

## Item 3

8th August 2024



Glasgow City Council

Contracts & Property Committee

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

Contact: George McMillan

Ext: 76151

### AUTHORITY TO NEGOTIATE AN OFF-MARKET DISPOSAL OF AN INDUSTRIAL UNIT AT 42A BAIRD STREET, GLASGOW, G4 0DS TO LEGAL & GENERAL PROPERTY PARTNERS (INDUSTRIAL FUND) LIMITED.

#### Purpose of Report:

To seek Committee authority to commence negotiations for an off-market disposal of an industrial property at 42A Baird Street, Glasgow to Legal & General Property Partners (Industrial Fund) Limited.

#### Recommendations:

That Committee:

1. notes the content of this report;
2. approves the principle of an off-market disposal of the subject to Legal & General Property Partners (Industrial Fund) Limited;
3. instructs the Managing Director of City Property (Glasgow) LLP to negotiate the terms and conditions of the disposal: and
4. notes that the appropriate authority would be sought for the approval of agreed terms and conditions.

Ward No: 10 – Anderston/City/Yorkhill      Citywide: ✓

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

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**Report to:** Contracts & Property Committee

**From:** Managing Director of City Property (Glasgow) LLP

**Date:** 8th August 2024

**Subject:** Authority to negotiate an off-market disposal of an industrial property at 42A Baird Street, Glasgow, G4 0DS to Legal & General Property Partners (Industrial Fund) Limited.

## 1. Description

- 1.1 The subject shown outlined and hatched black on the enclosed plan is located within the Cowcaddens area of Glasgow.
- 1.2 The subject comprises the share of an industrial unit forming part of a larger building owned by Legal & General Property Partners (Industrial Fund) Limited, the proposed Purchaser. The subject is an L-shaped unit measuring circa 618 sqm. The construction is a steel portal frame with dual pitched roof finished in a corrugated metal roof covering. The elevations typically comprise facing brick and corrugated metal cladding. Access to the unit is provided by a single pedestrian door. The unit is not serviced with electricity or heating. The subject is currently vacant although the remainder of the unit is let to the Royal Mail and is operated as a sorting centre.
- 1.3 The subject is located within the Baird Street Industrial Estate to the north of the city centre. The unit fronts Baird Street and is adjacent to the new Sighthill Walk providing access to the Sighthill Bridge.
- 1.4 The subject is owned by Glasgow City Council (GCC) having been acquired by compulsory purchase order (CPO) from Legal & General Property Partners (Industrial Fund) Limited in November 2014 as part of the Sighthill regeneration project.

## 2. Planning

- 2.1 [Glasgow City Development Plan](#) was adopted on 29 March 2017. The new local development plan replaces Glasgow City Plan 2 (2009) and sets out GCC's land use strategy providing the basis for assessing planning applications. The City Development Plan does not identify land use zones to direct particular types of development. Instead, overarching policies CPD1 Placemaking and CDP 2 Sustainable Spatial Strategy encourage development to be informed by a placed base approach, which means new development should be responsive to its context.

### **3. Background**

- 3.1 Legal & General Property Partners (Industrial Fund) Limited owned the entire unit at 42 Baird Street prior to the CPO in November 2014. GCC acquired the end terrace of the block as part of the Sighthill project via CPO to enable to development of the Sighthill Bridge and Walkway. A large section of the unit was demolished, and the land now forms the walkway to the bridge. A portion of the unit was retained to facilitate the demolition and associated works. As the bridge is now complete, the remaining section of the unit is no longer required.
- 3.2 Neighbourhoods, Regeneration and Sustainability (NRS) instructed City Property (Glasgow) LLP to sell the unit back to Legal & General Property Partners (Industrial Fund) Limited under Crichton Downs. Upon investigation it became apparent that Crichton Downs would not apply here as the subjects have been materially changed since the CPO. Discussions with GCC's legal services concluded that sale by nominated disposal would be most suitable route with the purchaser being an adjoining owner.
- 3.3 Jones Lang LaSalle (JLL) are acting for Legal & General Property Partners (Industrial Fund) Limited and have advised that their client is willing to proceed with a nominated disposal. Upon acquisition, the purchaser intends to let the subjects to the Royal Mail who occupy the remainder of the unit.
- 3.4 NRS have advised that the subjects do not require to go through the surplus process as they have never been operational.
- 3.5 Prior to advancing discussions, we will confirm that the unit does not form part of the Common Good.
- 3.6 The subject is not included in GCC's log of opted for tax property.

### **4. Current Position**

- 4.1. The subjects are no longer required by GCC following the completion of the Sighthill Walkway and Bridge. As the unit is irregular in shape with a very narrow entrance, we consider market demand to rent will be limited.
- 4.2. The proposed purchaser is the adjoining owner, and this meets the criteria for an off-market disposal.
- 4.3. Should authority to negotiate being granted, heads of terms will be negotiated by City Property (Glasgow) LLP and the appropriate authority will be sought for the approval of the agreed terms and conditions.

### **5. Purchaser**

- 5.1. Legal & General Property Partners (Industrial Fund) Limited.

## 6. Policy and Resource Implications

### Resource Implications:

*Financial:* Authority to negotiate an off-market disposal will generate a capital receipt for GCC.

*Legal:* The legal team will need to conclude this transaction.

*Personnel:* No direct personnel issues.

*Procurement:* No Procurement implications.

**Council Strategic Plan:** A Thriving Economy:  
A resilient, growing and diverse city economy where businesses thrive.

### Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2021-25* No specific equality related outcomes.

*What are the potential equality impacts as a result of this report?* No equality impacts identified.

*Please highlight if the policy/proposal will help address socio economic disadvantage.* The proposal has no impact on socio economic disadvantage.

### Climate Impacts:

*Does the proposal support any Climate Plan actions? Please specify:* GCC commits to working with other public bodies, third sector, Glasgow's citizens and communities, business community and adjacent local authorities to halt and reverse the decline in biodiversity.

*What are the potential climate impacts as a result of this proposal?* As the industrial property in question will be retained for its current use, it is not considered that there will be any potential climate impact.

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

*It is considered that the proposal will not have either a positive or negative contribution to the City's net zero carbon target.*

*Common Good:*

*Prior to advancing discussions, we will confirm that the unit does not form part of the Common Good.*

**Privacy and Data Protection impacts:**

*No Privacy and Data Protection impacts identified.*

## **7. Recommendations**

That Committee:

- 7.1 notes the content of this report;
- 7.2 approves the principle of an off-market disposal of the subject to Legal & General Property Partners (Industrial Fund) Limited;
- 7.3 instructs the Managing Director of City Property (Glasgow) LLP to negotiate the terms and conditions of the disposal: and
- 7.4 notes that the appropriate authority would be sought for the approval of agreed terms and conditions.