

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY & RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE		Subject: Vacant and Derelict Land Fund Update
From: HEAD OF PLANNING & REGENERATION		
Date: 20 th February 2014	Ref: 1755/DG	

1 Purpose of the Report

1.1 The purpose of this report is to:

- update committee on the implementation of North Lanarkshire's 2013/14 Vacant and Derelict Land Fund (VDLF) Programme;
- to seek approval to allocate money from NLC's Capital Leverage Fund to help meet an anticipated 'funding gap' for 2013/14 VDLF supported projects; and
- update committee on the 2014/15 VDLF allocation for North Lanarkshire and seek approval to develop a number of projects for inclusion within the 2014/15 VDLF Local Delivery Plan submission.

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 and job creation 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 2013/14 VDLF Programme

3.1 As part of the 2013/14 Local Government Finance Settlement, North Lanarkshire Council was awarded a one year VDLF grant allocation of £1,564,156 from the Scottish Government subject to the submission and approval of a 2013/14 LDP.

3.2 In addition to this, NLC requested that a 'recycled receipt' of £80,741, received as a return from previous VDLF investment, be reinvested through the 2013/14 LDP increasing the total amount of VDLF grant available to £1,644,897.

3.3 North Lanarkshire's 2013/14 LDP was submitted to the Scottish Government on the 22nd February 2013 and was formally approved on 9th May 2013.

3.4 A summary of the projects included within the approved 2013/14 LDP (as amended and approved by the Scottish Government, December 2013) is provided within Appendix 1. This includes:

- details of the vacant and derelict land sites to be improved or remediated;
- an outline summary of the approved project proposals and list of grant recipients to take forward the VDLF supported works;
- the anticipated VDLF eligible costs for each project and current VDLF grant allocation as previously approved by committee;
- an update on project progress and VDLF grant spend to 3rd January 2014;
- anticipated outputs arising from the approved project activity; and
- information regarding the VDLF funding required to procure independent QS (Quantity Surveyor) cost certification support as part of the financial management procedures of this grant award.

3.5 In addition, Appendix 1 also outlines proposed revisions to be made to VDLF grant allocations for approved LDP projects in order to better reflect budget requirements for these initiatives. These proposed revisions, include:

- reducing the grant allocation for works at Grove Wood (Strathclyde Business Park) from £200,000 to £165,000 to better reflect actual contract costs for infrastructure works implemented;
- increasing the VDLF grant allocation for works at Condor Park (Eurocentral) from £269,200 to £280,000 to better reflect actual contract costs for infrastructure works implemented;
- increasing the grant allocation for Gartcosh Business Interchange from £20,000 to £27,520 to reflect tendered costs for design and pre-contract works; and
- increasing the grant allocation from £798,697 to £815,377 to help reduce the 'funding gap' between the VDLF grant available and the anticipated site acquisition and grouting costs for the (Plot A2) development site at Edinburgh Road, Newhouse.

4 Budget Reallocation

4.1 Whilst the grant reallocation as outlined above will reduce the 'funding gap' for the proposed project works at Plot A2 Edinburgh Road, Newhouse, it is anticipated that this project will still require additional funding of circa. £85,000.

4.2 In order to help address this anticipated deficit and ensure that this project can be taken forward in full, it is requested that £60,000 unallocated funding within Planning and Regeneration Services' 'Capital Leverage Fund' is reallocated to this project with the remaining shortfall met through any VDLF underspend across other approved projects and/or reserves held by Fusion Assets Ltd. as the VDLF Grant Recipient for this project.

5 2014/15 VDLF Allocation

5.1 Subject to the submission of a 2014/15 LDP and its approval by the Scottish Government, North Lanarkshire Council has been allocated a VDLF grant of £2,297,119 for 2014/15 to continue to support the remediation and development of vacant and derelict land sites within North Lanarkshire (with any future allocation subject to review by the Scottish Government and COSLA).

5.2 The criteria of this grant fund remains focused on supporting economic development and job creation opportunities and the deadline for submission of the required LDP is the 28th February 2014.

5.3 To meet this deadline, approval is sought from committee to develop a number of project proposals for inclusion within North Lanarkshire's 2014/15 LDP submission. These projects have been identified through a consultation process across Environmental and Regeneration Services and include the following:

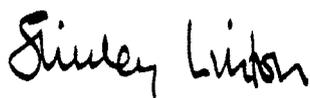
- **Gartcosh Business Interchange (Site 1a1):** to establish access and utilities infrastructure for Plot 1 within the business park in order to help 'kickstart' the regeneration of this strategic investment location;
- **Edinburgh Road, Newhouse (Plot A2):** to remediate this industrial development site and construct access and utilities infrastructure in order to facilitate its redevelopment and create new employment opportunities;
- **Edinburgh Road, Newhouse (Plot A1):** to address geotechnical constraints (including undermining) within this site in order to facilitate its future redevelopment and, together with Plot A2 (Edinburgh Road), create a larger, more strategic investment opportunity;
- **Town Centre Revolving Investment Fund:** to establish a pilot fund/project to regenerate registered town centre vacant and derelict land sites and properties and secure necessary returns to enable the ongoing 'recycling' of this investment for this activity; and
- **Land Assessment Feasibility for Renewables:** to identify opportunity to specifically make use of vacant and derelict land sites within North Lanarkshire for renewable energy facilities as a mechanism for offsetting carbon production arising through the redevelopment of other vacant and derelict land sites for industrial use (thus ensuring that such developments are 'carbon neutral').

Details of the proposed VDLF allocation for these regeneration projects, grant recipients, anticipated project outcomes and cost certification support required as part of the financial management procedures for this grant funding are outlined in Appendix 2.

6 Recommendations

6.1 It is recommended that committee:

- i) note the progress made towards the implementation of the 2013/14 LDP as outlined in Appendix 1;
- ii) approve revisions to be made to 2013/14 LDP project budgets as outlined in 3.5;
- iii) approve the reallocation of £60,000 from NLC's Capital Leverage Fund to help address the anticipated 'funding gap' for the 2013/14 VDLF supported works at Plot A2 Edinburgh Road, Newhouse;
- iv) note the 2014/15 VDLF allocation made to North Lanarkshire Council subject to the submission of a 2014/15 LDP and its approval by the Scottish Government; and
- v) approve the development of project proposals outlined in 5.3 and Appendix 2 for inclusion within the 2014/15 LDP to be submitted to the Scottish Government by the 28th February 2014.



Shirley Linton
Head of Planning & Regeneration

Local Government Access to Information Act: for further information please contact David Greer, Planning and Regeneration, (01236 632856)

Appendix 1: 2013/14 VDLF Local Delivery Plan (January 2014)

Project	Project Proposal	Grant Recipient	Est. VDLF Eligible Project Costs	Approved VDLF Grant Allocation	Revised VDLF Grant Allocation	VDLF Grant Spend	Project Update	Anticipated Physical Project Outcomes Supported Through VDLF Investment
Grove Wood (Strathclyde Business Park)	VDLF to be used to support advanced infrastructure works at this vacant land site in order to enable its redevelopment (and future construction of over 46,000sqft new industrial workspace) through a joint private/public sector partnership.	Fusion Assets	£165,000	£200,000	£165,000	£0	The advanced infrastructure works were commissioned in November 2013 and are due to be completed by mid January 2014. A joint venture partnership is also currently being established to take the wider construction phase of this development forward.	<ul style="list-style-type: none"> - 1.42 ha of land improved for industrial use - 1.7 FTE construction jobs created
Condor Park (Eurocentral)	VDLF to 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.	Fusion Assets	£280,000	£269,200	£280,000	£162,121	The proposed infrastructure works for Condor Park are complete with the exception of defects and minor additional works due to be undertaken in March 2014.	<ul style="list-style-type: none"> - 1.31 ha of land improved for industrial use - 3.7 FTE construction jobs created
Orchardton Road (Cumbernauld)	VDLF to be used to provide the 'gap funding' required to help Fusion Assets Ltd. to secure loan funding for the construction of new industrial units at this site through the Scottish Partnership for Regeneration in Urban Centres (SPRUCE) Fund.	Fusion Assets	£150,000	£150,000	£150,000	£29,536	Fusion Assets, working with their development partner (Central Building Contractors), have commissioned additional infrastructure works to help reduce the residual cost of this development and establish a financially viable scheme able to secure SPRUCE loan funding. These works started on site in November 2013 and are due to be completed early February 2014.	<ul style="list-style-type: none"> - 1.27 ha of land improved for industrial use - 1.5 FTE construction jobs created - £2million future external funding secured.
Edinburgh Road – Plot A2 (Newhouse)	VDLF to be used to support the acquisition of a vacant land site at Edinburgh Road (Newhouse) and undertake ground remediation works in order to help regenerate this site for future industrial use.	Fusion Assets	£900,000	£798,697	£815,377	£54,603	Full site investigation works have been implemented and a development plan agreed. Fusion Assets are due to finalise site acquisition in mid January 2014 with grouting works to be tendered and start on site late January/early February 2014.	<ul style="list-style-type: none"> - 2.89 ha of land improved for industrial use - 4.1 FTE construction jobs created
Stane Gardens	VDLF to be used to help meet remediation costs for this site and its redevelopment as a community greenspace.	NLC	£200,000	£200,000	£200,000	£56,303	Phase 2 ground remediation works for this project started in December 2013 and are due to be completed March 2014. Landscaping improvements and restoration of the South Calder Water/remaining land remediation works will take place following Phase 2 of this project.	<ul style="list-style-type: none"> - 0.72 ha of land redeveloped for community greenspace. - 7.25 FTE construction jobs created
QS Certification Support	VDLF to be used to provide independent QS certification needed to ensure VDLF grant claims are supported by robust financial audit trails.	NLC	£7,000	£7,000	£7,000	£550	Consultant Quantity Surveyor (Brown & Wallace) has been appointed to provide independent cost certification for all VDLF expenditure incurred through NL's 2013/14 VDLF Programme.	N/A

Project	Project Proposal	Grant Recipient	Est. Total Project Cost	Approved VDLF Grant Allocation	Revised VDLF Grant Allocation	VDLF Grant Spend	Project Update	Anticipated Physical Project Outcomes Supported Through VDLF Investment
Gartcosh Business Interchange	VDLF to be used to prepare detailed designs for infrastructure works to help secure future funding support required to kick-start the first industrial development scheme as Site 1, Gartcosh Business Interchange.	Fusion Assets	£27,520	£20,000	£27,520	£0	The initial masterplan designs for this proposal have been completed and it is anticipated that planning consent will be granted for these designs in January 2014. Consultant engineers have also been appointed to work up designs for required infrastructure works for this development (due to be completed by March 2014).	N/A
Total			£1,729,500	£1,644,897	£1,644,897	£84,323		

Appendix 2: Proposed 2014/15 VDLF Local Delivery Plan

Project	Project Proposal	Grant Recipient	VDLF Allocation	Anticipated Physical Project Outcomes Supported Through VDLF Investment
Gartcosh Business Interchange (Site 1a1)	VDLF to be used to establish access and utilities infrastructure for Plot 1 within Gartcosh Business Interchange in order to help 'kickstart' the regeneration of this strategic investment location.	Fusion Assets	£850,000	- 1.95 ha of land improved for industrial use - 11.5 FTE construction jobs created
Edinburgh Road, Newhouse - Plot A2	VDLF to be used to construct new access and utilities infrastructure in order to facilitate the future redevelopment of this strategic industrial site and create new employment opportunities.	Fusion Assets	£600,000	- 2.0 ha of land improved for industrial use - 8.0 FTE construction jobs created
Edinburgh Road, Newhouse - Plot A1	VDLF to be used to address geotechnical constraints within this site in order to facilitate its future redevelopment and, together with Plot A1 (Edinburgh Road), create a larger, more strategic investment opportunity.	Fusion Assets	£500,000	- 2.3 ha of land improved for industrial use - 2.6 FTE construction jobs created
Town Centre Revolving Investment Fund	VDLF to be used to establish a pilot fund/project to regenerate registered town centre vacant and derelict land sites and properties and secure necessary returns to enable the ongoing 'recycling' of this investment.	NLC/Fusion Assets	£320,000	- key town centre site improved for redevelopment
Land Assessment Feasibility for Renewables	VDLF to be used to identify opportunity to specifically make use of vacant and derelict land sites within North Lanarkshire for renewable energy facilities as a mechanism for offsetting carbon production arising through the redevelopment of other vacant and derelict land sites for industrial use.	NLC	£20,000	- N/A
QS Certification Support	VDLF to be used to provide independent QS certification needed to ensure VDLF grant claims are supported by robust financial audit trails.	NLC	£7,119	- N/A
Total			2,297,119	