

CLYDE GATEWAY DEVELOPMENTS LIMITED

Minute of Board Meeting of 1 May 2020

Present: John Gallacher (Chair) Stuart Heslop
David Bankier Greg Hepburn
Carol Nugent Allan McQuade
Ian Manson

In Attendance: Michelle Barr Barry Macintyre
Fiona Brittle (Scottish Government) Martin McKay
Alison Brown Angela Rowley
Billy Love

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

The Chair welcomed everyone to the meeting.

2. Minute of previous meeting and matters arising

The Minute of the Board meeting held on 4 March 2020 was submitted and approved.

Alison Brown gave an update on the Bothy and Tur Project and advised that there would be an exercise to procure for the contract through an invitation to tender process in May 2020.

3. Note the signed Minute of the Board Meeting held on Friday 27 March 2020

The minute of the Board Meeting held by conference call on 27 March 2020 was submitted and approved.

4. Chief Executive's Report

Ian Manson thanked all Board members, staff and stakeholders in their efforts to allow both Clyde Gateway Developments and Clyde Gateway URC Boards to go ahead.

Ian advised that a large part of the Agenda is dedicated to the impact of the COVID-19 pandemic and how Clyde Gateway has continued its operations during a period of considerable uncertainty and anxiety. Ian reminded the Board that there will be a material impact on CGDL finances, with a consequent need to identify other sources of income.

Ian acknowledged the supportive activity from partners and members, resulting in drawdown of all the Scottish Government funds. Ian reiterated the importance of the special meeting of the CGDL Board on 27 March to review the final negotiated loan terms, which in turn had allowed the legal agreements to come to a completion.

The Board were advised on the completion of the Resources Review in March, involving a voluntary redundancy exercise which focussed on senior roles within the company. As a result, Jim Clark has now left and the senior structure is reduced by one post.

Ian shared with the Board the news that Clyde Gateway were recently awarded the epithet by the March Herald Business Quarterly magazine – “indisputably successful”. Ian noted that this success was due to the continuing strong support from our members, stakeholders and community.

Finally, Ian advised that Alison Thewliss is the new Chair of CGURC and will host the charity Boards first virtual meeting.

5. Business

For Approval or For Information

5.1 COVID-19 Business Continuity – Management Plan & Risk Register (CGDL20(MAY)01)

Martin McKay asked the Board to note the implication of the Business Continuity Management Plan and bespoke risk register developed in response to COVID-19.

As of 17 April the register had 19 open risks categorised as 5 red, 3 amber and 11 green.

The Board acknowledged that about another 19 risks have been closed on the basis that they have been mitigated or accepted.

The paper was noted with no changes to be made.

5.2 COVID-19 Business Continuity – Funded Operating Plan 2019/20 to 2021/22 (CGDL20(MAY)02)

Barry Macintyre presented a report on the latest version of the rolling three year Funded Operating Plan which takes account of the provisional results for the last financial year and begins the process of incorporating the forecast effect of the COVID-19 lockdown on the remaining two financial years.

After consideration, the Board:

- (i) noted that the three year Funded Operating Plan would not be rolled over in April as it ordinarily would be; and
- (ii) noted the results of the latest re-forecasting of the Funded Operating Plan which includes adjustments for the actual results from 2019/20 and an initial assessment of impacts as a result of the COVID-19 situation on the next two financial years; and
- (iii) Proposed a Finance report in relation to COVID-19 be sent to the Board on a monthly basis.

5.3 COVID-19 Business Continuity – Capital Programme Update (CGDL20(MAY)03)

Alison Brown briefed the Board on the completion of projects in the 2019/20 Capital Programme and provided a status of projects within the 2020/21 Capital Programme in respect of COVID-19.

The Board noted the contents of the paper and asked that any claims are noted on a Project by Project basis and are reported back to the Board in June.

5.4 Manscroft Place, Shettleston – Site Disposal (CGDL20(MAY)04)

Angela Rowley presented a report seeking approval for the disposal of a vacant industrial site at Manscroft Place to Stewart Properties Limited (SPSL).

The Board had previously approved the sale of this land in December 2018 which subsequently fell through.

After consideration, the Board:

- (i) approved the disposal, of the vacant industrial site at Manscroft Place to Stewart Properties Limited for the sum of £252,000 plus VAT;
- (ii) approved a budget for professional fees of up to £12,00 excluding recoverable VAT; and
- (iii) noted that the previous sale approval for this land in December 2018 of £185,000 plus VAT fell through.

5.5 French Street, Dalmarnock – Site Disposal (CGDL20(MAY)05)

Angela Rowley presented a report seeking the approval to dispose of a residential site in Dalmarnock to Keepmoat Homes Limited to facilitate development of 48 residential units for sale. The board were also asked to note the progress with the proposed French Street site assembly including the Compulsory Purchase Order with Glasgow City Council to acquire heritable interests at four sites bounded by French/Colvend/Webster/Swanston and Martin Streets in Dalmarnock.

After consideration, the Board:

- (i) approved the disposal, for residential development to Keepmoat Homes Limited for the sum of £392,000 per acre plus VAT before the deduction of abnormal/enhancement costs which may result in a sale at nil consideration; and
- (ii) noted the progress with the French Street site assembly including French Street CPO and the proposed programme until its completion in December 2020.

5.6 NBD Shawfield Phase 2 – Site Acquisitions (CGDL20(MAY)06)

Angela Rowley sought approval to the agreements in principle reached with landowners to progress, subject to funding, further land acquisitions to facilitate the Shawfield Phase 2 Remediation Strategy and construction of the proposed Shawfield Development Link Road.

After discussion, the Board;

- (i) approved in principle, subject to funding, the acquisition of the heritable interest in 241 Glasgow Road, Rutherglen from Arnold Clark Automobiles Ltd for the sum of £2,000,000 plus LBTT at a cost of £108,500 and excluding irrecoverable VAT of £400,000; and
- (ii) approved professional fees, estimated at £15,000 excluding irrecoverable VAT; and
- (iii) noted the progress with H Morris & Co Ltd and other third party owners to facilitate delivery of Stages 1R, 2R and 3R of the SDLR.

5.7 Integrated Energy Strategy – Community Energy Project (CGDL20(MAY)07)

The Board noted a report submitted by Martin McKay providing an update on the Integrated Energy Strategy – Community Energy Project in partnership with Scottish Water Horizons.

The report considered the impact of the current COVID-19 pandemic and restrictions which will limit the current progress of the project, along with longer term impacts on the residential market which may increase risk and require further financial modelling.

After deliberation, the Board noted the contents of the paper and asked that a Risk Register Report reflecting on sensitivity analysis is brought to the next Board meeting.

5.8 Old Shettleston Road – Professional Fees (CGDL20(MAY)08)

Alison Brown presented a paper advising the Board of a new partnership project with Glasgow City Council on land owned by CGDL.

The site was acquired in by CGDL in 2009 and was scoped as a relocation site for showpeople moving from Dalmarnock as part of the Community Relocation Programme. Subsequently, the site was not required for this purpose.

GCC has more recently identified a need for the site to accommodate the relocation of showpeople currently occupying land in Govan. Due to its extensive experience of site remediation, GCC has requested that CGDL progress the remediation works. GCC will fully meet the costs of the design and construction works from VDLF and will enter into a legal agreement with CGDL to allow for the drawdown of funds throughout the design phase.

After consideration the Board;

- (i) approved an additional planned spend of £94,166 within a cumulative budget of £120,553 net of recoverable VAT for professional fees; and
- (ii) noted that £26,387 of expenditure had previously been approved and incurred in 2010.

5.9 Clyde Gateway Developments Limited – Financial Overview (CGDL20(MAY)09)

The Board noted a report submitted by Barry Macintyre detailing the continuing efforts to address the persistent revenue funding challenges facing Clyde Gateway Developments Limited.

The Board will receive another update at the June Board meeting.

5.10 NBD Shawfield Phase 2 – Remediation Main Works Contract (CGDL20(MAY)10)

Alison Brown provided an update on the current financial position of the remediation and earthworks contract at Shawfield Phase 2 following practical completion and the remaining minor works to be carried out post COVID-19 restrictions.

The paper was noted.

5.11 Inward Investment – Property Enquiries (CGDL20(MAY)11)

The Board noted a report by Angela Rowley providing an overview of the range of inward investment and property enquiries received within the Clyde Gateway area in the 2019/20 financial year. The Board also noted Clyde Gateway's efforts to improve the performance of the Investment and Residual Property Portfolio by achieving property lettings.

6. Any other business

Ian Manson thanked Stuart Heslop for facilitating a workshop on Government Schemes on offer for Board Members and senior staff member's. Stuart advised that he would circulate the schemes and that the workshop was scheduled to go ahead remotely on 7 May 2020.

It was noted that Jim Clark had recently retired. John Gallacher acknowledged Jim's input in the Board over the years and thanked him for his contribution.

7. Date, time and venue of next meeting

John Gallacher advised that the next Board Meeting would be held on Friday 19 June 2020. The venue will be confirmed in due course.