**Item 4**

**19th August 2026**

**Glasgow City Council**

**Finance and Audit Scrutiny Committee**

**Report by Director of Financial and Business Services**

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# Update Report on Common Good Fund Property Portfolio

## Purpose of Report:

To provide the Finance and Audit Scrutiny Committee with an update on the management of the Common Good Property Portfolio by City Property Glasgow (Investments) LLP, as at the end of 30th June 2026.

## Recommendations:

The Committee is asked to note the contents of the report.

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| Ward No(s): | Citywide: ✓ |
| Local member(s) advised: Yes ☐ No ☐ | consulted: Yes ☐ No ☐ |

## 1. INTRODUCTION

1.1. The purpose of this report is to update Committee on the management of the Common Good Fund Property Portfolio by City Property Glasgow (Investments) LLP (CPGI) for the period 1st January to 30th June 2026, following the report that was submitted to Committee on 28th January 2026.

## 2. SUMMARY

2.1. The portfolio comprises a mixture of income from leases primarily from within the City of Glasgow boundary, however, one area of ground at Humbie Farm is located out with the city boundary.

2.2. The commercial portfolio has a majority of retail use with the remaining balance split between ground lease income derived from general business, agricultural and leisure uses.

2.3. CPGI is responsible for maximising rental income from the portfolio and managing the condition of the properties and instructing as necessary any repairs and maintenance following approval from the Council's Common Good fund.

2.4. The portfolio is managed in line with the process set out in the Policy on Common Good approved by the Executive Committee on 5 February 2015.

2.5. The total annual rent from the entire portfolio as at 30th June 2026 is £300,767. Non-recoverable costs for any vacant properties, primarily non-domestic rates, continue to be monitored closely.

2.6. The total debt for the portfolio is £75,638 which continues to report a reducing trend. This is made up of 16 debtors a drop of 5 from the previous report, of which 2 are historic, i.e. their lease has terminated, 2 are on instalment plans, and the remainder are either being managed by CPGI credit control team or have been referred to legal for recovery.

## 3. CURRENT POSITION - COMMERCIAL PROPERTIES HELD FOR INCOME GENERATION.

3.1. The details of the 25 commercial units managed by City Property are set out in Appendix 1. This shows that there are 4 vacant properties and the date they became vacant resulting in an occupancy rate of 84% the same as was reported in January 2026.

3.2. <u>Vacant Units</u>

3.2.1. 57 Byres Road – Terms have been agreed for a new 10 year lease at market rent - £13,500.

3.2.2. 4 Dowanhill Street – A new 10 year lease is being finalised by Legal Services at an initial rental of £9,000 per annum.

3.2.3. 180 Dumbarton Road – Terms for a new lease have been agreed and Legal Service are now progressing, however the power has been disconnected and we are progressing reconnections prior to concluding the lease.

3.2.4. 37 Riverford Road – Works are required to enable this property to be brought back to the market. There have been delays in obtaining final quotes for the works before they can be instructed. This has been escalated to senior City

Property and City Building management to enable the works to be instructed and concluded as soon as possible.

3.3. All the other properties are occupied as detailed in Appendix 1.

**4. CURRENT POSITION - NON-COMMERCIAL PROPERTIES.**

4.1. This portfolio is predominantly made up of long-term ground leases, including agricultural tenancies, which only generate minimal rental income.

4.2. <u>254-290 Sauchiehall Street</u>

4.2.1. This property, known as Breckenridge House, is on a long-term lease and the building occupies the ground and upper floors of a rebuilt Victorian office block.

4.2.2. The head lease for the property runs until 2160. The passing rent is peppercorn but a grassum was paid at the beginning of the lease.

4.2.3. As previously reported, the lease was in the process of being assigned from Larkhill Properties to LMCW Propco Limited. Legal Services have completed the Assignation. The terms of the lease remain unchanged.

4.3. <u>McLellan Galleries, 270 Sauchiehall Street</u>

4.3.1. GCC have been developing a strategy for the future use of this vacant property, and although not directly involved at this stage City Property understands, following recent discussions with GCC colleagues, that some initial discussions have taken place with potentially interested parties. Updates will be provided once a definitive outcome has been reached.

4.4. <u>Citizen's Theatre, 119A-123 Gorbals Street</u>

4.4.1. The 99-year lease from GCC to the Citizens Theatre Limited at a rent of £1,250 per annum commenced in 2019.

4.5. <u>Pollok Country Park</u>

4.5.1. As previously reported following on site works and inspections, City Property are recommending demolition of this property. City Property has now received outline costs for the demolition of 132 Dumbreck Road which will form part of the business case for GCC's consideration. As part of the approval process, CPGI will continue to provide technical support and guidance. A final decision on the demolition of the building rests with GCC, and we have requested their instructions.

4.6. <u>Humbie Farm</u>

4.6.1. The gross rent currently generated from one grazing let at Humbie Farm is £1,150 per annum and there are no non-recoverable costs.

4.6.2. A specialist agricultural agent is now formally appointed to market the adjacent vacant grazing let.

4.7. <u>Cathkin Braes Country Park</u>

4.7.1. Cathkin Braes Country Park is let by GCC to SSE Generation Limited as a windfarm. This lease expires in 2037. There is a base rent of £3,000 per annum, with Glasgow City

Council entitled to an additional equity share of income generated in terms of a co-venture agreement between GCC and the tenant. This agreement is managed directly by GCC.

## 5. CONCLUSION

5.1. Over the next 6-month period CPGI will:

1) Endeavour to complete all outstanding transactions/negotiations and secure lettings following marketing of those subjects which remain vacant.

2) Continue to monitor repair and maintenance expenditure to protect asset value as authorised and approved by the Common Good Fund.

3) Continue to maximise income through increased rental by undertaking rent reviews and lease renewals where appropriate.

4) Continue to pursue debt and implement payment plans and legal action as appropriate.

5) Continue with a programme of regular inspection to ensure tenant compliance with leasehold obligations.

## 6. Policy and Resource Implications

**Resource Implications:**

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|---|---|
| *Financial:* | There are currently no financial implications from the proposals. |
| *Legal:* | There are no legal implications from the proposals. |
| *Personnel:* | There are no personnel implications. |
| *Procurement:* | No relevant procurement issues. |
| **Council Strategic Plan:** | Grand Challenge 4 - Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.<br><br>Mission 3 - Enable staff to deliver a sustainable and innovative council structure that delivers value for money. |
| **Equality and Socio-Economic Impacts:** | |
| *Does the proposal support the Council's Equality Outcomes 2025-29? Please specify.* | 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* | The proposal has no impact on socio economic disadvantage. |

| | |
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| *help address socio-economic disadvantage.* | |

**Climate Impacts:**

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| *Does the proposal support any Climate Plan actions? Please specify:* | No direct support |
| *What are the potential climate impacts as a result of this proposal?* | Impact deemed as neutral |
| *Will the proposal contribute to Glasgow's net zero carbon target?* | No specific contribution |
| **Privacy and Data Protection Impacts:** | No Privacy and Data Protection impacts identified |

## 7. Recommendation

The Committee is asked to note the contents of the report.