

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of Meeting of 18 December 2020

Present: John Gallacher – Chair
Ian Manson, Chief Executive
Councillor Greg Hepburn, Glasgow City Council
Councillor Carol Nugent, South Lanarkshire Council
Allan McQuade, Scottish Enterprise
David Bankier, Clyde Gateway Developments Ltd
Stuart Heslop, Clyde Gateway Developments Ltd

In attendance: Fiona Brittle, Scottish Government
Alison Brown, Clyde Gateway
Claire Ferguson, Clyde Gateway
Lesley-Ann Logan, Clyde Gateway
Billy Love, Scottish Government
Barry Macintyre, Clyde Gateway
Martin McKay, Clyde Gateway
Angela Rowley, Clyde Gateway
Niki Spence, Clyde Gateway
Mandy Watson, Clyde Gateway
Donna Brand (Minutes)

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

John Gallacher welcomed everyone to the meeting.

No apologies were noted.

There were no declarations of interest.

2. Minutes of previous meeting and matters arising

The Minutes of the previous Joint Board meeting of Clyde Gateway Developments Limited and Clyde Gateway URC held on 6 November 2020 were submitted and approved.

3. Business

For approval

3.1 NDB Shawfield Phase 1 – Infrastructure Works – Professional Fees CGDL20(DEC)01

Alison Brown presented a report seeking approval for professional fees, vegetation clearance and contingency to develop the detailed design and tender documentation for riverbank infrastructure works at Shawfield Phase 1.

Alison outlined the background of the project which would deliver essential infrastructure works to address a development constraint at Magenta Business Park, following the failure of the weir on the River Clyde at the Albert Bridge, and explained the consequences if this was not addressed.

After consideration, the Board

- (1) approved for professional fees, vegetation clearance and contingency amounting to £101,543 (excluding recoverable VAT) to develop the detailed design and tender documentation for riverbank infrastructure works at Shawfield Phase 1, taking the total project budget from £138,500 to £240,043 (excluding recoverable VAT); and

- (2) noted that a separate investment decision would be brought to the Board in due course for the capital expenditure which was estimated to be £1.5m.

3.2 SDIUIF Phase 4: Work Packages D & E – Pre-Development Costs CGDL20(DEC)02

Alison Brown presented a report seeking approval for the final stage of enabling infrastructure works which would upgrade and re-configure Solway Street and create a riverside park and green ‘connectors’.

Alison provided background information in relation to the South Dalmarnock Integrated Urban Infrastructure Framework (SDIUIF) and the various work packages that the Board had already approved in order to deliver the initial phases of the project. Further information was provided in relation to the 2 packages that were brought to the Board today for approval.

After consideration, the Board approved:

- (1) the strategic intent to deliver the final infrastructure works, work packages D and E, of the SDIUIF; and
- (2) additional professional fees and ground investigation costs totalling £115,170 (net of recoverable VAT) taking the final project costs, to date, to £188,781 (excluding recoverable VAT).

3.3 Dalmarnock Regional SUDs – Remedial Works CGDL20(DEC)03

Martin McKay presented a report seeking approval of additional remedial works to the RSUDs in Dalmarnock and for the Chief Executive to enter into a construction contract with the successful tenderer.

Martin provided background information in relation to the project and advised that additional remedial works were required to be undertaken in order to secure the adoption of the Regional Sustainable Urban Drainage (RSUDs) in Dalmarnock by Scottish Water and Glasgow City Council and to meet Clyde Gateway’s obligation to Link Housing Association.

After consideration, the Board:

- (1) approved additional remedial work to the RSUDs in Dalmarnock amounting to £157,551 (excluding recoverable VAT) thereby increasing the total project budget to £1,045,551; and
- (2) authorised the Chief Executive to enter into a construction contract with the successful tenderer for completion of the construction works.

3.4 Purifier Studios, Dalmarnock (Phases 2B and 2C) CGDL20(DEC)04

Martin McKay presented a report seeking approval to complete the building of the Purifier Studios at Dalmarnock following the Scottish Government’s reallocation of £4m of Regeneration Capital Grant Funding (RCGF) from Red Tree Central to the Purifier Studios together with an additional RCGF award of £700,000.

Martin provided background information in relation to the project including the appointment of Clark Contracts Limited as the main contractor and that they had taken possession of the site on 7 September 2020 for a 12-month construction period. Martin also outlined the reasons behind the Scottish Government’s decision to award additional funding and allow flexibility to support economic and job creation as an urgent economic boost for the economy, and that this flexibility and additional funding had assisted the project’s completion.

After consideration, the Board

- (1) approved:
 - (i) a capital budget of up to £5.6m and an additional revenue deficit budget of £146k (both net of recoverable VAT) to complete, over 2 separate phases, the final 3 speculative office units at the Purifier Studios in Dalmarnock; and
 - (ii) within this overall capital budget, an investment decision for Phase 2B totalling £2,506,181 comprising a contract extension award of £2,174,891 to the existing Phase 2A contractor, further services and professional fees of £103,455 and a contingency of £227,835; and
- (2) noted that:
 - (i) an investment decision on Phase 2C would be brought for approval to the next Board meeting on 26 February 2021; and
 - (ii) the cumulative revenue deficit budget was now £476k and included the £330k previously approved in March 2020.

3.5 National Business District Shawfield Phase 2 – Shawfield Regeneration Route (Stage 1R) – Investment Decision CGDL20(DEC)05

Alison Brown presented a report seeking approval for the first stage of the Shawfield Regeneration Route on which work had been paused during 2019/20 due to a lack of funds and land ownership issues, and advising that a successful bid for £1.2m of specific funding had now facilitated delivery of the project.

Alison provided background information in relation to the description of the project, the reasons behind the project being paused and that funding to deliver stage 1R had been approved by the Board in December 2018. She further outlined the total expenditure to deliver Stage 1R which had been based on the highest tender received.

After consideration, the Board:

- (1) agreed an increase of £484,295 to the existing budget approvals for Stage 1R of the Shawfield Regeneration Route which took the cumulative approved sum to £2,628,233 net of recoverable VAT;
- (2) authorised the Chief Executive to enter into a construction contract following verification of the tenders received for this first stage of the road and within the parameters of the revised cumulative budget; and
- (3) noted
 - (i) the imminent formal announcement of a £1.2m grant award from the Scottish Government's Clyde Mission Fund towards the project; and
 - (ii) the positive reassessment of the VAT position on the budgeted works.

3.6 System of Delegated Authority – Licenses and Leases CGDL20(DEC)06

Angela Rowley presented a report seeking approval to regularise the existing practices for granting leases and licenses within the delegated authority framework.

Angela provided background information in relation to the scheme, as well as outlining the existing practices on which the proposals for leases, licenses, desk rentals and variations were based.

After consideration, the Board approved the updated Scheme of Delegated Authority protocols for the disposal of assets by way of either Lease or License as set out in the report.

For information

3.7 Olympia House, Bridgeton – Property Acquisition CGDL20(DEC)07

Angela Rowley presented a report advising of the acquisition of Olympia House, Bridgeton, which had been previously approved by the Clyde Gateway Developments Limited Board in December 2018 (CGDL18(DEC)08), from Grand Orange Lodge of Scotland (GOLS).

Angela provided details of Clyde Gateway's initial interest in acquiring the asset and for the reasons behind GOLS subsequent engagement in August 2020 in relation to the disposal to Clyde Gateway.

After consideration, the Board noted the acquisition of Olympia House, 13 Olympia Street, Bridgeton at a cost of £206,500 including Land and Buildings Transaction Tax and professional fees plus recoverable VAT.

3.8 Property Consultancy Services Framework CGDL20(DEC)08

Angela Rowley presented a report providing an update regarding the provision of a framework of providers of Property Services, together with associated costs.

Angela advised that the existing framework was due to expire at the end of 2020, and that a new procurement process had been instigated to procure non-management consultancy service providers.

After consideration, the Board noted the tender process for the procurement of a Property Consultancy Services Framework for a period of 3 years with an option to extend for a further year, including a separate appointment for Property Management Services that would be the subject of a future Board paper.

3.9 Capital Programme CG2DL20(DEC)09

Alison Brown provided a further update of the Capital Programme, particularly in respect of COVID-19 and also provided an update of projects at the pre-development stage.

Alison advised that there were several projects which had been completed in 2019/20, which had outstanding issues associated with COVID-19, and provided further information on projects in the current financial year that had been impacted by the pandemic.

After consideration, the Board noted:

- (1) the report; and
- (2) after hearing from Martin McKay, that the Highbridge Magenta project would not be progressing to the next stage at this point in time.

3.10 Finance Report – Period Ended 30 November 2020 CGDL20(DEC)10

Lesley-Ann Logan presented a report outlining the consolidated financial performance of both Clyde Gateway URC (CGURC) and Clyde Gateway Developments Limited (CGDL) for the 6-month period to 30 November 2020.

After consideration, the Board noted the report.

3.11 Health & Safety Committee – Meeting of 23 November 2020 CGDL20(DEC)11

The Board noted the Agenda and a verbal update of the meeting proceedings of the Health & Safety Committee of 23 November 2020.

4. Date, time and venue of next meeting

The next meeting will be held on Friday 26 February 2021 at 1:00 pm.
