

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of meeting of 25th June 2021, by video conference

Present: John Gallacher – Chair
Ian Manson, Chief Executive
Councillor Greg Hepburn
Councillor Carol Nugent
David Bankier
Stuart Heslop
David McCrindle

In attendance: Alison Brown, Clyde Gateway
John Jackson, Clyde Gateway
Michael Kerr, Scottish Government
Billy Love, Scottish Government
Barry Macintyre, Clyde Gateway
Martin McKay, Clyde Gateway
Ken Meek, South Lanarkshire Council
Angela Rowley, Clyde Gateway
Amy Wimpenny, Clyde Gateway
Donna Brand (Minutes)

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

John Gallacher welcomed everyone to the meeting and advised that Derek McCrindle was attending in place of Allan McQuade who had sent his apologies.

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 26th May 2021 were submitted and approved.

3. Business.

For approval

3.1 Red Tree Rutherglen – Sale of Investment Property CGDL21(JUN)01

John Jackson presented a report seeking disposal by sale of the heritable interests in the serviced office building, Red Tree Rutherglen (RTR) at 24 Stonelaw Road, Rutherglen.

John provided background information in relation to the building and its occupancy levels, advised there was a strategic need to programme the sale of selected investment properties in order to realise the development returns required to support re-investment in CGDL's continuing regeneration objectives and its operational running costs, and that in January 2020 Ryden had been appointed to provide recommendations on a disposal strategy for CGDL's investment assets, resulting in both Boards subsequently approving an accelerated asset disposal programme at their respective June 2020 meetings.

John further outlined that although RTR was not currently being marketed, formal interest had been received in May 2021 from Certum Limited who confirmed its interest in purchasing the property by means of a Private Treaty, and that an offer to purchase RTR with the existing tenant licence agreements in place had been received to conclude by 1st September 2021.

After consideration, the Board

- (1) approved the disposal of the heritable property at 24 Stonelaw Road, Rutherglen to Certum Limited for a price of £600,000; and
- (2) noted that RTR was opted to tax for VAT purposes, and that the proposed disposal of the building should qualify as a 'transfer of business as a going concern' and therefore the sale would not be treated as a supply for VAT purposes, and that VAT incurred on legal and professional agency fees of £18,000 would be recoverable.

3.2 New Olympia House – Design Team Appointment CGDL21(JUN)02

Alison Brown presented a report seeking authority to appoint a design team to progress the design development for the refurbishment of the Olympia House, Bridgeton, following its acquisition, returning it to commercial use.

Alison provided some background information in relation to the design of the building, and advised that in December 2020 (CGDL(DEC)07) the Board had approved the acquisition of Olympia House 13 Olympia Street, Bridgeton at a cost of £206,500 including Land and Transaction Tax and fees, plus recoverable VAT. Alison advised that the building did not provide level access or comply with current building regulations and would require a data upgrade to serve modern commercial use, and that a Stage 1 application for a grant of £500,000 had been submitted to the 2022/23 Regeneration Capital Grant Fund for this project.

Alison further advised that following a tender process it was proposed to appoint a design team led by architect O'Donnell Brown at a total cost of £72,155, and that subject to a future investment decision, construction was anticipated to commence in early 2022.

After consideration, the Board approved

- (1) the strategic intent to refurbish Olympia House, Bridgeton for commercial use at an estimated total project cost of £860,000 (excluding recoverable VAT); and
- (2) professional fees for the appointment of the design team to RIBA Stage 4 – Design Development plus statutory fees and survey costs at a total cost of £95,275 (excluding recoverable VAT).

3.3 Risk Register CGDL21(JUN)03

Lesley-Ann Logan 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.

Following discussion about the number of risks on the register it was agreed staff would review these to see if they remained relevant.

The Board then approved the updated Risk Register as set out in the Appendix.

For information

3.4 Funding Bid Submissions CGDL21(JUN)04

Alison Brown presented a report providing an overview of funding bids which had recently been submitted to 3 separate funding programmes.

After consideration, the Board noted the report.

3.5 Capital Programme Update – CGDL21(JUN05)

Alison Brown provided a further update of the Capital Programme and 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 and having heard Martin McKay provide an update on ground conditions at the Bothy & Tur, the progress which had been made with Keepmoat Homes Limited in relation to the connection of gas supplies to the district heating system and that a report was being presented to Clyde Gateway URC's Board today for the Hope Sculpture at the Cuningar Loop Woodland Park, the Board noted the report.

3.6 Finance Report – Period Ended 31st May 2021 CGDL21(JUN)06

Lesley-Ann Logan presented a report outlining the consolidated financial performance of both Clyde Gateway URC and Clyde Gateway Developments Limited at 31st May 2021.

After consideration, the Board noted the report.

3.7 Audit & Evaluation Committee – Meeting of 11th June 2021 CGDL21(JUN)07

The Board noted the agenda of the Audit & Evaluation Committee of 11th June 2021, and the approved minutes of the previous meeting of 12th February 2021.

4. **AOCB**

Information on the following issues was provided:

- 1) Following the announcement of closure plans for McVitie's in May, Clyde Gateway had been invited by the Scottish Government and Glasgow City Council to join the Pladis Action Group.
- 2) The UK Government Levelling-Up Fund Round 1 bid process has been completed by both Councils and has once again highlighted the extent of our available 'ready to go' projects.
- 3) After the assessment process for the sale of the two lots at Dalmarnock North it had not been possible to progress matters with the highest bidder and staff would now re- assess the available options.
- 4) To note the change of the buying entity for the sale of a Rutherglen Links Office Pavillion. This would not affect any agreed terms and conditions as it was a related company.
- 5) Councillor Greg Hepburn advised that he had suggested to Glasgow City Council that the name Gateway Court be adopted for the new street adjacent to Eastworks.
- 6) Barry Macintyre made reference to State Aid compliance which, following Brexit, was now referred to as Subsidy Control. He would provide further guidance to the Board and approval papers would start reflecting this change.

5. **Date, time and venue of next meeting.**

The next meeting would be held on Friday, 27th August 2021 at 1.00pm via Microsoft Teams.