

EAST AYRSHIRE COUNCIL

CABINET – 20 OCTOBER 2010

GALSTON : ACHIEVING SUSTAINABLE REGENERATION TCRF PROJECT

Report by Depute Chief Executive/Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek cabinet approval to extend the ongoing TCRF project from Church Lane to Polwarth Street, Galston. In seeking this approval authority is required for the Head of Planning & Economic Development to negotiate an extension to the existing TCRF construction and consultancy contracts and for the Solicitor to the Council to extend the contracts with Keppie Design and Stewart Landscapes.

2. BACKGROUND

- 2.1 At its meeting on 21st May 2009, Cabinet agreed to allocate £0.285m capital expenditure in order to lever £0.25m funding from the Scottish Government TCRF programme. This decision was reiterated on 18th November 2009 when Cabinet agreed a total Capital Investment in Galston town centre of £4.335m comprising £0.535m to deliver the TCRF project at Church Lane and £3.8m for the refurbishment/construction of a range of council facilities.
- 2.3 The aim of the Galston : Achieving Sustainable Regeneration TCRF project is to kick-start physical and economic regeneration in the town by increasing footfall to the centre of the town. Outcomes for the project, as approved by TCRF, were the creation of a new high quality landscaped car park, improvements in the amenity and pedestrian safety in Church Lane, installation of CCTV and additional lighting in both the car park and the lane.

3. CURRENT POSITION

- 3.1 On securing the TCRF funding a contract was awarded to Stewart Landscapes in the amount of £290,000 for a period of 27 weeks. Work commenced on site on 25th May 2010 and is now nearing completion.
- 3.2 As a result of tightly controlled contract expenditure and property acquisitions being less than anticipated the TCRF budget is presently under-spent by approximately £57,500. Details of the under-spend are

attached at **Appendix 1**. The Council's commitment to the project was £0.285m to lever in £0.25m TCRF funding. However, in order to unlock the Council's wider regeneration proposals within Galston town centre a premium above market valuation was paid for one property at Cross Street/Bridge Street, the location for the Council's new local office. As a consequence the TCRF support for the acquisition of the site was unavailable and the Council's funding input to the TCRF project was effectively reduced to £0.205m. As the funding ratio was deemed by the TCRF fund manager to be 1:1 the majority of the under-spend relates to Scottish Government's TCRF input to the project.

- 3.3 However guidance given by the fund manager indicates that the TCRF would be content for the Council to utilise the unexpended Scottish Government TCRF sums on similar environmental improvement works to that already nearing completion within Galston town centre with the proviso that the 1:1 funding ratio and timescale for delivering the project are maintained. Implicit in this requirement is that all of the funds committed to the project by the Council in May 2009 will be spent in their entirety on the approved TCRF project. Alternatively the fund manager has indicated that the Council could simply return all of the unexpended Scottish Government TCRF funds.

4. PROPOSALS

- 4.1 In order to achieve the joint EAC/TCRF objectives whilst maximising investment in Galston town centre, it is proposed that improvement works are extended to Polwarth Street to include;

- New kerbs and surfaces in the same style as Church Lane on Polwarth Street between the junction at Bridge Street and the boundary of the conservation area as shown in the attached map.
- Widening of the footway over the Muckle Bridge as advised by the Roads & Transportation Service to improve pedestrian access/safety.
- An upgraded garden at the corner of Church Lane/Polwarth Street to create a high quality 'Welcome to Galston' public space.
- Replacement of pedestrian barrier/lighting column as deemed appropriate by the architect.

The proposed extension works will create a direct connection between the Irvine Valley walking/cycle routes at the Muckle Bridge and the retail centre of Galston, encourage visitors and thereby support the economic regeneration of the town. The proposed extension works also create an improved 'gateway' to Galston on one of its major access routes and upgrade footways, particularly those on the Muckle Bridge, which are currently in poor condition. As a result of the need to upgrade footways on the bridge, both it and the area of Polwarth Street up to the junction with

Church Lane will form the first priority for improvement works. Works to the rest of Polwarth Street may be carried out as far as the budget allows.

- 4.2 Costs have been obtained from the project's Quantity Surveyor which indicate that investment of up to a further £70,000 in total in addition to the £60,000 TCRF under-spend is required in order to achieve all of the works outlined above. In the event that these additional works are not undertaken the residue of the TCRF funding, approximately £51,500, will be required to be returned to Scottish Government leaving the balance of the Council's investment, approximately £6,000 to be reallocated elsewhere. Returning monies to TCRF will therefore fail to maximise investment levered into Galston both through TCRF and other funds.
- 4.3 The timescale for accomplishing the additional works and expending the entirety of the TCRF allocation is challenging as TCRF projects must be completed by March 2011. However, this deadline can be achieved by extending the existing construction and consultancy contracts to include the proposed extension works. Rates, terms and conditions prevailing in the existing contract will provide best value for the Council as these were obtained through the competitive tendering process as recently as March 2010. Cabinet authority is required to extend both contracts in this way under section 20(2) of the Council's Standing Orders relating to Contracts & Tendering.

5. FINANCIAL IMPLICATIONS

- 5.1 The disproportionate under-spend with regard to Scottish Government's TCRF funding has arisen as a result of the acquisition of the site at 1-3, Cross Street and 2-6, Bridge Street which forms the location of the proposed new local office. Since the Council paid a premium above market value for one property, TCRF funding was withdrawn for this element. However, the TCRF has accepted that the acquisitions formed part of the project in the wider sense and allowed the cost to remain part of the top-line project costs. Costs for all other elements of the project have been split on a 1:1 ratio in accordance with the TCRF submission.
- 5.2 The TCRF proportion of any under-spend cannot be utilised on the wider Galston Town Centre Regeneration project due to time constraints (TCRF must be expended within the 2010/11 financial year) and the nature of the works being undertaken. Returning monies to the TCRF will therefore fail to maximise investment levered into Galston both through TCRF and other funds.
- 5.3 The residual funding required to achieve the improvements to Polwarth Street, approximately £70,000, is currently available from the Council's Fairer Scotland Fund – Restoring Communities Programme budget. Galston is a target area for the Restoring Communities Programme investment and expending funds on environmental improvements as

outlined in this report would be appropriate. Funding is available to maintain the small garden area.

- 5.4 The proposed works will upgrade footways across the Muckle Bridge. The footways on both sides of the bridge are currently in poor condition and will require to be upgraded by the Council at some point in the near future. The investment in the proposed capital works to footways on Polwarth Street is therefore on a spend to save basis as utilising already committed funds will generate capital and revenue budget savings with regard to other services' budgets. The level of savings has not been calculated at this point.

6. LEGAL IMPLICATIONS

- 6.1 As the garden area referred to in the report is currently within the Council's ownership there would be no requirement for further acquisitions. The Solicitor to the Council requires authority to extend the current TCRF contracts under section 20(2) of the Council's Standing Orders relating to Contracts & Tendering.

7. POLICY IMPLICATIONS

- 7.1 None directly arising from this report.

8. COMMUNITY PLAN IMPLICATIONS

- 8.1 The implementation of the environmental improvements works detailed in this report will contribute to achieving targets contained in the delivering Community Regeneration Action Plan.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 As it is envisaged that the works will be carried out on the basis of an extension of the existing contract, all terms and conditions currently in place will apply to the contract extension; this includes the provision of 6.5.1 non-negligent liability insurance cover. All Health & Safety risk assessments will be reviewed and revised by the contractor and approved by the CDM Co-ordinator prior to any extension of the contract.
- 9.2 No planning consent is required as the works proposed are permitted development, however, a temporary traffic order and traffic management plans will be required to ensure public safety whilst works are being undertaken.

10. RECOMMENDATIONS

10.1 It is recommended that Cabinet:

- (i) agree to the works outlined in section 4 of this report being undertaken utilising the remaining unspent funds from the Galston : Achieving Sustainable Regeneration TCRF project;**
- (ii) agree to the expenditure of up to £70,000 from the Fairer Scotland Fund Restoring Communities Programme budget to implement the proposed extension works detailed in section 4 above;**
- (iii) authorise the Head of Planning & Economic Development to negotiate an extension to the construction and consultancy contracts with Stewart Landscapes and Keppie Design in order to fulfill the requirements of the TCRF budget timeframe and to provide best value;**
- (iv) authorise the Solicitor to the Council to extend the TCRF contracts to Stewart Landscapes and Keppie Design up to a maximum of £127,000 jointly, to achieve the objectives as indicated in section 4 of this report**
- (v) otherwise note the contents of this report.**

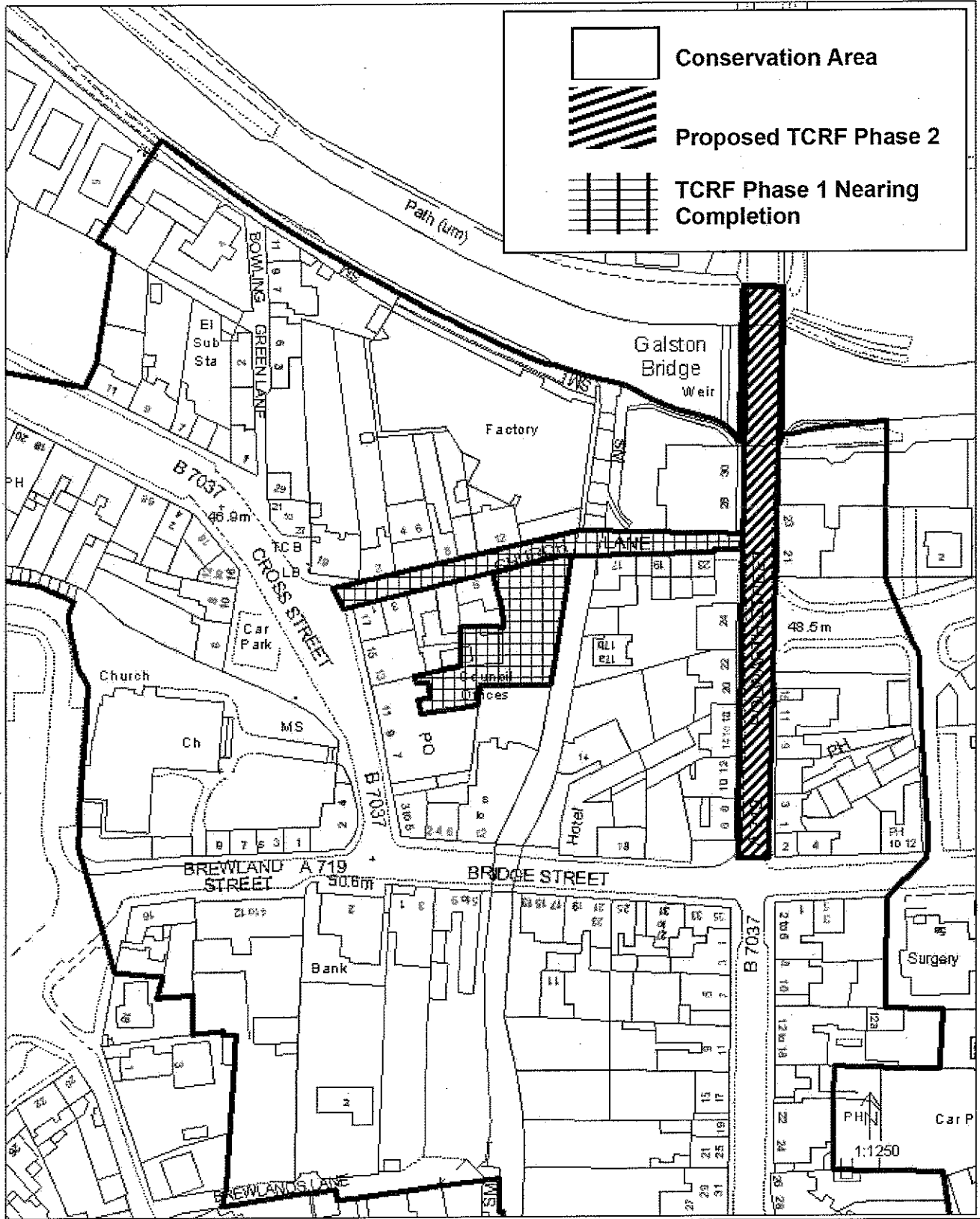
**Elizabeth Morton
Depute Chief Executive / Executive Director of Corporate Support
13 October 2010**

LIST OF BACKGROUND PAPERS

- (i) Cabinet report 21st May 2009 'Delivering Community Regeneration'**
- (ii) Cabinet report 28th November 2009 'Galston Town Centre Regeneration Strategy'**
- (iii) Cabinet report 24th February 2010 Acquisition of land at 2-6 Bridge Street**

For further information on this report please contact Karl Doroszenko (01563) 576751 or Sylvia Allen (01563) 578168.

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Expenditure	EAC Spend	TCRF Spend
Acquisition & Demolition of 1-5, Cross St*	24,896	
Acquisition & Demolition of 2-6, Bridge St*	55,419	
Acquisition of land for car park	25,875	25,875
Keppies & CoW fees	15,000	15,000
AIS & Roads fees	2,500	2,500
CCTV installation	9,000	9,000
Construction works	145,000	145,000
Archaeology	1,050	1,050
Total Spend to date	278,740	198,425
Funding Commitment	285,000	250,000
Total (Under)/Over spend	-6,260	-51,575

*TCRF funding was not available for these acquisitions as a premium above market valuation was paid for the site. Other expenditure is assumed as 1:1 in accordance with TCRF requirements.