

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	7 December 2021
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Place Based Investment Programme (PBIP) and Town Centre Capital Fund - Update
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update to members on the Place Based Investment Programme (PBIP) for 2021/2022
- ◆ seek approval to proceed with year 2 application process for the PBIP, subject to confirmation of the expected allocation from Scottish Government

2. Recommendation

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

- (1) that the update on the projects approved at the 29 June 2021 meeting of this Committee be noted; and
- (2) that the Executive Director (Community and Enterprise Resources) be authorised to proceed with the allocation of funding for the year 2 application process for the PBIP, as set out in section 5 of the report.

3. Background

- 3.1. The Scottish Government announced in its Programme for Government in February 2021 that it proposed to implement a place based investment programme over the 5 year period of the Parliament. The funding is targeted at addressing some of the challenges faced by Scotland's places across the country. The Government confirmed the details of the allocation of the funds to each local authority in a letter dated 10 May 2021 which included its proposal to allocate the funds on a weighted formula based on the number of towns and population in a local authority area and deprivation indices.
- 3.2. The Council was awarded £2.003m for the financial year 2021/2022 and was allocated across 11 projects and project development funding as set out and updated in Appendix 1. The award letter also set out the overall amount of funding across Scotland for the 5 year programme. Based on a pro rata calculation for subsequent years, the Council could receive approximately £1.4m in financial year 2022/2023 and £1.2m in each of the remaining 3 years of the programme, thereby providing a funding programme in the region of £7.003m over the 5 year period.
- 3.3. The confirmation of a 5 year programme allows a more structured approach to the preparation allocation and delivery projects when compared to previous annual allocations for town centre funding.

- 3.4. The objectives of the fund were set out in the report to Community and Enterprise Resources Committee of 29 June 2021 and are linked to the improvement of Places rather than being focussed solely on town centres. The Place Based funding allocation has, therefore, widened the eligible centres and the fund now covers all towns, villages and settlements in South Lanarkshire. This includes many of the neighbourhood centres which were not previously eligible and has allowed the appraisal process to recognise areas and assets beyond designated town centres, which are valued and supported by local communities. Nonetheless, it is important to note that the constraints around completing spend within the relevant financial year remain, and, therefore, year 2 funding of approximately £1.4m must be spent and/or fully committed by 31 March 2023, with future years following a similar structure.

4. Current Position

- 4.1. Following the Committee approval of 29 June 2021, officers in Economic Development Services have engaged with the individual project leads to confirm funding and agree detailed delivery structures. Officers have put in place an application and review process for communities looking to develop their projects for future years and the Council has received several proposals. A small amount of funding remains available (c. £15-20,000) for other communities to develop their projects by the end of this financial year, with a view to being able to apply for project funding in future years.
- 4.2. As agreed in the Committee report of 29 June 2021, this is the first update report to be presented to the Committee to monitor progress. Appendix 1 sets out the details on progress of each project to date.
- 4.3. The report to Committee on 29 June 2021 recommended that a process of direct allocation of funding projects be used in the first year, due to the time constraints placed on the Council. It was proposed a bidding process mirroring that used for the Town Centre funding over 2019 and 2020 be used for the allocation of funding for future years, commencing in the financial year 2022/2023. The intention was, therefore, for a report to be brought to this Committee in the spring of 2022 to seek approval to fund the projects which had scored highest in the assessment process.
- 4.4. However, the diary of Committee meetings, due to the election in May 2022, does not allow for this and consequently approval is sought for the Executive Director (Community and Enterprise Resources) to be given delegated authority to award funding in line with the previous accepted assessment criteria. While the level of the second year funding has been indicated by the Scottish Government, it has yet to be confirmed and we do not anticipate confirmation until spring 2022. It has, therefore, not been possible to formally open the application process early enough to allow sufficient preparation to report the outcome of bids to this Committee. Officers are also mindful that a number of groups are still in the process of working up their projects and submissions with support from the project development funding. Bringing the timescales forward to report to this Committee would have prevented them from meeting the timescales to be included in the year 2 programme. The time constraints requiring funding to be spent by the end of each financial year means that delaying the decision on what projects to support would result in undue pressure on the groups delivering these projects and add an unacceptable and unnecessary level of risk to the programme. The outcome of this process will be reported to the first available Community and Enterprise Resources Committee following the election. However,

waiting until that point in time would put projects at considerable risk due to the curtailed timeframe.

- 4.5. The Town Centre Capital fund has supported numerous projects across South Lanarkshire providing essential gap funding for many projects which would not have been possible without this funding. A number of these projects, such as the residential development projects are continuing beyond the date at which the Town Centre Capital Funding element has been spent. The programme for delivery always envisaged that they would continue beyond the timescales within which the funding support was to be drawn down. The funding has been used to forward fund some of the more challenging aspects of the projects allowing them to proceed when they would not otherwise have been viable.
- 4.6. A comprehensive update on the current status of the projects funded in year one of PBIP and Town Centre Capital Fund is shown in Appendix 1.

5. Next Steps

- 5.1. The response from our communities, in the extremely challenging timescales set out, has been exceptional. The groups' commitment and dedication to their communities is a credit to all involved and gives the Council, and hopefully communities and groups representing them, an enhanced working relationship from which to build future successes. For year 2, we aim to build on this and provide our communities with as much time as possible to prepare good quality applications and opportunity to deliver their projects. While the government have indicated the likely level of support under PBIP in year 2 it has yet to be formally awarded. The award letter for year one was issued to councils in May 2021 and we are yet to be informed if the confirmation of year 2, will be earlier in the year. In preparation, however, officers are engaging with as many communities as possible to allow them to be able to submit their bids for funding once it is in place. As an indicative timetable, officers will be ready to launch the funding immediately on receipt of confirmation and would aim to provide the following timescales which mirror previous application process and timescales. Should the award be earlier in the year it may be possible to increase timescales to ease the pressure on groups:-
- ◆ information document circulated online and through social media immediately following confirmation of award, with regular updates as required
 - ◆ online application system will go live immediately following confirmation of funding
 - ◆ officer support to applicants throughout the process
 - ◆ regular FAQ updates issued
 - ◆ close of application 5 weeks after launch
 - ◆ assessment of application 2 weeks after close
- 5.2. The engagement has taken different forms including supporting new initiatives to be worked up and strengthening and enhancing existing projects and bids to improve their prospect of securing funding and aid deliverability. While this engagement has been broad, officers would welcome approaches from any other groups or communities who have not done so yet. Members have been approached to make Economic Development Officers aware of organisations in their wards who may have a worthwhile project, and this is further encouraged moving forward.

- 5.3. In year one, several groups took advantage of the funding to develop new projects in support of full funding applications in future years. To support this, it is proposed that year 2 of the fund continues in the same format with £50k set aside as a capacity building fund targeted towards developing new projects through to application stage.

The award of grant to all year 2 projects will be tied to the same conditions as year one. 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
- ◆ where appropriate, as determined by the Council, that officer may become a full member of the project team to assist in 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. No pre-payment of grant can be considered

- 5.4. 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.

- 5.5. As noted above, an update report will be brought to the first available Community and Enterprise Resources Committee following the election, to update members on the applications, assessment and awards of funding.

6. Employee Implications

- 6.1. The continued development and implementation of this and future years of the PBIP will be taken forward by officers within Planning and Economic Development Services, in consultation with colleagues across all other Council resources and CPP partners as appropriate.

7. Financial Implications

- 7.1. On confirmation of funding from the Scottish Government, the year 2 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 the requirements of the Scottish Government to report on progress and identify spend.
- 7.2. The proposals in this paper will allow the Capital Programme funding allocation application process for year 2 of the PBIF to be launched as per the terms and conditions set out at approval in June 2021.
- 7.3. In respect of the size of the applications, many of the groups involved will not have the cash flow to finance their planned project and may request advance funding to allow their project to progress. In line with previous funds, forward funding of projects is not available.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. The projects and initiatives identified in this report will be delivered using a range of sustainable techniques and models, having regard to best practice and current construction industry guidance. It is also noted that many of the projects will result in the redevelopment of vacant buildings and land.

9. Other Implication

- 9.1. Due to the diverse portfolio of projects, the timescales within which projects have been developed and the capacity of groups involved assessed, however, there is a risk that some projects may not proceed in the way envisaged and fail to meet the timescales required.
- 9.2. 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. Equality impact assessment and consultation arrangements

- 10.1. 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.
- 10.2. Consultations have been co-ordinated by Economic Development Services with a range of other Council Services who 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)

8 November 2021

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, 29 June 2021 – Place Based Investment Program

List of Background Papers

- ◆ Application Guidance
- ◆ Weekly FAQ reports

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

Project Summary and Update

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
1 TCCF*	Royal Oak, Lanark	Social rented housing development on the site of a derelict hotel.	Development has all statutory consents in place and work began on site in April 2021 with completion expected in mid-2022	£345k / c£4m	Q 2 2021 / Mid 2022	Green
2 TCCF*	Former Hamilton Advertiser Building, Hamilton	Social rented housing development on the site of a former print works	Demolition works are complete, and the main works are progressing well. Completion spring 2022	£300k / £3.2m	Q1 2021 / Q1 2022	Green
3	East Kilbride Shared Workspace	To create 10,000 sq. ft. of business start-up space on floor 7 of Plaza Tower. Funds of £200k reallocated to the Civic Centre feasibility project as reported to 29 June Committee	Private sector match funding could not be secured, project not proceeding	N/A	N/A	Red
4 TCCF*	Vogue Site, Hamilton	Social rented housing development on the site of a former bingo hall Progress has been slower than anticipated due to COVID-19	Planning application lodged. Site investigations and essential repairs carried out. Contracts in place to proceed. Council approval to dispose of site to RSL obtained March 2021	£440k c.£4.3m	Q3 2021 / Q1 2023	Amber

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
		restrictions and procurement difficulties around materials however programme should still be achievable.				
5	Former Poundstretcher, Hamilton	<p>Redevelop the Poundstretcher site as a mixed use residential/retail development.</p> <p>Funds of £180k put back into the programme to support phase 1 delivery.</p>	Property could not be secured - project not proceeding	N/ A	N/A	Red
6 TCCF*	Cambuslang Streetscape	Streetscape improvements including pavement resurfacing.	Works progressing well despite some delays around materials. Completion due by the end of 2021	£845k	Phase Q1 2020 – Q4 2021	Green
7 TCCF*	South Lanarkshire Heritage App	Development of a South Lanarkshire wider town centre app.	<p>Second phase roll out in progress with the 9 more towns part of the launch. Towns now able to access the app include</p> <p>Hamilton, East Kilbride, Blantyre, Rutherglen, Cambuslang, Carluke, Larkhall, Lanark and Biggar.</p> <p>Promotional activity underway</p>	£150k / £240k	Phased Q2 2020 – Q4 2021	Green
8	Forth Café and Cinema	To create a cinema and kitchen café in town	Works complete	£60k	Q1 2021	Blue

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
TCCF*		centre hall for community town centre events and increase town centre footfall.				
9 TCCF*	Carnwath site assembly	Acquisition of a derelict site to facilitate a community project	Acquisition will be finalised on completion of remediation works by existing owner programmed by end of 2021. Development subject to other funding which is now in place	£335k / £650k	Q4 2021 Q4 2022	Green
10 TCCF*	Hunters Close, Lanark	Removal of a derelict building and creation of town centre car parking / market space	Works complete	£257k	Phased Q1 – Q3 2021	Blue
11 PBIP**	Rankin Gait, Carluke	Regenerate the Rankin Gait Precinct creating the Rankin Gaitway Community Space.	Design and procurement work progressing in line with programme to complete works by March 2021	£100k	Q1 2022	Green
12 PBIP**	Carnwath Community and Enterprise Hub)	Acquire retail premises and hold for the future benefit of the community.	Negotiations and legal work being finalised.	£25k	Q1 2022	Green
13 PBIP**	Forth Business and Outdoor Development	Creation of an outdoor space to expand the Rainforest Cafe at Forth, St Paul's church and provide a safe	Design complete and procurement works progressing in line with programme to complete works by March 2021	£75k	Q1 2022	Green

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
		space for various activities				
14 PBIP**	Welcome to Larkhall	The project aims to improve the appearance of the main shopping street, making it more attractive to shoppers and visitors.	Phase 1 heating project in Lighthouse community building complete and designs and statutory consultations being progressed on phase 2 signage project	£100k	Q1 2022	Green
15 PBIP**	Rutherglen Town Centre Business Support	Creation of a business hub providing space for new starts and/or existing business. A design improvement to extend the frontage of the shopping centre to include all shops	Works completed April 2021	£100k	Q2 2021	Blue
16 PBIP**	Development of the Thomson Suite in the Town Mill, Strathaven	Development of the Thomson Suite in the Town Mill, provision of a tourist information point in the town centre and further development of the Strathaven Inside Out app	Designs and statutory consultations being progressed	£100k	Q1 2022	Green
17 TCCF*	Newcross Centre Hub	Community/business/enterprise hub which will include office space,	Design complete and works out to tender	£1.27m	Phased Q1 2021 – Q2 2022	Amber

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
PBIP** RCGF***		private and shared facilities for businesses, a community café, youth activities and business start -up space Cost saving exercise required which has delayed programme				
18 TCCF*	EK Civic Masterplan	Feasibility work regarding the potential to move out of the Civic Centre which is underutilised and no longer fit-for-purpose investigate, and commission design work aimed at relocating remaining Council services into the East Kilbride shopping mall	Negotiations proceeding with Town Centre Owners and design progressing Following a period of transition, the new asset team representing the Town Centre have renewed the commitment to working with the council to deliver on this programme	£201k / TBC	Q1 2022	Amber
19 TCCF*	Near to Home Working	Pilot project to provide flexible business space for people who are working from home	Transport Scotland have put the project on hold due to concerns over budget and the availability and cost of materials. Alternative proposals are being progressed with the Town Centre Owners and will be reported in next update report.	£250 / £425k	Q1 – Q3 2021	Red

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
20 RCGF***	EK Zone	Community / business / enterprise business space alongside other public and voluntary sector partners	<p>Funding application unsuccessful. Project on hold until alternative funding secured.</p> <p>Refreshed application being prepared for RCGF 2021</p>	N/A	Q4 2022	Amber
21 PBIP**	Project Feasibility	Development of capacity and projects for future years	<p>Allocation of funding under Executive Director's delegated authority</p> <ul style="list-style-type: none"> • Lesmahagow TC improvements – up to £10k • Grow 73 – Community Garden – up to £10k • Blackwood Estate – Outdoor classrooms – up to £10k • Discover Lanark – outdoor seating – up to £10k • Kirktonholme pavilion improvements to make DDA compliant – up to £10k • Avon Bridge design and procurement – SLLC Bid – up to £10k 	£253k	Q1 2022	Green

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
			<ul style="list-style-type: none"> • Regent Centre Hamilton masterplanning – £50k • Silverbank Carpark resurfacing – £50k • Bothwell Library CAT – £28k • Forth additional project costs – £20k • Allenshaw Signage Improvements – up to £10k • Allenshaw Roads design – up to £15k • Biggar – Solar energy pilot – up to £10k 			
22 PBIP**	Halfway Community Council	Park refurbishment at Halfway Park including play equipment, drainage, and paths	Design and procurement work progressing	£100k	Q1 2022	Green
23 PBIP**	David Livingston Centre	Allow works which had to be removed from the original scope to achieve cost savings to be reinstated. These	Design and procurement work progressing in line with programme to complete works by March 2021	£400k	Q1 2022	Green

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
		include external features such as landscaping, play and picnic areas and paths linking to the Clyde and town centre				
24 PBIP**	Mitchell Arcade Rutherglen	Bring forward a package of improvements which will support the town centre, business and social enterprise	Design and procurement work progressing in line with programme	£300k	Q1 2022	Green
25 PBIP**	Newcross Centre HUB (Project 17)	Allow works which had to be removed from the original scope to achieve cost savings to be reinstated.	See project 17	£300k	Q1 2022	Green
26 PBIP**	Bothwell Community Council	Support projects in the Bothwell Futures community plan.	Design and procurement work progressing in line with programme on the group's priority project to complete a community asset transfer of the library	£150k	Q1 2022	Green
Total Funding			TCCF* – £3,408k PBIP** – £2,003k RCGF*** – £1,589 (£869k TBC) Total Grant Funding - £7m Estimated leverage of private sector investment - £10.4m			

Project Number FUND	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
			Total Project value – c.£17.4m			

*TCCF – Town Centre Capital Fund

**PBIP – Place Based Investment Programme

***RCGF – Regeneration Capital Grant Fund