

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	24 November 2020
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Scottish Government Town Centre Funding – Phase 1 Update and Phase 2 Proposed Funding Allocation
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1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ update Committee on the progress of the projects funded from Phase 1 of the Scottish Government's Town Centre Capital Grants Fund, received in March 2019
- ◆ seek approval for funding allocation available from Phase 1 and allocation of funding from the Phase 2 of the Scottish Government's Town Centre Capital Grants Fund, received in September 2020

2. Recommendation(s)

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

- (1) The allocation of Scottish Government Phases 1 and 2 funding as detailed in the appendix be approved.

3. Background

- 3.1. Following South Lanarkshire Council's allocation in March 2019 of £2.506m from the Scotland-wide £50m Town Centre Capital Grants Fund, regular update reports on the progress of projects supported by this fund have been brought to the Community and Enterprise Committee for decision and noting, most recently on 15 September 2020.
- 3.2. Members may recall that all 22 eligible town centres under the Scottish Government's criteria, were invited to bid for this money. Bids were received and assessed, and 10 projects were subsequently presented to the Community and Enterprise Committee on 3 September 2019 and were approved by members.
- 3.3. On 15 September 2020, officers updated Members that, of the original 10 projects, only 8 continue to be progressed, the remaining two having fallen out due to one private sector partner withdrawing and another not willing to dispose of the site. Committee were also updated that that some of the funds from these two projects had been reallocated to a number of the remaining 8 projects to meet funding shortfalls and thereby ensure delivery. The Executive Director (Community and Enterprise Resources) was given delegated powers to do this within the £2,506m funding envelope.

- 3.4. Furthermore, a report was presented to this Committee on 31 March 2020 which provided an update on the extension by the Scottish Government to the original timetable for the Grant programme. Following that extension of time, projects must now be committed by March 2021 and spent by September 2021, an extension of exactly one year from the original timetable.

4. Phase 2 Funding – September 2020

- 4.1. On 18 September 2020, the Council was informed by Scottish Government that a further Phase 2 allocation of £18M was being made available to local authorities to augment the Phase 1 funding from 2019. South Lanarkshire's share of this second phase is £902,000. The timeframe to spend this Phase 2 funding is coterminous with the timetable for Phase 1 – i.e. the money must be committed by March 2021 and spent by September 2021.
- 4.2. Whilst undoubtedly positive news for local town centres, experience from the delivery of Phase 1 shows that this is a very tight and ambitious timetable. Indeed officers are sufficiently concerned that it may not be possible to spend the Phase 2 allocation on projects which have not commenced, or are not in an advanced state of preparation, with some or all of the necessary plans and permissions in place and with the ability for the Council to be able to control and drive the projects forward itself. This would be the case even if the Council was not faced with the additional challenges of delivery during a global pandemic. Some of the delays in the Phase 1 projects are related to the need to coordinate a range of partners and, although the partnership/collaboration approach has been positive in achieving shared outcomes, it has inevitably taken longer because of more than one organisation having to go through its decision-making processes.
- 4.3. Therefore, for the reasons stated above, it is proposed that c.50% of the Phase 2 allocation is allocated to ensuring that the Phase 1 projects, which were approved by members following a robust bidding and assessment process, can be completed successfully. The remaining c.50% of the Phase 2 funding is allocated to the Hamilton Hub Project (New Cross Centre) in Hamilton (£250,000) and the East Kilbride Zone project (£175,000). In addition, for East Kilbride, this also involved reallocating £201,000 from the previous East Kilbride Town Centre project originally supported in Phase 1 but which was not able to proceed. This will support the development of the Civic Centre project and, in essence, returning the funding to support East Kilbride Town Centre, however, for another project.
- 4.4. The appendix attached to the report sets out the proposed allocations. It should be noted that the potential underspends are indicative in some cases, and it will be necessary to again give the Executive Director delegation to act quickly and transfer funds where necessary amongst projects in both phases, whilst remaining within the total funding envelope of £3,408,00 (£2.506 m Phase 1 plus £902,000 Phase 2).
- 4.5. By way of background in asking members to support these Council-led proposals in Hamilton and East Kilbride, additional detail on their regeneration merits is provided as follows:-
- ◆ The New Cross (Hamilton Hub) project aims to re-purposing part of the 1970s shopping mall which has recently returned to Council control, as a community/business/enterprise hub which will include office space, private and shared facilities for businesses, a community café, youth activities and business start -up space. Positive discussions are progressing with a number of public, private and third sector organisations who, between them would run all aspects

of the facility. At this stage there is no formal commitment required, however, groups including VasLan, Hamilton CAB, SL Carers and Hamilton BID have expressed an interest. It is intended that this facility will support and provide sustainability for the remainder of the centre. The project has already benefited from a Regeneration Capital Grant Fund (RCGF) award of £720,000 and the proposed £250k additional funding from Scottish Government Phase 2 will add value and augment a funding package to enable the project to proceed. The funding will specifically be spent on design work, procurement, and reconfiguration of space in the Centre as well as wider improvements and upgrading to make it fit for its new enhanced purpose.

- ◆ The projects for East Kilbride Town Centre has 2 main strands to the proposals.

In the first instance the funding will support feasibility work regarding the potential to move out of the Civic Centre which is underutilised and no longer fit-for-purpose for modern service delivery, in turn, the site could be redeveloped. This approach was reported and approved at the Executive Committee on the 26 June 2019. In addition, officers will be able to investigate and commission design work aimed at relocating remaining Council services into the East Kilbride shopping mall.

The second element very closely mirrors the Hamilton Hub proposals set out above providing community / business / enterprise business space alongside other public and voluntary sector partners. As with the Hamilton Hub, officers have applied for RCGF money £790k to enhance the funding package for this project and whilst not yet secured, the application has been approved to proceed to stage 2 and submitted 5 November. The proposal has been titled the EK Zone for the purposes of the funding bid. If successful, this will add considerable value to the Scottish Government allocation.

The delivery of both these initiatives will increase and sustain footfall in the mall to support remaining businesses and offer local residents' improved access to a range of facilities and services in one location. If they progress the initiatives could also reduce revenue costs for the Council as the running / maintenance cost of the Civic Centre are onerous and to some extent not sustainable. These projects will be the subject of reports to appropriate future committees as they reach key milestones.

- 4.6. The Appendix attached to the report sets out the approved and proposed allocation of both phases of Scottish Government Funding and it is these allocations that report is seeking approval for. It also provides a status update on the projects using the BRAG system, with blue representing complete.
- 4.7. In inviting members to approve the allocation of the two phases of Scottish Government funding as detailed above, it should be noted that 6 town centres have received capital funding for projects (Lanark, Carnwath, Forth, Cambuslang, Hamilton and East Kilbride) with a number of others benefiting from the Heritage app project and others being able to join the app moving forward. In addition, as approved at the last meeting of this Committee on 15 September 2020, bids have been invited for funding from the Council's Capital Funding Programme for town centres. This is an allocation of £500k and, as agreed by members, additional weight assessing bids from the Capital Programme has been given to towns which have not been beneficiaries of Scottish Government funding. The assessment and recommendation following this bidding process is the subject of a separate report on this Committee agenda. If members agree the recommendations on both reports then a total of 10 town centres

will have received substantial regeneration funding for projects which will significantly enhance their vitality and viability as well as improving facilities for their users. Members are asked to note the tight timescale laid down by Scottish Government for the spend of their funding allocation, which has influenced the officers' recommendations, together with the recognition that the timescale around the Council's own Capital Programme remains within the control of the Council, thereby, allowing more flexibility and scope of delivery over a longer timescale.

5. Next Steps

- 5.1. The projects for which funding was awarded in earlier rounds are continuing in line with the BRAG position set out in the table in the appendix. Officers in Economic Development Services are continuing to liaise and progress these projects. The Hamilton project has secured external funding and preliminary works in terms of design are underway. It is anticipated this work will be completed early in the New Year which will then allow a tender to be issued. Discussions with the owners of East Kilbride Town Centre are progressing well and it is intended to bring a report to Committee in spring 2021 to provide an update on these discussions.
- 5.2. As before, members will be updated on the progress of these projects on a regular basis.

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.
- 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 initiatives.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

16 November 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
- ◆ East Kilbride Town Centre/ Civic Centre – Masterplan - Executive Committee on the 26 June 2019
- ◆ 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
- ◆ Community and Enterprise Committee, 15 September 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:-

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Appendix 1

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed (see separate agenda item)	RCGF Awarded	RCGF subject to approval	Proposed project funding total	BRAG
Fund Total		£2,506m			£902k	£500k	£720k	£790k		
1	Royal Oak, Lanark – Social rented housing development on the site of a derelict hotel	£225,000	£95,000		£25,000				£345,000	Green
2	Former Hamilton Advertiser Building, Hamilton - Social rented housing development on the site of a former print works	£300,000	-						£300,000	Green
3	East Kilbride Shared Workspace – Conversion of office space		£0						£0	Red
4	Vogue Site, Hamilton - Social rented housing development on the site of a former Bingo hall	£340,000	-		£100,000				£440,000	
5	Former Poundstretcher, Hamilton – redevelopment of retail unit		£0						£0	Red

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed (see separate agenda item)	RCGF Awarded	RCGF subject to approval	Proposed project funding total	BRAG
6	Cambuslang Streetscape – up trade of streetscape in the main street	£620,000	-		£225,000				£845,000	Amber
7	South Lanarkshire Heritage App – development of a South Lanarkshire wider town centre app	£150,000	-		£50,000				£200,000	Green
8	Forth Café and Cinema – conversion of space in a church to provide a community cinema and associated facilities.	£55,000	£5,000						£60,000	Blue
9	Carnwath site assembly – acquisition of a derelict site to facilitate a community project	£260,000	£75,000						£335,000	Green
10	Hunters Close, Lanark – removal of a derelict building and creation of town centre car parking / market space.	£180,000	-		£77,000				£257,000	Green

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed (see separate agenda item)	RCGF Awarded	RCGF subject to approval	Proposed project funding total	BRAG
	New Community Projects through application process – subject to separate report.					£500,000				Green
11 (New)	Newcross Centre Hub				£250,000		720,000		£970,000	Green
12 (New)	EK Civic Masterplan			£201,000					£201,000	Green
13 (New)	EK Zone				£175,000			£790,000	£965,000	Green
	Totals	£2,506,000			£902,000	£500,000	£720,000	£790,000	£5,418,000	