

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	3 September 2019
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Town Centre Capital Grant Fund Update
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ inform members of the bids received for the distribution of the Town Centre Capital Fund
- ◆ seek approval to allocate the funds based on the assessment of projects and ranking as set out in Appendix 1

2. Recommendation

2.1. The Committee is asked to approve the following recommendation(s):

- (1) that the outcome of the application and assessment process be noted;
- (2) that the recommendations to fund the projects identified in Appendix 1 of the report be approved; and
- (3) that the Executive Director (Community and Enterprise Resources) be authorised to offer grant funding to the projects identified in Appendix 1, to the amounts identified, under the terms and conditions of grant set out in section 7 of the report and on such other terms as are in the best interests of the Council.

3. Background

3.1. Following South Lanarkshire Council's allocation of £2,506,000 from the Scotland wide £50m fund to invest in town centres, a report was presented to the Community and Enterprise Resources Committee on 4 June 2019.

3.2. The report set out the terms of the funding, the Government's criteria for allocation and a number of potential options on how South Lanarkshire could apply those criteria given the diverse range of town centres within South Lanarkshire and the nature of the challenges they face.

3.3. As set out in the Committee Report of 4 June 2019, the key aspects of the funding requirements are:-

- ◆ funds are to be fully committed by 31 March 2020
- ◆ funds are to be fully spent no later than 30 September 2020
- ◆ the Government's objective is that funds are used to deliver transformational change within the town centres benefiting
- ◆ projects receiving funding should demonstrate how it links to the Government's Town Centre Action Plan, published in 2013 and the Town Centre First Principle

- 3.4. At a local authority level, the criteria allows a degree of flexibility in relation to how the funds can be allocated, as such, 7 options were presented to Committee. These options illustrated the aspects which require to be built into the assessment, award and delivery process.
- 3.5. The Committee agreed that all 22 eligible towns, as defined by the Government, would be given the opportunity to bring forward projects and be assessed under the criteria set out in the report. In turn, a report would be brought to Committee on 3 September 2019 for Members' consideration and approval.

4. Application process

- 4.1. Following the Committee on 4 June 2019, officers undertook the following steps to advertise, inform, support, assess and recommend the distribution of the funds:-
- ◆ information document circulated on 20 July 2019 online and supplemented with updates during July
 - ◆ information sessions held – Hamilton and Lanark on 24 and 25 June 2019 respectively
 - ◆ online application system went live on 27 June 2019
 - ◆ officer support to applicants throughout the process
 - ◆ regular FAQ updates issued
 - ◆ close of applications on 31 July 2019
 - ◆ assessment of applications through August
- 4.2. Applications to the Town Centre fund were open to all eligible towns through the Grantvisor online system. Details of the application process and assessment criteria were set out in the guidance notes, provided to all applicants at the outset of their enquiry and supplemented by weekly FAQ updates, capturing enquiries from the applicants.
- 4.3. Detailed guidance was provided to applicants on how to use the Grantvisor system and about the required outcomes expected from each project submission. Additional support was also provided to applicants as and when required.
- 4.4. The application guidance encouraged collaboration with the wider public sector, businesses and communities to deliver positive local outcomes in towns. Part of this approach included developing a place-based project plan following consultation and engagement with the wider groups and the public as a whole.

5. Applications

- 5.1. At the closing date of 31 July 2019, applications had been received from 16 towns, lodged by a number of groups. Within the 16 applications, there are a total of 26 projects or sub projects.
- 5.2. It is noted that the response from the communities, in the challenging timescales has been very positive. The effort of the groups and their commitment to their communities has resulted in a constructive process and gives the Council, and hopefully communities and groups representing them, an enhanced working relationship from which to build future initiatives.

5.3. The proposals lodged seek a total grant of c.£6.5m with the potential to lever in c.£19.5m directly linked investment from public, private and third sector partners. While not all projects can be funded it gives a valuable body of projects to build future town centre strategies and initiatives should future funding be available.

5.4. The projects are summarised alphabetically, by town, below with further details set out in Appendix 1.

Town	Project	Project Value (000)	Funding Request (000)	Summary
Biggar	Covenanters Bunkhouse Project – Phase 1	£160	£160	Convert the Greenhills Covenanters Cottage to a community-run bunkhouse
Bothwell	The Bothwell Heritage Project	£246	£221	Create a Bothwell Heritage & Visitor Centre in the existing library
Cambuslang	Restoring Civic Pride	£1,424	£1,424	Streetscape improvements including pavement resurfacing and rationalisation and upgrading of street furniture and railings
Carluke	Rankin Gateway	£146	£146	Create an entrance at Rankin Gateway to Carluke Town Centre and purchase and install new street furniture, mobile stage and events equipment
Carnwath	Carnwath Town Centre Transformation	£518	£518	Purchase of buildings and site preparation to deliver an enterprise hub on the site of the “Old Garage”, a new kitchen in the town hall, a new roof on the masonic hall and new signage for hairdresser
Coalburn	Building Improvements	£94	£94	Improve the outside of the Miners Welfare Building in the town centre to create a better image to support potential works with 3R Energy
Douglas	Good Sir James Statue	£53	£42	Erect a statue of the Good Sir James Douglas and create a heritage trail
East Kilbride	Town Centre Shared Workspace	£816	£416	Create 10,000 sq. ft. of business start-up space
Forth	Rainforest Café and Cinema	£55	£55	Create a cinema and kitchen café in town centre hall
Hamilton	Hamilton Town Centre Developments	£8,600	£1,120	5 projects to improve town centre footfall through the purchase of buildings and site preparation to deliver residential and business development. Convert Duke Street car park to pay on exit.
Lanark	Lanark Town Centre Regeneration	£6,180	£1,489	5 projects to improve town centre footfall through the purchase of buildings and site preparation to deliver residential and business development The creation of additional parking at Castlegate Square/ Delves Park
Lesmahagow	Lesmahagow Town Centre Improvements	£130	£90	Improvements to McKirdy Park Play Area
Stonehouse	Stonehouse Heritage Sculpture Trail	£77	£77	Sculpture heritage trail made up of 15 metal sculptures in and around the Stonehouse town centre area
Strathaven	Mill Improvements and Heritage Trail apps	£360	£306	To complete renovation works at Strathaven Town Mill, and the development of three town centre heritage Apps
Uddingston	UCSC Car Parking Project	£338	£338	Upgrading 80 and create 40 new parking-spaces at Uddingston Cricket & Sports Club
Ashgill	No Submission			

Blantyre	No Submission			
Kirkfieldbank	No Submission			
Kirkmuirhill & Blackwood	No Submission			
Law	No Submission			
Rutherglen	No Submission			
Total		£19,518	£6,817	

6. Assessment

- 6.1. The completed applications were assessed based on the criteria agreed by Committee on 4 June, reflecting the Scottish Government conditions, the timescales involved and the challenges in delivering the objectives of the fund. Each project was independently assessed by 3 officers within the Economic Development Service. The marks were combined and an average score calculated and projects ranked accordingly. The projects were then assessed against further criteria including deliverability, risk, links to government objectives and value for money and assessed against a red, amber green approach. This second stage led to the final ranking presented in Appendix 1.
- 6.2. This process and the scoring has been subject to an external peer review by officers in Scotland's Town's Partnership who have confirmed that process has been robustly undertaken and the outcomes are in line with their expectations.
- 6.3. During the application process, it was noted by several communities, mainly rural communities, that the definition of some town centres in the local development plan were very small and in turn this would limit the potential to bring forward projects. Through the guidance note issued, officers were able to provide advice that it would be reasonable, where there were no suitable projects within the defined town centre boundary, for projects outwith that boundary to be considered where it could be demonstrated they brought similar benefits to the town centre. This approach has been incorporated in the assessment process.
- 6.4. Some projects were not able to be considered for the full amount of funding requested by the applicant. The specific reasons are set out in the summary at Appendix 1, however, this included the total amount requested being disproportionate in the context of the total funds available, legal requirements such as state aid and eligibility criteria for aspects of the project. Despite these issues, the projects did demonstrate sufficient benefits for an offer of partial funding to be recommended. The amount of grant requested along with the proposed grant offer is detailed in Appendix 1.
- 6.5. Several communities lodged applications with similar themes around their local heritage and their desire to create heritage trails with apps accessed through mobile devices to provide enhanced visitor experiences. While each of these projects had to merit, none was able to score highly enough in its own right to attract funding. In recognising this common theme, it is recommended that an element of the fund be allocated to developing a South Lanarkshire wide app onto which each community will be able to add their own local heritage trail or features. This provides a similar outcome through a single, more cost effective route and gives the potential for additional communities to benefit.
- 6.6. As noted earlier in the report, the response from communities in the timeframe has been notable and has led to the submission of a number of applications that merit support. Unfortunately, the funding is limited and not all projects are able to be funded. However, the nature of the ideas are such that Economic Development Services will

offer support to groups, where possible, to assist in developing their projects and identify alternative sources of funding, where appropriate.

- 6.7 While the efforts of all parties have allowed officers to progress matters within tight timescales, the development of the projects still require further work and therefore carry a degree of risk that would, if time permitting, would have been resolved before reaching this stage. While every effort has been made to minimise this risk there remains potential for projects not to be delivered or have cost variations.
- 6.8 Background information on the details of the application received and their scoring are available from officers should Members wish to review this information.

7. Proposed Grant Offer and next steps

- 7.1. The ranking of the projects shown in Appendix 1 forms the basis of the recommendation to Committee in terms of which projects should be awarded funding. The table sets out a summary of the project, the amount of grant recommended to be allocated against each project alongside a summary of the outcome of the assessment process. As the detail of each project is developed and refined there may be the need to vary the exact amount of funding allocated to each project to ensure delivery of the overall programme of 10 projects (1-10). It is proposed this process be managed by officers on the basis of delivering the 10 projects within the overall £2.506m funding and this forms part of the financial reporting process set out in section 9.
- 7.2. There are a number of reserve projects which will be used as substitutes if issues arise in relation to the selected projects which results in any failure to deliver on cost or within timescale. As noted above, in bringing a substitute project into the programme this will be undertaken in a manner that will ensure the delivery of the remaining approved projects within the overall £2.506m funding.
- 7.3. The award of grant to all projects will be tied to a number of conditions which will be finalised by officers in Economic Development Services working with Legal and Finance colleagues. These conditions will include but not be limited to:-
- ◆ groups must deliver the project as described in their application
 - ◆ groups must use all endeavours to complete the projects within the timescales required
 - ◆ groups must agree to an officer of the Council being invited to all project meetings to monitor progress, timescales and spend
 - ◆ as determined by the Council, officers may provide appropriate additional support to ensure project delivery
 - ◆ groups must comply with all obligations placed on the Council, in relation to the management of the grant, by the Scottish Government, throughout the life of the grant period and subsequent monitoring period
 - ◆ funding can only be drawn down based on actual spend following the presentation of a valid payment certificate or equivalent. As noted in the information sessions and FAQ's, payment of the grant cannot be made in advance
- 7.4. All applicants, both successful and unsuccessful, will be notified of the Committee's decision and an offer of grant letter issued in early course.
- 7.5. Officers from Economic Development Services will work with each of the successful groups to complete the projects in line with their project plans and agreed timescale. This will include the initial baseline surveys requested by Scottish Government to ensure the monitoring of the projects is accurate and in line with fund requirements.

- 7.6. Officers will process claims as per the Grantvisor system, in consultation with colleagues in Finance and Corporate Resources.
- 7.7. Officers will update Committee with progress reports, 6 monthly review and project end review in line with Scottish Government requirements.

8. Employee Implications

- 8.1. The development and implementation of the projects will be supported by officers within Economic Development Services, in consultation and with support of other Council Resources as appropriate.

9. Financial Implications

- 9.1. The funds, where appropriate, will be brought into the Council's General Services Capital Programme and will be subject to the normal monitoring and financial processes. This will feed into requirements of the Scottish Government to report on progress and identify spend.
- 9.2. To ensure transparency of payment, Officers will monitor and manage the claim and payment process through the Grantvisor system.

10. Other Implications

- 10.1. Due to the diverse portfolio of projects, the timescales within which projects have been developed and the capacity of groups involved, there is a risk that some projects may not proceed in the way envisaged and fail to meet the timescales required.
- 10.2. Ultimately, this could result in grant not being expended in the relevant time frame and opportunities to implement these specific projects will not be maximised. This may result in project funding being withdrawn. To mitigate this risk, where possible, a reserve list of projects has been compiled and will be used if needed.
- 10.3. There are no issues in terms of sustainability from the recommendations made in this report.

11. Equality impact assessment and consultation arrangements

- 11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.
- 11.2. Consultations have been co-ordinated by Economic Development Services with a range of other Council Services which have an ongoing role in delivering services and initiatives in our Town Centres. This consultation and co-operation will continue throughout the duration of the initiative.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

9 August 2019

Link(s) to Council Values/Ambitions/Objectives

Improve the quality of the physical environment

- ◆ Support the local economy by providing the right conditions for growth, improving skills and employability
- ◆ Improve health and increase physical activity
- ◆ Partnership working, community leadership and engagement

Previous References

- ◆ Community and Enterprise Resources Committee, 4 June 2019 – Town Centre Capital Grant Fund

List of Background Papers

- ◆ Application Guidance
- ◆ Weekly FAQ reports
- ◆ Applications from Eligible Towns
- ◆ Assessment of Applications

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact: -

Iain Ross Project Manager, Planning and Economic Development Services

Ext: 4227 (Tel: 01698 454227)

E-mail: Iain.ross@southlanarkshire.gov.uk

Appendix 1 - Town Centre Fund Project List

Ranking	Group	Town	Project	Project Value	Fund Request	Fund Offer	Rational
Projects recommended for Funding							
1	Lanark Community Development Trust / Clyde Valley Housing Association	Lanark	<u>Lanark Town Centre Regeneration Project 1-</u> Fund the purchase of the Royal Oak for subsequent demolition and rebuilt as residential, mixed use developments	£2,100k	£225k	£225k	Very good leverage in terms of value for money (89%). Improving the town centre by removing a derelict building at a key point and provides positive outcomes with both commercial and social rented potential. Match funding, project management and maintenance fully covered inclusive purchase/acquisition.
2	Hamilton Bid/ Clyde Valley Housing Association	Hamilton	<u>Hamilton Town Centre Developments - Project 1</u> To allow redevelopment of the former Hamilton Advertiser Building as a residential development ,	£3,400k	£300k	£300k	Very good leverage in terms of value for money (92%) and improving the town centre by removing a derelict building and providing social housing. Match funding, project management and maintenance fully covered includes site purchase/acquisition.
3	EK Dev Co	East Kilbride	<u>East Kilbride Town Centre Shared Workspace and Innovation Hub</u> To create 10,000 sq. ft. of business start-up space on floor 7 of Plaza Tower. Space for 60 start-ups including common space and day rental desk and office space.	£816k	£416k	£200k	The project has good leverage in terms of value for money (24%) and improving the town centre by providing potential for diversity of use and employment in the town centre. Potential State aid issue results in reduced offer. Match funding, project management and maintenance fully covered
4	Hamilton Bid/ Clyde Valley Housing Association	Hamilton	<u>Hamilton Town Centre Developments - Project 3</u> Redevelopment of the Vogue Cinema as a mixed use residential and retail developments.	£3,200K	£340k	£340K	The project has good leverage in terms of value for money (89%) and improving the town centre (subject to the constraints of the listed façade) at a key point and provides the right outcomes for the fund. Positive outcomes with

							both commercial and residential potential. Match funding, project management and maintenance fully covered
5.	Hamilton Bid/ SLC	Hamilton	<u>Hamilton Town Centre Developments - Project 2</u> Redevelop the Poundstretcher site as a mixed use residential/retail development.	£1,200K	£176k	£176k	Very good leverage in terms of value for money (86%) and improving the town centre by removing a derelict building at a key point and provides positive outcomes with both commercial and social rented housing.
6	Cambuslang Community Council	Cambuslang	<u>Restoring Civic Pride, Transformation of Cambuslang town centre streetscape.</u> Streetscape improvements including pavement resurfacing.	£1,424k	£1,424k	£620k for Phase 1	The project will enhance the physical environment of the town. The cost of the full project in comparison to the funds available is disproportionate. As this project is phased in the application, the proposal is to support phase 1 through this funding and continue to explore funding opportunities for future phases
7	Combined South Lanarkshire for Heritage Trails	Multiple	Bothwell, Stonehouse, Douglas, Strathaven Potential for all other communities			£150k	Taking the 4 heritage trails and tendering the works to achieve best value. This would deliver a more cost-effective solution for all towns.
8	Forth and District Development Trust	Forth	<u>Rainbow Café and Cinema</u> To create a cinema and kitchen café in town centre hall for community town centre events and increase town centre footfall.	£55k	£55k	£55k	Strong links to the town centre, business growth and employment. Maintenance cover agreed within plan, management of project to be clarified with a clear project management structure.
9	Carnwath Community Council	Carnwath	<u>Carnwath Town Centre Transformation – Project 1</u> To create an enterprise hub on the site of the “Old Garage and School. New kitchen in the town hall. New roof on the masonic hall and new signage for hairdresser	£518k	£518K	£260k purchase of land and building only (Phase 1)	Business hub element scores well. The funds for purchase of land and building will assist the group to move the project forward. Further funding can be investigated for Phase 2.
10	Lanark Community	Lanark	<u>Lanark Town Centre Regeneration Project 3 –</u>	£180k	£180K	£180k	Improves space for parking and ability to hold events with access

	Development Trust		Creation of improved access by demolishing a building at Hunters close				through Hunters close to the high Street. Includes site acquisition.
Total Grant – £2,506,000							
Reserve Projects							
11	Lanark Community Development Trust	Lanark	<u>Lanark Town Centre Regeneration Project 4</u> – Creation of improved access by demolishing More Choices building	£120k	£120K	0	Improves access from existing parking areas but lower return in terms of value for money Town already benefiting from multiple projects
12	Hamilton Bid/ Clyde Valley Housing Association id	Hamilton	<u>Hamilton Town Centre Developments – Project 4</u> Redevelop the old Travel Centre as a mixed use residential retail development	£600k	£104k	0	The project has good leverage and provides the right outcomes for the fund. Town already benefiting from multiple projects
13	Strathaven and Glassford Community Council	Strathaven & Glassford	<u>Strathaven Heritage projects - Project 1</u> Complete the refurbishment of the Town Mill	£360k	£306k	0	The application not fully developed with no business plan or cash flow to support the ongoing management of the site. With continued project development, the project has strong potential for future or alternative funding.
14	Lanark Community Development Trust/ Clyde Valley Housing Association	Lanark	<u>Lanark Town Centre Regeneration Project</u> Fund the purchase of the Vogue for subsequent demolition and rebuilt as residential, mixed use developments	£3,300	£484	£0	The project has good leverage as must being provided by Clyde Valley Housing Association. Town already benefiting from multiple projects and there are access issues which constrain demolition of the former Cinema to create a housing site.
Reserve Total - £1,014,000							
Unsuccessful Projects							
15	Lesmahagow Development Trust	Lesmahagow	<u>Lesmahagow Town Centre Improvements</u> Improvements to McKirdy Park Play Area, improved play equipment, adjacent to the town centre	£130k	£90k	£0	Link between the park and town centre is evident but no information on how this will be used to increase footfall and increased business. Potential other sources of funding to be discussed with the group.

16	Carluke Development Trust	Carluke	<u>ONE Carluke, Rankin Gateway</u> To create an entrance at Rankin Gateway to Carluke Town Centre with mobile planters and trees and information displays. New street furniture, mobile stage and events equipment	£146k	£146k	£0	This project has links to the town centre action plan, enhanced footfall and increased business limited. There is no supporting Project plan as requested therefore the detail required to provide confidence that the project could be delivered is not evident.
17	Brighter Bothwell Group	Bothwell	<u>The Bothwell Heritage Project</u> Funding to create a Bothwell Heritage & Visitor Centre and app based Heritage Trail.	£246k	£221k	£0	Well thought out plan and agreement from all parties. Community support and additional support funding. Many of the benefits can be achieved through SL wide approach – see project 7.
18	Douglas Community Projects Group	Douglas	<u>The Good Sir James Statue</u> To erect a statue of the Good Sir James Douglas and create a heritage trail on a scenic walk around our local loch with ten points of historical interest.	£53k	£42k	£0	Well thought out plan and agreement from all parties. Community support and additional support funding. Many of the benefits can be achieved through SL wide approach – see project 7.
19	Stonehouse Business Association	Stonehouse	<u>Stonehouse Heritage Sculpture Trail</u> A sculpture heritage trail made up of 15 metal sculptures in and around the Stonehouse town centre area. These will be designed to represent an aspect of Stonehouse history, and will be sited in suitable locations.	£77k	£77k	£0	Well thought out plan and agreement from all parties. Community support and additional support funding. Many of the benefits can be achieved through SL wide approach – see project 7.
20	Strathaven and Glassford Community Council		<u>Strathaven Heritage projects - Project 2</u> Heritage Trail/ Hastie Museum	£112k	£112k	£0	Well thought out plan and agreement from all parties. Community support and additional support funding. Many of the benefits can be achieved through SL wide approach – see project 7.

21	Uddingston Cricket and Sports Club	Uddingston	<u>UCSC Car Parking Project</u> Upgrading 80 and creating 40 new parking-spaces at UC&SC including two electric charging points for use during midweek business hours	£338k	£338k	£0	Project is not in the town centre and it is unclear how project links to footfall and business development.
22	Coalburn Miners Welfare	Coalburn	<u>Building Improvements</u> Improve the outside of the Miners Welfare Building in the town centre to create a better image to support potential works with 3R Energy to create 'Adventure Tourism' at the former opencast site.	£94k	£94k	£0	Building is in the town centre and eligible. It is unclear how project links to footfall and business development.
23	Biggar and District Civic Society	Biggar	<u>Covenanters Bunkhouse Project – Phase 1</u> Convert the Greenhills Covenanters Cottage to a community-run bunkhouse accommodation. This project would allow full feasibility and design work for the conversion and purchase of the building.	£160k	£160k	£0	A strong project in its early stages and as such requires additional works including business and marketing plan to look at covering running costs. There are other potential sources of funding available that could assist with the project.
24	Larkhall Community Growers	Larkhall	<u>Larkhall Town Centre Transformation</u> A single project comprising of the following - sculpture restoration, additional play equipment, community space competition, litter campaign, anchored flag, solar noticeboard, pavement clean up.	£59k	£59k	£0	Elements of the project are revenue (maintenance) and would not be eligible and not be considered transformational. The remaining elements fall below the £50,000 threshold however, are potentially fundable from other sources and will be discussed with the group.
25	Lanark Community Development Trust	Lanark	<u>Lanark Town Centre Regeneration Project 5 –</u> The creation of additional parking at Castlegate Square/ Delves Park.	£480k	£480k	£0	Revenue implications for the Council which have not been addressed in the application Pre-empt the outcome of the parking review Town already benefiting from multiple projects

26	Hamilton Bid	Hamilton	<u>Hamilton Town Centre Developments – Project 5</u> Convert Duke Street car park to pay on exit.	£200K	£200k	£0	Revenue implications for the Council which have not been addressed in the application Pre-empt's the outcome of the parking review Town already benefiting from multiple projects
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