

## **EAST AYRSHIRE COUNCIL**

**DEVELOPMENT SERVICES COMMITTEE: 26 AUGUST 2003**

**NEWMILNS TOWNSCAPE HERITAGE INITIATIVE : UPDATE**

### **Report by Director of Development Services**

#### **1 PURPOSE OF THE REPORT**

- 1.1** To update the Committee on the progress with the Newmilns Townscape Heritage Initiative (NTHI) and obtain support and initial funding to prepare an application to the Lottery Fund for another Townscape Heritage Initiative in Newmilns.

#### **2 BACKGROUND**

- 2.1** The Development Services Committee of 17 December 2002 noted the progress that had been made towards the implementation of the Newmilns Townscape Heritage Initiative Action Plan and potential next steps to progress the project.

#### **3 PROJECT PROGRESS**

- 3.1** Progress with the projects has been significant over the last three years. The work that has been undertaken is as follows:-

A) Westgate Co-op

- 3.2** Following completion of the Compulsory Purchase Order in November 2001, this project commenced on site in December 2001 and was completed in February 2003. Strathclyde Building Preservation Trust repaired and restored the building and converted it into 19 flats. This £1.5m project was funded by Heritage Lottery Fund, the Empty Homes Initiative, Historic Scotland, Scottish Enterprise Ayrshire, East Ayrshire Council and the Architectural Heritage Fund.

- 3.3** Upon completion, the accommodation was acquired by Shire Housing Association. All the flats have been let.

B) Brown's Institute

- 3.4** This was the first full restoration project to be completed under the NTHI in October 2002. The £0.5m project was funded by Heritage Lottery Fund, the Empty Homes Initiative and Historic Scotland. St Vincent Crescent Preservation Trust repaired and restored the building and converted it into four flats. These were acquired by Shire Housing Association and are all fully tenanted.

C) 73-77 Main Street, 24, 26-28 High Street

- 3.5** This group of full restoration projects commenced in January 2002 and was completed in March of this year. The building at 73-77 Main Street has been converted into two maisonettes and one flat; the building at 24 High Street has been converted into 2 houses and that at 26-28 High Street into 2 flats. The project was carried out by St Vincent Crescent Preservation Trust. This £0.9m group of projects was funded by Heritage Lottery Fund, the Empty Homes Initiative and Historic Scotland. Upon completion, the accommodation was acquired by Shire Housing Association and is now fully let.

D) 53-55 Main Street

- 3.6** This full restoration project is the subject of an NTHI grant application, which will be considered at the Twenty-Eighth NTHI Executive Committee Meeting on the 4 September. A local solicitors' practice, Mair Matheson, propose to restore the property and convert it into offices for their own use, by relocating from their existing premises further along Main Street in Newmilns. It is expected that the project will commence on site in the autumn and be finished next spring. Grant assistance for this project will be provided by the Heritage Lottery Fund and Scottish Enterprise Ayrshire.

E) Covenanters Car Park

- 3.7** Hanover (Scotland) Housing Association completed the development of this site in March of this year. The scheme comprises two family houses and ten amenity flats for the elderly. The accommodation is now fully let. This £0.8m scheme was funded by Heritage Lottery Fund and Communities Scotland.

F) Rex Cinema site

- 3.8** The Rex Cinema was demolished in February last year under the contract for the First Phase of the development at 73-77 Main Street, to facilitate access to the gable of the listed building. A scheme for 4 houses, a maisonette and a flat has planning permission. The site has been acquired by Shire Housing Association, who will be providing the accommodation to rent. An NTHI grant application is expected shortly for the project, which will also receive grant assistance from Communities Scotland.

G) Public Realm

- 3.9** The gardens at 82 Main Street were renovated during 2001 using funding from East Ayrshire Council and Scottish Enterprise Ayrshire. They have been renamed 'Kirkgate Gardens'.

H) Small Grants

- 3.10** Private individuals have carried out grant-aided works at 6 Castle Street (reinstatement of timber sash and case windows), 101-103 Main Street (restoration of building and conversion into two flats), 62 Main Street

(reinstatement of timber sash and case windows; damp proof treatment and timber repairs), 43-45 Main Street (reinstatement of shop entrance doors and renewal of shopfront), 17 High Street (reinstatement of timber sash and case windows) and 37 Main Street (chimney work and reinstatement of timber sash and case windows and door). Grants have been offered for works at 22 High Street (reinstatement of timber sash and case windows) and 85 Main Street (reinstatement of shop front). Grant offers are being prepared for a joint scheme at 26-30 Main Street, comprising a package of reinstatement and repair work, including two new shop fronts. The budget for the small grants is fully committed.

#### **4. FUNDING**

- 4.1** The Committee will recall that the funding from Heritage Lottery Fund was based on the NTHI Action Plan, which detailed the costs of all the projects listed above. However, the Action Plan has evolved since that time, with the agreement of HLF, due to various factors, including changes in funding sources and variations in the details of projects, creating adjustments in the costs of projects.
- 4.2** As a result, the NTHI Executive Committee has been obliged to give priority to the full restoration projects, due to their significant impact on the physical environment of the town, and to the new build projects, which yield extra funds for the reinstatement projects. As the grant requirement for these projects has increased, this priority has been afforded by means of reducing the funds available for the public realm projects and the reinstatement of architectural details.
- 4.3** At this point in time, funds have been identified for the projects at 53-55 Main Street and the Rex Cinema site but the grant offers have not been agreed. Unfortunately, should the costs exceed those included in the Action Plan, the NTHI no longer has the flexibility to enable extra funds to be diverted to these projects.

#### **5. REVIEW OF PROGRESS**

- 5.1** The NTHI is progressing well. Of the six full restoration and two new build projects detailed in the initial Action Plan, all except two projects are completed. The NTHI contract with HLF required that all contracts are let by the end of June 2003 and all works are completed by the end of March 2005. The date for the letting of contracts has recently been extended to the 31 October 2003. Assuming the two outstanding projects are fully funded, there is no apparent reason why they should not be completed in accordance with this timescale.
- 5.2** The anticipated applications for the Rex Cinema site and 53-55 Main Street should result in the full commitment of current THI funds by the 31 October 2003. However, it is clear that some other buildings have significantly deteriorated since the time of the original THI application in 1998 and that, as a result, some vacant and derelict properties will remain untreated within the

THI area at that time. These properties are located at 47-51 Main Street, 57-59 Main Street, 61-63 Main Street, 16-18 Main Street, 78-80 Main Street and 19 High Street. With the exception of 16-18 Main Street and 19 High Street, which are entirely residential, the remaining properties comprise vacant shops (except at 47 Main Street) with vacant flats above.

- 5.3** The properties at 47-51 Main Street and 57-59 Main Street are located on either side of the proposed office refurbishment at 53-55 Main Street. Failure to secure improvements to these properties will seriously dilute the impact of the NTHI funds, as they are in a prominent, central location in the town. It is estimated that the cost of full restoration of these properties could amount to £0.75M. A further £0.5M might be required to address the other properties in the list, plus any administration costs. The total cost of the project might therefore amount to £1.25M.

## **6 APPLICATIONS FOR ADDITIONAL FUNDING**

- 6.1** HLF have advised that the only way that further funds might be obtained from them would be via the successful submission of a second THI application. Following a review of various options, they have suggested that this second THI be confined to the existing boundaries, with the properties at either side of 53-55 Main Street being accorded the highest priority. HLF further advised that any funding would be at the same percentage grant rate as the NTHI, namely 42%. The deadline for the next round of THIs is the 1 May 2004.
- 6.3** To improve its chances of success, a new THI application would require an indication of possible sources of the other 58% of funding. Initial discussions with EAC Housing and Communities Scotland have established that the Irvine Valley is no longer considered a priority for housing grant expenditure. It is also unlikely that significant additional funds will be available from Historic Scotland, as none of the remaining derelict buildings are listed.
- 6.4** Scottish Enterprise Ayrshire has advised that any application for additional funds will be treated on its merits. Applications based on schemes that create jobs and involve the private sector are more likely to receive financial support.
- 6.5** A request for consideration as to whether the NTHI is eligible for retrospective European funding has been submitted to the Strathclyde European Partnership, as part of their ongoing grant processing system in the West of Scotland. This has been agreed in principle, but the value may be limited since it will be restricted to eligible expenditure which will exclude provision of housing.

## **7 COMMUNITY INVOLVEMENT**

- 7.1** The Lottery Fund has changed its priorities slightly in respect of THIs and now places greater emphasis on community involvement with and benefit from any proposals. The Lottery Fund's strategic aims under the Townscape Heritage Initiative are to:-

- Conserve and enhance the diverse heritage
- Encourage more people to be involved in their heritage
- Make sure that everyone can learn about, have access to and enjoy their heritage.

**7.2** To date the community has been directly involved in the work of the NTHI Executive Committee through the Local Member and the Community Council within the IVRP. In addition, several local groups continue to contribute to the work of the Steering Group - Newmilns and Greenholm Community Council, Newmilns Action Group, Loudoun Valley Trust and Newmilns Scouts - and two Open Days have been hosted.

**7.3** The views of the local community will be researched via a simple questionnaire designed to seek feedback on both the success of the existing THI and the need for further work. The results of this questionnaire will be used to assist in the formulation of proposals for the new THI, including identifying the properties to be included and the preferred uses, to form the basis of the approach to the funding partners.

## **8 THE NEXT STEPS**

**8.1** The formulation of any scheme of improvements requires three key elements to be addressed before it can succeed. These are the agreement/involvement of the owner; a viable (new) use for the property and a viable funding package. The biggest single issue is the viable funding package, since this will assist in securing the agreement/involvement of the owners and will be identified for a particular use.

**8.2** Restoration of the properties at 47-51 and 57-59 Main Street and their uses throughout for residential purposes would follow the successfully established NTHI model. However, this is not possible due to the lack of availability of further funding for residential purposes.

**8.3** In view of the possibility of assistance from Scottish Enterprise Ayrshire for business-type uses, further research will be required to ascertain whether the priority properties at 47-51 and 57-59 Main Street are capable of conversion to a Business Centre. The NTHI previously funded a study into the residential conversion of 47-51 Main Street and has carried out initial research into the possibility of conversion of the two properties to business use but does not have the resources to fund the detailed study that is required.

**8.4** It is proposed to commission an initial feasibility study on the development of a business centre and potential funding sources. This will also be linked, if possible, to measures to increase local awareness of the heritage of the area. The estimated cost of the study is £5,000.

## **9. LEGAL IMPLICATIONS**

**9.1** The NTHI continues to operate within the contract with HLF and to meet the obligations contained therein.

## **10. FINANCIAL IMPLICATIONS**

**10.1** The initial cash flow difficulties were overcome with assistance from Scottish Enterprise Ayrshire. The NTHI was externally audited at the end of year one. It is operating within budget and the mechanisms are in place to ensure that it does not become over-committed.

**10.2** The contract with HLF details that 10% of the HLF grant (£170,000) will be held back pending completion of the entire NTHI. Cash flow projections suggested that this might have serious implications for the NTHI accounts, creating a deficit in the final stages of the project. HLF were approached about this issue. In response a letter was received advising that the retention has been reduced to 5% and may even be reduced to 2.5%, in certain circumstances.

**10.3** The cost of the study proposed at para 8.4 can be met from existing budgets.

## **11 RECOMMENDATION**

### **11.1 It is recommended that the Committee:**

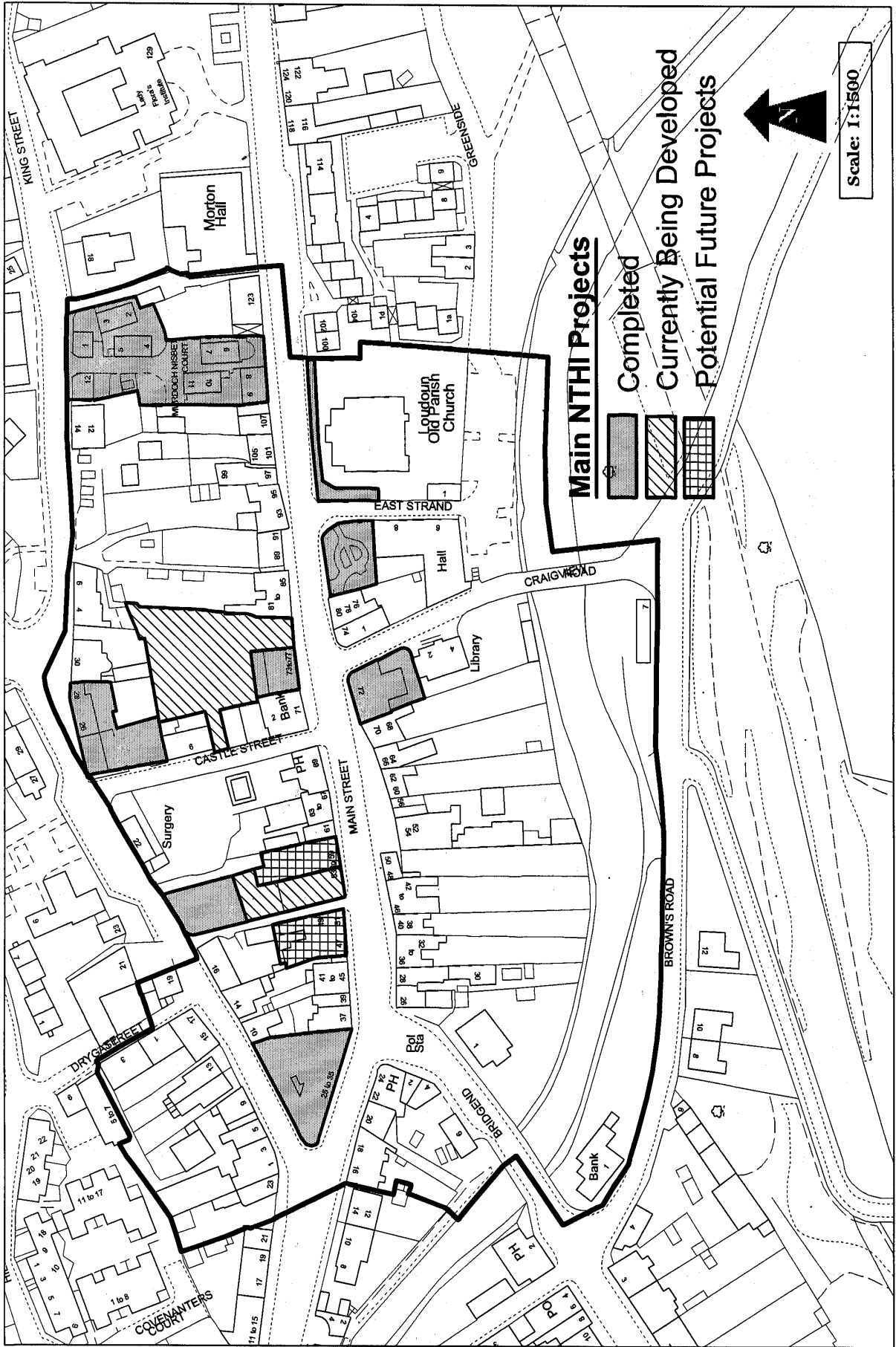
- (a) notes the progress that has been made with the NTHI and lends its support to the preparation of a further application for funding to HLF and other funders to build on the success to date; and
- (b) allocates the NTHI £5,000 to undertake a feasibility study on the development of a business centre at 47-51 and 57-59 Main Street.

**Stephen Chorley**  
**Director of Development Services**

24 July 2003  
MFM

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