and civil engineering (328).
    - ❖ The number of enrolments has declined for most construction subjects between 2010/11 and 2014/15 – with the largest declines in construction (general) (-895, -18%), building services (-516, -39%), built environment (-326, -42%) and interior design, fitting and decoration (-151, -30%). The number of enrolments in property (surveying, planning and development), building design and architecture and construction management have increased – but in each case only by a small number (65 or less).
- In 2015/16, there were 1,345 MA starts in the CR in construction frameworks (which include civil engineering) plus 281 in electrical installation, 17 in gas, heating and energy efficiency, 40 in heating, ventilation, air conditioning and refrigeration and 115 in plumbing (1,799 in total).
  - Overall, the number of MA starts in construction and related frameworks in the CR has increased by 400 or 22% over the last 5 years. This compares to a 4% decline in the overall number of MAs in the CR over the same time period.

## Appendix 7

- Looking specifically at the last year (2014/15 to 2015/16), the increase in MA starts in construction and related frameworks has been 24% (an increase in the number of MA starts by 343), compared to a marginal decline (-0.3%) in the total number of MAs in the CR.
- Due to changes in the frameworks, it is not possible to undertake a robust analysis of changes on a framework-by-framework basis over the last 5 years. However, over the last year (2014/15 to 2015/16) the construction frameworks with the largest increases in MA starts were ‘construction: civil engineering’ (with an extra 90 MA starts or a 8% increase), ‘construction: building’ (83; 22%), ‘construction: technical apprenticeship’ (67; 65%) and ‘electrical installation’ (63; 29%).

Consultees involved in delivering skills highlighted a number of ways in which skills provision will change over the next 3 years:

- SDS has been set a target to **increase MA starts** across Scotland from 25,000 in 2015 to 30,000 in 2020. Within this, there will be a particular focus on increasing starts at Level 3 or above. SDS has begun to develop **Graduate Apprenticeships** to help increase the number of higher-level apprenticeship opportunities.
- SDS has started to roll-out delivery of **Foundation Apprenticeships** with delivery planned for all 8 CR local authority areas in the 2017/18 academic year.
- The CR’s Regional Colleges have undertaken **Curriculum and Estates Reviews**. The Colleges have also prepared **Regional Outcome Agreements** setting out how they will align their provision to regional needs, while continuing to consult with employers on an ongoing basis to understand and respond to their specific skills needs.
- **DYW Regional Groups** are building linkages between schools, colleges and employers to ensure young people are being prepared more effectively for the world of work. This has the potential to lead to changes in the school curriculum.
- Through DYW Regional Groups and related partners, there will be increasing focus on **equalities and diversity** to help address gender imbalances in subject areas, and increase the numbers of more disadvantaged groups (e.g. care leavers, disabled young people and people from an ethnic minority background) into MAs, college and university courses.

The SIP should also engage and work closely with the CR’s **six universities** as all are well-respected institutions, whether at the international and/or national level, and are ambitious in their future strategies and the contributions they can make to the CR’s skills base and economy. In terms of their future plans, these can be summarised across the universities as:

Focusing on and investing in their core teaching areas of strength.

Continuing to attract students from the CR and supporting this through the continued support and development of Widening Access programmes and articulation routes from colleges.

Attracting more international students, while also diversifying the markets that they draw students from.

Working with businesses and key sectors to enhance the student experience and boost their employability (e.g. through work placements) and to identify opportunities for collaboration – particularly in R&D.

## Appendix 7

Continuing to attract high quality teaching and research staff to their institutions.

### Implications for SIP

From a labour market demand perspective:

It is crucial that the SIP helps top deliver the skills needed to deliver on the opportunities created through the City Deal. These are estimated to be thousands of construction jobs<sup>4</sup>, 450 life sciences jobs, and 600 jobs through the Centre for Business Incubation and Development.

In addition there will be many thousands of construction jobs and end-use jobs created through other physical developments planned in the CR – and again the SIP should respond to these.

More generally, labour market forecasts continue to show increases in higher skilled jobs but also high participation sectors (e.g. care and tourism). The SIP therefore needs a balanced approach that responds to these two types of opportunities, while also providing the pathways to enable residents to access the higher skilled jobs.

A big challenge for CR partners is to understand in greater detail what the actual skills needs are. Consultees, for example, are increasingly seeing the need for cross-cutting skills that can be applied in different settings and demand for more nuanced combinations of different skills.

From a labour market supply perspective:

The working age population (15-64) will decline between 2014 and 2024 – by just under 31,000. Given that the number of jobs is forecast to increase by 35,700 in the same period, it is critical that as many working age residents as possible are actively engaged in the labour market and that they have the skills reflect the needs of employers. There is significant scope to increase the proportion that are engaged with approximately 81,000 currently out of work and actively seeking employment and 170,000 claiming DWP out-of-work benefits.

In general, trends in college enrolments and MA starts appear to reflect a rebalancing towards the sectors that are important to the CR. It will be important to continue to monitor the impact this is having on skills mismatches and adjust as appropriate.

In terms of the City Deal infrastructure projects, the numbers studying construction-related subjects at college has decreased over the last 5 years. However, these declines reflect the overall decrease in student numbers. Even accounting for these declines, there were 7,220 enrolments in construction subjects in 2014/15. In contrast, the number of MA starts in construction and related frameworks has grown between 2011/12 and 2015/16 by 22% - to just under 1,800. Combined these suggest that the CR is making a significant investment into developing construction skills, which should help ensure the skilled labour is available within the CR to deliver the City Deal infrastructure projects. However, it will be important to continue to assess whether the scale and focus of this investment is appropriate over time – especially once a clearer picture is available of the specific construction skills required to deliver these projects.

<sup>4</sup> More specific figure to be provided in future drafts – based on estimates from ongoing City Deal planning exercise.



#### 4. SKILLS APPROACHES IN OTHER CITY REGIONS

The approaches to skills taken in comparator UK city regions (namely Birmingham, Leeds, Liverpool, Manchester, Newcastle and Sheffield city regions) have been reviewed to inform the development of the Glasgow City Region SIP. This has been done through an analysis of the skills documentation and content related to each city region's:

- Local Enterprise Partnership skills strategy and/or action plan at the city region level.
- City Deal proposal submitted to UK Government.

In terms of skills priorities, the key areas of focus are:

- Ensuring young people are prepared for the world of work**, with employability and enterprise skills more prominent in schools. Tackling youth unemployment through **increasing apprenticeship opportunities and enhancing youth employability provision**.
- Development of **employer-led skills systems** that align with city regions' key sectors.
- Support of **in-work learning opportunities** to enable progression in the labour market.
- Greater integration and collaboration between skills partners** – including co-creation, co-financing and co-location of services.

There are **many similarities in the key economic sectors being targeted across the city regions** with all six targeting low carbon and environmental and technologies; five of the six city regions targeting advanced manufacturing, creative and digital, and health and social care. Four of the six are targeting financial and professional services, leisure and tourism, and transport and logistics.

In terms of the specific actions developed and being implemented in the city regions, the main action areas are around:

- Enhanced education-employer linkages** – particularly around STEM subject areas.
- Greater employer investment and ownership in skills** – particularly in management and leadership skills and technical skills related to key sectors.
- Establishing 'hubs' to increase employer awareness and access to apprenticeships, skills investment and/or education-business initiatives**. As part of this, employers (particularly SMEs) in some city regions can access incentives to create additional apprenticeships or jobs, while public funding for skills has been directed to employers in Liverpool city region via its Skills for Growth Bank.
- Greater understanding of local and future skills needs through **investing in labour market intelligence** (LMI).
- Enhanced careers information, advice and guidance (CIAG)** provision that builds on the LMI generated above.

## Appendix 7

Funding for the skills actions varies across the city regions but typically exceeds £100m over a 3-year period. **Funding comes through the devolution of UK government funding (e.g. DWP, BIS or SFA), ESF monies, the pooling of local skills funding, and employer contributions.**

All six city regions have established an **employment and skills board** to provide strategic leadership to the skills agenda and review the effectiveness of skills provision in their city regions.

### Implications for SIP

Skills partners in comparator, competitor UK city regions have been working collaboratively on addressing their skills issues for at least five years, indicating that the Glasgow city region is a little behind the pace in city region skills planning and delivery.

There are many similarities in the key skills priorities of the comparator city regions and in the key sectors being targeted. This raises two questions: *should Glasgow city region aim to be distinctive in its skills approach; and can Glasgow city region be distinctive?*

Increasing employer involvement in the skills system is seen to be critical – whether influencing and shaping the city region’s skills system, working with and in schools and colleges, taking on apprentices, or investing in higher level skills. Achieving this requires making it easy for employers to get involved (e.g. through ‘hubs’ that bring a single point of contact) and possibly financial incentives to encourage their participation.

All have secured funding at the city region level for skills investments. This has come from three key sources: the devolution of central government monies (driven by clear asks from city region partners of central government), the aggregation of local pots of funding (including ESF monies), and the contributions of employers (e.g. in apprenticeships). There is currently no skills investment made or decided at the Glasgow city region level and this will need to be addressed to support city region skills planning and delivery.

Clear city region governance structures are needed to oversee the functioning of the city region skills system and should include high level public and private sector representation.

## 5. PRINCIPLES, MISSION, STRATEGIC OUTCOMES AND AREAS OF ACTION

### Principles of Skills Planning and Delivery at the City Region Level

In developing the SIP's mission, strategic outcomes and areas of action, it is important to understand the context in which the SIP has been developed.

***Across the CR, there is already substantial investment in skills*** – spanning:

Local authority funding for school education, which is a statutory duty for local authorities.

Mainstream national funding via SFC and SDS for the CR's six regional colleges, six universities and Modern Apprenticeships.

Funding from DWP, Scottish Government, SDS, ESF, local authority and other charitable sources for employability services.

The decision making for employment and skills investment happens at the UK and Scottish levels, and at the local level in terms of school education, which means it is not straightforward to bring these together at a CR level. Indeed, although there are consultations with local stakeholders around outcome agreements for colleges and universities and co-commissioning with SDS on the Employability Fund, ***currently no employment and skills investment decisions are made at the CR level.***

The movement towards a CR skills approach, as part of the wider commitment to joint-working across the CR, is therefore a radical step forward. It will take time and commitment from partners to develop and in the early stages the priorities should be to:

Ensure that the CR's skills investments deliver on the employment and skills requirements of the City Deal.

Provide a skills response, including allocating skills investment, to the CR Economic Strategy and Enterprise Review priorities.

Build an evidence base to understand where skills investment at the CR level will generate greater returns than existing arrangements.

Understand better the skills needs of the CR and the extent to which current and planned provision effectively addresses these.

Once the evidence base is established, partners will then be in a more informed position to decide where CR employment and skills investment will add most value. This will be ***essential in generating the credibility*** required to make the case for:

Giving the CR ***much greater leverage*** over how colleges, universities, SDS and DWP Jobcentre Plus invest their employment and skills resources.

More radically, ***justifying the devolution of national funding down to CR level.***

### Mission, Strategic Outcomes and Areas of Action

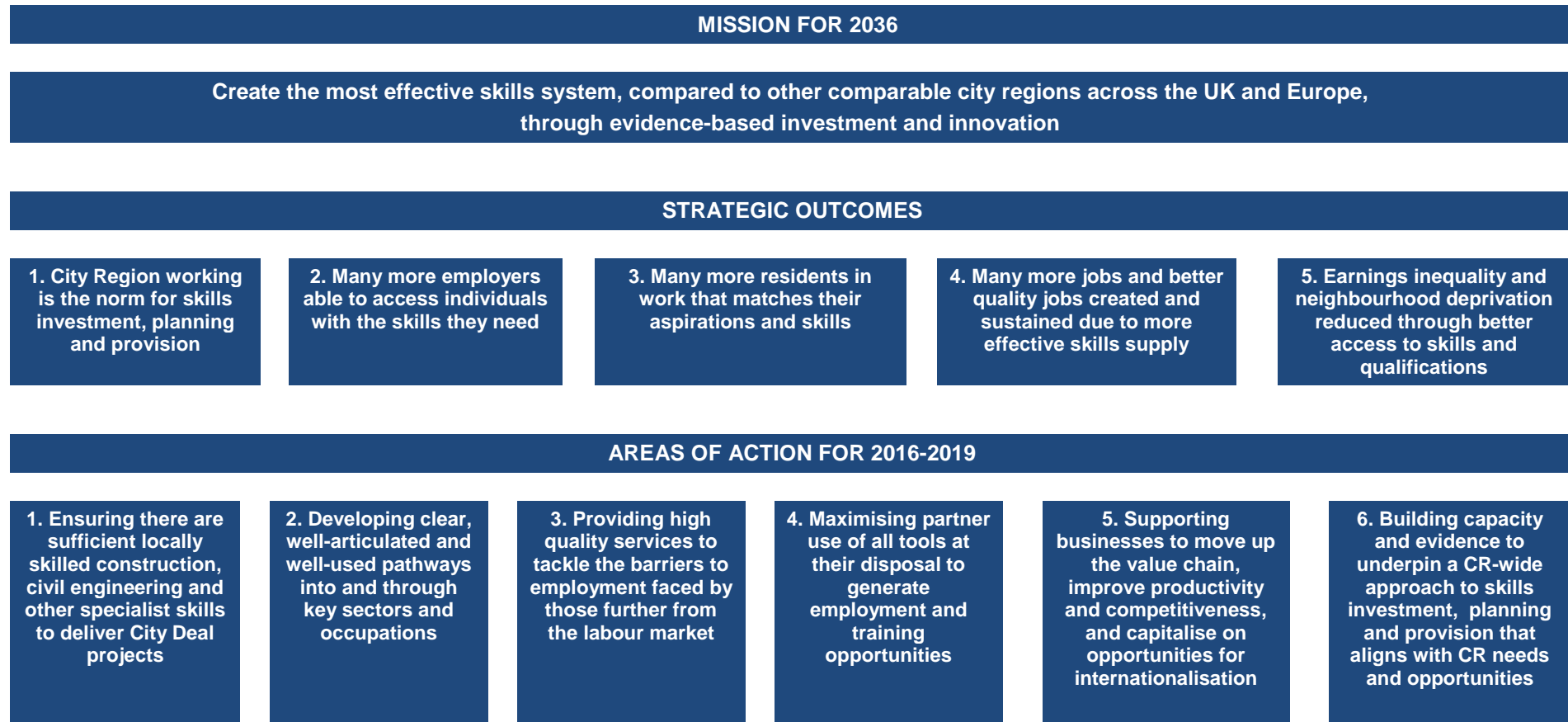
The mission and strategic outcomes to 2036 and the areas of action for 2016 to 2019 agreed by the Skills and Employment Working Group for the SIP are set out in Figure 5.1 below.

The mission and strategic outcomes are designed to provide direction and ambition for CR partners, with the strategic outcomes designed to allow them to be monitored over time.

## Appendix 7

The areas of action are designed to contribute to the delivery of the strategic outcomes, and are supported by a series of more detailed actions that are contained in the Action Plan in Section 6.

**Figure 5.1: Mission, Strategic Outcomes and Areas of Action**



## Appendix 7

### Building in Flexibility

The SIP must be sufficiently flexible to be able to respond to changing circumstances. Whilst it is not possible to know what issues may arise in the future, there are a number of current issues that are likely to impact on the partners' ability to achieve the mission and strategic outcomes. In terms of external factors these include:

- The **referendum vote for the UK to leave the European Union**. There remains a great deal of uncertainty around:
  - The timescales for invoking Article 50.
  - The UK Government's migration policy post-exit – with the key issues being the extent to which the UK agrees to free movement of people from the EU in exchange for trade access and whether current EU migrants will be given the right to remain in the UK post-exit. Migrants form an important part of the CR's labour market. At the time of the 2011 Census, there were approximately 31,000 residents that were born in other EU countries and 75,600 that had been born in other non-EU countries. Linked to this, the CR's universities attract a large number of overseas students – particularly at the postgraduate level – as well as staff, and again the impact of leaving the EU on this is uncertain.
  - The impact the referendum result will have on the attractiveness of the CR as a place to do business – with this impacting on both businesses currently located in the CR and potential inward investors.
  - The potential impact on the CR's universities' ability to attract research funding.
  - Whether the negotiations lead to a second Scottish Independence referendum and the result and implications if this lead to Scotland leaving the UK (for example, the terms for rejoining the EU).
- The **review of the enterprise and skills agencies** being undertaken by Scottish Government. In particular, the review of skills agencies will determine the oversight and funding of skills investment going forward.
- The details of the **Apprenticeship Levy** (in terms of its scope, the levy rate and how it will be implemented) – and the implications of this for CR employers and skills providers. The implementation of the Levy is currently the subject of a UK Government consultation.

Within the City Region itself:

- A **City Region Economic Plan** is currently being developed. It will be important that the SIP is aligned with the economic plan.
- The CR has commissioned an **Enterprise Review**. Again it will be important that the SIP is aligned with the actions taken forward in response to the recommendations made in the review.
- Consideration of how the SIP can align with the **Glasgow Leadership Board** as it develops its future direction.

## Appendix 7

## 6. ACTION PLAN FOR 2016 TO 2019

## AREA OF ACTION 1: ENSURING THERE ARE SUFFICIENT LOCALLY SKILLED CONSTRUCTION, CIVIL ENGINEERING AND OTHER SPECIALIST SKILLS TO DELIVER CITY DEAL PROJECTS

KEY EVIDENCE ON NEED TO TAKE ACTION	SIP ACTIONS
<ul style="list-style-type: none"> <li>• £1.13bn City Deal will have major impact on employment and skills requirements in CR, particularly in construction and civil engineering sectors</li> <li>• Life sciences opportunities – in the region of 450 jobs – will also be generated through City Deal projects, as will 600 jobs stemming from the Centre for Business Incubation and Development</li> <li>• Consensus across consultees that important that local residents (and contractors in terms of infrastructure projects) benefit from these opportunities</li> <li>• In 2015, 3.1% of employed residents were employed in skilled construction and building trades occupations, below the Scottish rate of 3.5%</li> <li>• 6.1% of enrolments at CR colleges in 2014/15 were in construction and property (built environment) – with 7,220 enrolments. 19% of these were at HE level and 81% were at FE level.</li> </ul> <p>Over the last 5 years, the numbers enrolling in construction and property (built environment) courses has decreased - but this reflects the overall decline in student numbers.</p> <ul style="list-style-type: none"> <li>• In 2015/16, there were 1,799 MA starts in construction and related frameworks – and increase of 400 or 22% on 5 years earlier.</li> <li>• Consultees reported that Community Benefit (CB) clauses used by local authorities but that CB clauses are not used routinely in all areas Service contracts are less likely to be use CB clauses than construction contracts There is limited monitoring of impacts of CB clauses</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Establish CR process for:</b> <ul style="list-style-type: none"> <li>Generating project-by-project information on employment and skills requirements</li> <li>Assessing extent to which skills are already, and likely in future to be available in CR, and capacity of providers to deliver</li> <li>Amend provision where gaps identified - with a particular focus on using the evidence base to make case for adjusting SDS, college and university provision</li> <li>Sharing information across partners and providers including those preparing young people for future employment opportunities</li> </ul> </li> <li>• <b>Ensure use of Community Benefit clauses across all City Deal projects</b> with a focus on maximising outcomes for local residents – see Area of Action 4</li> </ul>

## Appendix 7

ASSETS TO BUILD ON	
<ul style="list-style-type: none"><li>• There are already a significant proportion of Glasgow residents with construction, civil engineering and other specialist skills</li><li>• Colleges, universities and MA providers have expertise in delivering construction, civil engineering and other specialist skills</li><li>• City Deal Procurement Strategy in place through Scotland Excel</li><li>• City Deal Community Benefits Strategy in place</li><li>• Procurement Reform (Scotland) Act 2014 places requirement on public bodies to consider how procurement can be used for economic benefit of areas</li><li>• Experience of using CB clauses in CR – e.g. hub West Scotland, local authorities</li></ul>	

## Appendix 7

AREA OF ACTION 2: DEVELOPING CLEAR, WELL-ARTICULATED AND WELL-USED PATHWAYS INTO AND THROUGH KEY SECTORS AND OCCUPATIONS	
KEY EVIDENCE ON NEED TO TAKE ACTION	SIP ACTIONS
<ul style="list-style-type: none"> <li>The proportion of school leavers going into a positive destination is slightly below the Scottish average (92.5% vs 92.9%) with a lower proportion going into employment than across Scotland as a whole (19.4% vs. 21.7%)</li> <li>The proportion of young people aged 16-19 not in employment, education or training is above the Scottish average (6.9% vs. 6.4%) with rates significantly higher in some localities within the CR (e.g. West Dunbartonshire – 9.7%)</li> <li>Consultees felt: <ul style="list-style-type: none"> <li>There was a lack of understanding and awareness of the current jobs available within CR and routes into them. This is exacerbated when trying to understand future and emerging areas of employment growth in the CR</li> <li>Employers and individuals struggle to understand transferability of qualifications and skills</li> <li>Competition for clients and learners makes landscape confusing</li> <li>It is hard for individuals to progress from entry-level jobs</li> <li>This reinforces gender segregation and underrepresentation of individuals with protected characteristics (e.g. race, disability) or other support needs (e.g. care leavers) in some sectors and occupations</li> <li>Foundation Apprenticeships do not target the ‘at risk of’ NEET group as they are designed for Senior Phase pupils able to achieve at SCQF L6 – and so may have little impact in tackling CR’s NEET population</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Develop materials for young people (school pupils, students and graduates), under-employed, workless individuals and career changers</b> to help them understand the routes into and through CR’s key sectors and occupations <ul style="list-style-type: none"> <li>Builds on horizon scanning action and Sector Skills Investment Plans</li> <li>Important to ensure cover all routes into sectors and occupations (e.g. college, university and MAs)</li> <li>For young people in school, ensure links between Foundation Apprenticeships and key sectors/occupations are clear</li> <li>Encourage importance of being agile and resilient in the labour market, as well as the use and application of transferable skills (e.g. digital, enterprise, customer service)</li> <li>Encourage young people to develop international perspectives</li> <li>Enables individuals to progress into higher paid jobs, freeing up entry level positions</li> <li>DYW Regional Groups should be involved in developing these materials</li> </ul> </li> <li><b>Develop CR-wide pre-apprenticeship routes</b> for young people NEET into CR’s key sectors taking advantage of increase in MA target <ul style="list-style-type: none"> <li>Colleges can potentially play a key role in delivering the pre-apprenticeship routes</li> </ul> </li> <li><b>Build a holistic package of supports for Universal Credit in-work clients</b> to enable them to sustain and progress in work and tackle poverty</li> </ul>



## Appendix 7

ASSETS TO BUILD ON	
<ul style="list-style-type: none"> <li>• SDS Digital Services: My World of Work and Our Skillsforce</li> <li>• SDS Careers Information Advice and Guidance teams</li> <li>• Work of DYW Regional Groups to: <ul style="list-style-type: none"> <li>– Encourage and support more employers to engage directly with education through school-college-business partnerships; and</li> <li>– Encourage more employers to recruit more young people and promote diversity in the workplace.</li> </ul> </li> <li>• Modern Apprenticeship system – with plans to increase the number of MA starts across Scotland to 30,000 per annum by 2020 and greater focus on higher level MAs</li> <li>• Roll-out of Foundation Apprenticeships – with these due to be operational in all 8 CR local authorities by 2017/18</li> <li>• Skills Investment Plans set out skills needs of key sectors and have industry buy-in</li> <li>• DWP Work Coaches – working more intensively with those in first 13 weeks after claim and continuing to engage after job entry</li> <li>• DWP Flexible Support Fund and Sector-Based Work Academies</li> <li>• Well-developed articulation routes from colleges to universities in some subject areas (e.g. nursing, engineering and IT)</li> <li>• Widening Access programmes into CR’s universities</li> <li>• University and college careers services</li> <li>• City Deal In-Work Progression project with care sector</li> <li>• DWP in-work progression pilots,</li> <li>• Priority in ESF 2014-2020</li> </ul>	

## Appendix 7

AREA OF ACTION 3: PROVIDING HIGH QUALITY SERVICES TO TACKLE THE BARRIERS TO EMPLOYMENT FACED BY THOSE FURTHER FROM THE LABOUR MARKET	
KEY EVIDENCE ON NEED TO TAKE ACTION	SIP ACTIONS
<ul style="list-style-type: none"> <li>• ILO unemployment was 6.7% in the CR in 2015 – above the Scottish rate (5.9%)</li> <li>• Similarly, the proportion of the working age population claiming DWP out-of-work benefits and young people aged 16-19 NEET were higher than the Scottish average</li> <li>• For all of these indicators, there is significant variation across the region – with concentrations of unemployment and worklessness in specific localities</li> <li>• CR working age population projected to fall, yet number of jobs forecast to increase – so need to increase economic participation rate</li> <li>• Public sector spending cuts and shifts in funder priorities impact on resources available</li> </ul>	<ul style="list-style-type: none"> <li>• Work collectively to:               <ul style="list-style-type: none"> <li><b>Secure resources</b> to deliver high quality employability services</li> <li><b>Increase effectiveness</b> of employability services to deliver better outcomes</li> <li><b>Explore and adopt opportunities for CR-wide approaches</b> that improve effectiveness and value for money</li> </ul>               Where appropriate, <b>use evidence base to make case for devolving national funding to the CR level</b> </li> </ul>
ASSETS TO BUILD ON	
<ul style="list-style-type: none"> <li>• All local authority areas have employability pipelines in place</li> <li>• Strong local expertise in design and delivery of employability services However, delays in ESF 2014-2020 funding has impacted on capacity in some areas</li> <li>• Good working relationships between employability partners at local level</li> <li>• Employability services are being devolved to Scotland</li> <li>• ESF 2014-2020 is focused on supporting those further from the labour market</li> <li>• City Deal includes 3 employability projects – all now established</li> <li>• Employability Fund (SDS) provides support to young people to develop their employability and vocational skills and gain experience – co-commissioned with other local partners to help ensure it meets needs of local economy</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Commission at CR level specialist employability services for priority groups where lack of scale at local level makes it difficult to deliver effective services</b> For example, learning disabilities, physical disabilities, mental health, care leavers Build on Employability Fund co-commissioning model</li> </ul>

## Appendix 7

AREA OF ACTION 4: MAXIMISING PARTNER USE OF ALL TOOLS AT THEIR DISPOSAL TO GENERATE EMPLOYMENT AND TRAINING OPPORTUNITIES	
<b>KEY EVIDENCE ON NEED TO TAKE ACTION</b>	<b>SIP ACTIONS</b>
<ul style="list-style-type: none"> <li>• Substantial public investment via City Deal and other projects across CR in next 20 years – spanning infrastructure, education, health, museums and public sector offices – generating construction and end-use jobs</li> <li>• Important to maximise employment and training opportunities from these</li> <li>• Consultees reported that Community Benefit (CB) clauses used by local authorities but that: CB clauses are not used routinely in all areas Service contracts are less likely to be use CB clauses than construction contracts There is limited monitoring of impacts of CB clauses</li> <li>• Limited use of procurement more generally to generate employment and training opportunities (e.g. requiring procurers to demonstrate they undertake training )</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Step change in the use of Community Benefit clauses</b> with a focus on maximising outcomes for local residents Prioritise employment and accredited up-skilling opportunities Set up portal to enable CR residents to access CB opportunities across CR Explore opportunities to building linkages between suppliers across CR</li> <li>• Explore and adopt <b>employer incentive/subsidy scheme</b> to encourage CR employers – and particularly small to medium-sized employers – to upskill their workforce or recruit individuals further from the labour market Need to carefully designed to minimise deadweight and displacement Consistent offer across CR Used sparingly where other approaches are not available or are ineffective</li> <li>• <b>Create a ‘skills first’ culture</b> among CR’s employers with widespread recognition of benefits of skills investment and employee involvement – through: Employer champions / ambassadors Peer-to-peer learning Case studies Lessons from In-Work Progression pilot Use public sector procurement to encourage up-skilling and adoption of the Living Wage</li> <li>• Skills first culture translates into greater private sector investment and uptake of public sector provision</li> <li>• Public sector partners are major employers and must take the lead on this</li> </ul>
<b>ASSETS TO BUILD ON</b>	
<ul style="list-style-type: none"> <li>• City Deal Procurement Strategy in place through Scotland Excel</li> <li>• City Deal Community Benefits Strategy in place</li> <li>• Procurement Reform (Scotland) Act 2014 places requirement on public bodies to consider how procurement can be used for economic benefit of areas</li> <li>• Experience of using CB clauses in CR – e.g. hub West Scotland</li> <li>• SE Workplace Innovation services</li> <li>• City Deal In-Work Progression pilot (in Glasgow)</li> <li>• Glasgow Welcomes tourism/ customer service award</li> <li>• Potential to build on college and training provider links with employers</li> <li>• Experience of using employer incentive schemes in CR – e.g. SERI and its predecessors</li> <li>• SDS will launch an Institute for Work Based Learning by the end of 2016. This will include a virtual network involving universities and colleges in every region of Scotland to deliver seamless work based learning pathways</li> </ul>	

## Appendix 7

AREA OF ACTION 5: SUPPORTING BUSINESSES TO MOVE UP THE VALUE CHAIN, IMPROVE PRODUCTIVITY AND COMPETITIVENESS, AND CAPITALISE ON OPPORTUNITIES FOR INTERNATIONALISATION	
KEY EVIDENCE ON NEED TO TAKE ACTION	SIP ACTIONS
<ul style="list-style-type: none"> <li>• Low numbers of CR's businesses export – with having the skills to export one of the challenges to address</li> <li>• In 2014, CR's businesses contributed 22% of Scotland's BERD, yet has 30% of Scotland's business stock. Scotland, as a whole, ranks 9<sup>th</sup> of the UK's 12 regions on BERD, though it does have highest HERD as proportion of GDP in UK</li> <li>• Consultees reported that employers – and particularly SMEs: Lack skills and experience to engage in exporting and R&amp;D collaborations Unsure on how new technologies may impact on their future skills needs Value one-to-one advisory and consultancy support that helps them identify their skills needs and offer options on how to address these</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Share intelligence from the horizon scanning</b> with employers – and particularly SMEs – to support their future planning</li> <li>• <b>Promote existing business development support services</b> to local employers Ensuring high uptake of services especially around exporting, developing management and leadership competencies, facilitating investment and innovation</li> <li>• <b>Harnessing the skills in the CR's universities and Innovation Centres</b> to support businesses to utilise R&amp;D to grow and develop</li> <li>• Build appropriate linkages between CR skills provision and the priorities and actions recommended from CR Economic Plan and Enterprise Review</li> </ul>
ASSETS TO BUILD ON	
<ul style="list-style-type: none"> <li>• CR Economic Plan being developed</li> <li>• CR Enterprise Review being undertaken</li> <li>• Scottish Enterprise services</li> <li>• Business Gateway services</li> <li>• Scottish Development International services</li> <li>• Local authority business support services</li> <li>• Innovation Centres</li> <li>• MediCity and Tontine incubators to support start-ups in high value sectors</li> <li>• Glasgow Economic Leadership programmes</li> <li>• Other business support services (e.g. by Chambers of Commerce)</li> </ul>	

## Appendix 7

AREA OF ACTION 6: BUILDING CAPACITY AND EVIDENCE TO UNDERPIN A CR-WIDE APPROACH TO SKILLS INVESTMENT, PLANNING AND PROVISION THAT ALIGNS WITH CR NEEDS AND OPPORTUNITIES	
KEY EVIDENCE ON NEED TO TAKE ACTION	SIP ACTIONS
<ul style="list-style-type: none"> <li>• Funding and priorities are set at national, local authority or sub-CR geographies. There is currently no skills investment made or decided at the CR level</li> <li>• Number of administrative boundaries within CR – e.g. 8 LAs, 3 Regional College areas/DYW Regional Groups, 2 DWP regions</li> <li>• CR approach is relatively new and will take time and resources to embed</li> <li>• Lack of intelligence to understand employer recruitment and skills needs and timescales</li> <li>• Particular challenges understanding emerging sectors and skills needs of these</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a <b>CR-wide process for:</b> <ul style="list-style-type: none"> <li><b>Agreeing skills priorities</b> at CR level (e.g. balance of efforts across different age groups, priority groups, type and level of skills provision, and economic sectors)</li> <li><b>Aligning skills provision</b> (radically where appropriate) with agreed priorities and evidence from horizon scanning. <ul style="list-style-type: none"> <li>❖ This should include using the evidence base to make the case for college, university, SDS and DWP Jobcentre Plus investment to be aligned with the CR's needs and for the devolution of national funding to the CR level</li> <li>❖ Action planning should be put in place with colleges, universities and other skills providers</li> </ul> </li> </ul> </li> <li><b>Establish monitoring and evaluation framework that enables partners to systematically review and revise provision</b> (radically where appropriate) in light of outcomes and destinations achieved <ul style="list-style-type: none"> <li>❖ Establish a small number of clearly-define indicators against which progress will be measured (e.g. increase in employment rate to ..., reduction in youth employment to ...)</li> <li>❖ Should include understanding added value of CR-wide employment and skills projects (e.g. Working Matters and Youth Gateway) and to roll out the lessons to support further CR working</li> <li>❖ Institute annual review of performance</li> </ul> </li> </ul>
<p><b>ASSETS TO BUILD ON</b></p> <ul style="list-style-type: none"> <li>• Partnership in place and partners committed to strengthening CR approach</li> <li>• Regional College/DYW Regional Groups encourage collaboration across local authorities – but not CR-wide</li> <li>• 2 City Deal employability projects operating across CR</li> <li>• Regional Skills Assessment provides common understanding of key data</li> <li>• Colleges and universities undertake regular curricula reviews to align provision to employer and sectoral needs</li> <li>• Partnership in place and partners committed to strengthening CR approach</li> <li>• Regional College/DYW Regional Groups encourage collaboration across local authorities – but not CR-wide</li> <li>• MA opportunities aligned to sectoral needs</li> <li>• Employer-led DYW Regional Groups are working to develop stronger links between employers and education</li> <li>• Tontine and MediCity incubators will provide mechanism to reach some emerging sectors</li> </ul>	
	<ul style="list-style-type: none"> <li>• Establish a <b>CR-wide approach to horizon scanning for future employment and skills needs</b> <p>To complement existing forecasts, establish process for gathering data on needs of CR employers to develop up-to-date and nuanced overview of sector-specific and cross-cutting skills needs. This should include employer surveys, gathering inputs from DYW Regional Group employers, utilising</p> </li> </ul>

## Appendix 7

	<p>NHS and local authority workforce planning data, scenario planning and making use of Talent Scotland vacancy database</p> <p>Must encompass understanding needs of CR's existing employers and potential inward investors</p> <p>As well as examining overall trends, should also undertake analysis of specific key CR sectors and cross-cutting skills (including digital, enterprise and exporting)</p> <ul style="list-style-type: none"> <li>• Develop processes and materials to <b>share horizon scanning with key partners</b> that are preparing young people, underemployed, workless individuals and career changers for employment opportunities (including DYW Regional Groups, schools, colleges, universities, SDS, DWP and employability services)</li> <li>• Establish <b>Flexible Skills Investment Fund</b> to respond to future economic development opportunities and/or challenges which we cannot predict at this point in time – e.g. stemming from sectoral growth or decline, inward investment, growth businesses</li> </ul>
--	--

**APPENDIX 1: OVERVIEW OF MAJOR PLANNED CAPITAL INVESTMENTS**

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
<b>EAST DUNBARTONSHIRE</b>							
<b>Capital Investment Programme</b>	10 year programme including schools, customer service hubs, community facilities (e.g. sports centre), Bishopbriggs relief road		Local authority	2016	2026	Education Sport and leisure	
<b>EAST RENFREWSHIRE</b>							
<b>M77 Strategic Corridor</b>	Various projects around M77 including new visitors centre, new road link, business incubation facilities, country park improvements and new rail station	£44.0m	City Deal - Infrastructure				
<b>Schools investment programme</b>	1 secondary school and 2 primary schools		Local authority			Education	Construction Education
<b>GLASGOW</b>							
<b>Metropolitan Glasgow Drainage</b>	Portfolio of 14 projects including realignment of watercourse channel, dynamic management of Forth and Clyde Canal and surface water management interventions	£45.8m	City Deal - Infrastructure			N/A	Construction
<b>City Centre Public Realm Programme</b>	Site remediation, new Cowclair and M8 bridges and road access, public realm works and place making improvements	£199.2m	City Deal - Infrastructure			N/A	Construction
<b>Govan and Clyde Waterfront Regeneration</b>	Transport and public realm works	£113.9m	City Deal - Infrastructure			N/A	Construction
<b>Collegelands Calton Barras</b>	Station upgrade, transport and public realm works	£27.0m	City Deal - Infrastructure			N/A	Construction
<b>Centre for Business Incubation and Development</b>	Business incubator space in Tontine Building, Merchant City	£4m	City Deal – Business Growth and Innovation			All business types	Over five years, 125 firms supported and 600 new jobs created
<b>University of Glasgow Campus Masterplan</b>	New Learning & Teaching Hub Research Hub	£1,000m	University of Glasgow	2016	2026	Higher education R&D	Construction (2,500 jobs) Higher education R&D

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
<b>Queen Street Station Redevelopment</b>	Redevelopment of station	£104m	Network Rail / Edinburgh Glasgow Improvement Programme	2016	2019	Transport Retail	Construction Transport Retail
<b>Kelvin Hall</b>	Renovation of Kelvin Hall to new Glasgow Club gym, as well as museum and library venue	£60m	GCC, Glasgow Life, University of Glasgow, National Libraries of Scotland	2014	Autumn 2016	Museum, library and leisure centre	Sport and leisure
<b>Stratified Medicine Scotland Innovation Centre</b>	New centre for treatment development – including an Imaging Centre of Excellence	£16m	City Deal – Business Growth and Innovation, Scottish Funding Council			Medical R&D	Construction Life sciences (300 jobs)
<b>Merchant Hotel Glasgow</b>	New 395-bed hotel, Merchant City		Private developer			Hotel	Construction Hospitality
<b>Radisson Red Hotel</b>	New 176-bed hotel, SECC area	£30m	Private developer	2016	2017	Hotel	Construction Hospitality (60 jobs)
<b>INVERCLYDE</b>							
<b>Ocean Terminal</b>	Extension of quay wall and development of derelict land	£14.2m	City Deal - Infrastructure				Construction
<b>Inchgreen</b>	Land remediation, access works and pier upgrading	£9.4m	City Deal - Infrastructure				Construction
<b>Inverkip</b>	Land remediation and development of waterfront access	£3.8m	City Deal - Infrastructure				Construction
<b>Greenock Health and Care Centre</b>	New primary care services	£19m	Scottish Government				Construction Health and social care
<b>Expansion of Port Glasgow Retail Park</b>	Additional 37,500 sq ft in retail space / 10 new retail units	£40m	Ediston Real Estates	2016	2016	Retail	Construction Retail
<b>NORTH LANARKSHIRE</b>							
<b>Pan Lanarkshire Orbital Transport Corridor</b>	New East Airdrie link road from Newhouse to Stand, alongside package of infrastructure investment in Motherwell town centre and rail station	£94.0m	City Deal - Infrastructure				Construction
<b>Gartcosh Community Growth Area</b>	New road, junction, park and ride and commercial developments	£66.0m	City Deal - Infrastructure				Construction



Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
<b>A8/M8 Corridor Access Improvements</b>	New road infrastructure to exploit established commercial development on A8/M8 corridor, expand road to rail freight activity, and park and ride facilities	£12.0m	City Deal - Infrastructure				Construction
<b>MediCity Scotland facility</b>	Incubator to provide environment for companies to innovate and commercialize in MedTech, Digital Health, Healthcare and Wellness. Non-jobs outcomes include 81 businesses supported, 19 new companies established and 40 new products launched.	£4m	City Deal – Business Growth and Innovation			Medical R&D	150 jobs in high growth start-ups
<b>RENFREWSHIRE</b>							
<b>Clyde Waterfront and Renfrew Riverside</b>	New opening bridge crossing in Renfrew/Yoker area, new Renfrew Northern Development Road, and Green Network improvements	£78.3m	City Deal - Infrastructure				Construction
<b>Glasgow Airport Economic Investment Areas</b>	Realignment of Abbotsinch Road and other access improvements to open up vacant development sites	£51.4m	City Deal - Infrastructure				Construction
<b>Braehead Centre Extension</b>	New retail department store and other retail space New events arena 200-bed hotel	£200m	intuBraehead			Retail Leisure Hotel	Construction Retail Leisure Hospitality
<b>Hillington Park expansion</b>	Evolution Court will create 85,000 sq ft of space targeted at manufacturing, logistics and distribution firms	£6m	Oaktree Management and Patrizia UK	2016	2017	Manufacturing and Logistics distribution	120 FTE end-use jobs
	Two 18,000 sq ft units for Ducati Glasgow, Triumph Glasgow and Harley Davidson	£4m	Patrizia UK	2016	2017	Retail	Unclear – as relocations from Glasgow city centre
<b>Regeneration of Paisley town centre</b>	Refurbishment of Paisley museum into National Museum of Textile and Design	£56.7m	Renfrewshire Council		2021	Tourism	238 jobs
<b>SOUTH LANARKSHIRE</b>							

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
<b>Community Growth Areas (CGAs)</b>	Infrastructure improvement works to unlock development and promote investment in key sites at Newton, Hamilton, Larkhall and East Kilbride	£62.3m	City Deal - Infrastructure				Construction
<b>Stewartfield Way</b>	Upgrading road to full dual carriageway	£62.2m	City Deal - Infrastructure				Construction
<b>Greenhills Road / A726 Dual Carriageway</b>	Road widening to dual carriageway	£23.1m	City Deal - Infrastructure				Construction
<b>Cathkin Bypass</b>	Road infrastructure works, including relief road, quality bus measures and associated pedestrian and cycling improvements at Rutherglen	£21.6m	City Deal - Infrastructure				Construction
<b>East Kilbride Action Plan</b>							
<b>WEST DUNBARTONSHIRE</b>							
<b>Exxon Site</b>	Remediation and site raising works, provision of services and utilities, new road access and junction improvements	£27.9m	City Deal - Infrastructure				Construction
<b>West Dunbartonshire Council offices</b>	New council offices in Dumbarton town centre	£16m	West Dunbartonshire Council	2016	2017	Public administration	Construction Public admin – but relocations
<b>Clydebank Health Centre</b>	New primary care services	£19m	Scottish Government				Construction Health and social care
<b>PAN REGIONAL</b>							
<b>Glasgow Airport Rail Link</b>	Improved surface access between Glasgow city centre, Paisley and Glasgow airport	£144.3m	City Deal - Infrastructure				Construction
<b>Strathclyde Bus Investment Programme</b>	Package of bus improvement measures across city region	£30.0m	City Deal - Infrastructure				