

EAST RENFREWSHIRE COUNCILCABINET2 May 2019Report by Director of EnvironmentGLASGOW CITY REGION CITY DEAL UPDATE**PURPOSE OF REPORT**

1. The purpose of this report is to update the Cabinet in relation to progress with the Council's participation in the Glasgow City Region City Deal programme.

RECOMMENDATIONS

2. It is recommended that the Cabinet notes:
- (a) The contents of this report and the progress made on the development and implementation of East Renfrewshire's £44 million City Deal programme; and
 - (b) That updated outline business cases for the East Renfrewshire City Deal programme have been submitted to the City Deal Programme Management Office to comply with new HM Treasury Green Book governance arrangements as required by the UK and Scottish Governments.

BACKGROUND

3. The City Deal initiative is a long term program and an example of long term planning by the Council.
4. The £1.13 billion City Deal infrastructure fund across the Glasgow City Region is aimed at enabling a programme of works that will greatly add to the value of the local regional economy over the next 20 years.
5. East Renfrewshire will benefit from a £44 million investment package comprising £38 million investment from the Scottish and UK Governments and co-funded by the Council through a £6 million capital contribution.
6. In terms of the £44 million City Deal investment a programme of ambitious projects has been developed which will stimulate economic growth in East Renfrewshire, improve transport links, increase leisure opportunities, support business development and unlock residential land. The investment will generate economic benefits measured as net additional Gross Value Added (GVA) and employment.
7. The programme will provide the infrastructure to:
- Improve transport connections between Newton Mearns and Barrhead and access to the M77
 - Support the planned growth of Newton Mearns

- Sustain the regeneration of Barrhead, and stimulate private sector residential investment
- Improve access to the centrally located Dams to Darnley Country Park and transform this into a regional attraction
- Create a new rail station and bus route
- Enable development on vacant/derelict land
- Deliver a boost to small businesses
- Create employment opportunities
- Attract further investment to the area.
- Provide extensive community benefits

8. A number of other strategic locations between Newton Mearns and Barrhead will indirectly benefit from the City Deal programme through housing, transport and commercial developments being accelerated as new infrastructure is put in place. These include planned new residential developments at Maidenhill in Newton Mearns and two strategic locations in Barrhead, totalling over 2000 new homes.

9. This report provides an update in relation to the individual projects within the program.

REPORT

Update on Projects

10. **Levern Works Regeneration** – *vacant land in Barrhead prepared for business growth and commercial investment.*

11. Completed in 2016, this was jointly funded by City Deal / ERC / Regeneration Capital Grant Fund at a combined budget of £1.835 million. The project comprised:

- (a) Crossmill Business Park - the development of ten 72sqm commercial units in Barrhead in 2016. The units are now fully let enabling a number of small businesses to grow.
- (b) Former Nestle factory site at Glasgow Rd - preparation of part of the site for private sector investment. In January 2017 the Cabinet approved the Council entering into an agreement for the development of a significant portion of the site with developer London & Scottish Ltd. A planning application has been submitted to construct a major retail discount park on 7.63 acres of the site, with a decision expected in autumn 2019. Plans indicate the site could include several discount retailers, a drive thru café, a restaurant/pub and a number of smaller retail units. The Council will retain a four acre plot for further development and has already received early occupier interest. It is expected that this project will boost economic growth and provide substantial local job opportunities.

12. **Greenlaw Business Centre** – *quality office space in Newton Mearns to boost business growth.*

13. Total project budget is £5.72 million which includes £0.12 million from developer contributions. The building exterior is now complete and the business centre is expected to be operational by summer.

14. Extending over 20,000 sq.ft, the facility will enable increased support for small businesses by meeting a growing demand for quality office space in the area. It has a range of office suites, a high quality internal and external environment and is located at Greenlaw in Newton Mearns, adjacent to Junction 4 of the M77. The business centre creates the final element of the existing retail and commercial centre development at Greenlaw and will provide new employment opportunities.

15. A range of community benefits has been secured as part of the construction of Greenlaw Business Centre from contractor Morrison Construction. Benefits include; four jobs, two apprenticeships, work experience placements and learning opportunities for schools. The Council is also working in partnership with Morrison Construction and Clyde College to support two fully funded construction pre-apprenticeship courses. Students visited the Greenlaw Business Centre site in December 2018 and learned about the range of careers available in the construction industry.

16. New and continued interest in the space is being expressed by owners/managers involved in a wide range of business activities.

17. A subsidiary smaller part of this project included an upgrade of facilities at Barrhead Foundry used by the Council's employability and business development services (this was completed in 2018).

18. **Balgraystone Road Improvement**, *accelerating residential development in Barrhead and improving accessibility to the Country Park and planned rail station.*

19. The budget is currently estimated at £2.2 million. Construction is programmed for June 2019 with estimated completion in December 2019. Construction dates are constrained by work required within the grounds of St Luke's High School during school holidays and the need to avoid school examination periods.

20. Improvements to Balgraystone Road (opposite St Luke's High School in Barrhead), will:

- Open up new residential development opportunities, including access and utility services to support the regeneration of Barrhead, the first phase of which will include a development of 39 council homes
- Improve access to Dams to Darnley Country Park.
- Provide access to the proposed rail station and bus interchange on the Glasgow to Neilston line
- Along with planned improvements to Aurs Road, this project will support the wider long term economic objective of delivering a new sustainable community in Barrhead South of up to 1050 new homes within the next decade.

21. **Aurs Road Improvement** – *improve local connections between Newton Mearns and Barrhead and enable visitor facilities at the Country Park.*

22. The budget is currently estimated at £10.2 million, including £0.325 million funding from Sustrans in support of the projects active travel ambitions. Work is expected to commence in late 2019/2020 with completion in 2021.

23. The project will provide improvements on Aurs Road from Springfield Road to Stewarton Road junctions. These include straightening/realignment of two sections, the creation of a roundabout, replacement of a weak road bridge and the addition of a promenade (walkway alongside the water at Balgray reservoir). This will:

- Form a safer more direct local route between Newton Mearns and Barrhead with improved connections for walking and cycling
- Enable a bus route between the communities by replacing the weak bridge and realigning the road
- Create a new site for developing visitor facilities at Dams to Darnley Country Park
- Enable a continuous 4km walking and cycling circuit around Balgray reservoir through the addition of a promenade connecting to existing paths.

24. Consultants have been appointed to complete the detailed design of the road and take the project forward on site.

25. Scottish Water currently own and operate Balgray reservoir, meaning the project has various risks and interdependencies.

26. **Country Park Visitor Facilities** - *creating a regional visitor attraction at Dams to Darnley Country Park.*

27. The budget is currently estimated at £4.8 million. The current estimate is for work to commence in 2021 with the facilities opening in 2022. Timescales are yet to be confirmed.

28. City Deal funding provides a long-awaited opportunity to achieve the Council's ambition to redefine Dams to Darnley Country Park. Proposed enhancements include a visitor centre and water sports facilities, creating much needed visitor amenities to transform this into a regional visitor attraction for the benefit of local residents and wider tourism. Commercial opportunities for retail, leisure and hospitality will also be developed in the park. Visitor numbers are anticipated to increase from 90,000 per annum to around 300,000 per annum once the proposed new facilities are established.

29. There are close links between this and other East Renfrewshire City Deal projects. The park will benefit from improved transport links and parking from the planned new rail and bus interchange at Barrhead South. The Aurs Road improvement project will increase access to the park for cars, pedestrians and cyclists and deliver a promenade beside Balgray reservoir which will become a key attraction within the park. As the construction of the visitor facilities requires the Aurs Road improvement project to be completed first (to provide the site and access it) it is estimated that the facilities will open in 2022.

30. There has been significant collaboration with Scottish Water on this challenging project. The head lease for the use of the reservoir for water based activity remains to be concluded but positive progress is now being made.

31. Funded separately, a wake boarding facility (water sport which uses an overhead cable to pull participants across the water) is proposed to be co-located with the visitor facilities and the brief for the design team will reflect this.

32. The tender to appoint the design team will be prepared and issued in June 2019. Once appointed the scheme design will be developed and the Outline Business Case progressed.

33. **New Rail Station at Barrhead South**, *improving access to jobs, services and communities.*

34. The budget is currently estimated at £10.3 million. The latest estimates are for construction to start in 2021.

35. A new purpose built rail station and bus interchange at Barrhead South, on the Glasgow to Neilston line, will provide improved access to jobs and services for the existing community of Auchenback and new residents from the planned housing developments. The station will offer excellent commuter links and provide a direct public transport link to the Dams to Darnley Country Park thus reducing dependency on private cars.

36. Considerable work has been undertaken to move this project forward particularly in preparing and submitting a revised Scottish Transport Appraisal Guidance (STAG) and working with Transport Scotland, SPT and Network Rail. Approval of the STAG lies with Transport Scotland and is required prior to moving into the Governance for Rail Investment Projects (GRIP) stages. A decision is expected by summer 2019 which will then allow development of the Outline Business Case.

37. **Newton Mearns to Barrhead new road connection** (*formerly referred to as Lovern Valley link*).

38. The total budget is currently £10.3 million. Start/completion dates are yet to be determined.

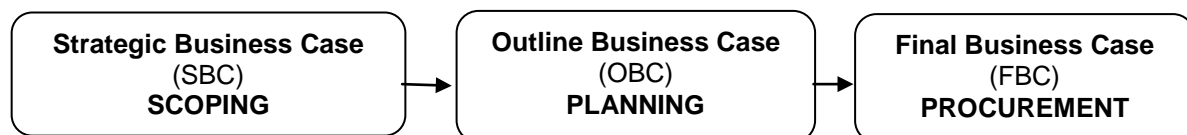
39. This project will identify a new route to connect Newton Mearns and Barrhead, creating easier access to the M77 with the potential to open up future development and investment opportunities. This may include new roads as well as improvements to existing routes.

40. Feasibility work is underway which will consider topography, key junctions and land required. This will assist in informing a preferred route and allow for the development of an Outline Business Case.

41. A potential longer term opportunity exists to explore a wider Glasgow City Region route, extending beyond the boundaries of East Renfrewshire. For example, connecting into the A737/Glasgow Airport within Renfrewshire and potentially creating an additional Glasgow Southern Orbital (GSO) route. The current funding allocation does not presently allow for this more strategic opportunity to be constructed. However, options will be explored to ensure consideration of longer term aspirations is considered as part of the current proposals. Consideration is being given to developing a STAG pre-appraisal allowing the Council to be prepared should additional funding become available.

Business Case Update

42. The governance process under the Glasgow City Region City Deal Programme Management Office (PMO) encompasses three stages of business case approval under its Strategic Assurance Framework:



43. In June 2015, the City Deal Cabinet approved the Strategic Business Case for the overall East Renfrewshire City Deal programme (M77 Strategic Corridor). Approval of the Outline Business Case followed in August 2015.

44. In November 2017, the City Deal PMO at the request of the UK and Scottish Governments introduced HM Treasury Green Book guidance to governance requirements and requested all business cases previously submitted be updated to comply with this.

45. An updated Green Book compliant overall Strategic Business Case has now been completed. It describes the same East Renfrewshire City Deal programme, budget and beneficiaries. It is possible that due to updated economic modelling methodology and economic circumstances, such as the impact of Brexit, there may be a change in the original Gross Value Added assessment. This will be confirmed as individual projects' OBCs are finalised by 2020/21.

46. As the overall programme for East Renfrewshire has developed, it has subsequently been separated into more detailed sub-projects with a view to developing more detailed Outline Business Cases and Full Business Cases for each one, to be submitted as projects progress.

47. For governance reasons as outlined above Green Book compliant outline business cases for Levern Works Regeneration and Greenlaw Business Centre were submitted to and approved by the City Region Cabinet in February 2019. There were no changes to previously approved scope or spend.

48. A combined updated Outline Business Case for Aurs Road/Balgraystone Road Improvements was submitted to and approved by the City Deal Cabinet in April 2019. This updated Outline Business Case identified:

- Balgraystone Road – Increased scope to include utility provision, a haul road, pumping station and repairs to drainage in Springfield Road.
- Aurs Road – Increased scope to take account of an additional section of road between the Railway Bridge and Springfield Road and developing active travel links with support from Sustrans.

49. Any increased costs relating to these projects will be managed through adjustments elsewhere within the wider £44 million City Deal programme of work.

FINANCE AND EFFICIENCY

50. Costs associated with all of the feasibility and construction work will be met from existing Capital Plan allocations.

CONSULTATION AND PARTNERSHIP WORKING

51. An appropriate level of consultation with internal and external stakeholders is undertaken on an ongoing basis and includes close liaison with partner organisations such as Scottish Water and Network Rail.

52. With regard to the revised Green Book exercise relating to business cases East Renfrewshire is a member authority of the Glasgow City Region City Deal and all member authorities have been required to undertake the exercise. All authorities have supported the exercise and this has been undertaken in close collaboration and partnership with the City Deal Project Management Office.

IMPLICATIONS OF THE PROPOSALS

53. There are no IT or equalities implications at this time.

CONCLUSION

54. East Renfrewshire's £44 million City Deal programme is a clear example of long-term planning by the Council to stimulate sustainable inclusive economic growth. A programme of ambitious projects will improve transport links, increase leisure opportunities, support business development and accelerate the unlocking of residential land releases. This report notes progress made and highlights the ongoing practicalities and complexities of developing and implementing these aspirational projects.

55. Further progress reports will be submitted in due course.

RECOMMENDATIONS

56. It is recommended that the Cabinet notes:

- (a) The contents of this report and the progress made on the development and implementation of East Renfrewshire's £44 million City Deal programme; and
- (b) That updated outline business cases for the East Renfrewshire City Deal programme have been submitted to the City Deal Programme Management Office to comply with new HM Treasury Green Book governance arrangements as required by the UK and Scottish Governments.

Director of Environment

Further information can be obtained from: Andrew Cahill, Director of Environment or Phil Daws, Head of Environment (Strategic Services) on 0141 577 3186 or Phil.Daws@eastrenfrewshire.gov.uk

Convener contact details

Councillor Tony Buchanan
(Leader of the Council)

Office: 0141 577 3107
Mobile: 07976 360398

April 2019

BLANK PAGE