



Glasgow City Council

Contracts and Property Committee

Report by George Gillespie, Executive Director of  
Neighbourhoods, Regeneration and Sustainability

**Item 6**

6th February 2025

Contact: David McEwan Ext: 74570

**AUTHORITY TO COMMENCE OFF MARKET NEGOTIATIONS WITH  
SUSTAINABLE VENTURES (SCOTLAND) LTD FOR A LEASE OF THE  
LIGHTHOUSE, 11 MITCHELL LANE, GLASGOW, G1 3NU**

**Purpose of Report:**

To seek Committee authority to commence off market negotiations with Sustainable Ventures (Scotland) Ltd for a lease of The Lighthouse, 11 Mitchell Lane, Glasgow, G1 3NU

**Recommendations:**

It is recommended that the committee:

1. notes the content of this report.
2. approves authority to commence off-market negotiations with Sustainable Ventures (Scotland) Ltd for a lease of The Lighthouse, 11 Mitchell Lane, Glasgow, G1 3NU; and
3. notes that the agreed terms and conditions of the proposed lease will be reported back to the Contracts and Property Committee for approval.

Ward No(s):10- Anderston/City/Yorkhill Citywide:

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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## **1 Introduction**

- 1.1 This report relates to the request for authority to commence off-market negotiations with Sustainable Ventures (Scotland) Ltd for a lease of The Lighthouse, 11 Mitchell Lane, Glasgow.

## **2 Subjects**

- 2.1 The subjects comprise a Category A Listed Building of predominantly sandstone structure designed by Charles Rennie McIntosh and extending over basement, part ground and five upper floors with roof area. A brick-built tower was constructed to house a water tank.
- 2.2 There is lift access to all floors and a shared service area to the rear.

## **3 Background**

- 3.1 The building, designed in 1895, was a warehouse at the back of the printing office of the Glasgow Herald. Mackintosh designed the tower - a prominent feature of the building - to contain an 8,000-gallon water tank.
- 3.2 The former Glasgow Herald building was renovated and launched as The Lighthouse, Scotland's Centre for Architecture, Design and the City in 1999 and contained a permanent Mackintosh exhibition.
- 3.3 The areas of the Lighthouse owned by Glasgow City Council (the Council) have predominantly not been in productive use for several years. The Council owns approximately 88% of the building's floorspace, with City Property Glasgow (Investments) LLP (CPGI) having the right to rental income for the remainder of the floorspace. CPGI will therefore require to seek separate authority to include this space in the proposed lease.
- 3.4 The 2no. ground floor commercial units which can be accessed separately are also part of CPGI's portfolio but do not form part of this proposal.
- 3.5 There are two areas of the upper floors currently leased-out by the Council, one of which expires in Feb 2025 and the other is on a monthly licence.

## **4 Sustainable Ventures (Scotland) Ltd Proposals**

- 4.1 The council has had initial discussions with Sustainable Ventures (Scotland) Ltd, affiliated to Sustainable Workspaces CIC, Europe's largest ecosystem of climate tech startups, they have 130 climate tech startups co-located at their HQ workspace, in London, and have more broadly supported over 700 climate tech SMEs to scale, who have raised over £1.3bn and created 6,500 green inclusive jobs. <https://www.sustainableventures.co.uk/>

- 4.2 Sustainable Workspaces CICs' extensive expertise in Climate Tech ecosystem-building has been harnessed to undertake research with the Scottish Climate Tech ecosystem. A strong market response has been evidenced with over 500 potential workspace member businesses identified, initial engagement (20+) has shown an exceptional 85% of engaged startups committing to be on a waiting list for membership of the space. These companies include businesses from all over Scotland and several from other parts of the UK, including Manchester and London.
- 4.3 As one of the UK's unicorn regions, Scotland's tech scene has grown 10x in the last 10 years. Scottish Climate Tech generates more than £15 billion each year. The majority of these businesses are located in the central belt; within 2 hours of Glasgow City Region (GCR).
- 4.4 The objectives of this project are to secure private sector investment that will transform the Lighthouse into a Net Zero Innovation Hub, providing the place for Clean Tech companies in Scotland to start up, scale up and outgrow the facility, providing a pipeline of economic activity and supporting the skills and talent emerging from GCR.
- 4.5 Over the first 10 years the project has ambitions to achieve the following:

#### Development

- 5,424sqf of Grade A Listed Building brought back into active use securing its long-term future
- Utilisation of local supply and consultation chains
- Consultation with key stakeholders throughout development process
- Local SME's in construction supply and services will be used in the development works

#### Economic

- Thousands of high-skilled tech jobs created
- 500+ impact businesses supported
- An estimated up to £1bn of investment raised by supported businesses

#### Social

- Re-introduction of public access for tourists and school parties for education focusing on the renewable energy sector
- Re-introduction of event space availability for local external groups e.g. local heritage societies, community groups etc.
- Building use will be dedicated to impact and innovation activities and will be enshrined in the lease terms
- Board of advisors to guide activity and development of the facility comprised of key regional stakeholders across the public, private and academic sectors
- Highly accessible City Centre location demonstrating the mainstreaming of a just transition for Scotland within the energy sector

## 5 Off-Market Proposal

- 5.1 Officers from Neighbourhoods, Regeneration & Sustainability (NRS) Property Team and CPGI have undertaken a review of the building with the objective of securing the long-term sustainable future for this Category A listed building.
- 5.2 In this respect officers were unable to identify a sustainable GCC operational requirement for the building. Furthermore, no notes of interest were received that would deliver the desired vision for the building and the many positive outcomes as detailed above.
- 5.3 It is therefore proposed that NRS will commence negotiations with Sustainable Ventures (Scotland) Ltd, in consultation with officers of CPGI, for a long-term lease of the Lighthouse, excluding the 2 ground floor units currently within CPGI's portfolio.
- 5.4 The proposed lease will achieve a productive and long-term outcome for the Lighthouse that brings it back into full-time active use and deliver many desirable socio-economic benefits for the city. The Council will secure a long-term financial commitment to both repair and use the building, whilst recognising the historic uses that have focused on architecture, culture and public access which is intended to be maintained.
- 5.5 The off-market proposal also supports the Council's inward investment and socio-economic objectives.

## 6 Policy and Resource Implications

### Resource Implications:

<i>Financial:</i>	There would be a financial benefit to the council as they would receive a rental for the property and would also be relieved of the substantial holding costs.
<i>Legal:</i>	All transactions will be subject to review and conclusion by the Council's Corporate and Property Law section.
<i>Personnel:</i>	Any staff currently allocated to Lighthouse will be consulted and redeployed to other areas of the business
<i>Procurement:</i>	There are no procurement issues.
<b>Council Strategic Plan:</b>	The proposal supports the theme of Resilient and Empowered neighbourhoods.

## **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.*

The proposal does not directly support the Equality Outcomes but will bring a building back into productive use and will re-establish public access.

*What are the potential equality impacts as a result of this report?*

There are no direct equality impacts.

*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

The proposal will encourage new and existing businesses promoting jobs and prosperity

## **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

The proposal directly supports Climate Plan actions as well as the Just Transition Action Plan

*What are the potential climate impacts as a result of this proposal?*

The proposal will directly contribute to the creation and growth of organisations dedicated to improving climate outcomes.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Yes. By creating the conditions to create more Net-Zero Companies in Glasgow, will help drive the innovations required to de-carbonise.

## **Privacy and Data Protection Impacts:**

None.

## **7 Recommendations**

It is recommended that the committee:

1. notes the content of this report.
2. approves authority to commence off market negotiations with Sustainable Ventures (Scotland) Ltd for a lease of The Lighthouse, 11 Mitchell Lane, Glasgow, G1 3NU and
3. notes that the agreed terms and conditions of the proposed lease will be reported back to the Contracts and Property Committee for approval.