

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE: 13 MARCH 2002

RESTORING COMMUNITIES PROGRAMME

Report by Director of Development Services

1. PURPOSE OF REPORT

1.1 The purpose of this report is to :-

- (i) inform the Committee of the commissioning of a consultancy study through the Restoring Communities Programme to address the issue of derelict/vacant premises which hinder the regeneration of communities
- (ii) seek approval for the establishment of a revolving fund for demolitions to support the Restoring Communities Programme.

2. BACKGROUND

2.1 The Planning and Building Control Division, through the Coalfield Area SIP and the Better Neighbourhood Fund are leading the process for setting up and implementing the "Restoring Communities Programme". The Restoring Communities Programme is needed to tackle and reverse the long term decline in the living and working environment within the communities in the coalfield area.

2.2 The identification of a Restoring Communities Programme is primarily based on the need to tackle wide spread, deep-rooted environmental issues, involving high concentrations of vacant/derelict property and a history of limited or no investment. A further opportunity has been offered by Scottish Enterprise Ayrshire to establish a "revolving fund for demolitions" to support the Restoring Communities Programme. Earlier last year SEA agreed to fund the cost of the demolition of the former school building at Main Street, Auchinleck. The Council had found difficulty in marketing this building which was becoming a significant eye-sore in the main street. SEA funded the demolition costs to assist the Council in securing re-development of the site on the basis that they would require half the sale proceeds to be returned. At the same time they indicated that they would consider a proposal by the Council to re-use the funds due to be returned to SEA for further similar projects. The funds due to be returned to SEA are £40,000 following the recent sale of the school. This report sets out a proposal for a revolving fund for demolitions based initially on retaining this sum.

3. RESTORING COMMUNITIES PROGRAMME

- 3.1** A report was submitted and approved by the East Ayrshire Coalfield Area Social Inclusion Partnership Board in January 2002 providing an update on the implementation of environmental improvement projects arising from the Community Environmental Improvement Action Plans. These include recently completed environmental improvement projects at the Drongan Shops, and the demolition of the former Co-op, Glasgow Road/Main Street, Muirkirk; recently commenced projects at Dalvennan Avenue, Patna, Heritage Gardens, New Cumnock and the Woodland Project, Greenhead Playing Fields, New Cumnock; and the Clock Tower, Well Road, Auchinleck due to commence 2002/2003, which for example is jointly funded by East Ayrshire Coalfield Area SIP, Cumnock and Doon Valley Minerals Trust, Scottish Coal and Barr Environmental.
- 3.2** The Board report also outlined the proposed future approach for the Community Environmental Improvement Action Plans. Following the identification of issues and opportunities through the Action Plan process, the approach incorporates the identification of a Restoring Communities Programme.
- 3.3** The Restoring Communities Programme will tackle the problems of dereliction and decay in the environment of the more disadvantaged communities within the Coalfield Area. There are a number of derelict/vacant properties within these communities which detract from the amenity of the settlements and which hinder the realisation of regeneration projects.
- 3.4** The Restoring Communities Programme will aim to facilitate development. It is intended that it will assemble land with development potential, prepare sites for development, provide pump priming grant/loan assistance and seek and secure development partners. The Programme will ultimately identify priorities, opportunities and specific projects within settlements.
- 3.5** In order to progress the Restoring Communities Programme, a consultant has been appointed by the Planning and Building Control Division to prepare a feasibility study which identifies specific opportunities to facilitate development within the coalfield communities, utilising Main Street, Auchinleck as a pilot project.
- 3.6** Auchinleck has been identified as a priority area due to the particularly high levels of environmental and economic degradation in the town. In recent years Main Street, Auchinleck has continued to decline, suffering from a high concentration of vacant/derelict property in private ownership with non-active owners and a poor quality environment. A number of these properties/sites are presently perceived as having little potential for development and nil value because of the associated renovation or demolition costs. However, their development could contribute significantly to the regeneration of the town and mechanisms to unlock this potential will be identified through the Restoring Communities Programme.

- 3.7** The consultancy study will assess the current position of the central area of Auchinleck and will identify realistic opportunities for future development in Main Street. The study will also outline a mechanism for the realisation of these opportunities.
- 3.8** The study is being funded through the SIP Community Environmental Improvement Action Plans and Projects budget and is being carried out by Ryden. The study will be completed in April 2002.
- 3.9** If the programme is successful within the Coalfield SIP area, consideration will be given to rolling it out to other communities in which a concentration of derelict buildings and poor amenity in central areas is acting as a brake on economic regeneration.

4. DERELICT PROPERTY REVOLVING FUND

- 4.1** The establishment of a Derelict Property Revolving Fund is proposed to help address some of the highlighted issues posed by derelict and neglected properties, initially within the SIP area but with a view to it being rolled out to cover targeted communities elsewhere in East Ayrshire.
- 4.2** A project would only be considered for support through the fund if:-
- (i) It was justified against a strategy for the regeneration of a particular community through the Restoring Communities Programme;
 - (ii) Where other statutory powers relating to dangerous buildings and historic building requirements had been exhausted, or were not appropriate.
- 4.3** The circumstances where use of such a fund might be justified will be varied and a number of issues will need to be considered, including whether:-
- (i) Demolition is purely for an environmental benefit;
 - (ii) Demolition is required to enable a development opportunity to be realised on the specific site;
 - (iii) The property is part of a larger development site;
 - (iv) It is in the best interests of the Council to obtain title of the site;
 - (v) Other funding support has been secured for the proposed project.

It is therefore proposed that each opportunity would be pursued on its individual merits, that a formal Minute of Agreement between the owner and the Council would be drawn up for each proposal and that this would also cover expectations in relation to active marketing for development purposes, where appropriate.

- 4.4** Each Minute of Agreement would also be subject to a financial assessment and will generally incorporate the following principles:-

- (i) the demolition costs should be recovered and returned to the fund through the subsequent sale of the site;
- (ii) where the sale of the site results in an income above the demolition costs, an agreed proportion of the proceeds would additionally be remitted to the fund;
- (iii) in circumstances where the sale of the site results in an income less than the costs of demolition, then a minimum of 70% of the net proceeds would be returned to the fund.

It is considered that these principles are sufficiently flexible to encourage owners and developers to progress development opportunities but, at the same time, ensure that there is a return to the fund to allow it to support other projects over time.

5. RESTORING COMMUNITIES PROGRAMME OFFICER WORKING GROUP

- 5.1** It is intended that the lead Department within the Council for the implementation of the Restoring Communities Programme is Development Services. An Officer Working Group will be established at an early stage in the programme, consisting of a team of officers from Planning, Property Services, Legal Services, Housing and Community Services.

6. POLICY IMPLICATIONS

- 6.1** The establishment of the Restoring Communities Programme is consistent with the Council's core values and the East Ayrshire Coalfield Area SIP themes.

7. FINANCIAL IMPLICATIONS

- 7.1** The establishment of the Restoring Communities Programme will initially be funded through the East Ayrshire Coalfield Area Social Inclusion Partnership and will aim to lever additional funding from a variety of sources such as Scottish Enterprise Ayrshire, Better Neighbourhood Fund, New Opportunities Fund.

- 7.2** It is intended that the revolving fund for demolitions will be largely self financing. Any contribution by the Council to the fund would be the subject of future consideration by the Committee.

8. LEGAL AND PERSONNEL IMPLICATIONS

- 8.1** These will be identified and dealt with through the Restoring Communities Programme consultancy study.
- 8.2** Individual project arrangements for application of the revolving fund for demolitions will be drawn up in consultation with Legal Services.

9. RECOMMENDATIONS

9.1 It is recommended that the Committee:-

- (i) note the adoption of the Restoring Communities Programme within the Coalfield Area SIP (as outlined in Section 3) to tackle the issue of derelict properties hindering regeneration.**
- (ii) agree to establish a revolving fund for demolitions based on the principles set out in Section 4 above; and**
- (iii) authorise the Director of Development Services to seek the agreement of Scottish Enterprise Ayrshire to permit the Council to retain £40,000 currently due to be repaid to them following the sale of the former school at Main Street, Auchinleck as an initial investment in the proposed fund.**

**Stephen Chorley
Director of Development Services**

22 February 2002 (SJ/SA)

BACKGROUND PAPERS

- 1. East Ayrshire Coalfield Area Social Inclusion Partnership Board Report: 17th January 2002
“Community Environmental Improvement Action Plans and Projects: Update and Future Approach”.**
- 2. East Ayrshire Coalfield Area Social Inclusion Partnership Consultants Brief “Restoring Communities Programme” February 2002.**

Anyone wishing to inspect the above papers please contact Susan Jones on (01563) 576755 or David Hewet on (01563) 574608.

Implementation Officer: Stephen Chorley

AGENDA