



Glasgow City Council  
City Administration Committee

**Item 4**

23rd May 2024

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

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**CITY DEAL CLYDE WATERFRONT AND WEST END INNOVATION QUARTER  
WINDMILLCROFT QUAY**

**Purpose of Report:**

To update Committee on the progress and status of the Windmillcroft Quay project, and to note that the Formal Agreement with Speirs Gumley Property Management will now be terminated.

**Recommendations:**

It is recommended that Committee:

- a. notes the contents of this report;
- b. notes that the procurement has been withdrawn; and
- c. notes that the Formal Agreement with Speirs Gumley property Management will now be terminated.

Ward No(s): 5

Citywide:

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

## 1. INTRODUCTION

- 1.1 The City Deal: Clyde Waterfront and West End Innovation Quarter (CWWEIQ) sub-programme aims to regenerate the river corridor as a desirable urban quarter that attracts jobs, investment and contributes to regional economic growth.
- 1.2 Capital investment of approximately £50M was allocated from the City Deal Infrastructure Investment Programme to this sub-programme. This funding is intended to be used to address the structural integrity of certain portions of the quay walls, enhance connectivity, and improve place quality at the river edge.
- 1.3 In June 2018 the Council invited Expressions of Interest (EOI) from third parties seeking funds for essential quay wall works. A [report](#) was approved by City Administration Committee on 27<sup>th</sup> September 2018 containing a shortlist of applicants, which included Windmillcroft Quay.
- 1.4 There have been subsequent Committee reports, which focused on the matter of obtaining contributions from the co-owners at the residential development, and Formal Agreement with Speirs Gumley Property Management, on behalf of the co-owners.
  - [City Administration Committee - WCQ - 21st May 2020](#)
  - [City Administration Committee - WCQ - 26th January 2023](#)

The report on 26<sup>th</sup> January 2023 confirmed the conclusion of the Formal Agreement and noted that a procurement exercise for the works contract would commence.

- 1.5 This report provides an update on the procurement exercise and subsequent outcome, which has resulted in tender prices for the Windmillcroft Quay construction works significantly exceeding the available City Deal CWWEIQ sub-programme funding allocation.

## 2. WINDMILLCROFT QUAY – CITY DEAL PROJECT

- 2.1 The Windmillcroft Quay project sought to address the structural integrity of a third-party quay wall, and reintroduce public access (involving a core path) at the riverside. The proposed scheme required the introduction of a new structural system adjacent to, and through, existing historic quay wall infrastructure and land, which is in private ownership.
- 2.2 The new quay wall would have been aligned parallel to the existing wall, with an approximate 12-metre linear offset into the River Clyde and would have created new public land and active travel infrastructure. The 12-metre offset was the minimum build out possible, to safely position the new foundations clear of the existing quay wall structure.

2.3 Throughout the design process, a range of solutions were developed, assessed, and re-appraised. With cognisance of the known site conditions and inherent risks and liabilities regarding project delivery, the agreed design solution was assessed as the only viable option that was eligible for City Deal investment, or for the Council to lead on.

### **3. PROCUREMENT EXERCISE**

3.1 In order to take the procurement forward for the Windmillcroft Quay project, a commodity team consisting of stakeholders from the Council's Corporate Procurement Unit (CPU), Chief Executives Department (CE) and Neighbourhoods, Regeneration & Sustainability (NRS) was formed to develop the sourcing strategy and deliver the contract.

3.2 The Council decided the most appropriate route to market for this procurement exercise would be to utilise the Competitive Procedure with Negotiation. A Contract Notice was issued to the market in February 2023. Bidders were asked to complete the Single Procurement Document if they wished to be considered for this Contract. The returns were evaluated by the commodity team and resulted in four bidders being invited to participate in the next stage. The invited bidders were asked to submit a tender response by 12th December 2023 and the Council received two bids.

3.3 On evaluation of the bids received, the Council concluded that it had not received a satisfactory tender response, with amongst other matters the prices significantly exceeding the project budget and estimated City Deal funding contribution. Committee is advised of the following points relating to this procurement:

- a. Whilst specific commercial details of the construction procurement exercise are commercially sensitive and therefore cannot be disclosed, it is advised that the estimated shortfall between the in-principle funding commitment (comprising City Deal funding and contributions from co-owners of the Waterfront development) and the required project budget would have been in the region of £25M.
- b. In addition to the tendered prices, delivery of a project of this nature would require a large allowance of contingency funding to provide adequate security against site-specific, known and unknown, physical constraints and risks. The contingency levels that had been established for other City Deal funded projects has been circa 10% - 15%, depending on the type of project and risk level. It was assumed that for Windmillcroft Quay a higher-level of contingency at 20% would be required, however there was no guarantee that the final outturn figure for the contract could be contained within this budget, thereby exposing the Council to further possible financial risk.
- c. Committee is reminded of the unprecedented global events which have impacted the construction sector in the past 4 years. Members may recall reports that were previously presented to Council Committees regarding the challenges that have affected the construction sector; how this has impacted on the delivery of the Council's Capital Programme, including the City Deal

Infrastructure Investment Programme; and actions / options to mitigate the challenging market conditions:

- [Neighbourhoods, Housing & Public Realm City Policy Committee on 27th September 2022](#)
- [Finance & Audit Scrutiny Committee on 2nd November 2022](#)

d. Council officers met with contractors who submitted tenders for the Windmillcroft Quay works to receive feedback on the procurement exercise. The collective view from these meetings is that there are no suitably substantial value engineering options available to reduce costs.

3.4 The Council therefore had no option but to abandon both the procurement exercise and any further design development activity for this project, under the City Deal programme.

#### **4. NEXT STEPS**

4.1 Committee is asked to note the following:

- a. The Formal Agreement, between the Council and Speirs Gumley Property Management will now be terminated, on the basis that the Council did not receive a satisfactory tender response and cannot award a works contract.
- b. City Deal investment is no longer viable as a solution (due to the reasons outlined in sections 2 and 3 of this report) to the current quay wall situation.
- c. Whilst the quay wall and adjacent land are in private ownership, the Council is open to working with relevant parties, to consider what alternative options and solutions might be able to be progressed, outwith City Deal, to address the underlying issues.

## 5. Policy and Resource Implications

### Resource Implications:

- Financial:* There is no capital investment proposed in this report.
- Legal:* Termination of the Formal Agreement will be subject to legal advice from the Director of Legal and Administration, with specialist support procured as necessary.
- Personnel:* Matters outlined in this report will be addressed by existing Council staff resource.
- Procurement:* There are no further procurement needs.

### Council Strategic Plan:

If the project had proceeded, it would have aligned with the following strategic priorities:

Grand Challenge 1 - Reduce poverty and inequality in our communities  
Mission - Support Glasgow to be a city that is active and culturally vibrant.

Grand Challenge 3 - Fight the climate emergency in a just transition to a net zero Glasgow  
Mission - Become a net zero carbon city by 2030.

Grand Challenge 4 - Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities  
Mission - Create safe, clean and thriving neighbourhoods.

### Equality and Socio-Economic Impacts:

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

An Equalities Impact Assessment (EqIA) had been carried out on the project in 2022/23. A copy of the EqIA is publicly available on the Council web site at the following link:

<https://www.glasgow.gov.uk/article/17533/Equality-Impact-Assessment-EqIA>

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

See previous response regarding EqIA.

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

No specific outcome.

### **Climate Impacts:**

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

If the project had proceeded, it would have contributed to Climate Plan actions: 5; 36; 40; 51; and 56

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

If the project had proceeded, it would have had positive climate impacts by:

- Increasing the resilience and adaptive capacity of new and refurbished assets.
- Facilitating a modal shift to sustainable and active travel.

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

As the project had progressed through design and development phases, consideration was given to net-zero ambitions and targets.

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

Are there any potential data protection impacts as a result of this report  
Y/N

There are no Privacy or Data Protection matters associated with this report.

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out.

N/A

## **6. Recommendations**

6.1 It is recommended that Committee:

- a. notes the contents of this report;
- b. notes that the procurement has been withdrawn; and
- c. notes that the Formal Agreement with Speirs Gumley property Management will now be terminated.