

North Lanarkshire Council Report

Enterprise and Fair Work Committee

Does this report require to be approved? Yes No

Ref YW/PH

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Glasgow City Region Investment Zone

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Executive Summary

This report provides Committee with an update on the development of the Glasgow City Region Investment Zone (GCR IZ) Programme. Over a 10-year period, the GCR IZ will receive £160m of funding.

Following the submission of Expressions of Interest and then an open call for project and site submissions, it has been agreed that the focus of the GCR IZ will be on Advanced Manufacturing and Precision Engineering. Six organisations operating within the space, semiconductor and maritime sub-sectors have been selected to receive funding alongside a tax site which has been identified within Renfrewshire. In addition, £40.7m has been allocated to develop an Investment Fund and Business Support/Skills programmes which will benefit businesses across the wider Glasgow City Region.

Recommendations

It is recommended that the Enterprise and Fair Work Committee:

- (1) Acknowledge the content of the report

The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition statement	(5) Grow and improve the sustainability and diversity of North Lanarkshire's economy
Programme of Work	Transforming Places

1. Background

- 1.1 It was announced by the UK Government in the summer of 2023 that Glasgow City Region (GCR) would be the location of one of the two Investment Zones (IZ) in Scotland and is one of twelve across the UK. The other Scottish IZ is in the North-East Scotland region.
- 1.2 Subject to proposals meeting specific requirements and being agreed across all parties, the GCR IZ will receive a total funding envelope of £160 million over 10 years, which can be used flexibly between spending and a single ten-year tax offer, scalable based on number and size of sites. This will consist of:
- A minimum £70 million flexible spend, split 40:60 between resource spending and capital spending, to use across a portfolio of interventions based on the opportunities of each cluster linked to the following themes:
 - Research and Innovation;
 - Skills;
 - Local Infrastructure;
 - Local Enterprise and Business Support; and
 - Planning and Development
 - Tax incentives, available for ten years, offered over a maximum 600 hectares across up to three sites.
- 1.3 In Scotland, the Investment Zones programme has been designed to provide regional partners with a set of tools that can be deployed with flexibility and autonomy to boost Scotland and the United Kingdom's innovation potential, grow strengths in key industries to drive growth, reduce economic inequalities, and level up communities across the country.
- 1.4 There is a requirement that the Scottish Investment Zones will focus on growing clusters aligned to one or more of five wide-ranging priority sectors in which the UK is well-positioned to play a leading role globally – Digital and Technology; Green Industries; Life Sciences; Advanced Manufacturing; and Creative Industries.
- 1.5 The report outlines how the Glasgow City Region has taken forward the development of the Investment Zone for the region.
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2. Report

- 2.1 The following objectives for GCR IZ were agreed with the UK and Scottish Governments in the autumn of 2023 and approved by the GCR Cabinet on 7 November 2023:
- Build on strengths of the Region's current and emerging cluster specialisms
 - Grow new and existing R&D focused firms which are geared to take advantage of local academic expertise
 - Create a significant number of mid to high skilled 'good' jobs
 - Generate short and longer-term private sector investment in the Region's cluster specialisms – both through existing firms and wider supply chain development
 - Align with existing investment within the Region e.g. City Deal, Innovation Districts / Innovation Accelerator, UK Shared Prosperity Fund
 - Maximise the impacts through enhancing connections to existing clusters
 - Facilitate the development / regeneration of under-developed land and assets within the Region

- Extends the benefit to the whole Region including developing options for a IZ skills programme for local residents and a regional investment fund.
- 2.2 An Expression of Interest process was launched in September 2023 to elicit interest from Private Sector and Academic partners, and also to help refine the sectoral focus of the Investment Zone. Over 90 Expressions of Interest were submitted. There was no formal scoring process but the Expressions of Interest were reviewed against the GCR IZ Objectives outlined above, and a range of factors including links to academia, investment commitment, relevance to the IZ, and confidence of delivery. From the Expressions of Interest, the following three sectors were identified to take forward to the next stage of the process: Advanced Manufacturing and Precision Engineering; Health and Life Sciences; and Digital and Enabling Technology.
- 2.3 An 'Open Call' process was then published in January 2024 seeking bidders in the three remaining priority sectors. Potential bidders were given three months to submit bids that provided detailed information based on the UK Government Greenbook Business Case methodology:
- Tell us about your project (Strategic Case)
 - What will the project deliver (Economic and Commercial Case)
 - How will you deliver the project (Financial and Management Case)
- 2.4 The Open Call resulted in 41 applications being submitted, with total projects costs of £1.88bn of which the Investment Zone grant ask was £0.64bn after the requirement for 60% match funding. The grant ask was in the region of four times oversubscribed.
- 2.5 The four stages of assessment of the 'Open Call' bids were agreed by the GCR Chief Executives Group in March 2024 and were as follows:
- Quantitative Scoring by GCR Programme Management Office (PMO) to ensure minimum quality threshold
 - Qualitative Feedback from sectoral specialists in both InnovateUK and Scottish Enterprise
 - For bids that achieved the minimum quality threshold, a wider sectoral impact review was undertaken by the GCR Intelligence Hub
 - Overall review by the Strategic Assessment Panel (SAP)
- Following consideration by the SAP, a recommendation was provided to the GCR Chief Executive's Group for decision.
- 2.6 The Strategic Assessment Panel operated within a series of broad parameters, considering individual bids that could form an element of the programme. The Principles were as follows:
- Projects should demonstrate additionality;
 - Investment should provide new capability;
 - Projects should leverage addition private sector investment;
 - Activity will demonstrably support wider cluster development;
 - Individual projects must align within an overall programme;
 - Individual project risk will be spread across the programme; and
 - There is the opportunity to over programme

It should be noted that the assessment process was not a procurement but a strategic programme assembly.

- 2.7 The first outcome from the Strategic Assessment Panel (SAP) was the recommendation for the 'Sector & Geography' – Advanced Manufacturing & Precision

Engineering with Glasgow City Region being the geographic focus. Following approval of the GCR Cabinet, the Sector & Geography was presented to government. The UK and Scottish governments have confirmed approval and a formal Sector & Geography announcement is due imminently.

2.8 To support the analysis and refinement of the applications, submissions were grouped into broad categories following review:

- Green (Progress to short-list with additional clarification)
- Amber (Potential to achieve short-list, but didn't score as highly on quality assessment)
- Enabling Skills (Bids that focused on Skills Development, considered enabling rather than 'transformational'). These bids will be considered when developing the skills programme to support the overall IZ programme – dedicated business / supply chain support will also be considered in this phase.
- Enabling Space (Bids that focused on creation of additional capital infrastructure, considered enabling rather than 'transformational'). These bids will be reviewed in line with the budget retained for the 'Investment Fund'.
- Failed to meet the quality threshold

2.9 This approach has led to a GCR IZ Programme 'Short-list' and the SAP recommended that individual projects and the IZ Programme will:

- Target strategic investments in critical technologies that underpin the next generation of innovation in the chosen sector
- Build on existing regional strengths in the sub-sectors of: Semiconductors, Space and Maritime
- Focus on investments in enabling activity to support wider innovation ecosystem growth

2.10 Within the agreed GCR IZ Sector and Geography, the GCR IZ Programme will focus on a number of sub-sectors with 6 projects which will be taken to the due diligence phase where the region already has world-leading strengths:

- **Space:** boost GCR technology independence, with diverse application across other industries. In addition, it will support existing and new Research and Development focused firms to work collaboratively and keep GCR at the heart of the UK's thriving space sector
- **Advanced Semi-Conductor Packaging:** creation of a world leading prototyping capability in advanced packaging and provide access to expensive fabrication and test infrastructure that is unaffordable to local Small to Medium Sized Enterprises. In addition, it will create a national centre for manufacturing scale up of advanced semiconductor devices and enable manufacturing at scale, allowing companies to grow and collaborate to create a local supply chain and develop an open-access scale-up facility
- **Maritime:** Open-access facilities and shared resources will help build strong and future focused supply chain to meet demand for major upcoming opportunities and secure growth across the Region

2.11 The incorporation of a tax site within the Investment Zone programme creates additional opportunities for growth. Building on existing assets in Renfrewshire including the Advanced Manufacturing Innovation District Scotland (AMIDS), National Manufacturing Institute Scotland (NMIS), Medicines Manufacturing Innovation Centre

(MMIC) and Glasgow Airport, the tax site will focus on creating scalable opportunities through strategic land development.

- 2.12 Within North Lanarkshire there is one organisation Skyrora in Cumbernauld which operates within the space sector which has been selected as a project through the Open Call. Those organisations who were not successful in being ‘short-listed’ have been contacted and offered feedback on their application and the assessment process. Relationships will be maintained with these organisations to consider other opportunities where they can support the growth of the regional economy.

GCR IZ: Enabling Support

- 2.13 The regional benefits of the IZ will be further enhanced by the development of an Investment Fund and a programme to support businesses and develop skills. A total of £40.7m has been allocated to support these activities over the 10-year period. Officers from GCR local authorities will be engaged in the development of the enabling support programmes.
- 2.14 The Investment Fund totalling £30.7m will support the ongoing growth of the Advanced Manufacturing sector in the region. It will be available to support key inward investment opportunities that can enhance and compliment the established business base.
- 2.15 A further £10m will be utilised to accelerate business growth and workforce readiness with key initiatives including:
- Tailored Business Support: Providing supply chain companies with targeted resources and expertise to innovate, scale, and commercialise new technologies.
 - Skills Development: Training and upskilling workers for emerging needs in high-growth industries of semiconductors, space, and maritime sectors.

Inclusive Innovation

- 2.16 Using best practice, it is proposed that the Investment Zone will take an inclusive innovation approach to its development and delivery based on some key principles:
- Open-Access Facilities: Enabling shared use of advanced manufacturing infrastructure to foster cross-sector collaboration and innovation.
 - Technology Diffusion: Facilitating access to transformative technologies, such as decarbonisation tools for SMEs—particularly vital for SMEs that underpin the Region’s innovation economy. By democratising access, these businesses can enhance productivity, adopt sustainable practices, and secure positions in high-value markets.
 - Promoting Fair Work and Inclusive Growth: Through collaboration with the Inclusive Growth Network, the programme embeds fair work principles to ensure that residents from disadvantaged socioeconomic backgrounds benefit from the jobs and opportunities generated.
 - An Equalities Impact Assessment (EQIA) will also be undertaken.

Next Steps and Due Diligence

- 2.17 A draft of Investment Zone Governance has been submitted to the UK and Scottish Governments for consideration.

- 2.18 A dedicated GCR IZ Programme Manager has been recruited and will take up post in early April 2025. The Programme Manager will work directly with the short-listed bidders to help refine their submissions.
- 2.19 The next phase of GCR IZ Programme Development will involve in-depth due diligence of the 'short-listed' projects. Capacity funding of £6.4m has been allocated to support this phase of the development. This analysis will consider the proposed interventions, expected outputs and outcomes, together with a full budget profile, over the 10-year period of the IZ. This phase will also include the completion of the Government required Gateway 4 submission.
- 2.20 The development of the proposed GCR IZ skills and business support interventions will take place in the coming 3-month period, together with scoping the broad parameters for the GCR IZ Investment Fund.
- 2.21 As part of the due diligence phase, the GCR Intelligence Hub will also undertake a further review of the economic analysis / impact of each 'short-listed' project, to ensure consistency of approach in measuring outcomes and impacts across the programme.

3. Measures of success

Specific measures of success will be established as the Investment Zone develops in line with the objectives set, programme and project business cases, and the adopted economic impact approach utilised by Glasgow City Region.

4. Supporting documentation

- 4.1 There is no supporting documentation



Pamela Humphries
Chief Officer (Place)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No