



Glasgow City Region City Deal

Cabinet

Report by Director of Regional Economic Growth

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Item 6

25th February 2025

PMO Evaluation:

South Lanarkshire Council – Outline Business Case – East Kilbride Town Centre

Purpose of Report:

To report to the Cabinet on the evaluation of South Lanarkshire Council's Outline Business Case for East Kilbride Town Centre

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
- d) approve £3.22m of funding to take the project through to FBC.

1. Purpose

- 1.1. To report to the Cabinet on the evaluation of Outline Business Case (OBC) for South Lanarkshire's East Kilbride Town Centre.
- 1.2. The submission of this business case for appraisal is considered as confirmation that South Lanarkshire Council 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 2022.
- 1.3. South Lanarkshire Council's Executive Committee provided approval for submission of this Outline Business Case at a meeting on 11 December 2024. The Council's Executive Committee also approved the further £18.1m capital funding needed to meet the total project costs on 11 December 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 East Kilbride Town Centre OBC

- 3.1. The appraisal of this business case 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 Stewartfield Way SBC previously approved by Cabinet on 1 June 2021.
- 3.3. The monitoring and evaluation of the East Kilbride Town Centre OBC will continue to inform the overarching Programme Business Case.
- 3.4. The Executive Summary for the East Kilbride Town Centre 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 and 'Future' for Benefit Realisation. Timeline was reported at Amber.

5. Scope

- 5.1. The Scope of the OBC is consistent with the content of the SBC previously approved by Cabinet on 1 June 2021.
- 5.2. The proposed works will deliver:
 - Road (Enhanced) [km] - 0.25km
 - Junctions (Enhanced) [no.] – 5
 - Assembly and Leisure (Class 11) [sqm] / Business (Class 4) [sqm] / Financial, Professional and Other Services (Class 2) [sqm] – 4,787 sqm (specific sqm for each category will be provided at FBC).
 - Public Realm (New) [Ha] - 0.12 Ha

- 5.3. There has been one Change Control submitted for Scope since the approval of the SBC.
- 240806_SLC_028 – Splitting the Stewartfield Way (SFW) project into two OBCs: Stewartfield Way and East Kilbride Town Centre. Addition of Dualling partial length of SFW at key locations and dualling partial length of SFW at key locations, green and active travel options.

6. Timescale

- 6.1. South Lanarkshire Council is proposing to submit 3 FBCs following the approval of this OBC. The key milestone dates are as follows:

Action	Milestone Date
Tender return for Demolition of Centre West	July 2025
Complete and approval FBC 1	September 2025
Commencement of works – FBC 1	February 2026
Completion of works – FBC 1	November 2026
Tender return for Construction of Civic Hub	July 2026
Complete and approval FBC 2	August 2026
Commencement of works – FBC 2	October 2026
Completion of works – FBC 2	July 2028
Tender return for site enabling works for housing	July 2026
Complete and approval FBC 3	August 2026
Commencement of works – FBC 3	October 2026
Completion of works – FBC 3	August 2027
Project Monitoring and Evaluation	Ongoing to 2035

- 6.2. From EK Town Centre project inception, there have been no CCRs submitted for Programme Milestone changes.

7. Finance

- 7.1. The total cost of the project is £50.3m. This will be funded from City Deal (including the South Lanarkshire Council Member Authority contribution) funding as set out below:
- City Deal Grant - £27.7m (or 86% of CD funding)
 - City Deal South Lanarkshire Council MA Contribution - £22.6m being £4.5m (or 14% of CD funding); and an Additional Member Contribution of £18.1m.
- 7.2. No previous funding has been approved and this OBC is seeking funding of £3.22m 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. Two Change Control Requests have been submitted for Finance relating to the project split from the Stewartfield Way project.
- 240806_SLC_028 - Split of project into two OBCs: Stewartfield Way and East Kilbride Town Centre and apportioning £32.2m from Stewartfield Way SBC to new Town Centre project.

- 250130_SLC_031 – Increase in EK Town Centre overall project costs with Additional Member Contribution of £18.1m.

8. Benefits Realisation

- 8.1. The OBC has identified and quantified the outputs for this OBC and provided completed individual benefits trackers for follow on outcomes 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 is set out in the table below:

GVA	
Net additional GVA at GCR over 25 years	£351.7m
Net additional GVA at Scotland level over 25 years	£396.2m

- 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	£351.7m
Total public sector costs over 25 years	£45.8m
BCR	7.7 to 1

- 8.4. The public BCR of 7.7 to 1 is for the benefits and costs that are attributed to the City Deal Investment. Therefore for every £1 of public money invested, £7.7 of economic benefit is secured for the City Region, demonstrating value for money. The Programme Business Case calculated an overall BCR for the City Deal Programme of 5.8 to 1.
- 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)	190 Jobs
Net additional development / follow on jobs at GCR (Person Years of Employment) by 2035	300 Jobs
Operational Employment – permanent jobs created.	
Net additional Full Time Equivalents by 2035	660 Jobs

- 8.6. **Private Sector Investment:** Details of the development sites where anticipated private follow-on investment is projected to deliver £65.3m (Net additional private sector investment) by 2035 is described within the OBC, alongside the arrangements that are in

place to facilitate follow-on private sector investment. Delivery of this follow-on investment will be monitored by the PMO quarterly benefits reporting.

- 8.7. Follow-on activity (outcomes) catalysed by the investment is a mixture of residential, business space and retail end uses including private sector led development of:
- 300 New Residential Units, of which 75 will be Social Housing;
 - 2,000 sqm Hotel Class 7 leisure development as part of phase one development of wider regeneration;
 - new 4,180sqm food superstore and petrol filling station; and
 - 250 Parking spaces for the food superstore.
- 8.8. **Community Benefits:** The OBC confirms the procurement policy and procurement approaches will follow public procurement regulations and be aligned with the Regional Procurement Strategy and compliant with requirements of GCR Buyers' Guide and that the Cenefits system will be used for monitoring and reporting community benefits. SLC has established a strong track record in securing employment and training community benefits through participation in the National Skills Academy and wider community benefits with schools and community. Final agreement for project community benefits will be confirmed at FBC once tender returns have been scored.
- 8.9. There have been no Change Control Request submitted for Benefits Realisation since the approval of the SBC.

9. Recommendations

- 9.1. The Cabinet is invited to submit this report to Cabinet with a recommendation that it:
- 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
 - d) approve £3.22m of funding to take the project through to FBC.

Executive Summary

1.1 Introduction

This Outline Business Case (OBC) is requesting capital funding of £32.2m, broken down as £27.7m from the City Deal and £4.5m City Deal match from South Lanarkshire Council (SLC) to support the East Kilbride Town Centre (EKTC) redevelopment project. The gearing ratio between City Deal and SLC funding is split: City deal 86% and SLC 14%.

In addition, SLC Executive Committee has approved it is requested that SLC contribute a further £18.1m capital funding to meet the total project costs on 11th December 2024. The total public sector investment cost to deliver the project is £50.3m.

- City Deal - £27.7m.
- SLC City Deal match funding - £4.5m
- SLC additional capital funding - £18.1m.

A Change Control Request Paper was approved by the City Deal Cabinet on 6 August 2024, confirming the amended scope of the project to reallocate a portion of the funding (£32.2m) from Stewartfield Way (SFW) to EKTC. Whilst this OBC continues to build the case for the amended project scope outlined in the change request document this OBC seeks an additional £3.22m to develop the project proposal (this includes; Utility disconnections, ground investigations, deconstruction survey, design and Fees) to FBC.

1.1.1 Project Scope

Informed by a significant public consultation programme that included feedback from over 3,000 members of the public, a Masterplan to support the future regeneration of EKTC was prepared by ThreeSixty Architects.



GCRCD and SLC Funded Activity:

- SLC assume ownership of the commercially unviable Centre West building on 5 th January 2026 and lead the demolition, site clearance and enabling infrastructure works c. 10 acres (40,468.6 sqm)
- 0.25km of enhanced local road, 5 improved junctions and utilities/services upgrade (including installation of district heating infrastructure).
- Creation of a new 4,787sqm civic hub building and pavilion (Class 2,4,11) at the former Centre West site that will provide a range of community, arts, and leisure facilities, including arts venue/performance space, and town hall. The total sqm of each class use will be provided in the Full Business Case (FBC)
- Creation of a new civic square and streetscape improvement (Public Realm 0.12Ha) works to enhance the physical fabric, vibrancy, and 'feel' of the town centre – delivering a high-quality urban environment.
- Demolition of the 13,597sqm Civic Centre building to attract private investment and support new town centre uses.

Follow-on Activity Catalysed by GCRCD Investment:

- Relocation of existing tenants to other areas/units in the town centre.
- SLC enter into a partnership agreement with a private sector developer to deliver the private and social housing at the former Centre West Site
- 300 new residential units of which; 225 will be new private housing and 75 will be new social housing that will be transferred back into public ownership).
- Private sector led retail development – creation of a new Class 1, 4,180sqm food superstore and petrol filling station at the Olympia Mall. This will also include 250 parking spaces.
- Private sector led leisure development – creation of a new Class 7, 2,000 sqm, 50-bedroom budget hotel at the Princes Mall.
- Private sector led development – as part of the wider regeneration programme for the town centre, SLC are currently marketing the Civic Centre site and have interest from several investors/developers. The discussions are currently confidential with a deadline for final bids set at 30th January 2025. The potential end uses being considered include residential, business space, and retail.

Below is a site map showing the locations of the activity mentioned above



The project outputs are summarised in the Table below.

Benefit	GCRCD Reference	Direct Benefit	Indirect Benefit
Environmental			
Public Realm (New)	ENV_03	0.12 Ha	
Transport			
Junctions (Improved)	TR_09	5 (no)	
Roads (Enhanced)	TR_15	0.25km	
Land Use			
Area of site reclaimed, (re)developed or assembled	LU_01	10 acres	
Total Area of Opportunity Sites	LU_02	10 acres	
Floorspace			
Shops Class 1	FS_01		4,180 sqm
Services Class 2/4/11	FS_02/FS_04/FS_11	4,787 sqm	
Hotels Class 7	FS_07		2,000 sqm
Housing			
No. of New Residential Units	HOUS_01		300
No. of New Private Housing Units	HOUS_02		225
No. of New Affordable Housing Units	HOUS_03		0
No. of New Social Housing Units	HOUS_04		75
Employment			
Gross Construction PYE by 2035	EMP_01	210	280
Net Additional Construction PYE by 2035	EMP_02	190	300
Gross Operational FTEs by 2035	EMP_03		1,810
Net Additional Operational FTEs by 2035	EMP_04		660
GVA			
Net Additional GVA by 2035 (£m)	GVA_GCR_01	£32.8m NPV	£141.1m NPV
Net Additional GVA over 25-year period (£m)	GVA_GCR_02	£32.8m NPV	£319.0m NPV
Investment			
Net Additional Private Sector Investment (Follow-on) by 2035 (£)	OFL_02		£65.3m
Total Investment Combined (£m)	OFL_03		£65.3m
Other Public Sector Investment Leveraged	OFL_04	£17.1m	

1.2 Strategic Case

1.2.1 This OBC makes a compelling case for why intervention is needed and considers the:

- External environment and provides a summary of time-series data that shows the key trends within East Kilbride across several socio-economic indicators, and where appropriate draws comparison with South Lanarkshire and Scotland.
- Challenges facing EKTC and the changing nature of town centres across Scotland, more generally.

- Currently 75 vacant units. There is insufficient commercial demand for the volume of units currently available. A rationalisation of commercial space would support the long-term financial sustainability of the remaining Town Centre malls.
- There is latent demand for quality housing in East Kilbride. A recent Savills report on the local housing market has identified strong demand for accessible, affordable town centre housing. SLC's Strategic Housing Investment plan identifies 1,300 social housing units needed by 2027.

1.2.2 Policy Fit

UK Level

- Growth Plan 2022.

Scotland Level

- National Performance Framework.
- Scotland's National Strategy for Economic Transformation.
- National Planning Framework 4.
- Infrastructure Investment Plan for Scotland 2021-22 to 2025-26.
- Equality, opportunity, community – New leadership – A fresh start.

Glasgow City Region and Local Policy

- Glasgow City Region Deal.
- Glasgow City Region Economic Strategy.
- Clydeplan.
- Connect – Council Plan 2022-2027.
- South Lanarkshire Local Development Plan 2.

1.2.3 Rationale for Intervention

East Kilbride Town Centre has experienced a very difficult period and its future is uncertain. There are currently around 3,000 jobs based in the town centre and recent high profile and large employer losses include Marks and Spencer, Debenhams, and Sainsburys (representing around 500 jobs).

There are currently 75 vacant units and 507,000 sqft of empty floor space. In addition, the significant footprint of the town centre (1.3 million sqft) means that it has significant ongoing costs (utilities, overheads, maintenance, Non-Domestic Rates, etc) - £6.35m per annum.

There are currently two distinct town centre operators – Sapphire 15 which operates Centre West and Sapphire 16 which operates the Olympia and Princess Malls. Both were placed into administration in November 2022. Tand the asset managers, Scoop AM, have identified that Centre West has several challenges which make it commercially unviable, including:

- Centre West relied on long-term leases which were put in place at the outset, however, these have come to an end and there are no longer sufficient occupiers for this type of space (larger floorplates).
- Centre West has had limited investment and there is now a significant backlog of repairs and maintenance required - £11.07 million. It is unlikely that any incoming investor would take on this level of liability.
- Centre West is held under a ground lease from the Council for which SLC receives £600,000 per annum. The Administrators have advised that future payments will not be forthcoming due to the levels of debt associated with Centre West.
- Centre West is running at a loss of £426,000 per annum.

The asset managers are therefore seeking to dispose of the Centre West building (SLC already owns the grounds) and transfer ownership of the building to SLC as means for Sapphire 15 to exit administration.

They have also brought the remaining elements of the town centre (Olympia Mall and Princess Mall) to the market as means for Sapphire 16 to exit administration. The deadline for bids was the 26 November 2024. A number of competitive bids were received and reviewed, and a preferred bidder has been selected. While details of this are still commercially sensitive and have not been publicly announced, it is expected that a deal will be reached by the end of the 2024/25 fiscal year.

Investment is required now to respond to the challenging environment to safeguard significant economic activity at EKTC and support regeneration of a key town asset to ensure the long-term sustainability of a vibrant town centre built for the future.

1.2.4 Opportunity

The way in which we use our town centres has fundamentally changed and therefore the ways in which we intervene and the mechanisms we use to support regeneration must also change. Adopting a more holistic place-based approach that has got community wellbeing and sustainability as its focus is the key driver for regeneration.

A public consultation was undertaken to gather feedback and inform the developing Masterplan being prepared by ThreeSixty Architecture - In total, over 3,000 responses were received for the consultation.

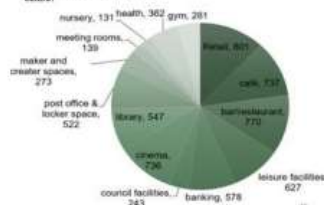
Question 1

What do you think are the key priorities for East Kilbride town centre?

Highest Priority	
1	Addressing the number of vacant units
2	Economic growth and increasing jobs
3	Having more leisure opportunities
4	Create new streets and public spaces
5	Ability to walk and cycle to/from the town centre
6	Availability of housing
7	Addressing traffic and air quality
8	Addressing the climate emergency
Lowest Priority	

Question 3/4

What types of facilities would encourage you to use the town centre?



Highest Priority	
Facility	Number of mentions
Retail	801
Bar/Restaurant	775
Cafe	737
Cinema	734
Leisure facilities	627
Banking	578
Post office & Lockers	522
Health facilities	362
Gym	281
Maker and Creator spaces	273
Council facilities	243
Meeting rooms	139
Nursery	131
Lowest Priority	

Question 10

How could the town centre appeal more to future generations?



Question 11

How could the town centre appeal more to older generations?



SMART Objectives

Cumulative 25-Year Impacts (Net GVA)

			Option 1	Option 2	Option 3	Option 4
South Lanarkshire	Construction	PYEs	0	0	110	220
		GVA	£0.0	£0.1	£6.8	£13.6
	Operational	FTEs	740	740	1,100	1240
		GVA	£501.6	£564.9	£652.5	£735.3
	Total	GVA	£501.6	£564.9	£659.4	£748.9
Glasgow City Region	Construction	PYEs	0	0	260	520
		GVA	£0.0	£0.1	£16.5	£32.8
	Operational	FTEs	1,030	1,030	1,490	1680
		GVA	£734.2	£826.7	£935.6	£1,053.1
	Total	GVA	£734.2	£826.8	£952.1	£1,085.9
Scotland	Construction	PYEs	0	0	260	520
		GVA	£0.0	£0.1	£16.6	£33.2
	Operational	FTEs	1,160	1,160	1,670	1890
		GVA	£869.1	£978.7	£1,098.4	£1,232.2
	Total	GVA	£869.1	£978.8	£1,115.0	£1,265.4

PYEs and FTEs rounded to nearest 10. GVA rounded to nearest £0.1m and discounted at 3.5% annually.

Note 1 Figures do not include the redevelopment of the Civic Centre site as at the time of reporting the specific end use was confidential and not confirmed. This will be updated at FBC stage.

1.3.2 Value for Money

The public sector cost benefit ratio which sets Present Value Net Additional GVA impacts against present value public sector costs are present below.

Public cost benefit ratios

		Public Sector Capital Costs	Public Sector Revenue Costs	Total Present Value Costs	Present Value Net GVA	BCR
Option 2	South Lanarkshire	£0.4	£13.1	£13.5	£63.3	4.7
	Glasgow City Region	£0.4	£13.1	£13.5	£92.7	6.9
	Scotland	£0.4	£13.1	£13.5	£109.7	8.1
Option 3	South Lanarkshire	£39.6	£0.0	£39.6	£157.7	4.0
	Glasgow City Region	£39.6	£0.0	£39.6	£217.9	5.5
	Scotland	£39.6	£0.0	£39.6	£245.9	6.2
Option 4	South Lanarkshire	£45.8	£0.0	£45.8	£247.2	5.4
	Glasgow City Region	£45.8	£0.0	£45.8	£351.7	7.7
	Scotland	£45.8	£0.0	£45.8	£396.2	8.6

Values rounded to nearest £0.1m and discounted at 3.5% annually.

Note 1: Figures do not include the redevelopment of the Civic Centre site as at the time of reporting the specific end use was confidential and not confirmed. This will be updated at FBC stage.

Option 4 is identified as the preferred way forward. The summary benefits set against City Deal Key Economic Performance Indicators are presented.

City Deal Key Economic Performance Indicators

Output Category	Output Reference	Benefit	Geographic Level	Value By 2035	Value Over 25 Years
Employment	EMP_01	Gross Construction PYE by 2035	Glasgow City Region	550	-
	EMP_02	Net Additional Construction PYE by 2035	Glasgow City Region	500	-
	EMP_03	Gross Operational FTEs by 2035	Glasgow City Region	1,810	-
	EMP_04	Net Additional Operational FTEs by 2035	Glasgow City Region	660	-
GVA	GVA_GCR_01	Net Additional GVA by 2035 (£m)	Glasgow City Region	£173.8	-
	GVA_GCR_02	Net Additional GVA over 25 year period (£m)	Glasgow City Region	-	£351.7
	GVA_SCOT_01	Net Additional GVA by 2035 (£m)	Scotland	£193.3	-
	GVA_SCOT_02	Net Additional GVA over 25 year period (£m)	Scotland	-	£396.2
Investment	OFL_01	Direct Project Private Sector Investment by 2035 (£m)	Glasgow City Region	£0.0	-
	OFL_02	Net Additional Private Sector Investment (Follow-on) by 2035 (£)	Glasgow City Region	£65.3	-
	OFL_03	Total Investment Combined (£m)	Glasgow City Region	£65.3	-
	OFL_04	Other Public Sector Investment Leveraged	Glasgow City Region	£17.1	-
BCR	BCR_01	Value of Net Additional Benefits over 25 Years (£m)	Glasgow City Region	-	£351.7
	BCR_02	Value of Public Sector Costs over 25 Years (£m)	Glasgow City Region	-	£45.8
	BCR_03	Public Benefit Cost Ratio over 25 Years	Glasgow City Region	-	7.7

PYEs and FTEs rounded to nearest 10. GVA rounded to nearest £0.1m and discounted at 3.5% annually. Note 1:. Figures do not include the redevelopment of the Civic Centre site as at the time of reporting the specific end use was confidential and not confirmed. This will be updated at FBC stage.

1.4 Commercial Case

1.4.1 Addressing Partners' Needs

The preferred option was developed based on a review of market demand/need and through a public consultation that received over 3,000 responses to inform an emerging Masterplan. The development of the preferred option took account of factors including risk, impact, cost, value for money, and also specifically considered whether the preferred solution addressed the identified market failure and the needs of project partners.

1.4.2 Delivering Follow-on-Investment

Achieving success over the longer term is dependent on securing follow-on investment from the private sector to deliver the following leveraged activity:

- New residential (c. 300) units at the Centre West site.
- Food retail supermarket (4,180 sqm/5,000sq ft) and 250 car parking spaces.
- 50-bed hotel (2,000 sqm).
- Confidential (and still to be confirmed) development at the Civic Centre site. Potential end uses include residential, business space, and retail.

The need for follow-on investment and development activity is identified as a key external dependency of the project. It should be noted that in the absence of the project, there will be no follow-on investment, and no additional housing constructed. No other alternative funders or sources have been identified. There are few potential public sector grants that could provide the level of funding required. Other public sector grants have been investigated include the Regeneration Capital Grant Fund (RCGF) however this has discounted the absence of the follow-on investment at the scale and timing as outlined in the Economic Case then this will have an impact on the project's delivery and ability to generate the intended outcomes and benefits.

1.4.3 Procurement Strategy

All procurement will comply with SLCs Procurement Strategy (2023-28) and will also follow the Scottish Government's Procurement Journey as best practice for public sector procurement as well as the Glasgow City Region Sustainable Procurement Strategy.

Tendering for Required Services

The tender will break down into appropriate work packages and seek a single contractor to deliver the required services for each work package:

- OBC stage — RIBA stage 3: Spatial coordination,
- RIBA Stage 4: Technical design. • FBC stage –
- RIBA stage 5: construction,
- RIBA stage 6: Handover and Close Out, and
- RIBA stage 7: in use.

The key Tender Stages for a traditional design and build project include:

- i. Tender advertised via Public Contracts Scotland.
- ii. Invite organisations to express interest at the notice stage.
- iii. Invite organisations that meet the basic qualifier requirements to the ITT.
- iv. Companies submit ITT tender documents.
- v. Tender bids are scored and evaluated.

It is recommended that SLC undertake a restricted tendering exercise and given the type of works, it is suggested that an NEC form of Contract the most appropriate form for Civil Engineering and related works (Roads), and the SBCC JCT form for general construction works. The Council have used these forms successfully for a number of years. The GCR City Deal Legal and Procurement Sub Group have, in conjunction with the Civil Engineering Contractors Association (CECA), held workshops with Council Officers from technical, legal and procurement disciplines as well as representatives from the market place in a bid to ensuring a common approach to administering this form of contract.

Key procurement milestones will be agreed as the project programme continues to evolve. Currently, construction works are programmed to begin in February 2026 for FBC1 and October 2026 for FBC 2 and 3.

Procurement Milestones

Action	Programme Date
South Lanarkshire Council assume ownership of Centre West	January 2026
Tender return for Demolition of Centre West	July 2025
Complete and approval FBC 1	September 2025
Commencement of works - FBC 1	February 2026
Completion of works - FBC 1	November 2026
Tender return for Construction of Civic Hub	July 2026
Complete and approval FBC 2	August 2026
Commencement of works - FBC 2	October 2026
Completion of works - FBC 2	July 2028
Tender return for site enabling works for housing	July 2026
Complete and approval FBC 3	August 2026
Commencement of works - FBC 3	October 2026
Completion of works - FBC 3	August 2027
Project Monitoring and Evaluation	Ongoing to 2035

1.5 Financial Case

The total public sector capital costs to deliver the project are £50.3m, broken down as follows:

- City Deal: £27.7m.
- SLC City Deal Match: £4.5m.
- SLC other capital: £18.1m.

The gearing ratio achieved between City Deal and the Managing Authority is City Deal 86% and SLC 14%.

SLC will contribute an additional £18.1m (as approved by SLC Executive Committee on 11th 2024) to meet the shortfall which will come from several sources including reprogrammed City Deal monies (c.£11.1m) and capital receipts from the sale of Centre West and Civic Centre sites (c. £6m). Note there is no financial bond in place between Sapphire 15 and SLC to reinstate the Centre West site they are currently leasing. Expenditure on project development

and preliminary works will run from 2024 to 2025. The construction period for each element of the project is estimated to be between February 2026 and July 2028.

Phasing of Project costs

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Cost	£503,000	£4,527,000	£9,054,000	£18,108,000	£18,611,000	£50,353,650
% of total	1%	9%	18%	36%	37%	100%

The total amount of leveraged private funding and estimated profile is outlined below.

Estimated Follow on Investment (m)

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Residential development	£0.0	£0.0	£0.0	£17.2	£17.2	£15.2	£49.6
Supermarket	£0.0	£0.0	£10.4	£0.0	£0.0	£0.0	£10.4
Budget hotel	£0.0	£0.0	£0.0	£0.0	£0.0	£5.3	£5.3
Civic Centre Site*	-	-	-	-			
Total	£0.0	£0.0	£10.4	£17.2	£17.2	£20.5	£65.3

* Details on the expected leveraged investment at the Civic Centre site will be updated at FBC

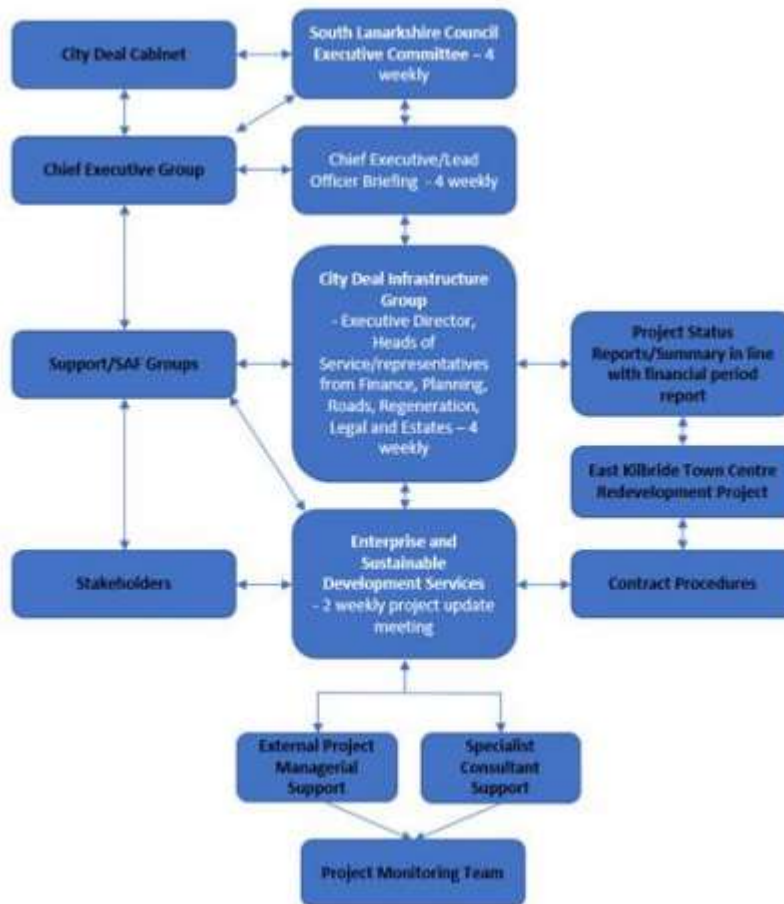
Financial risks are fully considered in Risk Register along with an assessment of how they will be allocated and managed.

1.6 Management Case

1.6.1 Project Roles and Responsibilities

The project will be delivered through SLC Enterprise and Sustainable Development Directorate. The Council's Legal and Procurement service will ensure that all the contractor/subcontractors and consultant/sub-consultants engaged on the planning, design and delivery of the project comply with statutory requirements

Internal project governance organogram



1.6.2 Monitoring and Benefits Realisation

SLC is developing a City Deal monitoring and evaluation framework to ensure compliance with PMO requirements for performance management.

Quarterly progress reporting on project development and delivery is provided by the City Deal Programme Manager (Economy & Infrastructure) to the Programme Management Office via project status reports and MA programme reports. Benefit realisation updates will also be provided on a quarterly basis to adhere with the requirements of GCR City Deal, using the methodology set out in the Benefit Tracking Template provided within the Assurance Framework.

Project monitoring and evaluation is a key element of the appraisal process. The project will be subject to a robust monitoring and evaluation programme, in line with the guidance set out in the CD Assurance Framework and Green Book and led by the CD team set up by SLC.