



**Glasgow City Council**

**Contracts & Property Committee**

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

**Item 3**

**6th February 2025**

**Contact: Mandy MacDonald Ext: 78503**

**AUTHORITY TO INVESTIGATE THE USE OF COMPULSORY PURCHASE  
POWERS (CPO) AND TO SEEK A DEVELOPMENT PROPOSAL FOR  
EGYPTIAN HALLS**

**Purpose of Report:**

To seek committee authority to investigate the use of CPO powers in respect of the property at 84-100 Union Street (Egyptian Halls), including approval to seek proposals for the repair, repurposing and future active reuse of the property, and devise an appropriate bid process including selection and evaluation criteria to assess proposals.

**Recommendations:**

It is recommended that Members:

- (i) Consider the contents of the report.
- (ii) Approve the investigation of the use of CPO powers in respect of the property at 84-100 Union Street (Egyptian Halls) including approval to seek proposals for the repair, repurposing and future active reuse of the property.
- (iii) Authorizes the Executive Director of Neighborhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration to approve a development brief and selection and evaluation criteria for the development proposals, including departures from the relevant CPO Framework where necessary or expedient, with the recommended proposal being reported to a further committee for approval.
- (iv) Authorise officers to appoint agents to act on the Council's behalf, if required.

Ward No(s): 10 Anderston/City/Yorkhill Citywide:

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

## **1.0 Introduction**

- 1.1 This report seeks committee authority to investigate the requirement for the use of CPO powers in respect of the property at 84-100 Union Street (Egyptian Halls). This will include the development of an open, fair and transparent process, aligned with statutory tests, with which to seek proposals for the repair, repurposing and future active reuse of the property.
- 1.2 The Council has a Framework for the Use of Compulsory Purchase Powers under the Town and Country Planning (S) Act (CPO Framework) which sets out the process for making CPOs and entering into back to back agreements with developers. Back to back agreements regulate the transfer of the acquired land to the developer. This process is typically triggered by an approach from a developer. That situation has arisen in relation to Egyptian Halls. The report sets out the Council's intended response, and the changes to the process set out in the CPO Framework proposed to be adopted on this occasion to reflect the differences in the current circumstances from those envisaged in the CPO Framework.
- 1.3 This report does not seek authority to promote a CPO at the current time.

## **2.0 Background**

- 2.1 Egyptian Halls is a category A-listed building located at a key arrival gateway to the city centre from Central Station on Union Street, within Glasgow Central Conservation Area. The building is in private ownership. The building has been vacant and derelict (at upper floors) for over 30 years and has featured on the national Buildings at Risk Register since its inception in 1990. Scaffolding has been in place for 15 years, but is not being used to facilitate repairs, conversion or maintenance. There has been widespread concern from neighbouring proprietors, heritage bodies and the wider public regarding the deterioration of the building over many years, the presence of the scaffolding and the consequent adverse impact on the environment of Union Street. (Steps are being considered separately to facilitate the removal of the scaffolding – see section 3.4.4 and 3.5 below).
- 2.2 The condition of the property has deteriorated in recent years and there does not appear to be a viable scheme being developed or proposed by the current owners, and without intervention, there is an increased risk of significant failure in the fabric of the building.
- 2.3 It is important to take steps to secure the future of this A-listed building as it is widely regarded as the masterpiece of Alexander Thomson's architectural legacy within the city. Thomson was an extremely important and influential architect whose pioneering approach to design and structural innovation has been praised and celebrated internationally since he began designing buildings in the mid-19th century. Thomson's designs were largely confined to Glasgow and many of those properties have now been demolished, damaged or lost to bombing in the Second World War. Egyptian Halls is one of the very few large-scale, commercial buildings that he designed which survives. It is a unique

architectural and historic asset within Glasgow and repair, repurposing and future active reuse of the building is a priority for the Council.

- 2.4 The City Development Plan and the City Centre Strategic Development Framework both prioritise and encourage retention of historic assets. The Central District Regeneration Framework and its Action Plan identify the Egyptian Halls as a 'high profile, architecturally significant Building at Risk that must be prioritised to find a sustainable long-term use that respects (these) important buildings'. The Action Plan supports early focus on the Egyptian Halls as a building at risk as an "Immediate Action". Proposed action identified within the Action Plan includes approaching owners to evaluate potential to support and advise. As discussed below at 3.3 prolonged engagement by officers with the current owners, in line with the Action Plan, has not resolved the issues or brought about meaningful progress.

### **3.0 Current situation**

#### **3.1 Ownership**

- 3.1.1. The property address is 84 – 100 Union Street.
- 3.1.2. The ground and basement floors, known as 84, 88, 96 and 100 Union Street are owned by UNION STREET PROPERTIES LIMITED (SC186601) Registered Office Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ.
- 3.1.3. The upper floors are entered from the close numbered 92 Union Street and are owned by UNION STREET INVESTMENTS LTD (SC353348) Registered Office – Whitehall House, 33 Yeaman Shore, Dundee.
- 3.1.4. Both companies are owned by the same parties.
- 3.1.5. The ground floor shops are partly occupied by tenants which include a phone shop, a motorbike shop and a vape shop. The upper floors are not occupied. The Council will investigate ways to support the relocation of the current tenants if the use of compulsory purchase powers is authorised in due course.

#### **3.2 Previous CPO**

- 3.2.1. The property has been the subject of a previous back to back CPO. The City of Glasgow District Council made a CPO in March 1996 at the request of a consortium of owners in the building, The CPO was confirmed by the Secretary of State for Scotland on 23<sup>rd</sup> May 1996.
- 3.2.2. Notice of Confirmation and then Notices to Treat and Notices of Entry were served in January 1998 at the request of the consortium. However, title was not taken at that time.
- 3.2.3. In late 1999 the consortium of owners invited the Council to begin discussions with Union Street Properties Limited (USP) and a connected

company, Union Street Developments Limited (USD). This resulted in a back to back agreement with USD in 2002 which restated and amended the original agreement with the consortium.

- 3.2.4. During 1998, and 1999 USP purchased 84, 88 and 98 Union Street, and completed their purchase of the remaining interests in the property in 2004. The upper floors of the property were transferred to Union Street Investments Limited in 2009.
- 3.2.5. The whole of the property has been in the ownership of one or other of the linked 'Union Street' companies since 2004.

### 3.3 Planning History

- 3.3.1. The current owners gained consent for repair schemes during the early to mid-2000s, had a demolition application refused in 2011 and thereafter gained planning permission and listed building consent for a hotel scheme in 2012. None of the consented schemes have been delivered and there are no extant permissions in place.
- 3.3.2. The Planning Service and Building Standards Service have been engaged in discussions regarding the condition of the building and its potential re-use for over three decades (including discussions with previous owners). As stated, the current owners have had control of the entire property for approximately twenty years, and based on that history it would appear they are unable to progress with any scheme for bringing the whole of the building back into use.
- 3.3.3. No applications for planning permission for reuse have been submitted by the current owners since the 2012 consented scheme. Correspondence received from the owners over the last five years repeatedly indicates that scheme proposals will be submitted for discussion, but no deliverable or realistic proposals have been received.

### 3.4 Building condition

- 3.4.1. A report by the structural engineers employed by the building owners (July 2024), notes the continuing decline in the condition of the building. It notes that since the engineers' involvement from 2019, although there have not been any drastic changes, there has been an ongoing incremental decline, and the risk of a significant failure will only increase without appropriate intervention.
- 3.4.2. A recent inspection of the property by Building Standards in December 2024 concurs with that position. Whilst the roof covering appears to be preventing water ingress, the building remains open to environmental conditions. The upper storeys remain in an entirely unoccupiable state and it is clear that the continued decline in the overall building fabric will continue through a prolonged lack of occupation and ongoing maintenance.

3.4.3. There is notable ongoing concern for areas of the front façade, in particular the front parapet wall and cornice. This has significant historic movement with an uncapped wallhead and stone joints exposed to continual water ingress. Without intervention it will lead to the type of significant failure noted in the engineer's report. Timber packing to historical temporary supports installed on the rear wall are also showing signs of significant rot.

3.4.4. In order to prevent a significant deterioration occurring which would result in an immediate public safety issue, a defective building notice using Building Standards powers is being served on the owners to address the condition of the façade and parapet wall. Once repairs are actioned by the owners, or the Council, if necessary, further action will be considered and taken as appropriate to secure the removal of the scaffolding. However, a sustainable long term solution is required for the building and if this report is approved, officers will seek proposals and investigate the use of CPO powers to facilitate this.

### **3.5     Advertisement on the scaffolding**

3.5.1. Advertising Consent was initially granted on a temporary basis for one year in 2000 which expired without being implemented. A later Advertising Consent was granted on 22 July 2008 (reference 08/1320/DC). However, scaffolding was not erected until 2009. The consent allowed for the erection of a shroud/banner image of the Egyptian Halls on the scaffolding and for an advertisement hoarding facing Union Street while approved works to the building were being carried out. No approved works were ever carried out.

3.5.2. Despite this, unauthorised large-scale advertisements continued to be displayed on the scaffolding structure, prompting a series of enforcement actions by the Council's Planning Enforcement team. Action included the Council seeking an interdict at the Court of Session to prevent further unauthorised advertising on the scaffolding surrounding the listed building. An out-of-court agreement was reached, leading to the cessation of further banner advertisements on the scaffolding.

3.5.3. As part of the resolution, the owners of the Egyptian Halls gave a formal undertaking to the court not to cause, undertake, or permit any advertisements on the scaffolding without prior consent from the Council. The court's formalisation of the undertaking ensures compliance. This long-running process has ultimately achieved the Council's aim of prohibiting inappropriate large-scale advertising that detracts from the visual amenity of the conservation area. Since the agreement, no further banner advertisements have been displayed on the scaffolding.

## **4.0     Voluntary Acquisition by Council**

4.1     Glasgow City Council has no intended use for the building and is not in a financial position to make a voluntary acquisition at this time.

## **5.0 Current Proposal**

- 5.1 The Council has been approached by an interested party which wishes to acquire the Egyptian Halls building with the intention of delivering a mixed-use repurposing proposal. At this point, this proposal is at an early stage and is considered to be commercially sensitive. However, plans would comprise a new food/restaurant market development on lower floors with a hotel on upper floors. The proposed scheme would retain the existing building and would include a modest extension to the roof to create additional floor space. Early review suggests that this proposal could be acceptable in principle in Planning terms.
- 5.2 The proposal would also require to be assessed against the evaluation criteria to be developed in accordance with section 8 below.
- 5.3 The Council understands an informal offer to purchase the building was made by this interested party at a figure in excess of an independent valuation, but this was not progressed by the owners.

## **6.0 Planning Policy**

- 6.1 It is considered necessary for the proper planning of the area that the property is returned to active use and repurposed to align with the City Development Plan's aspirations to repair, restore and enhance historic assets, improve the amenity of the Central Conservation Area and boost the vibrancy and economic competitiveness of the City Centre. The overall aim is to regenerate the building and by doing so, improve and enhance the area surrounding it and the Union Street entrance at Central Station.
- 6.2 Bringing this deteriorating building at risk back into productive economic and sustainable re-use aligns further with key policy objectives in National Planning Framework 4 (Policy 1 and 2) for tackling the climate and nature crises, climate mitigation and adaptation and (Policy 7) the re-use of existing buildings and historic assets.
- 6.3 The Glasgow City Development Plan 2017 (CDP) contains a suite of policies that will be used in the assessment of development proposals and identifies two overarching key aims for the City: creating and maintaining a high quality, healthy place, and developing a compact city form that supports sustainable development. To help deliver these aims, the CDP sets out a strategy that seeks to deliver on four strategic outcomes:
- a vibrant place with a growing economy
  - a thriving and sustainable place to live and work
  - a connected place to move around and do business in, and
  - a green place

These outcomes create the rationale for the CDP's policies and proposals.

- 6.4 An overarching policy, Policy CDP 1: The Placemaking Principle, will be applied to all development proposals throughout the City and is underpinned by a design-led approach to planning.
- 6.5 The Council will continue to focus on the regeneration and redevelopment of the existing urban area to create a sustainable City. Experience has shown that efforts to address the City's physical legacy and improve the environment have been successful where they have sought to address, not only appearance and context, but the full range of benefits and opportunities that new development can generate in terms of how people interact with and benefit from their environment. Of particular relevance, good placemaking can have a major influence upon the sustainable economic growth of an area.
- 6.6 Policy CDP2: Sustainable Spatial Strategy aims to influence the location and form of development to create a 'compact city' form which supports sustainable development. This policy provides a spatial representation of the CDP's strategy through Spatial Supplementary Guidance which includes Strategic Development Frameworks (SDF's).
- 6.7 Of relevance is the City Centre Strategic Development Framework (CCSDF). This supports a vibrant, attractive centre driving a growing economy which includes repopulating the centre, ensuring a mix of uses and round the clock activity, whilst improving the quality of the urban environment to help attract more residents, businesses and visitors.
- 6.8 The CCSDF provides a framework for strategic interventions for the city centre and was adopted as Supplementary Guidance to the CDP in May 2021. Priority 1 of the CCSDF prioritises actions which accelerate transformation of the urban environment to ensure climate resilience, improved liveability and place quality. Priority 2 of the CCSDF prioritises actions to increase activity and diversity in the city centre to support its continued prosperity at the heart of the city-region and as a key contributor to the national economy. Re-use of this important asset would transform the urban environment by creating a vibrant asset where currently there is dereliction, improve climate resilience by reusing an existing asset, and improve liveability and place quality by enhancing the amenity of the Glasgow Central Conservation Area. The reuse of the building would also bring activity and vibrancy to this part of the city centre and therefore improve the prosperity of the city.
- 6.9 The Council's recent *Vision and Plan for the Golden Z* (approved 2023), identifies the current state of Egyptian Halls building as being a contributing factor in the degradation of the surrounding street.
- 6.10 In addition, the City Centre Strategy and Central District Regeneration Framework both promote the repair and repurposing of heritage assets and seek to reinforce the distinctive character and identity of the Central District of the city centre. The Central District Regeneration Framework's key objectives include to retain and improve the competitive edge of Glasgow city centre, repopulate the centre and increase city density and function mix, create more attractive and remarkable spaces, create a seamless transition from a daytime

to night-time economy – vibrant, safe, family friendly. The repair and reuse of Egyptian Halls will create vibrancy, improve safety and provide a more attractive place within Union Street and the city centre.

- 6.11 Proposals for the repair, repurposing and future active reuse of the property will be assessed against the above policies and guidance, along with the other relevant policies of the CDP, having regard to the aforementioned strategies and frameworks.
- 6.12 As discussed at 6.10 above, the Central District Regeneration Framework and its Action Plan identify the Egyptian Halls as requiring action as a priority.
- 6.13 Links to a selection of plans and strategies are available in Appendix 1

## **7.0 CPO Powers and GCC CPO Framework**

- 7.1 The Council has powers under the Town and Country Planning (S) Act 1997 (the 1997 Act) to make a compulsory purchase order.
- 7.2 Section 189 states: -
  - (1) A local authority shall, on being authorised to do so by the Scottish Ministers, have power to acquire compulsorily any land in their area which:*
    - (a) is suitable for and is required in order to secure the carrying out of development, redevelopment or improvement;*
    - (b) is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.*
- 7.3 Section 189 (2) further provides that:-
  - A local authority and the Scottish Ministers in considering for the purposes of subsection (1)(a) whether land is suitable for development, redevelopment or improvement shall have regard to: -*
    - (a) the provisions of the development plan, so far as material,*
    - (b) whether planning permission for any development on the land is in force, and*
    - (c) any other considerations which would be material for the purpose of determining an application for planning permission for development on the land.*
- 7.4 Land which is acquired using the powers in the 1997 Act can be transferred to a third party for development (in terms of s.191), subject to various tests being satisfied.
- 7.5 The Council developed a CPO Framework for what are known as 'agency' or 'back to back' CPOs in response to the court cases arising out of the redevelopment of Buchanan Street in the late 1990s/early 2000s. (Report to Development and Regeneration Services Committee 26.10.2000)
- 7.6 That CPO Framework sets out the circumstances in which the Council would consider using CPO powers under the 1997 Act. In accordance with the CPO Framework, officers have considered the current condition and use of the property, its planning history, and the approach made by an interested party,

and are of the view that, in broad terms, the acquisition of the land is reasonably necessary for planning purposes and compelling benefits are likely to be delivered as a result of the repair, repurposing and re-use of the building, such that the use of CPO powers should be investigated.

- 7.7 There are 4 phases set out in the CPO Framework.

**Consideration** – as to whether the acquisition of the land using CPO powers is reasonably necessary for planning purposes; this is usually triggered by an approach from a developer.

**Publication of Intention** – following committee authority for officers to investigate the use of CPO powers, to issue an invitation to all owners and occupiers of the site to submit proposals for consideration.

#### ***Evaluation of Proposals Submitted***

**Conclusion** – following detailed evaluation of proposals, a further report is submitted to committee recommending which, if any, of the proposals submitted should be supported. The report will seek authority to enter into a back to back agreement with the preferred developer which will include obligations to have planning permission in place; to demonstrate reasonable attempts at voluntary acquisition; and an undertaking to meet all of the Council's costs including compensation payable as a consequence of the CPO.

- 7.8 In the typical situation, the Council will have been approached by a developer who is trying to assemble a site. The developer will usually either own part of the site or will have options to acquire it. They will have been unable to conclude voluntary negotiations to buy the rest of the site and will be requesting that the Council exercise CPO powers on their behalf to complete the site assembly.
- 7.9 Phase 2 of the CPO Framework process would involve the Council asking for all owners and occupiers of the site to submit proposals to the council.
- 7.10 The present situation differs from that scenario in that the property is owned by two linked companies. In relation to Egyptian Halls, the Council has been approached by an interested party who is neither an owner nor an occupier.
- 7.11 To ensure that there is a fair, open and transparent procedure before a decision is made to exercise CPO powers and that, in due course, there is full consideration of and compliance with the statutory tests for the disposal of land acquired by means of the exercise of CPO powers (s.191), the procedure in the CPO Framework will be amended on this occasion, as follows: -
- 7.11.1. The Publication of Intention (phase 2 of the CPO Framework) will take the form of an open call for proposals from any interested parties, including, but not limited to, the two owners of the property, the tenants and the interested party who has approached the Council. All proposals received will be considered as part of the evaluation process (phase 3 of the CPO Framework).

It may be necessary to amend or expand the broad evaluation criteria set out in the CPO Framework to include other appropriate criteria reflecting the nature of the building. In particular, the evaluation criterion within the CPO Framework relating to ownership/attempts to negotiate purchase, may be modified or disappplied. The evaluation criteria will be approved by the Director of NRS in consultation with the Director of Legal and Administration to achieve best terms in accordance with s.191 of the 1997 Act.

- 7.12 Other consequential amendments or amendments to the proposed back to back arrangements may be necessary or expedient to reflect the particular circumstances, and these would be reported to committee as part of phase 4 of the CPO Framework process.

## **8.0 Seeking and Evaluating Proposals**

- 8.1 Should this report be approved, the Council will seek proposals for the repair, repurposing and future active reuse of the property.
- 8.2 A fair, open and transparent process, which will allow full consideration of and compliance with the relevant statutory tests, is proposed seeking proposals which will then be evaluated using pre-approved evaluation criteria. The aim is to have the building repaired and brought back into use in a way that is consistent with planning policy and guidance and strategic objectives. It is considered that a back-to-back agreement with a suitable party is the best way to achieve the desired aim, subject to the case for use of CPO powers being fully assessed and authorised in due course.
- 8.3 A development brief will be prepared and issued by the Council, or the Council's agents. Information relating to the condition of the building will be made available to interested parties. The brief will seek interest in the building and the proposals received will be evaluated within a framework which will include but not be limited to the following criteria:
- Retention and use of the building, including alignment with heritage status and design parameters
  - Previous experience of developments of this type
  - Timeframe and deliverability for development
  - Funding
- 8.4 Following conclusion of the proposal submission and evaluation process, and having identified a preferred development proposal, a further committee authority will be sought to approve the preferred bidder and enter into a back-to-back agreement with them and to promote the CPO.
- 8.5 Should this process not identify a suitable development proposal the Council will review the situation.

## 9.0 Next Steps

- (i) Develop evaluation criteria and a development brief, and agree a process for inviting parties to submit proposals.
- (ii) Carry out a building survey (using statutory powers if necessary).
- (iii) Issue a development brief and supporting documents with timescale for submission and assessment of proposals.
- (iv) Evaluate submitted proposals via agreed evaluation criteria.
- (v) Prepare a report for committee on the outcome of the process; assuming suitable proposals are received, this report would seek authority to approve
  - (i) the selection of a preferred developer who would enter into a back-to-back agreement, and
  - (ii) the promotion of a CPO.

## 10 Policy and Resource Implications

### Resource Implications:

*Financial:* There may be financial implications, but these will be considered at a later stage.

*Legal:* All transactions will be subject to review and conclusion by Glasgow City Council's Corporate and Property Law section and any external resources they may require.

*Personnel:* No anticipated impact on personnel

*Procurement:* The proposals as currently anticipated would not give rise to relevant procurement issues. This will be kept under review at later stages.

### Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.* In preparing any future report for committee, the proposals will be assessed against the Council's Equality Outcomes and its statutory obligations

*What are the potential equality impacts as a result of this report?* No significant impact at this stage but to be re-considered and assessed as appropriate in due course including by reference to specific proposals once developed.

*Please highlight if the policy/proposal will help address socio-* N/A at this stage but to be re-considered and assessed as appropriate in due course including by reference to specific proposals once developed.

*economic  
disadvantage.*

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:* An assessment will be carried out once proposals for the repair, repurposing and future active reuse of the property have been received

*What are the potential climate impacts as a result of this proposal?* An assessment will be carried out once proposals for the repair, repurposing and future active reuse of the property have been received

*Will the proposal contribute to Glasgow's net zero carbon target?* To be assessed and reported on at a later stage.

**Privacy and Data Protection Impacts:** None

## **11.0 Recommendations**

11.1 It is recommended that Members:

- (i) Consider the contents of the report;
- (ii) Approve the investigation of the use of CPO powers in respect of the property at 84-100 Union Street (Egyptian Halls) including approval to seek proposals for the repair, repurposing and future active reuse of the property.
- (iii) Authorises the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration to approve a development brief and selection and evaluation criteria for the development proposals including departures from the relevant CPO Framework where necessary or expedient: with the recommended proposal being reported to a further committee for approval.
- (iv) Authorise officers to appoint agents to act on the Council's behalf, if required.

## **Appendix 1**

Document links:

<b>Acronym</b>	<b>Document Link</b>	<b>Date Published</b>
CCS 24-30	<a href="#">City Centre Strategy</a>	Apr 2024
CDRF	<a href="#">Central District Regeneration Framework</a>	May 2019
Golden Z	<a href="#">Vision and Plan for the Golden Z</a>	2023
NPF4	<a href="#">National Planning Framework 4</a>	Feb 2023
CDP	<a href="#">City Development Plan</a>	Mar 2017
CCSDF	<a href="#">City Centre Strategic Development Framework</a>	Adopted May 2021
SG1	Supplementary Guidance 1: <a href="#">Placemaking Part 1</a> <a href="#">Placemaking Part 2</a>	June 2018
CCAMP	<a href="#">Central Conservation Area Management Plan</a>	Mar 2012
CPO Framework	GCC Framework for the Use of Compulsory Purchase Powers under the Town and County Planning (S) Act	2000 (no link available pre-digitisation)
TCP	<a href="#">Town and Country Planning (S) Act 1997</a>	1997