

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of Meeting of 26 April 2023

Present: David Bankier(Chair)
Councillor Robert Brown
John Gallacher
Councillor Greg Hepburn
Stuart Heslop
Derek Shaw

In attendance: Martin McKay (Clyde Gateway)
Ken Meek (SLC)
Douglas Cameron (Clyde Gateway)
Graham Forsyth (Clyde Gateway)
Michael Gray (Glasgow City Council)
Lesley-Ann Logan (Clyde Gateway)
Barry Macintyre (Clyde Gateway)
Hugh Moore (Clyde Gateway)
Bernadette Pollock (Clyde Gateway)
Angela Rowley (Clyde Gateway)
Jamie Shields (Clyde Gateway)
Robert Young (Clyde Gateway)
Angela McGraw (Clyde Gateway)
Josie Stevenson (Minutes)

1. Welcome, introductions, apologies and declarations of interest

David Bankier welcomed everyone to the meeting. The Chair welcomed Martin McKay to his first meeting as Chief Executive. Apologies had been received from Alison Brown (South Lanarkshire Council)

There were no declarations of interest.

2. Minutes of previous meeting and any matters arising

The Minutes of the previous Board meeting of Clyde Gateway Developments Limited, held on 24 February 2023, were submitted, and approved. No matters were raised under matters arising.

3. Chief Executive's Report

Martin welcomed the board to the Olympia office which had been refreshed to promote Clyde Gateway's brand, purpose, and future development including the transition to Net Zero and GRID status. Martin provided an update on the following:

- Staff appointments - the recruitment process for the post of Executive Director of Regeneration is to commence shortly supported by Solace.
- Shawfield Completion – following a meeting with the Chief Executives of both GCC and SLC and further engagement with Scottish Government officers CG continues to pursue the funding necessary to complete the remediation of Shawfield thereby unlocking this area's significant economic potential and improving the environment.
- Work is ongoing with Scottish Enterprise to agree an MoU for the delivery of business space suitable for High Value Manufacturing companies.

4. For approval

4.1 Funded Operating Plan 2022/23 – 2025/26 CGDL23(APR)01

Lesley-Ann Logan sought approval of the latest version of the Funded Operating Plan which reflected re-forecasting results undertaken at the end of the financial year 2022/23.

After consideration, the Board approved the latest version of the rolling Funded Operating Plan and noted its basis of preparation.

4.2 New Olympia House Lease - CGDL23(APR)02

Craig Ritchie sought approval to let New Olympia House, with a purchase option, to Scripture Union Scotland for its Scottish headquarters and Glasgow base. New Olympia House is a prominent building within the Bridgeton Conservation Area which is undergoing comprehensive refurbishment to provide modern, self-contained commercial space and a flexible working environment.

After consideration, the Board

- (a) Approved the lease of the New Olympia House office building to Scripture Union Scotland for a period of ten years with a tenant break option on the fifth anniversary, at a rent of [REDACTED] per square foot which equates to a rental of [REDACTED] per annum net of VAT.
- (b) Approved a tenant's incentive equivalent to [REDACTED] if the break option is not exercised.
- (c) Approved a tenant option to purchase between the third and fifth anniversary of the lease date of entry for [REDACTED] net of VAT or at market value net of VAT whichever is the greater.

4.3 Eastworks Dalmarnock Lease - CGDL23(APR)03

Craig Ritchie sought approval for the letting of Unit 1 at EastWorks to Utopi Limited thereby enabling this growing Scottish based company to scale-up its digital technology business by relocating to larger high specification offices.

After consideration, the Board

- (a) Approved the Lease of Unit 1 at EastWorks and 5 parking spaces to Utopi Limited for a period of five years at a rent of [REDACTED] per square foot, which equates to a rental of [REDACTED] per annum net of VAT. The net effective rent after incentives is [REDACTED] per square foot.
- (b) Approved a tenant's incentive equivalent to [REDACTED]
- (c) Approved a capital contribution of [REDACTED] inclusive of VAT towards the tenant's fit out works.
- (d) Approved a landlord's contribution of [REDACTED] inclusive of VAT to complete the Cat A fit out e.g. floor coverings and floor boxes.
- (e) Approved a service charge cap, excluding utilities and district heating costs, in year 1 of [REDACTED] per square foot which is subject to annual compound uplifts in line with CPI.
- (f) Approved associated professional fees of approximately £27,000 net of recoverable VAT.

4.4 NBD Shawfield – Water Quality Monitoring - CGDL23(APR)04

Lynne Valentine sought approval for an expanded scope for the water quality monitoring at Shawfield and an increase of £151,444 in the corresponding budget from £510,639 to £662,083 (excluding recoverable VAT)

After consideration, the Board

- (a) Approved AECOM sampling fees and laboratory fees of £134,722
- (b) Approved Turner & Townsend fee of £3,000; and
- (c) Contingency of £13,722

4.5 Site Remediation Management of Surplus Materials - CGDL23(APR)05

Ken Dee reported on the movement of surplus materials from Plots A and B at Dalmarnock and reviewed the financial outturn against the approved budget.

After consideration, the Board

- (a) Approved an increase of the approved budget of [REDACTED] by [REDACTED] to [REDACTED] due to compensation events above the existing contingency levels.
- (b) Noted the total payments to date of [REDACTED] approved under Delegated Authority.

4.6 Dalmarnock North- Sale of Land (Lot 1) – CGDL23(APR)06

Robert Young sought approval to provide a financial contribution to Colhoun Estates (Dalmarnock) Limited to support industrial development at Dalmarnock North.

After consideration, the Board

- (a) Approved payment of a capital contribution of [REDACTED] (no VAT) to support the developer Colhoun Estates (Dalmarnock) Limited (CEDL) in addressing unanticipated abnormal ground conditions.
- (b) Approved payment of a contribution of [REDACTED] (no VAT) towards CEDL's professional fees.

4.7 Community Energy Project, Extension of District Heating Network- CGDL23(APR)07

Hugh Moore sought approval to extend the existing live network to the district heating pipework previously installed in Colvend St and to complete diligence and upgrading of the plot valve connections within this pipework at a total cost of [REDACTED]

Hugh also sought approval for the direct appointment of Vital Energi Ltd to carry out the works in connection with extending and livening the district heating network.

4.8 Investment Properties & Residual Assets -Operating Budgets 2023/24 to 2025/26 (CGDL23(Apr)08

Angela Rowley informed the Board on actual performance against the 2022/23 component of the previously approved Investment Properties and Residual Assets (IPRA) budget and sought a new approval for the next three financial years spanning 2023/24 to 2025/26.

After consideration, the Board

- (a) noted the actual outturn of the Investment Properties and Residual Assets (IPRA) portfolios for 2022/23 and approve:

- (b) Approved a rolling operating budget at a forecast deficit cost of £3,412,249
- (c) Approved an operating expenditure budget of £6,517,072 net of VAT for the three financial years spanning 2023/24 to 2025/26.

For information

4.9 Integrated Energy Strategy – Partnership Development Update CGDL23(APR)09

After consideration, the Board noted the report.

4.10 Clyde Gateway East Business Park Management Arrangements - CGDL23(APR)10

After consideration, the Board noted the report.

4.11 Capital Programme Update- CGDL23APR)11

After consideration, the Board noted the report.

4.12 Finance Report – Period Ended 31st March 2023 - CGDL23(APR)12

After consideration, the Board noted the report.

4.13 Delegated Authority Approvals – Six months to 31st March - CGDL23(APR)13

After consideration, the Board noted the report.

5. Any Other Business

No further items of business were raised.

6. Date, time and venue of next meeting

The Board noted the next meeting would be held on Friday 30 June 2023 at 1:00pm, venue to be confirmed.
