

AGENDA ITEM No. 20

NORTH LANARKSHIRE COUNCIL

REPORT

To: HOUSING COMMITTEE		Subject: KILSYTH TOWN CENTRE HOUSING ACTION AREA FOR IMPROVEMENT
From: DIRECTOR OF HOUSING		
Date: 28 August 1996	Ref: GSW/WG/MO'D/6	

1. INTRODUCTION

- 1.1 The purpose of this report is to update Committee on progress of the Kilsyth Town Centre Housing Action Area for Improvement and to seek authority to proceed with the final phase of this initiative

2. BACKGROUND

- 2.1 In 1987, Cumbernauld and Kilsyth District Council approved a plan to designate the major part of Kilsyth Town Centre as a Housing Action Area for Improvement, and following completion of relevant statutory procedures, consent was obtained from the Secretary of State in 1988 to proceed with the project.
- 2.2 A total of 118 units were contained within the original area, of which 56 were houses and 62 commercial units. On account of the complicated nature of the project and the very high costs involved, the Council elected to proceed on a multi-agency basis with the Housing Corporation and the Scottish Development Agency. It was also decided to appoint the West of Scotland Housing Association Limited to act as the Council's agent for the project. The private sector also had an input, whereby complementary projects were agreed, enabling gap sites to be earmarked for private development.
- 2.3 It was agreed at a fairly early stage that the project should be undertaken over a number of phases. The first phase commenced in 1989 and was virtually completed within a year or so. Approximately £500,000 was contributed by the Council by way of grants and other contributions. Unfortunately, at that time the project ran into difficulties, principally on account of funding problems for the commercial proprietors. Indicative costs for commercial proprietors in Phase II were considerably higher than for the previous phase. The District Council was limited to offering a 50% grant for the traders, and it became clear that additional funding would be essential for the commercial proprietors, because without it, the majority of the traders would not have been able to fund their share of costs and the Council would have been faced with the prospect of forcing many of them out of business.

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- 2.4 Clearly, this was not the aim of the Council and it was agreed to postpone further progress on the project until such time as appropriate funding could be secured. Following widespread enquiries and prolonged negotiations, agreement was eventually reached with Dunbartonshire Enterprise Limited that they would provide "top-up" funding of £530,000, which, along with the Council's grant, amounted to approximately 90% of the commercial proprietors' costs.
- 2.5 The success of obtaining additional funding left the way clear to recommence the project. Work on Phase II resumed around October 1995. Several of the buildings have now been completed and the remainder are due to be finished by October this year. The project is currently ahead of schedule and within the projected budget. The Council's contribution by way of grant is expected to be around £550,000 for Phase II. Due to boundary changes, Dunbartonshire Enterprise have been replaced by the Lanarkshire Development Agency (L.D.A.). However, L.D.A. have intimated that they will honour the funding arrangements previously made for the project in respect of Phases II and III.
- 3. PROPOSALS**
- 3.1 It is considered that it is important to maintain the momentum in the project and press on with the final phase, which comprises of 39 units, of which 17 are currently in residential use and 22 are for commercial purposes. Preliminary work has already been undertaken to consider how best to carry out the renovation works, taking account of budgetary restraints, whilst recognising the need to proceed with the project as quickly as possible.
- 3.2 Draft proposals have been prepared for the final phase, the key elements of which are as follows:-
- a) Work to be undertaken in Phase III commencing in May 1997 with completion date around June 1999.
 - b) All the unimproved buildings in the Housing Action area would be rehabilitated with the exception of three buildings at 33 - 37, 38 - 42 and 83 - 87 Main Street which it is recommended be excluded from the general refurbishment proposals in view of particular difficulties in relation to these properties.
 - c) In the case of 33 - 37 and 83 - 87 Main Street it is considered by the Housing Department, Environmental Services, the Housing Association and Scottish Homes that the refurbishment of these four shops and two houses at an anticipated cost of £531,000 (of which the grant from the Council would be £338,000) is not an economically viable proposition even taking into account the completion of the Housing Action Area as a whole. Scottish Homes has intimated a willingness to invest £523,000 in the provision by West of Scotland Housing Association of 10 new build houses to complement the rehabilitation. The Council would require to fund the site acquisition cost which might be in the region of up to £150,000; this would still be less than half of the cost to the Council of grants for improvement. The Council would also receive in the first instance 100% nomination rights and thereafter 50%.

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- d) The costs in relation to 38 - 42 Main Street are in a similar range to the previous two properties mentioned in this section of the report. However this property is a listed building and it is considered highly desirable to retain it within the completed Action Area. Serious interest has been expressed by Strathclyde Building Preservation Trust and other organisations in providing funding and a use for the premises and it is therefore considered that these negotiations be continued with an eventual report to the Housing Committee. No cost for this work has been included in Appendix 1 but it is anticipated that the involvement of other agencies and sources of funding will substantially reduce the requirement for funding by the Housing Department below the £302,000 originally estimated as being required for grants to improve the property.
- 3.3 It will be necessary, in order to facilitate the award of grants, to serve Repairs Notices in terms of Section 108 of The Housing (Scotland) Act 1987, and I would request that the committee delegate to officials the authority to issue such notices when appropriate.
- 3.4 The likely cost to the council is estimated at £700,000 as indicated in Appendix I which shows the contribution of each of the main funding bodies to each phase of the Housing Action Area. This figure is based on likely expenditure on Improvement Grants, Repairs Grants and Agency Agreement including co-ordination fees provided on a similar basis to those for Phases I and II. The co-ordination fees will however require to be renegotiated to take account of increasing costs. The Council's expenditure would be funded from the Non-HRA Housing Capital Budget over three financial years from 1997/98 to 1999/2000, and at current levels of resources this level of expenditure is feasible and in line with that incurred by Cumbernauld & Kilsyth District Council on this Housing Action Area in recent years. The costs do not include for any expenditure which may be incurred by the Council for acquisition costs for the two proposed demolitions or for any contribution to the listed building at 38 - 42 Main Street.

4. CONCLUSION

- 4.1 It is considered that it is essential that Phase III proceed even prior to the resolution of the problems of the listed building and demolition and rebuild, in order to bring to fruition the strategy commenced in 1987 and safeguard the considerable investment already incurred.

5. RECOMMENDATIONS

- 5.1 To enter into an Agency Agreement with West of Scotland Housing Association for Phase III of Kilsyth Housing Action Area at an estimated cost of £700,000.
- 5.2 To continue negotiations with West of Scotland Housing Association, Scottish Homes and the owners with a view to demolition and new build at 33 - 37 and 83 - 87 Main Street, with the council funding the acquisition costs at an estimated value of £150,000, Scottish Homes funding the new build, and the Council receiving nomination rights.
- 5.3 To continue negotiations with all interested parties regarding the retention and future use of the listed building at 38 -42 Main Street.

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5.4 To serve as required Section 108 repairs notices in respect of properties contained in Kilsyth Housing Action Area.

6. **BACKGROUND INFORMATION**

6.1 Available from the Housing Department



G Whitefield
Director of Housing

Appendix 1

Kilsyth Housing Action Area

Summary of Committed / Proposed Expenditure by the Major Funding Partners

	<u>Cumbernauld & Kilsyth DC / North Lanarkshire Council</u>	<u>Scottish Homes</u>	<u>Dunbartonshire Enterprise/ Lanarkshire Development Agency/ Scottish Development Agency</u>
Phase 1 (completed)	£500,000	£1,100,000	£ 55,000
Phase 2 (in progress)	£550,000	£ 875,000	£260,000
Phase 3 (proposed)	£700,000	£ 630,000	£240,000