



Glasgow City Council
City Administration Committee

Item 5

23rd March 2023

Report by Councillor Angus Millar, Convener for Climate, Glasgow Green Deal, Transport and City Centre Recovery

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GLASGOW CITY CENTRE: PROPERTY REPURPOSING ACTION PLAN

Purpose of Report:

To update Members on the proposed Action Plan for the city centre Property Repurposing project.

Recommendations:

It is recommended that Members:

- (i) Consider the contents of this report
- (ii) Consider the proposed Action Plan
- (iii) Note that the intention is to incorporate the Action Plan into the new City Centre Strategy from January 2024
- (iv) Agrees that Glasgow City Council makes representation as required to Scottish Government with respect to exploring the scope for additional powers to be granted at local level
- (v) Approves the Property Repurposing Action Plan as outlined in this report

Ward No(s): 10

Citywide:

Local member(s) advised: Yes ✓

consulted: Yes ✓

1 INTRODUCTION

- 1.1 Members may be aware of the recent report to the Neighbourhoods, Housing and Public Realm City Policy Committee of 15 November 2022, which presented the post-pandemic analysis undertaken on Glasgow city centre's property and economic position. The report can be accessed at [this link](#).
- 1.2 The purpose of this report is to seek approval for the Property Repurposing Action Plan. A version of this report was considered by the Environment, Housing, Transport and Regeneration City Policy Committee on 7 March 2023, and the report can be accessed [here](#).

2 CONTEXT

- 2.1 This report will not detail the background to the analysis activity as it was fully provided in the previous report. However in summary, the collective impact of the pandemic, changing investor and occupier demands, and digital/technological advances have resulted in a significant vacancy issue for Glasgow city centre, with an estimated 20% (or 3.5m sq.ft) of property stock requiring to be repurposed.
- 2.2 The following section outlines the proposed action to each of the recommendations in the Ryden report. A summary version is included at **Appendix A** of this report.

3 PROPERTY REPURPOSING ACTION PLAN

Item 1.1: Disposal of public assets

Issue: Ryden identified that the disposal/reuse of public assets in the city centre should be coordinated to maximise overall value and placemaking outcomes; and recommended review of the Scottish Public Finance Manual (SPFM) to ensure it offers local authorities the greatest scope for best consideration disposals

Action: GCC will develop options appraisal with key public sector partners and report on any recommended changes to disposal process and/or SPFM.

Item 1.2: Delivering affordable housing

Issue: The lack of an affordable housing policy, available land, and land values in the city centre are combining to limit affordable housing outcomes, with future strategy required to focus on existing property and the need to prioritise conversions over new build.

Action: GCC to complete work with Scottish Govt and the other Scottish cities on maximising residential outcomes which will identify policy, legislative,

regulatory and investment options at national level; develop a city centre policy position, and review options for affordable housing pilots with housing partners

Item 1.3: Additional Powers and Taxation

Issue: The existing range of legal tools to encourage repurposing are limited at local level, for example VAT charge on conversions, complex and expensive CPO process, and a lack of powers generally to deal with absentee property owners.

Action: GCC to advocate for more regulatory support at local level on all related opportunities with particular consideration to the Community Wealth Building legislation which may offer greater local opportunity.

Item 2.1: Maintaining supply of Grade A commercial space

Issue: There is an ongoing need, despite the growth of hybrid working, to ensure a continued supply of and support for well located, ESG-compliant, amenity-rich and flexible office space.

Action: GCC to progress options appraisal to build on the Ryden work and develop a process for ongoing mapping, vacancy review, funding and support options, and future policy position, to reduce Grade A vacancy and increase high quality flexible options.

Item 2.2: Accelerating vacancy of older office buildings

Issue: Residential-led mixed use schemes, using a range of policy support, financial and ownership interventions, have been identified as a priority action to support the repurposing agenda and deal with the issue of non-commercially viable buildings.

Action: As with item 1.2, review outcomes of Scot Govt/Cities work, identify target area locations for repurposing, consider development of archetypes, and review options for a repurposing pilot in the former commercial business district with housing partners.

Item 2.3: Supporting creative and innovative sectors

Issue: These critical employment sectors require post-pandemic mapping and gap analysis to understand future needs and any related market and planning interventions.

Action: GCC will undertake stocktake and gap analysis and provide findings and recommendations for action within these city centre sectors.

Item 3.1: Delivering residential outcomes at scale

Issue: Residential outcomes are limited in the city centre with issues around value, the lack of available land, and are generally focused on Build to Rent

development. Converting formerly commercial property will only deliver relatively small outcomes (average 10 units per block). Ryden suggest targeting of areas for residential development and establishing a process of public investment, policy support and market engagement.

Action: Update City Centre Living Strategy requirements as part of the new Glasgow Housing Strategy, identify options for Area(s) of Focus and reviewing policy position following completion of various ongoing workstreams around Golden Z, retail capacity and residential outcomes.

Item 3.2: Build to Rent (BTR)/Convert to Rent (CTR)

Issue: Due to the scale of BTR development in recent years there is a need to evaluate its impact on Glasgow city centre and consider future policy approach.

Action: GCC to undertake associated monitoring of BTR, and investigate CTR which has been utilised in other regional cities

Item 4.1: Contracting Retail Market

Issue: A new planning framework is required to set a 20 year vision for the Z given declining demand for retail floorplates, increasing policy pressure to deliver mixed-use outcomes, and the need for policy flexibility in prime/edge prime locations.

Action: A comprehensive exercise to re-vision the Golden Z is underway with findings expected April 2023, and the outcome of this will influence the policy position going forward.

Item 4.2: Policy Flexibility

Issue: Increasing vacancy levels across the retail and leisure market require a new policy approach to the city centre and this should be underpinned by a new capacity study focusing on retail, leisure and convenience goods floorspace.

Action: A retail capacity study is underway with findings expected April 2023, and the outcome of this will influence the policy position in advance of the new City Development Plan, including flexibility where required.

Item 4.3: Matchmaking

Issue: There is a need to facilitate short term/meanwhile use outcomes in order to ensure an activated ground floor presence, and this should involve more options that help in matchmaking properties to potential occupiers.

Action: GCC to develop matchmaking activities and include role for key external business and development stakeholders.

4 DELIVERY AND GOVERNANCE

- 4.1 This Action Plan will be overseen by the City Centre Task Force in advance of an updated governance structure being introduced for the new City Centre Strategy, expected to be considered by committee in late 2023 with a view to going live in January 2024.
- 4.2 An officer-led Working Group will manage the Action Plan with support from external stakeholders for specific interventions. Progress will be reported back to this Committee as well as the City Centre Task Force.
- 4.3 As the new City Centre Strategy is established, it is anticipated that this Action Plan would be subsumed into that structure and overseen accordingly.

5 POLICY AND RESOURCE IMPLICATIONS

Resource Implications:

Financial:	Existing budgets will be used to progress the action plan and projects will seek external funding where contribution to strategic objectives can be demonstrated.
Legal:	Legal issues will be assessed as individual projects are developed.
Personnel:	None.
Procurement:	Procurement resources may be required to progress individual contracts and related project activity

Council Strategic Plan: The Property Repurposing Action Plan (PRAP) will contribute towards achieving GCC’s strategic goal to increase the city centre population as properties are enabled to convert to residential through policy or other changes. It will contribute toward.

Grand Challenge One – Reduce poverty and inequality in our communities.
Mission 3: Improve the health and well-being of our local communities.

Grand Challenge Two – Increase opportunity and prosperity for all our citizens.
Mission 2: Support the growth of an innovative, resilient and net zero carbon economy.

Grand Challenge Three – Fight the climate emergency in a just transition to a net zero Glasgow.
Mission 2: Become a net zero carbon city by 2030.

Equality and Socio-Economic Impacts:

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

Yes the PRS cuts across many areas in terms of actions, it is expected successful delivery of these will contribute to achieving Outcome 1 by leading to the provision of more employment opportunities for a diverse workforce and Outcome 6 by helping to create a more vibrant and attractive city centre with more opportunities for social interaction.

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

Positive impact: the project will improve accessibility to homes and services and create employment and economic development opportunities. Equality Impact Assessments (EQIAs) will be developed as appropriate.

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

Yes, the provision of the project will promote skills and business development, and create more jobs overall. The output will result in an increase of sustainable and affordable houses being available, and improved social infrastructure.

Climate Impacts:

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

Theme 2: Just and Inclusive Place
Theme 3: Well Connected and Thriving City
Theme 4: Health and Wellbeing
Theme 5: Green Recovery

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

The impacts are positive, repurposing buildings that are unused will contribute towards promoting circular economical development. Reducing commuting time, will also promote more active travel.

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

Yes. The PRS objectives are to retrofit and repurpose old building stock which will mean more energy efficient homes. Increasing sustainable homes in the city centre will also help reduce the use of carbon emitting modes of transport.

Privacy and Data Protection Impacts:

No

Are there any potential data protection impacts as a result of this report

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out

5. RECOMMENDATIONS

5.1 It is recommended that Members:

- (i) Consider the contents of this report
- (ii) Consider the proposed Action Plan
- (iii) Note that the intention is to incorporate the Action Plan into the new City Centre Strategy from January 2024
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Enclosures:

Appendix 1: Summary Action Plan

JL 0009-23
02/03/23

Appendix 1: Summary Action Plan

Item	Focus	Action/Issue	Description	Timescale
1.1	Public Policy	Disposal of public assets	<ul style="list-style-type: none"> Options assessment on disposal strategies with partners Review SPFM/best value considerations in disposals, and explore scope for innovative financing options to support public sector consolidation 	2023-24
1.2		Affordable Housing	<ul style="list-style-type: none"> Complete SCA/SCCRTF cities collaboration and submit to City Leaders and SG Review/update AH policy and embed into new GHS Review options with GHS/partners for affordable pilots and target locations/projects 	2023
1.3		Additional Powers and Taxation	<ul style="list-style-type: none"> Exploration of and advocacy on tax changes to support repurposing (NDR, VAT etc) Mapping of funding and innovative financing options for repurposing Review of existing powers such as CPO and further assessment of/advocacy of new and additional powers to support repurposing and progress solutions for vacant properties and sites 	2023
2.1	Office and Employment uses	Grade A space provision	<ul style="list-style-type: none"> Update mapping of office space Options Assessment on policy, circular economy, sustainability, innovation incentives Establish local and national levers to grow supply of business/amenity space Monitoring plan for ongoing review of private development/office supply position Stakeholder engagement/use of Developers' Forum 	2023-24
2.2		Increasing vacancy among older office space/heritage buildings	<ul style="list-style-type: none"> Develop target locations plan, development of archetypes and a Glasgow Guidebook Link to Options Assessment at 2.1 for funding/policy alignment Identify options for repurposing focusing on Blythswood and Central Districts (former CBD area) Continued engagement with SG on SCA outcomes Stakeholder engagement/use of Developers' Forum 	2023-24
2.3		Creative/innovative sectors	<ul style="list-style-type: none"> Post-pandemic stocktake and gap analysis Recommendations to support creative and innovation sectors 	2023
3.1	Residential	Deliver residential outcomes at scale and update CCLS	<ul style="list-style-type: none"> Embed CCLS into GHS and update as part of SCA/SCCRTF outcomes, linking to 1.2 above for AH Develop Area(s) of Focus (Townhead, Blythswood tbc) and a resi-led masterplan approach including policy/finding options Monitor SG CPO reform programme 	2023-25
3.2		Build to Rent, Convert to Rent	<ul style="list-style-type: none"> Monitor completions, review policy approach, identify CTR opportunities and make recommendations for future action 	2024
4.1	Retail and Leisure	Contracting retail market	<ul style="list-style-type: none"> Masterplan/Vision for Golden Z Review outcomes and update planning policy position Deliver meanwhile use projects 	2023
4.2		Policy flexibility	<ul style="list-style-type: none"> Retail Capacity Study Review outcomes and agree policy position 	2023
4.3		Matchmaking	<ul style="list-style-type: none"> Strategy to link investors with end users/sites/buildings 	2023
5.1	Governance	Working Group	<ul style="list-style-type: none"> Working Group to include academic and business /developer inputs to support process with research, guidance, evaluation, sense-checking etc 	2023

