

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of Meeting of 26 August 2022

Present: Gillian Adam (Scottish Enterprise) – by telecom
David Bankier
John Gallacher (Chair)
Councillor Greg Hepburn (Glasgow City Council) – by telecom
Stuart Heslop
Ian Manson

In attendance: David Booth (South Lanarkshire Council)
Alison Brown (Clyde Gateway)
Graham Forsyth (Clyde Gateway)
Lesley-Ann Logan (Clyde Gateway)
Barry Macintyre (Clyde Gateway)
Martin McKay (Clyde Gateway)
Ken Meek (South Lanarkshire Council)
Bernadette Pollock (Clyde Gateway)
Craig Ritchie (Clyde Gateway)
Angela Rowley (Clyde Gateway)
Lynne Valentine (Clyde Gateway)
Donna Brand (Minutes)

1. Welcome, introductions, apologies and declarations of interest

John Gallacher welcomed everyone to the meeting. He advised that Councillor Robert Brown, South Lanarkshire Council, had offered his service to this Board, and that a report would be presented to the Clyde Gateway URC meeting later this afternoon seeking approval.

There were no apologies or declarations of interest.

2. Minutes of previous meeting approved

The Minutes of the previous Board meeting of Clyde Gateway Developments Limited, held on 24 June 2022, were submitted and approved, noting that item 4.14 Finance Report – Period ended 31 May 2022, had been presented by Bernadette Pollock.

3. Chief Executive's Report

Ian Manson thanked everyone involved in preparing the 2021/22 Financial Statements. He stated that Clyde Gateway's successful asset disposal programme was reflected in the results. It was also evident that although the revenue funding model was being made to work it represents an extremely complex and challenging approach to maintaining both companies' capacity to operate and was too heavily dependent on asset sales.

Ian referred to the four year Funded Operating Plan, approved at the previous meeting, in which Clyde Gateway forecast a £70m programme, including the resources necessary to fund its team. Clyde Gateway's track record in securing additional funding suggested that this programme could grow to nearer £100m which represents a major regeneration programme of investment in the local communities. Ian felt that this level of investment was at stake and therefore it was essential that the Members and stakeholders to address the risks around revenue funding in an even more challenging public finance environment.

With regards to the Shawfield challenge, Ian advised that the resources for a planned intervention and a sensible completion date continued to be sought. Significant time continued to be invested in making the case and securing funds with the submission of the Levelling Up Fund bid prior to the submission portal closing on 10 July. This bid required a massive effort from staff and had the full support of South Lanarkshire Council and the local MP.

Ian had welcomed the new South Lanarkshire Council Leader Joe Fagan on a tour of the Shawfield area, accompanied by the local authority's CEO, Cleland Sneddon, and Director of Enterprise Resources, David Booth.

Clyde Gateway's involvement in the Clyde Mission continues successfully with Phase 2 of Cuningar Woodland Park, which has received funding from this initiative, due to be completed soon. The wider work to develop plans for the entire River Clyde, and drawing from the approach taken in Clyde Gateway, had progressed with the Clyde Mission Strategy Group approving the proposals submitted by the Better Places Group which CG had led.

Ian advised that Clare Ferry had moved to a new role within Skills Development Scotland and would be missed.

Finally, Ian reported that a response to the Summer Newsletter had been received from Kate Forbes, Clyde Gateway's sponsoring Cabinet Secretary, in July recording her appreciation of Clyde Gateway's work and reaffirming that "the Scottish Government remains committed to supporting Clyde Gateway throughout the parliamentary term".

For approval

4.1 Financial Statements for the year ended 31 March 2022 CGDL22(AUG)01

Lesley-Ann Logan presented a detailed report seeking approval of Clyde Gateway Developments Limited's financial statements for year ended 31 March 2022.

After consideration, the Board approved the company's financial statements for the year ended 31 March 2022 as detailed in the appendix to the report.

4.2 Site Remediation – Management of Surplus Material CGDL22(AUG)02

Alison Brown presented a report seeking approval for the disposal of surplus material from a site in Dalmarnock, following approval by the Board at its meeting on 24 June 2022 to proceed with the disposal of the material to a third party.

After consideration, the Board:

- (1) approved
 - (a) the disposal of 16,670m³ of surplus material by VHE Construction from Plots A & B in Dalmarnock to Provan Gas Works at a cost of £1,529,753 (excluding recoverable VAT); and
 - (b) additional fees of £20,000 (excluding recoverable VAT) to allow further review of the Manscroft Place material and options for its disposal; and
- (2) noted the disposal of this material would be brought back to Board for approval at a future date.

4.3 National Business District, Shawfield (Phase 2), Polmadie Burn – Additional Professional Fees CGDL22(AUG)03

Martin McKay presented a report seeking approval of an investment decision to allow the Polmadie Burn project to progress and for further investigation work to be done, following completion of a feasibility study conducted to understand the complex influencing factors affecting it.

Martin provided a description of the findings of the feasibility study and the additional works that had been identified through the study.

After consideration, the Board approved further expenditure including professional fees, laboratory testing, contractor works and contingency to support the findings of the recently completed Polmadie Burn Feasibility Study at a cost of [REDACTED] (including irrecoverable VAT), thus increasing the overall budget from [REDACTED] to [REDACTED] (including irrecoverable VAT).

4.4 National Business District Shawfield (Phase 2), Grid Campus – Professional Fees CGDL22(AUG)04

Martin McKay presented a report seeking approval for the strategic intent and to appoint a design team to progress the design development for the initial industrial units which commenced delivery of the Shawfield masterplan.

Martin provided a detailed description of the works that had already been completed on the site as well those planned to be conducted in the next phase of the project.

After consideration, the Board approved

- (1) approved
 - (a) the strategic intent for Clyde Gateway Developments Limited to directly develop the initial two buildings at Shawfield GRID Campus at a forecast cost of [REDACTED] excluding recoverable VAT; and
 - (b) a budget of [REDACTED] excluding recoverable VAT to progress this initiative up to Royal Institute of British Architects Stage 4 – Technical Design together with surveys, legal and other pre-construction fees; and
- (2) noted the final investment decision, including funding sources, would come back for consideration.

For information

4.5 National Business District, Shawfield (Phase 1) – Red Tree Magenta – Close Out Report CGDL22(AUG)05

Alison Brown presented a report which provided an overview of the Red Tree Magenta project, the final financial position and concluding issues and future management matters.

After consideration, the Board noted the report.

4.6 Capital Programme Update CGDL22(AUG)06

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 2022/23 and provided further information on projects which were still on site.

After consideration, the Board noted the report.

4.7 Clyde Gateway Developments Limited – Articles of Association CGDL22(AUG)07

Barry Macintyre presented a report advising that the Board of Clyde Gateway URC would be asked to approve an amendment to the objects clause within the Articles of Association of Clyde Gateway Developments Limited which would align the development area wording with that used in the Articles of Association of the parent charity company.

After consideration, the Board noted the report.

4.8 Audit & Evaluation Committee – Meeting of 12 August 2022 CGDL22(AUG)08

The Board noted the agenda of the Audit & Evaluation Committee of 12 August 2022, and the approved minutes of the previous meeting of 10 June 2022.

4.9 Audit & Evaluation Committee – Annual Report 2021/22 CGDL22(AUG)09

David Bankier presented a report providing a summary of the audit work performed during 2021/22.

After consideration, the Board noted the report.

4.10 Finance Report – Period Ended 31 July 2022 CGDL22(AUG)10

Bernadette Pollock presented a report outlining the consolidated financial performance of both Clyde Gateway URC and Clyde Gateway Developments Limited at 31 July 2022.

After consideration, the Board noted the report.

4.11 Health & Safety Committee – Annual Report 2021/22 CGDL22(AUG)11

The Board noted the annual report of the Clyde Gateway Health & Safety Committee.

5. Any Other Business

Ian Manson introduced David Booth, Executive Director of Community and Enterprise Resources, South Lanarkshire Council to the Board members.

Ian advised that closing reports were a new feature on the agenda and that a similar report would be brought back to a future meeting of the Board for Rutherglen Links Business Park project which had just been completed.

Ian announced that Stuart Heslop had retired from his position at Royal Bank of Scotland and was delighted he would remain as a Board member of Clyde Gateway Developments Limited.

6. Date, time and venue of next meeting

The Board noted the next meeting would be held on Friday 28 October 2022 at 1:00 pm, venue to be confirmed.