

CLYDE GATEWAY DEVELOPMENTS LIMITED

Minute of Board Meeting of 18 December 2019

Present:	John Gallacher (Chair) David Bankier Ian Manson	Stuart Heslop Allan McQuade Greg Hepburn
Apologies	Carol Nugent	
In Attendance:	Alison Brown Jim Clark Lesley-Ann Logan Barry Macintyre	Martin McKay Angela Rowley Lynne Valentine Fiona Brittle (Scottish Government)

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

The Chair welcomed everyone to the meeting and an apology from Carol Nugent was noted.

2. Minute of previous meeting and matters arising

The Minute of the Board meeting held on 30 October 2019 was submitted and approved. There were no matters arising.

3. Business

For approval

3.1 Clyde Gateway East – sale of development plots (CGDL19(DEC)01)

Barry Macintyre presented a report seeking approval to sell the heritable interest in the three remaining development plots at Clyde Gateway East.

The Board, in September 2019 (CGDL19(SEP)05), had approved the marketing strategy and professional fees to dispose of the remaining interests at Clyde Gateway East Business Park, the outcome of which was detailed in the report, together with a full project description, the strategic rationale and the market, options and financial appraisals.

After consideration, the Board:

- (i) accepted the offer submitted by HSL to acquire the heritable interest in plots 1, 2B and 3 at Clyde Gateway East, for £1.0 million, plus VAT of £200,000, together with a further uplift of 25% made by the purchaser above a 15% threshold of developer's profit on cost; and
- (ii) noted that Clyde Gateway Developments Limited would seek to broker a pre-let development agreement between HSL and a prospective tenant for plots 1 and 3.

3.2 Clyde Gateway East – sale of development property (CGDL19(DEC)02)

Barry Macintyre presented a report seeking approval to change the buying entity for Unit 201 at Clyde Gateway East.

The Board, in November 2019, by way of written procedures, had approved the sale of Unit 201 to TJ Hamilton Developments Limited (TJHDL), or subsidiary thereof, for £3.3 million, exclusive of VAT.

TJHDL was one of ten companies, across the leisure, property and vehicle sales sectors, operated by a family business based in Northern Ireland. The company had taken accountancy advice in relation to the purchase and now wished to make the acquisition through Cajar Ltd, a company incorporated by the family business in April 2018 but not, in itself, a subsidiary of TJHDL.

After consideration, the Board approved the change of buying entity.

3.3 Dora Street to Reid Street, Dalmarnock – development obligations (CGDL19(DEC)03)

Angela Rowley presented a report seeking approval for development obligations associated with the disposal of a site at Dora Street to Reid Street, Dalmarnock,

The Board in in December 2018 (CGDL18(DEC)06) and March 2019 (CGDL19(MAR)03) had approved the sales of areas of land to Spectrum Properties Scotland Ltd (SPSL) for a mixed use business development. These areas of land were to transfer from Glasgow City Council to Clyde Gateway following the completion of the East End Regeneration Route and during the transfer process it had been highlighted that a landscaping commitment had been made during the Public Local Inquiry.

The delivery of the mixed use development would involve some landscaping but in order to meet the full commitment, Clyde Gateway Developments Limited would require to provide other amenity sites, extending to 1.065 hectare within the Dalmarnock area.

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

After consideration, the Board:

- (i) approved the disposal obligations required of CGDL and SPSL relating to the site at Dora to Reid Street; and
- (ii) approved the entering into of a Deed of Real Burden on various amenity sites extending to 1.065 hectare within Dalmarnock, with obligations under this agreement to be passed to future owners, including SPSL.

3.4 National Business District, Shawfield (Phase 2) – remediation main works contract (CGDL19(DEC)04)

Alison Brown presented a report with an update on the progress and challenges associated with the remediation of Shawfield Phase 2 and seeking approval for additional expenditure.

The Board, in October 2019 (GGDL19(OCT)10) had noted the progress being made and that the financial pressures on the project would result in a further paper seeking approval to increase the budget.

The remediation contract had got underway in 13 May 2019 and was due to be completed in March 2020. The nature of the project had seen a number of challenges emerge over the duration of the work, details of which were provided. These included the foundations of former buildings being more complex and deeper than expected, the need for re-drilling and additional chemical injection at some locations, delays to the contract from such additional works, additional monitoring and sampling and a series of technical issues around services, culverting and asbestos.

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

After discussion, the Board approved an increase in budget by £649,763, from £2,079,724 to £2,729,487 (excluding recoverable VAT) to address additional unexpected cost incurred during the construction works and to further mitigate against operational risks.

For information

3.5 Newhall Street, Dalmarnock – site disposal (CGDL19(DEC)05)

The Board noted a report by Angela Rowley advising of a revised development timeline agreed with Swan Group for the sale of land at Newhall Street, Dalmarnock for residential development.

3.6 National Business District, Shawfield (Phase 2) – Shawfield Development Link Road : Stage 1R (CGDL19(DEC)06)

The Board noted a report submitted by Alison Brown providing an update on Stage 1R of the Shawfield Development Link Road, advising that the project had been paused and that further consideration would be given to the land acquisition strategy for the entire road length and the availability of funding.

4. Any other Business

There were no other items of business raised.

5. Date and time of next Meeting

John Gallacher advised that the next Board Meeting would be held on Wednesday 4 March 2020 at Rutherglen Town Hall.
