



Glasgow City Region Cabinet

Report by Director of Regional Economic Growth

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Clyde Corridor Co-ordination

Purpose of Report:

The purpose of this report is to update the Cabinet on various activities across the Clyde corridor.

Recommendations:

The Cabinet is asked to:

- Note the report; and
- Agree to work jointly to promote optimising the potential benefits of the noted opportunities along the Clyde corridor.

Purpose of the Report

1. The purpose of this paper is to update the Cabinet on various activities across the Clyde corridor.

Background

2. The Glasgow City Region (GCR) team are currently involved in a series of activities that are linked by association with the River Clyde corridor. These activities include:
 - Clyde Maritime Alliance
 - Glasgow City Region Economic Leadership
 - Clyde Mission Strategic Masterplan
 - Clyde 2070/Transformation Programme Group
 - Defence Growth Deal Engagement
3. Although closely interlinked, the GCR defence and maritime sectors have distinctive features. The maritime sector includes civilian (e.g. V Ships ship management, Fergusson Marine, Clydeport) and defence (e.g. BAe Systems, HMNB Clyde) elements, while the defence sector includes many sub-sector specialisms (e.g. maritime engineering and shipbuilding, aerospace/space, robotics, uncrewed vehicles, photonics and optronics).
4. The Region hosts numerous leading companies such as BAe Systems, Thales and Rolls-Royce that are pivotal to its economy¹. Almost 16,000 people are employed in the defence sector and related areas. This is the one of the largest defence related workforce outside of London, noting that this does not include HMNB Clyde employment as it is located in Argyll and Bute.
5. The defence sector helped to drive economic recovery after the pandemic, with GCR experiencing stronger growth due to the presence of the sector. As shown in Figure 2, the defence sector outperformed general GVA growth in several city regions, including GCR between 2019 and 2022.

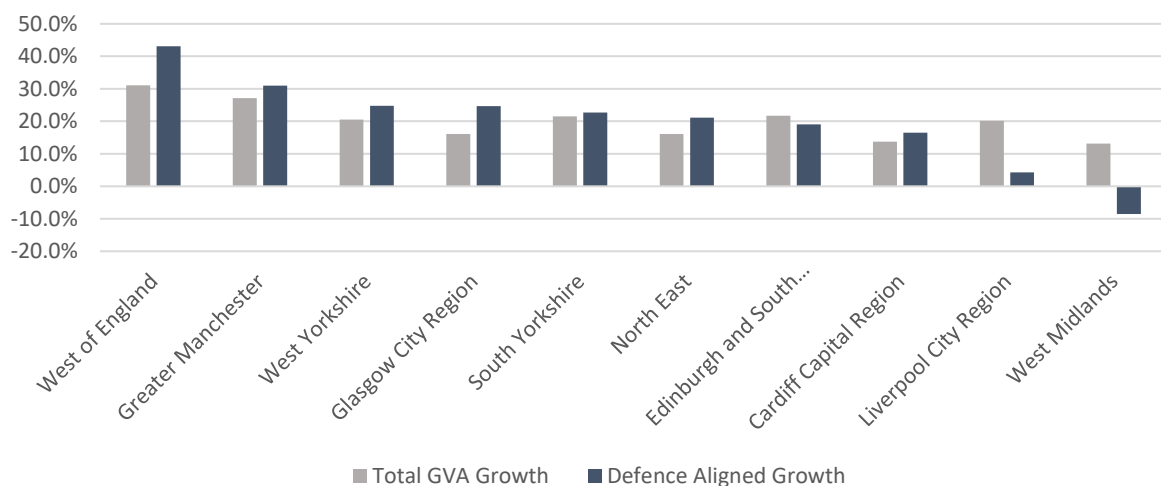


Figure 2: Total vs Defence Related GVA Growth 2019-2022

Source: Intelligence Hub Analysis of ONS GVA Accounts

¹ In November 2024, [Rolls-Royce](#) opened a new nuclear submarine office in Glasgow, creating over 100 jobs to enhance the UK's nuclear engineering capabilities and support key defence programmes.

6. Research from the ADS Group suggests that productivity in the defence sector is 42% higher than the UK average². This enhanced productivity is apparent in the GCR economy, with Figure 2 showing the sector experiencing better performance not only compared to total regional GVA growth, but also compared to the services and production sectors as well.

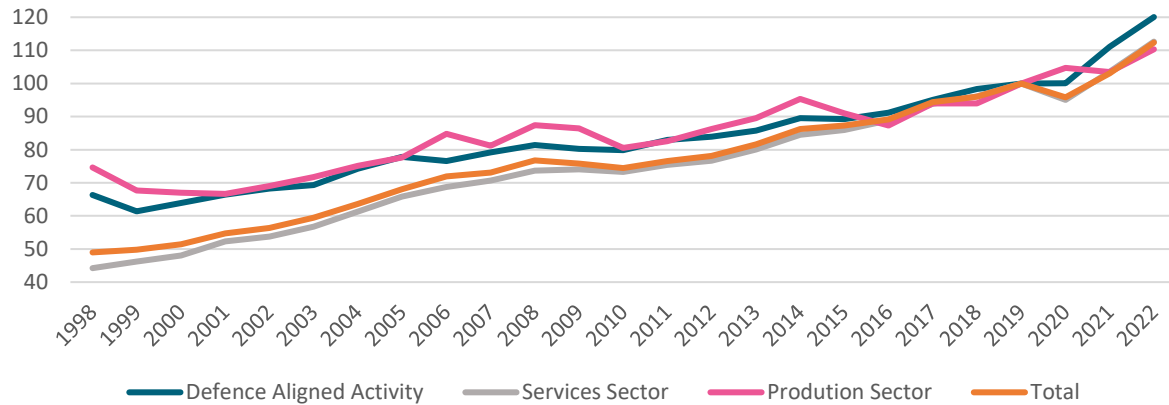


Figure 3: Normalised GVA in Glasgow City Region - 2019=100
Source: Intelligence Hub Analysis of ONS GVA Accounts

Clyde Maritime Alliance

7. Clyde Maritime Alliance is the maritime/defence industry led group that worked with Glasgow Chamber of Commerce and Skills Development Scotland to produce the 'Maritime Skills on the Clyde' report that subsequently secured £2 million to develop a maritime skills programme. GCR is working with the Clyde Maritime Alliance to provide capacity building support to develop the group as an incorporated organisation to advance skills and other opportunities within the sector.

Glasgow City Region Economic Leadership

8. Glasgow City Region Economic Leadership Board ('GEL') supported by the GCR Intelligence Hub has recently embarked upon a project to better understand how the Region can use defence spending as a catalyst for economic growth via cluster development, and to explore opportunities to use the GCR triple helix model to help address innovation and supply chain challenges.
9. During GEL Board in June 2026, it was agreed the Hub would working with industry experts from the GEL Group, Simon Lister of BAE Systems and John Howie, formerly of Babcock, and SE to develop a defence innovation proposition. This would be in the form of a LIPF style programme proposal which would be taken to MoD and or [UKDI](#).
10. A draft proposal will be developed through engagement with industry, including local SMEs, and academia, and be taken to the next GEL Board in September.

Clyde Mission

11. Stakeholder engagement, policy review and data analysis undertaken as part of the Clyde Mission Strategic Masterplan has clearly highlighted the importance of maritime and defence

² [ADS Group](#)

related uses across the Clyde Corridor. It also highlights the sector's growth potential, particularly for river adjacent areas such as Inverclyde and West Dunbartonshire, but also across GCR given the scale of investment (see below). The masterplan is overseen by a Short-Term Working Group that includes GCR MAs, Argyll and Bute Council and other stakeholders.

12. A midway consultation exercise was undertaken in July and work is progressing towards a final masterplan being presented to partners and through GCR governance structures in November. Subject to further development work, it is likely that maritime and defence will be a key theme for the Strategic Masterplan, with supporting content setting out the narrative/rationale and highlighting a range of signature locations suitable for maritime and/or defence related uses.
13. The Clyde Mission Heat Decarbonisation Fund was officially launched late last year with a total budget of £5 million for this financial year. It is focussed on accelerating heat decarbonisation within the Clyde Mission corridors and Strathclyde Country Park Watersports Centre is set to receive a £1.18 million grant, the first project to be supported by the Fund. The latest round has yielded a further three potential projects which will now be assessed for approval by the Chief Executives' Group.

Clyde 2070/Transformation Programme Group

14. The Clyde Transformation Programme (formerly Clyde 2070) was launched by the UK Government in July 2025 as a multi-billion pound, long-term initiative to modernise HMNB Clyde. This meeting is convened by the Scotland Office to engage with local authorities to consider social and economic effects of the investment programme and consists of the Scotland Office, HMNB Clyde, the Clyde Transformation Programme team and Argyll and Bute, Inverclyde, West Dunbartonshire, Renfrewshire and Glasgow City Councils. One meeting of the group has occurred in December 2025 at which Glasgow City Region also attended. The first meeting discussed matters relating to infrastructure, housing, transport, skills, supply chain and wider economic development. Further meetings are yet to be diarised.
15. The Transformation Programme is anticipated to entail multi-billions of pounds of investment over several decades. Initial Funding of £250 million has been allocated for the first three years (2025–2028), with a focus on early site-enabling works, master planning, and upgrades to digital infrastructure, maritime systems, and the working environment. More recently, the Defence Investment Plan published on the 1st of July 2026 sets out a 10 year programme supported by £298 billion funding up to 2029/30. This includes £15 billion for the Clyde Transformation Programme as part of the UK wide 'Project Royal Oak' naval base upgrade programme, and incorporates 'Project Euston' which will provide new floating dry docks and support infrastructure for HMNB Clyde.
16. HMNB Clyde currently employs over 6,500 military and civilian personnel. As a result of the Transformation Programme, this is estimated to increase in future to around 8,000-10,000. HMNB Clyde is a physically constrained site (in terms of construction and operational expansion) and recruitment and retention can be challenging. Certain activities will continue to require to be located within the perimeter, while other construction and supply chain activities may be able to be located offsite. This could be a substantial opportunity for the Clyde corridor, particularly Inverclyde and West Dunbartonshire from a GCR perspective in terms of physical proximity and existing infrastructure and real estate assets, as well as wider housing and socio-economic benefits.

Scotland Defence Growth Deal

17. Defence Growth Deals are regional partnership agreements between the UK Government, local and devolved governments, businesses and universities. They aim to:

- Boost local economies by linking defence investment to regional industries and skills.
 - Spread the benefits of defence spending beyond national HQs to towns and cities across the UK.
 - Encourage innovation, jobs and skills in defence and dual-use tech sectors (like cyber, autonomous systems, shipbuilding, aerospace, etc.).
 - Support the UK Armed Forces' needs by strengthening the supply chain and industrial base.
18. The initial set covers five regions with specific industrial strengths (Plymouth – major maritime/naval autonomy and naval investment hub, South Yorkshire – advanced materials and specialist components, Scotland – maritime innovation, shipbuilding, space and tech clusters, Wales – unmanned aerial systems and defence tech, Northern Ireland – advanced technology and innovation partnerships).
19. GCR co-ordinated a submission through a Scotland Office led Defence Growth Deal Engagement. The submission identified opportunities for collaboration and investment, including:
- Clyde Cluster Development Opportunities – real estate and infrastructure
 - Connected Estuary Transport Feasibility – people and materials connectivity
 - Centre for Advanced Engineering Innovation – innovation and supply chain
 - Maritime Skills Hub – skills and employment.
20. In March 2026, the Minister for Defence Readiness and Industry and the Secretary of State for Scotland announced elements of a £50 million Scotland Defence Growth Deal, including £5 million for a Clyde Engineering and Innovation Centre near HMNB Clyde and £5 million to establish a Defence College of Excellence. The Scotland Office has advised it is continuing to work with the Ministry of Defence in developing other elements of the Growth Deal.

Representation and Governance

21. GCR is represented in each of the various groups and activities noted above, providing a link between them and also a conduit into GCR governance structures to enable awareness and co-ordination. As initiatives develop, governance and representation can be reviewed and strengthened (where they are led by GCR) to ensure they function effectively. Argyll and Bute plays a significant role across the Clyde corridor activities noted above. Argyll and Bute Council is already part of the Clyde Mission Working Group and the CEG has agreed to invite the Chief Executive of Argyll and Bute Council to future CEG meetings to enable co-ordination and joint working.
22. Meetings have taken place between representatives of the Clyde Maritime Alliance and Clyde Mission team to discuss emerging priorities and opportunities for collaboration and co-ordination. Should maritime and defence emerge as a strategic priority for Clyde Mission, this may present an opportunity to optimise groups, organisation and governance, evolving from the existing Clyde Mission Working Group overseeing the Strategic Masterplan towards a delivery focussed programme board comprising key organisations.

Conclusions

23. This paper outlines the substantial current role of the maritime and defence sectors in the regional and national economies, together with the significant investment and growth anticipated over coming decades. GCR and the wider Clyde Mission corridor is already one of the largest clusters of maritime and defence related activities in the UK, bringing significant employment and economic benefits. The corridor has the attributes and assets to support further development, including across closely related sectors such as advanced manufacturing, innovation and aerospace/space.

24. GCR is leading and represented on various groups and activities related to the maritime and defence sectors along the Clyde corridor. Properly engaged, GCR is well positioned to harness and optimise the benefits of maritime and defence sector related growth, building from well-established capabilities such as our triple helix approach to innovation, collaborative culture and integrated community benefits, wellbeing and inclusion agenda.

Recommendation

25. The Cabinet is asked to:

- Note the report; and
- Agree to work jointly to promote optimising the potential benefits of the noted opportunities along the Clyde corridor.