

EAST RENFREWSHIRE COUNCILCABINET5 September 2024Report by Director of EnvironmentPROPOSAL TO SUBMIT A BID FOR FUNDING FOR THE CONSTRUCTION OF
ADDITIONAL BUSINESS UNITS AT CROSSMILL BUSINESS PARK, BARRHEAD FROM
GLASGOW CITY REGION CITY DEAL**PURPOSE OF REPORT**

1. The purpose of this report is to request approval to prepare an Outline Business Case (OBC) and submit a proposal to Glasgow City Region (GCR) City Deal Programme Management Office (PMO) to secure funding to construct additional Class 4 Business, Class 5 General Industrial and Class 6 Storage or Distribution Storage or Distribution commercial space on plots G & H at Crossmill Business Park, Barrhead.

RECOMMENDATIONS

2. The Cabinet is asked to:
- a. note the proposed development of additional business units at the Crossmill Business Park utilising funds that have been made available by the GCR City Deal, and the expected costs at this early stage;
 - b. approve the preparation of an OBC; and
 - c. approve the submission of an OBC in accordance with the GCR City Deal Assurance Framework.

BACKGROUND

3. The Council participates, as a member authority, in the GCR City Deal, which is a £1.13bn infrastructure fund across the Glasgow City Region. East Renfrewshire is benefiting from the previously-agreed programme of six projects totalling £44 million (M77 Strategic Corridor programme).

4. Within the overarching GCR City Deal programme there have been some changes in the plans and funding recently. The regional Glasgow Airport Access Project (GAAP) has been put on hold to allow the development of the Metro project.

5. The Chief Executives' Group (CEG) agreed in December 2023 to retain £12.155m of funds that had originally been allocated to GAAP, as a regional contribution to support the Metro Case for Investment and agreed this funding should be managed by Glasgow City Council (GCC). Strathclyde Partnership for Transport (SPT) has subsequently taken over the Metro lead, as approved by the GCR Cabinet. GCC will, however, continue to report progress of activities to the GCR Chief Executives' Group and Cabinet.

6. The remaining £129.145m of original GAAP funding has been made available to member authorities with 50% (£64.570m) allocated to regional projects and the other 50%

allocated to local projects. This report concerns East Renfrewshire's proportional allocation of funds in the local project pot, of an estimated £2.4m.

7. The City Deal team has given careful consideration to a proposed project that will achieve the desired economic impact, can be delivered within the short timescale allowed and within the allocated budget. To identify a suitable local project that fits GCR City Deal funding requirements, an options appraisal was undertaken of potential projects across the Council area. A range of options were identified that offered a good strategic fit with the Council's desired outcomes for its City Deal programme and GCR PMO's eligibility criteria, including:

- the desired economic impact;
- capacity to deliver within a 2–3 year timescale;
- affordable;
- Rental income to meet future revenue costs.

8. The preferred option emerging from this process is a vacant site in Council ownership. It has been identified as a location for additional business space in Barrhead, as the site is available for immediate development and modern space for employment will bring wider economic benefits to the area.

9. There is an ongoing study into region-wide demand for and supply of business accommodation, led by GCR City Deal Programme Management Office (PMO) This report is anticipated to supply supporting evidence to justify a continued requirement for modern, new build business space within East Renfrewshire. This will be used as part of the economic justification for the project.

SITE BACKGROUND

10. The first phase of Crossmill Business Park, Barrhead was initiated in the early 2000s, as a linear Business Park of eight plots around a central spine road, funded by regional regeneration funds. The catalyst for the area was the owner-occupied development by AC Whyte and Co Ltd with the further development of two of the plots as small industrial terraced estates by the council over the last 15 years.

11. The successful second phase of Crossmill Business Park saw 9,073 square feet of additional business space developed as part of the City Deal-funded M77 Corridor programme. This project was completed in 2017 and provided ten speculative small industrial units ranging from 768 to 1,026 sqft. All ten units were successfully let to nine local small/medium enterprise (SME) tenants. The rentals ranged from £6.50 per sqft to £8 per sqft on full repairing and insuring leases with durations of between five and fifteen years. The provision of modern industrial floor space attracted a high demand, reflected by the healthy rental rates achieved. Subsequently, when a change in tenancy has occurred, interest remains significant. This demonstrates the continued need by local businesses for small, modern business space.

12. The development of Barrhead Retail Park, in partnership with London and Scottish, concurrent with the development of the McDonalds Drive-thru has provided local service in the area, which has aided the profile and attractiveness of the business park. Plot C has been developed as a container storage village. This is shown in Appendix 1. Other plots have been used for storage, temporarily.

13. Demand exists for a mixture of business accommodation for both SME's and larger well-established, local businesses. There are vacant plots available but no immediate funding for development.

PROPOSAL

14. To consolidate the success of the regeneration of the area, it is proposed that additional floorspace space be constructed on plots G & H of the Business Park, that will fall within three Planning Use Classes; 4 (offices and light industry), 5 (general industry) and 6 (storage). Plots G and H are shown in Appendix 1. These plots occupy a prominent position facing on to Glasgow Road, are accessed from the service spine road and amount to circa 1.5 acres. These plots have been leased to Scottish Water for the last 3 years, but will be vacated in Autumn 2024.

15. Early initial analysis of plots G & H suggest they are able to accommodate around 23,600 sqft of new space, with site coverage of 37%.

16. This would equate to a development proposal of:

- 16,100-21,500 sqft of business space split into approximately ten units, although this will be confirmed following detailed design.
- In order to provide the flexibility required to meet known and emerging demand, it is proposed that the development is constructed in a terraced format capable of being sub-divided in varied ways, to meet business requirements.
- Construction using a portal frame with a concrete base slab and flexible frontages will enable the letting of bespoke unit sizes, according to the needs of the tenant businesses. The external materials of the development will be of a modern metal-cladding style compatible with the prominence of the plot and the design of existing units within the business park.
- The expected overall cost is approximately £2.6 million with 86% sought from GCR City Deal and the remaining 14% as match funding from ERC. ERC's contribution will be offset by providing the land for the units.

17. The next stage in the development of the proposal would be for the team to work up an OBC, as required by the GCR City Deal Assurance Framework and submit this to the GCR City Deal PMO. The OBC will be completed internally with economic assistance from GCR Intelligence Hub.

CONSULTATION

18. Consultation with the business community and surrounding residents on the proposal shall be undertaken as part of the OBC process.

FINANCE AND EFFICIENCY

19. No additional budget is required for the OBC which will be completed in-house with assistance from the GCR Intelligence Hub. There are no HR, legal or property implications arise from this stage of the proposal.

PARTNERSHIP WORKING

20. There has been consultation with the GCR City Deal PMO, economic development, estates, planning and other Council teams.

IMPLICATIONS OF THE PROPOSALS

21. An equalities impact assessment in accordance with the Equality Act 2010 will be undertaken for this project, to supplement the Equalities and Human Rights Impact Assessment (E&HRIA) that was prepared alongside the East Renfrewshire Proposed Local Development Plan. The E&HRIA sets out what positive and negative impacts for the plan or its policies might have. Individual City Deal funded projects are assessed individually at the appropriate time within the preparation of each business case and in conjunction with relevant Council colleagues. A Stage 1 Climate Change Impact Assessments (CCIA) will be completed prior to the appointment of a consultant to ensure suitability of proposals. This will be reviewed and updated following the completion of the Outline Business Case.

CONCLUSIONS

22. GCR City Deal Programme Management Office has requested Local project proposals from each of the member authorities, to utilise the funds made available due to the Glasgow Airport Access Project being put on hold. The City Deal team has identified an opportunity to build new business unit on plots G and H at Crossmill Business Park, Barrhead. To progress this proposal, an OBC is required to be prepared and submitted to GCR City Deal PMO, as essential information to inform a bid to secure funding for the development proposed.

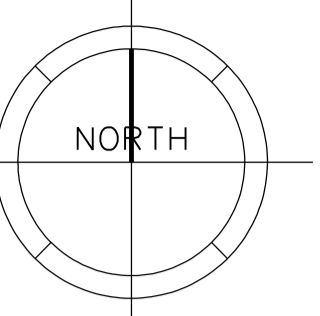
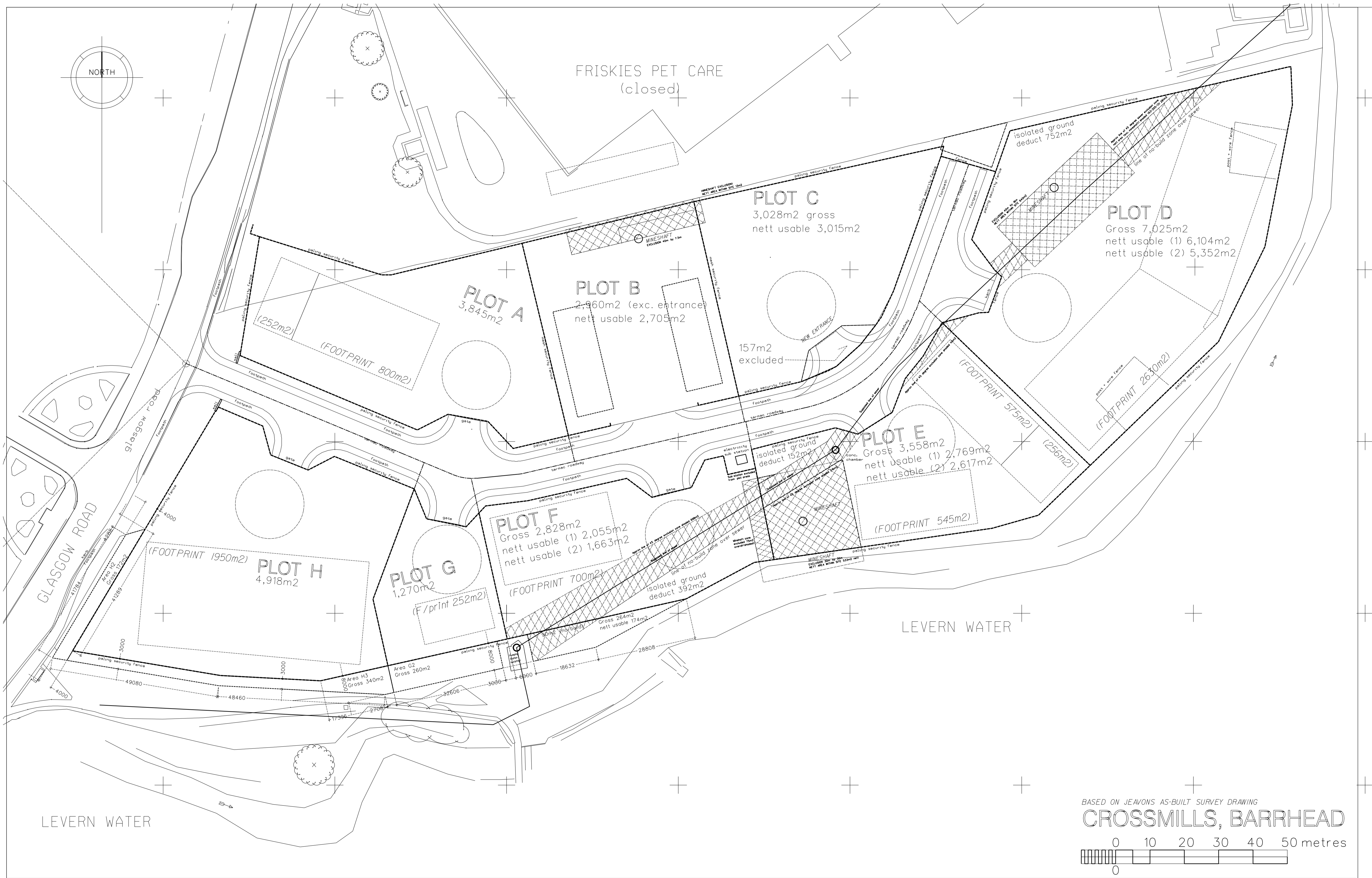
RECOMMENDATIONS

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Director of Environment

Further information can be obtained from: Michaela Sullivan, Head of Place, michaela.sullivan@eastrenfrewshire.gov.uk



BASED ON JEAVONS AS-BUILT SURVEY DRAWING
CROSSMILLS, BARRHEAD
 0 10 20 30 40 50 metres

REV.	DATE	DESCRIPTION	DRAWN	REV.	DATE	DESCRIPTION	DRAWN
	Sep 07	INITIAL DRAWING					
A	Oct 07	New hammerhead arrangement to take account of excambion land transaction					
B	Oct 07	As-built fence lines noted					
C	Jan 08	New as-built survey received					
D	Jan 08	Additional ground noted on Plots F,G,H; areas isolated by 'no-build' noted					
E	Feb 08	Issued with individual plot title plans for comments					

MACKENZIE ARCHITECTS

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PROJECT TITLE
 INDUSTRIAL DEVELOPMENT
 'BOWERWALLS', BARRHEAD

DRAWING TITLE
 PLOT AREAS MASTERPLAN
 EXTENDED PROPOSALS Jan.'08

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