

To: Economy & Regeneration Policy Board

On: 19 March 2024

Report by: Chief Executive

Heading: AMIDS & Investment Zone Update

1. Summary

- 1.1. To provide an update on the progress being made at the Advanced Manufacturing Innovation District to bring forward the next phase of development and an update on the ongoing work on the Glasgow City Region Investment Zone.
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2. Recommendations

- 2.1. Note the progress at AMIDS and joint working with external agencies and partners to secure the next phases of investment.
 - 2.2. Note the proposed submission as outlined in 7.0 and confirm that updates and required approvals will be reported to Board at regular intervals as appropriate.
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3. Advanced Manufacturing Innovation District Scotland (AMIDS) Background

- 3.1. The Advanced Manufacturing Innovation District Scotland (AMIDS) is on a journey to become 'Scotland's home of manufacturing innovation'. The 52 hectare site located next to Glasgow Airport is supported by new infrastructure in the form of roads, bridges, utilities, public realm space, and active travel connections. All enabling infrastructure was funded by the Glasgow City Region City Deal.
- 3.2. The concept of AMIDS is to deliver a world class innovation district with the objective of positively enhancing the economy of both Renfrewshire and Scotland as whole. This will be achieved through collaborative working between the education, public, and private sector.

Creating a focus on advanced manufacturing at the district will allow a cluster effect to be generated, in turn, attracting global organisations to Renfrewshire.

- 3.3. AMIDS has successfully established itself in the advanced manufacturing sector by securing two anchor tenants – The National Manufacturing Institute Scotland (NMIS), and the Medicines Manufacturing Innovation Centre (MMIC). With both centres now fully operational, the process of developing the district further will build on this success.
- 3.4. At the recent Scottish Property Awards the NMIS building won two notable awards; Architectural Excellence (Public Use) and Large Development of the Year (Public Buildings) reflecting the high quality that we are aiming for at AMIDS. The new Paisley Central Library also won an the ESG Refurbishment of the Year award, taken together these projects all contribute to the Councils focus on Placeshaping.
- 3.5. To drive momentum, Renfrewshire Council entered into a joint venture with Buccleuch Property. This partnership will bring focus and investment to expand collaboration and drive development on site. AMIDS continues to gain recognition and work is continuing to bring the next organisation on site.

4. AMIDS Development

- 4.1. Following the appointment of Buccleuch Property as the Council's joint venture development partner, work has been progressing on the next phases of development on site. The agreement with Buccleuch stipulates that a speculative build must take place. This speculative development will see the construction of two terraced units that encompass ten individual units. These units will offer space at the optimal size for start up or spinoff companies. This development has been titled 'Tech Terrace', with marketing currently being progressed to support this.
- 4.2. Based on enquiries to date, and industry communication, this space is in high demand with multiple organisations looking for growth space which is in short supply. This supports the model chosen to progress a speculative build to speed up the availability of advanced manufacturing growth space, rather than wait for specific agreements to be made on an individual basis prior to constructing. Economies of scale also mean that a more efficient cost model can be achieved by constructing ten units together.
- 4.3. Timescales for construction are currently planned for a 2026 completion of Tech Terrace. Work is well advanced with design, which will be followed by the planning permission process, then procurement of a contractor to construct. This offers sufficient time to continue working on securing occupiers for these units.
- 4.4. Whilst Tech Terrace design is underway, work is progressing simultaneously on securing further occupiers for bespoke build units on the AMIDS site. Work has taken place with one organisation to design a bespoke unit and discuss commercial terms for them to move to the site. Work will continue with these negotiations with support from multiple organisations including Scottish Enterprise and Scottish Government.

Numerous other enquiries are progressing, and specifically, a further two leads have progressed to the point where building requirements and commercial terms will now be discussed.

- 4.5. Beyond these active negotiations and enquiries, it was recently announced that CPI who operate MMIC would be extending their development on AMIDS to deliver the Oligonucleotide Manufacturing Innovation Centre of Excellence (OMICE). This multi million pound investment will see a second unit constructed on AMIDS to ensure that Renfrewshire and Scotland are at the forefront of medicines innovation.

This development will be the next physically constructed building to complete on site and shows the confidence that the industry has in AMIDS to succeed by implementing this investment so shortly after opening MMIC.

5. AMIDS Support Model

- 5.1. AMIDS benefits from a wide-reaching support model. From industry experts to government organisations, it has the optimal network to deliver on the ambitions of becoming Scotland's home of manufacturing innovation. There are two key dimensions to the development of AMIDS:

- The physical construction, and securing market leads,
- The development of partnership working, clusters, and collaborative innovation.

- 5.2. To achieve the above two dimensions, a wide network of support has been implemented. The primary driver to achieve success has been the establishment of the joint venture. This partnership will bring property, commercial, marketing, and construction expertise with a global reach. To support this, AMIDS has developed a Strategic Advisory Group (SAG). This group has been set up to provide advice and guidance to the development of AMIDS. The group consists of senior / executive staff from the following organisations:

- Renfrewshire Council (joint chair)
- Scottish Enterprise (joint chair)
- NMIS
- CPI (MMIC / OMICE)
- Scottish Government
- Skills Development Scotland
- West College Scotland
- University of Strathclyde

- 5.3. In 2022, a report conducted by the University of Strathclyde and CPI established that AMIDS has greatest potential from a skills and innovation perspective to target the following four sectors:

- Space
- Pharma
- Photonics
- Net Zero

- 5.4. Whilst AMIDS is open for all sectors, a focus on these four has allowed key partner organisations to provide subject matter experts to assist with market engagement. It has been recognised that due to the specialist technical nature of advanced manufacturing, expert advice will assist in negotiation as well as providing advice in relation to requirements, support models, and partnership working.
- 5.5. Beyond these two support models, a new role will shortly be implemented to enhance the ability and coordination of AMIDS as it progresses to an occupied innovation district.

A Partnership Director will soon be appointed and will report to the joint SAG. This role will be recruited and employed by University of Strathclyde, and is co-funded by University of Strathclyde, CPI, and Scottish Enterprise. This role will work with all partners including the joint venture organisation to market AMIDS, but more importantly to drive innovation and partnership working with organisation based at AMIDS. The Partnership Director will play an important role in ensuring that support models and packages are coordinated and implemented for AMIDS organisations.

6. Communications and Marketing

- 6.1. To continue the early success of AMIDS, it is recognised that promotion in the form of brand management and marketing must take place. A recent exercise has been undertaken to create a brand for AMIDS. This exercise established that the term AMIDS is well recognised in the industry, and this should be taken advantage of to continue to promote the term at a national and global level.
- 6.2. The first deliverable from this process was to create a brand logo. The below image shows what this will look like as a template. Due to the clean, crisp nature, this is a very flexible logo and will be used in multiple formats with supporting text where applicable.



- 6.3. Shortly, a dedicated website will be launched to drive traffic to AMIDS specific information including all marketing information and enquiry details.

This will be developed at the same time as specific marketing collateral which will be used to communicate the opportunity AMIDS offers, to the industry when seeking future occupants and hosting negotiations.

7. Investment Zone

7.1 In June 2023, following an agreement between the UK Government and Scottish Governments, it was announced that both the Glasgow City Region (GCR) and the North-East of Scotland had been awarded Investment Zones (IZ) status, the first such zones in Scotland. This commitment has been backed by funding, which can be used flexibly between capital and revenue investment and tax incentives for investing companies.

The overall goal is to deliver economic growth, secure more investment and create more high value jobs within the Region.

7.2 In respect of the tax incentives, the Scottish and UK governments are offering the following tax reliefs in designated tax sites within each Investment Zone:

- Land & Buildings Transaction Tax
- Non-Domestic Rates
- Enhanced Capital Allowance
- Enhanced Structures and Buildings Allowance
- Employer National Insurance Contributions

7.3 Each IZ can have three designated tax sites, which should be a maximum of 200 ha each. Larger ones will be considered based on economic merit so long as the Region's total does not exceed 600ha overall. Each tax site can choose which incentives they wish to utilise.

7.4 The guidance also states that the IZ partnership can agree up to three NDRR (Non-Domestic Rate Retention) sites, within which the Region will be able to retain up to 100% of any future growth in non-domestic rates above an agreed baseline over 20 years. It is expected that the GCR will pursue this and use the retention monies to fund projects across the Region.

7.5 Capital investment support can include funding for new buildings, enabling infrastructure, equipment and machinery. Whereas revenue funding can be used to support initiatives such as skills development programmes.

7.6 In the UK Government's Autumn Statement (Wednesday 22 November 2023), the Chancellor made a commitment to the expansion of the planned Investment Zone programme in Scotland. These changes will mean extending the timeline from five to ten years and doubling the grant to each Investment Zone from £80m to £160m.

7.7 Since the announcement, on-going activities between GCR's Programme Management Office and Member Authorities, as well as the Scottish and UK Governments have identified three key priority sectors which will guide investment, these are:

- Advanced Manufacturing

- Health & Life Sciences
- Digital & Enabling Technology

The GCR in their submission to the UK/Scottish Government's will choose a primary sector for the IZ.

7.8 The next phase is to determine which areas/projects within the Region should be included in the GCR submission to the governments. An 'Open Call' for sites launched in January 2024 focussing on the three priority clusters identified above, aimed at organisations/businesses across GCR which have been highlighted by the individual local authorities in earlier work. This approach will incorporate the HM Treasury 'Green Book' business case development guidance. This application phase will run until the end of March 2024.

7.9 In respect of a Council bid, officers are working with our JV partner Buccleuch to submit a bid primarily for the site at Netherton Campus. It is proposed that the Council's submission will cover the following:

- Tax Site: Development of a tax site consisting of Netherton Campus alongside potentially Westway and areas of Glasgow Airport.
- Capital investment: Include an enabling infrastructure project to deal with ground conditions at Netherton Campus with the aim of reducing the viability gap and acting as a catalyst for future development at the site.
- Revenue investment: Potential to link Tech Terrace development proposed by the AMIDS JV with NMIS and other educational providers. Spin-off potential for an innovation/accelerator programme.

7.10 Members are asked to note the above proposed submission.

7.11 It is expected that other key stakeholders within Renfrewshire will also submit bids, including Glasgow Airport, University of Strathclyde/NMIS, MMIC/CPI, the University of the West of Scotland and private businesses. Officers have held meetings with these stakeholders, with the intention of working collaboratively, to ensure that all bids have a common narrative around developing Renfrewshire as a key cluster for innovation and advanced manufacturing which supports the regional and national economies.

7.12 Once all applications have been received, the GCR will score applications and submit a finalised bid to the UK/Scot Governments early summer. The final decision, agreement and sign-off resides with UK and Scottish Governments. Below is a detailed timeline for the GCR IZ submission:

- 8 January 2024: Application for Open call for sites/projects launched;
- 31 March 2024: Call closes;
- April 2024: GCR conducts strategic assessment of bids;
- 7 May 2024: GCR Cabinet approval of cluster identification / shortlisted projects;
- April/May 2024: Development of GCR IZ proposal for submission to UK/Scottish Governments
- Summer 2024: Submission and Government 'approval' of GCR IZ proposal

7.13 Progress on the GCR IZ bid and updates on approvals will be reported to Board at regular intervals as appropriate.

Implications of the Report

1. **Financial** – None.
2. **HR & Organisational Development** – None.
3. **Community/Council Planning** –
 - Our Renfrewshire is thriving – AMIDS will deliver an economic boost bringing thousands of jobs to the local area.
 - Our Renfrewshire is well – AMIDS will bring new talent, career opportunities and economic advantages.
 - Reshaping our place, our economy and our future – AMIDS will transform a previous derelict and unoccupied area of land. This has already seen the transformation of core infrastructure, and buildings will now follow to enhance the area.
 - Tackling inequality, ensuring opportunities for all – AMIDS will deliver job opportunities at all levels within multiple different sectors.
 - Creating a sustainable Renfrewshire for all to enjoy – Net Zero is a key feature of innovation that is being sought at AMIDS. The area is also supported by a district heating network for low carbon heat to premises.
 - Working together to improve outcomes – AMIDS will see partnership working between the public, private, and education sectors bringing a wealth of experience.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights** -
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – all health and safety legislation and standards will be followed during construction.
9. **Procurement** – all contracts are tendered in accordance with Council procurement procedures and where relevant taken to FRCS Board for approval.
10. **Risk** – Project specific and Programme level risk registers have been established for all projects. These are kept under regular review and reported to the Council's internal City Deal and Infrastructure Programme Board.
11. **Privacy Impact** – None.
12. **COSLA Policy Position** – Not applicable.
13. **Climate Risk** – AMIDS seeks to deliver sustainable construction that will be supported by a district heating network. Active travel is a key component of the development.

List of Background Papers

None.

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