Cowlairs Development (Ward 16) – Investment partnership approved – Instruction to Chief Executive and Director of Legal and Administration.

3 With reference to the minutes of 23rd October 2025 (Print 5, page 92) approving negotiations with Aviva Capital Partners the Scottish National Investment Bank to develop an Investment Partnership (IP) for Cowlairs, Councillor Aitken, Leader of the Council and City Convener for City Region Economy and Just Transition presented a report on the matter,

(1) advising that

(a) Cowlairs would be the first Scottish example of using institutional capital in this way to unlock housing-led regeneration and of the examples from across the UK that showed Build to Rent could be combined with affordable and social housing outcomes where public land, public funding and long-term investment was aligned, demonstrating that the Cowlairs model could leverage patient capital to accelerate delivery while retaining a strong affordable housing, social value and public stewardship proposition;

(b) the IP model allowed the Council to use the value of its land contribution alongside clear commercial, financial and public policy objectives, rather than considering land value in isolation from the wider benefits that the development was expected to secure and that a key principle was pace of delivery, and that the proposed partnership structure was intended to bring together land, institutional investment, public sector support and development expertise in a way that can move more quickly from business case to planning, infrastructure and construction;

(c) Place Capital Group had been appointed by SNIB and ACP to progress the initial development and technical work for the Cowlairs masterplan and that the proposal was structured around 3 phases of development with each phase delivering a third of the homes across the site and that this approach would allow early delivery to be focused on the most readily developable areas and homes, while maintaining flexibility to respond to technical, market and funding conditions as the scheme progressed;

(d) the Masterplan would be developed further through engagement with local communities and stakeholders as part of the planning pre-application process;

(e) officers, supported by external technical, legal and commercial advisers, had worked with ACP and SNIB to develop the draft Head of Terms (HoTs) for the IP, an initial masterplan proposal, cost and viability assessments, and a base case financial conditions, remediation requirements and abnormal infrastructure costs needed to enable housing delivery, which the resulting analysis had informed a scheme-based land valuation, concluding that the scale of remediation and abnormal infrastructure required had given the Cowlairs site a negative land value;

(f) the financial model had identified a £34m viability gap, driven by the significant remediation and abnormal infrastructure costs required to unlock the site which SNIB was engaging with the Scottish Government, on behalf of the partners, to seek grant support of around £34m that would address the identified gap;

(g) the key elements of the HoTs and of the proposed timeline which had been structured to maintain momentum from approval of the HoTs through establishment of the IP vehicle, planning preparation, grant confirmation and commencement of on-site works, as detailed in the report; and

(h) the first formal stage of engagement and that an engagement strategy was being prepared to support this process, led by the Place Capital Group expected to begin through the planning pre-application process, currently programmed for November 2026 and that this would provide the principal route for community input on the masterplan itself, and the relationship between the new neighbourhood and adjoining areas, including Possilpark and Keppochhill Road; and

(2) detailing proposals to conclude Heads of Terms (HoT) and to complete the creation of a partnership vehicle with the Scottish National Investment Bank and Aviva Capital Partners to support the delivery of around a 1,000 home mixed-tenure regeneration scheme over the next 10 years.

After consideration, the committee

(a) noted the update on the progress and that progress of the development would be reported to the relevant committee;

(b) authorised the Director of Legal and Administration to conclude Heads of Terms; and

(c) instructed the Chief Executive to complete the creation of a partnership vehicle with the Scottish National Investment Bank and Aviva Capital Partners.