



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 7

24th June 2025

**UK Property Portfolio – Development Proposal, Units A1 & A2 Old Brighton Road, Crawley.**

**Purpose of Report:**

To conclude a tendering exercise for the provision of development works (Units A1 & A2, Old Brighton Road, Crawley) for the Strathclyde Pension Fund property portfolio.

**Recommendations:**

The Committee is asked to **APPROVE** the appointment of **Faircloth Construction Limited** to carry out development works (Units A1 & A2, Old Brighton Road, Crawley) for the Strathclyde Pension Fund Property Portfolio.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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## 1 Background

The Fund has invested in the UK property market for over 30 years, and its investment strategy currently allocates 9% of total assets to UK property.

DTZ Investors was appointed to manage the Fund's UK property portfolio in 2010, when the portfolio was valued at c.£682 million. Since DTZ Investors' appointment, the value of the portfolio has risen to £2,339 million, largely as a result of positive investment performance, but also due to re-investment of rental income and new capital allocation. As at 31<sup>st</sup> March 2025, the portfolio comprised 54 properties and 1 indirect investment, covering the spectrum of industrial, office, retail and other sectors. In line with the growth of the portfolio, the average property size has grown from £13.3m in 2010 to £43m today.

In recent years, DTZ Investors has moved more of the portfolio into inflation-linked leases and defensive assets. In addition, the manager has acquired a number of development assets on the Fund's behalf. DTZ Investors has recommended that SPF proceed with the redevelopment of one asset: Units A1 & A2 Crawley, two industrial units situated on Old Brighton Road, Crawley.

Old Brighton Road Industrial Estate, Crawley was valued at £30.4m as at 31<sup>st</sup> March 2025.

## 2 Tendering Process

Following consultation with GCC's legal team, DTZ Investors, acting as agent for the Fund, have followed a full public procurement process to tender a contract for the redevelopment of Units A1 & A2, Old Brighton Road Industrial Estate, Crawley. They have been advised on legal and procurement aspects of the tender process by the Fund's specialist property legal advisors, CMS. Hollis Global have assisted DTZ Investors in the capacity of Project Manager within the procurement process.

The tendering exercise commenced on 6<sup>th</sup> November 2024 when a contract notice was published on Public Contracts Scotland. The contract was procured under a restricted procedure. Bidders were required to complete an SPD (single procurement document), with those meeting selection criteria invited to complete a full Invitation to Tender (ITT).

Five suppliers completed an SPD by 17<sup>th</sup> December 2024, the deadline for submissions. Five bidders were invited to complete an ITT by 14<sup>th</sup> May 2025.

The ITT included detailed drawings and scopes of work for all technical services required. Bidders were required to respond to questions covering 4 technical criteria designed to assess the quality of each of the suppliers' proposals, fair work practices and detailed pricing information for commercial and value for money assessment. The tender award criteria were divided as follows:

- |                               |      |
|-------------------------------|------|
| • Price                       | 80%  |
| • Fair Work First Practices   | 2.5% |
| • Scope of Requirements       | 5%   |
| • Implementation Programme    | 5%   |
| • Key Issues Understanding    | 5%   |
| • Resources and Key Personnel | 2.5% |

On the basis of the award criteria, **Faircloth Construction Limited** tendered the most competitive proposal for the Fund, achieving an overall score against the evaluation criteria of 93%.

### 3 **Top scoring supplier: Faircloth Construction Limited**

Faircloth Construction Limited are a principal contractor based at The Old Library, Dudley Road, Tunbridge Wells, Kent, TN1 1 LE. They have a track record in delivering development projects of a similar type and complexity. Faircloth were established in 2006. They returned the lowest tender price and their submission was a thorough tender return in all aspects.

### 4 **Implementation**

**Appendix A** sets out a summary scope of works required by the Fund.

Terms agreed, subject to award, will run from approximately July 2025 to March 2026.

### 5 **Policy and Resource Implications**

#### **Resource Implications:**

*Financial:* Total fixed price cost of the contract is **£3,104,342.40 excluding VAT.**

*Legal:* The form of building contract to be used will be JCT Design & Build Contract 2016 with client specific amendments.

The Fund's specialist legal services provider to the property portfolio, CMS, have advised on contract terms for the works.

*Personnel:* No issues.

*Procurement:* The process was conducted in accordance with public procurement rules.

**Council Strategic Plan:** SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.*** The LGPS is one of the key benefits which enables the Council to recruit and retain staff.

#### **Equality and Socio-Economic Impacts:**

*Does the proposal* Equalities issues are addressed in the Fair

<i>support the Council's Equality Outcomes 2021-25? Please specify.</i>	Work First assessment of bidders for this contract. In addition, equalities issues are addressed in the Fund's Responsible Investment Strategy, in the scheme rules which are the responsibility of Scottish Government and in the Fund's Communications Policy which has been the subject of an Equalities Impact Assessment.
<i>What are the potential equality impacts as a result of this report?</i>	All appointed contractors are vetted using a third party provider. Checks are undertaken and policies and procedure documentation is required in relation to national living wage policy, underage labour and modern slavery.
<i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i>	n/a

#### **Climate Impacts:**

<i>Does the proposal support any Climate Plan actions? Please specify:</i>	Yes. Strathclyde Pension Fund's Climate Change strategy is being developed in line with Item 34 of the Council's Climate Action Plan. DTZ Investors have committed to achieving net-zero for SPF's direct property portfolio by 2040. SPF's stewardship activity addresses all of the SDGs to some degree. This is reported regularly to the SPF Committee in a quarterly Investment Update.
<i>What are the potential climate impacts as a result of this proposal?</i>	The embodied carbon emissions will be minimised through DTZ Investors relying on criteria set out in its refurbishment guidelines and vetting procedures which the contractor is required to comply with. These include policies around responsible sourcing of sustainable materials, recycling waste and re-using materials where possible and a conscious effort to exclude or reduce the use of toxic materials.  Carbon emissions will be generated as part of the proposed works, however the proposal will create a more efficient building with a reduced level of operational emissions post

construction. The proposed EPC is an B rating (against a current EPC C).

The source of power for the proposed building will be electricity only (compared to mains natural gas at present).

*Will the proposal contribute to Glasgow's net zero carbon target?*

N/a.

### **Privacy and Data Protection Impacts:**

Are there any potential data protection impacts as a result of this report  
Y/N

No.

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out

N/a.

## **6 Recommendation**

The Committee is asked to **APPROVE** the appointment of **Faircloth Construction Limited** to carry out development works (Units A1 & A2, Old Brighton Road, Crawley) for the Strathclyde Pension Fund Property Portfolio.

### Scope of Works

The contract is for the refurbishment of the 1980s constructed Units A1 & A2 and yard, Old Brighton Road, Lowfield Heath, Crawley, RH11 0PR.

The works are to be carried out under the JCT Design and Build Contract 2016 with bespoke client's amendments. The contractor is to design, procure, construct and commission all elements of the works in accordance with technical requirements specified at tender.

The successful contractor will be responsible for the management of sub-contractors to ensure the successful delivery of the project. The architect and structural engineer contracts are to be novated to the contractor.

The works comprise the construction of a new two-storey office block extension to Unit A2 and the demolition of the existing internal office accommodation, as well as the external and internal Cat A refurbishment of Units A1 & A2, including the installation of new surface and underground drainage systems, hardstanding resurfacing and landscaping works.

As part of the Works the proposed scheme includes the following sustainability credentials:

- Minimum B EPC rating;
- Decarbonisation of the building;
- Installation of new efficient double glazing windows to Unit A2;
- New LED lighting throughout with daylight lighting dimming and movement sensors to improve lighting efficiency;
- Installation of EV chargers, and ducted passive parking bays for future expansion.
- New underground attenuation tanks to restrict rainwater discharge into the network during flash floods.