

**JOINT MEETING OF CLYDE GATEWAY URC
AND CLYDE GATEWAY DEVELOPMENTS LIMITED**

Minute of Board Meeting of 27th August 2018.

Present: Lord Smith of Kelvin, Chair
Ian Manson, Chief Executive
Councillor John Anderson, South Lanarkshire Council
Councillor Mandy Morgan, Glasgow City Council
Ann Clyde, Co-opted Director
Robert McLeary, South Lanarkshire Community Representative
Alan McQuade, Scottish Enterprise

Clyde Gateway Developments Limited Board

David Bankier
John Gallacher
Stuart Heslop

Apologies: Councillor Greg Hepburn, Glasgow City Council
Councillor Carol Nugent, South Lanarkshire Council
Rosie Robertson, Glasgow Community Representative
Jim Watson, Scottish Enterprise

In attendance: Alison Brown, Clyde Gateway
Pauline Elliot, South Lanarkshire Council
Fionna Kell, Clyde Gateway
Lesley-Ann Logan, Clyde Gateway
Billy Love, Scottish Government
Barry Macintyre, Clyde Gateway
Martin McKay, Clyde Gateway
Bernadette Pollock, Clyde Gateway
Angela Rowley, Clyde Gateway
Niki Spence, Clyde Gateway
Amy Wimpenny, Clyde Gateway
Carol Jack (Minutes)

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

Lord Smith welcomed everyone to the joint meeting of the Clyde Gateway URC (CGURC) and Clyde Gateway Developments Limited (CGDL) Boards and thanked David Bankier, John Gallacher and Stuart Heslop for their attendance.

Apologies were noted from Councillor Greg Hepburn, Councillor Carol Nugent and Jim Watson.

There were no declarations of interest.

2. Minutes of previous meeting and matters arising

The minutes of the previous CGURC and CGDL joint Board meeting held on 30th April 2018 were submitted and approved. There were no matters arising.

3. Chair's Report

Lord Smith spoke of the Scottish Cabinet meeting on 21st May 2018. Lord Smith highlighted some productive discussions that had taken place.

He had an informative meeting with Derek Mackay, MSP, who was very supportive of Clyde Gateway and he thanked Ian and June for putting the programme together.

4. Chief Executive's Report

Ian Manson provided the following update:

- (1) The Board arrangements today had reflected consideration of the Annual Accounts. This year's accounts received a clean audit and Ian wished to congratulate the staff on this outcome.
- (2) The CGDL Board made important decisions today which it was hoped would bring to a conclusion some long term and complex sites which would result in 150 new homes, the removal of a bad neighbour use in South Dalmarnock and the attraction of 15 new jobs to the Bridgeton area. The efforts to bring these longstanding issues to this point had been considerable and Ian recognised the determination displayed by team members in bringing this about.
- (3) Ian also wished to recognise the excellent response made to the flooding incident at RT Magenta and the ongoing efforts to ensure Clyde Gateway tenants were not significantly delayed or inconvenienced.
- (4) There had been important political engagement since the Cabinet meeting in particular, the Bridgeton Civic - STUC - proposal which had been discussed with the Cabinet Secretary for the Economy on a number of occasions; and a detailed briefing provided to the new Social Security Secretary on Clyde Gateway's plans to attract 700 new Social Security jobs (with 70 to be earmarked for local people in a community where 10% depend on DLA) to the area.
- (5) An opportunity was taken during the Cabinet visit to tour the area with the Permanent Secretary, Lesley Evans, and a follow-up with Paul Johnston DG for Education, Communities and Justice took place on 20 August.
- (6) Significant engagement had also taken place regarding health plans, presenting jointly with Bridget McConnell, Chief Executive, Glasgow Life, to the GCC SNP Cabinet, sportscotland Board and NHSGG&C Public Health Committee. In all cases the leaders/chairs (Susan Aitken, Mel Young, and John Brown respectively) expressed their support for the collaboration over an extended period with a view to making a difference in Clyde Gateway and rolling-out models for other areas to benefit.
- (7) The new CEO of SFT Peter Reekie also toured the area. There was discussion on the ability to borrow and the opportunity afforded by the new Building Scotland (loan) Fund. A submission had now been made to Scottish Enterprise who would distribute the first tranche of funding, by CBRE and Highbridge for funding intended to construct a new speculative office in Magenta.
- (8) There were a number of significant forthcoming visits and Ian highlighted the joint GCC/SLC leaders' visit on 7th September and the SE CEO the day before.

- (9) Clyde Gateway would continue to seek to assist public agencies secure cost effective office facilities. However despite the financial savings on offer, the established delivery model and track record which had attracted 1800 similar jobs becoming widely known amongst key decision-makers, there appeared to be an unwillingness to partner and engage with the offer. This had been recently displayed in a search for a Scottish Government office hub where outdated assumptions around staff attitudes and business travel arrangements had appeared once again to have led to the selection of a high cost/high carbon location in the city centre without any apparent in-depth assessment of the Clyde Gateway option.

There were pressing issues around the viability of the Legacy Hub, and Clyde Gateway would be supporting the combined efforts of stakeholders to address current costs and a significant outstanding payment to HMRC.

- (10) There was a need to continue to challenge the reputation and stigma attached to the area, most recently reflected in the London Times newspaper when the facets of Bridgeton highlighted on the journalist's visit to the Women's Library were 'hard-men, sectarianism and deprivation'. This selective picture would continue to hold sway despite the many changes and reminded Clyde Gateway there was much more to do. The community was already fighting these perceptions and it was hoped to secure the STUC, who were nationally recognised and committed to stay for decades in the heart of Bridgeton.

5. Business

For Approval CGURC and CGDL

5.1 Bridgeton Civic Hub – STUC Office Building CG18(AUG)01

Fionna Kell presented a report requesting the Board note the discussions to date with the Scottish Trades Union Congress (STUC) and to approve expenditure.

Following engagement with the STUC several years ago, Fionna advised that the STUC had now made the decision to dispose of its property in the west end of Glasgow and move to a newer property and following a series of site visits its preferred option was a new build property at Landressy Street, Bridgeton. Fionna thereafter outlined the next steps in the appointment of a design team.

After consideration, the Board

- (a) noted the discussions to date with the STUC; and
- (b) approved expenditure of up to £184,583 for professional fees to take the project to completion but noted that at this stage the appointment would only be made to RIBA stage 3 at a cost of £84,990.

5.2 Rutherglen Links Office Pavilions – Design Development CG18(AUG)02

Amy Wimpenny presented a report seeking authority to progress the design development for the Rutherglen Links (RL) office pavilions, which had secured regeneration capital grant funding for 2018/19.

Amy further advised on the background, project description and the procurement of a Project Manager and Design Team to progress the project to RIBA Stage 4 and competitively procure a contractor to deliver the project through a Design and Build

contract. A timetable was outlined with construction scheduled to commence in April 2019 with the delivery of the 2 pavilions completed in January 2020.

After consideration, the Board

- (a) noted the development of the project to determine the preferred procurement route and, subject to confirmation of final construction costs and funding sources, approval of the overall investment decision would be sought at the December Board meeting; and
- (b) approved
 - (i) the strategic intention to construct the pavilions at RL Business Park at a current estimated cost of £3.2m, excluding recoverable VAT;
 - (ii) professional fees of £250,000, excluding recoverable VAT, to progress to project to RIBA Stage 4; and
 - (iii) budget for surveys, legal and other fees to support pre-construction costs of £112,257, excluding recoverable VAT.

5.3 Risk Register CG18(AUG)03

Barry Macintyre presented a report on the most recent Risk Register, a working document regularly reviewed for relevance by the Clyde Gateway Senior Management Team.

After consideration, the Board approved the updated Risk Register as set out in the Appendix to the report.

For Information CGURC and CGDL

5.4 Clyde Gateway East – Development Options CG18(AUG)04

Angela Rowley presented a report informing the Board of a number of strategic development scenarios at Clyde Gateway East (CGE) which might offer opportunities to attract private sector investment in the remaining development plots and provided an exit strategy for the public sector.

Angela provided background information as detailed at Appendix 1 of the report highlighting that the Board approved the acquisition of the site from Scottish Enterprise in March 2009 and outlined a number of potential strategic options at CGE detailed at Appendix 2 of the report.

After consideration, the Board noted a number of strategic development scenarios at CGE which might offer the opportunity to attract private sector investment in the remaining development plots and provided an exit strategy for the public sector.

5.5 Shawfield (Phase 2) – Project Update CG18(AUG)05

Martin McKay presented a report providing the Board with an update on Shawfield Phase 2, advising

- (1) on the remediation strategy for Shawfield Phase 2 and the current regulatory position;

- (2) of an update on the potential acquisitions necessary to facilitate the enabling works and construction of the Shawfield Development Link Road; and
- (3) that the pre-development planning for the project including design and procurement was progressing but the project remained dependent on regulatory approval and land assembly to progress implementation.

After consideration, the Board noted

- (a) the remedial targets set by the Regulator South Lanarkshire Council and potential additional costs and prolonged timescale in order to achieve the regulatory requirements;
- (b) the progress with the procurement strategy for 2 contracts
 - (i) the chemical supply contract; and
 - (ii) the ground remediation and earthworks contract;
- (c) the progress on the tender for construction of Phase 1R of the Shawfield Development Link Road (SDLR); and
- (d) progress with the acquisition strategy and the proposal to acquire, under delegated authority approximately 1,840 hectares (4,548 acres) of land in third party ownership required for the enabling works and construction of stage 1R of the SDLR and potential challenges associated with the acquisition strategy required for construction of stage 2R and 3R of the SDLR.

5.6 Capital Programme – Project Updates CG18(AUG)06

Alison Brown presented a report briefing the Board on the 2018/19 Capital Programme providing further details of the 20 capital projects comprising 5 completed during 2018/19, 2 currently on site and 13 at feasibility/design development stage, of which 6 were programmed to go on site within 2018/19.

After consideration, the Board noted the report.

5.7 Red Tree Magenta – Incident Update CG18(AUG)07

Martin McKay presented a report outlining the current programme and financial implications for the Red Tree project as it proceeded towards practical completion following a flood incident.

Martin advised in detail of the significant water leak on the fourth floor plant room on 8th June 2018 and the subsequent damage caused by the flood incident had created a delay in the handover of the building with a need to replace significant installations, fittings and equipment and the financial appraisal. The revised programme now stated a practical completion date of 23rd November 2018.

After consideration, the Board noted the anticipated additional costs for Red Tree following the flood incident and that the incident had impacted programme, works and incoming tenants.

5.8 Regeneration Capital Grant Fund Bids 2019/20 CG18(AUG)08

Alison Brown presented a report advising of the submission of 6 applications to the first round of the Scottish Government's Regeneration Capital Grant Fund for the 2019/20 programme and was the first of a 2 stage process.

Alison advised in further detail of the 6 RCGF applications which totalled £17.79m of total project costs and requested grant support of £9.88m and a proposed total Clyde Gateway contribution of £4.475m.

After consideration, the Board noted the report.

5.9 Finance Report – Period Ended July 2018 CG18(AUG)09

The Board noted a report, presented by Bernadette Pollock, on the consolidated financial performance of both CGURC and CGDL for the 4 months to 31st July 2018.

5.10 Audit & Evaluation Committee – Meeting of 13th August 2018 CG18(AUG)10

The Board noted the agenda and minutes of the Audit & Evaluation Committee of 13th August 2018.

5.11 Audit & Evaluation Committee – Annual Report 2017/18 CG18(AUG)11

The Board noted the Audit & Evaluation Committee 2017/18 Annual Report.

5.12 Health & Safety Committee – Annual Report 2017/18 CG18(AUG)12

The Board noted the 2017/18 Annual Report from the Chair of the Health & Safety Committee.

At the end of the Joint Board items, John Gallacher, David Bankier and Stewart Heslop thereafter left the meeting.

For approval CGURC

5.13 Consolidated Financial Statements Year Ended 31st March 2018 CG18(AUG)13

Lesley-Ann Logan presented a report seeking approval of Clyde Gateway URC's consolidated accounts for the year ended 31st March 2018 and the Director's Letter of Representation to the external auditors.

Lesley-Ann advised that the accounts had been considered and approved by the Audit & Evaluation Committee on 13th August 2018. She thereafter provided an in-depth analysis of the report.

After consideration, the Board

- (1) approved
 - (a) the consolidated financial statements of Clyde Gateway URC (CGURC) for the year ended 31st March 2018; and
 - (b) the Letter of Representation from the directors of CGURC to the external auditor, Scott-Moncrieff; and

- (2) noted the financial statements of Clyde Gateway Developments Limited (CGDL) for the year ended 31st March 2018.

5.14 Increasing Economic Activity – Childcare Provision CG18(AUG)14

Niki Spence presented a report seeking approval from the Board to intervene in childcare provision following a request for support from key stakeholders to address gaps in the Clyde Gateway area.

Niki also provided an overview of the new Scottish Government and Hunter Foundation Innovation Fund and detailed Clyde Gateway's recent bid to this fund to implement childminding provision and addressed the absence of registered childminders within the Glasgow City Council area of Clyde Gateway.

After consideration, the Board approved the strategic rationale to engage in childcare provision within Clyde Gateway and approved the Scottish Government and Hunter Foundation Innovation Fund for the development and delivery of a childminding project, should the bid be successful.

5.15 Sustainable Transport – Clyde Gateway Bus CG18(AUG)15

Alison Brown presented a report providing the Board with an update on the Clyde Gateway Sustainable Transport Project and sought to extend the contract duration of the Clyde Gateway bus service from May 2019 to June 2020 with a proposed fare increase.

Alison outlined the passenger survey undertaken in March 2018 that advised of the passenger usage and satisfaction of the bus service.

After consideration, the Board

- (1) noted the progress made on the project; and
- (2) approved the extension operation of the Clyde Gateway bus service for an additional period of 13 months to June 2020 at no additional costs which included the extension of the contract to Community Transport Glasgow via Strathclyde Partnership for Transport.

For information CGURC

5.16 Pupil Equity Fund – Temporary Project Management Support CG18(AUG)16

Niki Spence presented a report advising the Board of a request from the Head Teacher of St Mungo's Academy, one of Clyde Gateway's 4 associated secondary schools, to the Population Health Joint Working Group (chaired by Clyde Gateway) for support to administer and project manage the school's PEF.

Niki provided further details and advised that at the end of June 2018 Clyde Gateway had agreed to offer temporary project management support to the school for 2 days per week for a 6 month period and the project manager began in post on 4th July 2018.

After consideration, the Board endorsed Clyde Gateway's continued focus on increasing educational attainment by providing temporary project management support to St Mungo's Academy and further updates would be provided to the Board in due course.

5.17 Nominations & Remuneration Committee – Meeting of 15 May 2018 CG18(AUG)17

The Board noted the agenda and discussions of the Nominations & Remuneration Committee meeting of 15 May 2018.

5.18 Community Committee – Meeting of 14 June 2018 CG18(AUG)18

The Board noted the agenda and minutes of the Community Committee held on 14 June 2018.

5.19 CGDL Board – Meetings of 30 April and 25 June 2018 CG18(AUG)19

There was submitted and noted a report providing details of business conducted at the CGDL at its meetings on 30 April and 25 June 2018 (the minutes and agenda of which were appended to this report).

6. Date, time and venue of next meeting

The next meeting would be held on Monday 29 October 2018 at 10:30 am in Rutherglen Town Hall.