

EAST AYRSHIRE COUNCIL

CABINET – 24 OCTOBER 2007

KILMARNOCK CONSERVATION AREA REGENERATION SCHEME – GRANT APPROVAL PROCESS/DELEGATED POWERS

Report by Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

1.1 The purpose of the report is to:

seek agreement to the process for approval/dispersal of grant applications under the Conservation Area Regeneration Scheme (CARS) and for decisions on grant applications/grant dispersal to be delegated to the Head of Planning & Economic Development. The report also seeks approval to procure external professional assistance to help in the assessment of grant applications.

2. BACKGROUND

2.1 The Kilmarnock Conservation Area Regeneration Scheme (CARS) is a building repair scheme funded jointly by Historic Scotland, East Ayrshire Council, Scottish Enterprise Ayrshire and East Ayrshire Community Planning Partnership. Through the CARS, grants will be given to property owners within the John Finnie Street & Bank Street Outstanding Conservation Area. The Scheme also supports skills training & education, a building maintenance guide and maintenance programme and administrative costs.

2.2 The Kilmarnock CARS was launched on the 30th May together with a Conservation Area Building Maintenance Guide. Grant application packs have been issued to all the owners of priority buildings in the area and contact has been made with owners interested in pursuing grant assistance. Detailed discussions are being progressed on individual applications. A Conservation Area Management Plan for the area is also currently being drafted.

2.3 The Development Services Committee at its meeting on 2 May 2006 agreed the allocation of Council funding of up to £120,000 in 2006/07 to the CARS in light of the outcome of the bid from the Council's Regeneration & Efficiency budget as part of the Kilmarnock Town Centre Regeneration Strategy.

- 2.4 The Development Services Committee at its meeting on 6 March 2007 agreed to underwrite any outstanding CARS grant expenditure at the end of the financial years and during all future years of the CARS programme as a result of Historic Scotland processing grant claims in arrears.
- 2.5 The Council at its meeting on the 21 June 2007 agreed to utilize £120,000 of the balance of funding from the Scottish Executive contribution to the "Top of the Town" proposals, to replace the funding allocated from the Regeneration, Efficiency and Asset Management Budget for the CARS.
- 2.6 A later report at this cabinet seeks approval to utilise balances of £530,000 from the Scottish Executive "Top of the Town" award and further funding of £500,000 from the Council's General Fund Revenue Balances to provide additional grant assistance for CARS priority projects.

3. CARS GRANT APPROVAL PROCESS

- 3.1 CARS Grants are available to owners of commercial and residential premises within the boundary of the John Finnie Street/Bank Street, Kilmarnock Outstanding Conservation Area. There are two types of grant assistance available under the CARS. One is for Priority Buildings and one for all other buildings under a Small Grants Programme. The priority buildings have been agreed with Historic Scotland as part of their funding approval, and this list can only be amended with the full approval of Historic Scotland. Grants for priority buildings are available up to 80% of eligible costs, with no specified maximum grant. However, estimated project costs and grant allocations were agreed by Historic Scotland under the Approved Schedule (See Appendix 1).
- 3.2 Small Grants for all non-priority buildings in the Outstanding Conservation Area are available up to 60% of the eligible costs, generally up to a maximum of £25,000. As all the funds available under the scheme are limited there is no guarantee of a grant in any particular case. Grant applications will be dealt with on a "first come first served" basis and the amounts of assistance offered will depend entirely on the merits of each application.

Applications under the Small Grants Programme will be prioritised in the following order with "1" being of the highest priority:-

- 1.Repair and re-use of redundant or underused buildings where the scheme will result in a viable use being identified
- 2.Repair and conservation of buildings in use
- 3.Reinstatement of lost architectural detail
- 4.Conservation and enhancement of public realm

3.3 Offers of grant will require to be approved by the Council following the guidance issued by Historic Scotland. Eligible works under Historic Scotland's guidelines include:-

- General structural repairs & reinstatement after repair
- Structural timber or timber repairs
- Specialist treatments
- Re-roofing and high level repairs/chimney repairs/leadwork and rainwater goods
- Stonework repairs and repointing/ render repairs and re-rendering
- Windows, doors and external joinery
- Reinstatement of architectural detail
- Enhancement of the public realm
- Accessibility
- Professional Fees

All repairs require to use appropriate techniques or methods of construction. High quality materials proven by tradition, which were used as part of the original construction must be specified.

3.4 Appendix 2 to this report is a recommended grant application process for grants that require Cabinet approval. However, this report seeks delegated authority for 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 (Appendix 1) and to approve CARS small grant applications up to £25,000, and to disperse all grant payments under this scheme. This delegated grant application process is detailed in Appendix 3. This should result in the vast majority of CARS grant applications being delegated to the Head of Planning & Economic Development with only those that vary significantly from the Approved Schedule requiring cabinet approval.

3.6 A key part of the process will be the assessment of the grant applications in terms of heritage merit, financial need, and quality/extent of work by the Technical Assessment Team. This team will consist of the CARS Project Officer supported by a team of external professionals. This team will also inspect the works and agree the architects certificates/submitted invoices prior to the payment of grant funding.

4. FINANCIAL IMPLICATIONS

4.1 The CARS budget is a special project budget held by the Council. The financial management of the CARS will be governed by the Council's

Accounting Policy Bulletins APB 27C and APB 27D specifically drawn up for the CARS and THI grant schemes.

- 4.2 The funders require the local authority to produce audited annual accounts covering the approved scheme.
- 4.3 Delegated authority is sought for 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 (Appendix 1), and to approve CARS small grant applications up to £25,000, and to disperse all grant payments under this scheme.
- 4.4. The estimated Total Eligible Project Cost is £2,697,116, and the indicative grant level anticipated is £2,096,857. An earlier report at this cabinet anticipates additional funding of £500,000 from General Fund Balances. If cabinet approval is not forthcoming then the indicative grant level will be reworked at a later stage. No grant assistance will be committed unless the relevant funds have been secured.
- 4.5 The procurement of external professional assistance to help in the assessment of grant applications will be met from existing Planning and Economic Development budgets.

5. LEGAL/PERSONNEL/POLICY IMPLICATIONS

- 5.1 The CARS Project Officer and Technical Assessment Team will process the grant application and prepare a report recommending approval/refusal 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.
- 5.2 Offers of grant will be issued by the Solicitor to the Council following the appropriate authorisation as detailed in the grant approval process.

6. COMMUNITY PLANNING IMPLICATIONS

- 6.1 The implementation of the CARS will contribute significantly to achieving targets contained in the “Improving the Environment” and “Improving Opportunities” Action Plans of the East Ayrshire Community Plan.

7. RISK MANAGEMENT IMPLICATIONS

- 7.1 All offers of grant will be subject to a condition requiring that “the Grantee shall, having taken professional advice ensure that adequate insurance cover exists to protect the existing structures and the contract works, 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.” This wording has been agreed with the Council’s Risk Manager.
- 7.2 The financial risks associated with the implementation of the CARS grant scheme will be minimised by the compliance with the Council’s Accounting Policy Bulletins APB 27C and APB 27D. It will also be minimised by the conditions attached to any offer of grant, particularly the requirement to take Standard Securities over the grantees property in the case of grants in excess of £25,000.

8. RECOMMENDATIONS

- 8.1 It is recommended that the Cabinet agrees:-
- (i) the CARS Grant approval process indicated in Section 3 and appendices 2 and 3 of this report;
 - (ii) to delegate authority to 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, Appendix 1 of this report and to approve CARS small grant applications up to £25,000, and to disperse all grant payments under this scheme;
 - (iii) to the procurement of external professional assistance to help in the assessment of grant applications when necessary; and
 - (iv) that a progress report will be submitted to the Cabinet on an annual basis

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

11 October 2007 (CMcK/SA)

LIST OF BACKGROUND PAPERS

1. Report to Council – 21 June 2007, “Community, Heritage and Environment Projects Budgets 2006/07 – 2007/08”.
2. Report to Development Services Committee – 6 March 2007 “Community, Heritage and Environment Projects Overview 2006/07 – 2007/08”.
3. Report to Development Services Committee – 2 May 2006 “CARS & THI For John Finnie Street & Bank Street, Kilmarnock, and a CARS for Catrine Outstanding Conservation Areas – Update”

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

CARS Grant Application ProcessSA

CARS APPROVED SCHEDULE

LOCAL AUTHORITY	Estimated Total Project	Estimated Total Eligible	Maximum Historic	Indicative
East Ayrshire KILMARNOCK	Cost (TPC) <i>Note 1</i>	Project Cost (TEPC) <i>Note 2</i>	Scotland Funding £	Total Grant Allocation £
PRIORITY PROJECTS				
Walker Bonded warehouses Strand St	7,000,000	933,392	106,664	568,878
Mason Murphy 78 Portland St	93,681	72,062	21,619	57,650
Ossington Hotel 2-4 John Finnie St	209,340	161,031	48,310	128,825
Former Kilmarnock Standard Offices	162,500	125,000	37,500	100,000
Former Post Office 73 John Finnie St	85,718	65,937	19,780	52,750
98-108 Portland Street	140,000	80,000	13,139	64,000
24-28 John Finnie Street	109,200	84,625	25,388	67,700
1-5 Dunlop St	271,440	80,256	24,077	64,205
6-14 John Finnie Street	3,000,000	140,000	100,000	112,000
30 - 38 John Finnie St	1,615,068	108,000	32,400	86,400
100 - 106 John Finnie St	651,095	39,594	11,878	31,675
108 - 114 John Finnie St	581,334	47,219	14,165	37,775
13-15 West George Street	217,052	175,000	52,500	140,000
OTHER COSTS				
Small projects	325,000	250,000	105,000	250,000
Skills Training/Education	30,000	30,000	15,000	30,000
Building Maintenance Guide & Programme	80,000	80,000	60,000	80,000
Administration	225,000	225,000	123,750	225,000
TOTAL	14,796,428	2,697,116	811,170	2,096,857
			<i>Note 3</i>	

Notes:**1 TPC**

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

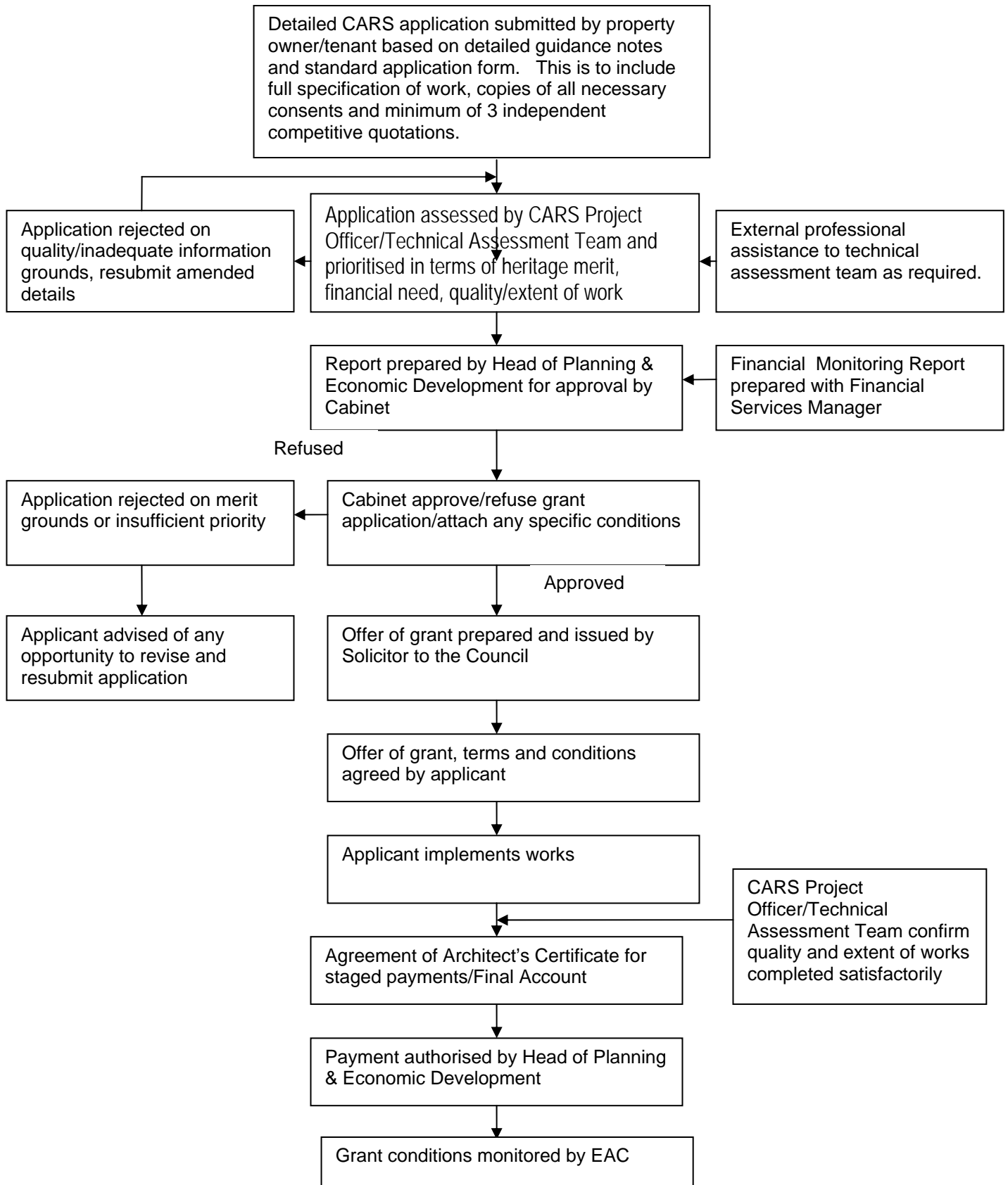
2 TEPC

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.

CARS GRANT APPROVAL PROCESS FOR GRANTS REQUIRING CABINET APPROVAL



CARS GRANT APPROVAL PROCESS FOR DELEGATED GRANT APPLICATIONS

