Item 3

20th August 2026

Glasgow City Council

City Administration Committee

Report by the Leader of the Council and Convener for City and City Region Economy and Just Transition

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INVESTMENT PARTNERSHIP UPDATE: COWLAIRS DEVELOPMENT

Purpose of Report:

This report updates Committee since the October 2025 approval to progress with negotiations to develop an Investment Partnership for Cowlairs. It seeks authority to conclude Heads of Terms and to progress establishment of a partnership vehicle with the Scottish National Investment Bank and Aviva Capital Partners to support delivery of around a 1,000-home mixed-tenure regeneration scheme over the next ten years.

Recommendations:

It is recommended that Committee:

1. notes the update on progress;
2. authorises the Director of Legal and Administration to conclude Heads of Terms;
3. instructs the Chief Executive to complete the creation of a partnership vehicle with the Scottish National Investment Bank and Aviva Capital Partners; and
4. notes that progress of the development will be reported to the relevant Committee.

1 Introduction and background

1.1 In October 2025 City Administration Committee approved the Council progressing negotiations with Aviva Capital Partners (ACP) and the Scottish National Investment Bank (SNIB) to develop an Investment Partnership (IP) for the regeneration of Cowlairs. The proposal was brought forward in the context of Glasgow's Housing Emergency and the need to accelerate the delivery of new homes across all tenures, while exploring new models of investment capable of unlocking large-scale housing-led regeneration.

1.2 The original report set out the strategic opportunity presented by Cowlairs, a 30-hectare Council-owned site between Possilpark and Keppochhill Road, allocated for housing in the City Development Plan and identified through the 2019 Cowlairs Masterplan as a major regeneration opportunity. The site has the potential to deliver significant housing over a 10-year period, supporting the wider regeneration of North Glasgow and helping to strengthen Possilpark as a local town centre through increased population, improved amenities, enhanced open space and supporting infrastructure.

1.3 The report recognised that Cowlairs is a complex and challenging site, with constraints including historic mine workings, a disused mineshaft, topographical issues and significant infrastructure requirements. It also highlighted the opportunity cost of inaction, including lost economic value, continued pressure on housing supply and homelessness services, reduced community resilience, and missed opportunities to support Glasgow's net zero ambitions through the creation of a sustainable new neighbourhood.

1.4 A range of delivery options were considered, including Council-led procurement, open market disposal, off-market disposal to a Registered Social Landlord (RSL), and the creation of an Investment Partnership with an institutional investor and the SNIB. The IP model was identified as the preferred approach as it offered the strongest alignment with the Council's objectives: accelerating housing delivery; attracting external investment; sharing financial risk; retaining a degree of strategic influence over outcomes; and introducing a new model that could offer a model for future major regeneration and infrastructure projects across the city with other institutional investors.

1.5 Committee therefore authorised officers to enter into negotiations with ACP and the SNIB to develop Heads of Terms (HoT) for a proposed Investment Partnership and instructed the Chief Executive to progress the commercial case and report back to Committee for final approval.

1.6 The purpose of this follow-up report is to update Committee on the work undertaken since that approval, including progress on negotiations, technical and commercial due diligence, masterplan development, governance arrangements and the next steps required to move the project towards delivery.

2 Context

2.1 Glasgow is facing a combination of housing, economic and place-based challenges that require new approaches to delivery. The declaration of a Housing Emergency in November 2023 reflected unprecedented pressure on homelessness services, a shortage of supply across tenures and the need to increase the number of permanent homes available in the city. In that context, Cowlairs is not simply a housing site. It is a major regeneration opportunity capable of contributing to housing supply, economic renewal and the long-term resilience of North Glasgow.

2.2 The project also supports the city's wider economic regeneration agenda. Large-scale housing-led regeneration can unlock stalled or under-used land, support construction activity and supply chains, create demand for local services and strengthen the role of nearby centres such as Possilpark. By increasing the population in this well-located brownfield site, the development can help to support local businesses, improve the viability of public transport and community infrastructure, meet local housing needs, and increase confidence in the wider area.

2.3 Density is central to the case for intervention. Glasgow's future growth will require better use of accessible urban land, particularly brownfield land that can accommodate new homes close to existing services, employment areas and transport links. Higher-density developments that are well designed, can support more efficient infrastructure investment, more walkable neighbourhoods, stronger local services and a better mix of tenures and housing types than lower-density suburban forms.

2.4 Cowlairs would be the first Scottish example of using institutional capital in this way to unlock housing-led regeneration.

2.5 Examples from across the UK show that Build to Rent (BTR) can be combined with affordable and social housing outcomes where public land, public funding and long-term investment are aligned. These include:

- Aviva Capital Partners alongside Norwich City Council and Homes England to redevelop an obsolete district centre into a new, 1,100 home neighbourhood. Now on site with significant affordable housing in first phase of delivery;
- ACP's partnership with the National Housing Bank, Homes England and Place Capital Group targeting family rental homes on brownfield sites in Liverpool and Manchester, including at Moston Lane, where over a third of homes are expected to be affordable; and
- Legal & General, which taken a similar approach at New Acres, Wandsworth, a 1,034-home Build to Rent scheme including 35% affordable housing, and through its partnership with Hyde Group, which brings institutional capital together with a housing association platform to support social rented and shared ownership homes at scale.

2.6 These examples demonstrate that the Cowlairs model can leverage patient capital to accelerate delivery while retaining a strong affordable housing, social value and public stewardship proposition.

3 Principles

3.1 The Council's approach is framed by the need to secure best value and best consideration from the use of a major Council-owned site, while also ensuring that the public interest is protected through delivery of housing, regeneration and wider place-based outcomes. The IP model allows 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 is expected to secure.

3.2 A key principle is pace of delivery. The proposed partnership structure is 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.

3.3 The model also gives the Council a degree of control over the long-term stewardship of the site. This includes the ability to shape tenure mix, as well as ensuring quality standards, phasing, affordable housing delivery and partner selection. In particular, the inclusion of West of Scotland Housing Association as the RSL partner provides a route for the substantial affordable housing offtake to be held and managed by an established housing provider.

4 Masterplan development

4.1 Place Capital Group has been appointed by SNIB and ACP to progress the initial development and technical work for the Cowlairs masterplan. This tests a deliverable approach to site planning, phasing, tenure mix, infrastructure and housing typologies. This work has reviewed the 2019 masterplan, assessed site constraints, and developed an updated framework capable of supporting around 1,000 homes over three broad phases. This improves on the density of the 2019 concept, which proposed around 600 homes over a comparable footprint.

4.2 The proposal is structured around three phases of development, shown in the table below, with each phase delivering a third of the homes across the site This approach allows 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 progresses.

Tenure split by phase (approximate)	**Affordable**	**Owner Occupation**	**Professional Private Rent (Build to Rent)**	Total *Each phase is roughly one third of total site capacity*
Phase 1	**30%**	**20%**	**50%**	100%
Phase 2	**30%**	**40%**	**30%**	100%
Phase 3	**30%**	**35%**	**35%**	100%

4.3 Phase 1 is being shaped to provide a good mix of housing from the outset, establishing the residential development quickly. The overall balance of the site, important to managing market risk, broadens the routes through which homes can be delivered, ensuring that Cowlairs is not dependent on a single sales or funding model. The tenure mix also shifts balance across later phases, creating scope to respond to market conditions while maintaining a consistent affordable housing contribution throughout the development.

4.4 Housing quality remains central to the masterplan. The development is expected to include a significant proportion of family housing, including terraced housing and other higher-density low-rise typologies that make efficient use of land while supporting attractive streets, usable private or shared amenity space, and a strong sense of neighbourhood. The approach seeks to combine urban density with liveable family homes, rather than relying solely on flatted development.

4.5 Professional Private Rent (also known as Build to Rent) accounts for the largest single tenure in the programme and the IP will need to pay particular attention to market condition, continually testing rental assumptions, affordability, specification and management arrangements as the business case develops.

4.6 A key objective is to build a pathway to home ownership into the development scheme. This could include tenure products and management arrangements that allow households to move, over time, from renting into ownership, subject to affordability and market conditions. Embedding this pathway within the delivery model would support household choice, community stability and long-term confidence in Cowlairs as a mixed, sustainable and ambitious new neighbourhood.

4.7 The Masterplan will be developed further through engagement with local communities and stakeholders as part of the planning pre-application process.

5 Commercial case

5.1 Since Committee approval in October 2025, officers, supported by external technical, legal and commercial advisers, have worked with ACP and SNIB to develop the draft Heads of Terms for the Investment Partnership, an initial masterplan proposal, cost and viability assessments, and a base case financial model. This work has included detailed assessment of site topography, ground conditions, remediation requirements and abnormal infrastructure costs needed to enable housing delivery. The resulting analysis has informed a scheme-based land valuation, which concludes that the scale of remediation and abnormal infrastructure required gives the Cowlairs site a negative land value.

5.2 The financial model identifies a £34m viability gap, driven by the significant remediation and abnormal infrastructure costs required to unlock the site. SNIB is engaging with the Scottish Government, on behalf of the partners, to seek grant support of around £34m. Securing this funding would address the identified gap and enable delivery of approximately 1,000 homes, representing around £270m in gross development value. This engagement remains ongoing.

5.3 The Council-managed Affordable Housing Supply Programme will seek to support delivery of the affordable homes on the site. The intention being that these will be acquired by a Registered Social Landlord on completion, and discussions are underway with West of Scotland Housing Association on this basis.

5.4 The key elements of the Heads of Terms are as follows:

- the IP will be incorporated as a Limited Liability Partnership (LLP), with each of the three partners entitled to a share in profits proportionate to their respective interest in the IP;
- the Council will contribute the land at a nominal value, matched by cash contributions from the other partners to capitalise the IP;
- the intention is for the development capital of the IP to be contributed by ACP and SNIB with no obligation on the Council to fund the IP's ongoing capital requirements;
- ACP will manage day-to-day operations, while strategic decisions will require agreement by all three partners as reserved matters in the LLP agreement;
- the IP will appoint a Master Development Manager to lead delivery of the project;
- ACP and SNIB will fund site development, with no further Council funding required beyond support that may be provided under Affordable Housing Supply Programme; and
- an annual business plan, based on the financial model, will be prepared and approved by all three partners and updated annually, or as required.

6 Timeline

6.1 The proposed programme is structured to maintain momentum from approval of the Heads of Terms through establishment of the IP vehicle, planning preparation, grant confirmation and commencement of on-site works. The timeline below identifies the principal milestones and related enabling activity required to support delivery:

Target date / period	Milestone	Purpose / implications
End of September 2026	Heads of Terms signed	Provides the commercial basis for progressing the Investment Partnership, detailed legal documentation, governance arrangements and partner commitments. SNIB and ACP seek final approvals.
By November 2026	Investment Partnership established	Creates the delivery vehicle through which land, investment, grant, development management and governance arrangements can be aligned. Engagement with Scottish Government provides high confidence in grant availability.
December 2026	Planning pre-application process starts	Commences formal engagement on the emerging masterplan, phasing, infrastructure, design principles and technical requirements ahead of submission of a planning application.
2026/27 – 2027/28	Costs at risk period	Partners will continue to incur professional, technical, legal, planning and development management costs before all grant and delivery approvals are secured. These costs will require active monitoring and clear governance controls.
FY 2027/28	Scottish Government grant secured	Secures the funding required to address abnormal infrastructure and remediation costs, close the identified viability gap and support the transition from planning and preparation to delivery.
Following grant confirmation	Guarantee route to commencement	The programme will need to provide confidence that grant, planning, legal and delivery conditions are aligned so that enabling works and construction can begin without avoidable delay.

6.2 Community influence will be built into the next stage of the project, once the Heads of Terms have been concluded and the IP is established. At that point, the emerging masterplan will move from commercial and technical testing into a more public phase of design development, enabling local communities, elected Members, neighbouring organisations and wider stakeholders to shape the scheme before a planning application is submitted.

6.3 The first formal stage of engagement is expected to begin through the planning pre-application process, currently programmed for November 2026. This will 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.

6.4 An engagement strategy is being prepared to support this process, led by the Place Capital Group. It will draw on the engagement undertaken for the 2019 Cowlairs Masterplan, as well as West of Scotland Housing Association's own significant understanding of the surrounding community, make clear where community input can influence the proposal, and distinguish between matters that remain open to local influence and those already constrained by site conditions, viability, grant requirements or the commercial structure of the partnership. The intention is to ensure that engagement is meaningful, transparent and early enough to inform the planning submission rather than simply respond to a fixed scheme.

7 Policy and Resource Implications

Resource Implications:

Financial:	The financial implications for the Council once the IP is set up are set out in Section 5. There may be a requirement to incur expenditure on further technical, legal and financial advice prior to the set-up of the Investment Partnership. This will be met from existing budgets.
Legal:	The Director of Legal and Administration will conclude negotiations and enter into the Heads of Terms. The Director will also conclude the necessary legal agreements to form an Investment Partnership, taking into account all appropriate legal advice.
Personnel:	
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 2025-29? 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?	An EQIA screening should be carried out and will be progressed alongside the next stage of masterplan and engagement work.
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?	The proposal has the potential to support positive climate outcomes by bringing a major brownfield site back into productive use, enabling higher-density housing in an accessible urban location, and reducing pressure for less sustainable peripheral development. Subject to the detailed design and planning process, the development can contribute to climate resilience through energy-efficient homes, low-carbon heating solutions, sustainable construction methods, active travel connections, green infrastructure, open space and nature-based drainage. There will also be climate impacts associated with remediation, infrastructure works and construction activity, including embodied carbon and transport emissions.
Will the proposal contribute to Glasgow's net zero carbon target?	Yes. The proposal can contribute to Glasgow's net zero carbon target by supporting the regeneration of a brownfield urban site, creating a more compact and walkable neighbourhood, and enabling new homes to be designed to high energy-efficiency and low-carbon standards.

Privacy and Data Protection Impacts:

Are there any potential data protection impacts as a result of this report Y/N	No.
If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out	

9 Recommendations

9.1 It is recommended that Committee:

1. notes the update on progress;
2. authorises the Director of Legal and Administration to conclude Heads of Terms;
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