

MEETING OF CLYDE GATEWAY DEVELOPMENTS LIMITED

Minutes of Meeting of 26 April 2024

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)
Allan Drysdale (Clyde Gateway)
Martin Joyce (Clyde Gateway)
Hugh Moore (Clyde Gateway)
Bernadette Pollock (Clyde Gateway)
Angela Rowley (Clyde Gateway)
Jamie Shields (Clyde Gateway)
Niki Spence (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. There were no declarations of interest made.

2. Minutes of previous meeting and any matters arising

The Minutes of the previous Board meeting of Clyde Gateway Developments Limited, held on 23 February 2024, were submitted and approved.

3. Chief Executive's Report

Martin McKay gave a verbal report during which he:

- Thanked Board Members for the approval of reports via written procedures since the last Board meeting and highlighted that year-end had progressed well with all necessary contract commitments secured.
- Informed the Board of recent success at the Scottish Property Awards with EastWorks securing the architectural excellence award and New Olympia House winning the Commercial Development (Small) of the year. It was also noted that EastWorks was a BCO regional finalist.
- Highlighted the recent visit of Nicole Paterson, Chief Executive of SEPA to Shawfield to discuss the wider project and support for the Levelling Up Fund (LUF) works.
- Noted visit of Ross Nimmo, Head of Place for the City Region, and his role in support of the Investment Zones and Clyde Gateway's bid.

- Noted the impending opening of Red Tree at EastWorks and the securing of several pre-lets of the space.

The Board noted the verbal update by the Chief Executive.

4. Business

For Approval

4.1 Funded Operating Plan 2024/25 – 2026/27 – CGDL24(APR)01

Bernadette Pollock presented the latest iteration of the rolling Funded Operating Plan which covered the three financial years from 2024/25 to 2026/27 which the Board was asked to approve.

During discussion it was reiterated that this presented the most pragmatic version of the plan which only showed funding which had been approved and it was anticipated that this would change over the 3 year duration as future funding was confirmed.

A question was raised by Cllr Hepburn in relation to timescales and design for the Dalmarnock Pocket Park and it was advised that pending approval it was anticipated work would begin in late summer 2024. It was suggested that a presentation on the design of the project be given to the next Community Committee meeting in June.

After consideration the Board agreed to approve the Funded Operating Plan.

4.2 Investment Properties and Residual Assets Budget 2024-2027 – CGDL24(APR)02

Angela Rowley presented a paper which informed the Board on actual performance against the 2023/24 component of the previously approved Investment Properties and Residual Assets (IPRA) budget and sought a new approval for the next three financial years spanning 2024/25 to 2026/27.

After consideration the Board noted the actual outturn of the Investment Properties and Residual Assets (IPRA) portfolios for 2023/24 and agreed to approve:

- (i) A rolling operating budget at a forecast deficit cost of [REDACTED].
- (ii) An operating expenditure budget of [REDACTED] net of VAT for the three financial years spanning 2024/25 to 2026/27.
- (iii) The extension of the Property Management Framework contract in favour of Colliers International Property Consultants Limited for 1 year at a cost of [REDACTED] plus recoverable VAT and subject to appropriate Service Charge recovery in Olympia, EastWorks and CGE Industrial Units.

4.3 NBD Shawfield (Phase 2) – Remediation Product Testing – CGDL24(APR)03

Martin Joyce presented a paper which sought approval for a revised project budget of [REDACTED] (excluding recoverable VAT), to deliver a comprehensive suite of remediation product testing works and water quality monitoring at 241 Glasgow Road in Shawfield Phase 2, which are required to inform the final remediation design solution.

The report provided detail in relation to the substantial changes in scope to the remediation works with associated increased costs set out in the paper.

After consideration the Board:

- (i) Approved the appointment of Environmental Remediation Services (ERS) to carry out Product testing works at a cost of [REDACTED] (excluding recoverable VAT)
- (ii) Approved an increase in the overall project budget for Product testing from [REDACTED] to [REDACTED] (excluding recoverable VAT), which represents an increase of [REDACTED] to cover the entirety of the revised scope of works required at this complex and highly contaminated site
- (iii) Noted that the increased Product Testing costs will be absorbed within the overall financial envelope for the site remediation works, which are capped as part of the LUF allocation
- (iv) Approved a budget of [REDACTED] for water quality monitoring requested by the regulator to be carried out during these works
- (v) Noted the costs incurred to date of [REDACTED] (excluding recoverable VAT).

4.4 D2 Grids Renewable Energy Project – CGDL24(APR)04

Martin Joyce presented a paper which provided the Board with an update on the D2 Grids project and sought approval for an additional [REDACTED], increasing the total capital project budget from [REDACTED].

The paper highlighted that a series of challenges had impacted the scope, programme and total costs of the project, and Martin explained the reasons for these in more detail.

After consideration the Board:

- (i) Approved an additional budget of [REDACTED] to complete project delivery, commissioning, and operation of the project.
- (ii) Approved the use of income received from the adjacent solar array system to address any operational deficit.
- (iii) Approved the inclusion of [REDACTED] excluding recoverable VAT, within the additional budget to enable the relocation of the surplus soil to be re-used at the Shawfield Riverside project.
- (iv) Noted the required revenue budget for the connection to Red Tree Magenta.

4.5 Residual Property Portfolio – Grounds Maintenance Contract – CGDL24(APR)05

Dougie Cameron presented a report which asked the Board to approve the appointment of a framework contractor for a period of 36 months, with the option of extension, to deliver a package of ground maintenance and ancillary works across the residual property portfolio.

It was highlighted that there was an error in the contract cost figure presented within the report and the correct cost was advised to the meeting for approval.

After consideration the Board:

- (i) Approved the appointment of Caledonian Maintenance Services Limited as the 3 year framework contractor (2024 - 2027) for provision of grounds maintenance at a total cost of [REDACTED] (net of recoverable VAT).
- (ii) Approved professional fees at a cost of [REDACTED] (net of recoverable VAT).
- (iii) Approved the overall total sum of [REDACTED] (net of recoverable VAT).

For information

4.6 Funding Update – CGDL24(APR)06

Dougie Cameron presented a paper which provided an update and overview of current funding sources and funding issues Clyde Gateway are engaging with and reviewing.

Dougie drew attention to the funding streams set out in the report totalling almost £21m, also noting the Investment Zones bid in conjunction with partners which would be worth £80m. He also highlighted that the VDLIF and RCGF funds were currently paused, however, there were two bids (Dalmarnock Open Space Project and Dalmarnock RED High Value Manufacturing) which had been submitted to GCC's Vacant and Derelict Land Fund which it was anticipated would be approved.

After consideration the Board noted the update report.

4.7 Capital Programme Update – CGDL24(APR)07

Jamie Shields presented a paper which provided a progress report on the capital development programme, including projects at the pre-development stage.

Specific project updates were provided in relation to Shawfield Grid Campus, D2 Grids, Clyde Gateway East Greening and Cuningar Loop Phase 3.

In relation to risks it was highlighted that changes to the Scottish Environmental Protection Agency regulations presented a challenge as they would apply to projects already under construction, which is impacting in particular on Clyde Gateway East. It was noted that it was critical that the design team are able to discharge planning conditions prior to the completion date at the end of June.

After consideration the Board noted the contents of the report.

4.8 Finance Report – Period Ended 31 March 2024 – CGDL24(APR)08

Bernadette Pollock presented a paper which provided an overview of financial activity for the year to 31 March 2024. It was advised that the figures were draft and still subject to any year-end audit amendments. It was noted that finalised year-end figures to 31 March 2024 would be brought back to the Board in due course.

It was highlighted that the draft results, including reserves carried forward, for the year to 31 March 2024, were incorporated in the Funded Operating Plan (CGDL24(APR)01) on the agenda.

After consideration the Board noted the contents of the report.

4.9 Delegated Authority Approvals – 6 Months to 31 March 2024 – CGDL24(APR)09

Bernadette Pollock presented a paper which informed the Board of budgets approved under delegated authority for the six months from 1 October 2023 to 31 March 2024.

After consideration the Board noted the contents of the paper.

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 28 June 2024 at 1:00pm, in the Olympia, Bridgeton Cross.