

# COMMUNITY AND ENTERPRISE RESOURCES COMMITTEE

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 6 February 2024

## Chair:

Councillor Robert Brown

## Councillors Present:

Councillor John Anderson, Councillor Ralph Barker, Councillor Walter Brogan, Councillor Andy Carmichael, Councillor Gerry Convery, Councillor Poppy Corbett, Councillor Andrea Cowan, Councillor Margaret Cowie, Councillor Maureen Devlin (Depute), Councillor Colin Dewar, Councillor Gladys Ferguson-Miller, Councillor Ross Gowland, Councillor Graeme Horne, Councillor Cal Johnston-Dempsey, Councillor Susan Kerr, Councillor Richard Lockhart, Councillor Hugh Macdonald, Councillor Ian McAllan, Councillor Kenny McCreary, Councillor Davie McLachlan, Councillor Carol Nugent, Councillor Helen Toner, Councillor David Watson

## Councillors' Apologies:

Councillor Joe Fagan, Councillor Martin Lennon

## Attending:

### Community and Enterprise Resources

D Booth, Executive Director; A Brown, Head of Enterprise and Sustainable Development Services; F Carlin, Head of Planning and Regulatory Services; K Carr, Head of Facilities, Waste and Grounds Services; K Lean, Economic Development Manager (Funding and Rural); C Park, Head of Roads, Transportation and Fleet Services

### Finance and Corporate Resources

J Davitt, Public Relations Team Leader; N Docherty, Administration Assistant; L Harvey, Finance Manager; E-A McGonigle, Administration Officer; E McPake, Human Resources Business Manager; L O'Hagan, Finance Manager (Strategy); M M Wilson, Legal Services Manager

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## Chair's Opening Remarks

The Chair advised that, in terms of Standing Order No 4(c), he had agreed to an item of urgent business in relation to the response to the recent winter storms.

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## Order of Business

**The Committee decided:** that the items of business be dealt with in the order minuted below.

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### 1 Declaration of Interests

No interests were declared.

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### 2 Item of Urgent Business – Response to Winter Storms

The Head of Roads, Transportation and Fleet Services provided a verbal update on the recent response by the Roads, Transportation and Fleet Services and the Grounds Service to the recent winter storms.

The powerful storms that had affected South Lanarkshire, and Scotland as a whole, had presented challenges. Staff from Roads and Grounds Services had worked around the clock to keep roads opened and communities connected. Over the course of the 2 recent storms there were:-

- ◆ 45 roads closures due to fallen trees
- ◆ 11 roads closures due to flooding
- ◆ 350 sites with fallen trees requiring to be cleared

A balance had to be found in terms of deploying staff under dangerous conditions whilst keeping roads opened. The work carried out during this period had been resource-intensive but had to be prioritised. There were lessons learned with regards to the need for an agile workforce.

Officers responded to members' questions on various aspects of the update.

The Chair, on behalf of the Committee, expressed appreciation to those colleagues involved in the response to the recent storms.

**The Committee decided:** that the update be noted.

*Councillors Carmichael and Watson entered the meeting during consideration of the above item business*

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### **3 Minutes of Previous Meeting**

The minutes of the meeting of the Community and Enterprise Resources Committee held on 7 November 2023 were submitted for approval as a correct record.

**The Committee decided:** that the minutes be approved as a correct record.

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### **4 Community and Enterprise Resources - Revenue Budget Monitoring 2023/2024**

A joint report dated 15 January 2024 by the Head of Finance (Strategy) and Executive Director (Community and Enterprise Resources) was submitted comparing actual expenditure at 1 December 2023 against budgeted expenditure for 2023/2024 for Community and Enterprise Resources and providing a forecast for the year to 31 March 2024.

Following the probable outturn exercise, the Resource was reporting a breakeven position after approved transfers to reserves of £0.240 million as at 31 March 2024. The breakeven position was due to underspends, as detailed at paragraph 5.2 of the report, which had been offset by a marginal over recovery of income from Planning and Building applications.

The Resource position as at 1 December 2023 was a breakeven position after approved transfer to reserves, as outlined in Appendix A. The breakeven position reflected underspends in employee costs and costs within Roads, Transportation and Fleet Services in relation to transport costs and an under recovery in parking income.

Details were also provided in appendices B to F on proposed budget virements in respect of Community and Enterprise Resources to realign budgets.

Section 6 of the report detailed an exercise which had been completed to look at the payment arrangement for utility costs for council owned, South Lanarkshire Leisure and Culture (SLLC) operated assets. The exercise had considered the ability of the Council to reclaim the VAT costs that were incurred on expenditure on gas and electricity. The proposal was that the Council would be responsible for, contract for and pay the utility costs for SLLC properties. Since SLLC would no longer be responsible for the expenditure, the management fee payable to SLLC would reduce by the same amount. For 2022/2023, the costs of utilities would have been £5.516 million.

Costs to the Council would change every year due to price and consumption changes, therefore, an annual review of the management fee would be required to ensure that there was no detriment to the Council's financial position in relation to consumption risk, as this would remain with SLLC. The net financial impact for SLLC would change every year, however, was expected to be in the region of £0.300 million.

The new arrangement would require changes to be made to the leases the Council held with SLLC for the use of facilities (to specify that the obligation to pay for utilities costs would lie with the Council as the landlord) and to the level of management fee payable to SLLC. The change would be effective from 2024/2025 and reflected in the 2024/2025 budget for Community and Enterprise Resources. The Committee was asked to approve the approach.

The Finance Manager responded to a member's questions in relation to the proposed changes to the payment of utilities by the Council on behalf of SLLC to deliver a VAT saving.

**The Committee decided:**

- (1) that the forecast to 31 March 2024 of a breakeven position after approved transfers to reserves, as detailed in Appendix A of the report, be noted;
- (2) that the breakeven position as at 1 December 2023 on Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report, be noted;
- (3) that the approach to the proposed changes to the payment of utilities by the Council on behalf of SLLC, as detailed in section 6 of the report, to deliver a VAT saving, be approved; and
- (4) that the proposed budget virements, as detailed in appendices B to F, be approved.

*[Reference: Minutes of 7 November 2023 (Paragraph 3)]*

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## **5 Community and Enterprise Resources - Capital Budget Monitoring 2023/2024**

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A joint report dated 17 January 2024 by the Head of Finance (Strategy) and Executive Director (Community and Enterprise Resources) was submitted advising of progress on the Community and Enterprise Resources' capital programme 2023/2024 and summarising the expenditure position at 1 December 2023.

The revised Capital Programme for 2023/2024 amounted to £38.577 million and this reflected a net decrease of £1.025 million which was approved by the Executive Committee on 22 November 2023 (£0.115 million increase) and 24 January 2024 (£1.140 million decrease). Details on those amendments were provided at Appendix A to the report.

At the 24 January 2024 meeting, the Executive Committee was asked to approve a separate exception on the Glasgow City Region City Deal, Greenhills Road project. Adjustments to the 2023/2024 capital programme for the Greenhills Road project would be made subject to approval of the Change Control Request from Glasgow City Region Cabinet.

As at 1 December 2023, expenditure was £17.094 million, which was £0.114 million behind programme. The underspend reflected timing of project expenditure on the Roads Carriageway programme, with recharges still to be processed for works completed to date. The projected outturn for the financial year was £34.100 million. This represented an underspend of £4.477 million and the majority of the variance was due to timing of spend on a number of projects which resulted in budget required in 2024/2025 rather than 2023/2024.

Details of those projects which would underspend in 2023/2024 were provided at paragraph 5.3 of the report.

**The Committee decided:**

- (1) that the Community and Enterprise Resources' capital programme of £38.577 million, and expenditure to date of £17.094 million, be noted; and
- (2) that the projected outturn of £34.100 million be noted.

*[Reference: Minutes of the Executive Committee of 22 November 2023 (Paragraph 4) and 24 January 2024 (Paragraphs 4 and 13) and Minutes of 7 November 2023 (Paragraph 4)]*

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## **6 Community and Enterprise Resources - Workforce Monitoring – September to November 2023**

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A joint report dated 21 December 2023 by the Chief Executive and Executive Director (Community and Enterprise Resources) was submitted on the following employee information for Community and Enterprise Resources for the period September to November 2023:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ staffing watch as at 9 September 2023

The Human Resources Business Manager responded to a member's question in relation to staffing watch data.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 7 November 2023 (Paragraph 5)]*

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## **7 Community and Enterprise Resource Plan – Quarter 2 Progress Report 2023/2024**

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A report dated 11 January 2024 by the Executive Director (Community and Enterprise Resources) was submitted on the Community and Enterprise Resource Plan Quarter 2 Progress Report 2023/2024 for the period 1 April to 30 September 2023.

The Resource Plan measures were rated using a traffic light system of red, amber or green as well as blue (BRAG) which indicated that an action had been completed.

Details were provided on:-

- ◆ progress made in implementing the priority projects identified in the Resource Plan Quarter 2 2023/2024, as detailed in Section 5.2 and attached as Appendix 2 to the report
- ◆ key achievements made by the Resource to date, as detailed in Section 5.3 of the report
- ◆ areas for improvement and the fact that none had been identified, as detailed in Section 5.4 of the report

The Head of Enterprise and Sustainable Development Services responded to a member's question in relation to the number of jobs created or sustained per annum as a direct result of Economic Development intervention.

**The Committee decided:**

- (1) that the Community and Enterprise Resource Plan Quarter 2 Progress Report 2023/2024, as summarised in paragraph 5.2 and attached as Appendix 2 to the report, be noted;
- (2) that the key achievements made by the Resource up to Quarter 2, as detailed at paragraph 5.3 of the report, be noted; and
- (3) that it be noted that there were no areas identified for improvement, as detailed at paragraph 5.4 of the report.

*[Reference: Minutes of 29 August 2023 (Paragraph 11)]*

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## **8 Renewable Energy Fund – Strengthening Links to Rural Priorities**

A report dated 22 December 2023 by the Executive Director (Community and Enterprise Resources) was submitted outlining proposed changes to the Renewable Energy Fund (REF).

Since 2004, the Council had collected and administered Community Benefit funding through the Enterprise and Sustainable Development Service. The Service was responsible for securing contributions from windfarm developers, advising potential applicants, assessing applications and the monitoring of projects to ensure that the community benefits associated with each project were delivered. Processes were reviewed continuously to ensure best practice in grant provision and monitoring was undertaken to ensure the necessary support was delivered to eligible communities.

The Council administered the Community Benefit element of REF for 42 windfarms within South Lanarkshire as well as the Community Benefit for Clyde Windfarm Fund (CWFF). Between the various funds, £3,111,584 of income was received in 2022/2023 which was split between REF (£2,020,682) and CWFF (£1,090,902).

The funds, as currently administered, covered a range of programmes which were detailed at paragraph 3.3 of the report. Over the last 15 years, £10 million had been awarded and invested within communities closest to the windfarms with each £1 of grant generating on average £3 of additional funding. Over the 15 years, over 500 grants had been awarded and, of those, over 110 had been grants of over £20,000.

The overall themes of the REF complemented both Council and community plans. Those themes are detailed below and a comprehensive list of investment priorities for each theme was provided in Appendix 2 to the report:-

- ◆ build stronger communities
- ◆ build prosperous communities

- ◆ develop healthy and active communities
- ◆ create sustainable and environmental communities

The number of windfarms, scale and community benefit income generated was increasing. The income had approximately doubled in 5 years to an estimated £2.5 million in 2023/2024. This allowed a review on how the funds could best support local communities and the strategic outcomes from the funds. There were several reasons to consider if the Community Benefit funds were delivering the maximum benefit to rural communities and those were detailed at paragraph 4.1 of the report.

The annual income from windfarm community benefits varied between communities and within wards, dependent on scale and proximity of windfarms, but was concentrated on 6 rural wards which formed the Rural Task Force. Some wards within East Kilbride and Larkhall also had access to the REF. All wards in the Council area were eligible for microgrants. The table at paragraph 4.2 of the report summarised the annual income available for rural wards, and selected communities, at the higher and lower range.

Additionally, some communities in wards 3 and 4 were eligible for funding from the CWFF which was administered by the Council, however, eligibility and funding decisions were made by a community panel and advised by SSE Renewables. The proposed REF changes did not extend to the CWFF.

Through the work of the rural Community Led Local Development Programme (CLLD), funded by the Scottish Government, and community engagement, such as the Rural Conference in March 2023, several strategic priorities had been identified which were not fully addressed via REF. Those priorities were as follows in order of community importance:-

- ◆ transport and connectivity
- ◆ recreation and community facilities
- ◆ rural entrepreneurial activity and business infrastructure
- ◆ jobs, training and employability
- ◆ environmental and net zero sustainability
- ◆ rural poverty and wellbeing
- ◆ tourist and visitor infrastructure to support tourism

It was proposed that the criteria for REF grants be amended to align and deliver on the challenges and to provide increased benefit for communities. The proposed amendments were outlined at paragraph 4.7 of the report and as detailed below:-

- ◆ an ability to fund revenue projects in addition to capital projects
- ◆ increase the small grants level to 100%, funding up to £20,000
- ◆ increase the large grants maximum grant to 75% and, in specific areas and with conditions, up to 100% grants would be available
- ◆ introduce a Rural Facilities Sustainability Fund to help communities consider asset ownership and retain facilities for a period of up to 3 years
- ◆ in consultation with communities, Community and Enterprise Resources would develop larger, more complex community projects on behalf of local communities and local needs

Further details and a comparison of changes were provided in Appendix 1 to the report. The proposed changes had been developed following consultation with the Council's Rural Task Force on 15 November 2023. Discussions had also taken place with the rural Community Planning Partnership (CPP), third sector interface and windfarm operators.

The proposed changes, if endorsed, would be referred to the next meeting of the Executive Committee for approval. Thereafter, application decisions would be made under the revised criteria. The changes would allow communities more scope to develop local initiatives and projects while reducing the Council's involvement and funding.

The Economic Development Manager (Funding and Rural) responded to a member's question in relation to windfarm operators and revenue funding.

**The Committee decided:**

- (1) that the key challenges for the rural area, as identified at paragraph 4.6, be noted; and
- (2) that the proposed amendments to the REF criteria, as set out at paragraph 4.7, be endorsed.

**The Committee recommended to the Executive Committee:** that the proposed amendments to the REF criteria be approved.

*[Reference: Minutes of 30 October 2018 (Paragraph 6) and Minutes of the Executive Committee of 31 March 2004 (Paragraph 12), 1 December 2010 (Paragraph 9) and 21 November 2018 (Paragraph 4)]*

*Councillor Toner left the meeting during this item of business*

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## **9 Community Benefit Funds Middle Muir: Connect2Renewables Programme Extension**

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A report dated 22 December 2023 by the Executive Director (Community and Enterprise Resources) was submitted seeking approval for the Community Benefit from Middle Muir Windfarm to continue to support the Connect2Renewables employability programme.

At the Enterprise Services Committee of 17 January 2017, approval had been given for the use of Community Benefit funds generated from Middle Muir Windfarm operated by Banks Renewables. This approval had included an allocation of £127,500, or 50% of the Community Benefit income per annum, to the Council to deliver Connect2Renewables (C2R) employability programme with the remaining 50% administered through the Council's Renewable Energy Fund (REF) programme. This agreement was to operate until 2023 with further allocations to the C2R programme to be subject to review and agreement.

The windfarm was located between the villages of Douglas and Crawfordjohn and comprised of 15 turbines. In 2017, this generated £255,000 of Community Benefit and, with inflationary Retail Price Index, this had increased to £348,906 in 2023. The eligible area for use of the Community Benefit from the funds was shown in Appendix 1 to the report.

The C2R employability support programme delivered help to unemployed people and/or people who required support for skills development within the eligible area of the windfarm to get into study or work. The 5 categories of support available from the fund were detailed at paragraph 3.3 of the report.

A study had been commissioned by Banks Renewables in early 2023 on the outcomes of the Community Benefit funds and C2R, and the results were summarised in the table at paragraph 3.4 of the report. The study concluded that the initiative had been a success and had significantly benefited the target groups within the area.

Following agreement with Banks Renewables and the Council's Employability Service, it was proposed that Middle Muir Windfarm C2R programme be extended for a further 5 years to 2028 and that the contribution from the Community Benefit fund be increased to a maximum of £174,453 per annum, calculated as 50% of the annual income as at 2023.

Currently, one FTE post at Grade 3, Level 2 was funded through the C2R programme and this post would continue using the Community Benefit fund. Additional staffing needs would be reviewed as required.

**The Committee decided:** that it be approved that the funding support for the Connect2Renewables employability programme be extended for a further 5 year period to 2028, and the contribution to the programme be increased to a maximum of £174,453.

*[Reference: Minutes of Enterprise Services Committee of 17 January 2017 (Paragraph 7) and Minutes of the Executive Committee of 31 March 2004 (Paragraph 12)]*

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## **10 Lanark Racecourse Masterplan and Wider Racecourse Update**

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A report dated 22 December 2023 by the Executive Director (Community and Enterprise Resources) was submitted:-

- ◆ informing of the work that had been undertaken to prepare the Lanark Racecourse Masterplan
- ◆ seeking approval to publicise the Masterplan document
- ◆ informing of the next steps in implementing the Masterplan
- ◆ informing on progress to deliver the Lanark Community Workshop

Lanark Racecourse and surrounding woodland, part of Lanark's Common Good, sat on the edge of the market town and adjacent to Lanark Loch. Formerly a racecourse, the area now performed an important role as an open space for the town. As well as there being formal uses such as equestrian centre, grass and artificial sports pitches, the area was popular for walking, trail cycling and other outdoor leisure activities. The extensive nature and flexibility of the site also lent itself to one off events, such as horse and dog shows, caravan conventions, sports competitions and the occasional concert.

Lanark's Common Good was 'heritable and moveable property' which was owned by the Council and passed down through local government reorganisations from the former Burgh. Common Good assets were owned by the Council and managed for the benefit of the citizens of the former Burgh. Common Good funds were held separately from other local authority funds for accounting purposes. New rules in relation to Common Good were introduced by the Community Empowerment (Scotland) Act 2015 and, although the Lanark Racecourse Masterplan would form the foundation for external funding applications, the relevant legislation would require the community to be formally consulted prior to the delivery of any project where a property transaction would take place.

Following a competitive procurement process, Ironside Farrar had been commissioned to develop the Lanark Racecourse Masterplan and Priority Project Report. The Masterplan had been prepared under the guidance of officers within Enterprise and Sustainable Development Services, Property Services and South Lanarkshire Leisure and Culture (SLLC), in consultation with the community of Lanark. The process also had input from Historic Environment Scotland and NatureScot.

Development of the Masterplan involved engagement with the local community since the asset formed part of the Common Good and was predominantly used by local people. The Masterplan set out the process which was undertaken in its preparation and outlined the results of community and stakeholder engagements as detailed at paragraph 4.3 of the report. The initial consultation exercise had identified the racecourse's strengths and weaknesses, as detailed at paragraph 4.4 of the report, which had allowed the team to focus on how those could be improved or enhanced.



The Masterplan set out a range of recommendations as guided by the community and stakeholder engagement exercise. The main recommended actions/investments focused on building the site's quality, distinctiveness and appeal, as fully detailed at paragraph 4.5 of the report. An Action Plan summary formed part of the Masterplan and was provided in Appendix 1 of the report. The Action Plan, which would remain a live document, set out 26 actions, together with associated timescales and potential partners/lead organisations. The Masterplan was intended to support the development and delivery of projects and would assist in securing funding to deliver projects led by a range of partners. The Masterplan would be the basis to move forward, however, approvals relating to specific projects, including funding, delivery and individual business plans would be taken to the appropriate committee for approval.

The next steps and timescales were set out at section 5 of the report, whereby the Lanark Racecourse Masterplan would be taken to the Finance and Corporate Resources Committee and Clydesdale Area Committee for noting. Thereafter, the document would be published and made available for all parties with an interest in the site to guide future investment and management.

When the Masterplan was commissioned, the site of the equestrian centre buildings (Scottish Equestrian Centre and Hotel) was explicitly omitted due to ongoing lease negotiations. As a result of those negotiations, the current tenant had been given notice to quit and the Council would have vacant possession of the equestrian centre as of July 2025 and not July 2024, as detailed in paragraph 5.3 of the report. It was proposed that the window of opportunity to July 2025 be taken to test the market and find a new tenant for the buildings. A continuity of occupier would minimise any burden on the Council and the Common Good Fund. The first stage would be to appoint an appropriate property consultant to market test the viability of the facility as an equestrian centre or for an alternative use, releasing the grazing to support the delivery of the Masterplan.

Section 6 of the report detailed wider Lanark Racecourse related projects. In 2016, the Council had secured funding of £807,000 from the Scottish Government's Regeneration Capital Grant Fund to develop a Clydesdale Rural Development Centre. However, this project could not be delivered due to difficulties securing a site within the town. Work had been progressing since autumn 2022 to deliver a dual building project on the racecourse site. During the design process, it had become clear that the funding available would not allow the project to be delivered in its original form. Despite detailed enquiries, it had not been possible to secure sufficient additional funding streams either by the Council or the identified occupiers of the business space, Healthy Valleys. In agreement with the Scottish Government, the project had been reduced in scope to develop only the community workshop at this time.

The Council had offered to work with Healthy Valleys to assist in identification of new premises or site where a building project could be taken forward to meet its needs. The development of the Lanark Community Workshop had secured planning permission for a location close to the existing car park. The contract had been awarded and work would commence in spring 2024. The tenant of the Workshop was the Lanimer Committee.

The costs to the Council in preparing the Masterplan had been funded through external sources, with support from the Place Based Investment Programme (PBIP) approved at the 9 August 2022 meeting of the Committee. Each of the actions and projects identified in the Masterplan would require funding and would be considered on an individual basis. The Lanark Common Good Fund, supported by revenues attracted from the Common Good Estate, would continue to support activities related to the upkeep of Common Good assets. The use of those Funds to support new investment would only be considered where revenues allowed and approvals would be required. It was intended that external funding would lead the delivery of investment on the Racecourse and not Common Good Funds.

Council management of the site would continue within existing identified budgets.

### **The Committee decided:**

- (1) that the Lanark Racecourse Masterplan be endorsed as the guiding document for future management and investment at the racecourse site;
- (2) that the Lanark Racecourse Masterplan be reported to the Finance and Corporate Resources Committee and Clydesdale Area Committee for noting, and that it be approved for publication thereafter and made available to parties with an interest in the site; and
- (3) that the progress being made to deliver the Lanark Community Workshop be noted.

*[Reference: Minutes of 9 August 2022 (Paragraph 13)]*

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## **11 Inward Investment Strategy**

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A report dated 22 December 2023 by the Executive Director (Community and Enterprise Resources) was submitted providing an update on the work being undertaken to refresh the Council's approach to Inward Investment within South Lanarkshire.

Inward investment made a distinct and significant impact on Scotland's economy at both a national and regional level. The term 'inward investment' described both foreign direct investment (FDI) and similar investment from the rest of the UK into Scotland. Inward investment companies made a positive and significant impact on Scotland's economy. They were typically more productive and paid higher than average wages compared to domestic businesses. They were more likely to operate in export sectors and to have higher proportion of spend on research, development and innovation.

Scotland's Inward Investment Plan: Shaping Scotland's Economy set out the national approach to targeting and attracting inward investment. Scottish Development International (SDI) was Scotland's trade and inward investment agency. They engaged with major businesses and investors from around the world to encourage them to do business in or with Scotland. Over the last 12 months, the Council had sought to strengthen its relationship with key SDI representatives to be able to tap into the inward investment opportunities they provided. It was apparent that more could be done to strengthen the Council's approach to inward investment.

The Inward Investment Strategy consisted of 5 workstreams as follows:-

- ◆ establishment of a cross resource in-house team to drive forward investment in South Lanarkshire
- ◆ creation of a cross resource property enquiry database to track enquiries which could be monitored and analysed
- ◆ development of a stand-alone South Lanarkshire Inward Investment website to promote Council and key stakeholder sites
- ◆ development of a South Lanarkshire Inward Investment proposition document or 'pitch book'
- ◆ foster closer relationships with SDI, Scottish Enterprise, property agents, developers and investors

Those workstreams were detailed more fully in paragraphs 4.2 to 4.6 of the report.

The Enterprise and Sustainable Development Service had commissioned commercial property consultants, Ryden, to undertake a review of the commercial and industrial property supply in a number of areas across South Lanarkshire. This work was concluding and would be reported to the Committee in a separate report at a future meeting. The information would inform the market capacity to satisfy requests from inward investors as well as assisting expanding local companies to source suitable accommodation. Several issues had been identified that constrained the ability of the area to satisfy inward investment enquiries and those were detailed at paragraph 5.2 of the report.

Whilst the creation of an inward investment website would be important to accommodate new inward investment enquiries and meet the needs of expanding local companies, there was a need to have a supply of development ready sites. Sites owned by developers at Shawfield and Conexus at Poneil were development ready, however, key sites owned by the Council at Langlands in East Kilbride and Canderside in Larkhall, required investment to undertake structural works before those were market ready. Proposals were currently being developed for those sites.

It was intended that the new website would go live in April 2024. Marketing materials and a programme of targeted events during 2024 would help raise the profile of South Lanarkshire as an area to invest in. It was also intended to have presence at relevant exhibitions where South Lanarkshire could be promoted to a wider audience.

The development and implementation of the Inward Investment Strategy would be taken forward by officers within the Enterprise and Sustainable Development Service. A budget of £50,000 had been identified for the initial activity from the 'Get South Lanarkshire Working' budget and more limited funding for future activity would be met from existing revenue budgets.

The Head of Enterprise and Sustainable Development Services responded to members' questions on various aspects of the report.

**The Committee decided:** that the approach to Inward Investment within South Lanarkshire be approved.

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## 12 UK Levelling Up Fund – Round 3

A report dated 22 December 2023 by the Executive Director (Community and Enterprise Resources) was submitted on the outcome of round 3 of the UK Levelling Up Fund (UKLUF) and an overview of the next steps.

The UKLUF was a capital fund which could award up to £20 million for regeneration, town centre and cultural investments, and awards of up to £50 million for transport investments. Match funding of 10% was required. The UKLUF had a budget of £4.8 billion, of which £800 million was ring fenced for Scotland, Wales and Northern Ireland.

The UKLUF Round 1 was launched in March 2021 and successful bids had been announced in November of that year. Round 2 was launched in March 2022 and successful bids were announced in January 2023. The bids submitted by South Lanarkshire Council in the first 2 rounds of the UKLUF had been unsuccessful. Details of the bids were provided at paragraph 3.3 of the report.

In November 2023, the UK Government's Department for Levelling Up, Housing and Communities announced that, following feedback from local authorities and in line with the principles set out in the Funding Simplification Plan, Round 3 would see funding being awarded to high quality bids that had been submitted in Round 2 which was a move away from the competitive approach of the previous rounds.

On 20 November 2023, the Council received formal notification that UKLUF Round 3 awards would be allocated based on bids submitted in round 2, and that the following 2 bids had been shortlisted for an allocation:-

- ◆ National Business District: Shawfield Remediation and Development – a partnership project with Clyde Gateway Urban Regeneration Company (URC)
- ◆ Three Rivers Active Tourism: Clydesdale Way – a partnership project with Dumfries and Galloway Council and Scottish Borders Council

Full details of the project values, UKLUF grant requested and match funding requirements were provided in the table at paragraph 4.3 of the report.

UK Government officials had confirmed that the provisional award of funding was for those specific projects and that the money could not be used to support activity that was substantially different. Additionally, the award was subject to project validation, subsidy control checks and UK Government departmental sign-off.

Initial validation checks on both awards, which had a total value of £23,814,000, had been completed by the Enterprise and Sustainable Development Service (ESDS) in December 2023. Details were awaited of the next, more detailed validation and onboarding process.

Project outlines and next steps for the 2 bids were detailed fully in sections 5 and 6 of the report. The ESDS was working with colleagues across the Council to develop a Resource schedule which would identify staffing and support requirements within all Services involved and inform planning and work programmes. Match funding from the Council for the Three Rivers project was in place.

There followed a lengthy discussion during which members expressed concerns about the regrettable withdrawal of £5 million of capital funding from the Scottish Government to Clyde Gateway Urban Regeneration Company (URC), the partner of the Shawfield Remediation and Development project. Members were concerned about the impact this could have on the project.

Officers responded to members' questions in relation to:-

- ◆ the concerns expressed about the Shawfield Remediation Development project and Clyde Gateway URC due to the Scottish Government withdrawal of funding situation
- ◆ the Three Rivers Active Tourism project
- ◆ the UKLUF and whether it was a replacement to funding previously received from the European Union

**The Committee decided:**

- (1) that the outcome of the UKLUF Round 3 be noted; and
- (2) that the next steps be noted.

*[Reference: Minutes of 30 May 2023 (Paragraph 11)]*

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## **13 Community and Enterprise Resources – Notification of Contracts Awarded – 1 April to 30 September 2023**

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A report dated 11 January 2024 by the Executive Director (Community and Enterprise Resources) was submitted on contracts awarded by Community and Enterprise Resources in the period 1 April to 30 September 2023.

In terms of Standing Order Nos 21.8 and 22.5 of the Standing Orders on Contracts, Resources were required to notify the relevant Committee of contracts awarded. Details of the contracts awarded by Community and Enterprise Resources were provided in the appendix to the report.

The Head of Roads, Transportation and Fleet Services responded to a member's question in relation to the contract with Scottish Borders Council for the supply and application of tanker applied road surface coatings.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 7 November 2023 (Paragraph 12)]*