



Glasgow City Region Cabinet

**Item 13**

5 November 2024

Report by Director of Regional Economic Growth

Contact: Jane Thompson

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**PMO Evaluation:**

**East Dunbartonshire Council – Outline Business Case – Place and Growth Programme**

**Purpose of Report:**

To report to the Cabinet on the evaluation of East Dunbartonshire Council's Outline Business Case for Place and Growth Programme

**Recommendations:**

The Cabinet is invited to:

- a) note the content of this report
- b) note the PMO Appraisal and Project Risk Register are available on request from the Clerk
- c) approve this Outline Business Case and the funding request of £9,861,178 to take the project to FBC

## **1. Purpose**

- 1.1. To report to the Cabinet on the evaluation of Outline Business Case (OBC) for East Dunbartonshire Council's (EDC) Place and Growth Programme.
- 1.2. The submission of this business case for appraisal is considered as confirmation that EDC approves the inclusion of this business case as part of the City Deal Programme as stated in the Glasgow City Region City Deal Assurance Framework 2019.
- 1.3. EDC provided approval for submission of this OBC at a meeting on 26 September 2024.

## **2. Background**

- 2.1. The CEG on 30 November 2017 approved a review process to ensure that Glasgow City Region City Deal business cases are compliant with the approach contained within the H.M. Treasury Green Book. EKOS Consulting Ltd, in the process of reviewing the GCR City Deal OBCs, developed an appraisal template which has incorporated the comments of both the UK and Scottish Governments. This appraisal template has been used to assess this business case for compliance with Green Book.

## **3. Review of Place and Growth Programme OBC**

- 3.1. The appraisal of this OBC was carried out in line with the appraisal template, and the PMO considers that the OBC is consistent with the requirements of H.M. Treasury Green Book. While the PMO considers that the OBC is compliant with the requirements of Green Book, it remains that case that all legal and financial risks associated with the project remain with the Member Authority.
- 3.2. The PMO consider that the content of this OBC is consistent with the content of the Place and Growth SBC previously approved by Cabinet on 11 February 2020.
- 3.3. The monitoring and evaluation of the OBC will continue to inform the overarching Programme Business Case.
- 3.4. The Executive Summary for the project is attached as Appendix 1.
- 3.5. A copy of the PMO's appraisal assessment of this business case is available from the Clerk.

## **4. Current Status of Project**

- 4.1. In advance of the approval of this OBC, this project reported at 'Green' status for Scope, Finance, Timeline, and 'Future' for Benefit Realisation.

## **5. Scope**

- 5.1. The Scope of the OBC is consistent with the content of the SBC previously approved by Cabinet on 18 August 2015
- 5.2. The Bishopbriggs Town Centre proposed works will deliver:
  - Blue Green Infrastructure [sqm] - 361
  - Public Realm (New) [Ha] - 1,800
  - Trees [no.] - 29
  - Pedestrian Routes (New) [km] - 0.10km
  - Parking Spaces for Bikes [no.] - 20
  - Lighting (new) [no.] - 10

The Westerhill Development Road proposed works will deliver:

- Blue Green Infrastructure [sqm] – 9,351
- Trees [no.] - tbc
- Cycle Routes (shared) (New) [km] - 1.68
- Junctions / Crossings (New) [no.] - 4
- Junctions / Crossings (Enhanced) [no.] - 2
- Pedestrian Routes (New) [km] – 0.215
- Pedestrian Routes (Enhanced) [km] – 0.615
- Road (New) [km] – 1.25
- Road (Enhanced) [km] – 0.75
- Lighting (New) [no.] - 138

5.3. There has been one Change Control submitted for Scope since the approval of the SBC.

- 240806\_EDC\_003 – proposal to defer the A803 Corridor Improvement project and the removal of the Business Incubation Space element within the Bishopbriggs Town Centre project. Westerhill Development Road – will not include any infrastructure improvements to the existing section of Crosshill Road or Cole Road, as originally anticipated in the SBC.

## **6. Timescale**

6.1. EDC is proposing to submit an FBC following the approval of this OBC. The key milestone dates are as follows:

- OBC Approval – November 2024
- Bishopbriggs Town Centre FBC Approval – August 2025
- Westerhill Development Road FBC Approval – November 2025
- Construction Start – Mid 2025
- Construction End – December 2026.

6.2. From project inception, there has been 2 CCRs submitted for Programme Milestone changes:

- 201217\_EDC\_001 – Delay construction end date from December 2025 to December 2026 (+12months)
- 231212\_EDC\_002 - one OBC covering all three project elements of the Place & Growth Programme will be submitted. OBC submission delayed from April 2024 to September 2024 (+5months) for approval at November Cabinet. Number of FBCs to be confirmed within OBC. No change to completion date of December 2026.

## **7. Finance**

7.1. The total cost of the project is £36,845,685. This will be funded from City Deal (including an East Dunbartonshire Council Member Authority contribution) funding as set out below:

- City Deal Grant - £30,000,000 (or 86% of CD funding)
- City Deal East Dunbartonshire Council MA Contribution - £4,881,000 (or 14% of CD funding) and an additional member contribution of £1,964,685.

- 7.2. A total of £700,000 was previously approved at SBC and this OBC is seeking funding of a further £9,861,178 to take the project to FBC.
- 7.3. A full financial analysis has been carried out as part of the evaluation of the business case for the project funding. The drawdown of this funding will be completed on the basis of actual eligible expenditure, in association with the grant drawdown principles outlined within the Assurance Framework.
- 7.4. One Change Control has previously been submitted for Finance since the approval of the SBC.
- 240806\_EDC\_003 - addition of £1.96m additional member contributions pending agreement to the reallocation of the inflation fund which will then cover this element of the costs.

## 8. Benefits Realisation

- 8.1. The East Dunbartonshire Council OBC has identified and quantified the project outputs and outcomes for this OBC and provided a City Deal Benefits Register and completed individual benefits trackers as required by the Assurance Framework.
- 8.2. **GVA:** The GVA that is projected to be delivered by the project and attributable to the City Deal investment by 2035 and over 25 years (2049) is set out in the table below:

GVA	
Net additional GVA at GCR over 25 years	£140.4m
Net additional GVA at Scotland level over 25 years	£115.9m

- 8.3. **Benefit Cost Ratio (BCR):** The GCR City Deal Programme Management Toolkit states that the BCR should be calculated using the *Net Additional GVA at GCR over a 25 year period* against *total public sector costs* for the project the BCR is calculated as follows:

Benefit Cost Ratio	
Net Additional GVA at GCR over a 25 year period	£140.4m
Total public sector costs over 25 years	£33.4m
BCR	4.2 to 1

- 8.4. The public BCR of 4.2 to 1 is for the benefits and costs that are attributed to the City Deal Investment. Therefore, for every £1 of public money invested, £4.2 of economic benefit is secured for the City Region, demonstrating value for money.
- 8.5. **Employment Benefits:** The projected number of jobs, both the short-term construction jobs through both the enabling infrastructure and follow on development, and the operational permanent jobs, that are attributed to the City Deal investment are set out in the table below:

Construction Employment - short term	
Net additional enabling infrastructure jobs at GCR (Person Years of Employment by 2035)	100 Jobs
Net additional development / follow on jobs at GCR (Person Years of Employment) by 2035	204 Jobs
Operational Employment – permanent jobs created.	
Net additional Full Time Equivalents by 2035	455

**Private Sector Investment:** Details of the development sites where anticipated private follow-on investment is projected to deliver £47.7m (Net additional private sector investment) by 2035 are described within the OBC, alongside the arrangements for a focused effort to attract new investment and employment opportunities from follow on private sector investment. Delivery of this follow-on investment will be monitored by the PMO quarterly benefits reporting.

#### 8.6. **Community Benefits:**

- 8.7. The OBC confirms that the procurement policy and procurement approaches will follow public procurement regulations. The procurement strategy for the project is aligned with the Regional Sustainable Procurement Strategy and compliant with requirements of GCR Buyers' Guide and confirmation provided that the Cenefits system will be used for the monitoring and reporting of community benefits.
- 8.8. The OBC confirms that the City Deal Community Benefit Menu is being used by the project for a targeted approach across 4 key themes to secure and deliver community benefits throughout the design, planning and implementation phases of the project to tackle inequalities that are based on clear evidence- based understanding of needs.
- 8.9. As benefits are not quantified at the level of a SBC it is not possible to quantify any impact Change Control: 240806\_EDC\_003, deferring one element of the programme, may have on Benefit Realisation however, the anticipated effects of descoping on benefits are described within the OBC.

### 9. **Recommendations**

9.1. The Cabinet is invited to:

- a) note the content of this report;
- b) note the PMO Appraisal and Project Risk Register are available on request from the Clerk; and
- c) approve this Outline Business Case and the funding request of £9,861,178 to take the project to FBC.

# Appendix 1: Executive Summary

## PART A: Brief Description of the Projects

This OBC seeks approval for funding of **£36,845,685** as part of Glasgow City Region (GCR) City Deal to deliver three projects recognised collectively as “the Programme”.

### East Dunbartonshire City Deal Projects

East Dunbartonshire lies to the north of the Glasgow City Region and has a population of around 108,000. It is in the mid-range of Scottish local authorities in terms of population and covers 77 square miles. It is made up of a mix of urban and rural areas, with settlements including Bearsden, Bishopbriggs, Kirkintilloch, Lenzie, Milngavie, Milton of Campsie, Lennoxton, Torrance and Twechar.

East Dunbartonshire has been recognised as one of the best areas in Scotland to live based on the residents’ health, life expectancy, school performance and climate. East Dunbartonshire has high employment rates and earnings higher than the national average. However, there are issues to be addressed to ensure future growth is inclusive. These include connections and transport links between areas of multiple deprivation and employment opportunities and increasing the number of high-quality jobs and diverse employment opportunities. These opportunities are currently lacking due to an over-reliance on the region and the public sector for employment.

In 2019, East Dunbartonshire Council (EDC, ‘The Council’) set out its **Place and Growth Programme** to deliver a package of transport infrastructure, and site-enabling activities to help meet its objectives. The scope of the programme was based around the following three key elements (‘the Projects’):

**Westerhill Development Road:** Delivery of the ‘Westerhill Development Road’ or WDR to complete the route through East Dunbartonshire and north Glasgow, improving connectivity and unlocking strategic development sites to enable follow on investment.

**A803 Corridor Improvements:** Sustainable transport improvements on the A803 Route Corridor to create a key bus route corridor between East Dunbartonshire and Glasgow City Centre, serving the north of Glasgow and a range of key retail, regeneration, health and education facilities.

**Bishopbriggs Town Centre Regeneration:** including provision of business space, improved accessibility and enhanced public realm.

The GCR City Deal scheme encompassing all three projects was formalised in a Strategic Business Case (SBC) which was finalised and approved in February 2020.

As detailed in the ‘Change of Scope’ section below, the A803 Corridor Improvements project has been deferred and will no longer be delivered through the City Deal programme. It remains the intention of The Council to make improvements to the corridor, which will promote sustainable travel within the Bishopbriggs area.

Figures 1 & 2 show the location of the projects being delivered as part of the programme.



Figure 1: Location Plan of East Dunbartonshire City Deal Projects



Figure 2: Location of Civic Space in Bishopbriggs Town Centre

## Westerhill Development Road

The Westerhill Development Road (WDR) is the fifth and final phase of what was previously referred to as the Bishopbriggs Relief Road. This phase will connect Junction 2 of the M80 (at the north edge of Glasgow) to the A803 (between Bishopbriggs and Kirkintilloch), by linking Lochgrog Roundabout with the Kirkintilloch Road approximately 1km to its north.

The WDR Project will support the objectives, challenges and needs identified in the SBC which relate to alleviating traffic congestion, improving air quality, as well as providing access to strategic development sites. Its objectives are to:

- Create a new development road through the Westerhill Regeneration Area or WRA (refer to WRA Masterplan, Appendix A)
- Facilitate the delivery of the WRA Masterplan to allow future investment
- Enhance access to new and existing employment and services
- Avoid significant environmental impacts and minimise the environmental effect on green space
- Minimise whole life carbon emissions associated with the scheme
- Contribute to the overall improvement of the air quality across Bishopbriggs
- Promote the natural environment, heritage and communities.

Land use and ownership has been carefully considered and has influenced the options appraisal. Compulsory purchase has always been considered an option of last resort, with a preference for negotiated transfer, and would take project delivery well beyond the expected completion date associated with the City Deal funding.

## Bishopbriggs Town Centre Regeneration

The Bishopbriggs Town Centre (BTC) Regeneration Project is an infrastructure investment project. It will see improvements to the public realm and physical environment as well as the provision of enhanced connections to create a people focused town centre. These improvements will act as a catalyst for economic growth and further investment.

The Project Objectives align with national, regional and local strategies for business and economic development, infrastructure, and spatial planning. Its objectives are to:

- Attract investment and reduce vacancy rates – businesses value proximity to public space, and the quality of the streetscape to attract customers or tenants
- Increase land and property values – high quality public realm contributes to property prices in an area
- Attract visitors – people are more likely to want to shop in a well-designed and more aesthetic environment
- Increase tourism – investment in the physical environment is critical for attracting tourists
- Improve productivity – better-designed environments impact on productivity, health and satisfaction of the workforce
- Enhancing image and civic pride – high quality public realm can improve perceptions and investor confidence in an area, building a positive image and reputation, and consequently providing a basis for growth
- Encourage modal shift - prioritising the movement of people, giving residents and visitors a wider variety of attractive transport options rather than reliance on the private car.



Within this project, City Deal funding is sought for the Civic Space improvements. The Civic Space element will be delivered on land that the Council will take ownership of in late 2024 via a long-term lease (175 years).

## *Change of Scope*

As they have developed, the Projects have been impacted by the COVID-19 pandemic and various economic challenges. Since approval of the SBC in February 2020, there have been significant world events that have had a sizable negative impact on the economy, and in turn the construction industry. Due to the Covid-19 Pandemic, impacts of EU Exit and other emerging international issues, the UK construction industry is experiencing disruption to manufacturing and construction supply chains as well as shortages in labour markets. This has led to significant impacts on costs and affordability across a range of capital investment projects nationally, including projects within the GCR City Deal programme.

As a result of these cost impacts, the affordability of the Council's City Deal Programme has been significantly affected. Consequently, the OBC process must prioritise the elements which give the greatest economic impact and must present a project that is affordable. Due to significant increases in inflation and construction costs, it has been determined that it is not possible to deliver each of the three Projects using City Deal funding.

As a result, the Council submitted a Change Control Paper (Appendix B) to the GCR Project Management Office (PMO) in August 2024. The proposed change of scope for the OBC submission prioritises the Projects that deliver the most positive economic impact, which is a core requirement of City Deal funding – the completion of the WDR as a relief road to the A803 and unlocking land for new commercial development, and the regeneration of Bishopbriggs Town Centre. This necessitates the deferment of the A803 Corridor Improvements Project and the removal of Business Incubation Space within Bishopbriggs (refer to Part B below). The longer-term delivery plan for the improvements along the A803 Corridor will be developed separately to this OBC. The proposed changes have been approved at a recent meeting of Council (EDC/019/24/DG EDC City Deal Infrastructure Project Update, 21 August 2024).

As noted within the Change Control Paper, whilst the A803 Route Corridor Project is removed from this OBC, the intention is to deliver at a later date, albeit outwith the City Deal Programme. The work undertaken is not abortive, it provides a strong basis for interventions along the A803 Route Corridor to be developed in more detail and delivered in line with available funding. A commitment remains to the longer-term delivery of change and improvements along the route corridor to support not only the investment in Bishopbriggs enabled by City Deal funding, but also East Dunbartonshire local transport and active travel policy objectives. The above report to Council confirmed support to a longer-term delivery plan for improvements to the A803 Route Corridor, with agreement from SPT and GCC to continue the work collaboratively, where appropriate.

## *Timeline / Programme*

The SBC was approved by GCR Cabinet in February 2020, and the production of the OBC for the scheme commenced in 2022. Key milestones are set out below:

Milestone	Date
OBC approval by EDC & submission to Project Management Office	September 2024
OBC approval by GCR Cabinet	November 2024
BTC Full Business Case (FBC) approval	August 2025
BTC Site works commence	September 2025*
WDR Full Business Case (FBC) Approval	November 2025
WDR Site works commence	December 2025
BTC completion	March 2026
WDR completion	December 2026

*\*Dates are clarified further in the Commercial and Management Cases and will be confirmed in the FBC.*

*Figure 3: EDC City Deal Programme Milestones*

It is expected there will be different stages of mobilisation for each project while FBCs are at different stages of approval. This approach will be dependent on, and has thus far informed, the preferred procurement route, and form of contract for the projects. The intention is that construction contracts will be able to commence upon formal approval of FBCs at GCR Cabinet meetings. At the time of writing and based on the Preferred Option, engagement with the Council's 'Early Contractor Involvement' Contractor confirms WDR completion will be achievable by December 2026.

## Investment

The capital requirement for completion of the Programme was recorded as £34,881,000 in the 2020 SBC. This figure included contingency and optimism bias of 44%, the recommended level for this type of scheme. **£4,881,000** has been committed by EDC and amounts to 14% of the total investment. An additional sum of approximately £1.96m has been made available in City Deal funding due to the wider GCR Reallocation from the Airport Access Link project. This sum has been underwritten by EDC.

As discussed under the Change of Scope section above, the development of the proposals since the SBC has led to higher costs for each of the projects at each subsequent stage. The most notably significant reason being inflationary pressure that has led to considerably increased cost estimates. As a result of the A803 Project deferral, only current spend to date which has helped inform this business case, will be included in this OBC. Future costs for this Project will be sought from other sources. The Council remain committed to improvements on the corridor and will continue to work with the delivery partners to progress beneficial elements of the RIBA Stage 2 Preferred Option.

The most recent Programme estimate for the Preferred Options of both Projects amounts to **£36,829,147.22**. The breakdown per Project is given in the table below:

Category	Westerhill Development Road (WDR)	A803 Corridor Improvements	Bishopbriggs Town Centre Civic Space
Direct Works & Prelims	£15,161,111.11	n/a	£2,530,000.00
Inflation	£2,712,957.05	n/a	£334,864.65
EDC Internal Costs	£2,008,166.62	£298,982.60	£389,923.18
EDC External Appointments	£3,209,718.73	£600,225.93	£737,634.30
Optimism Bias	£3,709,279.03	n/a	£632,500.00
Risk/ Contingency	£3,790,279.03	n/a	£632,500.00
Project Totals	£30,672,516.56	£899,208.53	£5,257,422.13
PROGRAMME CAPITAL COST		£36,829,147.22	

Figure 4: Programme Cost Estimate

Note that:

- VAT is recoverable and is not included in the costs stated for the projects.
- WDR costs estimates are based on mid-DMRB Stage 3 design.
- BTC cost estimated are based on RIBA Stage 3 design.

More detail on the cost estimates and the expected profile of this spend is included in the Financial Case. The Council will underwrite the amount required up to the approval of the FBC (see full breakdown of costs in Figure 63 in section 4.1.2). Funding totalling **£9,861,178** would be due to the Council upon GCR Cabinet approval of a this OBC, and the Full Business Cases for each project (due late 2025). The sum is sought to cover costs which include professional services contracts for design work, site and service investigations, other professional services fees, statutory consents, and internal project management fees and accounts for £700,000 already claimed following approval of the SBC.

The project outputs relating to both the BTC Civic Space and the WDR are included in Figures 5 and 6 respectively.

GCR Code	Output	Measurement	Quantity
ENV_01_CD	Blue Green Infrastructure	sqm	361
ENV_03_CD	Public Realm (New)	sqm	1,800
ENV_09_CD	Trees	nr	29
TR_10_CD	Pedestrian Routes (New)	km	0.10
TR_19_CD	Parking Spaces for Bikes	nr	20
TR_20_CD	Lighting (new)	nr	10

Figure 5: BTC Project Outputs

GCR Code	Output	Measurement	Quantity
ENV_01_CD	Blue Green Infrastructure	sqm	9,351.3
ENV_09_CD	Trees	nr	tbc
TR_06a_CD	Cycle Routes (shared) (New)	km	1.68
TR_08_CD	Junctions / Crossings (New)	nr	4
TR_09_CD	Junctions / Crossings (Enhanced)	nr	2
TR_10_CD	Pedestrian Routes (New)	km	0.215
TR_11_CD	Pedestrian Routes (Enhanced)	km	0.615
TR_14_CD	Road (New)	km	1.25
TR_15_CD	Road (Enhanced)	km	0.75
TR_20_CD	Lighting (New)	nr	138

Figure 6: WDR Project Outputs

## Benefits

Based on the GCR City Deal methodology, the Programme is expected to yield total net discounted benefits worth **£140,430,525** over a 25-year period at the GCR level if delivered comprehensively. The breakdown per category is shown in the table below.

Benefit Category	Benefit Value Estimate (2024)
Net Direct Construction GVA	£8,856,057
Net Construction GVA - WDR follow-on investment	£15,313,572
Net Operational GVA - WDR follow-on investment	£105,723,307
Net Operational GVA - BTC	£10,537,589
<b>TOTAL BENEFITS</b>	<b>£140,430,525</b>

Figure 7: Programme Benefits Summary

## Benefit-Cost Ratio

Set against a total net discounted cost figure of £33,364,747 (based on the capital costs detailed in Figure 4) over the 25-year period, again at GCR level, produced a Benefit-Cost Ratio of **4.21**.

The direct investment is estimated to support 247 (gross) or **100** (net) construction jobs (measured in Person-year Equivalents (PYEs)).

The follow-on investment (due to unlocking the development parcels) is estimated to support 505 (gross) or 204 (net) construction jobs and 607 (Gross) or **455** (net) operational jobs (measured in Full Time Equivalents (FTEs) by 2035).

In addition, delivery of the Programme is expected to leverage an additional **£47.7m (discounted)** in private sector investment over the period.

## PART B: Five Case Business Case

The OBC sets out the detailed rationale for the Programme and establishes the case for change, building from the City Deal approved SBC. It outlines the need for a group of projects and sets the context of these works in terms of fit with wider policy at local, regional, and national levels, including the delivery of the City Deal objectives and programme.

### Approval of the Strategic Business Case

In April 2019, the GCR Cabinet approved the initial SBC from EDC for its 'Place and Growth Programme' which set out the case for focused investment in transport and business infrastructure, alongside co-ordinated investment by the private sector as catalysts for sustainable economic growth within East Dunbartonshire and the GCR.

In October 2019, the GCR Cabinet requested that the EDC Place & Growth Programme SBC be re-focused to include complementary aspects of SPT's Strathclyde Bus Improvement Partnership (SBIP) proposals aimed at delivering a step-change in access by bus on radial corridors, bringing wider societal benefits including inclusive growth, access to employment, and reduced emissions. The revised and re-focused SBC was approved at the GCR Cabinet on 11 February 2020.

### Development of the Outline Business Case

Since the SBC approval, impacts of the Covid-19 pandemic resulted in a delay to the Programme. The following years have seen profound changes to our economic environment and people's travel and working habits. Reduced traffic congestion and providing reliable journey times is still a key focus and supports a strong economy, in-turn making the area a more desirable place in which to invest. Emphasis is placed on delivering more quality jobs and becoming a better place to live, work and spend time.

The period of 2019-2024 has seen substantial change in policy concerning carbon, environmental impacts, climate change, and transport at both a national and regional level. With transport being the highest emitting sector in Scotland and in East Dunbartonshire, it is essential that the Programme responds in a manner reflective of current strategy and the direction of travel.

In 2021, the Council commissioned Caledonian Economics to produce a paper to investigate the economic impact of such changes. It found the overall Programme still proved viable and there remained scope for benefits. Two reports by EKOS and Graham & Sibbald in 2022 (Appendix C), looking at the feasibility of the Council providing 'business incubation space' found demand was weak and only one feasible site existed. It was since considered prudent to re-focus the delivery of business resource in the town centre via other revenue funds.

The Council's August 2024 change control paper confirms that commercial challenges were identified for developing and operating a good quality incubation facility in the current market, particularly in the context of a decreased demand due to the Covid-19 pandemic (hybrid and home working models) and increasing inflation. Challenges relating to suitable space and the ability to bring forward a viable and sustained operating model were also raised. The work undertaken presented alternative suggestions relating local business support models focused on the business base and supply chain. Co-working/locational model options within existing operating assets, for example the local Library/Hub, may also be explored further in the future. The Business Incubation

element therefore will not feature as part of the City Deal BTC Project and will therefore not be included within the OBC.

In 2022, AECOM re-appraised the 2015 Scottish Transport Analysis Guide (STAG) report and produced an addendum (Appendix D) which found the rationale for each of the Council's City Deal Projects remained valid and reinforced the correlation of the scheme considering new policies. The Council supports the idea that there is now more opportunity than before to realise benefits from these interventions and therefore presents a case for delivery of the WDR and the BTC Civic Space with the above-mentioned City Deal fund, along with the longer-term delivery of the A803 Corridor Improvements via alternative funding sources.

## Plan for the Full Business Case

Upon formal OBC approval by the GCR Cabinet, the WDR and BTC Projects will progress to individual FBCs with the formal clarification of the scope and the addition of procurement, contractual and budgetary confirmations. Approval of the FBCs by the GCR Cabinet would allow drawdown of the City Deal funding to enable construction to start.

On completion and approval of all FBCs a 'Full and Final Business Case' (FFBC) will be prepared to conclude the business case process.

## GCR City Deal Business Case Guidance

It is a requirement that the GCR City Deal Programme Management Toolkit v1.3 (2020) (Toolkit) is used as the main guidance for developing the OBC. The Toolkit provides methodologies, templates and a formal structure with prompts that are followed within this Part B. The Toolkit is based on the principles of the HM Treasury Green Book (2020).

## Summary of Cases

The five cases are included in Sections 1-5, and are summarised below.

### Strategic Case

The Strategic Case sets out the case for change and demonstrates how it provides strategic fit for East Dunbartonshire Council and the Glasgow City Region City Deal. It outlines the issues identified in the Strategic Business Case (2020) and how these will be addressed by the WDR and BTC Civic Space Projects (detailed in Part A above). The two projects have been designed to focus on addressing economic and transport challenges demonstrated in the strategic need such as traffic congestion, poor public realm, and lack of high-quality jobs.

The WDR will complete the final piece of the Bishopbriggs Relief Road and would move traffic from the A803 through Bishopbriggs Town Centre enhancing the experience for pedestrians, cyclists and bus users, and at the same time allow the build-out of the Westerhill Regeneration Area Masterplan, providing road access to five new plots allocated as employment land (totalling c.70,000m<sup>2</sup> built up area) which will be developed through onward investment.

Regenerating Bishopbriggs Town Centre through the redesign of the 2,500m<sup>2</sup> 'Civic Space' close to the Station, Morrisons, St. Matthew's Church and the Triangle Shopping Centre will provide much-needed improvement to a high-profile public space. The proposal will provide a canopy, planted areas and outdoor flexible business space that will create opportunities for new job creation.

The success of the Projects will be measured against delivery on the Programme's Strategic Objectives and meeting agreed Critical Success Factors.

The importance of aligning with local, national and regional policies is highlighted. The proposed interventions aim to create a well-connected, vibrant, and sustainable local economy, improving quality of life for residents and attracting investment to the area in the long-term.

## Economic Case

The Preferred Option for both Projects that delivers best overall value to the public is identified in the Economic Case. This has been determined based on a thorough Options Appraisal process which considered costs, qualitative and quantitative benefits, dis-benefits and risks, and has been subject to sensitivity analysis.

The decision also considered the Counterfactual position, that without the City Deal intervention, key issues like traffic congestion, poor public realm, and lack of high-quality jobs would persist, stifling economic growth and development opportunities.

The Preferred Options:

- WDR: Option A was selected based on its ability to meet project objectives, environmental impact, and economic benefits.
- BTC Civic Space: Option B was chosen for its affordability, acceptability, and ability to meet project objectives.

'Costs' across both Projects are calculated to total an investment of £36.85million over 2026-2027 and are discounted to present values for the purposes of the assessment.

'Benefits' include that directly from the construction activity, Gross Value Added (GVA) in terms of net additional jobs created, as well as uplifts in retail spend, amenity value and land value in the case of BTC. This is expected to generate net additional economic value of £140.5million at Net Present Value.

The overall BCR of 4.21 is a relatively high level of BCR, primarily due to the quality jobs that are expected from the follow-on development at WRA and represents solid return for the City Deal investment.

## Commercial Case

It is demonstrated in the Commercial Case that the Preferred Options of both Projects will result in an acceptable deal for all parties, that is able to respond to the strategic need as set out in the Strategic Case. The Projects can evidence both strong demand for industrial property at Westerhill, with potential for follow-on private sector investment, and strong support for the BTC Civic Space through public consultation, highlighting its importance for local economic and social activities.

The current Procurement Strategy aligns with the Council's own procurement requirements and involves NEC4 contracts for both projects. It is planned that:

- The WDR will be delivered through the SCAPE Scotland Civil Engineering Framework, leveraging early contractor involvement and a streamlined design-to-build process.
- The BTC Civic Space will be procured through an open tender process, ensuring competitive pricing and quality.
- Risks are allocated to the party best able to manage them, with ongoing reviews and mitigation strategies in place.

This is considered a viable and realistic approach to procurement is proposed that balances risks to EDC and the wider public sector, with those of suppliers, and which allows for appropriate balance of time, cost and quality controls. The procurement route will be confirmed during the next stage and will be confirmed in the FBC.

## Financial Case

The Financial Case outlines the funding, costs, and financial management for both the WDR and BTC Preferred Options. It is demonstrated that that budgets are robust and can be considered to cover a reasonable range of eventualities through careful application of Optimism Bias and a Quantitative Risk Assessment.

The total funding available is confirmed as £36.845million including £30million from City Deal funding (86%) and £4.88million (14%) from East Dunbartonshire Council (EDC), plus an additional inflation-related allowance of £1.96million from reallocated City Deal funds. This sum will be underwritten by EDC.

The total estimated cost for the WDR and BTC Civic Space projects is £36.829 million almost equal to the total fund envelope above. The Project budget includes allocations for inflation, internal and external fees, optimism bias, and risk/contingency to cover key financial risks identified. Further mitigation strategies include ongoing value engineering and independent cost verification.

New public infrastructure assets created by the projects will be adopted and maintained by the Council. Estimated routine maintenance costs are expected to be around £30,000 per annum. Revenue costs of maintaining these new assets will be met by the Council's adopting Roads Service and Streetscene Team, respectively.

Benefit monitoring is included as an estimated total cost of £52,300 over the course of eight years.

A sum of £9.861million is claimed within this OBC. These costs relate to external services to undertake design, costing, site surveys, and ground investigation as well as Council internal management costs pertaining to the full Programme, including the now deferred A803 scheme. It is also worth noting that the estimates to FBC submission include a front-loaded cost commitment related to the pre-construction stage of the design and build contract for the WDR Project. To support programme timescales, this early work is essential and allows progression of activity towards the December 2026 completion date.

## Management Case

The Management Case outlines the tailored governance structure, project management plans, programme and risk and benefit management strategies that together provide a robust framework for managing the Projects.

The Major Assets Projects (MAP) team within the Council will lead the WDR project, while the City Deal team will manage the BTC Civic Space. Key roles include the Senior Responsible Officer (SRO), Programme Sponsor, City Deal Programme Manager, and Project Managers, each with significant experience in project delivery and management. The Council has the necessary legal powers to deliver the projects, with ongoing negotiations for land acquisition and compliance with subsidy control regulations.

The governance framework includes the City Deal Programme Board, Partnership Collaborative Group, and Technical Working Group (TWG). Regular reporting and oversight ensure accountability and coordination, with approvals from Elected Members and senior officers.



The PRINCE2 project management approach is adopted, with dedicated Project Managers for each Project. Regular updates and progress reporting are conducted through internal and partnership governance structures. The comprehensive risk management approach includes a Programme-level risk register, regular updates, and mitigation strategies. Risks are allocated to the party best able to manage them, with ongoing monitoring and reporting. New infrastructure assets will be adopted and maintained by the Council, with established procedures for asset transfer and maintenance. Completion of both Projects is expected by December 2026.

A Benefits Management process tracks and evaluates the delivery of project benefits, with regular reporting to the Glasgow City Region PMO. Community benefits are secured through procurement.

The Sustainability Case presents the rationale for pursuing wider policy goals via the Projects, such as reducing traffic congestion, improving sustainable transport options and supporting economic and social sustainability.

The Management Case ensures arrangements for robust governance, effective project management, and monitoring & evaluation in alignment with Strategic Objectives, will be in place to support the successful delivery of EDC's City Deal Projects.