



Glasgow City Region Cabinet

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East Dunbartonshire – Place and Growth Programme Change Control Request

Purpose of Report:

The report sets out a proposed Change Control Request relating to a change in scope for the East Dunbartonshire Place & Investment Programme project (the Project).

Recommendations

The Cabinet is invited to:

- a) Note the contents of this report
- b) Approve the change to scope as set out within the report to support the submission of the Outline Business Case (OBC) for the Project
- c) Note the revised scope will utilise the committed City Deal funding as per the approved Strategic Business Case (SBC) of £30m, the 14% Member Authority contribution, and the £1.96m provisionally allocated from the ongoing reallocation exercise being led by GCR Programme Management Office
- d) Note that East Dunbartonshire Council (EDC) will underwrite the £1.96m until such time as this allocation is formally committed
- e) Agree that a short outputs paper is prepared by EDC for sharing with the Lead Officers' Group that outlines the learning and good practice from the partnership approach to development the A803 Route Corridor project element

1 Purpose

- 1.1 The report sets out a proposed Change Control Request relating to a change in scope for the East Dunbartonshire Place & Investment Programme project (the Project).

2 Background

- 2.1 In February 2020 the Glasgow City Region (GCR) Cabinet ('the Cabinet) considered SBC for the Project and allocated £30m of capital funding. The total cost for delivering the Project outlined in the SBC was estimated to be £34.88m. The Project is led by East Dunbartonshire Council (EDC) in collaboration with Strathclyde Partnership for Transport (SPT), and Glasgow City Council (GCC). Following an approved Change Control for programme extension due to the operational impact of Covid-19, the overall project completion was moved from December 2025 to December 2026.
- 2.2 The Programme Management Office (PMO) appraisal of the SBC considered that the SBC was in line with Her Majesty's Treasury Green Book requirements for the SBC stage of business development and the Cabinet approved the SBC for the Place and Growth Programme and invited EDC to proceed to the next stage of the business case.
- 2.3 The SBC set out a programme of traffic and transport infrastructure within East Dunbartonshire and the north of Glasgow to enable follow on investment in strategic sites within East Dunbartonshire, and to support inclusive growth and access to employment. The scope of the SBC is based around the three key project elements: Delivery of phase 5 of the Bishopbriggs' Relief Road (now referred to as the Westerhill Development Road); Improvement to sustainable transport on the A803 Route Corridor; and Bishopbriggs' Town Centre Regeneration.
- 2.4 The Westerhill Development Road is the fifth and final phase of what was previously referred to as the Bishopbriggs Relief Road. The SBC outlined that it would aim to connect Junction 2, of the M80, at the north edge of Glasgow, to the A803, between Bishopbriggs and Kirkintilloch, by connecting Lochgrog Roundabout and the A803 Kirkintilloch Road, approximately 1 mile to its north. Its main objectives included the creation a new development road through the Westerhill Regeneration Area (WRA) and facilitate delivery of the WRA Masterplan to allow future investment and enhance access to new and existing employment and services. The WRA Masterplan has been developed as part of the Project.
- 2.5 The Bishopbriggs Town Centre Regeneration project element is infrastructure investment that will see improvements to the public realm and physical environment, the provision of better more enhanced connections in a people focused town centre acting as a catalyst for economic growth and further investment. The delivery of improved public realm will increase the quality of the trading environment and help attract inward investment and reduce vacancy rates. Higher quality public realm contributes to land and property values, and more visitors are expected to be attracted to the town centre.
- 2.6 The A803 Corridor Improvements project element has been jointly developed by GCC and SPT, with EDC acting as the lead partner. The project element aimed to improve sustainable travel along the A803 by increasing active travel and bus infrastructure on the corridor between East Dunbartonshire and Glasgow City Centre, serving the north of Glasgow and a range of key retail, regeneration, health and education facilities.

3 Change of Scope

- 3.1 The OBC for the Project will be submitted to the November 2024 Cabinet. To conclude the OBC, approval is being sought for a change to the original scope contained within the SBC.
- 3.2 The Project was approved at Cabinet in February 2020. Since that time 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.
- 3.3 The OBC must prioritise the elements which give the greatest economic impact, and it must present a project that is affordable. Due to significant increases in construction costs, it is not possible to deliver each of the three project elements using City Deal funding.
- 3.4 The proposed change of scope for the OBC submission prioritises the elements that deliver the most positive economic impact, which is a core requirement of City Deal funding.
- 3.5 The change of scope relates to the deferment of the A803 Route Corridor Improvement project element, the removal of Business Incubation Space within Bishopbriggs Works and deferral of works to Cole Road and Crosshill Road as shown in the table below (Table 1). More information on each element and the longer-term delivery plan for the improvements along the A803 Route Corridor is outlined in later in this report.

Table 1

<u>Approved SBC</u>	<u>Proposed OBC</u>
Delivery of phase 5 of the Bishopbriggs Relief Road. Connect Lochgrog roundabout to Torrance Roundabout	Delivery of the WDR (formerly referred to as phase 5 of the Bishopbriggs Relief Road) to connect Lochgrog Roundabout to Crosshill Road, and Improvements to Torrance Roundabout (this completes the route but does not include upgrades along the existing stretches of Cole Road or Crosshill Road). Works to Cole Road and Crosshill Road are deferred.
Bishopbriggs Town Centre Regeneration. Public realm improvements, and Business Incubation Space.	Bishopbriggs Town Centre Regeneration, Public realm improvements (Civic Space Only)
Improvement to Sustainable Transport on the A803 Route Corridor	A803 Route Corridor project element is deferred.

- 3.6 The proposed changes have been approved by EDC at a recent meeting of Council on 21st August 2024. The OBC will assume the £1.96m provisional allocation from the GCR to EDC from the reallocation of the Glasgow Airport Access Project as part of the overall project budget. The additional funding, given it is currently provisional, has been underwritten by EDC (as per Council approval 21st August 2024).

Westerhill Development Road Project Element

- 3.7 The WDR route design has been advanced through DMRB and is currently mid-DMRB Stage 3. The WDR route aims to provide new transport infrastructure and support the delivery of the WRA Masterplan by providing improved access within the local area and to the Westerhill area from outwith East Dunbartonshire and enable opening up land for future commercial development. The WRA Masterplan was presented for adoption by the Council as planning guidance in September. The 'follow-on' investment associated will deliver strong economic benefits in terms of gross GVA and employment and allows the OBC to demonstrate a compliant level of BCR - a main outcome criteria in the current GCR City Deal Assurance Framework. In terms of new sites for development, the WRA focuses on business and economic development. The Local Development Plan, which identified the need for a masterplan did prescribe an element of housing use could be considered as part of the WRA if required to enable wider development, but this was to be determined by a masterplan process. The masterplan process has not identified a need for housing to enable its delivery, and this was supported by reporter decision relating to the Adopted Local Development Plan 2 housing land supply allocation.
- 3.8 To help inform the development of the OBC interim DMRB Stage 3 construction costs were prepared. All project elements' costs increased when developed through the OBC stage. The cost to construct the full WDR route, which included the upgraded sections of Cole Road and Crosshill Road, was at a level that rendered the Project unaffordable and therefore is not an option that can be taken forward at OBC.
- 3.9 The preferred option which is proposed for the OBC would see WDR development from Lochgrog round-about and tie in with existing road infrastructure at Crosshill Road, but does not include any infrastructure improvements to the existing section of Crosshill Road or Cole Road, as originally anticipated in the SBC. Junction improvements at the existing Torrance roundabout are included within the proposed scheme, to mitigate the potential operational impacts of the additional traffic caused by re-routing onto the WDR and traffic associated with the WRA.

Bishopbriggs Town Centre Project Element

- 3.10 The Bishopbriggs Town Centre designs were developed through the RIBA design process. This included a new civic space to support town centre regeneration and improvements to town centre trading environment. In addition, the project investigated opportunities for business incubation space within the town centre. The new civic space in the town centre will form part of the OBC preferred option. The delivery of this element would see the transformation of a currently vacant gap site in the heart of the town centre into a high-quality area of public realm. This will greatly enhance the overall trading environment to help attract inward investment, increase land and property values, attract footfall and reduce and maintain low vacancy rates.
- 3.11 A feasibility study was undertaken during to examine in more detail the viability of a dedicated serviced business incubation space options in the town centre. It concluded there was no accessible option or case to take forward this intervention. Commercial challenges were identified for developing and operating a good quality and 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 to local business support models focused around 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.

- 3.12 The Business Incubation element therefore will not feature as part of the City Deal town centre project element, and this will not be included within the OBC. The omission of the business incubation space would present a reduced economic impact, against those economics presented previously, however the reduced demand would indicate that previously reported benefits may have been optimistic. No longer-term delivery plan is proposed for a physical solution. However out-with City Deal through the Council's business support and business gateway functions, taking cognisance of some of the study's findings, localised business support measures for the town centre to support enterprise will be examined.

A803 Route Corridor Project Element Deferral

- 3.13 As part of the collaboration between EDC, SPT and GCC there was a re-focussing of the Strathclyde Bus Improvement Programme (SBIP) towards a SBIP pilot integrated with the Strategic Business Case (SBC). As part of the approval of the SBC, the Project was to seek to deliver a step change in access by bus on the A803 route corridor to support access to employment and reduce emissions.
- 3.14 As the OBC has been developed an economic impact assessment been undertaken to support the Economic case. It has been possible to test the A803 Route Corridor in relation to economic impact in line with the GCR Assurance Framework, against which City Deal business cases are assessed. Notwithstanding other benefits the intervention could bring, economic impact testing shows that the A803 Route Corridor will not provide a positive level of economic impact in relation to Gross Value Added (GVA) and employment, both core requirements of City Deal programme funding.
- 3.15 As part of the A803 Route Corridor options appraisal work, different degrees of public transport interventions were considered on what is a very constrained route. A balance between re-allocating road space to encourage modal shift from private car to bus/walk/cycle without significantly worsening the general traffic operation of the route was required. Transport modelling was used to inform this process, making use of economic assessment software attached to the transport model. This effectively monetises any journey time savings experienced by users of the route. The assessment provides a BCR below 1:1 as the impacts of delays to general traffic in the morning peak hour and to a lesser extent in the evening peak hour cause economic disbenefits. It should be noted that there are benefits associated with buses due to improved journey times, but these are outweighed by the additional journey times for other road users.
- 3.16 The A803 Route Corridor project element, in addition to the other two project elements that are forecast to provide stronger economic cases, are not affordable within the overall available budget. The Council's Capital Investment Programme is fully committed and currently there is no capacity to provide the funding required to enable the full delivery of the A803 Route Corridor project element. Other funding streams however will be examined. to support further design development and delivery.
- 3.17 Given challenges relating to affordability prioritisation has been undertaken based around economic impact. The A803 Route Corridor project element therefore requires to be deferred, and funded through other sources.
- 3.18 Whilst the A803 Route Corridor project element requires to be deferred from Project, the work undertaken is by no means abortive. It provides a strong basis from which interventions along the A803 Route Corridor can be developed in more detail and delivered in line with available funding.
- 3.19 The A803 Route Corridor proposals that have been developed provide a range of improvements that can inform positive changes along this route corridor and support

national and local sustainable and active travel objectives. The proposals will also improve connections between areas of multiple deprivation and employment opportunities within the region and locally. The proposals have been developed through regular engagement with each of the partners SPT and GCC, including via a Collaborative Working Group made up of senior officers from each partner organisation, regular technical meetings bringing together technical officers from each organisation, and public consultation.

- 3.20 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. A report to Council 21st August confirmed support to longer term delivery plan for improvements to the A803 Route Corridor.
- 3.21 Discussions have taken place with SPT and GCC, and it has been agreed to continue the Collaborative Group arrangement that has provided oversight the A803 Route Corridor project element through SBC and OBC stages. The Technical Working Group for the A803 Route Corridor project element will also continue, which has provided a productive and collaborative approach to developing potential solutions for the route corridor through the OBC process.
- 3.22 A Minute of Agreement was prepared between the three partners at the start of the OBC process, for the OBC stage. This will be reviewed, and should it be required, be updated to reflect arrangements going forward out with City Deal project. The partner organisations (EDC, SPT and GCC) will determine whether formal partnership agreements are required going forward.
- 3.23 The work undertaken to-date as part of the Council's City Deal provides a range of designed interventions along the A803 Route Corridor that provide a strong basis from which to pursue other sources of funding. Funding, such as, secured and future, developer contributions and external funding sources will be targeted to support its long delivery.
- 3.24 The A803 Route Corridor project considers the road from Torrance Roundabout southwards into Glasgow. Through the OBC process, interventions were developed that include bus lanes, improved signalisation, cycle lanes and improved pedestrian access and crossings.
- 3.25 The plans that have been developed for the A803 Route Corridor to-date have been prepared in such a way that they could be delivered as one large project or broken down into smaller project phases delivered over time subject to available funding. The plans incorporate active travel projects already being progressed by both EDC and GCC to result in a wider regional connection of active travel routes and discussions have already taken place regarding potential collaborative working with GCC Liveable Neighbourhoods team to incorporate design elements within their plans at Royston Rd. The close working with SPT and GCC will continue to examine the delivery plan, and alternative sources of funding.
- 3.26 The deferral of the A803 Route Corridor project element will not have a detrimental impact on the town centre redevelopment through the City Deal project, which will focus on public realm and civic space investment. Ideally, if affordable all elements identified within the SBC would be taken forward through City Deal to provide an integrated package of measures in Bishopbriggs. As explained in this report, this however isn't affordable, and prioritisation must be undertaken. As outlined in this report there is a commitment to continue to work on the A803 Route Corridor project, the aim being to deliver sustainable transport and active travel improvements along

the corridor, which will improve accessibility for local communities to local services, and longer onward journeys

- 3.27 Officers will now continue to progress designs in partnership, and detailed delivery packages of projects will be prepared utilising for example developer contributions and target external transport capital funding for delivery.
- 3.28 An outputs report will be prepared, liaising with SPT, GCC and the GCR PMO to set out lessons learned and areas of good practice in developing the A803 Route Corridor improvement programme (in relation to governance, consultation and design), for sharing amongst other member authorities via the PMO Lead Officer Group.

4 Affordability

- 4.1 The capital requirement for completion of the Project was recorded as £34,881,000 in the SBC, approved February 2020. Of that £4,881,000 has been committed by EDC which amounts to 14% of the total investment. The approved SBC noted that these were early cost estimates and furthermore detailed costings for each stage of the project will be provided as part of the OBC was submitted to the PMO for review and subsequent Cabinet approval 5th November 2024. All costs incurred to develop and manage the project (through businesses cases and implementation) will be dealt with within the overall project budget.
- 4.2 Costs emerging through the OBC process show a significant increase across all project elements based on the SBC scope, and in management and development costs. This has been driven by sharply rising construction costs, rates and inflation in the construction sector since the SBC was approved in February 2020. The SBC budget profile set indicative estimated cost budgets per project element, within which assumed optimum bias and development costs. A stand-alone amount for management and development costs was also specified at SBC. It was noted in the SBC that these indicative costs would be confirmed through the OBC process.
- 4.3 The cost for each project element in line with the SBC scope, are significantly higher than the estimates within the SBC cost plan, which was prepared in 2019. Increases in each element range between 42-50% on the SBC cost plan. The overage of the three project elements combined on the approved budget of £34.88m is approximately £30m, renders the programme unaffordable based on the approved SBC scope and available budget. The scope at OBC must be therefore revised in order to support a preferred option that is affordable and can deliver on key City Deal criteria relating to economic benefit. The proposed change to scope for the OBC outlined in this report brings costs down within allocated budget. It would utilise the approved £34.88mm along with the EDC's portion of the provisionally confirmed re-allocated Airport Access Project funds of £1.96m. It would deliver the WDR and the town Centre (as described earlier in this report) and enable the project elements most aligned with City Deal objectives relating to economic benefit to be progressed.
- 4.4 Based on the proposed change to the scope, no additional funding to the GCR City Deal £30m committed at SBC and the provisionally committed £1.96m is required. EDC have confirmed it will underwrite the provisional allocation of £1.96m.

5 Economic Benefits

- 5.1 The SBC was approved in line with Green Book requirements and the GCR Assurance Framework, and as such there were no projections of the economic benefits (job creation and GVA). It was agreed however that EDC would provide interim economic impact assessment to the Chief Executives' Group once available, and this was undertaken in 2021.

- 5.2 The exercise was based on the strategic scope for the Project as set out in the approved SBC. It undertook a high-level economic assessment on each of the three key project elements to provide gross and net benefits estimates. It established early indicative economic uplift values for the Project and follow-on-investment including: commercial floor space, external investment, increased employment and skills through increased business sector presence.
- 5.3 To undertake this early exercise a number of assumptions were made, for example in relation to amounts and types of floorspace that could be delivered longer term as a result of the investment made through the Project. For the purposes of the early economics exercise a business mix was assumed which included: light industrial; research and development; manufacturing; distribution; and small incubation, and a small amount of ancillary residential.
- 5.4 These assumptions were considered appropriate at that interim stage but was subject to change as the OBC process and more in-depth economic analysis was undertaken.
- 5.5 The WRA Masterplan for the regeneration of the Westerhill area, including the new transport infrastructure, has been developed through the OBC stage. This helped develop proposals and demonstrate GVA requirements that can be achieved through the physical development of the site. Working closely with landowners, the WRA Masterplan sets out the enabling infrastructure, land use and business type to support follow-on-investment.
- 5.6 It was agreed the findings of the early economics exercise were to be treated as indicative given the Project was still in its early stages of development. Through the OBC stage a full economic impact assessment has been undertaken to articulate more exact expected benefits aligned to a range of confirmed physical interventions within the Bishopbriggs area.
- 5.7 The economic benefits for the A803 Route Corridor improvements were assumed at zero for the purposes of the early economic impact assessment and required testing through the OBC stage. The progression of economic impact assessment through the OBC provides that very limited BCR can be placed against the interventions developed for the A803 Route Corridor.
- 5.8 The summary headline outputs from the early economic modelling exercise produced during the OBC for the project elements proposed in the OBC are a BCR of 3.72 for the WDR project element and a BCR of 2.45 for the town centre project element. The A803 Route Corridor BCR is -1.07. These figures support the approach to prioritisation of project elements based on economic impact, as set out in this report. Overall the BCR at OBC will be an improvement on the indicative BCR of 3.14 (which was a total for the WDR and the town centre) provided as part of the early economics exercise in 2021.
- 5.9 The economic case, along with the other cases, are set out fully within the OBC which will be submitted to GCR Cabinet in November 2024. The economic case includes updated assumptions on business mix set out in the Westerhill Regeneration Area Masterplan.

6 Next steps

- 6.1 There will be one OBC covering the preferred option for the WDR project element and the town centre project element, as outlined in this report. As per the current programme the OBC has been submitted to the November 2024 Cabinet, and there is no change from previously approved milestone date.

7 Recommendations

7.1 The Cabinet is invited to:

- a) Note the contents of this report;
- b) Approve the change to scope as set out within the report to support the submission of the Outline Business Case (OBC) for the Project;
- c) Note the revised scope will utilise the committed City Deal funding as per the approved Strategic Business Case (SBC) of £30m, the 14% Member Authority contribution, and the £1.96m provisionally allocated from the ongoing reallocation exercise being led by GCR Programme Management Office;
- d) Note that East Dunbartonshire Council (EDC) will underwrite the £1.96m until such time as this allocation is formally committed; and
- e) Agree that a short outputs paper is prepared by EDC for sharing with the Lead Officer Group that outlines the learning and good practice from the partnership approach to development the A803 Route Corridor project element.