

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	4 February 2020
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	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 delivery of the projects approved for funding at the Committee meeting on 3 September 2019
- ◆ note the reallocation of funds due to the removal of project 5, the redevelopment of the Poundstretcher Building, Hamilton from the programme

2. Recommendation(s)

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

- (1) that the progress made in the delivery of the programme of projects in line with the approval on 3 September 2019 be noted; and
- (2) that the reallocation of funds from project 5, the redevelopment of the Poundstretcher Building, Hamilton to ensure delivery of the remaining approved projects, be noted.

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. Members may recall the key aspects of the funding requirements as follows:-

- ◆ 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. These projects were allocated funding as outlined in the report, which also identified 4 reserve projects which could be substituted should projects fail and funding and timescales allow. The report also included details on the governance and management of the delivery process which, due to the constrained timescales, require to be more onerous on applicants than would be the normal practice in project development. In these circumstances, officers from the Economic Development Service are liaising more closely with groups than would normally be the case under other grant funding situations to provide support, guidance and also to ensure the obligations placed on the Council by the Scottish Government are met.
- 3.5. In approving the Committee report on 3 September 2019, it was noted that an update report would be provided to the Committee on the status of delivery of the projects. This update is set out in the following section.

4. Project delivery - Update

- 4.1. Following the Committee on 3 September 2019, officers in Economic Development Services issued offer letters to all the successful applicants, met with the groups and put in place appropriate measures and programmes to deliver the projects. Each project has its own management structure, although in some cases there are common elements due to the same groups being involved.
- 4.2. Progress between the groups and officers in Economic Development has in the main been positive with the projects, at this point in time, on track to meet the funding criteria. It should, however, be borne in mind that all these projects are being delivered in a very condensed timescale and, as such, carry an increased risk of variation or potential failure. Every effort has been taken to mitigate or remove these risks, however, the nature of the funding and projects means a higher level of risk than would normally be the case will remain in place for the duration of the programme.
- 4.3. Progress on each of the projects is set out in Appendix 1.
- 4.4. As noted above, unfortunately it has not been possible to deliver the redevelopment of the Former Poundstretcher Building at Brandon Street, Hamilton (project 5) as attempts to progress an acquisition of the property were not successful as the owners are pursuing alternative proposals. It was highlighted in the 3 September 2019 report that it may be necessary to reallocate funds in such a situation. The Executive Director (Community and Enterprise Resources) was then given delegated authority by Committee to vary the exact amount of funding allocated to each project to ensure delivery of the overall programme. In turn, officers gave consideration on whether to allocate to the first reserve project or to provide additional support to ensure delivery of the approved projects.
- 4.5. Following the experience of delivering the other projects over the extremely condensed timescales, the funding in this case of £176,000, has been reallocated to the approved projects to maximise the prospect of delivery in the timescales and delivering the overall outcomes of the funding. The experience of delivering the projects over the last 5 months has led officers to conclude that the potential of successfully delivering one of the substitute projects in the time remaining is low. Further, in attempting to do so, would likely jeopardise the delivery of the rest of the

projects as it would involve diverting considerable resources from this already challenging delivery structure.

- 4.6. Based on the current position of the projects, it is anticipated that the reallocated funds will go to the Royal Oak project (project 1) in Lanark. This was the highest ranked project overall and has proven to be more complex to deliver than initially anticipated. The condition of the existing building, combined with its listed status, liaising with Historic Environment Scotland and a constrained site, has led to additional challenges around viability. The benefits do, however, justify the additional expenditure and, as the first reserve project is in Lanark, there is no material detriment to the overall programme. Had the funding not been allocated in this manner, there would have been an increased risk of this project failing as a result of being unable to deliver a financially viable scheme which addresses the physical challenges of the building. This, in turn, would increase the risk of failing to regenerate a very high profile site in Lanark Town Centre.
- 4.7. While the loss of a project in Hamilton is disappointing for that town centre, it should be borne in mind that Hamilton is still benefiting from 2 major projects, one of which may be materially enhanced through other additional funding which far outweighs the investment lost.

5. Next Steps

- 5.1. All projects are now at a sufficiently advanced stage to give officers confidence they will complete within the timescales required to comply with the terms of the Scottish Government Funding. Officers in Economic Development, supported by colleagues across a number of services, will continue to liaise with groups to ensure final delivery and compliance. This position does not remove or change the risks identified at paragraph 4.2 above.

6. Employee Implications

- 6.1. 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.

7. Financial Implications

- 7.1. 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.
- 7.2. To ensure transparency of payment, officers will monitor and manage the claim and payment process through the Grantvisor system.

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 Implications

- 9.1. Due to the diverse portfolio of projects, the extremely tight timescales within which projects have had to be 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.

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. Best endeavours will continue to be made to deliver all remaining projects within the available timescale.

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 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)

23 January 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

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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