

# MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

## Minutes of Meeting of 15 December 2023

**Present:** David Bankier  
Councillor Robert Brown (South Lanarkshire Council)  
John Gallacher (Chair)  
Councillor Greg Hepburn (Glasgow City Council) \*  
Stuart Heslop \*  
Martin McKay (Clyde Gateway)

**Apologies:** Derek Shaw (Scottish Enterprise)

**In attendance:** Alison Brown (South Lanarkshire Council)  
Dougie Cameron (Clyde Gateway)  
Ken Dee (Clyde Gateway)  
Allan Drysdale (Clyde Gateway)  
David Glennon (Clyde Gateway)  
Martin Joyce (Clyde Gateway)  
Barry Macintyre (Clyde Gateway)  
Natalie Phillips (Clyde Gateway)  
Bernadette Pollock (Clyde Gateway)  
Craig Ritchie (Clyde Gateway)  
Angela Rowley (Clyde Gateway)  
Lynne Valentine (Clyde Gateway)

\*attendance by video link

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

John Gallacher welcomed those present to the meeting. It was noted that apologies had been received from Derek Shaw.

Barry Macintyre advised that Clyde Gateway Developments Limited's (CGDL) fifteenth AGM had taken place on 14 December 2023. Under the Articles of Association the Chair is required to step down from this office following the AGM and then seek re-appointment to it. John Gallacher had expressed a willingness to be considered for re-appointment as Chair and this matter was now put to the other directors for consideration. The Board approved John's re-appointment as Chair.

The Chair declared an interest in item 4.10 – Prospecthill Circus, Toryglen – Site Disposal and advised that he would excuse himself during consideration of that item.

### 2. Minutes of previous meeting and any matters arising

The Minutes of the previous Board meeting of Clyde Gateway Developments Limited, held on 27 October 2023, were submitted and approved.

### 3. Chief Executive's Report

Martin McKay gave a verbal report during which he:

- Provided introductory comments in relation to the Levelling Up Fund award and advised that meetings had taken place with the Chief Executives of both Councils to progress completion discussions and that work on a Business Case is underway.
- Informed that in relation to Investment Zones that submission had been made via South Lanarkshire Council for a Clyde Gateway Investment Zone status focussing on Advanced Manufacturing and including a 200ha Tax Zone encompassing the former Clydebridge works.
- Noted that engagement continued to take place with Higher Education Institutions in Glasgow, such as Glasgow University and the University of Strathclyde.
- Advised that he had written to Tom Arthur MSP in relation to the Scottish Government Hub asking that the Clyde Gateway area be considered and a response was awaited.
- Highlighted some of the PR, Marketing and Media work which had taken place including him speaking at the Homes for Scotland Conference and hosting several visits to Clyde Gateway energy projects.

The Board noted the verbal update by the Chief Executive.

#### **4. Presentation**

##### **4.1 National Business District Shawfield Overview**

A presentation was given which provided an overview and set the context for each of the reports on the agenda in relation to the National Business District (NBD) Shawfield.

It was advised that the governance structure comprised of the Shawfield Delivery Board with a number of specific project boards supporting this.

The Board noted the content of the presentation.

#### **For approval**

##### **4.2 NBD Shawfield (Phase 2) – Levelling Up Fund – CGDL23(DEC)01**

Martin Joyce presented a report which provided details of a successful award of £14.6m from the third round of the Levelling Up Fund (LUF) and sought to delegate approval for the related governance arrangements.

It was advised that the LUF application was titled as 'National Business District: Shawfield Remediation and Development' and contained three component projects which were, Shawfield Phase 2 remediation, Shawfield Grid Campus Plots A and B, and Polmadie Burn works. The report indicated that the overall cost for this programme of works had been revised and estimated to have increased to £20.1m.

This increase meant that the match funding required had gone up significantly and the Board expressed some caution with regard to ensuring that commitments were able to be balanced.

The Chief Executive also confirmed that the UK Government had been clear that no additional monies would be available over and above the figure awarded.

After consideration the Board noted the LUF award in respect of the National Business District, Shawfield and agreed to delegate authority to the Chief Executive to conclude the necessary agreements and governance arrangements with SLC and GCC.

#### 4.3 NBD Shawfield (Phase 2) – Grid Campus Development of Plots A and B – CGDL23(DEC)02

Martin Joyce presented a paper which sought budget approval to proceed with the development of two industrial units on the first remediated site within Phase 2 at Shawfield, whilst noting the tendering timetable as well as the confirmed and potential funding sources.

After consideration the Board agreed to proceed with the construction of two industrial units on land the company has remediated at Phase 2 of the NBD Shawfield, by approving, net of recoverable VAT:

- (i) A total capital investment, based on pre-tender estimates, and project budget of [REDACTED] including the previously approved budget of [REDACTED] for technical design and other pre-construction professional fees.
- (ii) The appointment of a main contractor, based on the most economically advantageous tender, up to a pre-tender estimate, including inflation and contingency, of [REDACTED].
- (iii) The estimated revenue holding costs from practical completion of the industrial units until letting of [REDACTED]

The Board also noted the construction of both buildings is subject to confirmation of a minimum £4.2m allocation from the overall LUF award of £14.6m made by the UK Government and satisfactory appraisal by Scottish Enterprise (SE) of grant funding of up to £1.26m under the High Value Manufacturing MoU with this Member. It was further noted that the Board will be notified of progress including the tender outcome and final budget at its meeting on 23 February 2024.

#### 4.4 NBD Shawfield (Phase 2) – Product Testing – CGDL23(DEC)03

Lynne Valentine introduced a report which advised that to deliver the next phase of the remediation strategy at 241 Glasgow Road in Shawfield Phase 2, Product Testing Works are required to be carried out to inform the remediation design. The paper sought approval for a project budget of [REDACTED] (excluding recoverable VAT), covering design team fees, laboratory fees, contractor fees and contingency.

After consideration the Board approved a total project budget of [REDACTED] (excluding recoverable VAT) for Product Testing Works at 241 Glasgow Road in Shawfield Phase 2, comprising design team fees, laboratory fees, contractor fees and contingency.

#### 4.5 NBD Shawfield (Phase 2) – Shawfield Gateway Stages 2 and 3 – CGDL23(DEC)04

Dougie Cameron presented a report which sought approval to conclude conditional missives for the acquisition of the remaining heritable interests required to facilitate construction and final completion of the Shawfield Gateway.

After consideration the Board agreed to approve:

- (i) Conclusion of conditional missives with H Morris & Co Ltd (HMCL) and Ariel Investments Ltd (AIL) for the acquisition of the remaining heritable interests required to facilitate the design, construction and final delivery of the completed Shawfield Gateway (Formerly Shawfield Regeneration Route), for a total sum of [REDACTED] excluding recoverable VAT; and
- (ii) Accommodation works, professional legal and valuation fees estimated at £186,030.

#### 4.6 NBD Shawfield (Phase 2) – Shawfield Gateway Design Fees – CGDL23(DEC)05

Dougie Cameron presented a paper which sought approval to progress pre-development works for stages 2 and 3 of the Shawfield Gateway (formerly Shawfield Regeneration Route), including utility diversions and statutory approvals.

After consideration the Board approved a total sum of [REDACTED] (excluding recoverable VAT) for the following activity at Shawfield Phase 2:

- (i) Professional fees, statutory fees, site investigations and surveys to support the technical design and requirements to progress the delivery of stages 2 and 3 of the Shawfield Gateway.

#### 4.7 SDIUIF – South Dalmarnock Masterplan Refresh – CGDL23(DEC)06

David Glennon presented a paper which provided an update of the South Dalmarnock Integrated Urban Infrastructure Framework (SDIUIF) and sought strategic approval for the 2023 version which will support emerging developments, planning applications and the land use reallocation of plots.

The Board noted the update of the South Dalmarnock Masterplan and agreed strategic approval for the revised version which will support emerging developments, planning applications and the ongoing reallocation of plots.

#### 4.8 Dalmarnock North – Power Infrastructure – CGDL23(DEC)07

Angela Rowley presented a paper which sought approval for an amended power infrastructure proposal for Dalmarnock North which comprises reconciling the original investment delivered through SSE Contracting and Utility Solutions Limited, and entering into an agreement with Energetics to adopt and provide an investment proposal for the existing sub stations to deliver capacity to the remaining development sites within Dalmarnock North.

After consideration the Board approved to:

- (i) Enter into an agreement with Energetics to carry out due diligence on the existing substations and progress the new Point of Connection (PoC) provided by Scottish Power Energy Networks (SPEN) at a cost of [REDACTED]
- (ii) Enter into an agreement with Energetics for an alternative investment proposal based on the adoption of the sub stations, the updated capacity and site load requirements.
- (iii) The Board also noted that in respect of reconciling the original SSE Utility Solutions Limited (SSEUSL) investment proposal a repayment of [REDACTED] is being processed back to CGDL.

#### 4.9 Cuningar Loop (Phase 3) – Investment Decision – CGDL23(DEC)08

Ken Dee presented a report which sought budget approval to proceed with the 4.0 hectares extension to the Cuningar Loop Woodland Park, with external grant award anticipated in February 2024.

During discussion of the item the Board queried the approval to tender being sought prior to confirmation that funding was in place and officers sought to reassure the Board that should the funding application to the Scottish Government's Vacant and Derelict Land Investment Programme be unsuccessful then a revised project proposal would be provided to the Board. It was also highlighted that the approval was required prior to the date of the February Board meeting.

After consideration the Board:

- (i) Approved a total project capital budget of [REDACTED] to construct Phase Three of the Cuningar Loop Woodland Park including the previous cumulative approved budget of [REDACTED] for survey works, site investigations and professional fees.

- (ii) Agreed to authorise the Chief Executive to enter into a contract for tendered works of up to [REDACTED] including three years maintenance costs.

The Board also noted:

- (i) That all budget figures are inclusive of irrecoverable VAT.
- (ii) The recent stage 2 submission of [REDACTED] from the Scottish Government's Vacant and Derelict Land Investment Programme (VDLIP).

#### 4.10 Prospecthill Circus, Toryglen – Site Disposal – CGDL23(DEC)09

*John Gallacher excused himself for this item and David Bankier took the Chair.*

Craig Ritchie presented a paper which sought approval to vary the outline sale terms previously agreed with Cruden Estates Limited (CEL) to acquire land necessary for a residential development of 56 units at Prospecthill Circus, Toryglen, following the expiry of suspensive planning conditions due to a prolonged planning approval process.

After consideration the Board agreed to recommend the following amendments to the previously agreed missives between CEL and CGDL, following the expiry of the previous planning approval ultimate long stop date of 31st March 2023:

- (i) A price of [REDACTED] plus recoverable VAT, net of abnormal deductions
- (ii) A longstop date of [REDACTED] from the conclusion of revised conditional missives

The Board also noted that the site to be sold remains part of site OT11 as per the updated indicative plan within Appendix 1 of the report which now included a strip of land along the eastern site boundary and within the planning boundary, which was transferred from GCC to CGDL in September 2023.

#### **For information**

#### 4.11 NBD Shawfield (Phase 2) – WP1 Remediation Outcomes – CGDL23(DEC)10

Lynne Valentine presented a report which asked the Board to note the outcome of the remediation and earthworks contract Work Package 1 at Shawfield Phase 2, following issue to the regulator South Lanarkshire Council, of the Validation Report and two-yearly interpretive assessment of quarterly water quality monitoring.

The Board noted the information contained within the paper.

#### 4.12 NBD Shawfield (Phase 2) – Site Investigation Outcomes – CGDL23(DEC)11

Lynne Valentine presented a report which provided information on the site investigation works at Shawfield, which are required to widen the knowledge of Chromium contamination and below ground water flows across the masterplan area which impacts the River Clyde and the Polmadie Burn. The works are an essential first step in the process of remediation of CGDL owned sites.

The Board noted the outcome of the Site Investigation Works contract recently completed at Shawfield.

#### 4.13 Capital Programme Update - CGDL23(DEC)12

Martin Joyce presented a paper which provided a progress report on the capital development programme, including details of projects at the pre-development stage.

The report set out the stages which capital projects were at and provided notable updates as well as highlighting any significant risks.

The Board noted the contents of the report.

#### 4.14 Finance Report to 30 November 2023 – CGDL23(DEC)13

Bernadette Pollock presented a paper which provided an overview of financial activity for the four months to 30 November 2023.

It was highlighted that the figures were set against the operating plan as revised at the October Board meeting and that expenditure for Goals 1-3 were all slightly behind forecast.

It was further advised that the Financial Statements had now been signed off and submitted to Companies House.

The Board noted the contents of the report.

#### **5. Any Other Business**

No further items of business were raised.

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

The Board noted that the next meeting would be held on Friday 23 February 2024 at 1:00pm, in the Olympia, Bridgeton Cross.

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