

North Lanarkshire Council

Report

Enterprise & Growth Committee

approval noting

Ref PH/DG

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Economic Regeneration Delivery Plan - Update

From Pamela Humphries, Head of Planning and Regeneration

Email Greerd@northlan.gov.uk

Telephone David Greer, Growth Programme Manager, tel. 01698 274190

Executive Summary

The purpose of this report is to update committee on the progress being made on the development and delivery of North Lanarkshire's Economic Regeneration Delivery Plan (ERDP).

As previously reported to committee, the ERDP is currently under development and, following consultation with a range of key stakeholders, it is anticipated that the ERDP will be finalised by August 2019.

One of the key priorities of the ERDP, as set out in the previous 'Our Ambition' linked reports, is the regeneration of our town centres to create vibrant mixed use hubs with a particular focus on increasing residential accommodation within these centres. To promote the planned renewal of these centres, consultants will be appointed to develop Vision Plans for all of North Lanarkshire's Town Centres and it is intended to present these in draft to committee in November 2019 (with communities consulted on these plans thereafter).

In support of these Vision Plans, a number of key town centre projects have already been identified which Planning and Regeneration Services have started to take forward. This initial work has ranged from feasibility works for potential regeneration projects to the acquisition of prominent vacant and derelict buildings for future redevelopment.

In addition, works are ongoing to support the renewal of North Lanarkshire's business and industrial offer at some of our edge of town industrial parks and key business locations.

Lastly, over recent months, a number of external funding opportunities have become available which could support the Council's ambitions for inclusive economic growth and these opportunities are also outlined in this report.

Recommendations

It is recommended that the committee:

- 1) Note the content of this report and regeneration activity currently being delivered/developed;
 - 2) Approve the scoping and commencement of work on potential applications to the Scottish Government's Regeneration Capital Grant Fund and the National Lottery Heritage Fund Programmes;
 - 3) Approve the submission of Stage 1 applications to the Scottish Government's Regeneration Capital Grant Fund by the deadline of 10th June.
 - 4) Note the Council's allocation from the Scottish Government's Town Centre Fund and that the funding will be utilised to support programmes for town centre regeneration progressing under the ERDP.
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Supporting Documents

The plan for North Lanarkshire

The ERDP will contribute to the Priority Outcome of Improving Economic Opportunities and Outcomes and the specific ambitions for:

- Ensuring a housing mix that supports social inclusion and economic growth;
- Refocusing our town centres and communities to be multi-functional connected places which maximise social, economic and environmental opportunities;
- Maximising the use of our marketable land and assets through improved development in business and industrial infrastructure.

1. Background

1.1 In May 2018, committee approved a report that set out proposals to develop a comprehensive, long-term Economic Regeneration Delivery Plan to co-ordinate the physical and economic regeneration of North Lanarkshire, increase economic output and help address social and economic inequality. The key aims of the ERDP is to plan activity which will:

- Increase housing supply across all tenures to meet our current and future housing requirements and support our wider regeneration objectives.
- Support the regeneration of our town centres through the development of long term Vision Plans and strategic projects.
- Develop our strategic infrastructure to support the physical and economic regeneration of North Lanarkshire primarily through our City Deal programme.

- Enable and promote the provision of good quality industrial and office space in the right locations to help attract and retain businesses and improve our economic output.
- 1.2 Currently an update on new housing supply and re-provisioning is provided to the Communities and Housing Committee whilst an update on City Deal is provided to this committee as a separate report. As such, this report focuses primarily on works being undertaken to support the development of the ERDP and promote town centre renewal and the supply/improvement of industrial and office stock across North Lanarkshire.
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2. Report

2.1 North Lanarkshire Economic Regeneration Delivery Plan

2.1.1 Building on previous background works undertaken to support the development of the ERDP, a consultation event was held in March 2019 to obtain views from key public, private and third sector agencies on our plans for inclusive economic renewal. More than sixty delegates representing a wide range of agencies attended this one day event and their views used to support the development of a draft ERDP (due to be completed in May 2019). This draft will in turn be used as a consultative framework for further engagement with members and wider community stakeholders to enable their input to the completed plan.

2.1.2 It is intended to have the plan finalised by late summer and reported to committee in August 2019.

2.2 Town Centre Regeneration

2.2.1 The regeneration of North Lanarkshire's town centres and their redevelopment as modern high quality spaces that meet the changing needs and aspirations of current and future communities will be one of the key objectives of North Lanarkshire's ERDP. As previously reported to committee, town centre regeneration needs a new model. Promoting the Scottish Government's 'Town Centre First Principle', niche retailing and developing evening economy and leisure opportunity to address the changing nature of town centres is not enough. A new model needs to be developed that provides a broader foundation for town centres that more actively promote renewal and investment. In achieving this aim, this model needs to create 'living towns' which have a much stronger focus on housing new build, conversion and refurbishment, which promote sustainability and digital inclusion and which address the decline of the built environment.

2.2.2 To support this aim, North Lanarkshire Council are currently procuring a consultancy team to prepare long-term Vision Plans for all of our town centres to identify how these can be reshaped to best meet the needs of our communities both now and in the future. Initial works on these plans will focus on engaging key stakeholders (including community planning

partners, transport providers and local business representatives) in order to develop consultative drafts that will be brought to committee in November 2019 and thereafter used to support wider community consultation.

2.2.3 In addition to these Vision Plans, it is also recognised that these town centres already have a number of key buildings which are vacant (and likely to remain vacant and/or undevelopable due to market conditions and cost) or which impact negatively on the quality of the town centre environment. As approved at Enterprise and Housing Committee in September 2018, running in parallel to the development of the vision plans, the Growth Team are also taking forward a range of projects to enable the regeneration of key town centre sites. Most of these projects are still at feasibility or early design stage although land assembly works have been initiated for two. This includes initial valuation works which are being undertaken for a part-derelict site on Main Street, Coatbridge and the negotiated acquisition of 1-5 Bank Street, Coatbridge, which is near completion. In line with the key aims of the ERDP, both of these projects will aim to address town centre vacancy issues and support the development of town centre residential development at these locations.

2.2.4 A number of other affordable housing projects within town centres are also contained within the Strategic Housing Investment Plan and are at various stages of development. These include:

- Orrs building, Airdrie
- Broomknoll St Church, Airdrie
- Muiryhall St, Coatbridge (former tax office)
- Main Street, Wishaw (former Tesco site)
- Roberts St, Wishaw (former Bellhaven residential home site)
- East Academy St, Wishaw (former Wishaw Market site)
- Main Street, Kilsyth (2 sites)
- Former Police Station, Kilsyth

2.3 Business and Industry

2.3.1 As previously reported to committee, the continued improvement of the business and industrial infrastructure offer across North Lanarkshire and the development of employment opportunity underpins the Council's aims for inclusive growth.

2.3.2 In support of this aim, the Growth Team are in the process of commissioning feasibility works to assess opportunity for improvements of the industrial offer at Braidhurst Industrial Estate (Motherwell) and at the older parts of Newhouse Industrial Estate.

2.3.3 In addition, the Growth Team are also working closely in partnership with our property ALEO's to help secure and support investment in our wider business offer. This includes the council:

- securing investment of £1.74M from the Scottish Government's 2019/20 Regeneration Capital Grant Fund Programme to support North Lanarkshire Properties to deliver a £2.34M project to construct 14 start-up industrial units on a derelict land site at Orbiston Street Industrial Estate. This will not only provide much needed local business space on the edge of Motherwell Town Centre but will also create infrastructure that will be used to initiate a local entrepreneurial scheme in partnership with New College Lanarkshire; and
- seeking investment of £1.4M from the Scottish Government's 2019/20 Vacant and Derelict Land Fund (VDLF) Programme to allow Fusion Assets to improve and expand development opportunity at Lanarkshire Enterprise Park (Chapelhall) and Link Park (Newhouse Industrial Estate) in order to create inward investment opportunity at these key business locations.

2.3.4 Lastly, further to previous VDLF investment made via the Council to enable Fusion Assets to create development ready industrial plots at Gartcosh Business Interchange, the first of three industrial units of a new 60,000 sqft development (which secured £4.56M private sector and loan funding investment through a joint venture partnership with J. Smarts & Co.) was completed in March 2019 and is now being marketed.

2.4 External Funding

2.4.1 In March 2019, the Scottish Government announced that North Lanarkshire was to be allocated £3.25M from a £50M Scottish Government Town Centre Fund (the third highest local authority award across Scotland).

2.4.2 This grant will fund a wide range of investments which deliver against the themes of the Scottish Government's Town Centre Action Plan including town centre living and supporting town centres to be vibrant, accessible and enterprising places. This could include re-purposing buildings for housing, business, culture or tourism or for improving access and infrastructure within our town centres. This fund needs to be spent, or at a minimum, contractually committed before 31st March 2020.

2.4.3 In addition to this new Town Centre Fund, the Scottish Government has also recently announced the launch of the 7th round of their Regeneration Capital Grant Fund (RCGF) with Stage 1 applications to be submitted by 10th June 2019.

2.4.4 The Scottish Government's RCGF Programme is an annual capital grant scheme for large-scale physical regeneration projects that support the policy objectives of the Government's Regeneration Strategy. It is a challenge fund open to Local Authorities and Special Purpose Regeneration Vehicles that focuses on projects that can demonstrate the ability to deliver sustainable economic and physical regeneration outcomes and that evidence community involvement.

- 2.4.5 Since its launch in 2013, North Lanarkshire Council (either directly or on behalf of a third-party partner) has been successful in securing £7.4M RCGF for four projects (the Muirfield Centre [Cumbernauld], Forgewood Community Centre [Motherwell], Glenboig Life Centre and Orbiston Street Industrial Start-Ups [Motherwell]) whilst Fusion Assets have secured a further £2.1M for projects at Drumpellier Business Park (Coatbridge) and Link Park (Newhouse Industrial Estate).
- 2.4.6 Lastly, as part of the National Lottery's recent launch of the Heritage Lottery's Fund (HLF) Strategic Framework (2019-2024), North Lanarkshire has been identified as one of thirteen 'Areas of Focus' across the UK and one of two in Scotland.
- 2.4.7 Whilst this classification does not bring any ring-fenced funding, it has meant that the HLF are keen to work with key stakeholders (including the council) to bring forward applications that will conserve and protect our built and natural heritage and develop an approach that will incorporate our cultural heritage as part of our shared ambition for inclusive growth and regeneration.
- 2.4.8 In order to make the most effective use of external funding, it is intended that a service wide officer group will be set up to identify and take forward potential projects and funding applications and ensure an integrated strategy as to how the Council make best use of these funding streams.
- 2.4.9 In taking forward projects to be funded through the Town Centre Fund, given funding timescales, the Service will ensure that plans are progressed in line with the already established ERDP town centre priorities to ensure that full use is made of the Town Centre Fund in accordance with the grant terms and conditions

3. Equality and Diversity

3.1 Fairer Scotland

Promoting inclusive growth sits at the heart of the Council's Ambition Programme. North Lanarkshire Council will aim to achieve this goal through the development of an ERDP that will support the Council to meet its Fairer Scotland Duty and address socio-economic disadvantage by:

- helping to grow the local economy which will in-turn increase North Lanarkshire's tax base and thereby investment which can be made across local public services;
- promoting and enabling investment that will create and improve access to new and better employment opportunity;
- ensuring effective linkage between economic opportunity, skills and work-force development; and
- creating infrastructure that will allow all of North Lanarkshire's communities to have access to leisure, learning and employment opportunity.

3.2 Equality Impact Assessment

An overarching Equalities Impact Assessment (EIA) will be undertaken as part of the development of North Lanarkshire's ERDP to ensure that any potential equalities impact as a result of the policy and/or plans developed through this strategy are minimised or negated where possible.

More importantly, an EIA will be prepared for each individual project to be taken forward through the ERDP as part of the Council's approved Project Management process.

4. Implications

4.1 Financial Impact

To progress town centre and business and industry works to be delivered through the ERDP, the council has set aside resources from its General Services Capital Programme. In addition, since December 2018, the Council has been allocated/secured a further £7.88M for spend/commitment this year that will be used to support its growth and regeneration agenda. This includes:

- Town Centre Fund - £3.25M;
- Regeneration Capital Grant Fund - £1.74M; and
- Vacant & Derelict Land Fund - £2.89M

To ensure the most effective use of the General Services Capital Programme, the Growth Team will work across services to continue to maximise drawdown of external funding both in 2019/20 and in future years whilst spend of the capital programme and external funding will continue to be monitored through the ERDP Board and Strategic Capital Delivery Group.

4.2 HR/Policy/Legislative Impact

This report has no HR, Policy or Legislative Impact.

4.3 Environmental Impact

The environmental impact of any projects progressed as part of the ERDP has/will be assessed as part of the business case process.

4.4 Risk Impact

A risk assessment has/will be carried out for each project as part of the Business Case process. Moreover, a full risk register will be established as part of the development ERDP to support the effective implementation of this strategy.

5. Measures of success

The measures of success and performance indicators will be a critical part of the development of the ERDP in order to measure progress in the delivery of the key priorities, namely:

- To increase economic output/GVA
- To increase business start-ups and survivability
- To increase business growth and employment
- To create viable and sustainable town centres
- To increase delivery of new housing supply across tenures, particularly on brownfield sites, to meet housing requirements.
- To improve economic outcomes for local people and in particular those who are most disadvantaged.

Targets for outcomes and outputs will be incorporated as part of the finalised ERDP to be brought to committee in August.



Pamela Humphries
Head of Planning and Regeneration