

## **EAST AYRSHIRE COUNCIL**

### **COUNCIL MEETING – 21 JUNE 2007**

#### **COMMUNITY, HERITAGE AND ENVIRONMENTAL PROJECTS BUDGETS 2006/07 – 2007/08**

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

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

- 1.1 The purpose of this report is to update Council regarding the budgetary position of the community, heritage and environmental based projects being led by the Development Planning & Regeneration Section of the Planning & Economic Development Division in conjunction with various partners including the East Ayrshire Community Planning & Partnership Unit.
- 1.2 The report seeks approval to reallocate the balance of funding from the 2006/07 budgets to major projects approved by the Development Services Committee in March 2007 for the 2007/08 financial year, subject to the outcome of the external audit of the 2006/07 budgets.
- 1.3 The report seeks approval to utilise the funding from the “Top of the Town” revenue budget to replace the Regeneration, Efficiency and Asset Management capital budget to take account of changes in accounting policy relating to the eligibility of capital expenditure.
- 1.4 The report also seeks the approval to appoint Austin-Smith:Lord to undertake the Catrine Environmental Heritage Project, Conservation Management Plan and the subsequent submission of a multi-million pound funding bid to the Heritage Lottery Fund.

### **2. BACKGROUND**

- 2.1 The 6th March 2007, Development Services Committee agreed the following key projects for 2007/08:-
  - (i) Community Environmental Improvement Action Plans and Projects (providing Action Plans for the top 0-15% deprived datazones in East Ayrshire);
  - (ii) Catrine Environmental Heritage Project (CEHP);
  - (iii) Kilmarnock Conservation Area Regeneration Scheme (CARS);
  - (iv) Kilmarnock Townscape Heritage Initiative (THI);
  - (v) Daldorch Footbridge, Catrine
  - (vi) Newmilns Townscheme.

2.2 The Committee also agreed the following:-

(i) to draw down £150,000 from the Roads & Transportation revenue budget to the Planning budget, with a corresponding draw down being made from the Planning capital budgets to the Roads & Transportation capital budgets, subject to any final budget allocations for 2007/08 and to note that this draw down arrangement would require to be reviewed annually in future financial years up to 2013/14.

(ii) 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; and

(iii) to utilise the £60,000 previously allocated to Daldorch Footbridge to install a temporary footbridge and to design a replacement.

2.3 In addition the 2 May 2006 Development Services Committee agreed the allocation of funding of up to £120,000 in 2006/07 to the Kilmarnock CARS from the Council's Regeneration, Efficiency and Asset Management budget, and noted that further allocations will be required for the following 2 financial years. It also approved up to £50,000 development funding for the Kilmarnock THI Stage 2 submission, which will be prepared in 2007/08.

2.4 In the interim accounting policy has changed in relation to Revenue and Capital definitions. They now do not permit the use of the Regeneration, Efficiency and Asset Management budget, which is a Capital budget, to fund the Kilmarnock CARS and THI projects, which would substantially be classed as revenue expenditure.

2.5 In 2003, the Council was successful in securing funding from the Scottish Executive for the "Top of the Town" proposal for Kilmarnock Town Centre. Funding totalling £1,012,000 was approved from the "Additional Funding for Areas of Economic Disadvantage" budget to deal with constraints on growth in terms of physical infrastructure. The proposal included the improvements to the road network to facilitate retail, residential and office development adjacent to the town's bus and rail stations as well as improvements to pedestrian linkages between the town centre and rail station to assist with the regeneration of the town centre. A balance of this approved funding of £702,863 remains unspent.

### **3. PROJECT BUDGETS 2006/07**

3.1 In 2006/07 the total budget for projects led by the Development Planning & Regeneration Section was £1,953,787, which included £685,986 of external funding successfully levered in by the Section in consultation with various community groups. The gross expenditure was £1,593,182 with an unspent balance of £360,605.

### 3.2 The main reasons for the underspend are:-

- (i) Kilmarnock CARS - the delay in issuing the contract by Historic Scotland which was only received in January 2007 and which required a complete rescheduling of allocated funds;
- (ii) Catrine Environmental Heritage Project – following discussion with Historic Scotland, the need to go through European tendering procedures due to the potential value of the consultancy services that would be required to prepare a Conservation Area Management Plan and submit a major funding bid to the Heritage Lottery Fund (HLF);
- (iii) Property Improvement Scheme – scheduling difficulties arising from grantees contractors being unable to complete the grant assisted works prior to the end of the financial year;
- (iv) A713 Dunaskin Bridge – legal difficulties in obtaining permissions to carry out works on private property;
- (v) Demolition of the Amlaird Shops, Kilmarnock – overall costs coming in lower than initial estimates;
- (vi) Volunteer Arms, Catrine – delay in developing a sustainable development proposal for the listed building;
- (vii) Daldorch Footbridge – Delay in obtaining Historic Scotland’s acceptance of the need to replace the footbridge.

## 4. PROJECT BUDGETS 2007/08

- 4.1 The proposed overall project budget allocations for 2007/08 is £1,011,105, this includes five reallocations of budgets from 2006/07 totalling £360,605 (as shown in Appendix 1).
- 4.2 It is proposed that the majority of the underspend of £360,605 should be allocated to two major projects; Kilmarnock CARS and the Catrine Environmental Heritage Project (CEHP). Specifically the £120,000 already allocated for Kilmarnock CARS should be rescheduled this year and £122,502 is required to appoint Austin-Smith:Lord to produce a Conservation Area Management Plan for Catrine which is a prerequisite of progressing the CEHP. Details of all the proposed reallocations are contained in Appendix 1.
- 4.3 In addition it is proposed to utilise £170,000 from the balance of funding from the Scottish Executive contribution to the “Top of the Town” proposals, which is a revenue budget, to replace the funding allocated from the Regeneration, Efficiency and Asset Management budget for the CARS & THI projects which is a capital budget. This proposed utilisation of funds originally approved for the “Top of the Town” project is broadly in line with the intended purpose of the Scottish Executive grant, ie to assist with the regeneration of Kilmarnock Town Centre.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 To enable the key targets for community, heritage and environmental projects in 2007/08 to progress, the reallocation of the balance of funding from 2006/07 as indicated in Section 4 above is required. Consultations have been undertaken with personnel from the Finance and Asset Management Division who are content with the proposals subject to the outcome of the external audit of the 2006/07 budgets.
- 5.2 As a result of the change in the accounting policy in relation to Revenue and Capital definitions which now do not permit the use of the Regeneration, Efficiency & Asset Management budget, which is a Capital budget, to fund the Kilmarnock CARS and THI projects, which would substantially be classed as revenue expenditure. Utilisation would be made of £170,000 from the uncommitted Top of the Town balance of £702,863.

## **6. LEGAL/PERSONNEL/POLICY IMPLICATIONS**

- 6.1 Nil.

## **7. COMMUNITY PLANNING IMPLICATIONS**

- 7.1 The implementation of all the Community, Heritage and Environmental based projects contributes significantly to achieving targets contained in the "Improving the Environment" and "Improving Opportunities" Action Plans of the East Ayrshire Community Plan.

## **8. RISK MANAGEMENT**

- 8.1 Without agreement of the recommendations contained in this report the implementation of the Kilmarnock CARS, THI and CEHP would be jeopardised. This would undermine the ability of the Council to meet the targets identified in the East Ayrshire Community Plan and to progress the regeneration of the Kilmarnock Town Centre.

## **9. RECOMMENDATIONS**

- 9.1 It is recommended that the Council:-
- i) note the updated budgetary position relating to the community, heritage and environmental based projects being led by the Development Planning & Regeneration Section;
  - ii) agree to reallocate the £360,605 balance of funding from the 2006/07 budgets to major projects approved by the Development Services Committee in March 2007 for the 2007/08 financial year in

accordance with section 4 above and the details contained in Appendix 1, subject to the outcome of the external audit of the 2006/07 budgets;

- iii) agree to utilise £170,000 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 & THI projects;
- iv) agree to appoint Austin-Smith:Lord to undertake the Catrine Environmental Heritage Project, Conservation Management Plan and submit an HLF grant application at a cost of £150,000.

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

CMcK  
31 May 2007 (CMcK/SA)

#### **LIST OF BACKGROUND PAPERS**

1. Report to Development Services Committee – 6 March 2007, "Community, Heritage and Environment Projects Overview 2006/07 – 2007/08".
2. Report to Development Services Committee – 2 May 2006, "Conservation Area Regeneration Scheme(CARS) and Townscape Heritage Initiative (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***

**COMMUNITY, HERITAGE AND ENVIRONMENTAL PROJECTS BUDGETS  
2007/08**

**East Ayrshire Council**

**Planning & Economic Development Division**

**Projects Summary 2007/08**

<b>Project Name</b>	<b>Reallocation of 2006/07 underspend</b>	<b>Top of the Town Budget – Capital/Revenue Transfer</b>
	<b>£</b>	<b>£</b>
<b>Kilmarnock CARS</b>	120,000	120,000
<b>Kilmarnock THI Stage 2 Submission</b>		50,000
<b>Catrine Environmental Heritage Project</b>	122,502	
<b>Catrine Property Improvement Grants</b>	2,926	
<b>CARS Conservation Management Plan (Retention)</b>	2,800	
<b>CARS Building Maintenance Guide (Retention)</b>	4,000	
<b>Kilmarnock Town Centre Strategy</b>	11,843	
<b>A713 Dunaskin Bridge Widening</b>	20,000	
<b>Street Lighting in Conservation Areas</b>	20,000	
<b>Daldorch Footbridge</b>	56,534	
<b>Total</b>	<b>360,605</b>	<b>170,000</b>