



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Jacqueline Gillies, Ext: 75186

Item 2

23rd June 2026

UK Property Portfolio – Refurbishment Proposal, Admiral Hyson Industrial Estate, London

Purpose of Report:

To conclude a tendering exercise for the provision of refurbishment works (Units 1 – 8 and External Yard Replacement at Admiral Hyson Industrial Estate, London) for the Strathclyde Pension Fund property portfolio.

Recommendations:

The Committee is asked to **APPROVE** the appointment of **7Formation Ltd** to carry out refurbishment works (Units 1 – 8 and External Yard replacement at Admiral Hyson Industrial Estate, London) 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 was appointed to manage the Fund's UK property portfolio in 2010, when the portfolio was valued at c.£682 million. Since DTZ's appointment, the value of the portfolio has risen to £2,539 million, largely as a result of positive investment performance, but also due to re-investment of rental income and new capital allocation. As at 31st March 2026, the portfolio comprised 57 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 £13m in 2010 to £44m today.

In recent years, DTZ 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 has recommended that the Fund proceed with the refurbishment of one asset, Units 1 – 8 and the External Yard at Admiral Hyson Industrial Estate, Hyson Road, London. The estate was valued at £19.6m as at 31st March 2026.

2 Tendering Process

Following consultation with GCC's legal team, DTZ, acting as agent for the Fund, have followed a full public procurement process to tender a contract for the refurbishment of Units 1 – 8 and replacement of the external yard at Admiral Hyson Industrial Estate, London. They have been advised on legal and procurement aspects of the tender process by the Fund's specialist property legal advisors, CMS. Avison Young have assisted DTZ in the capacity of Project Manager within the procurement process.

The tendering exercise commenced on 15th January 2026 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).

Nine suppliers completed an SPD by 19th February 2026, the deadline for submissions. Five bidders were invited to complete an ITT by 5th May 2026. Two contractors withdrew from the tender process with three remaining. The deadline was extended to the 15th May 2026 for all contractors.

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	70.0%
• Fair Work First Practices	2.5%
• Scope of Requirements	5.0%
• Implementation Programme	10.0%
• Key Issues Understanding	7.5%
• Resources and Key Personnel	5.0%

On the basis of the award criteria, **7Formation Ltd** tendered the most competitive proposal for the Fund, achieving an overall score against the evaluation criteria of 98.50%.

3 **Top scoring supplier: 7Formation Ltd**

7Formation Ltd are a principal contractor based at 23 Princewood Road, Corby NN17 4AP. They have a track record in delivering development projects of a similar type and complexity. 7Formation Ltd were established in 2008. They returned the lowest tender price and their submission was a thorough tender return in all aspects. Details of their scoring can be found within the tender report.

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 2026 to August 2027

5 **Policy and Resource Implications**

Resource Implications:

Financial: Total cost of the contract is **£5,212,273.63 excluding VAT.**

Legal: The form of building contract to be used will be JCT Design & Build Contract 2024 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 support the Council's Equality Outcomes 2025-29? Please specify.

Equalities issues are addressed in the Fair 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.

What are the potential equality impacts as a result of this report?

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.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

n/a

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

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.

What are the potential climate impacts as a result of this proposal?

The embodied carbon emissions will be minimised through DTZ relying on criteria set out in its refurbishment guidelines and vetting procedures which the contractor is required to comply with. This includes 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 A rating (against current EPCs between C and D).

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 **7Formation Limited** to carry out refurbishment works (Units 1 – 8 and External Yard replacement, Admiral Hyson Industrial Estate, Hyson Road, London) for the Strathclyde Pension Fund Property Portfolio.

Scope of Works

The contract is for the refurbishment of Units 1 – 8 and external yard replacement, Admiral Hyson Industrial Estate, Hyson Road, London, SE1 3PA.

The works are to be carried out under the JCT Design and Build Contract 2024 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 works comprise of a comprehensive refurbishment of the estate and yard to improve and modernise the property. This includes installation of a new roof, replacement of 25% of the cladding, new electric roller shutter loading doors, new M&E including external condenser units, internal refurbishment of the warehouse including new WCs, kitchenette and office accommodation and installation of new mezzanine floors to increase the overall area from 41,684 sq ft to 45,044 sq ft. The external yard will be levelled to create a new concrete yard and new surface water drainage system.

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

- Minimum A EPC rating;
- Installation of solar PV panels with 25% roof coverage;
- Installation of EV chargers, and ducted passive parking bays for future expansion;
- Decarbonisation of the building through capping the existing gas supply;
- Installation of new efficient double-glazing windows and doors to all units;
- New LED lighting throughout with movement sensors to improve lighting efficiency;
- New underground attenuation tanks to restrict rainwater discharge into the network during flash floods.