



**Glasgow City Council**  
**Contracts & Property Committee**

**Item 3**

14th September 2023

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

**Contact: David McEwan      Ext: 24063**

**AUTHORITY FOR AN OFF-MARKET NOMINATED DISPOSAL OF THE  
 PROPERTY AT 26-34 BRIDGE STREET GLASGOW G5 9HU TO NEW  
 GORBALS HOUSING ASSOCIATION (NGHA) AT NIL VALUE**

**Purpose of Report:**  
 To seek authority for Glasgow City Council (GCC) to agree a nominated disposal of the subject property at nil value to NGHA for development as a site for social housing

**Recommendations:**  
 It is recommended that Committee:

1. Notes the content of this report.
2. Approves the terms noted in this report for an off-market nominated disposal of the subject property to NGHA for nil value.

**PLEASE NOTE THE FOLLOWING:**  
*Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <<http://www.ordnancesurvey.co.uk>> “*  
*If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale*

Ward No(s): Ward 5 – Govan	Citywide: ✓
Local member(s) advised: No <input type="checkbox"/>	consulted: No <input type="checkbox"/>

## **1.0 Introduction**

- 1.1 The purpose of this report is to seek approval for an off market nominated disposal of the subjects at 26-34 Bridge Street Glasgow to NGHHA at nil value. The Premises are identified outlined and hatched black on the attached plan, J98297
- 1.2 The building was formerly owned by a company that was dissolved in 2008. GCC took title to this property following court action for unpaid debt, the date of entry being 17 January 2017.
- 1.3 GCC initially approached NGHHA seeking their interest in acquiring the subjects "as existing" for demolition and redevelopment for social housing. NGHHA has already acquired the former public house premises immediately adjoining to the north. NGHHA is currently engaged in running options appraisals for development of the site.

## **2 The Subjects**

- 2.1 The subject site is shown edged and hatched black on the attached plan, J 98297, extending to 205 sq m. As can be seen from the plan, the building is hard on the pavement to Bridge Street, bounded to the north and south by adjoining properties, and by the main rail line running at an elevated level at the rear, which will greatly increase the cost and complexity of demolition and future redevelopment. The depth of the site is also restricted, limiting development options. It is the view of property officers, that the background to the original acquisition, along with the challenges associated with the site to both demolition and redevelopment put this site into a unique position.

## **3. Background**

- 3.1 The building came to NRS Housing Services' attention following receipt of reports that flats within the building were being illegally let out. Following investigation, this proved to be the case and due to the alarming conditions found within the property, action was taken to close the building and rehouse the tenants. After the flats were vacated, the building was physically secured to prohibit access and prevent the property from being re-occupied.
- 3.1 This site was subsequently acquired by GCC following successful negotiations with the QLTR (now known as the King's Lord Treasurer's Remembrancer) who had claims to the building on behalf of the Crown. The building is in a state of disrepair and is in an uninhabitable condition. The cost of refurbishing the building to bring it up to the Scottish Housing Quality standard is prohibitive, with demolition being the preferred, if not the only realistic, option.

In the meantime, however, the site is subject to frequent break-ins, which GCC requires to repair, and there remains the potential for willful fire-raising which would not only be reputationally damaging, but dangerous to neighbouring

properties and people, and could significantly increase demolition costs which would – at present - fall to the Council to fund.

- 3.2 GCC is engaged with NGHHA on several projects in the area, largely in the nearby Laurieston TRA. NGHHA has acquired the former public house premises immediately adjoining the subjects, and together with this site, will increase the overall footprint of the area in the Association's ownership and create a more developable site. NGHHA are prepared take on the site as is and take responsibility for demolition of the existing structure.
- 3.3 An estimate of the demolition cost has been obtained from our supply chain. This has taken into consideration the extra over costs which would be incurred from the need to protect buildings on both gables, working on a main road, and more challenging, the costs of complying with demolition of premises adjoining an active railway with overhead power lines. The cost estimate was £250,000.
- 3.4 A valuation on a "cleared site" basis was obtained from City Property and this figure was given on a fair value basis at £150,000. Circumstances where the demolition cost is well in excess of the cleared site value, would suggest a negative value for the site as existing with the building in situ. The potential for marriage value from combining NGHHA's existing ownership with that of the subjects has also been considered but would not exceed the shortfall in value arising from the excess of demolition costs over cleared site value.
- 3.5 The transfer of the site to NGHHA is considered the only realistic possibility of getting this site developed involving removal of the current buildings which are blighting the area. No approaches have been made to the Council or expressions of interest received from any other parties during the period the building has been in GCC ownership.
- 3.6 The Disposal of Land Regulations recognise that whilst Councils are obliged to obtain "Best Value", which is not necessarily measured solely in monetary terms, and wider benefits such as accrue from this project can also be considered as part of the receipt. This proposal will have the benefits of firstly removing a derelict building from a prominent main road site, and secondly contributing to much needed social housing stock in the city, complimenting existing and planned regeneration nearby.
- 3.7 It should be noted that the QLTR (now KLTR) had first claim on this site (owned by a Dissolved Company) but GCC put up a convincing argument regarding the cost of redeveloping the site and we were also able to demonstrate that the Council would not profit financially, from the onward disposal of the property to NGHHA. Any future housing proposals for the site by NGHHA will require to be approved and funded by GCC with conditions attached to any future grant award.
- 3.8 Similarly, when GCC transfers the site to NGHHA it will impose conditions as part of the disposal in terms of timescales for developing etc. Due to the severe physical constraints of the site, officers do not consider that the normal overage/clawback provisions contained within such transactions are important

issues in this specific case GCC's role has been that of facilitator – initially taking action to safeguard tenants, prevent the unscrupulous landlord from illegally renting out flats and identifying an end user for the site, NGHHA, whereby the Council retains control over any housing built on the site.

- 3.9 NGHHA is a Registered Social Landlord, owns land adjoining the site and has a proven track record in delivering high quality social housing. On this basis they qualify for a nominated disposal under GCC's policy. Being an adjoining owner in itself is a qualification for a nominated disposal.

#### **4 Summary**

- 4.1 Having regard to the foregoing, it is the view of Council officers that the proposed disposal of the subject premises to NGHHA, a Registered Social Landlord, for nil value, represents the best solution for this site, with the outcomes outlined above namely removing a liability from the Council, identifying a suitable development partner to take on what is undoubtedly a difficult project with many challenges, obtaining redevelopment of a derelict site, and improving the stock of social housing.
- 4.2 Under normal circumstances, even sites with a net negative value after deductions for demolition and abnormal conditions, would be disposed of at a "diminimus" value. However, in this specific case, considering the difficulties imposed on demolition and development of this site arising from its physical restraints, challenging technical considerations and the costs associated in so doing, a disposal at nil value will not be seen as a general precedent for future transactions with RSLs. This is not considered to be a normal disposal.

#### **5.0 Policy and Resource Implications**

##### **Resource Implications:**

<i>Financial:</i>	Reduction in revenue costs.
<i>Legal:</i>	The property is not deemed to be Common Good.
<i>Personnel:</i>	No implications.
<i>Procurement:</i>	No implications.

**Council Strategic Plan: This paper supports the following aspects:**

**Support the growth of an innovative, resilient and net zero carbon economy**

Work with the Scottish Government to deliver the Clyde Mission, focused on transforming vacant and derelict land and investing in communities along the Clyde, and ensure a focus on climate adaptation and community wealth building in Clydeside regeneration.

### **Become a net zero carbon city by 2030**

Review planning and housing policy to improve energy efficiency standards, including through the building of Net zero/ Passive house standard development, and increase the development of large family housing/accessible housing.

Continue work to reduce Vacant and Derelict Land, prioritising brownfield sites for development and ensuring adequate protection for Green Belt and designated Open Space.

Develop and review planning policy to deal with development models such as co-living, Build to Rent and purpose-built student accommodations in order to address issues of affordability and access to home ownership with a view to ensuring standards and supporting the maintenance of balanced communities with a variety of tenures.

### **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify* Increased provision of Social Housing is a positive benefit

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

*Please highlight if the policy/proposal will help address* As above

socio economic  
disadvantage.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:* New buildings will meet current Building Standards to support climate action

*What are the potential climate impacts as a result of this proposal* All new building works will be to current building standards contributing towards the carbon neutral ambitions of GCC, .

*Will the proposal contribute to Glasgow's net zero carbon target?* Positive impact as outlined above

**Privacy and Data Protection impacts:** No impact.

## **6.0 Recommendations**

It is recommended that Committee:

- 1 Notes the content of this report
- 2 Approves the terms noted in this report for an off-market nominated disposal of the subject property to NGHHA for nil value