

# North Lanarkshire Council Report

## Enterprise and Growth Committee

approval  noting

**Ref** PH/DG

**Date** 27/08/20

## Vacant & Derelict Land Fund and Regeneration Capital Grant Fund Update

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### Executive Summary

The Vacant & Derelict Land Fund (VDLF) and Regeneration Capital Grant Fund (RCGF) are Scottish Government capital grant fund programmes which have been established to support area based community, physical and economic regeneration activity. Funding submissions to both of these schemes are submitted annually.

The purpose of this report is to update committee on the approval of North Lanarkshire's 2020/21 VDLF Programme and the Stage 1 submissions made to the 2021/22 RCGF Programme.

### Recommendations

It is recommended that committee:

- 1) Note the approval of projects which were included in North Lanarkshire's 2020/21 VDLF Local Delivery Plan submission to the Scottish Government;
- 2) Note the submission of four Stage 1 applications to the Scottish Government's 2021/22 RCGF programme; and
- 3) Approve the submission of any successful Stage 1 RCGF applications to Stage 2 of this programme.

### The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (21) Continue to identify and access opportunities to leverage additional resources to support our ambitions

## **1. Background**

- 1.1 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 sites across selected local authority areas.
- 1.2 Funding provided through the VDLF programme is subject to the submission (and approval by the Scottish Government) of an annual Local Delivery Plan which sets out local authority investment proposals to meet the objectives of the VDLF programme. These objectives are to:
- tackle long term vacant and derelict land (and in particular sites which have been registered as vacant or derelict for at least 15 years);
  - 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
- 1.3 There is a range of activity which this fund cannot support including: major infrastructure works, flood mitigation, retail and housing projects.
- 1.4 As well as investing grant funding directly, the council is also able to develop and deliver VDLF projects through ALEOs and partner and third party organisations.
- 1.5 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', which focuses on projects that can demonstrate the ability to deliver sustainable economic and physical regeneration outcomes as well as evidence community support and participation.
- 1.6 Whilst organisations other than local authorities and SPV's cannot apply directly to this fund, the council can apply on behalf of ALEOs, partners and community groups and act as a conduit for this grant funding.
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## **2. Report**

### **2.1 Vacant & Derelict Land Fund**

2.1.1 In January 2020, the council was awarded a 2020/21 VDLF capital grant of £1.956M subject to the approval of a VDLF Local Delivery Plan by the Scottish Government. As reported to committee in May, four projects were included within this submission as outlined in Appendix 1.

2.1.2 The Scottish Government approved North Lanarkshire's 2020/21 VDLF Local Delivery Plan submission on 19<sup>th</sup> June.

### **2.2 Regeneration Capital Grant Fund**

2.2.1 In May 2020, the Chief Executive, under delegated powers, gave approval for the council, working in partnership with the third sector and other public sector

organisations, to 'scope out' five potential Stage 1 applications to the Scottish Government's 2021/22 RCGF Programme. These potential bids were for:

- Braidhurst Industrial Estate
- Ravenscraig Industrial Offer
- Kirkshaws Neighbourhood Centre
- Springhill Community Hub
- Reeltime Music – Rehearsal, Event & Recording Venue

2.2.2 Only three of these Stage 1 bids were submitted as the 'Ravenscraig Industrial Offer' and 'Kirkshaws Neighbourhood Centre' projects were not sufficiently advanced to meet funding deadlines. However, an additional bid was submitted in their place for 'Newmains Community Hub'. This project was subject to a previously unsuccessful RCGF bid but, with a revised focus on the creation of an outdoor sports, play, leisure and active travel hub, it was felt that this project proposal may now be viewed more favourably given restrictions placed on indoor community activity as a result of Covid-19.

2.2.3 Details of all of the Stage 1 RCGF bids made are outlined in Appendix 2. It is anticipated that successful Stage 1 bids will be announced in September with Stage 2 bids to be submitted by October 2020.

2.2.4 As part of the council's framework for 'Working with Communities', updates on the outcomes of these RCGF applications will be provided to relevant Community Boards as appropriate.

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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland Duty**

Both the VDLF and RCGF programmes and the project proposals outlined in the appendices are very much focused on promoting a fairer Scotland and inclusive growth and will do so by:

- delivering physical regeneration projects that will improve the local environment and tackle problems which continue to constrain community and economic regeneration (such as employment opportunity and vacant and derelict land) within recognised areas of need; and
- creating infrastructure that will help improve health and well-being and provide North Lanarkshire's most disadvantaged communities with new leisure and learning opportunity.

#### **3.2 Equality Impact Assessment**

An Equalities Impact Assessment will be prepared for each individual council led project funded through the Scottish Government's VDLF or RCGF programmes as part of the council's project management process.

Consideration is also given to equalities issues during the development of applications being made to the VDLF and RCGF programmes whilst the council works closely with ALEOs and partner and third-party organisations receiving grant funding to ensure that this is incorporated as a core theme throughout the delivery of projects and services which they operate.

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## 4. Implications

### 4.1 Financial Impact

The VDLF programme provides up to 100% grant funding for approved projects and no additional council match is required for any of the projects which have been included within the 2020/21 VDLF Local Delivery Plan.

Whilst the RCGF programme also provides up to 100% grant funding for projects, it is expected that applicants will include a level of match funding as part of their bid. Where the applicant is a partner or third party organisation, this could be from their own budget or an alternative source such as the lottery (and not necessarily the council). However, where the applicant is the council, or a wholly owned and controlled subsidiary of the council such as North Lanarkshire Properties, whilst funding from other external sources can also be used for project 'match', it is anticipated that the council would make a 'reasonable' contribution to project funding.

As such, it is proposed that council funding is provided from 2021/22 Composite Capital Programme, subject to the future approval of the 2021/22 Capital Programme, to match-fund NLC/NLP led RCGF bids as follows:

- **Braidhurst Industrial Estate:** as this project is closely aligned with the objectives of North Lanarkshire's Economic Regeneration Delivery Plan, it is proposed that a £1.16M contribution will be made from the council's Ambition: Town Centre and Regeneration Programme and £250,000 from NLP (44% of the overall estimated project costs in total) to reflect the importance of this project for economic development and recovery purposes as well as for establishing a model for the regeneration of similar industrial sites across North Lanarkshire; and
- **Newmains Outdoor Community Hub:** where £250,000 would be allocated from the council's Ambition: Town Centre and Regeneration Programme to this project (25% of total project costs) to enable the development of outdoor facilities that will not only help support local community activity at a time when such activity is constrained by Covid related restrictions but which are also closely integrated with the Newmains Community Trust Centre and the integrated primary school campus for Newmains currently under development (with new physical active travel links to be developed between these assets).

In addition to the above, £40,000 has already been awarded to the Springhill Community Hub project through the council's Local Development Programme.

Lastly, as part of the development of North Lanarkshire's VDLF programme and RCGF applications, cognisance has also been given to the council's need to reduce their asset base. As such, most of the projects for which grant funding is sought are for new/refurbished assets which, where possible, will be owned and managed by a third party and as such not impose a future revenue liability on the council.

### 4.2 HR/Policy/Legislative Impact

The VDLF and RCGF grant offers made to the council from the Scottish Government are regulated through formal grant agreements with statutory terms and conditions. In order to ensure that all ALEOs and partner and third party grant recipients who receive

grant funding via the council comply with this agreement, Legal & Democratic Services are required to issue separate legal agreements to all third-party grantees to ensure that these grant terms and conditions are re-assigned.

The council also maintain responsibility for reporting on project progress and finance, collating and retaining all project financial records to be held for 6 years and monitoring compliance with the Scottish Government grant agreement in relation to the sale of any asset created during the clawback period of the grant (which for VDLF is 6 years following the completion of a project and 15 years for RCGF funding).

#### **4.3 Environmental Impact**

The implementation of North Lanarkshire's VDLF and RCGF programmes have continued to have significant positive environmental impact across the local authority area for a number of years. Examples of this include the remediation of vacant and derelict land for re-use as community allotments, a BMX Pumptrack and a new urban park at Ravenscraig or the use of RCGF for the replacement of poor quality community facilities and the development of play facilities and greenspace as part of wider regeneration schemes.

#### **4.4 Risk Impact**

The main risks in relation to the award of council VDLF funding to ALEO, partner or third part organisations, or securing RCGF funding on their behalf, are two-fold:

- Project Overspend (which results in a project funding gap and a potential request to the council to provide additional funding): this will be minimised by ensuring officer support is in place throughout the development of projects (to advise on setting budget requirements) as well as during contract works (in order to assist budget control); and
- Grant Clawback (which would require the council to repay a relevant proportion of any proceeds arising from the sale of a new or refurbished capital asset which has received grant funding during the grant clawback period – 6 years following the completion of VDLF supported projects and 15 years for RCGF projects). The council will address this issue by entering a formal legal agreement with the third-party grant recipient which assigns this liability to them and also requires a standard security to be placed on the new or redeveloped property being grant funded (unless this third-party is owned and controlled by the council).

Where grant funding is provided for council projects/assets, a full project risk assessment will be undertaken as part of the council's project management process.

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### **5. Measures of success**

- 5.1 Achieve the successful completion and full spend for projects funded through the 2020/21 VDLF programmes as outlined in Appendix 1.
  - 5.2 Secure funding for at least one RCGF submission.
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**6. Supporting documents**

Appendix 1: North Lanarkshire's 2020/21 Local Delivery Plan Submission

Appendix 2: Stage 1 applications submitted to the 2021/22 RCGF Programme

A handwritten signature in black ink, appearing to read 'P. Humphries'.

**Pamela Humphries**  
**Head of Planning and Regeneration**

## Appendix 1: North Lanarkshire's 2020/21 VDLF Local Delivery Plan Submission

Project	VDLF Grant Request	Grant Recipient	Project Description
Ravenscraig Access Road	£500,000	Ravenscraig Ltd.	This funding is being granted to Ravenscraig Ltd. to address gap funding identified as part of the plans for a new access road within this site that would open up circa. 11 ha of industrial land and provide enabling investment for the future development of up to 275,000sqft of new business space at Ravenscraig. This project would have no new revenue implications for the council.
Ravenscraig Industrial Feasibility	£50,000	Fusion Assets	This funding is being granted to Fusion Assets to allow them to undertake initial feasibility, site investigation and due diligence work as part of proposals to kick-start the redevelopment of industrial plots opened up by the proposed new access road at Ravenscraig. This project would have no new revenue implications for the council
Gartcosh Business Interchange (Phase 3&4)	£750,000	Fusion Assets	Building on the successful early phases of this project (with an initial 18,000sqft industrial unit just completed on Plot 1 of this business park and works due to start shortly on a further 40,000sqft of development), this funding is being used to enable Fusion Assets to acquire and remediate the remaining part of Plot 1 within this strategic business location for future redevelopment. This project would have no new revenue implications for the council
Craigmarloch Stables	£656,000	Scottish Canals	This VDLF is being awarded to Scottish Canals to provide the match funding required to attract other grant support for the restoration and redevelopment of the derelict Craigmarloch Stables in Kilsyth, estimated at £1.2M. This development is 1 of 13 priority projects identified within the council adopted 2018 Kilsyth & Kelvin Valley Framework and Action Plan. This project would have no new revenue implications for the council

## Appendix 2: Stage 1 applications submitted to the 2021/22 RCGF Programme

Project	Grant Recipient	Total Project Cost	RCGF	NLC	Other	Project Description
Braidhurst Industrial Estate	North Lanarkshire Properties	£3.21M	£1.8M	£1.16M	£0.25M	This project forms part of a wider programme of investment being made to revitalise this 'tired' industrial estate where RCGF would be used to redevelop and revitalise this estate, create and sustain jobs within an area of need and develop a model for the regeneration of similar industrial sites across North Lanarkshire. This project would have no new revenue implications for the council.
Springhill Community Hub	Getting Better Together (Shotts)	£1.19M	£0.79M	£0.04M	£0.36M	This project will involve the demolition of Springhill Community Hall in Shotts and its replacement with a better quality community facility with surrounding play and leisure facilities. The hall and surrounding land was recently subject to a community asset transfer to Getting Better Together (Shotts). As this hub would be remote from the proposed Town Hub location at Calderhead High School, it would be focused on servicing the communities based directly adjacent within the Springhill area of Shotts and concentrate on the provision of more localised facilities including children's play and a community growing area. This project would have no new revenue implications for the council.
Reeltime Music – Rehearsal, Event & Recording Venue	Reeltime Music	£1.195M	£0.925M	£0	£0.27M	This project will involve the renovation of a vacant industrial unit on Albert Street, Motherwell to support the development of a bespoke rehearsal, event and recording studio that will be managed and operated by Reeltime Music – a well-established charity, currently operating from leased premises in Newarthill Community Centre, which offers a music and volunteering resource for disadvantaged young people across North Lanarkshire. This project would have no new revenue implications for the council.
Newmains Outdoor Community Hub	North Lanarkshire Council	£1M	£0.75	£0.25M	£0	<p>This project will involve the creation of an outdoor community hub within Newmains that will:</p> <ul style="list-style-type: none"> <li>incorporate outdoor family and general recreational space, sports and play facilities and a community growing space/allotments;</li> <li>provide an active travel hub to support active linkages with nearby towns such as Shotts and Wishaw; and</li> <li>be intrinsically linked with the new integrated primary school campus development for Newmains and the recently constructed NCT centre.</li> </ul> <p>This development will have additional maintenance implications for the council but these will be offset through rationalisation of other council assets (including older play areas) and the community-led management of these new facilities.</p>