

EAST AYRSHIRE COUNCIL**CABINET – 1 June 2022****Report by Depute Chief Executive**

**SUBJECT: REGENERATION CAPITAL GRANT FUND –
UPDATE & SUBMISSION OF 2023/24 STAGE 1 APPLICATIONS.**

PURPOSE OF REPORT

1. The purpose of this report is to present to Cabinet an update on the progress with the various ongoing Scottish Government's Regeneration Capital Grant Fund [RCGF] projects that are supported by East Ayrshire Council. The Report also seeks authority to proceed with the submission of two Stage 1 RCGF 2023/24 applications Take a Bow Opportunity Centre, Kilmarnock in collaboration with Take a Bow Development Trust, and a Re-Use Hub for Cumnock in collaboration with New Cumnock Development Trust.

RECOMENDATIONS

2. **It is recommended that Cabinet:**
 - (i) **Note the update on the various RCGF projects supported by East Ayrshire Council;**
 - (ii) **Support the Stage 1 applications to be submitted by East Ayrshire Council to the Scottish Government's Regeneration Capital Grant Fund for 2023/24 on behalf of Take A Bow Development Trust for Take a Bow Opportunity Centre (the former New Farm Loch Community Centre, Kilmarnock), and for a Re-Use Hub for New Cumnock in collaboration with New Cumnock Development Trust ;**
 - (iii) **Agree to consider any implications for the Council in parallel with any RCGF stage 2 work that may be required (if either/both the stage 1 applications are approved);**
 - (iv) **Remit to the Head of Economic Growth, to update Cabinet on the progress of the application, and to report back to a future cabinet with an update on all the ongoing RCGF projects;**
 - (v) **Agree that the Council will monitor and oversee the expenditure of any RCGF funding received;**
 - (vi) **Note the continuing contribution of the Scottish Government's Regeneration Capital Grant Fund to achieving the Council's Strategic Priority of Community Led Regeneration: empower communities and build community resilience;**
 - (vii) **Note that a further report will be presented to the next Cabinet with regard to the proposed allocation of Place Based Investment**

Programme funding for a number of the RCGF applications including those being submitted for the 2023/24 RCGF scheme, and

(viii) Otherwise note the contents of this report.

BACKGROUND INFORMATION

3. A report entitled “Regeneration Capital Grant Fund – Update & Submission of 2022/23 Stage 2 Application”, which was submitted to Cabinet on the 27th October 2021 was the last update on the RCGF Schemes.
4. The Regeneration Capital Grant Fund (RCGF) has been delivered in partnership between Scottish Government and COSLA since 2014/15. It supports locally developed, place-based regeneration projects that tackle inequalities and deliver inclusive growth in deprived, disadvantaged and fragile remote communities across Scotland.
5. RCGF is available on a competitive basis to eligible organisations across Scotland and these currently include all 32 Scottish Local Authorities (including Special Purpose Vehicles) and Clyde Gateway. Applications are invited on an annual basis over two stages and, where appropriate and fully justified, can potentially cover more than one financial year.
6. Demand for RCGF support has increased significantly since the launch of the fund. Accordingly only a selection of the strongest projects can be supported from the available budget each year meaning that there is a pipeline of potential projects. Unsuccessful applicants have been welcomed to consider responding to feedback and reapplying at a later date.
7. RCGF is continuing as part of the package of £325m investment backing the establishment of the new 5 Year Place Based Investment Programme from 2021-22. More broadly that package of investment includes support for community regeneration, place, town centres, and 20 minute neighbourhoods with the involvement of all Scottish Local Authorities and communities in taking forward relevant activities.
8. The intent of the Place Based Investment Programme, as agreed between the Scottish Government, COSLA and local government, is to link and align all place based funding initiatives to ensure there is a coherent and sustained approach to renewal, whilst promoting the resilience, health and wellbeing of communities across Scotland.
9. RCGF project proposals are expected to demonstrate alignment with the following key strategic areas of priority and core principles (and will deliver across agreed National Outcomes):
 - The Place Principle;
 - Regeneration Strategy;

- Scotland's Economic Strategy;
 - Town Centre Regeneration;
 - Climate Change Plan;
 - Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings;
 - Public Health Scotland's Strategic Plan;
 - Fair Work,
 - Addressing Child Poverty
10. They should also align with Local Authority Local Economic Development, Regeneration, Local Development and Strategic Development Plans.
 11. The fund is primarily aimed at providing new and/or improved infrastructure to improve the economic, social, and physical environment of communities. Projects will also be expected to detail how they are considering and contributing towards the target of net-zero carbon emissions by 2045.
 12. To receive support projects need to focus on:-
 - areas that suffer from high levels of deprivation and disadvantage;
 - demonstrating clear community involvement;
 - delivering large scale transformational change with strong regeneration outcomes; and
 - encouraging additional investment and address market failure.
 13. Applications are not restricted in geography, size or type of project; it will be for the eligible applicant organisation to demonstrate that the project fits with the aims and objectives of the fund and can demonstrate clear regeneration outcomes in line with ***Achieving a Sustainable Future: The Regeneration Strategy***. Applicants are also required to demonstrate the project's feasibility and practicalities.
 14. The focus of this call is for capital projects that are capable of starting in the financial year 2023/2024 and to fully utilise the grant allocated for that financial year. Project applications should therefore prioritise any grant requests for 2023/24 that have a physical start date prior to 31 December 2023 at the latest. Applicants may however profile grant support across two financial years if they wish to do so. Applicants should clearly justify any request for grant over more than one year as this will be scrutinised by the Investment Panel.
 15. Applications to the fund are made annually and are assessed over two stages by an independent Investment Panel which is co-chaired by the Scottish Government and COSLA. The independent RCGF Investment Panel makes recommendations to Ministers and COSLA on project proposals that should advance to stage 2 and ultimately be offered grant support for the upcoming financial year.
 16. The timeline for the application process is as follows:

- **Stage 1 applications deadline (project summaries) – 14:00 on 17 June 2022**
 - Investment Panel meeting stage 1 – August 2022
 - Applicants notified of results (invited/not invited to stage 2) – September 2022
 - Stage 2 applications deadline (full project proposals) –October 2022
 - Investment Panel meeting stage 2 – November 2022
 - Recommendations approved by SG Ministers/COSLA – December 2022
 - Notification to all applicants of funding recommendations – Dec 2022 / Jan 2023
17. There is no restriction on the number of applications that may be submitted by each organisation but, given the limited size of the overall fund, applicants are requested to be realistic with the number of applications and combined value of grant requests being made. Applicants are required to prioritise bids if they make more than one.

PROGRESS WITH EXISTING REGENERATION CAPITAL GRANT FUND PROJECTS

18. To date there have been six successful RCGF bids by the Council. Four have been completed - the **Ingram Enterprise Centre (IEC)**, **Ochiltree Community Hub**, the **Crossroads Community Hub** and the **Kilmarnock Academy Legacy Project**. The IEC has been very successful running close to full occupancy within a year, occupancy levels were impacted by COVID 19 restrictions for much of 2020 and 2021. However, the most recent figures show occupancy levels are back up to approximately 85% which is well above the sustainability threshold. Interest in space within this facility continues to grow.
19. The **Ochiltree Community Hub** was also affected by lockdown restrictions and it has gradually reopened and is being well supported by the local communities. Commercial lets are continuing to grow with a wide variety of events being supported. The Hub now employs six staff, four who live in Ochiltree and two within East Ayrshire. All café purchases where possible are from local Ayrshire suppliers.
20. East Ayrshire Health and Social Care Partnership and the Hub are collaborating to examine how to better meet the Hub's objectives of improving

health and wellbeing of the communities it serves. The Hub now has in excess of a years running costs in reserve.

21. The Council helped secure a total of £0.978M of financial support for the **Crossroads Community Hub**, in partnership with Crossroads Community Hub Ltd (CCH). CCH started trading as the Ayrshire Food Hub with the Farm Shop on the 28th April 2021, footfall has exceeded expectations. Foods from 77 local/Scottish suppliers and local crafts from 8 suppliers are now stocked. The Café opened on the 4th June 2021 and now has 50 covers, with an average footfall of 330/week. The Hub is also home to a development kitchen, meeting room, a growing garden, and an online shop selling fresh local produce. To date they have been trading well and are looking at increasing the community use of the facility. This will include exercise, health, leisure and learning activities, including cooking classes for all ages, rural craft and gardening groups. The Ayrshire Food Hub now has a payroll of 26 Staff, amounting to 14.5 FTE, they also have 12 weekly volunteers that help out with the shop, café, garden and community work.
22. The Council secured three RCGF allocations amounting to £2.75M towards the **Kilmarnock Academy Legacy Project** in partnership with Centrestage Communities Ltd (CCL). The project, comprising the largest Community Asset Transfer in Scotland, fits well with the Council's aspiration to transform its relationship with local communities and demonstrates a commitment to ensuring facilities are fully accessible. The construction works funded by RCGF are now complete. CCL started trading in August 2021 as the Ayrshire's Arts Academy, and their first production opened on the 12th November 2021.
23. CCL continue to develop further areas of this very large campus. Funding applications, including those for the Place Based Investment Programme (to be determined at a future Cabinet), are in process. This will allow for further refurbishment of rooms and facilities to accommodate anticipated growth both from Centrestage and other organisations. To date CCL have protected 18 existing FTE posts from March 2020, as the Academy develops it is anticipated that they will recruit additional FT and PT posts, resulting in a total of 32 FTE posts.
24. In relation to the Kilmarnock Academy Legacy Project, Cabinet on 16 June 2021 agreed to reallocate funding to meet increased costs for the proposed access road from London Road into the former Kilmarnock Academy site. Cabinet also agreed to proceed with the construction of a new car park off London Road to support the Kilmarnock Cultural Quarter. This is being progressed by ARA, and is reported on through EA Performs. Tenders for the access road and car park project have been issued and should be returned prior to the end of June 2022.
25. The Council has also secured four RCGF allocations amounting to £2,094,903 for Above Adventure's **West of Scotland Climbing Centre** project. Above Adventure (AA) are now in the process of converting the former, listed Grange Church, Kilmarnock, into a fully accessible Mountaineering Scotland approved

Regional Climbing & Bouldering Centre. The construction contract started on the 11th January 2021. It was programmed to complete in March 2022. A series of additional works were identified following disruptive, close-up inspections, once the scaffold had been erected, and when combined with delays in materials being delivered to the site, the contractor anticipates that the complete project will finish in December 2022.

26. However, the project has been split into two phases. Phase 1 the Bouldering Hall is now complete and open. Phase 1 will employ 2 FT and 9 PT staff. This will increase up to 5 FT and 12 PT staff once Phase 2 is complete and open.
27. As a result of the poor condition of the former church roof and ornate plaster ceiling, total structural repair costs have increased significantly. In anticipation of such an eventuality AA have managed to secure various loans. At the present time, AA may have to utilise up to £0.300M of an approved £0.500M loan, to pay for the additional roof repair works and provide some initial revenue funding. This clearly will have an impact on future running costs. The situation is currently being closely monitored and a value engineering exercise has been carried out. AA are currently trying to secure additional grant funding, including funding through the Council, from the Place Based Investment Programme also being considered at a future Cabinet.
28. Most recently, this year we managed to secure £1.37M from RCGF towards the Celebrate Kilmarnock's **Creative Cyber Campus** in the heart of Kilmarnock town centre involving repurposing and upgrading the vacant 'white tile building', at 25-31A King Street, Kilmarnock, to provide flexible, multi-purpose, sustainable and robust work spaces designed to help meet the seismic changes occurring in the town centre work environment. It is proposed that the building will encapsulate Celebrate Kilmarnock's ambitions for the regeneration of Kilmarnock town centre with the facility acting as a catalyst for community wealth building. It should be noted that the Council have previously agreed to allocated £1.5M towards refurbishment of the building after it gained ownership of the building to create the infrastructure for a community led project.
29. The objective of the Creative Cyber Campus project is two-fold: (1) to build on the success of the Ingram Enterprise Centre (IEC) and (2) complement the HALO project which aims to foster new business opportunities and employment growth. The location of the Campus on King Street, Kilmarnock's main thoroughfare, provides a showcase for the latest in digital and cyber technologies which will support and provide a clear pathway to link with the Halo project'
30. A working group has been established with representation from Celebrate Kilmarnock and East Ayrshire Council to ensure a collaborative approach to repurposing the building. The building is currently in council ownership, however a Stage 1 Community Asset Transfer (CAT) has been approved and Celebrate Kilmarnock have submitted the stage two detailed CAT application, the outcome of which will be brought to a future Cabinet meeting.

31. There is a requirement to let a construction contract for the project by the end of the Financial Year, ie.31st March 2023, currently the best way of ensuring that this deadline is achieved is being considered by Celebrate Kilmarnock with assistance from the Council's Facilities & Property Management Service.

LESSONS LEARNED FROM PREVIOUS RCGF PROJECTS

32. To ensure we seek to continually improve our management of these RCGF projects and learn from any issues that have arisen the following lessons learned should be noted:-
- Due to the competitive nature of the funding and the available funding continually being oversubscribed prioritisation of the key projects where there are multiple bids is important in terms of the likely success of the projects;
 - Regular updates of project business plans and cashflow projections are required, particularly given the volatility of material costs and construction inflation;
 - Community Groups should be willing to consider non-traditional project funding, such as crowd funding and loan funding where sustainable;
 - Regular support group meetings with EAC Officers are essential both to monitor progress and to assist in resolving any challenges;
 - Any delay in the transfer of ownership to community groups, where the principle has been established should not impact on the progress with the development of the project; and
 - The more that can be done to develop the project prior to the submission of the Stage 2 application, such as obtaining statutory consents, the better the chances of the project being assessed as being deliverable.

RCGF 2023/24 STAGE 1 SUBMISSIONS

33. To contribute towards achieving the Council's Strategic Priority of Community Led Regeneration: empowering communities and building community resilience, two stage 1 RCGF applications are proposed to be submitted to the RCGF by the 17th June deadline which are noted below:-

“Take A Bow” Development Trust

34. Cabinet of the 19th May 2021 agreed to the submission of RCGF Stage 1 applications by the Council on behalf of the Kilmarnock Town Centre Partnership (Celebrate Kilmarnock) for a Creative Industries Campus, as first priority and for Take A Bow Development Trust at the former New Farm Loch Community Centre as second priority. Unfortunately, the Take A Bow Opportunity Centre project was not recommended to be invited to stage 2 of the process.
35. In terms of feedback from RCGF it was noted that RCGF received 98 applications at Stage 1 with a total grant request of £90.6m which was well above available resources. This meant that there was a very high level of

competition for RCGF support and that some projects inevitably would have to be rejected. Specifically on the Take A Bow Opportunity Centre project the panels view was that the application did not demonstrate that the refurbishment of an existing asset would produce significant additional regeneration outcomes. The panel recognised the community need and intention to support an area of disadvantage but was unclear how the proposed project would be transformative in regeneration terms locally. It was noted that applicants may consider feedback and submit revised proposals at a later date, once they have been developed further.

36. Since the submission of the Stage 1 bid in 2021 Take a Bow have made significant progress to develop its plans for the building and develop the business case for investment in the re-development of the community facility. This has included:

- **Acquisition of the Building** – Good progress has been made regarding the full acquisition of the building from East Ayrshire Council through the Transfer of Community Assets Programme. Funding support has been provided through the Scottish Land Fund and it is anticipated the full acquisition of the building will be completed in the current financial year subject to funding being secured.
- **Feasibility Study** – Detailed feasibility study undertaken during June – October 2021. This was led by O'Donnell Brown Architects and support by a team of other professionals. Key aspects of the work included undertaking a detailed building conditions survey; undertaking a detailed energy survey; preparation of detailed design proposals; and preparation of a detailed costs plan.
- **Community Consultation** – Undertaking a comprehensive programme of community consultation obtaining feedback on existing community needs; future service development; and comments of the design proposals. The consultation process highlighted the support that exists within the local community for the retention and development of the former community centre as a local community hub.
- **Business Planning** – A detailed business planning process has been undertaken that sets out robust plans for the future development and expansion of the services and activities that will contribute to the transformation of the New Farm Loch area of Kilmarnock. The business plan sets out the overall vision of the project and outlines the key priorities focussed around Youth Development; Community Development; and Employability and Enterprise Development.
- **Governance Arrangements** – Over the last year, the governance arrangements of the organisation have been strengthened and developed. This has included the recruitment of additional trustees with a range of experience, along with undertaking a review of all policies and procedures including the development of a new monitoring and evaluation framework.
- **Funding Strategy** – Work has been progressed over the last year with the support of Officers from East Ayrshire Council to prepare a robust funding strategy for the project. This has involved exploring opportunities to align a range of funding programmes that support local regeneration and place making activity.
- **Capacity Building** – Funding has been provided through the Scottish Government Supporting Communities Fund to enable the organisation employ

a Community Development Co-ordinator. This post is funded initially for the period to March 2024, and has been provided in recognition of the organisations role as the main Community Anchor organisation in the area. The funding is designed to help build the capacity of the organisation and enable the organisation to expand the delivery of a range of community support services.

37. The organisation is now ready to move forward with work to secure the funding for the re-development of the facility and demonstrate the value and contribution the refurbishment of the building will make as part of the wider regeneration of the local area.
38. The Trust has become established as the main “*Community Anchor Organisation*” in the New Farm Loch area of Kilmarnock but also provides support to people from surrounding localities. It is a young, vibrant, community based organisation that has transformed the former community centre into an active community hub.
39. Their plans for the building includes taking forward proposals for the full transfer of the asset to the ownership of the Take A Bow Development Trust and the re-development of the building into a modern and suitable facility that is able to meet the future needs of the local community. The key elements of the re-development work will include the following:
- major refurbishment based on a comprehensive study of the current condition of the structure. This is likely to include a new roof, electrical work, new windows, a new heating system and full internal and external upgrading;
 - a new extension to improve the overall functioning of the facility. This will include new changing space for the performance area and new meeting/activity space;
 - improvements to improve the energy efficiency and ensure the building as a whole contributes to the net-zero carbon emissions strategy.
 - improving and upgrading the access arrangements and car parking space, by creating a one way system for facility users, and making the car park safer, (this element of the bigger project is subject of an PBIF bid).
 - The wider project would also a link to the Infinity Loop to encourage active travel to and from the facility.
 - Linking the centre to the park area next to the existing centre to integrate the facility with the wider environment and enhance the use of outside spaces.
40. A detailed cost plan has been prepared. A summary of the anticipated costs is as follows:

Item	Cost
Build Costs	

Proposed Design Build Cost	£1,036,904
Prelims @ 15%	£155,536
Contingencies & Risk @ 10%	£119,240
Inflation (based on 1st Quarter 2023)	£118,364
Sub Total	£1,597,908
Development Costs	£163,707
Total Cost	£1,761,615

41. The following is a summary of the significant economic, social and environmental outcomes:-

- Project will create and sustain 44 direct jobs including 9 full/part time positions and 33 sessional posts.
- Project will create and sustain 20 volunteer opportunities.
- Organisation has in place employment training policies and is committed to fair Work Practices.
- Project will enable 63 local people to be able to access employment training support per annum.
- Project will support 85% of participants in employment training activity to be able to progress onto further education, training or employment per annum.
- Project will operate as a thriving social enterprise, and registered charity, able to contribute to the local economy through the creation of employment and services.
- Project operates with a clear asset lock with all of the income generated re-invested in sustaining local services.
- Project will increase turnover to circa £250,000 PA through generated income and grant support.
- The project will develop the local infrastructure and help to make New Farm Loch an attractive place to live and work.
- Project will increase overall participation in the activities and services of the centre to over 60,000 participants per annum.
- Project will seek to build community cohesion through its activities with a target of 85% of participants reporting increased community cohesion.
- The project will create and enhance 1,389 sq/m of quality public space.
- Project will link the building with the adjacent greenspace and complement the proposed improvement to the local park through the Infinity Loop Project.
- The project will contribute to the development of the area as a well-planned neighbourhood by enhancing the overall appearance of the

building; improving road and access and safety; and improve access to a key local facility.

- Project will provide fully accessible amenities with new lift access to first floor; fully accessible toilets and changing areas; and new entrance/access arrangements.
- The project will include a new road management system and additional parking facilities.
- The project will contribute to ensuring New Farm Loch has a positive appearance and becomes a place where people want to live and work.
- The project will transform a decaying 1970's building into modern and vibrant community hub located in the heart of the community.
- The project involves a quality design that will transform the building and make it a modern and attractive venue for the delivery of a range of community services.
- The project will transform the building and ensure that it is fit for productive use for future generations
- The project will seek to use resources efficiently and respect the natural environment.
- The project will include the installation of a new air source heat pump systems and other energy efficiency measures.
- The approach to energy efficiency are projected to reduce carbon emissions by 70% and reduce energy cost by circa 80%.
- The project will make a significant contribution to the climate challenge and net zero emissions strategy.
- The project will provide opportunities for the young that will seek to build confidence and improve their outcomes.
- Deliver 165 performing arts sessions pa involving 160 young people aged 5 to 18 years of age.
- Deliver a youth activity programme to 100 young people pa.
- 89% of young people reporting increased self-confidence.
- 85% of young people reporting they have gained a new skill.
- 87% of young people supported to progress into a positive destination.
- Deliver a range of community care support services in partnership with local agencies.
- Work in partnership with local schools and early years provision and provide access to additional supports/activities through the centre.
- The project will deliver a range of services to promote physical and mental health.
- This will include delivery of a range of physical activity classes; community support services; and community care support. This work will be delivered in partnership with local organisations and agencies.
- Over 2,500 participants in the community programme pa.
- 80% of participants reporting improved confidence and sense of wellbeing.
- 85% of participants reporting that they feel less lonely and isolated.

- The project is an excellent example of community led regeneration – empowering local communities to take control of local assets and deliver local services.
42. Significant progress has been made by Take A Bow Development Trust over the last year to develop its plans for the building and develop the business case for investment. This work has enabled the organisation to address the feedback provided by the Assessment Panel for RCGF funding. The project is an excellent example of community-led regeneration that is now able to demonstrate more effectively the transformational change that will be delivered through the re-development of the centre. The re-development of this important community asset will create the opportunity for the organisation to expand its services and activities and produce significant additional economic, social and environmental outcomes through their Enterprise & Employability, and Community Development & Partnership Programmes as part of the regeneration of the area. The project has the potential to act as a major catalyst for change and will help to transform the local community into a vibrant and thriving place to live and work.

New Cumnock Re-Use Hub

43. New Cumnock Development Trust's (NCDT) aim is first and foremost to listen to the community and respond by developing projects that are for the benefit of New Cumnock and its residents. Numerous consultations and the Regeneration Masterplan have identified regeneration of the eyesore vacant buildings as a local priority.
44. This project is all about making a place – a place at the heart of New Cumnock; a re-use hub that operates as a viable social enterprise, that develops skills and creates sustainable jobs but is also a welcoming space where the community can come together to learn, share skills and socialise. Economic and employability activity, raising awareness of carbon reduction and addressing the blight of empty town centre buildings are the drivers for this project.
45. Feasibility research was carried out to assess re-use activity and the potential to create a re-use hub in New Cumnock. The report looked at operational and financial viability; fit within the building; community benefit; market assessment; and competitive analysis. Consideration was given to the social impact in terms of developing local skills, supporting, and creating employment opportunities, improving social cohesion, and contributing to the local circular economy. The work also considered in collaboration with the architect and the technical surveys, etc. whether the Trotters building is the right choice for the re-use hub or whether more viable options exist. Trotters building is seen as the obvious choice as it is central with good access and parking; it would square the circle with the Town Hall and Pool and NCDT office base. Work undertaken by Inch Architecture confirmed the Trotters Building as the preferred option.

46. NCDT Board accepted the recommendation that there should be a phased approach to the development of the project, starting smaller in rented space, learning what works in New Cumnock and growing organically. The phased approach builds up practical experience, delivers on employability and re-use outcomes, and will prove both the demand for and viability of the range of activities needed to fill a larger re-use hub, all of which strengthens the funding case. So the business plan outlines that phased approach. It is intended that the re-use hub would start initially in rented premises. NCDT managed to secure funding amounting to £75,337 from the UK Community Renewal Fund to enable this first phase, one of only four successful applications in East Ayrshire. The majority of this funding is for revenue costs including a project supervisor and technicians to assist in the hub. To date there have been delays with the project but staff have now been appointed, and the deadline for the project has been extended by the UK government.
47. NCDT has also worked successfully with the Scottish Land Fund to acquire the Trotters building as the permanent home for the re-use hub. The feasibility study and business plan formed the basis of a stage 2 funding bid by NCDT to the Scottish Land Fund for the funds for the acquisition of the building under the Community Asset Transfer process. Now that the Trotters building has been secured the size of the premises will allow expansion into furniture, a tool library and other DIY workshops and activities, as well as pop-up retail space. It may also include projects upcycling clothing, fabrics and other pre-loved items.
48. The social and community elements are a key part of the Hub's ethos so intergenerational sharing of skills and peer learning will play an important part in how the hub operates. Books and a book corner were mentioned throughout the community engagement, always with coffee and cake.
49. A detailed cost plan has been prepared. A summary of the anticipated costs is as follows:

Item	Cost
Build Costs	
Proposed Design Build Cost (including Prelims)	£1,551,524
Contingencies & Risk @ 10%	£155,152
Inflation (based on 3rd Quarter 2023@10%)	£170,668
Sub Total	£1,877,344
Development Costs	£225,281
Total Cost	£2,102,625

50. The following is a summary of the significant economic, social and environmental outcomes:-

- **Environmental outcomes**
- Cutting waste and carbon emissions and reducing reliance on scarce resources
- Contributing to Scotland's progress in the zero waste and resource efficiency agendas
- Raising awareness among local people of all ages of the environmental benefits of re-use and waste reduction
- Local people are better informed about opportunities for recycling and re-use and energy reduction through sharing information on carbon footprint reduction and living more sustainably.
- **Educational outcomes**
- Young people not doing well at school have the opportunity to gain training and employability skills which will move them into employment or formal training.
- The re-use hub will create jobs as it grows.
- There will be informal learning through workshops and demonstrations showing how to repair and upcycle items, plus basics like safe use of tools and elementary first aid.
- **Social outcomes**
- Creating lower cost options to access refurbished goods locally with opportunities for social enterprise
- Older people are encouraged to come and share skills with younger people which gives them a sense of purpose and helps to retain a greater level of community involvement and connectedness.
- Intergenerational activities help different generations to understand and respect one another which improves community cohesion.
- Creation of meaningful volunteer opportunities for all ages that build confidence, increase self-worth, increase the volunteer's social network and reduce loneliness and isolation.
- Creation of flexible crafts and activity space available for hire at affordable rates so that other groups and individuals can hold a range of events encourages people to mix, learn and socialise.
- **Economic outcomes**
- As part of the bigger plans for local economic development, contributing to increasing visitor numbers, stopping passing traffic and increasing footfall and economic activity in New Cumnock.
- Improving productivity, opening up new markets and improving resilience
- Operating as a social enterprise selling refurbished items and workshops generates income to cover part of the costs of the project, reducing reliance on grant funding.

- Pop-up shops and external workshops generate income for other local businesses, makers and crafters or for other community groups.

51. Both of the Stage 1 bid projects are currently seeking funding from the Place Based Investment Programme, which will be determined at a future Cabinet. Any funding secured from the PBIP will reduce the amount requested from the RCGF and will assist in showing the Council's support for the project increasing its viability.

POLICY/COMMUNITY PLANNING IMPLICATIONS

52. There are no policy implications arising directly from this report. The proposed projects will contribute towards the Council's Community Planning themes of Economy and Skills, Safer Communities and Wellbeing. In particular helping to achieve the Council's Strategic Priority relating to Community Led Regeneration: Empower Communities and Build Community Resilience. The RCGF projects are key examples of a developing community led eco system in support of a well-being economy.

LEGAL IMPLICATIONS

53. The Solicitor to the Council will require to draw up an Offer of Grant and a Memorandum of Understanding for the projects if they are successful at stage 2 of the RCGF process. The Memorandum of Understanding will be required to regulate and specify monitoring arrangements to make provision for (a) the option to appoint a Council Elected Member or Members to the Project Management Group, and (b) the requirement for the Council to monitor and oversee the expenditure of the RCGF funding.

HUMAN RESOURCES IMPLICATIONS

54. There are human resource implications for the Council for the existing and proposed projects however, all can be sufficiently accommodated using existing resources.

EQUALITY IMPACT IMPLICATIONS

55. The RCGF Stage 1 submissions have no direct equality impact implications but the detailed design of either facility will ensure that equal access issues are considered and incorporated. Recent RCGF projects such as the accessible facilities at the Ayrshire Arts Academy and the fully accessible West of Scotland Climbing Centre, evidence our commitment to ensuring equality impact is being fully considered throughout these projects.

FINANCIAL IMPLICATIONS

56. There are no financial implications directly arising from this report at Stage 1 of the application process. However, it should be noted that previous RCGF projects have exceeded initial RCGF allocations and have then sought additional funding from both RCGF and the Council. The financial risk and other implications for the Council will be assessed during stage 2 of the RCGF

process if either of the stage 1 application(s) is/are approved. In the interim further work on ensuring that the Business Plans for both projects are robust will be undertaken to justify operational viability.

57. There is potential of an allocation of funding from the Economic Growth in year balances to assist the design development of either of the projects if successful at Stage 1. The likely level of support that will be allocated for the development of each project will require to be included within the Stage 1 applications. As indicated above any PBIP allocation will reduce the level of RCGF funding requested as it will show as match funding towards the total project cost.

RISK IMPLICATIONS

58. The establishment of a Project Support Group including officer support from Vibrant Communities, Economic Growth and Facilities & Property Management Services will help to deal with any issues arising with this project. In relation to Take A Bow, the building is currently in Council ownership and is covered by the Council's building insurance policy. Once the Community Asset Transfer is concluded, the Trust will be responsible for the risks associated with the building and will require to put in place the appropriate insurance. New Cumnock Development Trust now own their building and have appropriate insurance for this vacant building. By ensuring that the project Business Plans are kept up to date we can help to mitigate any financial risks.

TRANSFORMATION STRATEGY

59. The projects fit with the Council's aspiration to transform its relationship with communities thus strengthening and enabling our local people to work with us to deliver sustainable services and jointly respond to challenges in the future. The proposals contained within this report link to the overall commitment within the Transformation Strategy for community-led regeneration and support the principle that people will be at the heart of everything we do.

NET ZERO & CLIMATE CHANGE IMPLICATIONS

60. The carbon reduction aspirations for both these developments are aligned to both the national and local climate change strategies and will assist East Ayrshire to move to a carbon neutral position by 2030. The refurbishment of the buildings themselves will involve a substantial investment in energy efficiency and other measures to minimise energy use.
61. The New Cumnock Re-Use Hub being part of the Circular Economy – promoting reuse, will help achieve our Climate Change Strategy objective on Waste. That is to “Manage waste sustainability by reducing, reusing, recycling and recovering waste to improve resource efficiency whilst working towards a circular economy.” As part of the strategy we are already working with other community organisations to support the reuse of waste.

CONCLUSIONS

62. To date the Council has been successful in obtaining funding for 6 major infrastructure projects through the RCGF. Four of these projects are complete, one is due for completion this year, and one is due to let the construction contract prior to March 2023. These community based projects support the principle of “people at the heart of everything we do”. All are being regularly monitored; any issues arising are dealt with promptly, with assistance from the Council where necessary.
63. In relation to this year’s bids to the RCGF it is recommended that the Council support the Stage 1 applications to be submitted by East Ayrshire Council to the Scottish Government’s Regeneration Capital Grant Fund for 2023/24 on behalf of Take A Bow Development Trust for Take a Bow Opportunity Centre (the former New Farm Loch Community Centre, Kilmarnock), and for a Re-Use Hub for New Cumnock in collaboration with New Cumnock Development Trust (in the former Trotters building) as the proposals fit well with the Council’s Strategic Priority (relating to Community Led Regeneration) to Empower Communities and Build Community Resilience.

APPENDICES

Nil.

Background Papers: Report to Cabinet of 27th October entitled “Regeneration Capital Grant Fund – Update & Submission of 2022/23 Stage 2 Application”

Report to Cabinet of 19 May 2021 entitled “Regeneration Capital Grant Fund – Update & 2022/23 Bids”

Person to Contact:

Colin McKee, Heritage Projects Coordinator

Email: colin.mckee@east-ayrshire.gov.uk

Implementation Officer: David McDowall, Head of Economic Growth

Email: david.mcdowall@east-ayrshire.gov.uk

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