

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

3 Councillor Aitken, Leader of the Council and City Convener for City and City Region Economy and Just Transition, presented a report regarding proposals for the Council to enter into an investment partnership for the development of vacant and derelict land at Cowlairs (Ward 16), advising

- (1) that Cowlairs was a 30-hectare site long-term Council-owned derelict land between Possilpark and Keppochhill Road, comprising of a former demolished tenement housing, a primary school, sports pitches and Cowlairs Park and was zoned for a housing development in the adopted City Development Plan 2017;
- (2) that the former Neighbourhoods, Housing and Public Realm City Policy Committee on 23rd of August 2019 (Print 3, page 205) had noted the Cowlairs masterplan and that the masterplan would serve as a material consideration in the determination of planning applications within the development area;
- (3) that the 2019 masterplan had been informed by extensive community and stakeholder engagement and set out the vision to develop Cowlairs into a growing, green and healthy neighbourhood and provided a series of place making diagrams to guide the design and delivery of new housing, open spaces and infrastructure works within Cowlairs, however due to a number of factors, as detailed in the report, there was a need to refresh the masterplan;
- (4) of the opportunity cost associated with the development of Cowlairs and that the long-term strategic risk of not planning for vacant and derelict land owned by the Council represented a missed opportunity to unlock value through development and partnership and an Investment Partnership model would provide the Council with an opportunity to influence the development, ensuring that outcomes were in line with the cities priorities;
- (5) of the Council's objectives for pursuing an investment partnership model for the development of Cowlairs;
- (6) that a recent soft market testing had been undertaken with housing developers active in the city to gauge their views on Cowlairs as a site, with some key themes coming through which had informed the options to progress the site and there was market interest in the site for a mixed tenure development with a component of affordable housing and a partnership approach was highlighted as critical to the long term success of the development of Cowlairs;
- (7) of the types of models that had been considered to take forward the development of Cowlairs and that the preferred option was to develop an investment partnership with an appointed master developer and for the Council to enter into an investment with a major institutional investor, in this case Aviva Capital Partners and the Scottish National Investment Bank, working collaboratively to design and deliver a major new development with

mixed housing tenure, at pace and at scale to help address the growing housing challenges in the city;

- (8) that the preferred option model would spread the financial risk, relieve pressure on Council resources and would increase the certainty of a development taking place that aligned with the city's priorities as well as offering the opportunity for external investment to flow into the city and deliver the agreed vision with a refreshed masterplan; and
- (9) of the next steps.

After consideration, the committee

- (a) noted
 - (i) the background and context of the report; and
 - (ii) the options that had been considered for developing the site; and
- (b) instructed
 - (i) the Director of Legal and Administration to enter into negotiations with Aviva Capital Partners and the Scottish National Investment Bank on creating an investment partnership that would take forward the development of Cowlares; and
 - (ii) the Chief Executive to progress the commercial case for the project through agreed Heads of Terms and to report back to committee for final approval.