

EAST AYRSHIRE COUNCIL

CABINET – 23 FEBRUARY 2011

**KILMARNOCK TOWNSCAPE HERITAGE INITIATIVE AND CONSERVATION
AREA REGENERATION SCHEME – APPROVAL OF GRANT FUNDING
PROCESS**

**Report by Depute Chief Executive/ Executive Director of Neighbourhood
Services**

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to transfer delegated authority for the determination of Kilmarnock CARS grants from the Head of Planning and Economic Development to the Kilmarnock Townscape Heritage Initiative Partnership.

2 BACKGROUND

- 2.1 At the Cabinet meeting on the 23 June 2010 it was agreed to fully integrate the Kilmarnock CARS & THI Partnership Funding allocations in order to maximise grant drawdown potential from the Heritage Lottery Fund (HLF) and other project funders; and to authorise the Head of Planning and Economic Development to formalise this and agree any necessary adjustments to the operational requirements of the schemes with the HLF and Historic Scotland (HS) as required.
- 2.2 On the 16 December 2010 HLF confirmed their approval of the revision to the Kilmarnock THI and advised that the Year 3 Action Plan (see Appendix 1) will be signed off as submitted. Historic Scotland also confirmed that they are agreeable to the integration of Kilmarnock CARS and THI.
- 2.3 This report sets out the proposed changes to the operational arrangements of the schemes to ensure that grant applications can be received and assessed and grants awarded under a single agreed process.

3. KILMARNOCK THI & CARS - GRANT APPROVAL PROCESS

- 3.1 Historic Scotland and the Heritage Lottery Fund have indicated that a single approval process should now be established for managing and

disbursing combined funding through the Kilmarnock Townscape Heritage Initiative Partnership (KTHIP) (See Appendix 2). Accordingly it is proposed that the delegated authority for grant approval under the Kilmarnock CARS be transferred from the Head of Planning & Economic Development to the KTHIP and that the KTHIP determine all future applications for grant funding under the Kilmarnock THI and CARS in line with the process agreed at its meeting on 28 May 2009.

4 FINANCIAL IMPLICATIONS

- 4.1** The combined Kilmarnock THI /CARS budget will be a special budget held by the Council on behalf of the KTHIP. The financial management of the project will be administered by the Council on behalf of the KTHIP through the Agency Agreement in line with the Council's Accounting Policy Bulletins, APB 27A and APB 27B together with reference to APB 27C and APB 27D which all specifically relate to the Kilmarnock THI and CARS.
- 4.2** The total partnership funding under the combined Kilmarnock THI/CARS has been agreed with the HLF as £4,842,886. No financial commitments will be made in excess of the available secured partnership funding.
- 4.3** It is important to highlight that the HLF has indicated that it would not anticipate any significant deviation from the current approved partnership funding allocations and that were this to be the case, further consideration would have to be given to the continuation of HLF grant funding to the scheme.

5 PERSONNEL IMPLICATIONS

- 5.1** There are no direct personnel implications arising from this report.

6 LEGAL IMPLICATIONS

- 6.1** In terms of the agency agreement entered into between the KTHIP and the Council following the establishment of the KTHIP the Council are required to take any necessary actions on its behalf, including the issuing of contracts; legal agreements; offers of grants; dispersal of grants; and to act as the employing agency for project staff as appropriate. It is not considered that combining the Kilmarnock THI/CARS will necessitate any changes either to the constitution of the KTHIP or to the agency agreement.

7. POLICY IMPLICATIONS

- 7.1** Regenerating our Town Centres is one of the Council's key strategic priorities and the Kilmarnock THI/CARS project contributes directly to the achievement of these objectives.

8 COMMUNITY PLANNING IMPLICATIONS

- 8.1** The implementation of the Kilmarnock THI/CARS project contributes directly towards meeting the aims and aspirations of the "Delivering Community Regeneration" Action Plan.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1** The Kilmarnock THI/CARS project manages financial risk in accordance with the Council's approved Accountancy Policy Bulletin procedures.
- 9.2** The KTHIP is an unincorporated association governed by a constitution. Persons who act in a decision making capacity on behalf of this body may be held personally accountable. Accordingly Directors and Officers Liability Insurance has been obtained and will require to be kept up to date to protect those Councillors nominated to the KTHIP Executive Board.
- 9.3** Any offer of grant will require the Grantee to ensure that the Approved Scheme is completed in accordance with all (i) Environmental Laws (ii) relevant warrants, consents, approvals and (iii) current Health and Safety legislation and guidelines.
- 9.4** HS requires the provision of standard securities against the property where the grants exceed £25,000. This requirement has been included within the combined Kilmarnock THI/CARS. However, both HS and HLF are aware that the securities may not be fully redeemed in some circumstances, but this will reduce the risk associated with grant applications.

10. RECOMMENDATION

- 10.1** It is recommended that Cabinet agrees: -

- (i) that the delegated authority for grant approval under the Kilmarnock CARS be transferred from the Head of Planning & Economic Development to the Kilmarnock Townscape Heritage Initiative Partnership; and
- (ii) to otherwise note the content of the report.

Elizabeth Morton
Depute Chief Executive / Executive Director of Neighbourhood Services
16 February 2011 (CMcK/SA)

LIST OF APPENDICES

1. Kilmarnock THI Year 3 Action Plan
2. Kilmarnock THI Partnership

LIST OF BACKGROUND PAPERS

1. CARS & THI for John Finnie Street & Bank Street, Kilmarnock, and a CARS for Catrine Outstanding Conservation Areas Update, Development Services Committee – 2 May 2006.
2. Kilmarnock Conservation Area Regeneration Scheme Grant approval process/delegated powers, Cabinet Meeting – 24 October 2007
3. Kilmarnock Townscape Heritage Initiative Stage 2 Submission, Cabinet Meeting – 21 November 2007
4. Regeneration Projects and Budget Allocations, Cabinet Meeting – 2 July 2008
5. Delivering Community Regeneration, Cabinet Report – 20 May 2009
6. Kilmarnock Conservation Area Regeneration Scheme – Approval of grant application for additional works to 75-81 John Finnie Street, Kilmarnock, Cabinet Meeting - 8 July 2009.
7. Kilmarnock Conservation Area Regeneration Scheme – Grant application for works at 39-41 John Finnie Street, Kilmarnock (Atrium Homes), Cabinet Meeting – 19 August 2009
8. Kilmarnock Conservation Area Regeneration Scheme – Approval of grant application for additional works Goodfellows Estate Agents 13/15 West George Street Kilmarnock, Cabinet Meeting – 24 February 2010
9. Kilmarnock Conservation Area Regeneration Scheme and Townscape Heritage Initiative, Cabinet Meeting – 23 June 2010

Members wishing further information should contact Colin McKee, Heritage Projects Coordinator on 01563 576759 or Karl Doroszenko, Development Planning and Regeneration Manager on 01563 576751

Implementation Officer: Alan Neish, Head of Planning & Economic Development

APPENDIX 1.

Kilmarnock THI Year 3 Action Plan

Kilmarnock John Finnie Street and Bank Street Conservation Area - THI Year 3 Action Plan			
Category/Addresses	Total Eligible Cost	Basis of Grant	Potential Grants Allocation/Costs
Priority Buildings & Gap Sites			
100-106 John Finnie Street	1,244,395	Deficit X 100%	926,845
108-114 John Finnie Street	1,040,499	Deficit X 100%	741,999
6-18 John Finnie Street	813,000	Grant Rate 100%	813,000
Total Priority Building & Sites Costs	3,097,894		2,481,844
Building Repair & Reinstatement			
Large Buildings	1,137,500	Grant Rate 80%	910,000
Small Buildings	224,225	Grant Rate 80%	179,380
Windows	62,500	Grant Rate 80%	50,000
Shopfronts	160,000	Grant Rate 80%	128,000
Missing Architectural Detail	46,875	Grant Rate 80%	37,500
Total Building Repair & Reinstatement Costs	1,631,100		1,304,880
Total Urban Realm & Townscape Improvements	400,000	Grant Rate 100%	400,000
Total Training & Education Costs	105,990	Grant Rate 100%	105,990
Total Management Costs	550,172	Grant Rate 100%	550,172
TOTAL THI ACTION PLAN COSTS	5,785,157		4,842,886

APPENDIX 2

Kilmarnock THI Partnership

Kilmarnock Townscape Heritage Initiative Partnership	
Authority	The 2 May 2006 Development Services Committee agreed to establish the Kilmarnock Townscape Heritage Initiative Partnership (KTHIP) between the Council and key partners for the purpose of managing the Kilmarnock CARS and the Kilmarnock THI. The Solicitor to the Council was also authorised to finalise the KTHIP constitution and an agency agreement with the Council.
Purposes & Powers	<p>KTHIP's main aim is to contribute towards the economic, environmental and social regeneration of the historic core of Kilmarnock as part of the wider Kilmarnock Town Centre Strategy, through the development and implementation of Kilmarnock Townscape Heritage Initiative. The KTHIP may:-</p> <ul style="list-style-type: none"> a) Undertake such activities and organise such schemes as are appropriate to raise finance, obtain grants and to solicit funding for all or any of its purposes; b) through any agent appointed by it employ, hire or otherwise retain employees including a Project Officer, a Technical Assistant and an Administrator and such professional advisers, or consultants as are considered necessary for the purposes of KTHIP and to pay reasonable and proper salaries, wages and fees relative thereto; c) Undertake appropriate activities to achieve the aims, objectives and purpose outlined above; d) Carry on any other activities which further any of the above objects; e) Effect insurance of all kinds (which may include officers liability insurance); and f) enter into an Agency Agreement with the Lead Partner authorising the Lead Partner (i) to employ, hire or otherwise retain employees, professional advisors or consultants on its behalf and to pay reasonable and proper salaries and wages or fees to said staff, (ii) to issue offers of grant and to enter into legal agreements on its behalf subject to such conditions as KTHIP may direct and, in particular, in compliance with conditions imposed by any organisation providing grant funding, (iii) to take Standard Securities in the name of the Lead Partner as agent on behalf of KTHIP to secure repayment of grant in the event of breach of any conditions relative thereto, (iv) to enter into contracts on its behalf subject to such conditions as KTHIP may direct and in particular, in compliance with EAC's Standing Orders relating to contracts; (v) to establish accounting procedures and records for the KTHIP and to monitor and administer all funds received in relation to the KTHIP in compliance with any grant conditions; (vi) to do all such other acts and provide all such assistance as the Executive Committee shall from time to time determine.
Membership	The following are the current members of the KTHIP:- East Ayrshire Council (4 representatives/including the Chairperson with casting vote) - Councillors Reid (Chair), Tom Cook(Vice Chair), Jim Buchanan, and Drew McIntyre; East Ayrshire North Communities Federation; Kilmarnock Retail Traders Association; Ayrshire Chambers of Commerce; and Kilmarnock & District History Group.