

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	15 September 2020
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Scottish Government Town Centre Capital Grant Fund - Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update Committee on the progress of the Scottish Government's Town Centre Capital Grants fund

2. Recommendation(s)

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

- (1) that the update on the Town Centre Capital Grant Fund programme delivery, following a relaxation in timescales by the Scottish Government, be noted; and
- (2) that the proposals for allocating underspends, as detailed in Section 4.2 of the report, be noted

3. Background

- 3.1. Following South Lanarkshire Council's allocation in April 2019 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 faced. Members asked that all 22 eligible town centres under the Scottish Government's criteria, be invited to bid for the money. Bids were received, assessed and 10 projects were subsequently approved by Committee on 3 September 2019.
- 3.3. 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.
- 3.4. A further update was provided by delegated authority as part of the Committee Agenda of 31 March 2020 which noted that there had been an alteration in the timescales for the delivery of the fund granted by the Scottish Government and provided an update on progress of the programme. Members will recall that funds must now be committed by March 2021 and spent by September 2021, an extension of one year.

4. Project delivery - Update

- 4.1. The delivery of the projects through the fund has continued to progress well despite the challenging circumstances. The current position on the 10 projects approved in September 2019 can be summarised as detailed below. Blue indicates project completed, Green, on target, Amber, with slippage, Red, major slippage/not proceeding.

Project Number	Name	Grant award	Revised grant	BRAG	Summary update
1	Royal Oak, Lanark – Social rented housing development on the site of a derelict hotel	£225k	£320K	Green	Agreement has been reached between the developer and the owner which has allowed a planning application to be lodged. This application was considered and approved at the 25 August Planning Committee. This will allow the developer to work towards a site start in the 4 th quarter of 2020
2	Former Hamilton Advertiser Building, Hamilton - Social rented housing development on the site of a former print works	£300k	-	Green	Planning consent has been approved and the developer commenced works on site immediately after COVID 19 restrictions were eased. They are well advanced with the demolition works and will move into the development phase on completion.
3	East Kilbride Shared Workspace – Conversion of office space	£200k	£0	Red	project not progressing due to withdrawal of private sector applicant
4	Vogue Site, Hamilton - Social rented housing development on the site of a former Bingo hall	£340k	-	Amber	Proposals have been amended following the unsuccessful application to the Regeneration Capital Grant Fund and it is intended that a planning application will be lodged in the late part of 2020
5	Former Poundstretcher, Hamilton –	£176k	£0	Red	Project not progressing due to owner not

	redevelopment of retail unit				wishing to dispose of the site
6	Cambuslang Streetscape – up trade of streetscape in the main street	£620k	-	Amber	Design was completed and works put out to tender in early 2020. Following a review of the programme and costs it was considered appropriate to delay the site start until after the initial phase of reopening of businesses has taken place. It is therefore now proposed to re-run the procurement exercise in late 2020 with a view to a site start in March 2021.
7	South Lanarkshire Heritage App – development of a South Lanarkshire wide town centre app	£150k	-	Green	Consultants appointed and continuing with community consultation via digital platforms. Target for app to go live in the final quarter of 2020. Initial feedback is very positive.
8	Forth Café and Cinema – conversion of space in a church to provide a community cinema and associated facilities.	£55k	£60k	Blue	The project is complete with the final aspects delivered soon after restrictions eased. There has been some modest cost increases as a result of COVID 19 and it is proposed that the £5k shortfall be covered by the underspend on other projects.
9	Carnwath site assembly – acquisition of a derelict site to facilitate a community project	£260k	£335k	Green	Agreement in principle has been reached with the owner of the site and an application lodged for additional funding from the REF and Levenseat to deliver the next phase of the project. (Subject of a separate report to this Committee). It is proposed that the additional 75k required as match funding for the REF to complete

					the funding package is addressed by underspends on other projects.
10	Hunters Close, Lanark – removal of a derelict building and creation of town centre car parking/market space.	£180k	-	Green	An application for the demolition of the derelict building has been approved and a tender awarded for the works. Once final preparations are in place works can commence in line with safe work practices.

- 4.2. The removal of the 2 projects (projects 3 and 5) noted above from the programme provided a surplus of £376,000 (Project 3 £200,000 and project 5 £176,000) which was available for reallocation. As noted and approved in the report of 4 February 2020, £95,000 of this money has been allocated to the Royal Oak (project 1) to ensure delivery. Furthermore, as detailed in the table above, £5k of the money has been earmarked for project 8 in Forth and £75k to project 9 in Carnwath, leaving a residual sum of £201,000 at the time of preparing the report. It is possible that some of the other projects will require additional funding as designs are completed and, tender returns are received and the remaining underspend will be redistributed to enable all of the projects to proceed as planned.
- 4.3. These increased costs are likely as a result of COVID-19 impacts through work methods, supply chains and delays to programmes. The report approved by this Committee in September 2019 gave the Executive Director (Community and Enterprise Resources) the delegated authority to reallocate the funds within the programme to maximise delivery and benefit for our town centres.
- 4.4. In summary, good progress continues to be made in delivering the projects given challenging circumstances and further updates will be brought back to Committee later this year.

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 have been 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)

26 August 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Support the local economy by providing the right conditions for inclusive growth
- ◆ Improve health care and wellbeing

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
- ◆ Community and Enterprise Resources Committee, 25 March 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