



**Glasgow City Region Cabinet**

**Report by Director of Regional Economic Growth**

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**Clyde Mission Progress Update**

**Purpose of Report:**

The purpose of this report is to update the Cabinet on the progress of Clyde Mission.

**Recommendations:**

The Cabinet is invited to:

- Note the report.

## **Purpose of the Report**

1. The purpose of this report is to update the Cabinet on the progress of the Clyde Mission programme.

## **Background**

2. Clyde Mission was launched by the Scottish Government in 2020, with the intention of: *“making the Clyde an engine of sustainable and inclusive growth for the city, the region, and for Scotland”*. It has been described as the greatest development opportunity in western Europe.
3. In August 2023 the Scottish Government transferred lead responsibility for Clyde Mission to the Glasgow City Region (GCR) and Argyll and Bute Council, with £25 million capital funding for a Heat Decarbonisation Fund and £1.5 million revenue funding for a dedicated team and to develop a Strategic Masterplan.
4. Clyde Mission is led by the GCR Head of Place working jointly with Member Authorities, Argyll and Bute Council and other partners.

## **Funding**

5. The aforementioned funding is subject to the agreement of annual Grant Offer Letters (GOL) issued by the Scottish Government to GCR. A draft GOL for 2024-25 revenue funding was issued on the 17<sup>th</sup> of August 2024. Completion of the GOL was subject to a period of bilateral legal review and impacted by Scottish Budget spending controls. Following December's Scottish Budget Statement and completion of the legal review, the 2024-25 GOL was signed on the 25<sup>th</sup> of January 2025.
6. Costs cannot be incurred in advance of the revenue funding GOL being signed as it sets the available budget and associated conditionality, including reporting requirements. Constrained by the narrow spending window, approximately £80,000 will be expended in 2024-25 on a number of activities including marketing and communications, preparing an updated Socio-economic Baseline Report and designing the Heat Decarbonisation Fund scheme to commence the first year of funding distribution in 2025/26.
7. In order to enable effective programming and budgeting for this national priority, it would be beneficial for future GOLs to be issued and agreed as expeditiously as possible, ideally reaching agreement prior to the end of December of the preceding financial year. GCR Place will liaise with the Scottish Government concerning the 2025-26 GOLs for revenue and capital funding as a matter of priority.

## **Resources**

8. To date, the GCR Head of Place has been the main resource working on Clyde Mission. Recruitment for a dedicated Programme Manager commenced in January 2025, with a view to the role being filled by May 2025. Clyde Mission will also be supported by a Strategic Spatial Delivery Group Manager to be recruited during the course of 2025.

## **Governance**

9. Governance of Clyde Mission will be incorporated into existing regional structures for GCR, i.e. with reports being submitted to the Chief Executives' Group and Cabinet as required.

Officers from Argyll and Bute will advise and co-ordinate any reporting/approval requirements in relation to Argyll and Bute Council, with support from GCR Place as necessary.

10. Consistent with the approach for other GCR Place strategic spatial delivery priorities, emerging thinking is to establish a Clyde Mission Partnership Board. The role, remit and membership of the Board will evolve in parallel with development of the Strategic Masterplan and be informed by the plan's objectives.

### **Strategic Masterplan**

11. The core mission of *"making the Clyde an engine of sustainable and inclusive growth"* endures and the Strategic Masterplan will explore and develop how best to deliver this mission across strategic themes, signature locations and priority actions. The draft aims of preparing a Strategic Masterplan are to:
  - Engage and activate stakeholders to ensure Clyde Mission is responsive and secures long term commitment to its delivery.
  - Ensure Clyde Mission is coherent and impactful by reviewing its themes and priorities and setting out a clear and compelling place-based strategy that resonates.
  - Develop a phased programme for delivery that is tangible, ambitious, viable and primed to secure investment from multiple sources.
12. A Strategic Outline (Business) Case will be produced to accompany the Strategic Masterplan to strengthen evidence based decision making and underpin long term investment. A Short Term Working Group (STWG) has been established to complete the consultancy brief and engagement with procurement colleagues has commenced. Aligned with the provision of 2025-26 revenue funding from the Scottish Government (to be confirmed by the respective GOL), indicative timescales are:
  - **January – April '25** STWG to review and agree consultancy brief. Procurement strategy agreed. 2025-26 GOL issued by Scottish Government and agreed.
  - **April - June '25** Procurement commences. Submitted proposals considered by STWG. Recommendation to 27<sup>th</sup> May Cabinet. Consultancy team appointed.
  - **July '25 – March '26** Production of the Strategic Masterplan (including consultation) and Strategic Outline Case.

### **Heat Decarbonisation Fund**

13. Funding from the Scottish Government for the Heat Decarbonisation Fund is expected to commence from 2025-26 over a number of years. In keeping with the Heat Networks (Scotland) Act 2021 and Heat in Buildings Strategy, and informed by the [Clyde Mission Energy Masterplan](#), the initial objectives of the Heat Decarbonisation Fund are to:
  - Support delivery of heating systems that enable efficient use of Scotland's renewable energy sources.
  - Enable the delivery of a wide range of heat decarbonisation projects.
  - Contribute to inclusive economic growth for the city, region and Scotland.
  - Benefit local communities by contributing to a reduction in fuel poverty.
  - Have a positive and significant impact on local skills and employment levels.

14. The Head of Place has commenced discussions with the Scottish Government's Heat Networks and Investment Unit, partner Local Authorities and a range of organisations active in the renewable heat arena. The immediate priority is to design a scheme to distribute the first year of funding from 2025-26 that is aligned with policy and regional priorities, and is compliant with subsidy control and other legal requirements. Discussions with procurement colleagues are on-going to facilitate consultancy support to assist with this.
15. Consideration will be given to establishing an expert sub-group that could make recommendations on Heat Decarbonisation Fund awards.

### **Maritime Cluster**

16. Scottish Enterprise commissioned a [report](#) for Clyde Mission focused on maritime, highlighting a resurgent sector with over 350 businesses and some of the deepest port facilities in the country. The report identified a range of strengths and market opportunities across shipbuilding, maintenance, management, tourism and offshore activities. This has been complimented recently by a skills focused [report](#) for the 'Clyde Maritime Enterprise' consortium which found greater strategic coherence within UK shipbuilding and a 30 year pipeline to deliver 146 new vessels.
17. Discussions are at an advanced stage with both Skills Development Scotland and the Scottish Government about direct Scottish Government investment to support the recommendations within the report, including the establishment of a Workforce Optimisation for the River Clyde (WORC) planning group.
18. GCR Place will engage with the wider GCR team and others to consider if it would be possible/beneficial to accelerate a programme of support for the Maritime Cluster in parallel with the Strategic Masterplan exercise.

### **Marketing and Communications**

19. Selected marketing and communications activities have been progressed to keep public information up to date. These include refreshing the [Clyde Mission Website](#) which showcases a new short film and updating the [Clyde Mission Dashboard](#).

### **Recommendation**

20. The Cabinet is invited to:
  - Note the report.