

**EAST AYRSHIRE COUNCIL**

**CABINET MEETING – 19 AUGUST 2009**

**KILMARNOCK CONSERVATION AREA REGENERATION SCHEME –  
GRANT APPLICATION FOR WORKS AT 39 - 41 JOHN FINNIE STREET,  
KILMARNOCK (ATRIUM HOMES)**

**Report by Depute Chief Executive/Executive Director of Corporate  
Support**

**1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to seek approval of a Conservation Area Regeneration Scheme (CARS) grant in respect of the property at 39-41 John Finnie Street, Kilmarnock (Atrium Homes Ltd).

**2. BACKGROUND**

- 2.1 The 24 October 2007 Cabinet approved the CARS Grant approval process and agreed to delegate authority to the Head of Planning & Economic Development. The Full Council on the 25 June 2009 subsequently agreed a variation of this delegated authority to enable the Head of Planning & Economic Development to approve grant applications for priority buildings that are within 10% of the Indicative Total Grant Allocation contained in the CARS Approved Schedule, and to approve CARS small grant applications up to £25,000, and to disperse all grant payments under this scheme.
- 2.2 A CARS grant application has been received in respect of the property at 39-41 John Finnie Street which exceeds the delegated authority of the Head of Planning and Economic Development and therefore requires approval through Cabinet.
- 2.3 Planning and Listed Building Consent and Building Warrant approval have been granted.

**3. GRANT APPLICATION FOR WORKS TO 39 - 41 JOHN FINNIE STREET, KILMARNOCK (ATRIUM HOMES)**

- 3.1 A CARS grant application for grant assistance has been received relating to the replacement of the modern shopfront at 39-41 John Finnie Street, Kilmarnock.
- 3.2 This property is B listed as an individual building and also forms part of the A listed grouping of John Finnie Street which acknowledges the national significance of the street as a whole. The building is currently leased by Atrium Homes, with office accommodation on two floors. A

modern shopfront presently exists at the ground floor level of the John Finnie Street elevation, with a symmetrical three bay Italian Gothic style first floor.

- 3.3 The proposed works include the replacement of the existing modern shopfront with a new shopfront of traditional appearance and construction. This will improve considerably the appearance of this building and make an important contribution to historic streetscape of John Finnie Street.
- 3.4 The total cost of the grant eligible works inclusive of VAT and professional fees is £84,355.01, with a total project cost of £87,328.36. An indicative grant sum of £70,000 based on potential eligible costs had been discussed by the Development Planning and Regeneration Manager with the Chief Executive of Atrium Homes in the development of the scheme of works for this property. Based on costs as tendered, this equates to a grant intervention rate of 83%.
- 3.5 A number of issues have required to be resolved in respect of this project and the advice and guidance of Historic Scotland as the core funder of the Conservation Area Regeneration Scheme has been sought. Primarily this has been as a result of the reluctance on the part of the owner of the property to be the applicant for the CARS grant as a result of which the application has been made in the name of the tenant Atrium Homes. Given the non involvement of the owner this results in the Council being unable to request that a Standard Security be granted by the owner in favour of the Council and a Conservation Burden be placed on the Title of the property, which would normally be conditions of grants of over £25,000. In this case Historic Scotland has concurred with Officers' views that given that the tenant is a Registered Social Landlord and has a full repair and maintenance lease that the risk of either the grantee being unable to complete the works as agreed or failing to maintain the property once the works are completed is low. Further protection is available in any event in that the tenants as opposed to the owners can grant a security over their tenanted interest. Additionally, the grant monies are disbursed on a phased basis and only released on the issue of an Architect's Certificate
- 3.6 All of the procedures normally adhered to in respect of the assessment of the grant application by Atrium Homes have been followed and have resulted in a positive recommendation that an offer of grant be made.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The CARS budget is a special project budget held by the Council. The financial management of the CARS is governed by the Council's Accounting Policy Bulletins APB 27C and APB 27D specifically drawn up for the CARS and THI grant schemes. Sufficient funds are available within the CARS budget to fund this grant application.

## **5. LEGAL/PERSONNEL IMPLICATIONS**

- 5.1 The CARS Project Officer and Technical Assessment Team have assessed the grant application and prepared a report recommending approval of the grant application. Where a grant is approved it will be subject to standard conditions required by Historic Scotland to ensure high quality workmanship and that the objectives of the CARS are met. Additional conditions may also be attached depending on individual circumstances. As outlined in paragraph 3.5 above it has been determined in this instance to accept an application from Atrium Homes as opposed to the property owner, with the consequence of dispensing with the standard conditions in respect the granting by the owner of a Standard Security and Conservation Burden. A Standard Security will however be sought from the Applicant over their tenanted interest.
- 5.2 Offers of grant will be issued by the Solicitor to the Council following the appropriate authorisation.
- 5.3 There are no personnel implications.

## **6. COMMUNITY PLANNING/ POLICY IMPLICATIONS**

- 6.1 The project will contribute towards meeting the aims and aspirations of the 'Delivering Community Regeneration' Action Plan
- 6.2 There are no policy implications. The work that is the subject of the grant application is in conformity with the East Ayrshire Local Plan, the East Ayrshire Local Plan Alteration as modified and the Kilmarnock John Finnie Street & Bank Street Conservation Area Appraisal and Management Plan.

## **7. RISK MANAGEMENT IMPLICATIONS**

- 7.1 All offers of grant are subject to a condition requiring that "The Grantee shall, having first carried out the relevant risk assessments and ensured compliance with Health and Safety at Work Act 1974 and those relevant statutory provisions made there-under, take professional advice to ensure that adequate insurance cover exists to protect the existing structures and the contract works against all risks of loss or damage and to provide an indemnity in respect of all potential liabilities arising from the contract works." This wording has been agreed with the Council's Risk Manager.
- 7.2 As advised to Cabinet on the 24<sup>th</sup> of October 2007, the financial risks associated with the implementation of the CARS grant scheme are

being minimised by compliance with the Council's Accounting Policy Bulletins APB 27C and APB 27D.

- 7.3 The CARS Project Officer will also inspect the works and agree the architect certificates/submitted invoices prior to the payment of grant funding.

## **8. RECOMMENDATIONS**

8.1 It is recommended that the Cabinet agrees:-

- (i) to approve a CARS grant of £70,000 for a replacement shopfront of traditional design and construction for 39 – 41 John Finnie Street, Kilmarnock, with the Head of Planning & Economic Development being authorised to increase the offer of grant by up to 10% subject to the verification of any further additional costs by the CARS Project Officer.

**Elizabeth Morton**  
**Depute Chief Executive/  
Executive Director of Corporate Support**

10 August 2009  
FV-AN

### **LIST OF BACKGROUND PAPERS**

1. Report to Cabinet – 2 July 2008, Regeneration Projects & Budget Allocations.
2. Report to Cabinet – 24 October 2007, "Kilmarnock Conservation Area Regeneration Scheme – Grant Approval Process/Delegated Powers"

Anyone wishing further information should contact Karl Doroszenko, Development Planning & Regeneration Manager, Tel: 01563 576751

***Implementation Officer: Alan Neish, Head Of Planning and Economic Development***