

**JOINT BOARD MEETING OF CLYDE GATEWAY URC AND
CLYDE GATEWAY DEVELOPMENTS LIMITED**

Minute of Meeting of 6 March 2019

- Present:** John Gallacher, Chair
Ian Manson, Chief Executive
Councillor John Anderson, South Lanarkshire Council
Councillor Greg Hepburn, Glasgow City Council
Councillor Carol Nugent, South Lanarkshire Council
Jim Watson, Scottish Enterprise
Ann Clyde, South Lanarkshire Business Representative
Rosie Robertson, Glasgow Community Representative
Robert McLeary, South Lanarkshire Community Representative
David Bankier, Clyde Gateway Developments Limited
Stuart Heslop, Clyde Gateway Developments Limited
- Apologies:** Lord Smith of Kelvin
Councillor Mandy Morgan, Glasgow City Council
Alan McQuade, Scottish Enterprise
Stuart Patrick, Glasgow Business Representative
- In attendance:** Sir Harry Burns, Professor of Public Health, University of Strathclyde
Alison Brown, Clyde Gateway
Annemarie Burns, Clyde Gateway
Jim Clark, Clyde Gateway
Ken Dee, Clyde Gateway
Pauline Elliot, South Lanarkshire Council
Fionna Kell, Clyde Gateway
Lesley-Ann Logan, Clyde Gateway
Barry Macintyre, Clyde Gateway
Martin McKay, Clyde Gateway
Angela Rowley, Clyde Gateway
Niki Spence, Clyde Gateway
Amy Wimpenny, Clyde Gateway
Carol Jack (Minutes)

1. Welcome, introductions, apologies and any declarations of interest

In the absence of Lord Smith, John Gallacher chaired the meeting. He welcomed everyone to the joint Board meeting of the Clyde Gateway URC and Clyde Gateway Developments Limited.

Apologies were noted from Lord Smith of Kelvin, Councillor Mandy Morgan, Alan McQuade and Stuart Patrick.

There were declarations of interest from Councillor John Anderson and Rosie Robertson in respect of item 4.11 – Business, Employability & Community Programme Budget 2019/20.

2. Minute of previous meeting and matters arising

The Minute of the previous meeting of Clyde Gateway URC, held on 17 December 2018, was submitted and approved. There were no matters arising.

3. Chief Executive's Report

Ian Manson provided the following update.

- (1) The Scottish Parliament's approval of the 2019/20 budget contained £5.5m of support for Clyde Gateway. He also advised that in passing its budget, Glasgow City Council had approved £2.4m of capital funds for Clyde Gateway.
- (2) Positive discussions had been held with Scottish Enterprise in relation to the various ways of supporting Clyde Gateway's development objectives.
- (3) Channel 4 had decided to locate in the Merchant City; Clyde Gateway would, however, continue to pursue creative projects to the area.
- (4) Efforts were still continuing with regard to the permanent location for the Social Security Agency, and Ian had taken the opportunity at a recent briefing with them and Scottish Government's Chief Surveyor to make clear Clyde Gateway's track record in assisting over 1,800 civil servant and other public sector workers into the area over the past six years.
- (5) Glasgow City Council had indicated that the Calton ward would be a priority as part of its wider considerations into creating offices outside of the city centre; Ian was hopeful of having an input into any future discussions and potential partnership development.
- (6) Provision of a green infrastructure would continue to be at the forefront of Clyde Gateway energy plans.
- (7) Martin McKay would, in mid-March, be attending the MIPIM conference in Cannes, France representing Clyde Gateway as part of a wider 'Team Scotland' that is promoting inward investment.
- (8) The media had given extensive coverage to historical contamination issues at Shawfield which had impacted on the Polmadie Burn; Jim Clark provided a summary of the coverage and the responses provided, including the liaison work with the partner councils. Plans were in hand to provide a briefing to local politicians at all levels.
- (9) Ian thanked South Lanarkshire Council for its continued support, through planning, for the development at One Rutherglen Links, with a further 34 new jobs having now been secured by attracting Ford Distribution as an occupier.
- (10) Ian advised that Fionna Kell, Senior Manager for Inward Investment, was leaving Clyde Gateway to take up a post with Homes for Scotland and thanked Fionna for her contribution to Clyde Gateway.

4. Business

For approval (CGURC and CGDL)

4.1 Funded Operating Plan – 2018/19 to 2021/22 (CG19(MAR)01)

Barry Macintyre presented a report seeking approval of the latest version of the Funded Operating Plan which incorporated the most recent re-forecasting results and the allocation of the indicative grant awards for 2019/20. He outlined the re-forecasting exercise performed at the end of October 2018 and the Operating Plan comparison as detailed at Appendix 2 of the report.

After consideration, the Board approved the results of the quarter 3 re-forecasting exercise performed in January and the proposed allocation of indicative grant awards for the 2019/20 financial year.

4.2 Rutherglen Links Office Pavilions – Investment Decision (CG19(MAR)02)

Amy Wimpenny presented a report seeking approval of £4.4m to construct 2 office pavilions at Rutherglen Links Business Park. Amy provided further detail of an initial analysis of the 3 tender submissions received on 1 March 2019 for the project's mains work contract as detailed in the Appendix to the report.

Barry Macintyre briefed the Boards about the possibility of Scottish Enterprise providing substantive funding towards this project subject to this Member's year-end budget availability and agreement on terms. At the time the paper was written it was thought this support would be a capital grant but it was now more likely to be a loan secured against the adjacent ORL office building. Given the timescales involved this matter would require separate approval from CGDL's Board, by way of written procedures. As the loan terms may involve reserved matters, such as the granting of a security, then Members' approval would also be necessary as would consent from the Scottish Government in its capacity as funder of the ORL offices.

After consideration, the Board:

- (1) approved a budget of £4.4m, net of recoverable VAT, for the construction of 2 speculative office pavilions at Plot B, Rutherglen Links Business Park;
- (2) given the pre-tender estimate of £3.7m authorised the Chief Executive to appoint the successful main contractor; and
- (3) noted the potential financial support from Scottish Enterprise and the various approvals required.

4.3 The Bothy and Tur @Cuningar Loop Woodland Park – Investment Decision (CG19(MAR)03)

Alison Brown presented a report seeking approval of an investment decision for the construction of The Bothy and Tur @Cuningar Loop Woodland Park at a total cost of £2,340,600 which included the appointment of Kier Construction Limited (Kier) through the Scape procurement framework.

Alison highlighted the Scottish Government's award of £950,000 from its Regeneration Capital Grant Fund (RCGF) allocation for 2018/19.

Alison provided further details and that planning for the project had been granted by South Lanarkshire Council on 16 January 2019 and it was anticipated that works could commence on site in September 2019 until June 2020.

Discussions were ongoing, with Forestry Enterprise Scotland and Health n' Happy, regarding the day to day leasing, operation and appropriate management and maintenance structures for the facility.

After consideration, the Board:

- (1) approved the construction of The Bothy and Tur @ Cuningar Loop Woodland Park at a total cost of £2,340,600 (including irrecoverable VAT) which included irrecoverable VAT and the appointment of Kier Construction Limited through the Scape procurement framework; and
- (2) noted the Scottish Government's award of £950,000 from its Regeneration Capital Grant Fund (RCGF) allocation for 2018/19.

4.4 National Business District Shawfield Phase 2 – Procurement of Insurances and Monitoring Services (CG19(MAR)04)

Alison Brown presented a report providing an update on the remediation and construction projects for the National Business District, Shawfield Phase 2, and on the supporting activities and associated costs, and seeking approval for additional costs relating to insurance and monitoring.

Alison referred the Board to previous meetings and updates on the remediation and construction projects for the National Business District, Shawfield Phase 2 and provided an updated key dates schedule as detailed in the report.

Angela Rowley also provided the Board with the latest position in respect of the possible acquisition of a privately-owned site with the area of Shawfield Phase 2 and advised that it was unlikely any board paper would be prepared in the immediate future.

Martin McKay, in making reference to a previous board discussion on Magenta @ Clyde Gateway (CG19(DEC)06), advised that further engagement with the market had identified a current unwillingness in speculative development and of those who were interested, the view was that a proposed 7-year guarantee was too short a time. He advised that discussions would continue and that a progress paper would be brought back to the board in due course.

After consideration the Board approved:

- (1) the procurement of specialist environmental and contract insurance up to a value of £400,000 (including Insurance Premium Tax);
- (2) ground water monitoring at a cost of £164,599 over 3 years (exclusive of recoverable VAT); and
- (3) air quality monitoring at a cost of £23,050 (exclusive of recoverable VAT) until March 2020.

4.5 Risk Register (CG19(MAR)05)

Jim Clark presented a report on the most recent Risk Register, a working document regularly reviewed for relevance by the Clyde Gateway Senior Management Team.

After consideration, the Board approved the updated Risk Register as set out in the Appendix to the report.

For information (CGURC and CGDL)

4.6 Integrated Energy Strategy – Low Carbon and Renewables (CG19(MAR)06)

Martin McKay referred the Board to the Clyde Gateway Integrated Energy Strategy (GIES) report provided to the Board in December (CGDL18(DEC)03) and provided a further update on progress with key project development, in particular:

- (1) the Community Energy Project being developed in collaboration with Scottish Water Horizons; and
- (2) the EDRF funded INTERREG NWE project (known as D2Grids) 5th Generation district heating project.

Martin further outlined the key issues that were emerging which would require to be mitigated prior to seeking approval for investment decisions which, subject to budget availability, would be sought later in the year.

After consideration, the Board noted:

- (a) the report and project updates; and
- (b) that financial investment decisions, subject to budget availability, would be sought later in the year.

4.7 Finance Report – Period Ended 31 January 2019 (CG19(MAR)07)

The Board noted a report, presented by Lesley-Ann Logan, on the consolidated financial performance of both CGURC and CGDL for the 10 months ended 31 January 2019.

4.8 Audit & Evaluation Committee – Meeting of 11 February 2019 (CG19(MAR)08)

The Board noted the agenda and minutes of the Audit & Evaluation Committee meeting of 11 February 2019.

4.9 Health & Safety Committee – Meeting of 5 March 2019 (CG19(MAR)09)

The Board noted the agenda and minutes of the Health & Safety Committee meeting of 5 March 2019.

At the end of the Joint Board items, John Gallacher and Stuart Heslop thereafter left the meeting and Councillor John Anderson assumed the Chair.

Presentation (CGURC)

4.10 Clyde Gateway Population Health Working Group

Ian Manson introduced Sir Harry Burns, Professor of Public Health at University of Strathclyde to the Board, having been invited to attend to discuss the work of the Clyde Gateway Population Health Working Group.

Sir Harry Burns, during a 45-minute presentation, followed by questions and contributions from members, outlined his support for the initiative with the view that the work, efforts and approach of Clyde Gateway presented an opportunity to make a difference.

The Board, in thanking Sir Harry for his presentation, also expressed its gratitude for his input into the work of the Population Health Working Group.

For approval (CGURC only)

4.11 Business, Employability & Community Programme Budget 2019/20 (CG19(MAR)10)

Niki Spence presented a report seeking approval for the allocation of £944,000 from Clyde Gateway for a range of Business, Employability and Community projects in 2019/20.

Niki outlined the programme portfolio as detailed at Section 3 of the report and advised that £202,000 of existing activities would carry over from the existing financial year, while £172,000 of the overall budget would come from external sources.

A draft version of the report had been endorsed by the Community Committee at its meeting held on 12 February 2019.

After consideration, the Board:

- (1) approved the allocation of £944,000 funding to Business, Employability and Community projects;
- (2) granted delegated authority to the Chief Executive to determine the allocation of contributions to organisations who had yet to be identified (ie. not named in Appendix 1 subject to full due diligence and procurement as required; and
- (3) agreed to substitute alternative funding sources for Clyde Gateway's funding should this become available.

For information (GCURC only)

4.12 CGDL Board – Meeting of 17 December 2018 (CG18(MAR)11)

The Board noted the agenda and minutes of the Clyde Gateway Developments Limited meeting of 17 December 2018.

4.13 Community Committee – Meeting of 12 February 2019 (CG18(MAR)12)

The Board noted the agenda and minutes of the Community Committee meeting of 12 February 2019.

5. Date, time and venue of next meeting

The next meeting would be held on Wednesday 8 May 2019 at 10:30am in the Red Tree Magenta building at Shawfield.
