



Glasgow City Council

Contracts and Property Committee

**Report by George Gillespie, Executive Director of
Neighbourhoods, Regeneration and Sustainability**

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Item 5

16th January 2025

Proposed Lease Renewal/Extension for Residential Accommodation at 115-117 Queen Margaret Drive, G20 8NZ on behalf of Glasgow City Health and Social Care Partnership

Purpose of Report:

To seek Committee's approval for the proposed lease extension of residential accommodation at 115-117 Queen Margaret Drive, G20 8NZ on the terms as outlined in this report.

Recommendations:

It is recommended that the committee:

1. Notes the content of this report.
2. Approves the Council entering into a lease extension for the residential accommodation at 115-117 Queen Margaret Drive, G20 8NZ as shown on the attached plan and on the terms contained within this report, and
3. Approves that the Executive Director, of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the lease and to enter into necessary legal agreements on terms that are in the best interest of the Council.

Ward No(s): 15 - Maryhill

Citywide:

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

PLEASE NOTE THE FOLLOWING:

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1 Introduction

- 1.1 This report relates to the proposed lease extension for the premises at 115-117 Queen Margaret Drive which is currently leased to the Council for the occupation of the Health & Social Care Partnership (HSCP) for the housing of homeless persons.

2 Background

- 2.1 The Council have had a lease of the premises at 115-117 Queen Margaret since 1993 when the premises were initially sub-let to Glasgow Women's Aid.
- 2.2 The original lease was due to expire in 2013 but continued on tacit relocation until 2015 when the lease was formally extended until February 2025. The current passing rent of £147,906 pa was set at rent review in 2020.
- 2.3 The property comprises the lower ground, ground, first, second and third floors of a traditional sandstone tenement building that is situated on Queen Margaret Drive.
- 2.4 The property can accommodate up to 34 occupants in single occupancy with each room served by communal kitchen and bathroom facilities. The property has good transport links and is close to shops and other local amenities being a short distance from Byres Road.
- 2.5 In June 2023, the UK government announced an acceleration of the UK asylum decision making process to reduce the backlog of asylum claimants and the use of dispersed accommodation.
- 2.6 The consequences of this decision, for local authorities, has been significant and has seen many authorities, including Glasgow, facing challenges in managing the increase in demand for homelessness services, including temporary accommodation.
- 2.7 On 30th November 2023, Glasgow's City Administration Committee declared a Housing Emergency in recognition of the unprecedented increase in demand for homelessness assistance.
- 2.8 Specifically Glasgow receives the largest number of homelessness applications in Scotland, disproportionate to the size of its population (17.2% of applications against 11.4% of Scotland's population).
- 2.9 The number of homeless households requesting homelessness assistance in Glasgow has risen from 9,299 in 2017/18 to 12,107 in 2022/23. In 2023/24, this number increased significantly with 13,729 households approaching the HSCP for homelessness assistance.
- 2.10 In meeting the challenges of homelessness, the use of Bed & Breakfast accommodation (which primarily accommodates single people) has become a

more common practice, and the number of households in this type of accommodation in June 2023 was 742 compared to 1,473 at present.

- 2.11 It should be noted that the use of B&B's has been used as a stop gap measure to meet the demand from homeless households in the short term however B&B accommodation does not meet the Council's statutory obligations in relation to the Homeless Persons (Unsuitable Accommodation) Order 2014.
- 2.12 Consequently the Council is facing significant legal pressure in relation to its reliance on B&B accommodation. It is clear that the Council requires access to accommodation defined as 'suitable' under the 2014 Order to avoid further legal challenges and which is more appropriate for vulnerable households than a continued reliance on B&B usage.
- 2.13 With there being a continued need for residential accommodation deemed "suitable" under the 2014 Order, such as at 115-117 Queen Margaret Drive, officers have provisionally agreed terms with the landlord for a lease extension, the terms being subject to Committee approval.
- 2.14 The provisionally agreed rent represents an increase of c.11.5% over the current passing rent of £147,906 pa which was set in February 2020. For the same period the RPI Index is likely to show an increase of over 33% while the CPIH Index is likely to show an increase of over 23%.
- 2.15 The provisionally agreed terms are as outlined below;

3 Heads of Terms provisionally agreed with Landlord

Landlord	Danobe Securities Limited
Tenant	Glasgow City Council
Subjects of Let	The property at 115-117 Queen Margaret Drive as shown on the attached plan.
Date of Entry	9 th February 2025.
Term	10 years.
Break Option	Tenant break option at 9 th February 2030 upon giving the other party no less than 6 months prior written notice.
Rent	£165,000 per annum exclusive of VAT, payable monthly in advance.
Rent Review	The rent shall be reviewed as at 9 th February 2030 in line with the rise in the CPI Housing Index.

Repairs/Maintenance	The current respective repairing and maintenance liabilities will remain the same.
Legal Costs	Each party to pay their own legal fees with the tenant being responsible for Land and Buildings Transaction Tax and registration dues.

4 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Rent and utility payments will be met from the HSCP budget.
<i>Legal:</i>	All transactions will be subject to review and conclusion by Glasgow City Council's Corporate and Property Law section.
<i>Personnel:</i>	There are no direct personnel implications.
<i>Procurement:</i>	There are no procurement issues.

Council Strategic Plan:	While this proposal does not directly support any of the Missions set out in the Strategic Plan it does support the Council's obligations as referred to in paragraphs 2.11 and 2.12.
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Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>	N/A
<i>What are the potential equality impacts as a result of this report?</i>	N/A
<i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i>	N/A

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: No

What are the potential climate impacts as a result of this proposal? None

Will the proposal contribute to Glasgow's net zero carbon target? No

Privacy and Data Protection Impacts:

Are there any potential data protection impacts as a result of this report No

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

5 Recommendations

It is recommended that the committee:

1. Notes the content of this report.
2. Approves the Council entering into a lease renewal/extension for the hostel accommodation at 115-117 Queen Margaret Drive, G20 8NZ as shown on the attached plan and on the terms contained within this report, and
3. Approves that the Executive Director, of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the lease and to enter into necessary legal agreements on terms that are in the best interest of the Council.