
NORTH AYRSHIRE COUNCIL

11th June 2019

Cabinet

Title: Regeneration Capital Grant Fund - funding applications for 2020/21

Purpose: To inform and seek approval of Regeneration Capital Grant Fund applications in support of local regeneration projects.

Recommendation: That Cabinet approve the decision to submit applications for projects at Lochshore, Annickbank (Irvine Enterprise Area) and Millport Town Hall.

1. Executive Summary

- 1.1 The Scottish Government (SG) recently launched a seventh round of the Regeneration Capital Grant Fund (RCGF), with applications for funding support invited by 10th June 2019.
- 1.2 The paper puts forward three projects considered best placed to benefit from the funding and which merit an application. It informs Members on the applications submitted for the 10 June 2019 deadline subject to Cabinet approval.

2. Background

Context

- 2.1 The RCGF has operated for six years. It was developed by the SG in partnership with COSLA and local authorities and has a capital budget of around £18M (reduced from the budget of £25M in previous years), providing financial support to physical regeneration projects that help to deliver improvements to deprived areas. It supports regeneration across Scotland and is available on a competitive basis.
- 2.2 To be successful applications need to demonstrate:
- A focus on areas which suffer from high levels of deprivation and disadvantage;
 - Transformational change with strong regeneration outcomes;
 - The potential to lever in private sector investment and address long term market failure; and,
 - Clear community involvement.

2.3 The fund is not intended be a primary source of funding for:

- Housing projects;
- Major infrastructure projects relating to transport;
- Purchase of moveable infrastructure, e.g. furniture and fittings;
- Projects relating solely to hotel or retail developments;
- Projects that focus solely on public realm improvements, new roads / paths or upgrades (these may be eligible if they are elements within wider regeneration projects); and,
- Flood protection / work / upgrades.

2.4 Applications will be assessed against criteria including viability (10%), community involvement (15%), physical regeneration outcomes (30%), economic outcomes (25%), and social outcomes (20%). Key considerations are the ability to demonstrate the financial sustainability of a project, its ability to spend within the relevant period, demonstration of community involvement/support and that a project has emerged from a strategic process (rather than being put together only with a view to the receipt of RCGF funding).

2.5 The Council/IBRC have been successful with the following RCGF awards since its inception:

- 2014/15: Millport Field Centre (£500,000);
- 2014/15: Saltcoats Town Hall (£1,100,000);
- 2014/15: Ardrossan Quayside Offices (£1,800,000);
- 2016/17: Quarry Road Phase 1 (£965,000);
- 2018/19: Arran Gateway (£150,000; project could not be delivered given decision by building owner to select an alternative scheme); and,
- 2019/20: Saltcoats Training Station (£150,000)

2.6 The opportunity for applications for a seventh round focusing on expenditure in the 2020/21 financial year was published in late April. While there is no restriction on the number of applications that may be submitted, given the limited funds available and highly competitive nature of the fund, applicants are advised to be realistic with the number of applications and combined value of grant requests being made. Should multiple applications be submitted, these require to be ranked in terms of priority.

2.7 Following consideration of potential bids by officers, considering priority projects and projects emerging from local groups, it is recommended that bids are submitted for the following projects, listed in order of priority:

1. Lochshore – a contribution of £1.55M towards the development of a sports and community hub with an estimated cost of £3.65M. Match funding will be provided by the Council's capital fund, and in addition will be sought from the Nuclear Decommissioning Authority and Scottish Enterprise. The project is part of the wider Lochshore masterplan which aims to develop a tourism, leisure and community facility for the Garnock Valley area.
2. Annickbank, Irvine Enterprise Area – a contribution of £0.75M towards the development of two new office pavilions at an estimated cost of £2M. Match funding contributions will be sought from a combination of the Vacant and Derelict Land Fund and North Ayrshire Ventures Trust. The project will deliver

a third phase of development following two previous successful phases at the Annickbank Campus.

3. Millport Town Hall – a contribution of £0.5M towards the £3M cost of the redevelopment of the town hall to provide a heritage, arts and culture centre, tourism accommodation and a community hub.

- 2.8 It should be noted that Lochshore was the subject of an unsuccessful bid for the last round of RCGF in 2018/19. Feedback has been received from Scottish Government officers as to how the application may be strengthened including a reduction of the amount sought, confirmation of other contributing funding sources and better articulation of how the project will allow growth in employment and other outcomes. It is considered that the project can address these issues and put forward a strong case for funding.
- 2.9 A local community project, Saltcoats Training Station project was successful in being awarded £150,000 last year from RCGF. The Council has supported the development of the project which has attracted other external funding support particularly from Abellio.
- 2.10 In addition it is proposed that a regeneration delivery plan is prepared by late 2019 which identifies regeneration priorities and projects and that this will inform our funding bids going forward.
- 2.11 The deadline of 10th June is for a first stage application. These will be submitted subject to Cabinet approval. Successful stage 1 applications will be advised by August. A further, more detailed submission would then be required by October, with the outcome known in January 2020.

3. Proposals

- 3.1 That Cabinet approve the decisions to submit applications for projects at Lochshore, Annickbank (Irvine Enterprise Area) and Millport Town Hall.

4. Implications/Socio-economic Duty

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| Financial: | <p>The three applications submitted propose investment with financial implications for the Council as follows:</p> <p>Lochshore - Application for £1.55M towards the £3.65M project cost. £1M is allocated in the capital programme for the project. The remainder of the funding would be sought from the Nuclear Decommissioning Authority, Sports Scotland, Garnock Rugby Club and Scottish Enterprise.</p> <p>Irvine Enterprise Area - Application for funding of £0.750M towards £2M investment. Remaining funds will be sought from a combination of the Vacant and Derelict Land Fund and North Ayrshire Ventures Trust.</p> <p>Millport Town Hall – £0.5M towards the project cost of £2.5M. An application for £0.2M has been submitted to the Council's Community Investment Fund to support the project.</p> |
| Human Resources: | There are no Human Resource implications arising from the report. |
| Legal: | Should the funding applications be successful then the Council would require to enter into a funding agreement with the Scottish Government which would govern the use of the funding. |
| Equality/Socio-economic Duty: | The proposed investments seek to provide opportunities for businesses, job creation, community and leisure uses within SIMD areas in line with the intentions of the RCGF funding criteria. |
| Children and Young People: | Children and young people would benefit from the successful implementation of the projects, in particular those at Lochshore and Millport. |
| Environmental & Sustainability: | In the case of Annickbank and Lochshore the projects would help to see the positive redevelopment of land which is on the Councils vacant and derelict land register. The Millport Town Hall project would see the positive reuse of an empty property. |
| Key Priorities: | The proposals will support the Council Plan priorities of developing an inclusive, growing and enterprising local economy. |
| Community Benefits: | The proposed projects support community area regeneration priorities supporting increased visitor spend in the local economy, with an improved environment that supports local jobs and businesses. |

5. Consultation

- 5.1 In determining the applications to be submitted, officers from the Economy and Communities Directorate considered potential applications, including projects

developed by community groups in North Ayrshire, which could fit with the criteria set by the Scottish Government.

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For further information please contact **Alasdair Laurenson, Senior Manager, Regeneration**, on **01294 324758**.

Background Papers

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