

**NORTH LANARKSHIRE COUNCIL
COMMITTEE REPORT**

To: REGENERATION SERVICES COMMITTEE		Subject: Regeneration Statement 2008-2012 Mid Term Review
From: HEAD OF REGENERATION SERVICES		
Date: 17 February 2010	Ref: 1484	

1. Purpose of the Report

- 1.1 The purpose of this report is to inform members of the mid term review of North Lanarkshire Council's Regeneration Statement 2008-2012.

2. Background

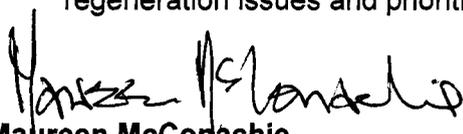
- 2.1 North Lanarkshire Council's Regeneration Statement 2008-2012 is a statement of intent. The statement sets out the main regeneration challenges that lie ahead for North Lanarkshire, the Council's key aims in bringing about regeneration, and actions the Council will take to achieve these aims.
- 2.2 The statement identifies key regeneration challenges and opportunities to develop North Lanarkshire - the place. These include developments and investments in Ravenscraig, our Town Centres, transport infrastructure, vacant and derelict land, housing stock, and in our tourism offer and image.
- 2.3 The need to invest in our people is also highlighted in the statement. The importance of moving people back into employment is highlighted and recognised as a key tool in reducing deprivation in our communities. Local regeneration action plans will direct activity, recognising that regenerating our local communities requires economic, social and environmental development.

3. Mid Term Review

- 3.1 The Statement also committed the Council to monitor and review progress of the key issues identified in the Statement. Instead of listing new targets, the Regeneration Statement states that progress should be monitored through Corporate Working Groups. In addition, the Regeneration Corporate Working Group agreed to undertake a Mid Term Review of the Statement to identify what the key issues will be for Regeneration over the next two years, particularly in light of the recent economic recession.
- 3.2 The full mid term review is included as an annex to this report.

4. Recommendation

- i) It is recommended that members note the content of this report and the key regeneration issues and priorities for North Lanarkshire over the next two years.


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Local Government Access to Information Act: for further information on this report please contact Stuart MacMillan, Regeneration Strategy Officer (Tel: 01698 302814).

North Lanarkshire Council Regeneration Statement 2008-2012
Mid Term Review
January 2010

1. Introduction

- 1.1 North Lanarkshire Council's Regeneration Statement 2008-2012 sets out the main regeneration challenges that lie ahead for North Lanarkshire and the ways in which the Council can take forward regeneration activity that will contribute to the overall development of North Lanarkshire's economy and society. This document provides a brief mid term review of the challenges outlined in the Statement, and discusses the new challenges that the Council now faces in light of the economic recession.

2. Background

- 2.1 The Regeneration Statement highlights the way in which the Council will drive forward its regeneration activity and its commitment to neighbourhood renewal. It outlines the distinctive role that the council has in contributing to the regeneration of North Lanarkshire, and how this will reinforce and complement the work of our partners. A key feature of the statement is recognition of the need to link investments in **places** to the **people** who live and work within them.

3. Measuring Performance

- 3.1 The Regeneration Statement did not create a new set of targets or indicators to measure progress. Instead, progress is monitored through the indicators and actions in the Single Outcome Agreement and corporate working groups. The actions detailed within the Regeneration Corporate Working Group are the main vehicle for taking forward the Regeneration Statement; however, there will be additional actions across other corporate working groups which will also influence the economic development of North Lanarkshire. Therefore, performance against these actions in the various working groups will reflect the progress that the Council is making in regenerating North Lanarkshire.
- 3.2 The Regeneration Statement also identifies particular projects and activities that will be important factors in driving progress. The Council has achieved a number of key milestones since 2008 that underpin regeneration, some of which are listed below.

Ravenscraig

The development of Ravenscraig as a new town centre has seen some significant landmark activity, including the construction of Motherwell College which opened its doors to students in August 2009, while work has started on the Ravenscraig Sports Facility and is due to be complete in Autumn 2010. The first phase of housing on the site is due to commence before March 2010 and will include 18 homes to be purchased by North Lanarkshire Council's as part of its new build programme, and 27 houses for rent for Clyde Valley Housing Association .

Town Centres

Regenerating North Lanarkshire's town centres is a key objective in the Single Outcome Agreement and in this Regeneration Statement. In 2008/9, over £8million was invested in the Council's town centres, with almost £5million ((£4,783,676 spent from Capital Allocation) committed through the Town Centre Investment Programme and a further £2.1million spent on the former Coatbridge Baths site. This year will see the completion of the Wellwynd Social Economy hub and the health centre at the former Coatbridge Baths site, while updated Town Centre Action Plans and Town Centre Health Checks will also begin to be developed for each of North Lanarkshire's town centres. In addition, the 2009/10 Town Centre Investment Programme is providing public realm and streetscape works across North Lanarkshire's town centres. £1.8 million is being invested in Phase 3 of the improvements to Main Street Bellshill; £1.1 million is being spent on environmental improvements and public art at Bank Street Coatbridge; streetscape improvements to a value of over £1.8 million are underway in Motherwell Town Centre and we have commenced a contract valued at £1 million on improvements to the vehicular approaches to Cumbernauld town centre.

Furthermore, North Lanarkshire Council has been successful in bids to the Town Centre Regeneration Fund and has been awarded funding which will complement and build upon current and planned investment. Each project is designed to provide tangible economic, social and environmental benefits for their local communities.

Private Sector Confidence and Investment

The UK's largest speculative development has been launched in North Lanarkshire. Located at Eurocentral, The Maxim Office Park is a 756,000 sq ft office park which includes 10 'Very Good' BREEAM rated office buildings boasting the latest state-of-the-art architectural techniques. The Council has worked closely with Maxim developers to ensure that employment opportunities are provided for local people. With Eurocentral and Strathclyde Business Park continuing to expand, these are clear signs of private sector confidence in North Lanarkshire as a place to do business. This level of investment provides important promise for the future.

Work also started on the £65million Scottish Crime Campus at Gartcosh which will bring the Scottish Crime and Drug Enforcement Agency, Scottish Police Services Authority Forensic Service (Glasgow), Crown Office Procurator Fiscal Service, HM Revenue & Customs and the Serious Organised Crime Agency under one roof. Work started on the site in March 2009 and is expected to be complete by late 2011 or early 2012. This public sector-lead project is another indication of the continued investment and confidence in North Lanarkshire

Transport Infrastructure

The North Lanarkshire Local Transport Strategy consultative draft was produced for final consultation in October 2009. The draft strategy has identified key objectives that will address the transport issues facing North Lanarkshire and help achieve the Council's broader objectives and transport vision. Work is continuing on the production of a Town Centre Car Parking Strategy which, based on the development of a sustainable business model, will deliver decriminalised parking third tier enforcement and an on and off street car parking charging regime. Progress on the delivery of the Carfin/Holytown bypass upgrade will be slowed due to current funding issues.

Vacant and Derelict Land

The Council was awarded £7.65m from the Vacant and Derelict Land Fund 2008-11. To date, 26 projects have already been supported with significant levels of expenditure going towards key projects such as £2million towards the Gowkthrapple Regeneration Masterplan area to contribute towards the Community Hub, housing and road infrastructure. Furthermore, a total of £1.4million has been allocated towards activity within Ravenscraig which will support the development of the Regional Sports Facility, BRE Innovation Park and assist funding area planning briefs to take forward Ravenscraig Phase Two.

Housing

The Council's Housing Capital Programme has invested almost £80million in North Lanarkshire's housing stock between 2008 and 2010. Further investment has been delivered through the Affordable Housing Investment Programme. The Regeneration Statement identified Gowkthrapple in Wishaw and Forgewood in Motherwell as the two main priority areas for housing re-provisioning.

- Work on delivering the Regeneration Masterplan vision for Gowkthrapple has taken pace with the first tenants moving into new homes in Castlehill Grove Phase One – 55 houses for sale, rent and shared ownership developed by Garrion People's Housing Co-operative in partnership with private developer Dawn Homes. Future investment is planned to develop new housing for sale and rent on the sites created following demolition of council flats.
- The Forgewood Regeneration Site Appraisal outlining the development opportunities and constraints of available vacant land in Forgewood has been completed. This appraisal will assist in taking forward any new development projects and exploring any new external funding avenues in the future for Forgewood, particularly to support improved community infrastructure as identified in the report. Future investment is planned to develop new housing for sale and rent on the sites created following demolition of council flats.

The Council recently approved the 2010/11 Housing Capital Programme for Council Housing Stock totalling £58 million.

Land-use Planning

A final draft of the North Lanarkshire Local Plan has been produced. The Plan will inform the outcome of every planning application and will shape the development of North Lanarkshire's land and buildings, provide protection for the environment and encourage physical regeneration of North Lanarkshire's communities.

Tourism and Identity

The Lanarkshire Tourism Action Plan was launched in September 2009 and sets ambitious growth targets for Lanarkshire to increase tourism revenue by 60% by 2015. These targets will allow Lanarkshire to more than contribute to VisitScotland's target of a 50% increase in tourism revenues across Scotland by 2015. Since 2004, tourism revenue, visitor numbers and tourism related employment all increased significantly across Lanarkshire. This is in part due to a number of high profile events which have taken place to increase the profile of North Lanarkshire including Retro Fest, Shotts Highland Games 60th Anniversary, Kilsyth International Carnival, Lanarkshire Festival of Football and the Elite Triathlon.

North Lanarkshire's Working

The economic recession has had a significant impact on the North Lanarkshire's Working Employability Service, with more individuals requiring support and assistance than was initially expected. Nevertheless, the Service has introduced new measures to respond to the crisis, including new training courses, employing additional key workers and working with partners to improve service delivery. To date, North Lanarkshire's Working has supported 7,624 individuals with employment and training advice, while 2,134 individuals achieved employment as a result of North Lanarkshire's Working support.

North Lanarkshire Partnership submitted a consortium bid to the Future Jobs Fund in 2009. The Fund is mainly targeted at the 18 to 24 age group who have been in receipt of Job Seekers Allowance for 39 weeks, and the Partnership was successful in securing 390 places for the first six months of the programme. These placements will create additional posts across the public, private and voluntary sectors and will provide additional community benefit for North Lanarkshire.

Supporting and advising our businesses

From April 2008, the Business Gateway contract, which was a strategic function of Scottish Enterprise, was transferred to local authorities. The contract across Lanarkshire has been successfully delivered, with start-up support and assistance provided to more than 500 businesses in its first year.

Nevertheless, the economic downturn has had a clear impact on the support that the Council provides to businesses in North Lanarkshire. Many businesses have cut back on expenditure on development areas such as the introduction of new IT systems and instead have required support for activity more directly related to the sustainability of the businesses. Meanwhile, the demand for grants to support business planning, raising finance and marketing assistance has markedly risen.

The number of individuals considering starting their own business as an alternative to unemployment has increased and the demand for start up grant support from individuals from disadvantaged areas has risen considerably. However at the other end of the range, the number of potential higher growth starts has all but disappeared due to the uncertainties in the marketplace and the difficulties with raising finance for new ventures. The number of new start businesses registering for VAT has also fallen.

Community Regeneration

The last two years has seen significant progress within the work of the Community and Regeneration Team. We have:

- Developed and delivered North Lanarkshire's Single Outcome Agreement on behalf of North Lanarkshire Partnership
- Further developed the Local Community Planning structures and processes including the establishment of locality based Community Safety sub-groups
- Delivered annually a £2.9m Local Development Programme providing support for locality based environmental and community based initiatives in line with agreed local priorities

- Reviewed our engagement processes and structures and provided support to our 8 Community Forums to strengthen engagement at a local level
- Brought together the members of our strategic and local community planning mechanisms, including North Lanarkshire Partnership Board, Local Area Partnership and Local Area Team members together with Community Forum members, at a number of key events to discuss future developments and plan together

Maximising our use of external funding

With European funding allocations being more narrowly defined and with less funds available, the ability to source external funding for regeneration projects is a key priority. To date, the Council's External Funding team has secured some £23million of funding, including over £10million from European Structural Funds. Additional funding from Heritage Lottery and Landfill Community Funding resulted in the redevelopment of Burngreen Park and the upgrading of the Airdrie Library Observatory.

The changing landscape around European funding will have clear implications for North Lanarkshire, with fewer levels of funding from the European Social Fund and European Regional Development Fund being available from 2010. The Council has produced an External Funding Strategy which will guide and influence the ways in which the Council can achieve its strategic priorities by maximising external funding sources. The Funding Strategy has established an Action Plan which is currently being implemented by the Council and its partners. Furthermore, the reduced levels of funding will require the Council to investigate more innovative funding initiatives, such as Tax Incremental Finance, to support major regeneration projects.

4. Economic Context

- 4.1 The North Lanarkshire economy has changed significantly since the Regeneration Statement was produced in early 2008. A period of sustained employment and economic growth since 2000 had led to a number of important achievements across North Lanarkshire, including a growing employment rate, a reduction in people claiming out of work benefits and higher levels of economic growth. But as the global and UK economies went into recession as a result of the collapse of some of the world's largest financial institutions, the impact across the UK was rising unemployment, economic contraction in a number of key employing sectors and a growing number of businesses closing down.
- 4.2 The whole UK economy has been affected by the recession, yet North Lanarkshire has seen some of the most significant impacts. Unemployment has soared in the area, rising by 126% since January 2008 and there are now 11,363 individuals in North Lanarkshire claiming unemployment benefit. In North Lanarkshire, almost 20% of the working age population is claiming out of work benefits, compared to 15% in Scotland and 13.4% in the UK. Of critical importance is the impact on North Lanarkshire's young people: there are currently 4,640 16-24 year olds claiming unemployment benefit. There is a clear danger that being out of work at an early age can result in a legacy of worklessness as a result of long periods of unemployment at such a young age.

4.3 These increases have mainly come as a result of redundancies where local businesses have seen orders and demand dry up, putting greater pressures on costs and therefore requiring firms to reduce staff levels. The experience so far has been higher numbers of small and medium sized enterprises going into administration and closing down, while many small scale redundancies being under the radar and not be reported in official statistics.

5. Impact on regeneration

5.1 The recession is likely to have a long term impact on regeneration in North Lanarkshire. With unemployment rising so quickly there is the risk of a legacy of worklessness being created, similar to that suffered by the area in the 1990s. While it is too early to identify the impact on the business community, anecdotal evidence suggests that the business stock may shrink in North Lanarkshire and business start-up rates will most likely fall as a result of the shortage of loans and equity. These factors will likely affect private sector investment in North Lanarkshire and therefore have a subsequent impact on regenerating the area.

5.2 In addition to the economic recession, the Council's budget will be reduced significantly as a result of public spending cuts at Westminster and Holyrood. All departments across the Council will have undertaken spending reviews and a number of efficiency savings for 2010/11 have been proposed. This may lead to Departments reducing or cutting some services. Given the significant impacts of the recession and the risk of long term structural damage to the economy and society, it is important that frontline services that are critical to the regeneration of North Lanarkshire are protected as far as possible.

5.3 At the moment, it is unclear to what extent the actions in corporate working groups will be affected by the squeeze on Council spending. There may be some funding sources, such as the Vacant and Derelict Land Fund which may be subject to cut backs, and if this was to be the case then regenerating North Lanarkshire's vacant and derelict will almost certainly be adversely affected.

5.4 That said, the Council has already acted by accelerating spend in its capital programme. The £112 million capital budget for 2009/10 is part of a three-year programme totalling £278 million. This £112 million includes £77 million being brought forward to the first two years of the programme to support the local economy and help address the impact of the recession on the construction industry. Over the year ahead, the £112 million will be used to take forward priority issues for residents such as Schools and Centres 21 programme, regenerating town centres, the Ravenscraig Regional Sports Facility and the improvement of roads and street lighting networks.

5.5 In light of the new challenges that the economic recession has brought to regeneration activity, many of the indicators in corporate working groups have been altered to reflect the changing circumstances. For example, the Lifelong Learning and Work Group had a target to reduce the number of benefit claimants in the year 2008/9; however, in light of the large increases in Job Seeker Allowance claimants, the target was revised to maintain the baseline that was originally detailed in the action plan. Similarly, the Regeneration working group has altered its targets for the number of jobs and the number of VAT registered businesses in North Lanarkshire.

6. Key priorities for 2010 to 2012

6.1 In light of the progress made since 2008 and the new challenges presented by the recent recession and squeeze on public sector spending and investment, some of the key priorities for North Lanarkshire's regeneration over the next two years are identified in this section.

- (i) Investment in employment initiatives
 - In light of increasing unemployment across the area, North Lanarkshire's Working Employability Service must continue to provide effective employability support to North Lanarkshire's unemployed residents. This may require greater levels of investment to support the 40,000 or so people claiming out of work benefits.
- (ii) Supporting young people into employment, education and training
 - Being made redundant and experiencing worklessness at an early age can create a very negative experience of the labour market for young people. The Council must focus its efforts and contribute to the employment and training support provided to young people.
- (iii) Working with North Lanarkshire's business community
 - Engaging with employers is an increasing priority for the Council, to link the unemployed individuals supported by North Lanarkshire's Working with employers who may be recruiting or expanding their business.
 - Business support programmes will constantly be reviewed to address the funding issues that North Lanarkshire companies face in light of restricted access to grant and investment finance. We will endeavour to support the sustainability of our key sectors and encourage high growth companies to invest in the area.
- (iv) Town centre investment
 - The Council's Town Centre Investment Programme will continue to upgrade and improve public realm in our town centres. The Capital Programmes investment priorities in the coming years will be Cumbernauld, Wishaw and Motherwell town centres. Work will continue on the final phase of streetscape works in Bellshill town centre; there will be further investment in the area around Hamilton Road/Muir Street in Motherwell town centre, costing in the region of £2.5 million; The continued investment in the approaches to Cumbernauld Town Centre along with new signage and environmental improvements at a cost of £1.5 million; and in Wishaw the construction of the Kitchener Street Link Road and the associated public realm improvements on Main Street and the surrounding area will cost in the region of £7 million. Further, a priority for the next two years will be to focus on sustaining town centre businesses, in order to encourage economic growth and attract further private sector investment. Moreover, accessing funding to facilitate further physical regeneration in town centres will remain a priority.
 - The public sector has an important role to play in town centre regeneration and can act as a catalyst for growth by encouraging public sector organisations to locate offices and staff in our town centres.

- (v) Ravenscraig and Gartcosh
 - Progressing the development of the new town of Ravenscraig and the new Scottish crime campus at Gartcosh will be major physical projects for the area. A funding strategy for Ravenscraig will be produced to identify ways of financing the town, including innovative financial instruments such as Tax Increment Finance.
- (vi) North Lanarkshire Council's Capital Programme
 - Investment from the Capital Programme was brought forward last year to help stimulate the local economy. The programme provides significant investment in the North Lanarkshire economy, however, its budget may come under increasing financial pressure over the next few years.
 - The Council must continue to work closely with the private sector to facilitate ongoing regeneration.
- (vii) Community regeneration

Over the next two years there are a number of key priorities including:

 - Provision of strategic direction for Community Safety
 - Development and delivery of the SOA 2011/2014
 - Development and delivery of the Local Development programme
 - Implementation of the Community Engagement Action Plan
 - Development and support for the Local Community Planning Processes; and
 - Review Neighbourhood Improvement Plans to improve linkages with SOA
- (viii) Investing in the housing stock
 - Significant investment in the housing stock will take place over the next two years, including the proposed demolition of Glencairn Tower and progressing the implementation of the strategy to demolish and rebuild multi-storeys in Cumbernauld.
 - In Gowkthrapple, 20 social rented and 20 Low Cost Home Ownership homes is scheduled for completion in 2012/13. Phase one of new housing in Forgewood will see 25 new homes for social rent in 2012, while the factoring initiative for over 300 flats in Carbrain is expected to be introduced in 2011.
- (ix) Car parking management
 - The introduction of parking management controls and the decriminalisation of car parking will allow the Council to target areas where there are traffic management issues. This will also allow the Council to introduce new initiatives to control parking on the road network, which will support town centres and retail areas.

7. Conclusion and recommendations

- 7.1 This mid term review has considered the progress of the Regeneration Statement since its launch in 2008. In this time, North Lanarkshire Council has made significant achievements across a number of key priorities that have taken the Regeneration Statement forward. All of these achievements will have important positive impacts in regenerating the area.
- 7.2 The economic conditions have deteriorated significantly since the Regeneration Statement was launched. The business community has been

hit hard by the recession, investment in new housing has dropped, while unemployment has soared. While these factors create additional and new challenges, the key issues and opportunities detailed in the Regeneration Statement are still entirely relevant. The Council, and its partners, will strive to deliver the continuous regeneration of North Lanarkshire through robust, effective and efficient partnership working.