

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY & RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE		Subject: Vacant & Derelict Land Fund Update
From: HEAD OF ENTERPRISE AND PLACE		
Date: 23 rd February 2017	Ref: SL/DG	

1. Purpose of the Report

1.1 The purpose of this report is to:

- i) report a 'significant variation' in the contract value for a capital project (Viewpark Community Allotments) implemented through the 2015/16 VDLF Programme.
- ii) update committee on the progress of North Lanarkshire's 2016/17 Vacant and Derelict Land Fund (VDLF) Programme;
- iii) seek approval to amend North Lanarkshire's 2016/17 VDLF Programme and reallocate project funding;
- iv) update committee on the Scottish Government's 2017/18 VDLF award made to North Lanarkshire Council; and
- v) seek approval for the submission of North Lanarkshire's proposed 2017/18 Local Delivery Plan.

2. Background

2.1 The VDLF 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 (V&DL) sites across selected local authority areas.

2.2 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 objectives of the VDLF Programme to:

- tackle Long Term Vacant and Derelict Land;
- stimulate economic growth and job creation;
- develop a diverse sustainable environment with a focus on temporary and permanent greening; and
- support communities to flourish and tackle inequalities

3. 2015/16 VDLF Programme

3.1 As previously reported to committee, the 2015/16 VDLF Programme is now complete and, with the exception of retention monies, all allocated VDLF spent.

3.2 As part of this 2015/16 Programme, £200,000 VDLF was allocated towards the construction of community allotments at Viewpark Gardens (with a further £52,000 allocated through Regeneration Service's Local Development Programme). The contract for these work was let at a value of £215,353 and although subject to a number of small variations during contract works (including, for example, the creation of planting areas with disability access and the required replacement of dilapidated fencing to ensure site security), these works were completed in May 2016.

3.3 However, during the contract defects period it became evident that, with wetter weather, two plots within the allotments had become waterlogged and as such required improved ground drainage. These additional works have now increased the total value of this contract to £241,983 - £26,630 above the tendered contract price (which, in line with the council's financial procedures, requires to be reported to committee).

4. 2016/17 VDLF Programme

4.1 Through the 2016/17 Local Government Finance Settlement, North Lanarkshire Council was awarded a one year VDLF grant allocation of £1,982,000 from the Scottish Government subject to the submission and approval of a 2016/17 LDP.

4.2 North Lanarkshire's 2016/17 LDP was submitted on February 28th 2016 and was approved by the Scottish Government on 11th July 2016.

4.3 The projects included within the approved LDP (together with project summaries, updates, details of grant recipient, VDLF allocation, required amendments to project budgets and anticipated project outputs) are outlined in Appendix 1.

4.4 In taking forward the delivery of these projects, Fusion Assets and North Lanarkshire Properties requested that the Council seek further clarification from the Scottish Government on the definition of 'VDLF receipts' referenced within the VDLF Offer of Grant to NLC as such receipts may be subject to repayment or re-investment by them as end VDLF grant recipient. This issue has delayed the formal acceptance of VDLF grant agreements for the three Economic Development Projects (Physical Works) detailed in Appendix 1. However, discussions with the Scottish Government are ongoing and it is anticipated that this issue will be fully resolved within the short-term to enable issuing of grant agreements and the full contractual commitment of this grant funding before 31st March 2017.

4.5 In addition, although the Greening Projects (Physical Works) outlined in Appendix 1 have been in development since the formal award of the VDLF Grant in July 2016, due to the time required to procure design teams for this work, secure appropriate permissions, prepare drawings and contract specifications and issue tenders, it is anticipated that the works contracts for these two projects will not be let until late February/early March 2017 with spend delayed until 2017/18.

4.6 The Scottish Government, however, have provided formal confirmation that NLC will be permitted to carry-forward any unspent 2016/17 VDLF grant funding (for both economic development and greening projects) where this is contractually committed before 31st March 2017.

4.7 Lastly, through the approved 2016/17 LDP, Fusion Assets were awarded £280,000 VDLF to develop pipeline projects at Gartcosh Business Interchange (Site 1a2), Bellshill Industrial Estate and Motherwell and subsequently to identify and acquire one of these plots as a 'preferred' development site. Although these site investigation and feasibility works are currently being progressed at an estimated final cost of £130,000, it has been identified that there is unlikely to be sufficient time to complete these works and negotiate costs, agree heads of terms and process the acquisition of any preferred development site before financial year end. As such, to prevent this underspend and potential VDLF repayment, committee approval is sought to reallocate £150,000 from this project towards further remediation works required within a part remediated VDLF site at Gartcosh Business Interchange (Site 1a1) and in turn address remaining development constraints within this derelict land plot. This reallocation will also be subject to Scottish Government approval which is currently being sought.

5. 2017/18 VDLF Programme

5.1 Through the 2017/18 Local Government Finance Settlement, North Lanarkshire Council was awarded a one year VDLF grant allocation of £2,375,064 from the Scottish Government on the 20th January subject to the submission and approval of a 2017/18 LDP (to be submitted by February 28th 2017).

- 5.2 Appendix 2 provides a broad outline (including details of proposed VDLF allocations and grant recipients) of the proposed projects to be included within North Lanarkshire's 2017/18 LDP submission for which committee approval is sought.
- 5.3 In scoping these projects, this plan has not only been developed to meet programme objectives as outlined in 2.2 but has also been defined by VDLF guidance which identifies a range of ineligible project activity including, for example, housing, retail, public realm or major transport projects.

6. Financial Implications

- 6.1 The Council is responsible for managing the VDLF grant award from the Scottish Government of £1.98 million for 2016/17 and £2.375 million for 2017/18. No Council funding is required to match fund project proposals included as part of the approved 2016/17 LDP or proposed 2017/18 submission.
- 6.2 It is anticipated that by March 31st 2017, all VDLF grant funding through the 2016/17 VDLF Programme will be contractually committed with circa. £980,000 expenditure incurred (thus requiring NLC to carry-forward circa. £1million of this ring-fenced grant funding).

7. Recommendations

- 7.1 It is recommended that committee:
- i) note the variation to the contract costs for the works at Viewpark Community Gardens Allotments;
 - ii) note progress on the implementation of North Lanarkshire's 2016/17 Vacant and Derelict Land Fund (VDLF) Programme and approve amendments to project budgets;
 - iii) approve the reallocation of funding from the 2016/17 VDLF Programme to a new project as outlined in 4.7;
 - iv) note the Scottish Government 2017/18 VDLF Grant Offer made to North Lanarkshire Council; and
 - v) approve the submission of North Lanarkshire's 2017/18 LDP as outlined in Appendix 2.

Shirley Linton

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Head of Enterprise and Place

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

Appendix 1: 2016/17 Approved VDLF Local Delivery Plan

Site	Project Summary	Project Update	Grant Recipient	Approved VDLF Allocation	Anticipated Outputs
Economic Development Projects – Physical Works					
Dunalastair Industrial Site	Located within the new Life Sciences Enterprise Area centred on BioCity in Chapelhall, VDLF is being used to undertake a second phase of infrastructure works on the Dunalastair Industrial Site (to be rebranded as Lanarkshire Enterprise Park), improving the layout of this vacant plot to create a high quality development offer for the life science sector (in turn helping to attract new investment and create high end job opportunities as a result of this location's recent zoning as a life science enterprise area)	The VDLF agreement for this project has still to be signed by Fusion Assets once formally agreed. However, contract works are being progressed in lieu of the finalised agreement and are due to be completed before financial year end (with full VDLF spend).	Fusion Assets	£550,000	<ul style="list-style-type: none"> - 1.24 ha of V&DL improved for industrial use - 7.3 FTE construction jobs created
Edinburgh Road, Newhouse - Plot A1 (Phase 1 Construction Works)	To implement a range of external infrastructure works required to support the first construction phase of this development (subject to these construction works being funded through the Scottish Government's Regeneration Capital Grant Fund Programme due to be announced in February 2017)	The VDLF agreement for this project has still to be signed by Fusion Assets once formally agreed. However, contract works are being progressed in lieu of the finalised agreement and are due to be completed before financial year end (with full VDLF spend).	Fusion Assets	£200,000	<ul style="list-style-type: none"> - 1 ha of V&DL remediated - 2.7 FTE construction jobs created
Orbiston Street - Motherwell	VDLF will be used for design, planning and site preparatory costs for the development of small industrial units off Orbiston Street in Motherwell. These enabling works will form the first phase of this development and provide supporting infrastructure required to help create much needed new job opportunities within this area of Motherwell	The VDLF agreement for this project has still to be signed by North Lanarkshire Properties. The works have been subject to initial scoping via implementation through the HubSW who will be formally engaged once the funding agreement is finalised. It is anticipated that the VDLF funding allocation for this project will be contractually committed before the 31 st March 2017 but unspent.	North Lanarkshire Properties LLP	£450,000	<ul style="list-style-type: none"> - 0.26 ha of V&DL improved for industrial use - 6.7 FTE construction jobs created
Economic Development Projects – Pipeline Development					
Gartcosh Business Interchange (Site 1a2)	To support site investigation, feasibility and planning works across three sites in order to establish a pipeline of employment generating projects for future VDLF investment; and	Site investigation, feasibility and planning works for these pipeline projects is currently being progressed at an estimated final cost of £130,000. Approval is sought to reallocate £150,000 from this budget to further remediation works required at Gartcosh Business Interchange Site 1a1.	Fusion Assets	£280,000	<ul style="list-style-type: none"> - Design proposals established for future VDLF projects - Circa. 2ha of V&DL acquired for future development
Bellshill Industrial Estate					
Former Gas Works – Mill Rd (Motherwell)					
Greening Projects – Physical Works					
Former Traveller's Peoples Site (Mossend)	Building on the success of the previous community allotments scheme supported through the 2015/16 VDLF Programme, VDLF is being used to create a community gardens and allotment initiative at the former travellers site, off Kirklee Road, in Mossend	This scheme has been fully designed and is currently being tendered (with contract works due to be let by late February).	NLC	£250,000	<ul style="list-style-type: none"> - 0.63 ha of V&DL redeveloped as a community allotments - 3.3 FTE construction jobs created
Wishawhill Wood	VDLF is being used to improve a V&DL site within Wishawhill Wood, creating a community greenspace, wildflower meadow and BMX Pump	The design and build scheme for the BMX pump track and wildflower meadow is currently being tendered (with this contract due to be let by late	NLC/Central Scotland Green	£200,000	0.24 ha of V&DL remediated

	Track.	February). It is estimated that the final cost of this project will be £250,000 with the outstanding budget gap to be met through VDLF underspend in other project lines and through capital available within Planning & Regeneration Services Physical Regeneration budget.	Network Trust		2.7 FTE construction jobs created
Greening Projects – Pipeline Development					
Ravenscraig	VDLF is being used to prepare a revised green network strategy and feasibility study for Ravenscraig in order to review and identify temporary and/or permanent greening opportunities for this site which can be supported through future VDLF Programmes	This commission has been procured through Central Scotland Green Network Trust and three concept designs for new greenspace/sports provision developed. These will be subject to wider community consultation and used to help inform the wider masterplan for this site and future development work.	Central Scotland Green Network Trust	£25,000	Production of Strategy and Feasibility Study
Orbiston (former garages to the rear of Babylon Road)	VDLF is being used to prepare a feasibility study and design proposals to support community use of this former (residential) garages/lock-up site (to be funded through future VDLF Programmes)	This feasibility study has been commissioned and the consultation design works is currently being progressed. There is an anticipated £11,000 underspend for this project which will be re-allocated to meet any project overspend incurred by the Wishawhill Wood project.	NLC	£20,000	Production of Strategy and Feasibility Study
Other Costs					
	QS Certification Costs required to verify third party grant spend.	This QS support has been commissioned. There is an anticipated £1,700 underspend from this budget line which will be re-allocated to meet any project overspend incurred by the Wishawhill Wood project.	NLC	£7,000	
Total				£1,982,000	

Appendix 2: 2017/18 Proposed VDLF Local Delivery Plan

Site	Project/Proposal	Grant Recipient	Proposed VDLF/Allocation
Ravenscraig	Building on works implemented through the current VDLF programme as well as feedback from wider masterplan consultations, NLC are currently assessing opportunity to acquire vacant and derelict land adjacent to the Ravenscraig Regional Sports Centre and undertake required feasibility and site investigation works to support its future development for sports and greenspace. Any potential acquisition would also provide Ravenscraig Ltd. with capital for subsequent investment in wider site development.	NLC/ NL Leisure	£1,700,000
Economic Pipeline Projects	VDLF will be used to support Fusion Assets to acquire one or more of the potential development sites currently being appraised as part of the 2016/17 VDLF Programme and, depending upon budget, undertake required investigation and design works to support future redevelopment.	Fusion Assets	£570,000
Orbiston (former garages to the rear of Babylon Road)	VDLF will be used to take forward project designs/proposals for this derelict greenspace as currently being developed through the 2016/17 VDLF Programme.	NLC	£100,000
QS Support	VDLF will be used to provide QS Certification support required to verify third party grant spend.		£5,000
Total			£2,375,000