

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

Minute of Meeting of 11 September 2020

Present: Alison Thewliss MP, Chair
Ian Manson, Chief Executive
Councillor Greg Hepburn, Glasgow City Council
Councillor John Anderson, South Lanarkshire Council
Allan McQuade, Scottish Enterprise
Stuart Patrick, Glasgow Business Representative
Rosie Robertson, Glasgow Community Representative
Robert McLeary, South Lanarkshire Community Representative
Stuart Heslop, Clyde Gateway Developments Limited

Apologies: Councillor Carol Nugent, South Lanarkshire Council
David Bankier, Clyde Gateway Developments Limited
John Gallacher, Clyde Gateway Developments Limited
Jim Watson, Scottish Enterprise

In attendance: Donna Brand (Minute)
Fiona Brittle, Scottish Government
Alison Brown, Clyde Gateway
Douglas Cameron, Clyde Gateway
Patrick Flynn, Glasgow City Council
Lesley-Ann Logan, Clyde Gateway
Billy Love, Scottish Government
Michael Kerr, Scottish Government
Barry Macintyre, Clyde Gateway
Ken Meek, South Lanarkshire Council
Martin McKay, Clyde Gateway
Andrew Murphy
Niki Spence, Clyde Gateway

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

Alison Thewliss MP welcomed everyone to the joint Board meeting of Clyde Gateway URC and Clyde Gateway Developments Limited which was being hosted for the first time using Microsoft Teams.

Apologies were noted from Councillor Carol Nugent, David Bankier, John Gallacher and Jim Watson.

There were no declarations of interest.

2. Minutes of previous meeting and matters arising

The Minute of the previous Board meeting of Clyde Gateway URC held on 19 June 2020 was submitted and approved. There were no matters arising.

3. Chair's Report

Alison Thewlis said that she had written to the Cabinet Secretary for Finance, Kate Forbes, to highlight to her directly the case for funding to deal with the contamination at Shawfield. This is ahead of publication by the Scottish Government of its Infrastructure and Capital plans this autumn. These plans represent important opportunities to commit financial support over a number of years to help Clyde Gateway tackle the remaining polluted sites.

Glasgow City Council has informed Clyde Gateway that a decision was taken at yesterday's (10 September) Council meeting to appoint Councillor Laura Doherty to the Board. This means that Councillor Mandy Morgan would be leaving and that she would like to thank Mandy for her involvement and support over her time as a Board member. Laura represents the Shettleston Ward which includes Clyde Gateway East Business Park and a number of other sites where we have been involved in development, and that she looked forward to Laura joining the Board at the next meeting.

4. Chief Executive's Report

Ian Manson advised that his Chief Executive's report laid out Clyde Gateway's current position at this stage of the recovery. Things continue to move quickly, however, and there are a number of important updates since it had been issued.

In relation to para 6, Ian was pleased to inform the Board that additional capital had now been awarded to accelerate RCGF projects. The Scottish Government announcement yesterday provided new and additional funds totalling £950,000 for Clyde Gateway out of a Scottish total £12m award intended to provide an economic stimulus. Both Glasgow City Council and South Lanarkshire Council also secured additional funds of £3.2m and £1m and congratulations go to them. As Ian said in his report, this would give rise to some adjustments and flexibility in the funding made available for current RCGF projects – the Purifier Studios, Red Tree Central and the Bothy and Tur. Ian advised work continued on the delivery options on these and would come back to the Board. Two of the projects were subject to update papers on today's agenda and their contents remain relevant.

Ian was pleased to report in para 7 that the Scottish Government in its Programme for Government committed to 'support the ongoing work on Clyde Gateway'. During her speech to the SURF Annual Conference on 10 September, Aileen Campbell, the Cabinet Secretary, made clear that the Place-Based Investment Programme, and where this sits, is a five-year commitment. Any moves in the direction of multi-year support are, of course, to be strongly welcomed.

5. Business

For approval (CGURC and CGDL)

5.1 Funded Operating Plan 2020/21 – 2021/22 (CG20(SEP)01)

Barry Macintyre presented a report seeking approval of the latest version of the Funded Operating Plan which incorporated the results of the re-forecasting exercise performed at the end of July 2020.

After consideration, the Board approved the latest version of the Funded Operating Plan.

5.2 NDB, Shawfield (Phase 1) – Red Tree Central (CG20(SEP)02)

Martin McKay presented a report regarding the progress with the Outline Business Case (OBC) for Red Tree Central at Magenta, Shawfield Phase 1 and sought approval for the continuation of the project to Full Business Case (FBC) with the investment decision subject to funding and future approval.

Martin outlined the background to the Shawfield Phase 1 masterplan which had the potential to accommodate up to 18 new commercial buildings of varying size and requirements, and the significant economic benefits that the project would achieve.

After consideration, the Board:

- (a) noted progress with the OBC for Red Tree Central at Magenta, Shawfield Phase 1, and
- (b) approved the continuation of the project to FBC with the investment decision remaining subject to funding and future approval.

For information

5.3 COVID-19 Business Continuity – Capital Programme (CG20(SEP)03)

Alison Brown provided a further update of the Capital Programme particularly in respect of COVID-19 and also provided an update of projects at the pre-development stage.

Alison advised there were several projects which had been completed in 2019/20 which had outstanding issues associated with COVID-19, and provided further information on the projects in the current financial year which had been impacted by the pandemic.

After consideration, the Board noted the report.

5.4 Regeneration Capital Grant Fund – 2021/22 Stage 1 Submissions (CG20(SEP)04)

Alison Brown presented a report informing the Board of the 8 stage 1 bids made to the 2021/22 funding round of the Scottish Government's Regeneration Capital Grant Fund (RCGF).

Alison advised of Clyde Gateway's strong track record in securing RCGF funding and that to date a total of 10 had secured funding. She further advised that following discussions with a range of stakeholders and community group, 8 projects had been submitted as Stage 1 bids prior to the deadline date which had been set.

After consideration, the Board noted the report.

5.5 Integrated Energy Strategy – D2 Grids Renewable Energy (CG20(SEP)05)

Martin McKay presented a report with further information of the demonstrator project and set out the next steps for project development and delivery.

Martin advised that, in June, the Board had endorsed the partnership and procurement approach to develop an investment proposal to deliver the fifth generation heating and cooling demonstrator project (CGDL20(JUN)09), and that the D2 Grids project were focused on developing the project.

After consideration the Board noted the progress of the project.

5.6 Integrated Energy Strategy – UK Geoenergy Observatories (CG20(SEP)06)

Martin McKay presented a report updating the Board on the progress with the UK Geoenergy Observatories (UKGEOS) project within the Clyde Gateway area.

Martin provided an update on the borehole activities that had been completed within Cuningar Loop Woodland Park in April 2020, and of the requirements to continue into Phase 2 of the project.

After consideration the Board noted the update on the progress of the UKGEOS Energy project.

5.7 Audit & Evaluation Committee – Annual Report 2019/20 (CG20(SEP)07)

The Board noted the annual report from the Chair of the Audit & Evaluation Committee.

5.8 Finance Report – Period Ended 31 July 2020 (CG20(SEP)08)

Lesley-Ann Logan presented a report outlining the consolidated financial performance of both Clyde Gateway URC (CGURC) and Clyde Gateway Developments Limited (CGDL) for the four month period to 31 July 2020.

After consideration the Board noted the consolidated financial performance of both CGURC and CGDL for the 4 month period ended 31 July 2020.

At the end of the joint Board items, Stuart Heslop left the meeting.

6 For approval (CGURC only)

6.1 Consolidated Financial Statements – Year ended 31 March 2020 (CG20(SEP)09)

Lesley-Ann Logan presented a report seeking approval of both the consolidated financial statements for 2019/20 and the directors' letter of representation, and advising the development subsidiary's account for the same year were for noting.

Lesley-Ann advised that the accounts had been considered at the Audit & Evaluation Committee on 10 August 2020. 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 for the year ended 31 March 2020; and
 - (b) the letter of representation from the directors of CGURC to the external auditor, Azets Audit Services, who were previously known as Scott-Moncrieff; and
- (2) noted the financial statements of Clyde Gateway Developments Limited for the year ended 31 March 2020.

6.2 Infrastructure, Recreation and Active Travel – Toryglen Park (CG20(SEP)10)

Martin McKay presented a report seeking approval of project costs in respect of the construction of the Toryglen Infrastructure, Recreation and Active Travel Project. He provided background information in relation to the project which would enhance this Transformational Regeneration Area by seeking to deliver new public space, parkland and a network of sustainable transport routes.

After consideration the Board:

- (1) approved
 - (a) a total project cost of up to £3,319,962 (inclusive of VAT) in respect of the construction of the Toryglen Infrastructure, Recreation and Active Travel Project; and
 - (b) professional fees, costs and works to deliver the project of £186,704 (inclusive of VAT) and a contingency of £200,000; and
- (2) authorised the Chief Executive to enter into a Construction Contract with the successful tenderer for the construction of the project amounting up to £2,669,259 (inclusive of VAT) and including 3 years maintenance.

For information (CGURC only)

6.3 COVID-19 Business Continuity - Business & Community Growth (CG(SEP)11)

Niki Spence presented a report outlining the work which had been undertaken by Clyde Gateway and a range of partners to support local communities in response to COVID-19 challenges.

Niki advised that significant financial support had been received from the Scottish Government which would bolster Clyde Gateway URC's planned activities. She further advised that the application to Scottish Government's Access to Childcare Fund had been successful in part.

After consideration the Board noted:

- (1) the work undertaken by Clyde Gateway and a range of partners to support local communities in response to COVID-19 challenges;
- (2) the Business and Community Growth Budget for 2020/21 had been considerably bolstered with the support of the Scottish Government; and
- (3) endorsed the option to advance the programme of activity and subsequent funding where possible to further support local residents.

6.4 Bothy & Tur @Cuningar Loop Woodland Park – Project Update (CG20(SEP)12)

Alison Brown presented a report updating the Board on the progress of the Bothy & Tur @ Cuningar Loop Woodland Park project, the contractor procurement, discussions with potential operators, likely annual revenue costs, and the next steps.

After consideration the Board noted the report and the ongoing review to consider funding.

6.5 Cuningar Loop (Phase 2) – Project Update CG20(SEP)13)

Alison Brown presented a report providing an update on the Cuningar Loop project and to advise that following a procurement exercise an investment decision would be sought at the December Board meeting.

After consideration the Board noted the report.

7 Date, time and venue of next meeting

The next scheduled meeting will be held on Friday 6 November 2020 at 2:30 pm using Microsoft Teams.