



Performance
Report
2020-22

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Tolbooth Steeple



George Square

Cover Image: Commonwealth House, Albion Street

Foreword

It is with great pleasure I welcome you to our Performance Report covering the financial years 2020/21 and 2021/22. This report incorporates information on the performance across all of City Property's business streams.

I think it would be fair to say that nobody could have anticipated the devastating affect that Covid 19 would have - for the entire trading year - on our staff and our customers during 2020/21 and onwards into 2021/22. It was an unprecedented situation which resulted in extremely difficult trading conditions, with periods of lockdown affecting most of the businesses that we interact with. Many of our tenants have faced severe financial difficulties, meaning that debt management has become a key priority for us. There is no doubt that the impact on some of our tenants will continue to be felt for a considerable time, with some sectors such as bars, restaurants, and non-essential retail particularly badly affected.

Despite the unique challenges faced, our teams continued to work proactively to ensure that targets were achieved where possible. I am proud of the way our dedicated members of staff have adapted to the challenges of home working whilst continuing to provide their expert, high quality services.

Although there has been a slow-down in the growth that we have been accustomed to in previous years, we have continued to seek out opportunities and innovative ways of working during the pandemic. Unfortunately, there were limitations on some planned developments as a result of the pandemic: for example, our successful Car Boot Sale and enhancements at Blochairn Markets were both adversely affected by delays caused by the Covid 19 restrictions. Going forward, the pandemic has presented us with the chance to develop ideas around future trading opportunities that will contribute to our long-term financial stability.

I am filled with pride when I look at this document and see reflected the efforts of our staff members, new and existing, during a period of such turbulence. There are many things to be proud of but there are a few that are particularly worth mentioning such as the achievement of £17m worth of Capital Receipts for Glasgow City Council in 2019-21 and another £6.2m in 2021-22, securing almost £0.5m of new tenancy arrangements during a very challenging period, keeping our markets at Blochairn open throughout every lockdown and moving almost all of our staff to home working. These things can only be achieved by a resilient and dedicated workforce such as we have at City Property.

My sincere thanks go to everyone who has contributed to this report, both in compiling the information and in delivering the activities and projects presented, in the face of an unprecedented global pandemic. I hope that you, our staff, and valued stakeholders enjoy reading it. Looking ahead, we are likely to see the impact of the Covid 19 pandemic on future years' trading and business activities. However, as in past years, we have a clear direction for our business, and I know I have your support to achieve our ambitions for City Property.



Pauline Barclay
Managing Director

Vision and Values

“Property is our Business” and we aim to excel and to be the company that sets the highest of standards in everything we do. This is relevant in all areas of our business, from demolishing a building to collecting rents, from managing our Carbon Footprint to setting the service charge, from looking at new business opportunities to signing new leases.

Our Vision is:

“ To positively invest in the inclusive growth of Glasgow’s economy ”

We want to be bold, ambitious and community led, delivering quality services with customer focus, tailored to the different needs of our stakeholders.



Values

Property is our business and our business is built on **RESPECT.**

Regeneration - be proud of and ambitious for Glasgow and always act in the best interests of the Council and City Property.

Excellence - be open minded to exploring ideas and have clear priorities based on understanding and evidence.

Sustainability - work closely with partners and communities and be flexible and responsive in the delivery of services.

Progressive - listen and act decisively and promptly and provide inclusive, engaging and empowering leadership providing clear direction.

Equality - support equality and social inclusion.

Community - provide choices and opportunities in every aspect of people’s lives.

Trust - behave with honesty, respect and having trust in each other have effective two-way communication.

Priority Area Overview

Priority Area 1

Contributing to the Growth of Glasgow's Economy



Priority Area 2

Maximising the Benefit from Property Assets Owned by City Property Glasgow (Investments) LLP



Priority Area 3

Using Collaboration and Innovation as Drivers for Success and Growth



Priority Area 4

Providing Financial Sustainability



Priority Area 1 – Contributing to the Growth of Glasgow’s Economy

Glasgow faced unprecedented economic challenges due to the Coronavirus Pandemic between 2020 and 2022, but it has previously proven itself to be resilient and has developed an economically strong, broad-based economy which stands in comparison with the rest of the UK and indeed the rest of Europe.

What we have achieved:

2020-21 - 2021-22

Capital Receipts for GCC



Transactions completed for GCC



Off market disposals



Transactions completed for CPGI



More highlights

Sale of phase 1 of the former Meat Market, Duke Street to Home in Scotland, a Registered Social Landlord **£1.9M** to provide 252 units.

Former Social Work Services home at 12 Newark Drive sold for **£525,786**

Sale of Great Dovehill Car Park to the Glasgow Housing Association for **£363,000** for 32 units.

Agreed a substation lease and wayleaves for the GCC North Kelvinside School.

Agreed a substation lease and wayleaves for the GCC North Kelvinside School.

City Property Markets delivered:



Continued operation of The Wholesale Market

at Blochairn, with no closure days during the Covid-19 lockdowns. External markets operated as far as government restrictions allowed.



Successful reopening of Shawlands Farmers Market

in September 2021 following completion of public realm works.



Successful reopening of Blochairn Car Boot Sale

in February 2022, following closure due to COVID and on-site construction works.

Markets Waste Performance

(In tonnes)



TOTAL 1,952 Total waste rebates £19k
ZERO WASTE TO LANDFILL

TOTAL 2,534 Total waste rebates £37.7k
ZERO WASTE TO LANDFILL

Blochairn Redevelopment Works

Following the major fire in August 2017, completion of the subsequent site clearance works at the destroyed Blocks B and C, and reinstatement of the extensively damaged D-Block; works then commenced in December 2019 to re-build the new-style Blocks B and C, known as the 'Wrap Around' and create 20,000 sq. ft of lettable space, as part of an overall £11.44M redevelopment plan. This part of the project also included extensive electrical infrastructure works, re-cladding at Blocks A and F along with the Buyers Square, a new Buyers Walk canopy roof, extensive roof resurfacing works, new public toilets, and removal of the redundant water towers.

Works on site were progressing well until being suspended between March and July 2020 due to the COVID-19 pandemic. Despite being faced with significant logistics, labour and construction materials challenges impacting progress, the development successfully completed in March 2022, with the Wrap Around development providing 20,000 sq. ft. of new lettable space and all eighteen new units being pre-let. The final account for this part of the overall redevelopment was agreed at **£6.02M**.



Sale of Drumoyne Primary School

The Former listed Drumoyne Primary School was sold to Linthouse Housing Association in 2020 to create 49 new affordable homes. The property had been lying in a derelict fire damaged condition for several years. Part of the original façade of the building was retained and formed part of the new development which was completed in the Autumn of 2022.



Sale of Haghill Primary School

The former Haghill Primary School was sold to Milnbank Housing Association to create 49 affordable homes. Following a partial roof collapse, the building was in an extremely dangerous condition and had to subsequently be demolished, however the Housing Association were able to retain and reusing some of the original stone in the new development.



PRIORITY AREA 2 - Maximising the Benefit from Property Assets Owned by City Property Glasgow (Investments) LLP

The way we use our property assets in the future will enable change in the way we work, but it will also deliver a significant financial contribution and potentially leverage further investment and economic development for the city

What we have achieved: 2020/21 - 2021/22



Overall occupancy levels of our commercial property averaged

78%

despite the global pandemic



76%

despite the global pandemic

Meanwhile Space

All 11 of the licensed Meanwhile Space lets in High Street, Saltmarket & St. Andrews Street occupied under the Space for Growth programme in 2019 remained occupied and converted to leases following assessment of business plans. Licences were initially extended in September 2020 and have since been converted to stepped rental leases. The evaluation of Meanwhile Space Phase 1 found the project to be a success and Phase 2 in the process of being costed for an expected launch mid-2023.



2020 Vision event

A Vision lighting shop window event took place during Christmas of 2020. As sponsors of this short-term project, CPGI provided the organisers with four vacant units for the display: 31-39 Trongate, 79 Trongate, 24 Parnie Street and 25 Parnie Street. Also participating alongside this activity were two of our Meanwhile Space tenants at the Saltspace unit and the Sogo Gallery, both in Saltmarket.



The project assisted in promoting the area and Glasgow City in general and offered the opportunity to showcase CPGI's portfolio, promoting interest and demand in our vacant units.

Priority Area 3 - Using Collaboration and Innovation as Drivers for Success and Growth

City Property recognises the importance and role of customer satisfaction in our work. Our Business Plan establishes two cross cutting principles that relate to stakeholder satisfaction, the need to measure it and the need to improve our services in response to stakeholder experiences.

What we have achieved: 2020/21 - 2021/22

Asbestos team achievements

45 **60**

Management Surveys complete



Demolition Surveys complete



37 Sampling Exercises

Asbestos Awareness Training refresher delivered to all City Property Staff



Refurbishment Surveys complete

53

98



13,186

security checks on City Property's portfolio to ensure the validity of their insurances



Supported Glasgow City Council by carrying out joint inspections across their whole operational portfolio to improve their management of asbestos.

Modus training for Glasgow City Council staff.

Full UKAS reaccreditation maintained



Cable routes for new fire alarms installed for Glasgow City Council, as required.

Valuation achievements

Revaluation of the former Land and Environmental Services portfolio which totalled some **682 operational assets** with a value of **£155 million**

Revaluation of CPGI's assets and GCC's rolling programme (focussed on Education Estate), completing some

976
Valuations

Technical team achievements



Managed **273 GCC Surplus & Vacant properties**, comprising **56 buildings** and **217 land sites**



Managed **260 GCC Surplus & Vacant properties**, comprising **53 buildings** and **207 land sites**

Worked closely with CPG & GCC colleagues to provide support in the maintenance, de-risking, and disposal of these assets.



Met regularly with GCC Financial Services Insurance team to agree on frequency of regular site visits and inspections of assets carried out by City Property.



City Property Markets helped facilitate delivery of fruit and veg boxes to the community via Wholesale Market traders and local taxis.

The Briggait



Priority Area 4 - Providing Financial Sustainability

Since inception, City Property had successfully met all of its financial commitments to both lenders and the Council. This changed in 2020-21 because of the impact of the Covid 19 pandemic. Due to the financial difficulties facing many of our tenants and the resultant reduction in our income, we were not able to achieve our agreed financial targets.

In recognition that the pandemic had adversely affected the entire economy, and with the backup of enhanced financial reporting, we worked closely with our lender to agree waivers for the full financial year. This meant that the requirement to meet financial targets was suspended for that period. It is worth noting that our diverse portfolio offered some protection against the impact of the pandemic with some areas such as essential retail and industrial not as adversely affected.

What we have achieved: 2020/21 - 2021/22

£9.2m

achieved in contribution to a two-year Capital Receipt target of £15M

£6.2m

achieved in contribution to a two-year Capital Receipt target of £20M

Provided expert advice and assistance for all clients in relation to asbestos issues and generated

£203,000
of income.



£45,300
in Valuation & Disposals administration fees

£365,296

capital receipts for GCC achieved through 3 overage cases



£33,000

achieved in relation to Wayleaves, Utility leases and site compound licences/licence agreements



Demolition contracts managed by Technical team, securing a combined management fee of £51,492



Demolition contracts managed by Technical team, securing a combined management fee of £102,787



Notable demolition contracts included Drumry House in Kinfauns Avenue (value £236,807) and 944 Duke Street (value £98,772).

Emergency demolition works at Sir John Maxwell School and Haghill Primary School had contract values of £220,899 and £663,592 respectively.

The Technical Team and Asbestos Team worked closely with GCC Corporate Procurement to provide a project management and contract administration service for planned and emergency demolition works to support both the council and CPGI.

Bridgeton Bus Garage sale

The sale of Bridgeton Bus Garage by City Property Glasgow (Investments) LLP in 2020 generated £415,000 in capital receipts. As well as providing financial sustainability for City Property, the sale of the building in Fordneuk Street to Glasgow Vintage Vehicle Trust will give the trust more opportunities to attract grants to cover the continuing development of the Trust's activities, in particular their 'Back On The Road' social inclusion programme which helps those who are recovering from addiction problems allowing them to gain new skills to improve their chances of employment.



Award for City Property Markets

The National Association of British Markets Authority (NABMA) awarded City Property Markets the award of Best Markets Manager in October 2021 for the efforts of Tom McIntyre in maintaining our markets interests throughout the pandemic. During the pandemic, the team managed a Continued operation of The Wholesale Market at Blochairn, with no closure days during the Covid-19 lockdowns and external markets operated as far as government restrictions allowed. The team also worked with stakeholders to help facilitate the delivery of fruit and veg boxes to the community via our Wholesale Market traders and local taxi firms. Congratulations to Tom and the team!



L-R Tom McIntyre, Richard Watson

Key Objectives

Priority Area 1 - Growing the Economy				
Key Objectives	KPI	Target	Year	Result
1. Supporting new jobs and business start-ups	All of the licensed Meanwhile Space lets under the 2019 Space for Growth programme remained occupied and converted to leases after the first year.			
2. Assisting in meeting the Council's ambitions for regeneration, housing, and capital receipts.	£15M GCC capital receipts for two-year period to March 2021	£15M (Over 2 yrs)	2020/21	£17M (£9.2M in 20/21)
	£20M GCC capital receipts for two-year period 2021-2023	£7.4M (Yr 1 of 2)	2021/22	£6.2M
3. Managing challenging assets.	Meet regular inspection targets as agreed with GCC insurance			
4. Using Professional expertise deliver new property opportunities and developments.	Annual management fee totals (Technical)	£50,000	2020/21	£51,492
			2021/22	£102,787
5. Improving and expanding City Markets				

Priority Area 2 - Maximising the Benefit from Property Assets held by City Property Glasgow (Investments) LLP				
Key Objectives	KPI	Target	Year	Result
6. Increasing occupancy levels in the property portfolio.	Percentage of occupancy levels	80%	2020-21	78%
			2021-22	76%
7. Delivering our capital investment plans				
8. Increasing income and reducing costs.	Annual increase in rental growth (New lettings, lease renewals and rent reviews)	5%	2020-21	£1,222,707
			2021-22	£992,646
9. Producing an effective asset management strategy				
10. Improving the environmental sustainability of the portfolio.				

Key Objectives

Priority Area 3 - Collaboration				
Key Objectives	KPI	Target	Year	Result
11. To explore new opportunities for partnership working with GCC Family and Property and Land Services.	Achieve income target for Asbestos services	£415K	2020-21 2021-22	£190,133 £333,222 Affected by Covid 19
12. To participate in community engagement and asset transfers.				
13. To have productive agency arrangements and explore new partnership opportunities.				
14. To strengthen relationships and encourage feedback from all of our stakeholders.	Overall tenant satisfaction	75%		No surveys due to Covid 19

Priority Area 4 – Providing Financial Sustainability				
Key Objectives	KPI	Target	Year	Result
15. To increase rental income from advertising opportunities.	Advertising Revenue	£450K		£0 Affected by Covid-19
16. To advance current service delivery and seek new opportunities.				
17. To invest wherever this will result in improvements to the business.				
18. To explore opportunities to release value and equity from the commercial portfolio.				



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