

**NORTH LANARKSHIRE COUNCIL
COMMITTEE REPORT**

To: POLICY AND RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE		Subject: Scottish Government Regeneration Capital Grant Fund Update
From: HEAD OF PLANNING & REGENERATION		
Date: 5 September 2013	Rep: 1734/LW	

1.0 Purpose of Report

1.1 To update the committee on the Regeneration Capital Grant Fund (RCGF) submissions and request agreement to undertake further development work for the Cumbernauld Community Enterprise Centre which has been submitted to this fund.

2.0 Background

2.1 In the Scottish Government's Regeneration Strategy launched in December 2011, it was announced that there would be a £25 million annual fund to be made available from 2014/15. This RCGF has been created from £12.5m of local government funding previously distributed to Urban Regeneration Companies (URCs) through Scottish Enterprise, along with £12.5m from the Scottish Government regeneration programme budget. During 2014/15 and 2015/16 £4.5m and £3.5m respectively will be top sliced from the fund to maintain direct support for Clyde Gateway, Riverside Inverclyde and Irvine Bay URCs.

2.2 A report was submitted to committee of 16 May 2013 advising of corporate development work to prepare suitable projects for the RCGF; and providing the long-list of projects that could be submitted depending on the final fund criteria and the stage of development of each project. On 31st May 2013 the Scottish Government launched this fund as a two-stage process with first stage submissions to be returned by 28th June.

3.0 Eligibility & Timescales

3.1 The fund key features include the following scoring criteria: - Viability (10%); Community involvement (15%); and Regeneration outcomes – physical (30%), economic (25%), and social (20%).

3.2 The confirmed timescales for the application process is: -

- 28 June - Closing date for stage one submissions
- August - Recommendations on successful stage one submissions and call for full applications
- October - Closing dates for full bid proposals
- November - Recommendation of proposals
- December - COSLA and Ministerial approval
- January 2014 - Offers of grant issued to projects
- April - Spend / delivery of projects

3.3 The first stage application process involved a project proforma which would be assessed on the overall fund objectives, rather than scored on the key criteria detailed at 3.1; which will form the basis for scoring the full bid applications. The applications were for projects that could be on-the-ground in 2014/15 although spend could be spread over 2014/15 and 2015/16.

4.0 RCGF Project Applications

4.1 Four projects were submitted to the fund; which were required to be prioritised overall. In order to maximise the opportunities for North Lanarkshire, the following projects were submitted, with NLC and Fusion Assets (NLC's Regeneration Company) being the applicants: -

Project	Project Value	Bid Amount	Applicant (Priority)
Cumbernauld Community Enterprise Centre, a town centre development in Cumbernauld incorporating community; business and social enterprise space; and civic space; on the existing facility site. NLC are currently leading on this project.	c£8m	£4m	North Lanarkshire Council (Priority 1)
Forgewood Community Centre, a new community led facility which will replace an existing poor condition 1960's community centre with a new functional community space incorporating an IT room, flexible hall, informal café space, office and meeting room accommodation. This project is currently being led by Forgewood Housing Association using the existing NLC community centre site.	£2m	£1m	North Lanarkshire Council (Priority 2)
Gartcosh Advanced Development Programme - funding was requested to "kick start" the regeneration of the former Gartcosh Steelworks site through an advanced development programme; including ground remediation works and construction of a speculative industrial scheme, designed to lever in private sector investment and bring jobs to the area to ensure that the Gartcosh site achieves its full economic potential.	£4.8m	£2.8m	Fusion Assets (Priority 1)
Bio-Support Estate, BioCity, Newhouse. The Bio-Support Estate at Newhouse is a new infrastructure project that will see the development of a bioscience supply chain.	£2.8m	£2.3m	Fusion Assets (Priority 2)

4.2 NLC also agreed to support an application by the Glasgow Clyde Valley Strategic Development Planning Authority (GCVSDPA) on behalf of the Glasgow & Clyde Valley Green Network Partnership (GCVGNP). This application was for the 7-Lochs masterplan project which covers NLC and Glasgow City Council areas. NLC Land Services are the service lead on this project with input from Planning & Regeneration Services. An application for a number of development activities as part of this masterplan has been submitted to the Heritage Lottery Fund and the application to the RCGF would seek to match fund those activities.

4.3 Development work for year two of the RCGF will continue to be undertaken corporately; preparing a long-list of projects for this fund that can be further developed as required.

4.4 Development work for year one projects listed above will also continue, in order to meet the requirements of the RCGF. The Cumbernauld Community Enterprise Centre project in particular requires to progress through a number of development stages in order that a robust RCGF full application can be made, if successful in progressing through stage 1; and to be ready to commence works in 2014/15.

5.0 Cumbernauld Community Enterprise Centre

5.1 This project was made NLC's priority project to the RCGF as it was considered most closely aligned with the eligibility criteria of the fund; with the potential to achieve significant regeneration outcomes. As advised to committee on 16 May, an architectural feasibility study and business plan have been undertaken to date for this project. Sanctuary Housing has been involved in the initial stages and their involvement for the next stages is currently under discussion. If successful with the RCGF application, opportunities to bridge the funding gap have been identified as Campsies Cumbernauld Ltd; NLC; and the sale of surplus land on the wider development site. Campsies Cumbernauld Ltd has been approached and this project is seen to meet the objectives of this body. A presentation will be made to the Board at a future date in order to secure a commitment. Further, the Physical Regeneration Fund from 2013/14-2016/17 held by Planning & Regeneration Services, totalling £600,000 has been ear-marked for this development; as has a further £600,000 of recycled receipts. The site masterplan identifies a portion of the site being allocated to housing. Corporate discussions have to take place, to discuss the receipt from the sale of this land being ring-fenced towards the development. Any funding gap remaining will be dependent on a value engineering exercise, to be undertaken.

5.2 It is necessary to develop this project further, in order to respond effectively to the RCGF timescales; engage the local community more fully in the project; and provide Value-for-Money. To achieve this, the following next stages have been identified:-

- Undertake a value engineering exercise in order to reduce and focus the project budget;
- Undertake wider community consultation on the project;
- Submit planning application;
- Develop operational models with Learning & Leisure Services/Culture NL and Corporate Property/Property NL.

5.3 The South-West Hubco (SW Hubco) has been approached to determine whether this vehicle could be a viable procurement route to take this project forward. The SW Hubco is currently being utilised to develop the new Wishaw Hub with NHS Lanarkshire and is working with Learning & Leisure Services on the NL Schools Programme. The Hubco model is seen as a strategic long-term approach to the procurement of public sector based infrastructure projects across Scotland. Five geographically based public/ private joint venture companies have been established to provide development support to local hub Territories across Scotland. North Lanarkshire lies within the South-West Hub area, along with 18 other participants, including Councils and health boards from Ayrshire, Lanarkshire and Dumfries & Galloway. The key objectives of a Hubco are:-

- providing enhanced local services through increasing joint service working and integration between community planning partnerships;
- delivering a sustained programme of investment into community based facilities so that more services are provided locally in communities through multi-disciplinary teams working from single sites;
- establishing a more efficient and sustainable procurement methodology for public sector bodies, principally NHS boards and local authorities;
- delivering facilities that meet public sector policy objectives for design, quality and sustainability; and;
- facilitating and improving the level of stakeholder engagement in the planning of services and development of community-based premises.

5.4 For the Cumbernauld Community Enterprise Centre, the key benefits of utilising the SW Hub would be: -

- Accessing strategic development support including involving a contractor at an early stage in the project development. Their strategic development support could include all or some of the stages identified at 5.2. This route would significantly reduce the development timeline thereby supporting the RCGF programme timescales;
- By undertaking the strategic development support through the Hubco, the necessary work would be undertaken that is required to apply to Hubco for the second stage delivery phase of projects, thereby again reducing this development phase.
- Accessing a procurement route which achieves Value-for-Money by reducing the expense of the OJEU procurement exercise; and again reducing the development time. A mini-procurement exercise would be undertaken within the Hubco to ensure best value.

5.5 As well as accessing strategic development support and their procurement model, it is also possible to access private sector financing through Hubco. However it is not considered that this project would be suitable for this type of financing, due to the community/business centre mix of functions. Instead, the key Hubco support would be strategic development and procurement of expert support.

5.6 SW Hub has submitted an initial proposal for the proposed strategic development work. It is requested that approval is given to enter into negotiations with the Hubco to undertake the identified support to a maximum value of £170,000. This support budget would be equal to 2% of the c£8m development budget. Entering into a contract with Hubco will however be subject to confirmation that this project has been approved to submit a full application to RCGF.

5.7 This development work would move the project forward significantly. However, it is recognised that until all funding is in place for this project, it continues to be a speculative development; with development expenditure being at-risk. However, delaying these steps can potentially undermine the RCGF bid which would require the project to go on site in 2014/15. Committee are therefore requested to approve the above next steps at-risk, in order to develop this project to the necessary stage.

6.0 Financial Implications

6.1 The initial development work would be financed through £140,000 of Capital Leverage Fund and £30,000 of Physical Regeneration Project fund. Both funds are held by Planning & Regeneration Services.

7.0 Corporate Considerations

7.1 Learning & Leisure Services are in support of the activities to date to develop the Cumbernauld Community Enterprise Centre. This work will continue and will now draw in further services to ensure the operational model is suitably developed.

7.2 Internal discussions will be required to agree the ring-fencing of any capital receipt for the sale of surplus land at the site identified for a housing development, should the project progress.

8.0 Recommendations

8.1 It is recommended that Committee

- (i) Note the content of this report and the submission to the RCGF;
- (ii) Approve the negotiation with Hubco SW to a maximum value of £170k in order to undertake the identified strategic development for Cumbernauld Community Enterprise Centre;
- (iii) Approve the next steps as detailed at 5.1 for the Cumbernauld Community Enterprise Centre, subject to progression to full proposal stage of the RCGF application process.



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Local Government Access to Information Act: for further information please contact Lynne Ward on 01698 302 843.