



Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods,
Regeneration and Sustainability

Item 2

1st May 2025

Contact: David McEwan

**GAMES VILLAGE PHASE 2 – VARIATION TO DEVELOPMENT AGREEMENT
TO ALLOW CITY LEGACY LIMITED TO SUBLEASE TO CRUDEN AND CCG
FOR THE DEVELOPMENT OF PUBLIC AND PRIVATE SECTOR HOUSING**

Purpose of Report:

To seek Committee's approval for a variation of the Development Agreement to allow City Legacy Limited to sublease to Cruden and CCG for the development of public and private sector housing.

Recommendations:

It is recommended that the committee:

1. Notes the content of this report.
2. Approves the Council varying the terms of the Development Agreement to allow City Legacy Limited to sublease to Cruden and CCG for the development of public and private sector housing, and
3. Approves that the Director of City Development in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the variation of the Development Agreement and the subsequent unit sales including all necessary legal agreements and side letters.

Ward No(s): 9 Calton

Citywide:

Local member(s) advised: Yes ☒ No ☐

consulted: Yes ☒ No ☐

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1.0 Introduction

- 1.1 This report relates to the proposed variation of the Development Agreement between Glasgow City Council and City Legacy Limited to allow City Legacy Limited to sublease to Cruden and CCG for the development of public and private sector housing.

2 Background

- 2.1 The Council entered into a development agreement and ground lease with City Legacy Limited (“CL”) in 2010, for the development of the Games Village site following a competitive dialogue procurement process. The development agreement (“DA”) related to the contractual and lease arrangements governing the development, use and sale of the 700 flats and houses comprising the 2014 athletes’ village (known as the Phase 1 site) and dealt only briefly with the contractual and other arrangements relating to the development of the residue of the site (known as the Phase 2 or Legacy site).
- 2.2 The Council and CL agreed a variation of the provisions in respect of the Phase 2 site in 2019. The provisions are now contained in an amendment of the DA dated 11 and 17 April 2019 (“the Phase 2 Variation”)
- 2.3 In terms of the Phase 2 Variation, the parties agreed that CL would continue in occupation of the Phase 2 site under the original ground lease (amended in terms of the Phase 2 Variation) and would be obliged to build a residential development of 125 units in two phases – the Phase 2A Development (49 houses) and the Phase 2B Development (76 houses). The parties also agreed that (as with the Phase 1 site) CL would have the right to sell the completed residential units to third party purchasers and retain the proceeds of such sales subject to an obligation to obtain the best price reasonably obtainable on the open market and to make land and overage payments to the Council.
- 2.4 Committee authority was obtained in early 2023 in respect of various changes (relating to phasing and timescales) to the original Phase 2 Variation which we entered into with CL in 2019. Terms of the amended/refreshed Phase 2 Variation with CL have been agreed but not yet concluded.
- 2.5 In August 2024 a further variation to the Development Agreement was authorized to allow the bulk sale of 58 units to Places for People, Thriving Investments, MMR Fund and it’s nominees/subsidiaries. The bulk sale will be implemented by CCG in terms of the further variation of the Development Agreement proposed in this report.
- 2.6 City Legacy have approached the Council and requested a further variation of the development agreement to allow subleases to be granted to Cruden and CCG who will be lead developers of the Phase 2 site.
- 2.7 The development of Phase 2 would be split in two in terms of housing tenure with CCG providing Social Housing, 58 units and Cruden private, 67 units, this

is intended to address market conditions and commercial risk. Each phase will be delivered concurrently.

- 2.8 The grant of a sublease will allow Cruden to access available funding.
- 2.9 The original lease is for a period of 175 years, and the sub-lease would be for an equivalent term.
- 2.10 City Legacy Limited would continue with their obligations in terms of both the sub-leases and the Development Agreement.
- 2.11 All financial and overage agreements remain the same.

3.0 Terms and Conditions

- 3.1 Landowner Glasgow City Council
- 3.2 Developer City Legacy Limited
- 3.3 Sub tenants Cruden and CCG
- 3.4 Subjects Phase 2 of Games Village,
as per site plan.
- 3.5 Date of Entry On completion of legal contracts.
- 3.6 Term 175 years
- 3.7 Fees City Legacy Limited will be responsible for GCC properly incurred legal and associated fees.

4.0 Policy and Resource Implications

Resource Implications:

Financial: There is no financial change to the Council.

Legal: All transactions will be subject to review and conclusion by the Council's Corporate and Property Law section.

Personnel: There are no direct personnel implications.

Procurement: *There are no relevant procurement issues.*

Council Strategic Plan: Grand Challenge 4 Mission 1

*Create safe, clean and thriving
neighbourhoods.*

Deliver around 6,500 new affordable
homes for the city meeting the needs of
social housing, accessibility and
sustainability needs, and the needs of
people including larger and multi-
generational households.

**Equality and Socio-
Economic Impacts:**

*Does the proposal support the Council's
Equality Outcomes 2021-25? Please
specify.*

n/a

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

no significant impact

*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:*

n/a

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

No impact in addition to previous approvals

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

No

**Privacy and Data
Protection Impacts:**

None

5.0 Recommendations

It is recommended that the committee:

1. Notes the content of this report.
2. Approves the Council varying the terms of the Development Agreement to allow City Legacy Limited to sublease to Cruden and CCG for the development of public and private sector housing, and
3. Approves that the Director of City Development in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the variation of the Development Agreement and the subsequent unit sales including all necessary legal agreements and side letters.