

EAST RENFREWSHIRE COUNCIL22 OCTOBER 2025REPORT BY DIRECTOR OF ENVIRONMENTEASTWOOD LEISURE CENTRE**PURPOSE OF REPORT**

1. The purpose of this report is to update the Council on the progress with the Eastwood Leisure Centre project since the report to Council on 13 December 2023 and gain approval for the next steps as the project reaches contract award and moves towards the construction stage.

RECOMMENDATIONS

2. The Council is recommended to:
- a) Note the very good progress with the project following the report to Council on 13 December 2023;
 - b) Note that the proposed budget, as a result of the market testing and procurement, is £58.5M;
 - c) Approve £1.9M additional funding to meet the cost of the new Leisure Centre; and
 - d) Delegate authority to the Chief Legal Officer in conjunction with the Chief Finance Officer to conclude a contract with Hub West at a budget cost no greater than £58.5M.

BACKGROUND

3. This project has been in the development stage for several years with key milestone reports presented to Council on 26 October 2022, 14 December 2022 and 13 December 2023. The Council will recall that the previous design was costed at RIBA stage 3 in June 2022 at an estimated £74 million due to construction inflation. This was reduced through value engineering to £67 million, as reported to Council in Oct 2022. A 2 year delay was then agreed. The report to Council on 13 December 2023 approved that the project should be developed based on Option 2B, including a library provision, at an estimated cost of £59.3M. The report further identified that the budget had been agreed at £55.7M and that further cost cutting work would be undertaken to determine if the project could be delivered within the available budget. The report on 13 December 2023 also provided approval to proceed with enabling works for the project.

4. A report was presented to the Corporate Management Team on 27 February 2024 following the initial cost cutting exercise and proposed a revised building layout with the omission of the Gymnastics Hall. At that time, this revised layout was identified as being able to be contained within the project budget based on the application of cost metrics for the reduced area of the building.

5. A further report was presented to the Corporate Management Team on 4 September 2024 following further inflationary cost pressures with a recommendation to create a multi-use

learning and local event space as part of the Theatre front of house zone. Council Group Leaders were consulted at that time by Director of Environment and Director of Education as joint chairs of the project governance board. Councillors have also been given project updates at consultation events prior to submission of the planning application and as the final design was reaching conclusion. The report also identified that additional funding of £0.6M from East Renfrewshire Culture and Leisure Trust and £0.3M from Sport Scotland is capable of being secured. This will take the available budget to £56.6M.

6. The development of a new Eastwood Leisure and Theatre facility to serve East Renfrewshire residents and its visitors has been a long-held ambition of the Council. It was delayed by COVID and the significant impact of inflationary pressures. Despite these setbacks, the desire to deliver for residents has remained and the project is ready to progress to contractual commitments and build stage. This project is an investment that aligns with and supports our Place to Grow vision for the future of East Renfrewshire that has inclusive, connected, green and healthy places for everyone to flourish, thrive and grow.

UPDATE REPORT

7. Over the course of 2024 and 2025 the project team have worked hard to realise the savings required to deliver the project within the allocated budget. This has been undertaken in a methodical way to focus on retaining key functional spaces that preserve the vision for the project. That is to design and build a new quality leisure and theatre facility that would serve a larger population with expanded and new functions and with no requirement for additional annual revenue support to the Leisure Trust from the Council. The consideration of the aesthetics of the building and its setting in Eastwood Park has also informed decisions on what and where compromises could be made to ensure that the project remained affordable to the Council. This work has been undertaken against continued uncertainty linked to worldwide events that has seen construction related inflation remaining volatile and difficult to predict. This work has also been undertaken with a strong focus on governance and control so that decisions taken are auditable, transparent and focused on successful outcomes.

Statutory Consents

8. The conclusion of Stage 3 design work and cost estimating by September 2024 provided sufficient confidence that the project remained within the capital budget so that the statutory consent stage could commence. In October 2024, a full planning application was submitted. All of the plans, studies and reports submitted with this application were assessed by ERC Planning Service in consultation with statutory consultees. A special meeting of the Planning Committee was held on 13 February 2025, and approval of the application was granted subject to conditions.

Detailed Design

9. After the planning approval had been granted, the next level of Stage 4 design could commence. This started in February 2025 and was completed at the end of June 2025. This design stage involved a significant amount of detail and included stakeholder engagement with officers and staff from East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust and the external design team. The purpose of this engagement was to validate the design at a detailed level including a review of the spaces on a room-by-room basis.

Enabling Works and Advance Works

10. Following on from the planning consent on 13 February 2025, Enabling Works were commenced early to reduce the risk of any delays to construction of the new building starting on time.

11. Coordination work was also undertaken with statutory agencies and utility providers for both the diversion of affected services and new supply to the Leisure Centre and Theatre. As a result of this coordination, works were completed between April and August 2025 to divert BT, Virgin Media and Scottish Gas Networks services that were found to run within the location of the new building and associated parking and access areas. For the Scottish Gas Network service, this was coordinated to take place during the summer leave period for St Ninian's High School to minimise disruption.

12. The access road at Eastwood Park Avenue near to Eastwood House is also affected by the new building. A roadworks contractor has recently commenced the alteration to this road and this has necessitated amendments to the vehicle access arrangements to Glenwood Family Centre and the Allotments in Eastwood Park. These changes involve vehicular access to Glenwood Family Centre and the Allotments in Eastwood Park being taken from Woodfarm Road. To improve traffic management at Glenwood Family Centre, temporary traffic signal controls have been set up. These will be in place from August 2025 and will remain in place for the full duration of the construction of the Leisure Centre through to Autumn 2027.

13. Further Advance Works commenced in September in the form of site preparation for the new building including security hoarding and levelling off the site ready for the main construction. All these items of enabling and advance works provide a benefit to the overall programme and reduce the risks associated with the project. This is all consistent with the approval from Council on 13 December 2023.

Cost Update, Early Market Engagement and Market Testing

14. The conclusion of the Stage 4 design in June 2025 allowed for a cost update to be prepared by external cost managers. The Stage 4 design also allowed for early key sub-contractor market testing and coordination. It is normal on a project of this scale and complexity to engage with a key mechanical and electrical sub-contractor. The benefits of this are that coordination of the final detailed design has input from this key sub-contractor and their supply chain. This also allows for early market testing of the building systems.

15. As a result of the Stage 4 design cost update, and the early market testing engagement, the project estimate was above the budget included within the Capital Plan. The project team continued to review the detailed design and additional cost savings were included before the end of the full market testing process. However, there are limited options remaining and it is not envisaged that the project will be able to be delivered for the current budget of £56.6M. The project team have worked hard on two occasions during 2024 to rationalise the layout of the building to remain in budget. The cost increase is being attributed to current market conditions in Scotland through a limited supply chain nationally for the mechanical and electrical elements; to continued market volatility and ongoing inflation for some construction materials. There is evidence that this position is consistent with other recent and similar projects across the country.

16. At the conclusion of the detailed design stage in June 2025, the project team were able to commence the full market testing for the overall building works. In a project of this size and complexity, the construction is broken down into key works packages such as groundworks, structural frame, roof, windows and the like and all the way through to the decorating and furniture fit out.

17. This market testing commenced in July 2025 and has taken several months given that there are just over 40 separate works packages. The early market testing with the key mechanical and electrical sub-contractor identified that this package was largely responsible for the over budget position. The Council project team and project Governance Board have been kept informed throughout the market testing returns during August and September 2025.

Procurement and Contract Stage

18. The Council has appointed Hub West Scotland Ltd (hubW) to act as the private sector development partner for the delivery of the project. Through hubW's pre-procured framework process, the Council was able to appoint BAM Construction to act as the main design and build contractor. BAM Construction have a strong track record of delivering projects of this nature. At the end of the market testing and tendering of the works packages, the Council has been presented with a Report from Hub West in which the maximum final cost is presented. This summary report was submitted on 1st October 2025. The final tendered cost confirms a revised maximum figure of £58.5M required to be able to deliver the project. This means £1.9m additional budget is required above the figure in the current capital plan.

19. Following approval of this report, the Council will reach formal contract award stage in October 2025. It is a recommendation of this report that delegated authority will be given to the Chief Legal Officer in conjunction with the Chief Finance Officer to agree the final terms of this contract award subject to the cost being no greater than £58.5M.

20. The preferred option agreed in December 2023 was estimated to cost £59.3m. At that stage it was noted that the budget may vary from this figure due to construction inflation, however, the project has been achieved for less than was estimated. Whilst the final budget requirements are more than the current provision within the capital programme, funding of £1.7m has been secured from external sources including Developer Contributions, the Leisure Trust and Sports Scotland to assist with meeting the cost of the new facility and reducing the additional funding contribution now sought from the Council to allow the project to proceed.

21. It is noted within this report that the type of contract being used (design and build) can be seen to transfer a large element of design and construction risk over to the contractor. This results in a fixed price contract where there are only a few instances where the Council will be asked to fund additional works such as a change by the Authority or if there are unforeseen ground conditions below the existing leisure centre at the time of its demolition towards the end of the project. The project Governance Board will control and direct this through the construction stage. A project contingency amount of approximately £800k will be held over for potential use during the construction period. This contingency is included within the overall £58.5M cost.

22. Conclusion of this contract award stage will see construction commence for the Main Works in November 2025 and the new building able to open in Autumn 2027. The demolition of the existing building and making good of the external landscaping will take place through to Autumn 2028. This is possible because of the steps the project team have undertaken to rework the design to improve efficiency of space, prepare outline and then detailed design, obtain Planning Consent and have the enabling works well in hand. It is noted that the completion of the project by Autumn 2028 is broadly in line with the report to Council on 13 December 2023.

IMPLICATIONS OF PROPOSALS

23. This report identifies that the cost estimate for the project is £1.9M above the project budget of £56.6M. The report identifies that the market testing has been completed. Options to reduce the over budget position through refinements in the design have been considered and included where they do not have an impact on the functionality of the building. The cost to deliver the project is required to be revised to £58.5M.

24. It is noted that the budget pressures detailed within this report will have the greatest impact in 2026/27 and 2027/28 financial years. An overall resolution to this pressure will be able to be reflected in the 2026/27 Capital Plan when it is presented to Council in February 2026.

FINANCE AND EFFICIENCY

25. In the period since the December 2023 report, the project has continued to focus on the design layout and on making sure that the vision established at the outset remains. While there have been cost reduction measures undertaken, largely through tightening up on spaces within the building, functionality and customer experience has been protected and prioritised. The project team consider that this focus has been well managed and controlled and will result in a successful outcome to the project.

26. This prioritisation of functionality ensures that the opportunities to protect the trading position of East Renfrewshire Culture & Leisure Trust's business case for the building and thereby not result in any revenue pressures regarding the Council's subsidy to the Trust remains a key focus. This is consistent with the report to Council on 14 December 2022, and December 2023. In addition to this, the building design is intended to be operationally efficient and sustainable. Advice on the whole life cost forecast has been provided by a specialist consultant brought into the delivery team during the design stage. This advice will enable future revenue forecasting for the management and maintenance of the building to be as accurate as possible.

CONSULTATION

27. In addition to the engagement with service providers within the Council and Trust as part of the design process referred to in paragraph 8, wider engagement within Eastwood Park, including St Ninian's High School and Glenwood Family Centre, has taken place to ensure that people and users that have access to the immediate surroundings are informed of both the design and of the project timeline. The project has a developed communication plan and this will continue to respond to the next stages as the project moves to the main construction.

28. Formal statutory consultation has also been undertaken through the planning process, including two consultation meetings open to the public in May and June 2024.

PARTNERSHIP WORKING

29. The council team have worked very closely with the Trust during the development of the project, especially since the report to Council in December 2023. The Trust has been a constant presence within the delivery team during the detailed design and also represented at Project Governance Board level. This ensures that vision and outcomes for the project remain a key focus.

30. Delivery of the project with Hub West and BAM construction brings with it a key focus on community investment and a plan has been established to bring benefits to the area. The plan will be delivered through a thematic approach involving an education programme, construction work academy, community & volunteering programme and a development programme for small and medium enterprises. A programme summary is detailed in the appendix to the report.

CONCLUSION

31. The detailed design stage for the project has been completed and all statutory consents are in place. The project is now proceeding through the enabling and advance works

and the final market testing and the procurement of the main construction has been completed. This report identifies that the project is ready to proceed to the construction stage at a revised budget of £58.5M.

RECOMMENDATIONS

32. The Council is recommended to:

- a) Note the very good progress with the project following the report to Council on 13 December 2023;
- b) Note that the proposed budget, as a result of the market testing and procurement, is £58.5M;
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Director of Environment

October 2025

Report author: Steven Renwick, Major Capital Projects Manager

BACKGROUND PAPERS

East Renfrewshire Council, 25 February 2021
East Renfrewshire Council, 26 October 2022
East Renfrewshire Council, 14 December 2022
East Renfrewshire Council, 13 December 2023

Eastwood Leisure Centre – Community Investment Programme

The Eastwood Leisure Centre Community Investment delivery plan focusses on five key areas for delivery:

1. **Apprenticeships** – this is led through the **Education Programme** where students from local schools will be supported through a structured learning programme introducing the world of design and construction. This will support the local college foundation apprenticeship course, in partnership with ERC's education lead. The students will design, engineer cost and build a small local project and will be supported by BAM to secure apprenticeships with their supply chain in next year's intake. This commenced in August 2025.
2. **New Jobs** – these will be delivered through a work experience programme called **The Construction Academy**. Linking with Work East Ren, the Academy will identify those who could benefit from education and employment support through the project.

We would look to maximise employment opportunities for groups which include:

- a. long term unemployed (out of work for more than one year)
- b. those with health barriers, disabilities, and other barriers to gaining employment
Candidates will attend a six-week work placement course and be provided with support to apply for new jobs on the project. This will take place when the project is on site.
3. **Support for Local Businesses** – in partnership with Business Gateway hub West supported the **Build East Ren** 8-week programme (December 24 - February 25) for upskilling local SMEs in the construction sector through the supply chain with topics such as tendering, net zero, community investment as well as support to join their supply chains. BAM are working with some of the companies from the course helping them to tender for work on the project.
4. **Support for local community groups** – through the hub West **Helping Hands** initiative support will be provided to upgrade community premises. This will take place when the project is well into construction so that voluntary support can be provided by as many of the sub-contractors as possible. This is also supported by hub West's full supply chain of contractors and consultants who work collectively over a 1-week period. BAM will also be supporting projects on the ERC Wish-list, and will be agreed with ERC in the next couple of months.
5. **Additional Support** – ERC has requested the hub provide additional support to a few organisations who will be most impacted by the construction of the new leisure centre. This includes:
 - a. St Ninian's High School – prioritise **Developing the Young Workforce** (DYW) through supporting their initiatives such as large-scale careers fairs showcasing the wide range of careers in construction. BAM has recently attended the Big Breakfast event at the school.
 - b. Woodfarm High School – similar DYW support to this school

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