Glasgow City Council

City Administration Committee

Report by Councillor Susan Aitken, Leader of the Council and City Convener for City and City Region Economy and Just Transition

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Item 3

23rd October 2025

INVESTMENT PARTNERSHIP: COWLAIRS DEVELOPMENT

Purpose of Report:

This report seeks approval for the Council to progress with negotiations to enter into an Investment Partnership with Aviva Capital Partners and the Scottish National Investment Bank to drive the development of vacant and derelict land at Cowlairs, a project which aims to deliver up to 1,500 homes over the next 10 years.

Recommendations:

It is recommended that Committee:

1. Notes the background and context of the report;
2. Notes the options that have been considered for developing the site;
3. Authorises 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 Cowlairs; and
4. Instructs the Chief Executive to progress the commercial case for the project through agreed Heads of Terms, and report back to Committee for final approval.

Ward No(s):	Citywide:
Local member(s) advised: Yes ☐ No ☐	consulted: Yes ☐ No ☐

1. Introduction

1.1 In November 2023, this Committee formally declared a Housing Emergency in response to escalating pressures on homelessness services, a persistent shortage of social housing, and the impact of UK Government asylum policies, all of which have significantly increased the demand for housing within a compressed timeframe.

1.2 The Housing Emergency Action Plan sets out a coordinated response to these challenges. Key actions include increasing the number of empty homes brought back into use; working in partnership with Registered Social Landlords (RSLs) to boost the proportion of social housing lets allocated to homelessness services; and enhancing the use of data and collaborative relationships to strengthen early intervention and prevent homelessness wherever possible.

1.3 Addressing the emergency in the longer term requires a substantial increase in housing supply across all tenures. NRS Planning and Housing are actively exploring mechanisms to support and accelerate the development of new homes in Glasgow.

1.4 Oversight of the Council's response is provided by a dedicated political oversight group, which receives regular updates on progress and ensures cross-service accountability in tackling the housing emergency.

1.5 Whilst the immediate focus is on increasing social rented housing supply in the shortest timeframe possible, a whole housing systems response is required to relieve the housing pressures in Glasgow. A key part of this is the acceleration of new homes delivery across all tenures.

1.6 The Council has been active in seeking investment, of size and scale, into the city. With a growing presence at the UK's Real Estate Investment and Infrastructure Forum (UKREiiF), the largest real estate and investment event in the UK, and an annual presence at the Scottish Cities Alliances' Scottish Cities Week in London, the Council has built strong relationships with a number of institutional investors, as well as the development community.

1.7 It is through these conversations that the proposal presented in this paper was borne. It presents an opportunity for the Council to bring forward, at pace, a new housing development in Cowlairs through an Investment Partnership with Aviva Capital Partners (ACP), part of Aviva, one of the UK's largest institutional investors, and the Scottish National Investment Bank (SNIB).

1.8 It is a clear signal of intent that the Council is committed to driving investment into the city and working in collaboration with public and private sector partners to find innovative ways of overcoming challenges to delivering major housing, and other, infrastructure projects.

2. Background

2.1 Glasgow, like many other cities across Scotland and the UK, continues to face significant challenges arising from the ongoing housing emergency. The scale and urgency of the crisis demands innovative approaches to delivering high-quality, affordable homes at pace, while ensuring that new communities are supported by appropriate infrastructure and local amenities.

2.2 The recent publication of the Scottish Government's Housing Emergency Action Plan reaffirms the central role of housing in Scotland's national priorities. Notably, the Plan highlights the Scottish National Investment Bank's continued focus on housing, including the development of strategic partnerships aimed at unlocking urban housing supply.

2.3 Glasgow is well placed to respond to this opportunity. The city is receiving support from the National Wealth Fund to build capacity across the Council and the wider city region, enabling us to develop and deliver the types of strategic partnerships that are now being recognised as essential to addressing housing need at scale.

2.4 At the same time, institutional investors, particularly pension funds, are increasingly seeking to deploy long-term, patient capital into housing and urban regeneration. Across the UK, cities such as Bristol, Newcastle, Norwich and Barnet have benefited from significant investment by firms such as Legal & General and Aviva, supporting the delivery of high-quality homes and sustainable communities[1]. This model lends itself to complex, challenging sites, that otherwise may struggle to attract investment.

2.5 In this context, Investment Partnerships have emerged as a powerful mechanism for unlocking public value. By aligning long-term capital with local priorities, these partnerships offer a model that blends financial return with social impact, moving beyond traditional public-private arrangements to deliver inclusive, sustainable development.

2.6 To be successful, Investment Partnerships require:

- visionary local leadership capable of articulating bold and inspiring aspirations for the future;
- strong alignment of values, with a shared commitment to social impact, sustainable placemaking, and regional growth;
- openness to innovation, including a willingness to challenge traditional norms and explore new solutions;
- a proactive approach to risk, including setting new precedents where appropriate;

[1] See for example:
https://group.legalandgeneral.com/en/about-us/our-purpose/investing-for-growth/supporting-innovation-in-newcastle-and-north-east
https://group.legalandgeneral.com/en/newsroom/press-releases/bristol-city-council-secures-350m-investment-from-legal-general-for-bristol-temple-island-regeneration
https://www.aviva.com/newsroom/news-releases/2025/07/350-million-pounds-landmark-deal-to-turbo-charge-growth-in-norwich/
https://www.aviva.com/newsroom/news-releases/2025/07/barnet-council-approves-landmark-rental-housing-scheme-at-bunns-lane-mill-hill/

- transparent collaboration, particularly during the ideation phase, with recognition of capacity and capability constraints; and
- a shared commitment to problem-solving, underpinned by a collaborative spirit and resilience in the face of challenges

2.7 Glasgow has already attracted interest from several institutional investors keen to explore the mutual benefits of these partnerships. One such investor is ACP, Aviva's in-house capital unit whose investment strategy focuses on urban regeneration, housing supply, and sustainable infrastructure. ACP, alongside SNIB, is actively exploring the potential for an Investment Partnership in Cowlairs, which could deliver up to 1,500 new homes in the coming years.

3. Cowlairs opportunity

3.1 The Cowlairs site is one of five large-scale housing-led regeneration areas situated within North Glasgow that currently are set to deliver circa 3,200 new homes with the other four sites progressing: Sighthill, Dundashill, Hamiltonhill and Ruchill Hospital (Ashlar Village). Cowlairs is programmed to follow on from this successful activation of the north.

3.2 Cowlairs is a 30-hectare site (see Appendix 1) that lies between Possilpark and Keppochhill Road consisting of long-term Council-owned derelict land comprised of former demolished tenement housing, a primary school, sports pitches and Cowlairs Park. It is allocated as a housing development in the adopted City Development Plan (2017).

3.3 The Cowlairs Masterplan report, approved at the Neighbourhoods, Housing and Public Realm City Policy Committee on 20th August 2019, was produced to promote a vision, and place principles, to guide the redevelopment of the site. A strategic purpose of the Masterplan for Cowlairs was to help establish Possilpark as a local town centre by bringing new homes to the area and increasing footfall to support amenities from public services to retail offerings, which will bring social and economic benefits to existing and new residents of the area. Possilpark is identified consistently amongst the most deprived areas in Scotland.

3.4 The Masterplan identified the site development constraints which include the Saracen Colliery pit-head to the north, the site is underlain by mineworkings and a disused mineshaft lies within the north-west corner of the site, sizeable retaining structure running along the eastern edge of the site, and the existing topography which includes large flat terraced areas but also slopes adjacent to Keppochhill Road which will require a strategic solution to enable a viable development site.

3.5 The 2019 Masterplan report was informed by extensive community and stakeholder engagement over a 2-year period and sets out the vision to develop Cowlairs into a growing, green and healthy neighbourhood. Themes from the community consultation and engagement on the masterplan included the need for amenity space of good quality, creation of places for people to go such as social clubs, activities for young people, and the need for more choice in retail/

restaurants. The 2019 Masterplan provides a series of place principle diagrams to guide the design and delivery of new housing, open spaces and infrastructure works within Cowlairs, with the overarching aim of improving the wellbeing of the residents in the wider area through area-based regeneration interventions.

3.6 As this development is taken forward, there is potential to refresh the Masterplan to take account of the current context. The refresh could increase the total number of homes to assist the viability of a development. Sensitive densification would widen strategic aims of creating a vibrant Possilpark centre and complement transport infrastructure.

4. Opportunity cost

4.1 The opportunity cost associated with Cowlairs is not purely financial. It is the lost potential for the city in terms of resilience, equity and growth, and can be measured across three areas: Economic; Social; and Environmental.

4.2 The economic cost can be quantified through lost revenue streams such as council tax, business rates and developer contributions. At the same time, the Council will continue to spend on temporary accommodation, draining budgets and placing a strain on resources, as well as stagnation in local economic growth. As Sighthill demonstrates, housing projects stimulate construction jobs, local supply chains, and long-term consumer spending. Not developing the site means missing out on this multiplier effect.

4.3 In terms of the social cost, pressures on housing stock availability, homelessness and affordability issues are all key challenges for the Council to consider. This strain on public services cannot be underestimated. Without planned infrastructure development, there will be an associated impact on communities, weakening community cohesion and reducing the vibrancy of local areas

4.4 And finally, the environmental cost can be measured in terms of the energy efficiency of the city's housing. New housing will help the city create green neighbourhoods and deliver on its ambitions to be net-carbon zero. Inaction risks falling short of these commitments, potentially affecting future investment.

4.5 The long-term strategic risk of not planning for vacant and derelict land owned by the Council represents a missed opportunity to unlock value through development or partnership. The Investment Partnership model provides the Council with an opportunity to influence the development, ensuring that outcomes are in line with the city's priorities.

5. Council objectives for the proposal

5.1 It is important to be clear on the Council's objectives for pursuing this course of action and why this is an attractive proposition. Not only will it help to accelerate the delivery of housing in the city, the Investment Partnership model will also ensure a high degree of control over the development of the site is retained.

5.2 It also enables the Council to secure suitable partners who have shared values and interests, and who, critically, have the resource, commercial expertise, funding and market knowledge to optimise the value of the proposal and help the city with its infrastructure requirements.

5.3 Best value is a further consideration for the Council, and this model will ensure that by entering into a Partnership that allows flexibility, given the size and scale of the opportunity. This is consistent with the Council's wider objectives, and the Council will seek to ensure that any proposed Investment Partnership will act in accordance with these objectives.

5.4 The delivery options as detailed in Section 6 of this report were considered against the extent to which they meet these objectives.

5.5 This approach has been considered and endorsed by the new Glasgow Investment Group (GIG), which is chaired by the Director of Regional Economic Growth, and consists of senior officers from across the Council Family. Its remit is to consider investment opportunities from an economic, legal and financial perspective.

6. Alternative Options

6.1 In August 2019, officers assessed that the most appropriate mechanism for appointing a private developer to deliver the new residential development, open space areas and infrastructure works was through a procurement route of Competitive Procedure with Negotiation with initiation of the procurement to be Spring 2020. With the Covid pandemic, the procurement exercise did not progress.

6.2 The context has changed considerably since the Masterplan was presented to Committee in August 2019 where we have seen considerable construction cost inflation following the pandemic, Brexit and instability in different parts of the world making the delivery of new mixed tenure homes at scale in regeneration areas even more challenging.

6.3 Recent soft market testing has been undertaken with housing developers active in Glasgow to gauge views on Cowlairs as a site, with some key themes coming through which have informed the consideration of options to progress the site. There is market interest in the site for mixed tenure development with a component of affordable housing, a partnership approach was highlighted as critical to the long term success of the development, some reservations expressed around the potential to sell the volume of homes to solely the owner occupied market, and the need to maintain some flexibility in tenure mix in order to respond to market conditions acknowledging this development is likely to be delivered over 10 years when housing market conditions and wider economic contexts will inevitably change.

6.4 The types of models that have been considered to take forward the development of Cowlairs are outlined below, taking into account the Council's objectives outlined in the previous section:

Council-led procurement
In this option, the Council would lead and develop a full procurement exercise for the entirety of the site, similar to that of Sighthill. This would involve competitive dialogue as had been the preferred option in 2019, and the Council would set a number of key requirements, such as housing tenure, build standard and timescales. It will be resource intensive, particularly in relation to Housing, Procurement, Legal Services and Finance.

The initial procurement phase would take upwards of 18 months, with resources required for the lifetime of the project. A Registered Social Landlord (RSL) would be required to take forward the affordable units in partnership with a developer, and any capital receipt is likely to be paid in phases to mitigate risk and enable the cash-flow.

Under this model, the Council could retain control over design elements for all phases and be the lead in appointments of development partners. However, the approach is extremely resource-intensive in terms of staff from across Council services. There is also a need for key requirements such as tenure and design to be established early on, and the lead-in time for procurement is long, at a time when housing is a priority.

Declare the site surplus to requirements and instruct City Property (Glasgow) LLP to openly market the subjects

This option would see the subjects being openly marketed as a residential development opportunity. It would significantly reduce the pressure on Council resources and may generate a capital receipt in the region of £19m (based on the original Masterplan unit numbers of 850 homes). This indicative value is based on a number of assumptions. It should also be noted that the number of homes on the site has the potential to increase through a refresh of the Masterplan. A larger number of homes may increase the valuation of the site.

However, there is a risk that the site becomes land-banked by the buyer. This means there is no guarantee of housing, affordable or otherwise, being provided when needed and the Council would have minimal strategic involvement. There is also a question of the short-term benefit of receiving a capital receipt that could be used to relieve pressures on temporary accommodation versus a long-term strategic approach to growing the housing supply.

Declare the site surplus to requirements and undertake an off-market disposal

Under this model, the Council could undertake a nominated disposal to a third party. This would normally be to an RSL rather than private developers, with a scheme agreement and development agreement in place.

The Council would enter into a partnership agreement with the nominated RSL, as done with developments like Hamiltonhill and Dalmarnock Riverside. This option will also raise a capital receipt, with the RSL leading on the procurement of a developer. It would reduce the resource requirement from a Council perspective, and a capital receipt could be achieved through the sale to an RSL.

The Council would have some control over the design, and the development agreement would provide officers the opportunity to help shape and direct the development. Affordable housing elements could be guaranteed, and it reduces the risk of the site being land-banked.

However, for an RSL to take on this risk-burden of a site of this size, there may be a requirement for the affordable tenure to be a high proportion of the overall site, funded by the Affordable Housing Supply Programme and therefore site delivery timescales would be reliant on funding availability. This would not support wider mixed tenure regeneration outcomes.

Develop an Investment Partnership with an appointed master developer
This option would see the Council enter into an Investment Partnership 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.

This option spreads the financial risk, relieves pressure on Council resources, and increases the certainty of a development taking place that aligns with the city's priorities. Critically, it brings external investment into the city, with all partners having a shared, collective aim and clear vested interest in delivery even over the longer term.

This model offers the opportunity for external investment to flow into the city and deliver the agreed vision with a refreshed Masterplan. It also presents a new model for investment that, once proven, could be used to bring forward other major infrastructure projects with other institutional investors.

Although these types of partnerships have been created for similar purposes in other parts of the UK, it is an untested model in Scotland which comes with an element of risk, and there is no immediate financial return to the Council.

6.5 Following assessment of the different models, the Investment Partnership aligns best with the Council's objectives, seeking a new way of driving investment into the city, and working in collaboration with the private sector to bring forward a major housing development with support from the Scottish National Investment Bank.

6.6 This approach has the potential to add to the range of tools available to the Council, which will expand the city's capacity to deliver quality housing-led regeneration.

7. Next Steps

7.1 If approved, the next stage in the process is to progress negotiations with ACP and SNIB with a view to finalising Heads of Terms and thereafter, report back to Committee for ratification.

7.2 The commercial case is unknown at this stage, with all parties carrying out work within their respective organisations to better understand the site topography and any underlying issues that exist, which in turn, may affect the financial viability of any development.

7.3 An indicative timetable for the project is set out below:

- 2025/6 refresh masterplan and progress planning application(s)
- 2027 start and preparation works
- 2028 onwards Phase 1 construction
- 2030 onwards Phase 2 construction
- 2032 onwards Phase 3+ construction
- 2037 full site completion

8. Policy and Resource Implications

Resource Implications:

Financial: Costs to proceed to the next stage can be met from within existing Council resources. Agreement to negotiate an Investment Partnership will pause progression of the other options outlined at paragraph 5.3, thereby foregoing a possible capital receipt of circa £19m. The financial implications, including possible financial returns, for the council of an IP will be considered as part of the Heads of Terms and included in the report back to CAC.

Legal: The Director of Legal and Administration will enter into negotiations on Heads of Terms with a view to forming an Investment Partnership, taking into account all appropriate legal advice.

Personnel: Current resource provision within the teams will continue to be involved.

Procurement: None at this stage.

Council Strategic Plan: This proposal supports:

	Grand Challenge 1: Reduce poverty and inequality in our communities *Mission 3:* Improve the health and wellbeing of our local communities *Grand Challenge 3:* Fight the climate emergency in a just transition to a net-zero Glasgow *Mission 2:* Become a net-zero carbon city by 20-30 *Grand Challenge 4:* Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities *Mission 3:* Enable staff to deliver a sustainable and innovative Council structure that delivers value for money
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	Whilst this proposal does not directly support the Equality Outcomes, it provides a base from which to create a neighbourhood that would directly benefit Service Delivery.
What are the potential equality impacts as a result of this report?	n/a
Please highlight if the policy/proposal will help address socio-economic disadvantage.	Yes, by increasing access to affordable housing, improving the health and wellbeing of citizens and strengthening community infrastructure.
Climate Impacts:	
Does the proposal support any Climate Plan actions? Please specify:	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?	There are potential climate impacts through the construction of energy efficient homes, built using sustainable construction methods and

	nature-based solutions sensitive to climate resilience.
Will the proposal contribute to Glasgow's net zero carbon target?	Yes.
Privacy and Data Protection Impacts:	None at this stage.

9. Recommendations

9.1 It is recommended that Committee:

- Notes the background and context of the report;
- Notes the options that have been considered for developing the site;
- Authorises 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 Cowlairs; and
- Instructs the Chief Executive to progress the commercial case for the project through agreed Heads of Terms, and report back to Committee for final approval.