

**NORTH LANARKSHIRE COUNCIL  
REPORT**

<b>To:</b> POLICY & RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE		<b>Subject:</b> Vacant and Derelict Land Fund Update
<b>From:</b> EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES		
<b>Date:</b> 16 <sup>th</sup> May 2013	<b>Ref:</b> 1722/DG	

## 1 Purpose of the Report

- 1.1 The purpose of this report is to update committee on the implementation of North Lanarkshire's 2012/13 Vacant and Derelict Land Fund (VDLF) Programme and submission of the 2013/14 VDLF Local Delivery Plan (LDP) to the Scottish Government in February 2013.

## 2 Background

- 2.1 The VDLF Programme is a ring-fenced capital grant allocation which provides financial support from the Scottish Government to assist with the regeneration of registered vacant and derelict land sites across selected local authority areas.
- 2.2 In the past, VDLF Programmes have been funded over a number of financial years and have focused on the implementation of a range of remediation initiatives including greening, housing, town centre regeneration and economic development projects.
- 2.3 However, under the most recent programmes, grant funding has been approved for one financial year only and the formerly broad remit of this fund tapered to focus on land remediation projects with economic development outcomes.
- 2.4 Funding provided through the VDLF Programme is subject to the submission (and approval by the Scottish Government) of a Local Delivery Plan (LDP) which sets out local authority investment proposals to meet the aims and objectives of this funding programme.

## 3 2012/13 VDLF Programme

- 3.1 Following the acceptance of the Local Government Finance Settlement for 2012/13, North Lanarkshire Council were awarded a one year VDLF grant allocation of £1,702,855 from the Scottish Government subject to the submission and approval of a LDP.
- 3.2 The 2012/13 LDP was submitted to the Scottish Government on the 6<sup>th</sup> of March 2012 and was formally approved on the 19<sup>th</sup> June 2012. The approved LDP included the following three projects:
- advanced infrastructure works at Grove Wood (Strathclyde Business Park) to enable the future development of this site for industrial use.
  - advanced infrastructure works at York Road (Chapelhall) to enable the future development of this site for industrial use.
  - ground treatment and remediation works at Stane Gardens (Shotts) to enable this site to be re-established as community greenspace.

- 3.3 In addition to this, the following project was also approved as part of a revised LDP submitted to the Scottish Government on the 21<sup>st</sup> August 2012:
- ground remediation and advanced infrastructure works at Condor Park (Eurocentral) to enable the future development of this site for industrial use.
- 3.4 The VDLF supported works at York Road, Condor Park and Stane Gardens are now complete whilst the anticipated completion date for works at Grove Wood has slipped to late May 2013 due to delays arising from amended timescales required to secure approval for water connections.
- 3.5 In total, these projects (including associated independent cost certification support) incurred VDLF grant spend of £1,701,954 (£901 less than the 2012/13 VDLF grant award) up to 31<sup>st</sup> March 2012/13 (the 2012/13 VDLF Programme end date). However, it is estimated that final costs for these VDLF projects will rise to £1,802,122 due to contract expenditure still to be incurred from outstanding works at Grove Wood, contract retention and site maintenance costs.
- 3.6 This outstanding VDLF project expenditure will be met through the carry forward of the remaining £901 from the 2012/13 VDLF grant allocation (for which approval was sought from the Scottish Government on the 28<sup>th</sup> March 2013) together with carry forward of £99,267 from the 2012/13 Capital Leverage Fund (which holds the VDLF Contingency Budget as approved by committee in November 2012).
- 3.7 Full details of the projects implemented through the 2012/13 LDP, their status and final/estimated final project costs are provided within Appendix 1.
- 4 2013/14 VDLF Programme**
- 4.1 Under the 2013/14 Local Government Finance Settlement, North Lanarkshire Council were awarded, in principle, a 2013/14 VDLF allocation of £1,564,156 by the Scottish Government subject to the submission and approval of a 2013/14 LDP.
- 4.3 Due to the submission deadline, approval for the Executive Director of Environmental Services to submit this LDP to the Scottish Government on behalf of NLC was homologated by committee in February 2013.
- 4.4 A detailed summary of the projects included within the 2013/14 LDP submission is provided within Appendix 2: This includes:
- details of the proposed vacant and derelict land sites to be improved or remediated;
  - an outline summary of project proposals and list of grant recipients to take forward the planned remediation/improvement works;
  - the requested VDLF grant allocation for each project;
  - anticipated outputs arising from the approved project activity; and
  - identification of VDLF funding required to procure independent cost certification support as part of the financial management procedures of this grant.
- 4.5 In addition to the £1,564,156 2013/14 VDLF grant allocation awarded from the Scottish Government, the 2013/14 LDP also includes proposals to spend £80,741 'recycled VDLF receipts' received by NLC in April 2012 (increasing the total available VDLF for 2013/14 to £1,644,897). These recycled receipts were generated from returns from previous VDLF investment which, further to Scottish Government approval, must be spent on VDLF eligible projects such as those proposed within the submitted LDP.
- 4.6 Further to consideration by the Scottish Government and potential negotiated amendments, it is anticipated that approval of a finalised LDP for 2013/14 will be received in late May/early June 2013.

## **5 Recommendations**

5.1 It is recommended that committee:

- i) note the progress made towards the implementation of the 2012-13 LDP and the carry forward of £99,267 from the Capital Leverage fund to meet remaining project spend;
- ii) note the 2013/14 LDP submission made to the Scottish Government; and
- iii) approve the 2013/14 LDP for North Lanarkshire as summarised in Appendix 2 of this report.



**Paul Jukes**  
**Executive Director of Environmental Services**

Local Government Access to Information Act: for further information please contact David Greer, Regeneration and Infrastructure, (01698 302121)

## Appendix 1: 2012/13 VDLF Local Delivery Plan

Project	Project Summary	Final/Estimated Final Project Cost	Grant Recipient	Progress/Project Status	Project Outcomes
Grove Wood	VDLF was used to support the implementation of advanced infrastructure works at Grove Wood (Strathclyde Business Park) in order to enable the construction of a 'carbon neutral industrial park' at this strategic business location.	£660,071	Fusion Assets	Advanced infrastructure works within this site (including the main	- 1.49 ha of land
York Road	VDLF was used to support the implementation of advanced infrastructure works at Dunalistair Industrial Estate (Chapelhall) to create a 'development ready' site able to attract future investment.	£425,306	Fusion Assets	Advanced infrastructure works within this site (including the main access road, platforming and site services) were completed in December 2012.	- 1.24ha of land improved for industrial use
Stane Gardens	VDLF was used to support the assessment of site contamination issues and implementation of ground remediation works at Stane Gardens (Shotts) in order to support its future reuse as community greenspace.	£268,280	NLC	The first phase of site remediation works including the removal and disposal of contaminated soil from this former greenspace was completed in March 2013.	- 0.72 ha of land improved for community greenspace - 3.7 FTE construction jobs created
Eurocentral	VDLF was used to support the implementation of ground remediation and infrastructure works at a vacant industrial site at Eurocentral to enable its future redevelopment to meet local demand for industrial business space.	£444,215	Fusion Assets	Grouting works were completed at this site in early March 2013 and some access and service infrastructure constructed.	- 1.21ha of land improved for industrial use - 3.8 FTE construction jobs created
QS Certification Support	VDLF was used to provide independent QS certification support to ensure robust financial audit trails for VDLF grant claims.	£4,250	N/A	The contract for the provision of QS certification support for projects grant aided through the 2012-13 VDLF Programme was commissioned in August 2013 and is due to be completed in May 2013.	
<b>Total</b>		<b>£1,802,122<sup>1</sup></b>			

113

\*1 £99,268 additional funding required to meet the VDLF project overspend will be vired from the VDLF Project Contingency Budget (held within the Capital Leverage Fund)

## Appendix 2: 2013/14 VDLF Local Delivery Plan

Project	Project Proposal	VDLF Grant Request	Total Project Cost	Grant Recipient	Anticipated Project Outcomes Supported
Grove Wood	VDLF will be used to support the construction of the first industrial unit within the planned industrial business park at Grove Wood (Strathclyde Business Park) in order to 'kick start' this development and encourage external investment.	£525,000	£675,000	Fusion Assets	<ul style="list-style-type: none"> <li>- 1,152 m<sup>2</sup> industrial business pace created</li> <li>- 6.1 FTE construction jobs created</li> <li>- 36.5 FTE gross jobs created</li> </ul>
Eurocentral (Condor Park)	VDLF will be used to enable the completion of advanced infrastructure works at Condor Park, Eurocentral, in order to create a 'development ready' industrial site with capacity to attract private sector investment.	£300,000	£300,000	Fusion Assets	<ul style="list-style-type: none"> <li>- 1.31 ha of land improved for industrial use</li> <li>- 3.8 FTE construction jobs created</li> </ul>
Orchardton Road	VDLF will be used to provide 'gap funding' required to help Fusion Assets Ltd. to secure loan funding required for the construction of new industrial units at this site through the Scottish Partnership for Regeneration in Urban Centres (SPRUCE) Fund.	£140,000	£2,983,000	Fusion Assets	<ul style="list-style-type: none"> <li>- 3,792 m<sup>2</sup> industrial business pace created</li> <li>- 26.9 FTE construction jobs created</li> <li>- 120.1 FTE gross jobs created</li> </ul>
Interlink Industrial Estate (Newhouse)	VDLF will be used to support the acquisition of a vacant development site at Interlink Industrial Estate (Newhouse) and undertake ground remediation works in order to help redevelop this site for future industrial (distribution) use.	£450,000	£450,000	Fusion Assets	<ul style="list-style-type: none"> <li>- 1.40 ha of land improved for industrial use</li> <li>- 5.7 FTE construction jobs created</li> </ul>
Colzium Estate	VDLF will be used to undertake site investigation works at a derelict land site within Colzium Estate to support potential future improvements to this site and the adjacent Colzium Clock Theatre.	£20,000	£45,000	NLC	
Stane Gardens	VDLF will be used to help meet additional remediation costs for this site and its redevelopment as a community greenspace.	£200,000	£3,050,000	NLC	<ul style="list-style-type: none"> <li>- 5.7 FTE construction jobs created</li> </ul>
QS Certification Support	VDLF will be used to provide independent QS certification needed to ensure VDLF grant claims are supported by robust financial audit trails.	£9,897	£9,897	NLC	
<b>Total</b>		<b>£1,644,897</b>	<b>£7,512,897</b>		