

## **EAST AYRSHIRE COUNCIL**

**CABINET – 19 AUGUST 2009**

### **TOWN CENTRE REGENERATION FUND BIDS – PROJECT DEVELOPMENT**

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

#### **1 PURPOSE OF REPORT**

- 1.1 To update Cabinet on the submission and outcome of the three bids for Kilmarnock, Cumnock and Galston town centres to Tranche 1 of the Scottish Government's Town Centre Regeneration Fund and to seek approval for the next steps in developing the schemes further.

#### **2 BACKGROUND**

- 2.1 Scottish Government's strategies identify regeneration as playing a crucial part in enabling economic growth. In recognition of the important contribution made by Scotland's town centres to the achievement of sustainable economic growth, the Town Centre Regeneration Fund (TCRF) has recently been established. £60million is available in 2009/10.
- 2.2 The 20 May 2009 Meeting of Cabinet agreed, among other things, to the submission of bids to the TCRF for projects located in Kilmarnock, Cumnock and Galston town centres and, subject to approval of the bids by the Scottish Government, the consequential acceleration of the Capital Investment Programme. The Council's Tranche 1 bids were submitted to the Scottish Government on the deadline of 5 June 2009. The Cabinet also agreed that Tranche 2 bids will be put forward for consideration at a subsequent Cabinet.

#### **3 SCOTTISH GOVERNMENT ANNOUNCEMENT**

- 3.1 An announcement was made by the Scottish Government on the 6<sup>th</sup> August 2009 indicating that the Cumnock & Galston applications have been successful. A total of £749,000 has been approved for the "Cumnock: Creating Civic Space" project and £250,000 for the "Galston – Achieving Sustainable Regeneration" project. Unfortunately the Kilmarnock bid was unsuccessful at this stage, according to the Scottish Government's letter this was due to the deliverability of the project (based on a shortfall of funding), clarification is being sought from the Scottish Government. It is proposed therefore to resubmit the Kilmarnock bid to the second Tranche of TCRF (around £20m is available in this round), together with a bid for a project in Darvel. The deadline for this second round has been extended from 21 August to 28 August 2009.

#### **4. PROJECT DEVELOPMENT**

- 4.1 An important aspect of the TCRF process is the ability to implement a scheme and thereby incur expenditure within an acceptable timescale. Current advice is that

projects should be capable of being legally committed prior to 31 March 2010. In order to meet this challenging timescale, work on each of the Council's TCRF bids has been progressing from the date of submission.

- 4.2 For example, liaison and consultation with various Council services which have an interest in and can assist with the development of the projects (such as colleagues within the Roads and Transportation Division, Asset Management and Legal Services) has been undertaken. It is now proposed to engage professional external support to enable the successful projects to make satisfactory progress in line with TCRF timescales. Support will be required for design and specification development, the various statutory consent processes and tendering requirements in line with the project descriptions below. Cabinet is asked to agree that any appointment be tendered in accordance with the Council's normal procurement processes.
- 4.3 Should the Council confirm that it wishes to reapply under Tranche 2 of the bidding process for the Kilmarnock project, it may be necessary to engage external support but only on confirmation of TCRF funding. If, however, the bid is again unsuccessful, consultants would only be engaged once alternative funding is secured, if required.

## **5 'CUMNOCK: CREATING CIVIC SPACE' PROJECT**

- 5.1 The 'Cumnock - Creating Civic Space' project will meet the identified need for improved access to the town centre, provision of an attractive, high quality outdoor public space and removal of a vacant building on a key site. The project aims to create a town centre that residents, businesses and visitors can be proud of and is focussed on Cumnock Town Hall, an important civic and community building. The development of the project is seen as an integral part of the Council's approach to the regeneration of Cumnock Town Centre and on a strategic level, links directly to the Council's 'Delivering Community Regeneration' Action Plan and Cumnock Town Centre Masterplan.
- 5.2 The project includes the creation of a high quality streetscape improvement project to enhance the setting of the category C(S) listed Cumnock Town Hall, the demolition of the vacant and derelict former Bingo Hall in Glaisnock Street (which is now in Council ownership) and the formation of an improved access into the proposed new car park on the site of the former Burgh Yard. The focus of the proposal is to create a high quality outdoor space for people to congregate and interact in a town centre that has lost some of its identity over the years.
- 5.3 Seating areas will be created in an attractive landscaped area, lit up at night by a complementary floodlighting scheme that will emphasise the key features of the site whilst increasing community safety. Both the new civic space and the car park to the rear will incorporate the installation of CCTV coverage. The new civic space will link directly to the new car park to the rear of the Town Hall on the site of the former Burgh Yard. A planning application for the proposed new car park has recently been submitted by the Roads Division. A new access link for pedestrians and vehicles will be formed from Glaisnock Street to the car park. The access will be

constructed to adoptable standards and will alleviate potential congestion in the narrow residential streets in the vicinity of the Town Hall.

- 5.4 The successful bid to the TCRF for the 'Cumnock: Creating Civic Space' project totals £0.749m, with an estimated total project cost of approximately £1.134m. The Council's proposed contribution to the project includes the purchase and demolition of the former Bingo Hall and the construction of the new car park. Clearly, securing the funding from the TCRF has been crucial in taking the complete scheme forward quickly to implementation.
- 5.5 The cost of the formation of the car park and access is being met by approved allocations within the General Services Capital Programme. However, in order to implement the full "Creating Civic Space" project, it should be noted that £100,000 from the Council's approved accelerated Capital Programme will be used to contribute to the cost of demolishing the former Bingo Hall. The estimated total cost of demolition is £145,000. The TCRF approved funding includes a contribution of £45,000 to the demolition but the estimated total demolition cost is subject to surveys which need be carried out given the suspected presence of asbestos within the structure.
- 5.6 There are a number of planning, legal and procurement issues which require to be addressed during the development process of the project. These include securing the necessary statutory consents and ensuring that the rights of access for the residential garage to the rear of No4 Hall Terrace and to the electricity sub station are maintained. The design and procurement of the contracts for the demolition of the former Bingo Hall and the formation of the car park and access will be coordinated through the Roads Division. Due to the requirement for the specialist services of a landscape architect to finalise the design of the civic space, a consultant will be appointed for this element of the project, working in consultation with the Roads Division and Leisure Services to ensure that the two elements of the project are compatible and achieve a high quality finished product.

## **6 'GALSTON – ACHIEVING SUSTAINABLE REGENERATION' PROJECT**

- 6.1 The successful 'Galston - Achieving Sustainable Regeneration' project aims to increase footfall to the retail core located in Galston's Outstanding Conservation Area and support the creation of a vibrant town which is attractive to both residents and visitors. The submitted project proposes to achieve these aims by creating a new landscaped car park adjacent to the recently constructed Burn Anne flood defences and enable demolition and clearance at a prominent derelict site in the town centre. Community safety issues will be addressed through the installation of CCTV and additional lighting to the car park area and the adjacent Church Lane. The intention is that the project will enhance the Council's investment in the wider regeneration of Galston town centre and deliver long-term benefits to the community as a whole. On a strategic level, the project links directly to the Council's 'Delivering Community Regeneration Action Plan' and addresses a number of national and local outcomes.
- 6.2 The TCRF bid for the 'Galston – Achieving Sustainable Regeneration' project totals £535,000 with £285,000 committed from approved Council budgets. These costs include the acquisition of the proposed car park site to which there is currently no clear title and which may be in multiple ownership. In the event that owners cannot

be traced the Council will require to put in place a form of indemnity insurance against future legal claims.

- 6.3 Funding from the TCRF is vital to accelerate the creation of the car park and to prepare the vacant site for development. As with the Cumnock project, additional development to advance the Galston project to the stage of obtaining statutory consents and land acquisition, will ensure that the scheme can be implemented within the TCRF timescales.

## **7. 'KILMARNOCK – CONNECTING PLACES' PROJECT**

- 7.1 The bid to the TCRF for the 'Kilmarnock – Connecting Places' project for £1.156m, with an estimated total project cost of around £1.8m was unsuccessful at this stage. Clarification is being sought from the Scottish Government relating to the reasons for this decision. It is proposed that the bid is resubmitted to the second Tranche as clearly, funding from the TCRF is crucial to taking the total scheme forward in the short term. The project aims to greatly improve the environment and pedestrian connections between Kilmarnock Railway Station and the core retailing area through the introduction of high quality environmental and streetscape improvements. Improved surfaces, lighting, signage and street furniture will better connect the Railway Station to John Finnie Street, Portland Street, Strand Street, Bank Street and King Street. As part of the project it is proposed to purchase a gap site on Sandbed Street to create a new public space adjacent to Kilmarnock Water.
- 7.2 The project will be structured contractually to maximise the involvement of trainees. Community safety issues will be addressed through the extension of the CCTV system, the removal of unsightly graffiti and environmental improvements to Sandbed Street. Strategically, it is intended that the project will capitalise on the economic and social benefits of the rail service enhancements between Glasgow and Kilmarnock, with the introduction of a half-hourly service in late 2009.
- 7.3 Improvements to the urban realm within the Kilmarnock John Finnie Street/Bank Street Outstanding Conservation Area as a stimulus to economic regeneration are an integral aspect of the Kilmarnock Town Centre Strategy, the Ayrshire Joint Structure Plan and the Adopted Local Plan and Alteration (Finalised Version with Modifications). As such, the development of the 'Kilmarnock – Connecting Places' project is seen as a crucial element of the Council's approach to the regeneration of Kilmarnock Town Centre.
- 7.4 There are a number of planning, legal and procurement issues which require to be addressed during the development process of the project. These include securing the necessary statutory planning and roads consents and ensuring that legal issues around the siting of CCTV cameras, street lighting and the removal of graffiti, where these involve property in private ownership, are addressed. Additionally, direct input will be required from the Council's Legal Service to acquire the site at 1 Sandbed Street to enable the area to be transformed into a new public open space. A request for formal approval to proceed to purchase this site will be brought to Cabinet if necessary at the appropriate time. As outlined in paragraph 4.2 above it is proposed that the design and procurement of the building contract for the project be undertaken through the engagement of external professional support.

## 8. TCRF – TRANCHE 2 BIDS

8.1 In accordance with approved Council priorities for regeneration it is proposed that the following projects be put forward as bids to Tranche 2 of the Town Centre Regeneration Fund:

Project	Total Estimated Cost	Match Funding Secured	Indicative EAC Capital Programme Allocation	Bid amount to TCRF	Applicant
<b>Tranche 2 Bids – Application Deadline 28 August 2009</b>					
<b>Kilmarnock Town Centre Improvements</b> – Environmental and streetscape improvements centred on the Kilmarnock John Finnie Street/Bank Street Outstanding Conservation Area including Sandbed Street	£1.8m	£200k (Leader's Initiative)	£200k	£1.156m	EAC
<b>Darvel Town Centre Improvements</b> - Including the purchase of the Former Co-op site, East Main Street / Ranoldcoup Road, Darvel and the redevelopment of the site.	£1.8m	£0k	£120k	£300k	EAC

## 9. LEGAL IMPLICATIONS

9.1 Specific legal issues relating to each of the projects have been outlined under the relevant sections of this report. These issues will be addressed with the support and assistance of the Council's Legal Service. In summary these are as follows:

### Cumnock

- Ensuring that the rights of access for the residential garage to the rear of No4 Hall Terrace and to the electricity sub station are maintained

### Galston

- Ownership of the proposed car park site
- A form of indemnity to protect the Council interests in the event of legal claims from untraced owners.

#### Kilmarnock

- Installation of CCTV cameras, lighting and graffiti removal where these involve properties in private ownership
- The proposed purchase of 1 Sandbed Street

#### Darvel

- The proposed purchase of the former Co-op site, East Main Street/Ranoldcoup Road, Darvel.

9.2 Contracts will be managed in accordance with the Council's Standing Orders for Contracts. Procurement issues will be addressed with the support of the Council's Procurement Team.

## **10 FINANCIAL IMPLICATIONS**

10.1 On 20 May 2009, Cabinet agreed, subject to approval of the TCRF bids by the Scottish Government, indicative capital allocations for each of the projects from the regeneration funds approved through the Council's Capital Programme 2009-2019. The approved allocation for the Galston project is £200,000 and for the Cumnock project is £100,000. Now that the TCRF funding is secured for the Cumnock and Galston projects, the consequential acceleration of the Capital Investment Programme can proceed. Should the Kilmarnock project be successful in the TCRF Tranche 2 bid, the approved indicative allocation of £200,000 from the Capital Investment Programme can also be accelerated as can the allocation of £120,000 proposed for the Darvel Project.

10.2 The outline design and costings prepared in respect of the successful projects for inclusion in the TCRF Tranche 1 bids need to be developed further with appropriate professional support funded from the accelerated Capital Investment Programme.

10.3 Management and monitoring of project expenditure would be undertaken in accordance with both the Scottish Government and the Council's financial procedures.

10.4 To ensure sustainability of the projects, the ongoing maintenance costs will require to be met. The estimated annual maintenance cost for each project is as follows:

Cumnock	£25,000
Galston	£ 8,500
Kilmarnock	£22,000
Darvel	£ 2,000

These costs will need to be taken into account in terms of annual revenue budgets. This represents an additional recurring pressure of £57,500 per year which should be considered as part of the 2010/11 revenue budget setting process to cover the additional maintenance requirements of the above schemes.

## **11 PERSONNEL IMPLICATIONS**

- 11.1 There are no personnel implications arising from the TCRF bids.

## **12 POLICY IMPLICATIONS**

- 12.1 The implementation of the projects is in accordance with the Environmental Policies within the Alteration to East Ayrshire Local Plan (Finalised Version with Modifications), the Kilmarnock Conservation Area Management Plan and the aims of the Cumnock Town Centre Masterplan and regeneration project.

## **13 COMMUNITY PLANNING IMPLICATIONS**

- 13.1 An important aspect of bids submitted for consideration under the Town Centre Regeneration Fund is that they should have support from local partnerships. Each of the projects has been developed in collaboration with a wide range of partners and have the full support of the East Ayrshire Community Planning Partnership.
- 13.2 The 'Kilmarnock – Connecting Places' project and the 'Cumnock: Creating Civic Space' project fit within the Council's and its Partners strategic priorities in particular in relation to town centre regeneration. Within the Community Plan, the projects meet the aims and aspirations of the 'Delivering Community Regeneration' Action Plan 2009-2011. The projects are embedded in the Council's 'Integrated Regeneration Strategy' and link directly to Scottish Government National Outcomes and Local Outcomes articulated through the East Ayrshire Community Planning Partnership Single Outcome Agreement.

## **14 RISK MANAGEMENT IMPLICATIONS**

- 14.1 The key risk arising from this report relates to the potential for the projects not to proceed as anticipated. The accelerated timescale of the TCRF adds further pressure to legally commit projects by the end of March 2010. Regular review and monitoring of progress will assist in mitigating this risk.
- 14.2 Identified risks arising from specialist surveys of the former Bingo Hall building in Cumnock with regard to the existence of particular materials e.g. asbestos will be dealt with according to agreed procedures.

## **15 RECOMMENDATIONS**

- 15.1 Cabinet is asked to:
- (i) note the outcome of the three bids for Kilmarnock, Cumnock and Galston town centres to Tranche 1 of the Town Centre Regeneration Fund;
  - (ii) agree to the resubmission of the Kilmarnock project and the Darvel project detailed in Section 8 above to Tranche 2 of the Town Centre Regeneration Fund;

- (iii) note the requirement to accelerate the Capital Investment Programme to contribute to the cost of the Cumnock and Galston projects as detailed in sections 10.1 and that the programme will be similarly accelerated for the Kilmarnock and Darvel projects as detailed in section 10.1 subject to the TCRF bids being successful ;
- (iv) note the key stages involved in the further development of each of the projects as outlined in the relevant sections of the report;
- (v) agree to the engagement of professional support as required for each of the projects and the consequential financial implications;
- (vi) agree that the additional recurring pressure of £57,500 per year should be considered as part of the 2010/11 revenue budget setting process to cover the additional maintenance requirements of the projects;
- (vii) In view of the terms of complying with deadlines for the Scottish Government's Town Centre Regeneration Fund that Cabinet agree that those matters referred to in Recommendation 15.1 (ii) and (v) be implemented ahead of consideration by the Governance and Scrutiny Committee on the grounds of urgency as the call-in process would prevent the timeous submission of the applications; and
- (viii) otherwise note the contents of this report.

**Elizabeth Morton**

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

06 August 2009 (KD/SA)

FV-AN

## **BACKGROUND PAPERS**

Cabinet Report 20 May 2009: "Delivering Community Regeneration"

Cabinet Report 17 December 2008: "Cumnock Town Centre Regeneration"

The Town Centre Regeneration Fund – Information and Guidance; The Scottish Government, April 2009

Any person wishing further information on this report should contact Karl Doroszenko on Tel No. (01563) 576751.

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