

EAST RENFREWSHIRE COUNCILCABINET30 October 2025Report by Director of EnvironmentHOUSING CAPITAL PROGRAMME – COMMERCIAL ROAD**PURPOSE OF REPORT**

1. The purpose of the report is to homologate the decision taken by two Cabinet on 17th September 2025 to vary the Capital Programme and bring forward the development of new homes at Commercial Road, Barrhead.

RECOMMENDATIONS

2. The Cabinet is asked to:
- a) homologate the decision to increase the Housing Capital Programme 2025/26 by £500k; and
 - b) note that this increase in expenditure will be funded from Scottish Government Grant.

BACKGROUND

3. Full Council approved the Housing Capital Programme for 2025-2035 on 26 February 2025, with revisions made on 25 June 2025. A copy can be obtained: [25th June 2025, Full Council report](#).

4. Members may be aware that the expected Resource Planning Assumption (RPA) budget 2025/26 from the Scottish Government increased from an expected £5.2m to a final awarded budget of £7.677m. This increase in grant provides an opportunity to explore other council housing projects that could be accelerated in their delivery without any additional borrowing during 2025/26.

5. The project at Commercial Road, Barrhead, is identified within the Housing Capital Programme 2026/27 as a project that can be brought forward to 2025/26. Accelerating this project will bring forward the availability of much-needed council housing and minimise the loss of grant subsidy/carry-forward.

REPORT

6. A feasibility study to test the technical and financial viability of building council homes on the site at Commercial Road was completed in July 2025. The Council's Housing Service is currently in discussions with Planning to agree a timeframe for progressing a detailed planning application.

7. The Housing Service have engaged with Procurement to appoint a suitably qualified contractor through the Scotland Excel framework to design and build circa 66 houses on the site at Commercial Road, Barrhead.

8. In order to progress this site and appoint a suitable contractor, the final design and layout must be completed and submitted for approval by Planning. The procurement process will consist of two parts, design and then construction.

9. ERC Standing Orders require the formal approval of a Contract Strategy to allow the procurement process to move forward and complete the design process. There is no budget for Commercial Road in the current 2025/26 programme; approval to vary the current programme and bring a budget forward is required.

10. Given the need to maximise the draw down of Government grant for this project in the current year, approval to make the appropriate change to the Housing Capital Programme was taken by Cllrs O'Donnell and Cllr Devlin in September.

FINANCE & EFFICIENCY

11. The existing 10-year capital programme is based on the development of 49 units on the site. Associated costs are based on an assumed cost of £202k per unit. However, the cost of development continues to increase across Scotland and the likely unit cost is expected to be around £225k per unit.

12. Recent discussions have established that the site could be designed to deliver more than 49 units, potentially up to 66 units. Based on this size of development, the associated costs are as follows,:

Funding Stream	2025/26	2026/27	2027/28	2028/29	Total cost	Cost Per Home
Scottish Government Baseline Grant (3PE)	500,000	2,400,000	2,669,358		5,792,358	87,763
SG Enhanced Grant – Renewables			1,155,330		1,155,330	17,505
ERC Developer Contributions Commuted Sums		1,320,000			1,320,000	20,000
Council Borrowing			6,377,000	223,000	6,600,000	100,000
Total Costs	500,000	3,720,000	10,424,688	223,000	14,867,688	225,268

13. The award of any contract would be subject to the approval of an acquisition grant application from the Scottish Government. The estimated development cost is consistent with tender values approved in the past year. The grant income is based on a typical 2-bedroom 3 bedspace home. Homes with more bedspaces will attract a higher rate of grant subsidy.

14. Revised development costs following full design and planning consent will be presented to Full Council as part of the Housing Capital Programme 2026/27.

15. The proposal, if approved, would have no impact on Council borrowing during 2025/26.

16. Any delay on the approval process would cause an unnecessary delay to the project and severely restricts the Council's ability to drawdown this year's RPA.

PARTNERSHIP WORKING

17. The Council's newbuild housing team are currently in dialogue with several internal stakeholders, including Estates, Planning, Finance and Legal, to ensure the information is gathered and circulated to ensure the successful design and delivery of Commercial Road in accordance with ERC's standing orders.

CONCLUSIONS

18. Following an increase in Scottish Grant funding there is an opportunity to bring forward the development of new homes at Commercial Road, Barrhead.

19. Approval is being sought to bring forward £500,000 of Capital Programme expenditure to complete the design process and seek planning approval. This expenditure will be funded from Scottish Government grant.

20. Full costs will be presented to Full Council in February 2026 seeking approval to proceed to construction.

RECOMMENDATIONS

21. The Cabinet is asked to:

- a) homologate the decision to increase to the Housing Capital Programme 2025/26 by £500k; and
- b) note that this increase in expenditure will be funded from Scottish Government Grant.

Director of Environment

Further details can be obtained from Mark Rodgers, Head of Housing & Property on mark.rodgers@eastrenfrewshire.gov.uk or Suzanne Conlin, Senior Housing Manager, suzanne.conlin@eastrenfrewshire.gov.uk

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