GLASGOW
CITY REGION
City Deal

WHAT IS CITY DEAL?

Agreement	Structure	Infrastructure	Inn+Labour	£1 bn	£130 m
Agreement signed in August 2014	Unique Local Authority & Government collaboration	£1.13b Infrastructure Fund	Innovation and Labour Market strands	£500m each from UK and Scot Gov	£130m from Local Authority Members

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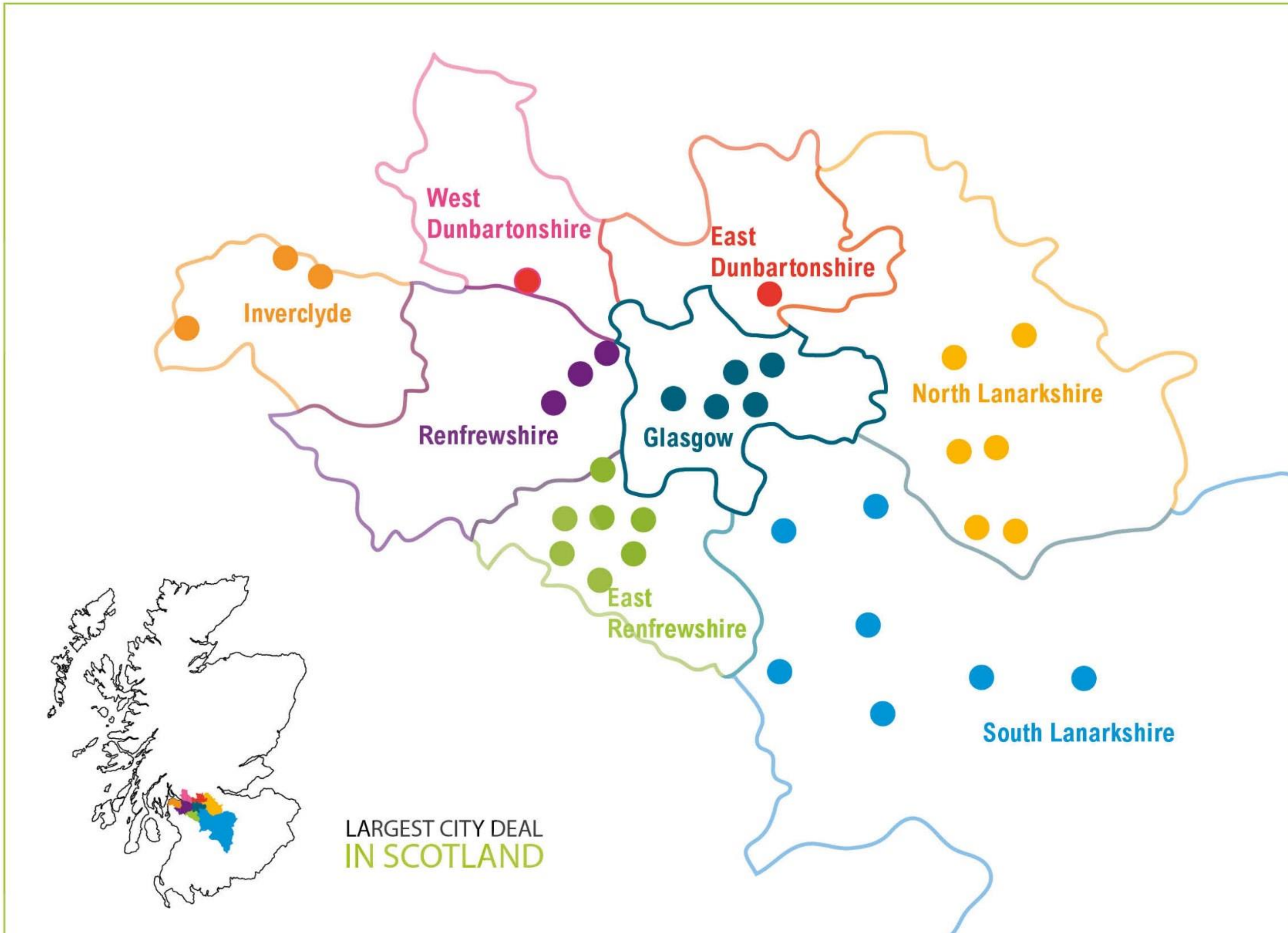
WHAT WILL CITY DEAL DELIVER?

Delivered through a programme of work which will greatly add to the value of the local economy over the next 20 years.

- Deliver 21 major Infrastructure Projects selected for the Initial List
- Generate around 15,000 jobs during construction
  Create around 29,000 permanent jobs in the Region
- Work with 19,000 unemployed residents and support over 4,500 back into sustained employment
- Improved transport and connectivity
- Generate a permanent uplift in GVA (Gross Value Added) for the Region of £2.2b per annum (4.4%)
- Generate an estimated £3.3bn of private sector investment

Glasgow City Region



INFRASTRUCTURE

INFRASTRUCTURE

GLASGOW

£385.9 M

MGSDP
City Centre Enabling Structure Public Realm
Canal and North Gateway
Clyde Waterfront West End Innovation Quarter
Collegelands Calton Barras

EAST RENFREWSHIRE

£44.0M

M77 Strategic Corridor

EAST DUNBARTON

£34.9 M

TBC

REGIONAL

£144.3 M

Airport Access

INVERCLYDE

£26.8 M

Inchgreen
Ocean Terminal
Inverkip

WEST DUNBARTON

£27.9 M

Exxon

NORTH LANARKSHIRE

£172.5 M

A8 M8 Corridor Access Improvements
Gartcosh/Glenboig Community Growth Area
Pan Lanarkshire Orbital Transport Corridor

SOUTH LANARKSHIRE

£169.2 M

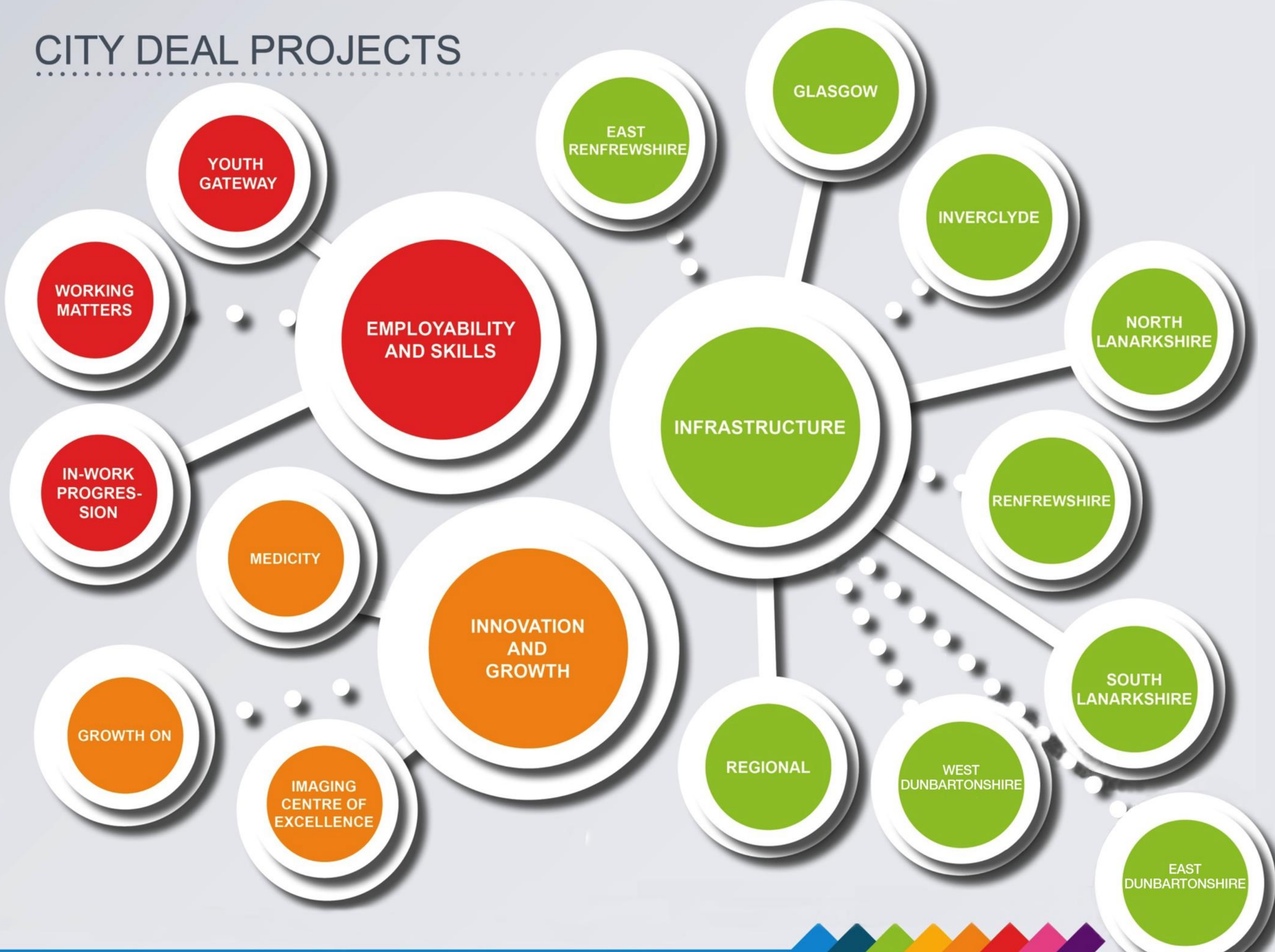
Cathkin Relief Road
Greenhills Road A726 Dual Carriageway
Stewartfield Way Transport Capacity
CGAs Newton, Hamilton, East Kilbride, Larkhall

RENFREWSHIRE

£129.7 M

Clyde Waterfront and Renfrew Riverside (CWRR)
Glasgow Airport Investment Area (GAIA)

CITY DEAL PROJECTS

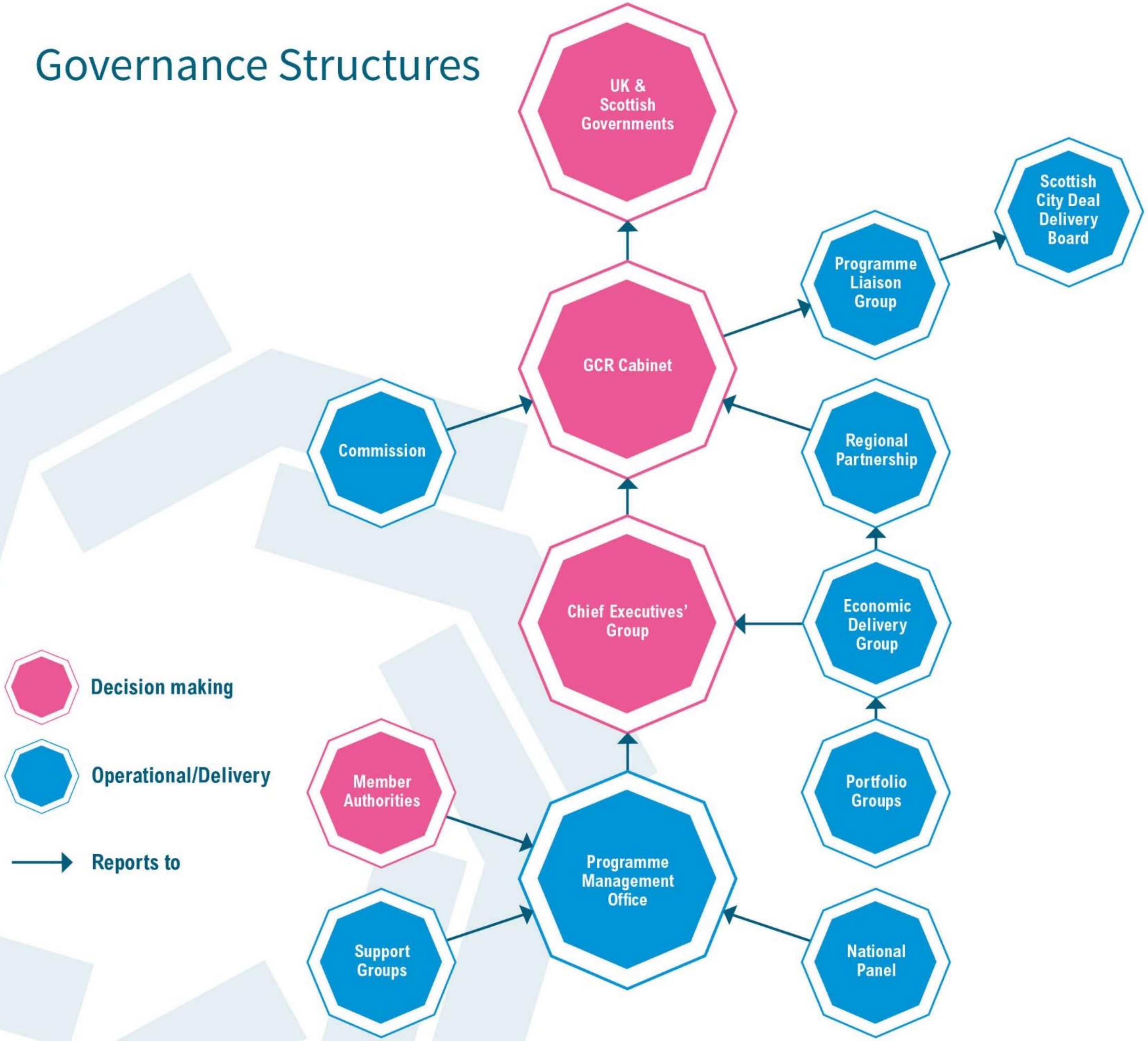


From City Deal to City Region

- Genuine City-Region
- Driver of Scottish economy
- Significant strengths across the region – skills, working age population, wage levels, productivity (comparative)
- Shared challenges – residents with no qualifications, business mortality, digital infrastructure, poor innovation, health

92.7% of Commuters to the Glasgow Clyde Valley reside within the Glasgow Clyde Valley

Governance Structures



The Economy: Broad Industries

- The City Regions Economy is **largely service-based**
- The three largest industry sections, account for **41% of employment: focused on ‘personal & local services’**
- The vast majority of the Region’s **businesses are micro-sized (87% of total)**

Broad Industry	Businesses (2019)	Jobs (2018)	% of Jobs
1 : Agriculture, forestry & fishing	1,080	2,250	0.3%
2 : Mining, quarrying & utilities	260	16,000	1.9%
3 : Manufacturing	2,775	56,000	6.5%
4 : Construction	6,190	50,000	5.8%
5 : Motor trades	1,350	15,000	1.8%
6 : Wholesale	1,800	27,000	3.2%
7 : Retail	4,570	76,000	8.9%
8 : Transport & storage (inc postal)	2,010	39,000	4.6%
9 : Accommodation & food services	4,015	58,000	6.8%
10 : Information & communication	3,520	30,000	3.5%
11 : Financial & insurance	1,080	33,000	3.9%
12 : Property	1,895	13,000	1.5%
13 : Professional, scientific & technical	8,255	57,000	6.7%
14 : Business administration & support services	3,650	93,000	10.9%
15 : Public administration & defence	10	56,000	6.5%
16 : Education	630	60,000	7.0%
17 : Health	2,175	135,000	15.8%
18 : Arts, entertainment, recreation & other services	4,015	40,000	4.7%
Total	**49,275**	**856,000**	

The Economy: Covid-19 Risks

- The GCR economy has a series of industries which are severely impacted by lockdown - accounting for almost **20% of its workforce**
- These industries which are temporarily on hold tend to be lower paid
- Over **30% of GCRs workforce are in these 'low paid' industries**

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INDUSTRIES AT RISK * LOW PAID INDUSTRIES

The Economy: Covid-19 Emerging Impacts

- We are now able to get a better sense of the real economic impacts of the lockdown.

LABOUR MARKET GOVERNMENT SUPPORT SCHEMES (31st May 2020)

217k
Furloughed

- An approximate 217,000 individuals have been supported through the JRS in GCR

45k
Self-employed support

- 45,000 supported through the Self Employed Income Support Scheme

CLAIMANT COUNT (May 2020)

7.1%
Claimant count

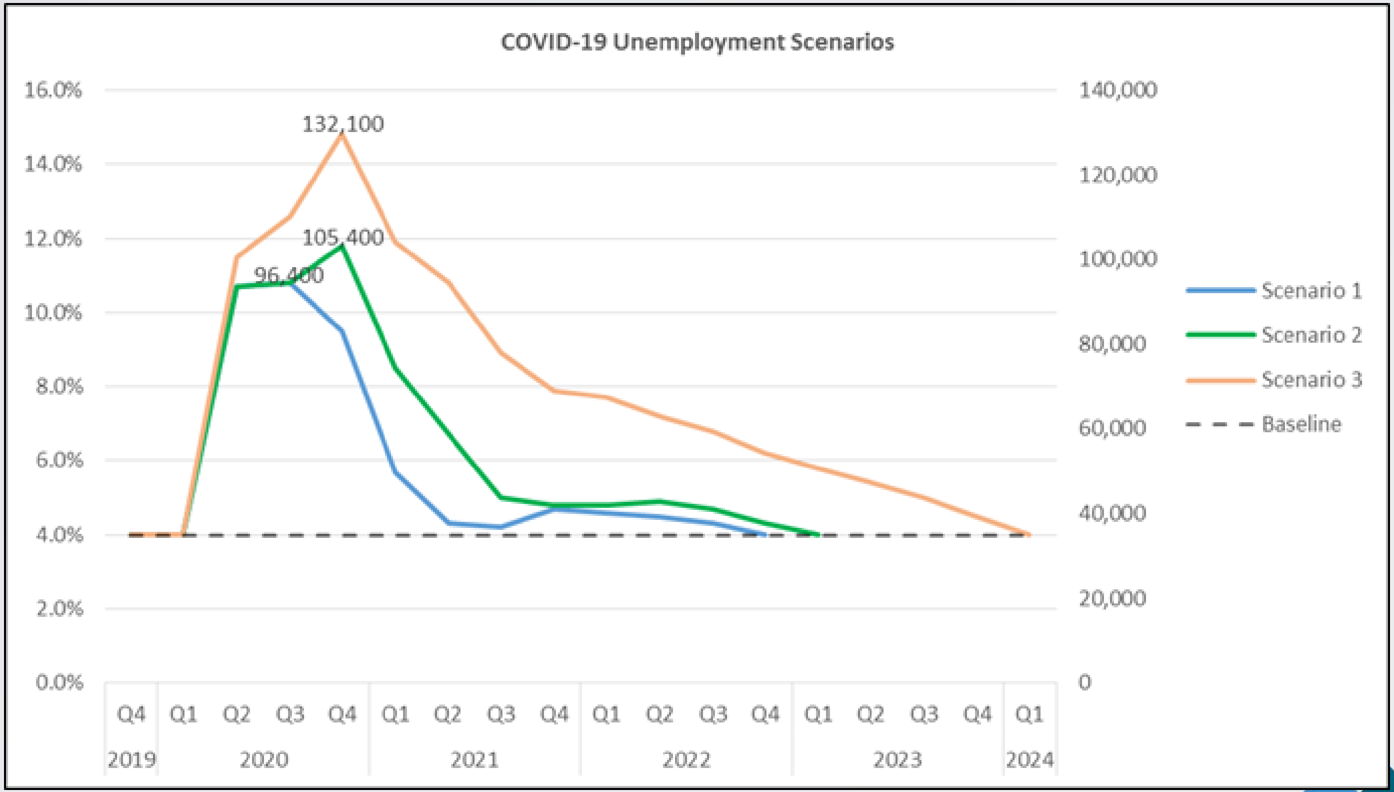
- Individuals claiming unemployment benefits in GCR increased to 7.1%, 0.9% points above the Scottish ave.

38k
Claimant count

- Individuals in GCR claiming some form of unemployment benefit increased by approximately 38k (+81.8%) to 85k

The Economy: Covid-19 Emerging Impacts

- We don’t yet fully understand the extent of the shock, but using scenarios modelled by the Scottish Government, unemployment could reach 10-14% by the end of the year



The Economy: Covid-19 and Brexit

- Whilst we don’t yet fully understand the extent of Covid-19 impacts or the Brexit arrangements – there are concerns for the cumulative impacts

Table 14: Magnitude of industry impact under coronavirus and WTO

		Coronavirus industry impact (to 2023)		
		Low	Medium	High
Trade policy impact compared to today (WTO)	Low	Agriculture, Energy & Water	Transport & Communication	Construction
	Medium	Public admin, education & health	Distribution, hotels & restaurants, Other services	
	High		Manufacturing	Banking, finance & insurance etc

Source: SMF analysis

The Economy: Covid-19 and Automation / AI

- **Analysis suggest that over 30% of regions occupations are in the most at risk category for Automation:**
  - Sales assistants & cashiers
  - Administrative occupations
  - Customer service occupations
  - Administrative occupations in the financial sector
  - Elementary storage occupations
  - Industrial production occupation

(ONS and Centre for Cities)

- **This will likely most adversely impact females and the young**

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COVID INDUSTRIES AT RISK

AUTOMATION INDUSTRIES AT RISK

INDUSTRIES AT RISK OF BOTH

* LOW PAID INDUSTRIES

The Economy: Future Policy Landscape

SHORT TERM

- **Labour Market Support** – assisting those who have fallen out of or can't get into work
- **Business Support** – help those business most adversely impacted by lockdown
- **Key Sector Support** – look beyond the short term and into wider support for key employment sectors
- **Investment (Green) Projects** – key regional projects that aid short term recovery, whilst supporting long term re-alignment of the economy
- **High St** – what is going to happen to our town centres and how can we support them

LONGER TERM

- **Agile Skills System –** how can we set a skills systems that allows more responsive approach that works for both individual and businesses?
- **Productivity / Innovation** – how can we support our most innovative companies? Especially those with export potential?
- **Place Based Policies** – how can we set up an approach to economic development that focuses on broad based needs of our communities