

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	31 March 2020
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Town Centre Capital Grant Fund - Update
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update Committee on the changes to the programme delivery following a relaxation in timescales by the Scottish Government

2. Recommendation(s)

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

- (1) that the changes to the programme delivery, following a relaxation in timescales by the Scottish Government, be noted; and
- (2) that it be noted that a further update report will be submitted to Committee on 16 June 2020.

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. That 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. The key aspects of the funding requirements at that time were:-

- ◆ 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

3.3. 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.

- 3.4. Following a period for applications and assessment, a further report was brought to Committee on 3 September 2019 for Members' consideration and approval. The report set out the process for applications and assessment, with members subsequently approving the 10 highest ranking projects.
- 3.5. An update report was provided to Committee on 4 February 2020 which provided a general progress report to members in relation to the status of delivery of the projects. This report noted that project 5, which sought to bring forward the redevelopment of the former Poundstretcher building at Brandon Street, Hamilton had reached a point where it could no longer be delivered. The report further noted that the funding allocated to that project would be reallocated across the remaining projects, principally the Royal Oak in Lanark (project 1).

4. Project Delivery - Update

- 4.1. The delivery of the projects through the fund has progressed at pace and evolved in light of changing circumstances. Since the report on 4 February 2020, there have been 3 main developments on which to update members, which is the purpose of this report. These are as follows:-

1. All the reports to the Committee on this matter have sought to emphasise the challenging timescales associated with the delivery of the funds. This has been a common challenge to all the local authorities and representations have continued to be made to Government throughout this period. On 20 February 2020, councils were informed that the timescales have been revisited by the Government and an extension of 12 months has been granted, i.e. the funds are now to be fully committed by 31 March 2021 (previously 31 March 2020) and all expenditure is to be completed by 30 September 2021 (previously 30 September 2020).

This extension allows officers to continue to work with communities to deliver the existing projects under more realistic timescales which should result in stronger projects with more robust outputs and outcomes.

2. The application for additional funding of £1.89m, from the Scottish Government's Regeneration Capital Grant Fund (RCGF), in relation to project 4, the Vogue in Keith Street, Hamilton was not successful. Officers will continue to liaise with Scottish Government colleagues to understand the reasons for this, however, initial feedback is that the proposal only narrowly missed out on funding principally due to the high demand across the fund.

This funding would have allowed an enhanced project to be delivered, bringing benefits both to the development itself and the wider town centre. The project which will be delivered will revert to that originally envisaged at the time the town centre capital funding was approved, with a modest ground floor commercial unit and a flatted residential development on the remainder of the site. This project will still be of significant benefit to the site, local surrounds and the town centre as a whole.

3. Design development work on the project in East Kilbride (project 3) has identified additional costs to the project beyond that which can be supported from the town centre funding. This leaves the project unviable for the applicant and proposed operator. On this basis, the applicant is no longer progressing this project.

- 4.2. The consequences of the changes noted above are that there is a core group of 8 projects which will continue, in line with the originally envisaged timescales.
- 4.3. The removal of the 2 projects (projects 3 and 5) noted above from the programme provides a total of £376,000 (Project 3 £200,000 and project 5 £176,000) which can be considered for reallocation. As noted in the report of 4 February 2020, £95,000 of this money has been allocated to the Royal Oak (project 1) in order to ensure delivery. This increases the total grant funding for this project from £225,000 to £320,000. The balance of £281,000 is, therefore, available to be reallocated. Based on the work carried out on the remaining projects to date and the unsuccessful bid for additional funds for the Vogue project in Hamilton, it is anticipated that the other projects will require additional funding as designs are completed and tender returns are received.
- 4.4. Once officers, working with the successful applicants, have a clearer picture on the detailed costings of each project, likely to be in late spring/early summer, a further report will be brought to Committee to set out the proposed distribution of the unallocated funds across the 8 projects. In addition, should this process identify the opportunity to bring in a substitute project to the process, a recommendation for incorporating this into the programme will also be set out for members in the report.
- 4.5. In summary:-
- ◆ the programme of 8 projects will continue to be progressed
 - ◆ as set out at the 4 February 2020 Committee, £95,000 be allocated to the Royal Oak - project 1
 - ◆ officers will bring a further report to Committee on 16 June 2020 to set out proposals for the reallocation of £281,000 funding and an updated timescale for delivery of the overall programme by 31 March 2021

5. Employee Implications

- 5.1. 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.

6. Financial Implications

- 6.1. 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 the requirements of the Scottish Government to report on progress and identify spend.
- 6.2. To ensure transparency of payment, officers will monitor and manage the claim and payment process through the Grantvisor system.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. 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.

8. Other Implications

- 8.1. Due to the diverse portfolio of projects, the timescales within which projects were 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.
- 8.2. 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. Best endeavours will continue to be made to deliver all remaining projects within the available timescale.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. 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.
- 9.2. 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)

28 February 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ 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
- ◆ Community and Enterprise Resources Committee, 3 September 2019 – Town Centre Capital Grant Fund Update
- ◆ Community and Enterprise Resources Committee, 4 February 2020 – Town Centre Capital Grant Fund Update

List of Background Papers

- ◆ None

Contact for Further Information

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

Iain Ross, Project Manager

Ext: 4227 (Tel: 01698454227)

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