

CLYDE GATEWAY DEVELOPMENTS LIMITED

Minute of Board Meeting of 27 August 2018

<b>Present:</b>	David Bankier John Gallacher (Chair) Stuart Heslop	Ian Manson Allan McQuade
<b>Apologies:</b>	Greg Hepburn	Carol Nugent
<b>In Attendance:</b>	Alison Brown Lesley-Ann Logan Billy Love Barry Macintyre	Martin McKay Mandy Morgan Angela Rowley

**1. Welcome, Introductions, Apologies, Declarations of Interest and updates**

The Chair welcomed everyone to the meeting. Stuart Heslop indicated that he had a potential conflict of interest in respect of item CGDL18(AUG)02, a site disposal at Newhall Street, Dalmarnock and would take no part in the discussion.

**2. Minute of previous meeting and matters arising**

The minutes of the Board meeting held on 25 June 2018 were submitted and approved. There were no matters arising.

**3. Business - For Approval**

**3.1 Financial statements – Year end 31 March 2018 (CGDL18(AUG)01)**

Lesley-Ann Logan presented a report seeking approval of the Clyde Gateway Developments Limited (CGDL) financial statements for 2016/17. She advised that the Audit & Evaluation Committee (AEC) had met on 13 August to review in detail CGDL's financial statements together with those of Clyde Gateway URC (CGURC). The external auditors, Scott-Moncrieff, had attended the AEC meeting to present their management report and to confirm that they would be issuing an unqualified audit opinion.

After consideration, the Board approved CGDL's annual accounts for 2017/18.

**3.2 Newhall Street, Dalmarnock – site disposal (CGDL18(AUG)02)**

Stuart Heslop declared a potential interest in this item of business and left the meeting.

Angela Rowley presented a report recommending approval of the sale of a site at Newhall Street, Dalmarnock and advising that the purchaser was proposing to develop a mixed tenure residential project of 150 flats in collaboration with an established housebuilder.

The site comprised 3.7 acres of land at the junction of Newhall Street and the Clyde Gateway expressway, occupying a prominent corner position opposite the Police Scotland building. CGDL and Zed Developments (Newhall) Ltd were the two principal owners. The site had been the subject of a number of development proposals since 2006, all of which had stalled for different reasons, with full details provided in the report.

In June 2017, CGDL had approved a three-month exclusivity period in favour of a potential purchaser, the Swan Group, and although the period had expired discussions and engagement had been maintained.

The Swan Group had undertaken market testing and subsequently worked up an outline development scheme of 150 units to be split equally between affordable housing and those available for private sale. The proposal was to acquire and project manage the development of the combined site on behalf of a named housing developer.

CGDL and Zed Developments (Newhall) Ltd had agreed the principle of a price sharing arrangement which reflected both their ownerships and the purchase price being split on an equitable 50:50 basis.

A full project description, together with the strategic rationale and the market, options financial and economic appraisals were outlined in the report.

After detailed discussion, the Board:-

- (i) approved the disposal, at a net price of £750,000 (representing 50% share), exclusive of VAT, of CGDL's share of 3.7 acres at Newhall Street, Dalmarnock, to the purchaser named in the report; and
- (ii) noted the site was held in joint ownership with Zed and the total capital receipt was to be shared between the parties.

Stuart Heslop returned to the meeting for the remainder of the business under consideration.

### 3.3 UK Geoenery Observatories Project (CGDL18(AUG)03)

Angela Rowley reported on the outcome of negotiations with the British Geological Survey (BGS) to enter into lease agreements for periods of up to 20 years, together with associated Licence for Work Agreements, in respect of its proposals for investment in a geothermal energy research centre in the Clyde Gateway area. The approval for such negotiations had been given at the joint Board meeting in April 2018 (CG18(APR)03).

The previous approval had been for seven lease negotiations. On receipt of detailed costings for the proposed boreholes, BGS had now chosen to re-scope the exercise and were now seeing leases at five locations, four of which were in Cuningar Loop and one at French Street, Dalmarnock, together with trackways and access roads to each site.

A full project description, together with the strategic rationale and the market, options and financial appraisals were outlined within the paper.

After consideration, the Board

- (i) noted the update on the progress of the Geothermal Energy Project; and
- (ii) authorised the five lease arrangements, as detailed in the report, for a period of up to 20 years.

### 3.4 99 Carstairs Street, Dalmarnock – site acquisition and extinguishment of business (CGDL18(AUG)04)

Barry Macintyre presented a report recommending:-

- (i) The acquisition of the heritable interest in land at 99 Carstairs Street, Dalmarnock from Clark Family Investments Limited at a cost of £37,500. The vendor had verbally confirmed that the site had not been opted to tax for VAT purposes.
- (ii) The payment of £480,000, net of recoverable VAT of up to £96,000, to Anglo Scottish Concrete Holdings Limited on a phased based as consideration for the voluntary extinguishment of its two subsidiaries - Spotmix (Scotland) Limited and Rightmixer Rentals Limited - which operate from the premises.

- (iii) Estimated costs to be incurred by CGDL of £30,000 on professional fees, including £8,000 spent to date, and £40,000 for the subsequent clearance of the site. All figures are net of recoverable VAT.

The site at 99 Carstairs Street is 0.1 of an hectare (0.25 acre) and is positioned at the junction of Carstairs Street and Webster Street. It is a prominent position on a key pedestrian route between Dalmarnock station and the Magenta business park at Shawfield.

A full project description, together with the strategic rationale and the market, options financial and economic appraisals were outlined in the report.

After discussion, the Board approved the recommendations outlined above

### 3.5 Forsyth Glazing Limited, 30 Tobago Street, Calton – discharge of standard security (CGDL18(AUG)05)

Angela Rowley presented a report seeking approval to discharge a standard security over a property at 30 Tobago Street and to permit its leasing to a third party.

In 2013 CGDL had approved the sale of development land adjacent to the factory and offices of Forsyth Glazing Ltd (FGL) at 30 Tobago Street, Calton for the purposes of the business expansion through the construction of an extension.

The site had subsequently been acquired by the GJP Retirement Benefit Scheme Trust, (GJP) whose trustees owned FGL, with missives concluded in March 2015 subject to build out provisions and a timescale for completion of construction works by March 2017. Board approval was given in December 2016 for a 9 month extension to the development timescale and a design change to provide a stand-alone unit of 8,000 sq ft, which had now been given the postal address of 27 Arcadia Street.

The missives as subsequently varied, obliged a completion of construction by December 2017, with a long stop date of March 2018. The variation also introduced:-

- (i) a £20,000 contribution by CGDL towards design and planning fees, the acceptance of which, would bind the purchasers, or their nominee FGL, to occupy the premises exclusively for a period of three years; and
- (ii) an obligation on the purchasers not to sell, lease or in any other way dispose or share occupation of the property at 27 Arcadia Street, with this being made binding via a standard security.

In March 2018 GJP began marketing the premises to third parties and chose not to submit a claim for the £20,000 contribution. CGDL received a formal statement from GJP, with supporting financial evidence where appropriate, explaining why FGL was not in a position to fully comply with the development obligations, particularly the justification for not occupying the completed unit.

A full project description, together with the strategic rationale and the market, options financial and economic appraisals were outlined in the report.

After discussion, the Board approved the discharge of a standard security over the property at 27 Arcadia Street in favour of CGDL and permitted the leasing of the property by GJP to Remnant Kings.

**4 Business – For Information**

**4.1 Dunn Street/London Road, Dalmarnock: Site Disposal (CGDL18(AUG)06)**

The Board noted a report presented by Angela Rowley, outlining a change of circumstances that would now permit the sale of the site at Dunn Street/London Road, Dalmarnock, as previously discussed at the meeting in June 2018 (CGDL18(JUN)01), without the need for an additional purchase option.

**5. Any other Business.**

There were no other items of business raised.

**6. Date and time of next Meeting.**

John Gallacher advised that the next Board Meeting would be held on Monday 29 October 2018 at Rutherglen Town Hall.

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