

GLASGOW CITY COUNCIL

WRITTEN SUBMISSION

General Comments

The City Council agrees, as outlined in the draft budget, that there is a need for investment led recovery to restore economic growth. Cities should be at the centre of this investment in line with both the UK and the Scottish Government's Cities Strategy. In Glasgow there are opportunities to build on recent infrastructure investment and the Commonwealth Games in 2014 to maximise the games legacy in the form of new opportunities, jobs and investment. Much has been done but there is much more to do in tackling poverty and deprivation in the city and continued and increasing investment support is needed to meet these challenges. Glasgow still has the highest concentration of most deprived areas, as per SIMD, amongst Scottish local authorities.

The City Council's Strategic Plan sets out how the Council will manage its resources, people and assets to deliver its priorities for Glasgow within the challenging economic context and public funding reductions.

These priorities are to ensure: -

- economic growth, and Glasgow is
- a world class city
- a sustainable city
- a city that looks after its vulnerable people, and
- a learning city

As the Strategic Plan describes, Glasgow generates 17% of the country's jobs, is home to one in ten businesses and generates 17% of the value of goods and services produced in Scotland.

Working in partnership with Scottish Government, the private sector and others is key to successful delivery of the Plan's objectives.

Specific Issues referred to in Call for Views Invitation

Our response focusses on a number of the issues identified by the Committee where we believe continued Scottish Government support and investment is needed.

Economic Growth

It is internationally recognised that cities will continue to drive economic growth even in the downturn.

Glasgow has benefited from substantial capital investment in recent years but still needs further capital investment across a range of activities in order to

improve its position in relation to UK and EU comparitors and to contribute to growth in the metropolitan region and across the country.

This is the core rationale for the “City Deal” initiative being led by the council on behalf of the wider city region. It is not just about more capital investment per se but capital investment that will drive output and employment growth

A number of recent statistical releases tend to point to a recent worsening of relative economic performance in the city.

For example the employment rate in 2012 – at 59.7% - is the lowest in Scotland and almost 11 percentage points behind the Scottish average. While some of this gap is due to the high number of students resident in the city, it is a concern that the employment rate fell in Glasgow by 4.1 points between 2011 and 2012, compared to a Scotland level reduction of only 0.1 points.

“Underemployment” in the city has also increased in recent years at a faster rate than in Scotland as a whole. In 2012 this stood at 12.2% in Glasgow when the Scottish figure was 10.0%. Between 2011 and 2012 the level of underemployment in Glasgow rose by 0.6 points, in comparison to the Scottish figure of 0.1 points. Since 2008 the Glasgow figure (5.8 point increase) has been almost double that for Scotland as a whole (3 point rise).

There is a need for continuing investment over a number of years to ensure that sustainable economic growth returns and in this respect the trends beyond 2014/15 identified in the draft budget are not encouraging. Economic uncertainty and current levels of public sector funding mean that there are and will be resource gaps going forward. Therefore the City Council is actively pursuing other means to secure investment for Glasgow such as Tax Incremental Financing (TIF) at Buchanan Galleries.

It is essential the Scottish Government continues to support the City Council and other local authorities in our efforts to sustain investment, create jobs and support businesses.

Climate Change Targets/Reducing the Carbon Footprint

Where possible, the Council will deliver more and will continue to seek additional innovative ways to maximise the impact of energy efficiency/carbon reduction investment, for instance through Home Energy Efficiency Programme Scotland – Area Based Schemes (HEEPS-ABS) and Energy Company Obligations (ECO) and developing a Combined Heat and Power (CHP) initiative across the north of the city. The City Council understands that Public Sector leadership will be critical to achieving local and national climate targets. The Council aims to lead by example, support and develop the transition to a low carbon economy.

Glasgow City Council works closely with our key partners and local stakeholders, including Sustainable Glasgow, the Cities Alliance, Scottish

Government and SSN, to ensure that the Council will act the best possible way to address climate change mitigation and adaptation.

Digital Connectivity

The City Council was awarded £24m by the UK Government's innovation agency, the Technology Strategy Board, in January 2013. This award – under the Future Cities Demonstrator - will enable the City Council, private sector and academia (Strathclyde University) to integrate city systems across health, transport, energy and public safety to create a smart city better placed to grow its economy, jobs and skills and making it a more attractive place to invest.

Glasgow's digital connectivity (2MB) is on a par with other UK cities but well below superfast broadband (40MB+) services of international competitors. In 2010, fixed line access to 2Mb broadband was almost universal (Ofcom) with take up in metropolitan Glasgow at only 53% (well short of Scotland 61% and the UK 71%). A recent survey carried out on behalf of the Council showed that access to the internet varied by age and deprivation.

The availability of high capacity broadband is a potential driver of growth for both national and local economies and is increasingly influencing inward investment location decisions. Both traditional and new economy sectors (digital media, music and film, design services etc) now rely on the download and upload speeds made possible through superfast broadband to compete. Glasgow is currently operating at a level well below levels available to its national and international competitors.

Access to Housing/Housing Supply

Glasgow's social housing system is unique in Scotland. The Council transferred its stock to Glasgow Housing Association in 2003 and there are over 60 RSLs operating in the city owning over 100,000 properties. The City Council is dependent on these RSLs to discharge its statutory homeless responsibilities. It is therefore essential that RSLs continue to build to meet housing need.

Glasgow City Council along with Edinburgh City Council manages Development Funding to Registered Social Landlords (RSLs) on behalf of the Government. Allocations to each city are made from the Local Government budget. The Council welcomes the recently announced revised subsidy levels for RSLs which will aid continued provision of new homes in the city. This is welcome because the current financial climate for RSLs is challenging and exacerbated by changes in Housing Benefit under Welfare Reform. The introduction of Universal Credit is likely to place further pressure on RSLs capacity to build.

The multiplier effect from construction is also significant. Building houses brings other benefits to local economies through employment and business growth.

Transport Infrastructure

The City Council continues to make the case for a new surface transport link to improve connectivity between Glasgow Airport and the city. The City Council is working through the inter agency Airport Investment Zone group to develop detailed options.

We are disappointed that this key piece of infrastructure investment is not identified as an investment priority given the benefits that it will bring to Glasgow, the metropolitan region and beyond.

Conclusion

These are challenging times at all levels of government (and beyond) but continued investment is required in infrastructure, housing and connectivity to provide a platform for growth when the economy recovers. The Scottish Government should prioritise this investment and support local authorities like Glasgow in implementing strategies for growth.

GLASGOW CITY COUNCIL
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