

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	15 February 2012
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Scottish Government Vacant and Derelict Land Fund Programme 2012/2013 – 2013/2014
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update Committee on the progress being made during 2011/2012 in implementing the agreed South Lanarkshire Delivery Plan using the resources allocated to the area under the Scottish Government's Vacant and Derelict Land Fund.
- ◆ advise Committee of the proposals from the Scottish Government to provide a further allocation of Vacant and Derelict Land Fund money for the period 2012/2013 and 2013/2014.

2. Recommendation(s)

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

- (1) that the good progress achieved during 2011/2012 in delivering the agreed Vacant and Derelict Land Fund programme in South Lanarkshire is noted; and
- (2) that the proposed allocation of funds totalling £1.246m for both 2012/2013 and 2013/2014 from the Scottish Government's Vacant and Derelict Land Fund is noted and the delivery plan as set out in paragraph 5.2 is approved.

3. Background

3.1. The Scottish Government's allocation to South Lanarkshire under the Vacant and Derelict Land Fund for 2011/2012 was £1.558 million.

3.2. A Local Delivery Plan was required to deliver the key objectives of the Vacant and Derelict Land Fund (VDLF) which are to:

- Tackle long term vacant and derelict land
- Stimulate economic growth and wealth creation

3.3. The Council also has a statutory duty to review its area to identify contaminated land. It is further required to produce a strategy detailing how it will undertake site investigations in order to identify the contaminated sites and then how it will use its regulatory powers to achieve the required level of remediation.

3.4. The Council acknowledges that vacant, derelict and contaminated land acts as a major constraint to regeneration and impacts on the quality of life of many residents. The Council implements a programme of remediation of vacant, derelict and contaminated land sites, using a combination of its own resources and external funding from the Scottish Government. The section below examines progress made in implementing these programmes.

4. Progress to date in 2011/2012

4.1. *Scottish Government Vacant and Derelict Land Fund* - The Local Delivery Plan agreed by the Committee in June of last year identified the key priorities for the current year programme as:

- Clyde Gateway
- Town and Village Centres
- Area Regeneration Partnerships and settlements included in the worst 15% of the Scottish Index of Multiple Deprivation

4.2. The approved delivery plan for the 2011/2012 programme has a budget of £1.558 million. The specific projects where funding is being spent are:

- *Burgh Business Centre*
The final phase of the conversion of a Grade B listed former school building to 948 square metres of managed business space for new and relocating businesses setting up or operating in the Clyde Gateway URC area.
Project cost - £1.25 million VDLF grant- £275,000 Expenditure to date - £275,000
- *Remediation and creation of industrial space at Cathcart Place, Rutherglen.*
This will create 500 square metres of industrial accommodation for new and relocating businesses setting up or operating in the wider Clyde Gateway URC area.
Project cost - £1.25 million - VDLF grant – £351,000 - Expenditure to date - £351,000
- *Acquisition of 72 Cathcart Road, Rutherglen (former Cathkin Clean laundry)*
This 0.3 hectare site consists of a late 19th century vacant and derelict industrial building, in private ownership, which was used as a commercial laundry until 2007. It is in an extremely poor state of repair and its owner was previously approached by Clyde Gateway with a view to the URC acquiring the building in 2008 for redevelopment. This approach was unsuccessful but following a period of further negotiation the owner has agreed to sell the property to South Lanarkshire Council. The property is on the Vacant and Derelict Land Register. Works on site over the next 2 year period are expected to consist of demolition of existing buildings, including asbestos removal; site investigations; site remediation; preparation of the site for business use, initially in the form of industrial yardage; construction of up to 1000 square metres of modern industrial space suitable for new and relocating Clyde Gateway SME's. The property sale is expected to conclude in February 2012.
Project cost - £400,000 VDLF grant - £400,000 Expenditure to date - £0

- *Acquisition, Infrastructure, Remediation and Masterplanning works at the National Business District, Shawfield.*

This work, currently being undertaken by Clyde Gateway URC, includes land remediation at the site of the National Business District, Shawfield, currently contaminated by Chromium waste, and the construction of a new river crossing - the Shawfield 'Smart Bridge' linking the National Business District with Dalmarnock Rail Station and the Commonwealth Games National Indoor Sports Arena on the Glasgow City Council side of the River Clyde.

Project cost - £1 million VDLF grant - £300,000 Expenditure to date - £213,162

- *Site Investigations, Masterplanning and Infrastructure Improvements at Rutherglen Low Carbon Zone - Farmeloan Road, Downiebrae Road and Cuningar Loop, Rutherglen.*

This work, currently being undertaken by Clyde Gateway URC, is focussed on the Farmeloan area of Rutherglen in a key location within Clyde Gateway, adjacent to Rutherglen rail station, the M74 and the Commonwealth Games athletes village area. In overall terms the development will focus on the provision of high quality business space within a Low Carbon Zone development supplemented with outdoor leisure/greenspace at Cuningar Loop. Forestry Commission Scotland is working with Clyde Gateway and SLC on the greenspace element of the project (which will not be eligible for VDLF funding support).

Project cost - £800,000 VDLF grant - £220,000 Expenditure to date - £55,539

- *Caldwellside, Lanark*

Activity is focusing on the treatment and development of land to bring it back into active use. This project was originally programmed to utilise more of the VDLF grant, however a delay in Scottish Government approving an associated ERDF grant application resulted in the bulk of this expenditure being slipped into 2012/13 and funds diverted to the Cathkin Clean project listed above.

Project cost - £500,000 VDLF grant - £12,000 Expenditure to date - £12,000

5. Proposed Programme for 2012/2014

- 5.1. The Scottish Government has recently informed the Council that they intend continuing with the Vacant and Derelict Land Fund programme. South Lanarkshire Council and Glasgow City Council have been advised that they may receive a two year allocation whilst three authorities (Dundee, Highland and North Lanarkshire) will be allocated one year funding. The South Lanarkshire share is expected to be £1.246 million per annum. A condition of the grant is that 100% of allocated funds must be spent supporting projects within the Clyde Gateway Urban Regeneration Company area.
- 5.2. The formal award letter confirming the grant is awaited. It is proposed that expenditure for 2012/2014 will be allocated along similar lines to the 2011/12 project list with resources focussed on key projects within the South Lanarkshire area where Clyde Gateway are committed to delivering major projects designed to stimulate economic growth and wealth creation. It is therefore proposed that the funding be split across the following project headings:

- *Remediation and creation of industrial space at 72 Cathcart Road, Rutherglen.*
- *Acquisition, Infrastructure, Remediation and Masterplanning works at the National Business District, Shawfield.*
- *Site Investigations, Masterplanning and Infrastructure Improvements at Rutherglen Low Carbon Zone - Farmeloan Road, Downiebrae Road and Cuningar Loop, Rutherglen.*

The final agreement on the projects to be included and the budgets allocated to them will be the subject of negotiation with Clyde Gateway URC.

6. Employee Implications

6.1. None

7. Financial Implications

7.1. The 2012/2014 programme costing £2.492 million will be funded from the Scottish Government Vacant and Derelict Land Fund 2012/13 and 2013/2014 allocations, although the Council has still to be formally notified of the exact amount.

8. Other Implications

8.1. The risks associated with all projects are focussed on the potential for cost overruns or delays to the programme. These risks will be managed by Community and Enterprise Resources in consultation with Clyde Gateway URC.

9. Equality Impact Arrangements and Consultation Arrangements

9.1 This report does not introduce a new policy, function or strategy and, therefore, no impact assessment is required.

Colin McDowall

Executive Director (Community and Enterprise Resources)

11 January 2012

Links to Council Objectives/Values/Improvement Themes

- Support the local economy by providing the right conditions for growth, improving skills and employability

Previous References

- Enterprise Resources Committee of 15 June 2011

List of Background Papers

None

Contact for Further Information

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

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