

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	21 August 2012
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Clyde Gateway Urban Regeneration Initiative
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Update Committee on the progress being made by the Clyde Gateway Urban Regeneration Company (URC) in South Lanarkshire and to outline its plans for the area contained in the 2012 to 2015 Operating Plan.

2. Recommendation(s)

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

- (1) that the good progress being made to date in South Lanarkshire in implementing the Clyde Gateway Urban Regeneration Initiative through the Clyde Gateway Urban Regeneration Company (URC) be noted.
- (2) that the extensive range of South Lanarkshire projects being planned as part of the URC's 2012 to 2015 Operating Plan be noted.

3. Background

- 3.1. In 2005, the Council agreed the vision and strategic goals of the Clyde Gateway Regeneration Initiative and to include its proposals within the new Local Plan being developed at that time for South Lanarkshire.
- 3.2. In 2006, the Clyde Gateway Regeneration Initiative was launched and in 2007 the Council approved the formation of an Urban Regeneration Company (URC) and the Business Plan setting out the vision and strategy for the Initiative, a phased work programme, financial modelling and delivery structure. A Members Agreement signed by South Lanarkshire Council, Glasgow City Council and Scottish Enterprise sets out the obligations and arrangements for the operation of the URC.
- 3.3. In 2008, The Clyde Gateway URC formally commenced operations from its offices at Bridgeton Cross and since then has set out to achieve the following objectives within a 20 year timeframe:
 - Create 21,000 new jobs (gross) in the Gateway area
 - Increase income at the regional level by £380 million
 - Increase the population within the URC area by 20,000
 - Provide 10,000 new homes in the area
 - Provide 400,000 sq m of employment space
 - Remediate 350 ha of derelict and contaminated land in the URC area

- 3.4 A number of activities have taken place over the last few years in South Lanarkshire which are helping to transform the area and work towards achieving the URC's objectives and outputs. These include:-
- acquisition of key sites and properties, including the purchase of Cuningar Loop, the former Greggs Bakery at Southcroft Road and various properties at Shawfield Industrial Estate, where the majority of existing businesses and local jobs have been supported and successfully relocated to more suitable sites
 - a Remediation Strategy to tackle chromium contamination in Shawfield in place and an engineering led master planning process nearing completion
 - the design of the strategic open space at Cuningar Loop, which will create a Commonwealth Games Legacy, completed in partnership with the Forestry Commission
 - the opening of the new Red Tree Business Suites in the former SLC Housing Office at Stonelaw Road, Rutherglen
 - a Strategic Drainage Plan prepared and other major infrastructure issues being dealt with, including the under grounding of high voltage electricity cables
 - various Employability Initiatives implemented to ensure that local people, including young people, benefit from Clyde Gateway investment
 - transfer of major land assets from SLC to Clyde Gateway URC underway to ensure that the URC's Programme of investment in these areas is not put at risk due to ownership constraints
 - public realm improvements between Rutherglen Main Street and the rail station completed
 - master planning exercise for Rutherglen Low Carbon Zone (site of the former Monogram company) complete

4. **URC Operating Plan 2012 to 2015 - Key Activities in South Lanarkshire**

4.1 The URC is prioritising future activity against a range of criteria, including:-

- Contribution to Clyde Gateway's three core strategic objectives and related performance targets:-
 - sustainable place transformation
 - increasing economic activity
 - developing community capacity
- Contribution to long-term transformational challenges facing the area:-
 - fragmented land ownership/CPO
 - remediation of contaminated land
 - integrated urban infrastructure including sustainable urban drainage
- transformational projects
- fit with key economic development growth sectors
- generation of financial returns for early re-investment
- ability to lever in other funds directly and indirectly
- prospect of further growth with reduced direct Clyde Gateway intervention
- ability to commit into future years

4.2 The recently approved Clyde Gateway Operating Plan for the period 2012 to 2015 includes a significant level of investment within the South Lanarkshire area of the URC boundary. The key areas of activity are:

- the new National Business District at Shawfield -Identified within Clyde Gateway's Operating Plan as the URC's main employment growth location with the potential to be a nationally significant mid-urban business park with

up to 300,000 sq m of new business space. The operating plan identifies the following elements of expenditure at this location:

Site Assembly and Demolition Work	£1.235 million
Site Development and Infrastructure Works	£21.201 million

It is anticipated that all acquisition and demolition works will be completed over the next 12 months with the first phase of remediation and infrastructure contracts commencing on site in Spring 2013.

- Rutherglen Low Carbon Zone comprising the former 'Monogram' site, Cambuslang Road, Farmeloan Road, Downiebrae Road and Cuningar Loop. These sites comprise a number of different projects which cover a wide spectrum of activity including the creation of business and industrial space at the former Monogram site, infrastructure and road improvements at Downiebrae Road and the creation of a new urban park at Cuningar Loop. Allocated spend within the current operating plan is:

Downiebrae Road / Cuningar Loop	£3.663 million
Monogram / Farmecross	£0.65 million

The Scottish Government recently announced a package of additional support aimed at the regeneration and enterprise projects within Clyde Gateway and which could be worth up to £2 million for the project and is intended to be spent on making the site 'development ready' by treating abnormal site conditions and ensuring that infrastructure and utilities have sufficient capacity to enable works to commence on site as soon as possible.

- 4.3 At present, the URC Operating Plan aims to kick start development in these key locations by removing the barriers to development. Should the above projects not be fully supported from other sources, i.e. private sector developers and investors, then the URC Board may have to consider direct provision in the light of private sector market failure. The current URC Operating Plan currently contains provision for some flexibility in this regard.
- 4.4 In addition to the physical works programme described above, the Council will continue to actively engage with the URC at every available opportunity in the joint promotion of Employability Programmes to support local unemployed people into jobs or training opportunities. If the development of the area is to be sustainable then this is a critical issue that has to be addressed by all of the relevant parties.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. The 2012 to 2015 Clyde Gateway Operating Plan is primarily funded from the Scottish Government. In 2004, the Council committed to support the Clyde Gateway Initiative to the tune of £8m. In response to this, the Council has allocated around £0.8 million per annum in its Capital Programme for projects which support the Initiative's aims and objectives. This commitment will end in 2013/2014 and any new commitment beyond then will require to be considered in the context of wider discussions on the Council's Capital Programme for 2014/2015 and beyond.

7. Other Implications

- 7.1. The risks associated with all projects are focussed on the potential for cost overruns or delays to the Programme of work. These risks will be managed by Clyde Gateway URC in consultation with Community and Enterprise Resources.
- 7.2 The physical projects planned under the 2012 to 2015 Operating Plan aim to incorporate the highest environmental standards and minimise carbon emissions.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy and, therefore, no impact assessment is required.
- 8.2. All necessary consultation has been undertaken.

Colin McDowall

Executive Director (Community and Enterprise Resources)

19 July 2012

Link(s) to Council Objectives/Values/Improvement Themes

- ♦ Support the local economy by providing the right conditions for growth, improving skills and employability.
- ♦ Strengthen partnership working, community leadership and engagement.

Previous References

- ♦ Minute of Executive Committee of 21 March 2007
- ♦ Minute of Executive Committee of 19 December 2007

List of Background Papers

- ♦ Clyde Gateway URC Board Report – April 2012

Contact for Further Information

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

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