

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of Meeting of 26 February 2021, by video conference

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
Stuart Heslop

In attendance: Fiona Brittle, Scottish Government
Alison Brown, Clyde Gateway
Patrick Flynn, Glasgow City Council
Lesley-Ann Logan, Clyde Gateway
Barry Macintyre, Clyde Gateway
Martin McKay, Clyde Gateway
Ken Meek, South Lanarkshire Council
Angela Rowley, Clyde Gateway
Niki Spence, Clyde Gateway
Robert Young, Clyde Gateway
Donna Brand (Minutes)

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

John Gallacher welcomed everyone to the meeting. There were no declarations of interest.

2. Minutes of previous meeting and matters arising

The Minutes of the previous Board meeting of Clyde Gateway Developments Limited (CGDL) held on 18th December 2020 were submitted and approved.

3. Chief Executive's Report

Ian Manson referred to the themes that were outlined in his report and advised that,

- (1) he was very pleased to receive recent confirmation that Clyde Gateway had secured £2.3m from the Clyde Mission Fund for the next phase of the Cuningar Loop Project;
- (2) although Scottish Government funding had not been secured for the completion of the Shawfield decontamination project, other sources of funding were being explored; and
- (3) rapid progress was being made in relation to capital projects.

4. Business

For approval

4.1 Yard 1 Manscroft Place – Site Disposal CGDL2021(FEB)01

Angela Rowley presented a report seeking approval to authorise the Chief Executive to complete the disposal of Yard 1 at Manscroft Place subject to further clarification from the shortlisted parties.

Angela provided background information in relation to the Rigby Street redevelopment contract which comprised vacant and derelict land being brought into productive use to create a maximum of five Showpeople yards to be offered to those priority landlords required to relocate from Dalmarnock as part of CGDL's Community Relocation Programme.

Angela advised that the site at Yard 1 was surplus to requirement and had subsequently been offered to the market in November 2020, that three parties had submitted bids by the closing date of 29th January 2021, and that the Showmen's Guild had met with CGDL to discuss acquiring the interest, although no offer had been received at the closing date. The shortlisted parties had been asked to provide further clarification on delivery of the obligations that had been set out in the marketing campaign, and that once a preferred bidder had been identified, the Chief Executive would proceed to complete the disposal of Manscroft Place.

After consideration, the Board:

- (1) noted that as a condition of the sale, the purchaser would remove at its own cost approximately 4.090m³ of partly contaminated soil which was stored at the site in accordance with statutory requirements; and
- (2) approved in principle the disposal of Yard 1 at Manscroft Place at a value above market value plus VAT, noting that a subsequent report for approval would be brought to a future meeting of this Board when further due diligence of the bids including the disposal of the contaminated soil had been resolved.

4.2 NDB Shawfield (Phase 2) – Site Acquisition CGDL21(FEB)02

Angela Rowley presented a report seeking approval to cover the purchase of land and buildings at 241 Glasgow Road, Shawfield, subsequent demolition costs and professional fees, alongside a short-term occupational licence with the current owner.

Angela provided background information on this acquisition which the Boards of Clyde Gateway URC (CGURC) and CGDL had approved in principle in May 2020 subject to funding and reassurance from staff that the subsequent negotiations would adequately address the potential impact of COVID-19 on property valuations. The seller had confirmed it was prepared to effect an early disposal and had agreed to target settlement before the end of the current financial year but had indicated it may require to occupy for a period of up to 12 months after CGDL's date of entry.

After consideration, the Board approved:

- (1) a total budget of £2.503m covering the heritable interest purchase price of £2.0m, Land and Buildings Transaction Tax of £88.5k, professional fees of £15k and subsequent demolition costs of £400k exclusive of recoverable VAT; and
- (2) the granting, if needed, of a short-term occupational licence until March 2022 to facilitate the seller's site withdrawal at a monthly market rent of £9k plus VAT.

4.3 Purifier Studios, Dalmarnock – Phase 2C CGDL21(FEB)03

Alison Brown presented a report seeking approval to award the final work package to Clark Contracts Limited (CCL) to complete Phase 2C of the Purifier Studios in Dalmarnock, following the Board's approval for a capital budget of £5.6m at its meeting in December 2020 CGDL20(DEC)04.

Alison provided some background information in relation to the project and advised that in line with legal advice and previous discussions with the Board, it was now proposed to instruct the final stage of works (Phase 2C) via an additional compensation event to CCL. Further information was provided on the contractor costs and the programme of works for Phase 2 intimating that the completion date would be 18th January 2022.

After consideration, the Board:

- (1) approved, within the overall capital budget of £5.6m, which had already been approved in December 2020 CGDL20(DEC)04, an investment decision for Phase 2C.
- (2) noted the investment decision on the supporting works packages would be brought for approval to a future Board meeting.

4.4 Property Consultancy Services – Procurement Framework CGDL21(FEB)04

Angela Rowley presented a report seeking approval to appoint a framework of providers of Property Services, together with associated legal costs.

Angela advised that the previous 3-year Property Framework covering all property services had been approved and established in December 2016 and extended under a 1-year option thus expiring at the end of 2020 calendar year. Background information in relation to the appointment of property advisors was provided along with details of the tender process which had resulted in the receipt of three successful bidders at the closing date of 4th February 2021.

After consideration, the Board approved:

- (1) the appointment of three property advisors, which had been identified through the tender process, to deliver various property services (excluding property management) at pre-agreed rates, and payment of associated legal fees in formalising individual contracts; and
- (2) the appointment, from time to time as required, of District Valuer Services at pre-agreed rates.

4.5 Land and Property Disposals – Professional Fees CGDL21(FEB)05

Angela Rowley presented a report seeking approval of updated costs for the disposal of land and property including marketing collateral and associated professional fees for the period 2019/20 to 2022/23.

Angela provided background information in relation to the Inward Investment and Disposal Strategy (IIDS) which focused on the active marketing, development and disposal of key opportunities and properties to occupiers, developers and investors. Angela also outlined a range of disposal projects within the 3-year Operating Plan 2020/21–2022/23, along with a breakdown of actual spend against approved forecast in respect of disposal costs for the period 2019/20–2022/23 thus resulting in an increase of £211,000.

After consideration, the Board approved the increased expenditure on disposal costs of £211,000 (excluding recoverable VAT) including the marketing collateral and professional fees necessary to support the ongoing IIDS.

4.6 Risk Register CGDL21(FEB)06

Barry Macintyre presented a report on the most recent Risk Register, a working document regularly reviewed for relevance by Clyde Gateway's Management Group and by the Audit & Evaluation Committee.

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

For information

4.7 The Bothy and Tur @ Cuningar Loop Woodlands Park – Update – Capital Programme Update CGDL21(FEB)07

Alison Brown presented a report providing an update of the negotiations with the preferred bidder Linear Design and Construct (LDC) to deliver the revised layout and value engineering for The Bothy and Tur @ Cuningar Loop Woodlands Park.

Alison provided background information in relation to the project, and advised that as the Bothy would be used as a business and community hub, changes were required to the proposed building that had been issued to tender, and thus negotiation with the preferred bidder was required to identify the revised construction cost.

After consideration, the Board noted:

- (1) a total project capital cost of £2.55m including irrecoverable VAT of £20k for construction of the Bothy and Tur @ Cuningar Loop Woodlands Park; and
- (2) that the Chief Executive had entered into a construction contract with LDC for the construction of the Bothy and Tur for an amount not exceeding £2.03m excluding irrecoverable VAT.

4.8 Capital Programme – Update CGDL21(FEB)08

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 2020/21 and provided further information on projects which were still on site.

After consideration, the Board noted the report.

4.9 Finance Report – Period Ended 31st January 2021 CGDL21(FEB)09

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 31st January 2021.

After consideration, the Board noted the report.

4.10 Audit & Evaluation Committee - Meeting of 12th February 2021GDL21(FEB)10

The Board noted the Agenda of the Audit & Evaluation Committee of 12th February 2021.

5. Any other business

5.1 No there was no other business.

6.. Date, time and venue of next meeting

The next meeting will be held on Friday 30th April 2021 at 1:00 pm via Microsoft Teams.
