

## **MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED**

### **Minutes of meeting of 30th April 2021, by video conference**

**Present:** David Bankier  
John Gallacher – Chair  
Councillor Greg Hepburn, Glasgow City Council  
Stuart Heslop  
Ian Manson, Chief Executive  
Councillor Carol Nugent, South Lanarkshire Council

**In attendance:** Alison Brown, Clyde Gateway  
John Jackson, Clyde Gateway  
Billy Love, Scottish Government  
Barry Macintyre, Clyde Gateway  
Angela McGraw, Clyde Gateway  
Martin McKay, Clyde Gateway  
Angela Rowley, 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. Apologies were noted from Allan McQuade.

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 held on 26 February 2021 were submitted and approved.

#### **3. Chief Executive's Report.**

Ian Manson advised that whilst Shawfield contamination is once again featuring in the media Clyde Gateway continued to press the case for long-term funding commitments to match the completion plan.

The year-end period had been one of the most challenging yet, but for good reason, with significant levels of funding secured and drawn down against the new commitments made. Once again Clyde Gateway had been able to accelerate implementation to meet funders' objectives and their detailed grant requirements.

A priority over the coming weeks would be meeting submission deadlines for the various new funds. The UK Levelling-Up fund is highly relevant to Clyde Gateway's aims, with a council-led bidding process and a June deadline to secure commitment this financial year.

The new Scottish Government Vacant and Derelict Land Investment Fund is equally relevant and can be applied for directly, but has a deadline of the following week and also seeks spend commitments this year.

An update leaflet on our most recent activities has been widely circulated on social media and also, prior to the election period, passed to key political figures. A number of them had clearly supported Clyde Gateway's efforts in the past but are standing down at the election and the opportunity was taken to thank them for this.

## 4. Business

### For approval

#### 4.1 Funded Operating Plan 2021/22 to 2025/26 CGDL21(APR)01

Barry Macintyre sought approval of the latest version of the rolling Funded Operating Plan which now spanned the 2021/22 to 2025/26 financial years and marked the start of an evolving process for allocating the Scottish Government's five year capital funding commitment.

After consideration, the Board approved the latest version of the rolling Funded Operating Plan spanning the 2021/22 to 2025/26 financial years and noted its basis of preparation.

#### 4.2 Broad Street, Bridgeton – Site Disposal CGDL21(APR)02

Robert Young presented a report seeking approval to sell the heritable interest in a development site at Broad Street, Bridgeton.

Robert provided some background information advising that the site was the former Robertson House and had been the subject of a transfer, under the Members' Agreement, from Glasgow City Council to Clyde Gateway Developments Limited in July 2017. Following the unsuccessful bid for Regeneration Capital Grant Funding in February 2020, property agents Graham & Sibbald had been instructed to market the site and a number of offers received with the most beneficial from Spectrum 2020 Limited.

After consideration, the Board approved the sale of the heritable interest in the vacant site at Broad Street to Spectrum 2020 Limited for £301,000 plus VAT together with payment of associated fees of up to £12,000 excluding recoverable VAT.

#### 4.3 Yard 1, Manscroft Place, Shettleston – Site Disposal CGDL21(APR)03

Angela Rowley sought approval to dispose of Clyde Gateway Developments Limited's interest at Yard 1, Manscroft Place to Martin Smith, Declan Smith and Martin Tygue Smith.

Angela said that following the in principle approval by the Board in February 2021 to sell the yard two approaches had been considered in relation to the treatment of partially contaminated soil during the assessment process. The outcome of negotiations with two shortlisted bidders had resulted in one bid being non-compliant and the preferred bidder was the Smith family.

After consideration, the Board

- (1) approved the disposal of Yard 1 at Manscroft Place to Martin Smith, Declan Smith and Martin Tygue Smith for a price of £101,000 plus VAT, including a non-refundable deposit of £25,000, and that Professional fees of up to £12,000 excluding recoverable VAT had been budgeted within the land and property disposal budget; and
- (2) noted that as a suspensive condition of the sale, the purchaser would remove at its own cost approximately 4.090 m<sup>3</sup> of partially contaminated soil stored at the site (as shown in Appendix 1) in accordance with statutory requirements.

#### 4.4 Rutherglen Links Office Pavilions – Property Disposal CGDL21(APR)04

Robert Young presented a report seeking approval for two separate disposals by sale of the heritable interests in the office pavilions at 2 and 3 Rutherglen Links Business Park.

Robert provided background information in relation to the pavilions, advising that construction had progressed largely during pandemic conditions and that practical completion had been achieved in November 2020. Early marketing and promotion of the pavilions during construction had resulted in two parties intimating their interest to enter formal missives to purchase the pavilions.

After consideration, the Board approved

- (1) the disposals by sale of the heritable interests in 2 Rutherglen Links to the Union of Shop, Distribution and Allied Workers for £1.265m and 3 Rutherglen Links to Laidir Leisure Limited t/a Powerhouse Fitness for £1.2m, a combined price of £2.465m; and
- (2) payment of associated professional sale and legal fees estimated at £20,000 excluding recoverable VAT and capital contributions totalling £32,250 (no VAT) towards fitting of floor boxes and carpeting.

#### 4.5 Bothy & Tur @ Cuningar Loop Woodland Park – Budget Update CGDL21(APR)05

Alison Brown presented a report seeking approval to increase the total capital budget for the Bothy & Tur project by £120k to £2.61m, following an increased award from the Scottish Government's Regeneration Capital Grant Fund.

Alison provided background details of the project and its benefits to the local communities. Following a successful tender exercise to identify a contractor for the project, the construction contract between Clyde Gateway Developments Limited and Linear Design and Construct was executed on 24th March 2021. Alison further advised that due to pressure on the project budget, the Scottish Government had offered a further uplift in the Regeneration Capital Grant Fund award by £120,000 to £1.32m.

After consideration, the Board

- (1) approved an increase in the total project capital budget by £120,000 to £2.61m (including irrecoverable VAT) for construction of the Bothy & Tur at Cuningar Loop Woodland Park; and
- (2) noted the increased funding provided by the Scottish Government through its Regeneration Capital Grant Fund award of £120,000.

#### 4.6 Residual Property Portfolio – Grounds Maintenance Contract CGDL21(APR)06

Angela Rowley sought approval of the appointment of a framework contractor for a period of 36 months to deliver a package of ground maintenance and ancillary works.

Angela advised that Clyde Gateway Developments Limited's previous Grounds Maintenance Framework contract 2018/19 to 2020/21 with Caledonian Maintenance Services Ltd had ended on 31st March 2021 and that following the end of an additional works contract at the same date, both contracts had been combined to form a single contract for grounds maintenance services going forward. Angela further advised that following a tender assessment Caledonian Maintenance Services Ltd had scored highest in terms of quality and price.

After consideration, the Board

- (1) approved
  - (a) the appointment of Caledonian Maintenance Services Ltd as the 3-year framework contractor 2021-24 for provision of grounds maintenance at a total cost of £263,084 net of recoverable VAT; and
  - (b) professional fees at a cost of £1,218 (net or recoverable VAT); and
- (2) noted that the total sum for approval was £264,302 plus inflation net of recoverable VAT.

#### 4.7 Investment Properties and Residual Property Budget CGDL21(APR)07

Angela Rowley presented a report updating the Board on the year end 2020/21 Operating Budget performance against targets and seeking approval for the next five years Investment and Residual Property Portfolios Operating Budgets.

After consideration, the Board

- (1) noted the improved performance of the Clyde Gateway Developments Limited Investment and Residual Property Portfolio (IRPP) for the 12 months to March 2021 against the previous year's targets approved at the Board meeting in June 2020, as detailed in appendix 1 to the report; and
- (2) approved
  - (a) an amended 5-year Operating Budget required to manage IRPP at a deficit cost of £1,976,721; and
  - (b) an operating expenditure budget of £6,305,039 net of VAT for financial years 2021/22 to 2025/26.

#### **Variation in order of business.**

The Board noted the variation in order of business.

#### 4.11 NDB Shawfield Phase 2: Shawfield Regeneration Route CGDL21(APR)11

Alison Brown presented a report advising that during the preparation of contracts for the Shawfield Regeneration Route it had become evident that the contractor had not taken account of ground risk as part of its tender submission and upon review was unwilling to do so, and sought approval for an additional client risk to address this issue should it be required and to note a reduction to the overall project budget.

After consideration, the Board

- (1) approved an additional contingency sum associated with ground risk amounting to £267,550; and
- (2) noted the appointment of Luddon Construction Ltd as main contractor for the works for the sum of £913,978 (net of recoverable VAT) resulting in a revised total project budget of £2,301,947 (net of recoverable VAT) which was a reduction of £326,286 from the previous approval.

#### 4.8 Investment Property – Property Management CGDL21(APR)08

Angela McGraw presented a report seeking approval to appoint a provider of Property Management Services for the Clyde Gateway Developments Limited (CGDL) property portfolio together with associated legal costs.

Angela provided background information in relation to the existing 3-year Property Framework which had been established in December 2016 and extended under a further 1-year option and had expired at the end of calendar year 2020. Angela advised that following an internal review the Board had been advised of the proposal to progress 2 separate procurement exercises which would provide for a single supplier of Property Management Services and a consistent approach to legislative and statutory processes and cost efficiency for the CGDL portfolio from May 2021 for 3 years with an option to extend for a further year.

Angela also advised that following evaluation of the tender process Colliers had provided the most economically advantageous response and that it was anticipated that legal appointment would be completed before 9th May 2021.

After consideration, the Board

- (1) approved the appointment of Colliers International to deliver various property management services at a total 3-year budget cost of £331,500 plus recoverable VAT, together with associated legal fees of £3,000 plus recoverable VAT; and
- (2) noted that the appointment under a new Property Management Services Contract would be for a period of 3 years with an option to extend for a further year.

#### 4.9 Risk Register CGDL21(APR)09

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**

#### 4.10 Regeneration Capital Grant Fund – Programme Review CGDL21(APR)10

Alison Brown presented a report providing a review of previous Clyde Gateway bids to the Scottish Government's Regeneration Capital Grant Fund and seeking to identify emerging themes of successful projects from the 2020/21 programme, as well as highlighting recent announcements regarding potential new funding sources.

After discussion, the Board noted the report.

#### 4.12 Capital Programme – Update CGDL21(APR)12

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.

Martin McKay then provided an update on the issues with the roof defect on the Red Tree Magenta building. Martin provided background information in relation to the issues, advising that investigations had been undertaken, that the costs of the repair would lie with the contractor and not with Clyde Gateway, that there would be some disruption to the tenants of the building and that he was hopeful the necessary work could commence in May and would take approximately 14 weeks to complete. Martin further advised that legal advice had been sought on the situation and that managing tenants' relations was paramount.

After consideration, the Board noted the report.

#### 4.13 Integrated Energy Strategy – UK Geoenergy Observatories Phase 2 CGDL21(APR)13

Martin McKay presented a report updating the Board with progress on the UK Geoenergy Observatories (UKGEOS) project at Cuningar Loop.

Martin provided background information in relation to Phase 1 of the project as well as a description of the next phase, and that a planning application for Phase 2 activities had been approved in December 2020. Martin also advised that the outcome of the bid lead by University of Strathclyde to carry out further research and deliver substantive geothermal projects which included the Clyde Gateway area based on the UKGEOS activity to date would be known by end of April 2021.

After consideration, the Board noted the report.

#### 4.14 Dalmarnock North - Site and Property Disposals CGDL21(APR)14

John Jackson presented a report regarding the process undertaken to identify a preferred developer/purchaser and progress the sale of 2 assets, Lot 1 – 1.37 hectares (3.38 acres) of land at Dalmarnock North and Lot 2 – Unit 6 extending to 1,112.70 square metres (11,977 square feet) of industrial and office accommodation.

John provided background information in relation to both sites as well as information around the tender process and bidders who had noted their interest.

After consideration, the Board noted the report.

#### 4.15 Finance Report – Period Ended 31 March 2021 CGDL21(APR)15

Barry Macintyre presented a report outlining the consolidated financial performance of both Clyde Gateway URC and Clyde Gateway Developments Limited at 31 March 2021.

After consideration, the Board noted the report.

#### 4.16 Delegated Authority – 6 months to 31 March 2021 CGDL21(APR)16

The Board noted the project budget allocations approved under delegated authority for the six months from 1 October 2020 to 31 March 2021.

### **5 Any other business**

Barry Macintyre advised that a one-off meeting may require to be organised in order to seek approval on several potential items of urgent business which could not wait until the next scheduled Board meeting at the end of June. Contact would be made with the directors to identify a suitable date.

### **6 Date, time and venue of next meeting.**

The next meeting is currently due to be held on Friday, 25 June 2021 at 1.00pm via Microsoft Teams.

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