

EAST AYRSHIRE COUNCIL

CABINET – 2 JULY 2008

REGENERATION PROJECTS & BUDGET ALLOCATIONS

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

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with an update on the programme of priority regeneration projects being progressed by the Development Planning & Regeneration Section; to note indicative funding allocations to projects from the Planning and Economic Development Project Budgets; and to seek a revision in the delegated authority approved by the Cabinet in relation to the approval and dispersal of grants under the Kilmarnock CARS scheme.

2. BACKGROUND

- 2.1 In order to address the agreed regeneration priorities identified by both the Council and the Community Planning Partnership, a wide range of projects are currently being progressed through the Restoring Communities Programme (RCP). In addition to this, the Kilmarnock Conservation Area Regeneration Scheme (CARS) and Townscape Heritage Initiative (THI) are being progressed. This paper provides a summary of the current situation.
- 2.2 Overall Planning and Economic Development Project Budgets have already been agreed, but to progress the individual projects identified in this report indicative budget allocations require to be agreed.
- 2.3 At its October 2007 meeting the Cabinet agreed to delegate authority to the Head of Planning & Economic Development to approve Kilmarnock CARS grant applications for priority buildings that are within 10% of the Indicative Total Grant Allocation contained in the CARS Approved Schedule; to approve CARS small grant applications up to £25,000, and to disperse all grant payments under this scheme. The Indicative Total Grant Allocations contained in the CARS Approved Schedule have now been amended and delegated authority is sought for these amended indicative total grant allocations.

3. PROJECTS

- 3.1 The RCP is a regeneration mechanism which incorporates a wide range of community, heritage and environmental projects, currently being progressed or assisted by the Development Planning & Regeneration Section. The projects include the following:
- Kilmarnock Railway Station and viaduct floodlighting
 - Kilmarnock Conservation Area Regeneration Scheme (CARS) & Kilmarnock Townscape Heritage Initiative (THI)

- Cumnock Town Centre Regeneration Project
- Cumnock Conservation Area Regeneration Scheme (CARS)
- Catrine Environmental Heritage Project (CEHP)
- Daldorch footbridge, Catrine
- Galston Town Centre Regeneration
- New Cumnock Regeneration Project
- Auchinleck Community Garden Project
- Building improvement projects (including Darvel)
- Newmilns Townscheme
- Maintenance of Amenity Areas including links with Community Service by Offender (CSBO)
- Revolving Fund for Demolitions

3.2 The projects listed are being funded from a wide range of sources including East Ayrshire Council, East Ayrshire Community Planning Partnership, Historic Scotland, Heritage Lottery Fund and various other smaller scale funders.

3.3 It should be noted that Fairer Scotland Funding has been secured from the Community Planning Partnership for the development of the Restoring Communities Programme (RCP), Kilmarnock CARS and THI. A total of £1,273,000 has been secured over a 3 year period. The secured funding is allocated as follows:

- RCP: £813,000 for the 3 year period 2008/09 to 2010/2011
- Kilmarnock CARS: £280,000 for the 3 year period 2008/09 to 2010/2011
- Kilmarnock THI: £180,000 for the 2 year period 2009/10 to 2010/2011

3.4 A brief summary of progress on the projects listed above and the detailed allocation of Fairer Scotland Funding is contained in Appendix 1 of this report.

4. DIVISION OF PLANNING & ECONOMIC DEVELOPMENT PROJECT BUDGETS

4.1 As indicated above the projects listed in paragraph 3.1 are being funded from a wide range of sources. Several of the projects have specifically allocated budgets but, there is a total of £627,408 of Planning and Economic Development Project Budgets including EAC Revenue and Fairer Scotland Fund budgets that require to be divided between priority projects. The following table details the proposed indicative funding allocations for the individual projects.

TABLE 1. Division of Planning & Economic Development Budgets Between Projects

Funding Source	Budget Allocation 2008/09	Project Name	Indicative Project Allocation
	£		£
Fairer Scotland Fund (RCP)	285,000		
		Kilmarnock TC Regeneration Strategy / Kilmarnock Railway Station	70,000
		Cumnock TC Regeneration/Cumnock CARS	60,000
		New Cumnock Regeneration Project	25,000
		Galston Town Centre Regeneration	15,000
		Auchinleck Community Development Initiative/BTCV	30,000
		Catrine Hatchery	10,000
		Catrine Community Trust	5,000
		Community Enterprise Projects	10,000
		Staff & Administration	60,000
EAC Revenue	150,000		
		Catrine Environmental Heritage Project - Stage 2 Development	50,000*
		Newmilns Townscheme	40,000*
		Daldorch Footbridge, Catrine	50,000
		Building Improvement Projects	10,000
EAC Revenue C/F	11,780		
		Barony Road/Barony "A" Frame	11,780
EAC Revenue Maintenance of Amenity Areas	37,500		
		Community Service by Offender	12,000

		Bin Liner Replacements	10,000
		Painting of Bins/Benches/ Replacement of Bollards	10,500
		Maintenance of Previously improved sites	5,000
EAC Revenue	160,000		
Revolving Fund for Demolitions			
		Acquisition and demolition of 24 A Aftonbridgend, New Cumnock	15,000
		Acquisition and demolition of Riverside Flats, Galston	80,000
		Acquisition and demolition of Tam O'Shanter Roadhouse, Near Pathhead, New Cumnock	15,000
		Direct Action on Vacant & Derelict Buildings	50,000
TOTAL	627,408		627,408

NB* Previously Agreed by Cabinet

5. DELEGATED AUTHORITY TO APPROVE AND DISPERSE GRANTS UNDER THE KILMARNOCK CARS SCHEME

- 5.1 The Indicative Total Grant Allocations contained in the Kilmarnock CARS Approved Schedule have now been amended as a result of improved information on the estimated total project costs being received, and the inclusion by Historic Scotland of 75 John Finnie Street (Tannahill's) as a priority project. The estimated Total Eligible Project Cost has risen from £2,697,116, to £4,675,497 and the indicative grant level anticipated has risen from £2,096,857 to £3,516,498. To date £2,937,107 grant funding has been secured. However, an additional £579,391 still requires to be secured to fully fund all the identified projects. However, it is unlikely that all these projects will come forward for grant assistance. No grant assistance will be committed to any project unless the relevant funds have been secured.
- 5.2 Appendix 2 shows the revised CARS Approved Schedule. To assist in the efficient determination of grant applications delegated authority is sought for the Head of Planning & Economic Development to approve grant applications that are within 10% of the Indicative Total Grant Allocation contained in the CARS Approved Schedule for each category.

6. PERSONNEL IMPLICATIONS

- 6.1 Due to the continuation of the Restoring Communities Programme (RCP) and in line with the recently approved FSF funding, the two existing temporary posts of RCP Project Officers will be continued until 31 March 2010 after which the posts will be mainstreamed. The RCP programme will continue to be coordinated by Planning Staff within the Development Planning and Regeneration Section of the Planning and Economic Development Division.
- 6.2 The CARS Project Officer and Part Time Clerical Assistant are also employed on fixed term contracts through the Development Planning and Regeneration Section to develop and implement the CARS programme. These posts are jointly funded by the approved FSF budget and the Heritage Environment Regeneration Fund (HERF) approved by Historic Scotland. The CARS project will continue to be coordinated by Planning Staff within the Development Planning and Regeneration Section of the Planning and Economic Development Division.

7. FINANCIAL AND LEGAL IMPLICATIONS

- 7.1 There are no direct implications for the Councils' or Fairer Scotland Fund budgets as this report only seeks to disseminate already approved Planning & Economic Development Division budgets.
- 7.2 In order to fully realise the targets for the range of regeneration projects described above, significant external funding will require to be sought. Additional match funding may be required from the Council to fully achieve these targets, dependant on the success with external funders. However, any requests for additional funding will be the subject of a separate report.
- 7.3 There are no legal implications resulting from this report.

8. COMMUNITY PLANNING / POLICY IMPLICATIONS

- 8.1 The implementation of all these regeneration projects contributes significantly to achieving targets contained in the "Improving the Environment" and "Improving Opportunities" Action Plans of the East Ayrshire Community Plan.

9. RECOMMENDATIONS

9.1 Cabinet is asked to:

- i) **note the indicative funding allocations to projects from the Planning and Economic Development Project budgets, as per Table 1 above;**

- ii) agree to delegate authority to the Head of Planning & Economic Development to approve Kilmarnock CARS grant applications for priority buildings that are within 10% of the Indicative Total Grant Allocation contained in the revised CARS Approved Schedule (see Appendix 2) and to disperse all grant payments under this scheme.
- iii) Otherwise note the contents of this report

Elizabeth Morton
Depute Chief Executive/Executive Director of Corporate Support

18 June 2008 (CMcK/SA)

LIST OF BACKGROUND PAPERS

(1) Report to Cabinet – 24th October 2007 “Kilmarnock CARS – Grant Approval Process/Delegated Powers.

Anyone wishing further information should contact Karl Doroszenko, Development Planning and Regeneration Manager on 01563 576751.

Implementation Officer: Alan Neish, Head of Planning and Economic Development (01563)576759

1 PROGRESS ON REGENERATION PROJECTS

1.1 Kilmarnock Railway Station Refurbishment and viaduct floodlighting

Following the production of an options report, a funding package is being put together for the refurbishment and conversion of vacant floorspace at Kilmarnock Railway Station. It is intended that a separate report will be made to Cabinet on this project in due course.

The works to provide floodlighting in the arches of Kilmarnock viaduct is currently on site and is expected to be completed in August 2008. This project is being funded by the Council in partnership with the Railway Heritage Trust and will highlight this category 'B' listed structure. Located within the John Finnie Street & Bank Street Outstanding Conservation Area, the floodlighting project will emphasise the structure's great architectural value and highlight it as a central feature within the Kilmarnock Townscape Heritage Initiative and Conservation Area Regeneration Scheme.

1.2 Kilmarnock Conservation Area Regeneration Scheme (CARS) & Kilmarnock Townscape Heritage Initiative (THI)

Progress is being made with a number of buildings identified as priority buildings with the CARS programme. Tenders have been invited to carry out works to 2 significant buildings and fabric condition surveys have been commissioned and produced for another 2 buildings. A number of projects are now coming forward through the CARS small grants programme with the improvement of a shop unit in John Finnie Street forming the first completed project. The THI Stage 2 documents have now been submitted to HLF with the outcome expected in September 2008.

1.3 Cumnock Town Centre Regeneration Project

This large scale regeneration project is progressing well and the following significant activities have been or are being undertaken:

- a **Joint Venture partnership** has been formed with East Ayrshire Council and Deanway Muir to progress the office and retail elements of the project;
- a firm of specialist **project managers** (Davis Langdon) has been appointed to manage the technical aspects of the overall project;
- a range of **investigative and technical studies** are currently being undertaken including site investigation works which started on site during the week beginning 16 June;
- a consultant (Reith Lambert) has been appointed to assist with the management and redevelopment of the retail centre;
- the **design** of the proposed office development has progressed to the detailed design stage following consultation with service users;

- the **Cumnock Town Centre Liaison Forum** has been established and meets regularly to ensure clear communication on progress. The Forum consists of representatives of the local business community and Elected Members;
- a **project base** has been set up in a vacant shop unit within Glaisnock Centre which will incorporate window exhibitions for the regeneration project;
- two **'Local Heroes' artwork banners** consisting of artwork from local schools are being produced to hang on the exterior elevations of the Glaisnock Centre.

1.4 **Cumnock Conservation Area Regeneration Scheme (CARS)**

A tender invitation has been issued to appoint a team of consultants to provide survey, assessment and building repair cost information and a draft Conservation Appraisal to enable the Council to make a funding bid to Historic Scotland for a Conservation Area Regeneration Scheme for Cumnock Conservation Area. It is intended that the bid for the Cumnock CARS will be submitted by the end of September 2008. A separate report is to be presented to this Cabinet on the proposed Cumnock CARS project.

1.5 **Catrine Environmental Heritage Project (CEHP)**

Following approval by Cabinet on 26th March 2008, a main grant Stage 1 bid was submitted to HLF for the CEHP. This project aims to establish and implement a range of proposals to conserve, enhance and promote the historic and environmental importance of Catrine whilst enhancing local economic development opportunities. The development of the Catrine Trout hatchery, which forms part of CEHP, is nearing completion on site and will provide a valuable environmental and educational resource for East Ayrshire.

1.6 **Daldorch Footbridge, Catrine**

A temporary footbridge is currently being leased by East Ayrshire Council and was installed in June 2007. Historic Scotland only permitted the Council to locate the temporary bridge on the site as a short term measure on the basis that the Council would develop proposals for a permanent bridge, of a high quality design. Engineers were appointed to carry out site investigations and design a new bridge to replace the "B" listed bridge. The final report on the site investigations and recommended bridge design were completed in March 2008 and were used as a basis for planning and listed building applications to remove the old footbridge and to construct the new one. Decisions on the applications are expected shortly. Funding is currently being sought to implement this project.

1.7 **Galston Town Centre Regeneration**

In order to address the visible decline of Galston Town Centre, it is proposed to take a proactive approach to improving key sites and buildings within the town centre. This approach will focus on Council accommodation at 7-9 and 11 Cross Street; the informal car park at Church Lane; and the acquisition and conversion of privately owned properties within the Town Centre. A separate report is to be presented to this Cabinet regarding the Galston Town Centre Regeneration.

1.8 **New Cumnock Regeneration Project**

As a result of a growing concern over the number of vacant and derelict properties within New Cumnock a local community group was formed and approaches were made to East Ayrshire Council asking for its assistance them to address the problems. Meetings were held with the owners of the worst properties to discuss and agree what improvements should be made and notices are about to be served on those that have made little or no attempt to improve the appearance of their premises.

An officer group has also been established by East Ayrshire Council to draw up a series of reports on the current status of the village including the local economic and social position and on economic regeneration with the aim of producing a whole town strategy for New Cumnock.

A baseline status report giving background and statistical information on the town is complete and draft reports on Tourism Development and Funding Opportunities are at an advanced stage. It is planned that New Cumnock will be incorporated into a Prince's Foundation for the Built Environment organised an Enquiry by Design event similar to that carried out for the "Knockroon " area of Cumnock and its findings and recommendations will assist in the development of an implementable regeneration strategy.

Proposals by the Coalfield Environment Initiative to establish a wildlife garden near the centre of the town are progressing well.

As part of the New Cumnock Regeneration Housing Initiative Area proposals at Cairnhill, approval was obtained at the 4th June Cabinet to declare surplus to requirements properties and associated ground at Greenbraes Drive, New Cumnock and to market the site and carry out the associated re-acquisitions and demolitions

1.9 **Auchinleck Community Garden Project**

Significant progress has been made with this community project with an increasing number of volunteers contributing to the development of community gardens throughout Auchinleck. Coordinated by the Auchinleck Community Development Initiative and with project management provided by BTCV, the project has been extended to include provision of advice and maintenance services to the Barony 'A' Frame project and Netherthird Community Garden Project.

1.10 **Building Improvement Projects** (including Darvel)

Various individual building improvement projects out with the main towns and priority settlements are being investigated where a proactive approach to the potential development of these buildings, such as the former Darvel Co-op, is being pursued.

1.11 **Newmilns Townscheme**

Continuing the success of previous years, funding has again been secured through Historic Scotland to implement a Townscheme grant programme in Newmilns. It is anticipated that a number of properties will benefit from this scheme resulting in improvements to the historic fabric of the town.

1.12 **Maintenance of Amenity Areas**

A programme of maintenance has been prepared in consultation with Outdoor Services to ensure the maintenance of a range of sites which have previously been the subject of environmental improvement projects. The Community Service by Offender (CSBO) programme carries out maintenance on a number of projects, strengthening the links previously developed.

1.13 **Revolving Fund for Demolitions**

The revolving fund for demolitions provides potential funding to assist in the acquisition of vacant/derelict buildings, to enable their demolition and the future redevelopment of the site. Funds from the sale of the site are returned to the fund wherever possible. There is considerable scope to utilise this fund to assist with the Catrine, Galston and New Cumnock projects listed above.

2. **FAIRER SCOTLAND FUND**

2.1 Fairer Scotland Funding has been secured from the Community Planning Partnership for the development of the Restoring Communities Programme (RCP), Kilmarnock CARS and THI. A total of £1,273,000 has been secured over a 3 year period. The secured funding is allocated as follows:

- RCP: £813,000 for the 3 year period 2008/09 to 2010/2011
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2.2 **Restoring Communities Programme (RCP)**

With regard to the further development of the RCP, FSF funding was secured to focus on agreed priority projects identified by the Council and the CPP. The RCP delivers high quality, sustainable regeneration projects to targeted communities. Over the last few years, the RCP has provided the means for producing Community Environmental Improvement Action Plans and implementing a wide range of regeneration projects throughout East Ayrshire. This was achieved by utilising Community Regeneration Fund monies to secure funding from a range of external agencies. Due to the success of the RCP programme, a subsequent bid was submitted in April 2008 to the Fairer Scotland Fund.

Under the approved FSF Funding a 3 tier approach to regeneration has been adopted – a **'strategic'** approach e.g. Kilmarnock and Cumnock Town Centres, a pilot **'whole town'** multi-disciplinary approach for New Cumnock and a **'site specific'** approach for particular building improvement projects. Through partnership working and increased community engagement, the adoption of a multi agency approach will assist communities to help themselves improve their quality of life by achieving the regeneration of their living, working and playing environment.

As indicated above the approved level of FSF funding secured is £813,000 over the 3 year period 2008/09 to 2010/2011 to implement the 3 tiered approach to regeneration. The funding will be split as follows:

- Year 1 2008/09 £285,000
- Year 2 2009/2010 £271,000
- Year 3 2010/2011 £257,000

The RCP will have an impact beyond the boundaries of individual projects and will link to the 'Enquiry by Design' process organised by the Princes Foundation for the Built Environment. The process will examine and develop detailed strategies for the development of Mauchline, Cumnock, New Cumnock and Auchinleck. The focus in Catrine will be on heritage and tourism as an integral part of the Catrine Environmental Heritage Project.

The RCP programme will be managed and coordinated through the Development Planning & Regeneration Section which includes two full time Restoring Communities Programme Officer posts currently funded by the FSF.

2.3 **Kilmarnock CARS & THI**

FSF funding has been secured to help fund the CARS and THI programmes to restore the historic core of Kilmarnock and to act as a catalyst in the regeneration of Kilmarnock Town Centre. The funding will contribute to the improvement of targeted key buildings within the John Finnie Street and Bank Street, Kilmarnock, Outstanding Conservation Area. The scheme will make grant aid available to property owners to promote, preserve and enhance the traditional character and appearance of the buildings, ensuring that consideration is given to architectural detail and proper repairs are carried out utilising traditional skills. In addition, funding will be available to implement an extensive skills training programme for contractors and consultants leading to nationally recognised qualifications and accreditation.

The approved level of FSF funding secured to assist in the implementation of the Kilmarnock CARS & THI is £460,000 over the 3 year period 2008/09 to 2010/2011. The funding will be split as follows:

- Year 1 2008/09 £100,000
- Year 2 2009/2010 £180,000
- Year 3 2010/2011 £180,000

CARS APPROVED SCHEDULE

LOCAL AUTHORITY	Estimated Total Project	Estimated Total Eligible	Maximum Historic	Indicative
East Ayrshire	Cost (TPC)	Project Cost (TEPC)	Scotland Funding	Total Grant Allocation
KILMARNOCK	<i>Note 1</i>	<i>Note 2</i>	£	£
PRIORITY PROJECTS				
Walker Bonded warehouses Strand St	7,000,000	933,392	106,664	568,878
Mason Murphy 78 Portland St	180,000	150,000	21,619	120,000
Ossington Hotel 2-4 John Finnie St	350,000	290,000	48,310	232,000
Former Kilmarnock Standard Offices	318,000	286,000	37,500	228,800
Former Post Office 73 John Finnie St				
98-108 Portland Street	220,000	197,156	13,139	157,725
24-28 John Finnie Street	109,200	84,625	25,388	67,700
1-5 Dunlop St	500,000	150,000	24,077	120,000
6-14 John Finnie Street	4,700,000	140,000	100,000	112,000
30 - 38 John Finnie St	1,615,068	200,000	32,400	160,000
100 - 106 John Finnie St	882,000	300,000	11,878	240,000
108 - 114 John Finnie St	700,000	250,000	14,165	200,000
13-15 West George Street	300,000	272,000	52,500	218,000
75 John Finnie Street, Tannahills	320,000	290,000	44,781	232,000
OTHER COSTS				
Small projects	802,324	802,324	105,000	529,395
SkillsTraining/Education	50,000	50,000	15,000	50,000
Building Maintenance Guide & Programme	80,000	80,000	60,000	80,000
Administration	200,000	200,000	123,750	200,000
TOTAL	18,326,592	4,675,497	811,170	3,516,498
			<i>Note 3</i>	

Notes:

1 TPC

Where Total Project Cost equals the cost of all construction work, professional fees, VAT, and acquisition price

2 TEPC

Where Total Eligible Project Costs equals the cost of all grant eligible construction and fee costs relating to the repair and conservation of the historic fabric of the property

3 Total HS allocation

Where Total Historic Scotland HS grant should equal (and not exceed) the sum listed in the grant award letter of April 2006.