



Glasgow City Council

City Administration Committee

Item 2

20th November 2025

Report by Councillor Susan Aitken, Leader of the Council and City Convener for City and City Region Economy and Just Transition

Contact: George Gillespie Ext: 79106

CITY DEAL: ENABLING COMMERCIAL SPACE PROGRAMME

Purpose of Report:

To update City Administration Committee on additional City Deal funding that has been awarded to Glasgow City Council through the Glasgow City Region City Deal: Enabling Commercial Space Programme, which will support delivery of three shortlisted projects.

Recommendations:

It is recommended that Committee:

- a. Notes the contents of the report and appendices.
- b. Approves acceptance of the offer of £15,924,564 of City Deal funding allocated to Glasgow City Council under the Enabling Commercial Space Programme.
- c. Notes that three projects have been shortlisted for progression to Full Business Case stage.
- d. Authorises a grant of £6,561,851 to Clyde Gateway for the RED Dalmarnock (XWorks) project.
- e. Instructs the Executive Director of Neighbourhoods, Regeneration and Sustainability, in consultation with the Director of Legal and Administration, to agree detailed terms and conditions in relation to the Grant Agreement.

Ward No(s): 5, 9 and 10

Citywide:

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

PLEASE NOTE THE FOLLOWING:

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1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to update City Administration Committee on additional City Deal funding, totalling £15,924,564, that has been awarded to Glasgow City Council through the Glasgow City Region: City Deal Enabling Commercial Space (ECS) Programme. The report is being presented to City Administration Committee for approval to accept the additional City Deal grant funding allocation.
- 1.2 The report also confirms three projects have been shortlisted for progression to Full Business Case stage. Of these three projects: two will be delivered by Glasgow City Council; and one will be delivered by an external partner organisation. As the delivery of the latter project is through a third-party, approval is also required from City Administration Committee to award the City Deal funding by way of a Grant Agreement – specifically for this project.

2 BACKGROUND

- 2.1 On [5 November 2024 Glasgow City Region \(GCR\) Cabinet](#) agreed to reallocate £64.57m of City Deal funding from the former Glasgow Airport Access Project to establish the ECS Programme. This regional programme aims to unlock commercial development opportunities by investing City Deal funding in a portfolio of projects that will directly create: new commercial and industrial floorspace; or the refurbishment and modernisation of existing premises, throughout all 8 of the Member Authorities of the Glasgow City Region.
- 2.2 As Committee may recall from previous reports, the City Deal Programme is guided by HM Treasury's Green Book model. This is a significant process which relies on specialised economic assessment and requires business cases to be produced at 3 levels to enable grant funding to be released – Strategic Business Case, Outline Business Case and Full Business Case.
- 2.3 On [25 February 2025 GCR Cabinet](#) approved a Strategic/Outline Business Case for the Enabling Commercial Space Programme. This Strategic / Outline Business case noted that:

'Throughout Glasgow City Region, commercial and industrial stock is at or approaching obsolescence. This market failure requires intervention if the Regional Economic Strategy's grand challenges are to be addressed.

The delivery of new and refurbishment of existing commercial space will contribute towards meeting current demand for new industrial space within the Glasgow City Region, where there is a strong body of evidence of structural challenges and market failure within the commercial property market...'

- 2.4 The extent of these challenges is further detailed in a report produced for the Glasgow City Region by the consultants Ryden - [GCR: Employment Land and Property Markets \(September 2024\)](#).

2.5 Glasgow City Council's (GCC) allocation from the ECS Programme was confirmed within this business case as £15,924,564. Following appraisal of a long-list of potential interventions, using the GCR Project Shortlisting Framework, three projects have been shortlisted for progression to Full Business Case stage:

- Clyde Waterfront Innovation Campus - CWIC (Phase 2) (Ward 5 - Govan)
- The Lighthouse (Ward 10 - Anderston/City/Yorkhill)
- RED Dalmarnock - XWorks (Clyde Gateway) (Ward 9 - Calton)

(refer to Appendix 1 for overview of the three projects to be progressed including City Deal funding allocations).

2.6 City Deal funding for each of these three projects will only be released by GCR upon submission, appraisal and approval of a Full Business Case. This is in line with standard procedures and processes applied to the main City Deal Infrastructure Investment Programme.

3 CLYDE GATEWAY GRANT AGREEMENT

3.1 The RED Dalmarnock (XWorks) project is being led by Clyde Gateway (refer to Appendix 2 – Location Plan / Visualisation). The proposed City Deal funding will support the development of up to 3,716 sqm (40,000 sqft) of hybrid office, industrial, High Value Manufacturing (HVM) and R&D space in Dalmarnock. As this is a third-party asset, GCC is required to enter into a Grant Agreement with Clyde Gateway to facilitate delivery and ensure compliance with City Deal governance.

3.2 This report seeks Committee approval for GCC to enter into a grant agreement with Clyde Gateway to enable the £6,561,851 City Deal funding contribution towards the delivery of this intervention. The City Deal funding forms part of a larger Clyde Gateway funding package for the overall intervention, as set out in the table below:

Funder	£
City Deal (subject to FBC approval)	6,561,851
Clyde Gateway (already committed/spent)	601,545
GCC Vacant and Derelict Land Fund (confirmed)	830,000
Scottish Enterprise (already committed spent)	120,000
Scottish Enterprise MoU	3,086,604
Total Clyde Gateway Funding Package	£11,200,000

3.3 The sub-project involves development of a brownfield site located at Bartholomew Street/Playfair Street, Dalmarnock. Clyde Gateway will incorporate the use of flexible design, sub-divisible footprints, and additional mezzanines and it will be of suitable specification to accommodate multiple concurrent HVM occupiers across a broad range of markets. The offer will target engineering development, medical, renewable energy, bioscience and digital

sectors and will allow occupiers to adapt the internal space to meet their specific requirements.

- 3.4 Clyde Gateway are currently undertaking a tender process regarding the construction works, with the expectation to conclude tender evaluation and identification of a preferred supplier in November 2025. Subject to approval of the Full Business Case, Clyde Gateway expect construction works to commence on site in January 2026 and complete in December 2026.
- 3.5 Officers are satisfied that a Grant Agreement is the most appropriate mechanism for this funding as it provides a practical means of delivering the project, which is being led by a third party, also ensuring that Glasgow City Council's Strategic Plan and City Deal objectives are being met. The grant agreement will be monitored through the existing City Deal governance.
- 3.6 Release of grant funding will be linked to contractual milestones and subject to ongoing monitoring and evaluation of outcomes to ensure that the project continues to deliver the objectives of the Council.

4 Policy and Resource Implications

Resource Implications:

Financial: The capital investment proposed in this report will be met through funds secured via the Glasgow City Region: City Deal.

Legal: Dedicated Legal resources, funded through the City Deal, are already in place to support this work.

Personnel: Delivery of the City Deal programme and projects is managed by Council staff resource, funded through City Deal, with specialist support procured as necessary.

Procurement: All works and services required are procured in line with the Council's standing orders. There are dedicated resources already in place within the Council's Corporate Procurement Unit to support all City Deal related procurement activities.

Council Strategic Plan: 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 2 – Increase opportunity and prosperity for all our citizens.

Mission – Support Glasgow residents into sustainable and fair work.

Mission – Support the growth of an innovative, resilient and net zero carbon economy.

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.

Equality and Socio-Economic Impacts:

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

Delivery of the City Deal Programme and projects will support people with protected characteristics by:

- Tackling poverty;
- Reducing health inequality; and
- Empowering communities

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

Delivery of the City Deal Programme and projects will have a positive impact.

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

Delivery of the City Deal ECS programme and projects have a firm Inclusive Growth emphasis by improving access to employment and training opportunities. The City Deal grant funding will also deliver interventions that will extend labour and business opportunities into areas beset by market failure.

Climate Impacts:

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

The combined portfolio of City Deal projects, including the main City Deal Infrastructure Investment Programme and the ECS Programme, will contribute to Climate Plan actions: 5; 36; 40; 51; and 56.

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

The combined portfolio of City Deal projects, including the main City Deal Infrastructure Investment Programme and the ECS Programme, will seek to have positive climate impacts by:

- Increasing the resilience and adaptive capacity of new and refurbished assets.
- Increasing resilience to flooding and sea-level rise.

- Facilitating a modal shift to sustainable and active travel.
- Using green infrastructure to support mitigation and adaptation.

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

Delivery of the City Deal ECS Programme and projects will contribute to Glasgow's net zero carbon targets. Recent updates to Green Book require projects to demonstrate alignment to net zero ambitions and carbon reduction. Contractors will be obliged to minimise carbon footprint during the construction phase of sub-projects, and to use low-carbon materials where possible. Delivery of ECS projects will also bring brownfield sites and existing premises into meaningful and sustainable use.

Privacy and Data Protection Impacts:

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

No - 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

5 RECOMMENDATIONS

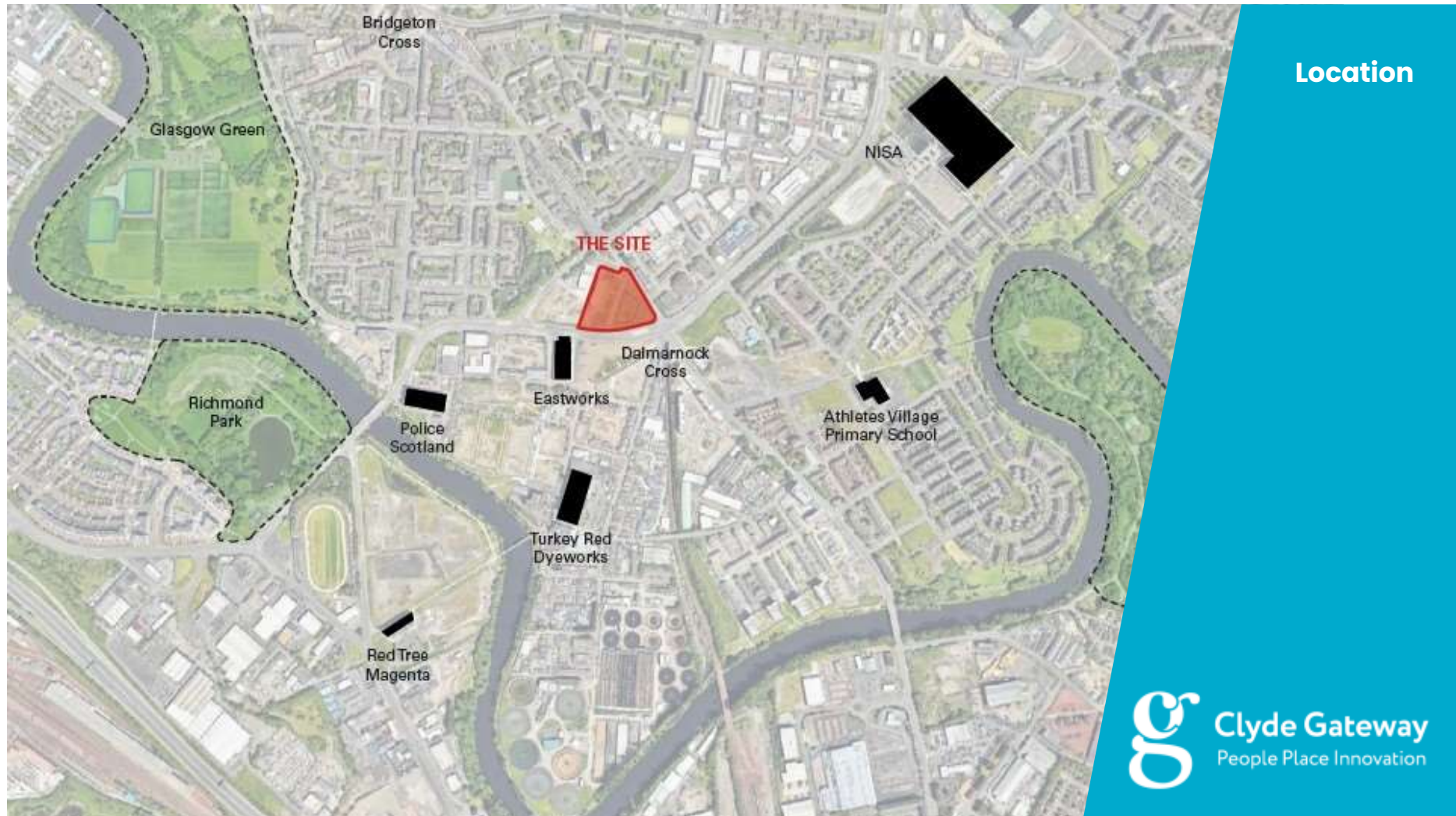
5.1 It is recommended that Committee:

- Notes the contents of the report and appendices.
- Approves acceptance of the offer of £15,924,564 of City Deal funding allocated to Glasgow City Council under the Enabling Commercial Space Programme.
- Notes that three projects have been shortlisted for progression to Full Business Case stage.
- Authorises a grant of £6,561,851 to Clyde Gateway for the RED Dalmarnock (XWorks) project.
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APPENDIX 1 – OVERVIEW OF GCC ENABLING COMMERCIAL SPACE (ECS) PROJECTS

Project	Delivery Route	Nature	ECS City Deal Funding Contribution	Estimated Full Business Case (FBC) Approval Date (to secure City Deal funding)
RED Dalmarnock (XWorks)	Clyde Gateway (Grant Award)	The development of up to 3,716 sqm (40,000 sqft) of hybrid office, industrial, High Value Manufacturing (HVM) and R&D space in Dalmarnock.	£6,561,851	December 2025
The Lighthouse	GCC	The refurbishment of The Lighthouse building on Mitchell Lane, to bring back into viable commercial use.	£2,000,000	March 2026
Clyde Waterfront Innovation Campus (CWIC) – Phase 2	GCC	The establishment of a Masterplan Consent Area (MCA) to support the development of additional commercial floor space on the site in Govan, building on the demand generated by the University of Glasgow Health Innovation Hub which is due to open in 2026. City Deal funding will be used to support the design and delivery of public realm and infrastructure works on current Vacant and Derelict Land (VDL), to create serviced development plots that can accommodate future developer interest.	£7,362,713	October 2027

APPENDIX 2 – RED DALMARNOCK (XWORKS) SITE LOCATION / VISUALISATION



Proposals



Site

The site layout carefully considers underground infrastructure constraints, ensuring optimal land use while preserving existing utilities.

High-quality planting schemes, green buffers, and well-defined pedestrian zones will improve connectivity and provide a welcoming environment for workers, visitors and the community.



Clyde Gateway
People Place Innovation