

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE: 17 DECEMBER 2002

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 to seek additional funding.

2 BACKGROUND

- 2.1 The Development Services Committee of 5 September 2000 noted the success of the official opening of the NTHI, the progress that had been made towards the implementation of the Action Plan and the next steps proposed to progress the implementation of the priority projects.

3 PROJECT PROGRESS

- 3.1 Progress with the projects has been significant over the last two 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 is due for completion by January 2003. Strathclyde Building Preservation Trust are repairing and restoring the building and converting it into 19 flats. This £1.5m project is being 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 will be acquired by Shire Housing Association. The Housing Association is currently actively seeking tenants for the flats and will have a show-flat on display from the beginning of December.

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 are due for completion next year. The building at 73-77 Main Street is being converted into two maisonettes and one flat; the building at 24 High Street is being converted into 2 houses and that at 26-28 High Street into 2 flats. The project is being carried out by St Vincent Crescent Preservation Trust. This £0.9m group of projects is being funded by Heritage Lottery Fund, the Empty Homes Initiative and Historic Scotland. Upon completion, the accommodation will be acquired by Shire Housing Association.

d) 53-55 Main Street

3.6 This full restoration project will shortly go out to tender. 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. Only upon receipt of the tenders can the funding requirements of this project be confirmed.

e) Covenanters Car Park

3.7 Hanover (Scotland) Housing Association commenced the development of this site in January of this year. The scheme comprises two family houses and ten amenity flats for the elderly. The accommodation will be available early in 2003. This £0.8m scheme is being funded by Heritage Lottery Fund and Communities Scotland.

f) Rex Cinema site

3.8 The Rex Cinema was demolished in February of this 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 3 houses, a maisonette and a flat has planning permission and is presently being costed in detail, as a basis for an application for funding to Communities Scotland. The site is being acquired by Shire Housing Association, who will be providing the accommodation to rent.

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) and 43-45 Main Street (reinstatement of shop entrance doors and renewal of shopfront). Grants have also been agreed for 17 High Street (reinstatement of timber sash and case windows) and 22 High Street (reinstatement of timber sash and case windows).

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), as a result of 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 consequence, 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 costs have yet to be finalised via the tender process. Unfortunately, should the costs increase, the Action Plan no longer has significant flexibility to enable funds to be diverted to secure the completion of 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 either completed or will soon be completed. The NTHI contract with HLF requires that all contracts are let by the end of June 2003 and all works are completed by the end of March 2005. In the event that the funding packages for the two outstanding projects are finalised early in the New Year, there is no apparent reason why they should not be completed in accordance with this timescale.
- 5.2 It is possible, however, that some additional funding will require to be secured to enable these projects to proceed. In addition, it has been noted that there are two particular properties in the Main Street that have deteriorated badly during the course of the NTHI. As a result, it is no longer appropriate to seek to secure improvements under the reinstatement of architectural detail category. Rather, the properties require full restoration. Failure to address these properties, which lie on either side of the full restoration project at 53-55 Main Street, will seriously dilute the impact of the NTHI. Accordingly, it is important that funds are sourced to secure the necessary improvements.

6 APPLICATIONS FOR ADDITIONAL FUNDING

- 6.1 The funding package for the NTHI as a whole has continued to evolve over time. The Council was unsuccessful in obtaining funds from ERDF but was able instead to substitute funds from the Empty Homes Initiative. The NTHI has secured additional funds from Scottish Enterprise Ayrshire and East Ayrshire Council. However, the present Action Plan includes funds from 'Other Sources' against the project at 53-55 Main Street and the reinstatement of architectural detail, which are presently unconfirmed.
- 6.2 Heritage Lottery Fund has been approached with regard to meeting these requirements and also in respect of funding for the additional projects. They have advised that they are unable to increase the grant offer to the NTHI. However, they have advised that the NTHI may apply for further funds under the next round of THI funding. The closing date is May 2003. They confirmed that any additional funds would be at the same grant rate of 42%.
- 6.3 The NTHI would therefore need to locate funds to make up the remaining 58% of the additional costs, to include in the application. Of the original major funders, the Empty Homes Initiative is complete and the properties will not be eligible for significant funding from Historic Scotland, as they are not listed. Communities Scotland have been approached initially through the NTHI Key Funders' Meeting but are unable to allocate further funds to Newmilns, as they believe any housing demand has been catered for by the developments that have taken place to date. This leaves Scottish Enterprise Ayrshire as a possible source of funds, although to make up the 58% is likely to require a level of contribution significantly greater than that SEA made to the original NTHI.
- 6.4 New sources of funding have been researched but are mostly targetted on community organisations and projects, rather than physical building projects.

7 MECHANISMS FOR OBTAINING ADDITIONAL FUNDING

- 7.1 The following work is required to prepare applications for additional funding:-
- Committee agreement to approach (December 2002)
 - Identify sources of funding (December 2002 onwards)
 - Obtain agreement of property owners (January 2003)
 - Preparation of detailed schemes for properties identified as requiring treatment (57-59 Main St) (January/March 2003)
 - Identify development mechanisms (January/March 2003)
 - Identify end users (January/March 2002)
 - Prepare costings (March 2003)

- Prepare Action Plan (March 2003)

8 LEGAL IMPLICATIONS

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

9 FINANCIAL IMPLICATIONS

- 9.1 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.
- 9.2 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 implications for the NTHI accounts.
- 9.3 HLF have been approached about this issue. In response, a letter has been received advising that the retention has been reduced to 5% and may even be reduced to 2.5%, in certain circumstances. This significantly improves the cash flow projections, although the position will be kept under review.

10 RECOMMENDATION

- 10.1 It is recommended that the Committee note 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.

Stephen Chorley
Director of Development Services
9 December 2002 (SC/JR/FM)

LIST OF BACKGROUND PAPERS

1. Report to Development Services dated 5 September 2000 – The Newmilns Townscape Heritage Initiative : Update

Anyone wishing to inspect the above papers please contact Colin McKee on (01563) 576759.

Implementation Officer: Alan Neish