

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of meeting of 22 April 2022, by video conference

Present: David Bankier
John Gallacher (Chair)
Councillor Greg Hepburn (Glasgow City Council)
Stuart Heslop
Ian Manson
Derek McCrindle (Scottish Enterprise)
Councillor Carol Nugent (South Lanarkshire Council)

Apologies: Gillian Adam (Scottish Enterprise)

In attendance: Alison Brown (Clyde Gateway)
John Jackson (Clyde Gateway)
Lesley-Ann Logan (Clyde Gateway)
Barry Macintyre (Clyde Gateway)
Martin McKay (Clyde Gateway)
Michelle Mundie (Glasgow City Council)
Angela Rowley (Clyde Gateway)
Nicki Spence (Clyde Gateway)
Lynne Valentine (Clyde Gateway)
Robert Young (Clyde Gateway)
Donna Brand (Minutes)

1. Welcome, introductions, apologies and declarations of interest

John Gallacher welcomed everyone to the meeting, and apologies were noted from Gillian Adam. John declared an interest in item 4.1 – Prospecthill Circus, Toryglen and vacated the Chair, which was assumed by David Bankier, for this item only.

2. Minutes of previous meeting approved

The minutes of the previous Board meeting of Clyde Gateway Developments Limited held on 25th February 2022 were submitted and approved.

3. Chief Executive's Report

Ian advised that additional funding amounting to £3.5m has been received from the Scottish Government following year-end spend decisions and means that the core support received this year amounts to a total of £9m. Securing this additional funding required considerable effort from our Finance team and Government colleagues.

The Scottish Government is currently making final decisions on its Resource Spending Review, which is due to be published in the form of multi-year spending plans in May covering the period up to the end of this Parliament in 2026/27, and it is hoped that Clyde Gateway will again be amongst those benefiting from greater financial certainty with at least the current level of revenue support confirmed for the period.

Clyde Gateway is leading the Clyde Mission on 'Better Places for Communities' and the first phase of activity has ended with recommendations to the Scottish Government to create an investment programme for riverside places and new measures to connect unemployed local people in riverside communities with existing and planned economic opportunities.

The UK Government has now set a deadline this summer for the submission of the next round of Levelling-Up Funds and work is underway with partners to complete a Shawfield bid.

Local political representatives continue to make contact with the Scottish Government on Shawfield decontamination and in parallel, discussions have taken place directly with some of the civil servants responsible for advising Ministers on the contamination issue and involved in recent Scottish Government publications reporting its damaging impact on local watercourses, the River Clyde and Scotland's coastal marine environment.

Along with our partner, Highbridge, a submission has been made to attract to Magenta a new 250,000 sq ft requirement in the market which is believed to be the Scottish Government seeking a location for its proposed new office hub.

4. For approval

4.1 Prospecthill Circus, Toryglen – Site Disposal CGDL22(APR)01

John Jackson presented a report seeking approval to extend the long-stop date to purify suspensive conditions for the agreed missive between Cruden Estates Limited (CEL) and Clyde Gateway Developments Limited (CGDL) for the disposal of part of a site at Prospecthill Circus in Toryglen to CEL to facilitate development of 56 houses due to the developer experiencing prolonged planning application timescales.

Following approval by the Board to dispose the site to CEL for development, John outlined the circumstances which had led to the request to extend the long-stop date to 31st March 2023.

After consideration, the Board approved a 6-month extension of the long-stop date purify conditions to 30th September 2022 and the ultimate long-stop date until 31st March 2023, contained within the missives agreed between Cruden Estates Limited (CEL) and Clyde Gateway Developments Limited (CGDL) to dispose part of the site outlined in Appendix 1 of the report.

4.2 Red Tree @ Eastworks – Full Business Case CGDL22(APR)02

Martin McKay presented a report outlining the Full Business Case for the proposal for the establishment of a Red Tree workspace to be delivered and operated by CGDL within Unit 5 of the Eastworks development in Dalmarnock, including an allowance for revenue costs.

Martin advised that following the Board's approval of the strategic intent to deliver a Red Tree offer within Unit 5 at Eastworks at its meeting on 27 August 2021 (CG21(AUG)03), it was noted that as a result of the COVID-19 pandemic, there was an opportunity to respond to the changing office market by creating a new flexible working environment. Martin outlined the proposed project and the preferred layout design of the unit following the procurement of a Design Team.

After consideration, the Board

(1) approved

- (a) the Full Business Case (FBC) to fit out Unit 5 at EastWorks as a Red Tree facility at a current estimated capital cost of [REDACTED] excluding recoverable VAT;
- (b) the estimated net cumulative operating revenue expenditure of £200,000 excluding recoverable VAT commencing financial year 2022/23; and
- (c) the appointment of a Full Design Team up to a cost of [REDACTED] excluding recoverable VAT included within the total sum for approval; and

(2) noted

- (a) the total sum for approval was [REDACTED] excluding recoverable VAT; and

- (b) that these approvals did not commit the Board to a full investment decision and that this would be subject to confirmation of final construction costs and final approval which would be sought at a future board meeting.

4.3 148-152 Old Dalmarnock Road – Property Acquisition CGDL22(APR)03

Robert Young presented a report seeking approval to acquire property comprising of a public house and upper floor residential flat which would secure control of a prominent corner site at a principal entrance to the wider North Dalmarnock development sites.

Robert provided the background as to how the opportunity had arisen for CGDL to assemble a significant island site within the Dalmarnock area, and to acquire the remaining private sector heritable interest within the wider island site.

After consideration the Board approved the acquisition of a property at 148-152 Old Dalmarnock Road from Dalmarnock Commercial Property Limited (DCPL) for a total cost of £221,180 comprising a purchase price of £170,000, Land and Building Transaction Tax of £1,180 and demolition costs of £50,000, exclusive of recoverable VAT.

4.4 National Business District Shawfield (Phase 2) – Site Investigation and Associated Works CGDL22(APR)04

Martin McKay presented a report seeking approval for a total project budget of [REDACTED] (including partially irrecoverable VAT) for site investigations and associated works on sites in both Clyde Gateway Developments Limited and third-party ownership at Shawfield (Phase 2.)

Martin provided the background to the Shawfield Phase 2 project and outlined the reasons why site investigation works were essential to the next stage of remediation of Clyde Gateway Developments Limited owned sites. Martin also gave a comprehensive update on the works that would be required as well as associated fees in order to carry out this programme.

After consideration the Board

- (1) approved a total project budget of [REDACTED] (including partially irrecoverable VAT) for site investigations and associated works on sites in Clyde Gateway Developments Limited and third-party ownership at Shawfield Phase 2 which included:
 - (a) the appointment of ERS Remediation to carry out site investigation works up to a maximum cost of [REDACTED] (excluding partially recoverable VAT);
 - (b) an increase to the Polmadie Burn Feasibility Study budget from [REDACTED] to [REDACTED] an increase of [REDACTED];
 - (c) an increase to the Shawfield Water Quality Monitoring budget from [REDACTED] to [REDACTED], an increase of [REDACTED];
 - (d) professional fees of [REDACTED] (excluding partially recoverable VAT);
 - (e) a project contingency of [REDACTED]; and
 - (f) irrecoverable VAT of [REDACTED] associated with third-party ownerships; and
- (2) noted that the initial commitment under the contract with ERS Remediation would be Section 1 works on Clyde Gateway Developments Limited owned land at [REDACTED] with a total cost of [REDACTED] excluding recoverable VAT including fees, and that further commitments against third-party ownerships would be subject to agreement and programme and would be reported to the board.

4.5 Bridgeton Civic Hub: City Mile – Professional Fees CGDL22(APR)05

Alison Brown presented a report seeking approval to extend the appointment of the design team through the hubWest Scotland Strategic Services Framework to progress the design of Bridgeton Civic Hub: City Mile to RIBA Stage 4 – Developed Design.

Alison provided background information into the project and advised that the Board had approved the design of a commercial development which had resulted in planning consent being secured in March 2012. Alison explained that the project consisted of the development of a 2-storey office development and associated site and public realm works linking to Bridgeton Cross, and provided the anticipated programme of activity.

After consideration, the Board

(1) approved

- (a) the extension of the appointment of the design team through the hubWest Scotland Strategic Services Framework to progress the design of Bridgeton Civic Hub: City Mile to RIBA Stage 4 – Developed Design at a cost of £188,976 (excluding recoverable VAT); and
- (b) funding for surveys, statutory consents and contingency amounting to £70,000 (excluding recoverable VAT); and

(2) noted the total project cost for approval was £281,637 (excluding recoverable VAT).

For information

4.6 Asset Disposals Strategy CGDL22(APR)06

Barry Macintyre presented an update on the asset disposals strategy setting out the key achievements to date, the latest forecast receipts within the rolling Funded Operating Plan spanning 2022/23 to 2025/26 and on the other land and property currently sitting outside this period but now under consideration for sale.

After consideration, the Board noted the report.

4.7 Capital Programme CGDL22(APR)07

Alison Brown provided an update of the Capital Programme and of projects at the pre-development stage. She advised that there were several projects which had been completed in 2021/22 and 2022/23 and provided further information on projects which were still on site.

After consideration, the Board noted the report.

4.8 Delegated Authority Approvals – 6 months to 31st March 2022 CGDL22(APR)08

The Board noted the project budget allocations approved under delegated authority for the six months from 1 October 2021 to 31 March 2022.

5. Date, time and venue of next meeting

The Board noted the next meeting would be held on Friday 24 June 2022 at 1.00pm and most likely by video conference.