
NORTH AYRSHIRE COUNCIL

10th November 2020

Cabinet

Title: Lochshore Regeneration Project

Purpose: To provide an update on the delivery of the strategic regeneration of Lochshore.

Recommendation: That Cabinet:

- I. Notes the significant progress made in securing £3.45m of the required £3.6m funding required to deliver the proposed Garnock Visitor & Community Hub;
- II. Agrees to the transfer of land owned by Scottish Enterprise to the Council at nil value to facilitate the wider regeneration proposals;
- III. Notes the proposed implementation of early phase projects including the Garnock Visitor & Community Hub and proposed access improvements, play facilities and planting which will contribute to the regeneration of the area;
- IV. Notes the intention to utilise the Lochshore site as a key location for tree planting as part of the Council's net-zero aspirations.

1. Executive Summary

- 1.1 The Lochshore project will see the creation of a major regeneration, Community Wealth Building and placemaking investment in the Garnock Valley, and the project is identified as a priority within the Council Plan. It will create a regional outdoor visitor destination, health and leisure opportunities, active travel connections, play facilities and business opportunities. It will be a flagship project in demonstrating the Council's Community Wealth Building ambitions and the desire to develop an inclusive and green economy with wellbeing and climate change principles central to its development. The project will also play a key role in supporting economic recovery and renewal, including through the creation of new jobs.
- 1.2 The first phase of investment will see the development of a visitor and community hub on NAC land to the south of the loch. Funding has been secured to allow the delivery

of the facility at a total cost of £3.6m. In addition, funding is in place for the creation of path networks, interpretation and play facilities.

- 1.3 Further phases of investment beyond the visitor and community hub will require the use of land owned by Scottish Enterprise. It is proposed that NAC take ownership of the site given that this enables the use of Vacant and Derelict Land funding and control over future development. This will release opportunities for wider investment in the area including in active travel routes, play, tree planting, and in the long-term potentially a housing development.
- 1.4 The intentions contained within the strategic masterplan have significant community and partner support, as reflected in the establishment of the Lochshore Development Group as an advisory body. The regeneration proposals have been, and will continue to be, co-produced with the local community and partners. It is also proposed that a Strategic Board is set up to provide strategic direction to the project. This group will include representation from Scottish Enterprise (SE), the Green Action Trust (GAT) and local business and community representatives, including the Lochshore Development Group.

2. Background

- 2.1 North Ayrshire Council's Community Wealth Building strategy set out six Community Wealth Building objectives including a Land and Assets objective to '*support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit.*'
- 2.2 At its September 2020 meeting, Cabinet agreed North Ayrshire's Economic Recovery and Renewal Approach to build back better, fairer and greener. The twin priorities of a North Ayrshire local Green New Deal based on the principles of Community Wealth Building are to:
 - Ensure an inclusive economic recovery and renewal by delivering our Community Wealth Building mission; and
 - Ensure a green economic recovery and renewal focused on achieving our net zero carbon ambitions through the creation of sustainable infrastructure and regeneration projects and creating fair jobs.
- 2.3 A key theme of the Economic Recovery and Renewal Approach is to use the Council's capital investment and physical regeneration to support sustainable economic activity, tackle climate change, build local supply chains, and create local jobs – with all capital investment being deployed through a Community Wealth Building and Green New Deal lens. It identifies Lochshore as playing a key role in supporting an inclusive and green economic recovery.
- 2.4 The Lochshore site was formerly home to the Glengarnock Steelworks and at its height employed around 3,000 people. The site covers approx. 248 hectares and is largely owned by Scottish Enterprise (SE), with an area to the south of the loch owned by NAC (approx. 20%).
- 2.5 The site has 81.6ha of land on the Vacant and Derelict Land Register and Cabinet approved Lochshore as one of four priority sites for Vacant and Derelict Land Fund investment in March 2017.

- 2.6 Investment in Lochshore was identified as a priority for the area through both the Go Garnock Charrette and locality planning processes. Lochshore is identified as a Strategic Development Area in the new Local Development Plan and a key development site within the Council Plan. Significant co-production via the Locality Planning Partnership and local community partners has also been key to the development of the investment proposals.
- 2.7 As a major landowner, Scottish Enterprise (SE) have been supporting the work that the Council have been progressing to develop proposals for the site in recent years. While Scottish Enterprise have a desire to exit from the site, they have committed to continue working with the council to deliver the project. Scottish Enterprise are a member of the Community Wealth Building Commission and are one of six initial signatories to the Anchor Charter which includes a commitment to the five pillars of Community Wealth Building and an additional 'sixth pillar' of the Environment. The project supports the delivery of several pledges within the Community Wealth Building Anchor Charter.

The Vision for Lochshore

- 2.8 The delivery of positive investment through a masterplan is strategically important to the Garnock Valley in providing a tourism/recreational destination of scale, which can attract visitors from outside the area and provide a resource for local residents.
- 2.9 The outline masterplan proposes:
- A visitor and community hub building;
 - Play provision, focussed on natural play and outdoor activity;
 - Leisure and walking routes including around Kilbirnie Loch with heritage interpretation;
 - Active travel routes connecting to and through the site to Kilbirnie, Beith, Garnock Community Campus and Glengarnock station;
 - The specific Community Wealth Building opportunities with a range of business or community uses such as community woodland, outdoor nursery, etc. and the potential for community asset ownership and/or management;
 - Environmental improvements and greening/tree planting on a large area of vacant/derelict land, contributing to the climate change strategy; The opportunity for municipalisation through housing development in the long term once the place has been improved and a destination created; and,
 - The promotion of further investment in the adjacent employment area which has seen significant improvement in recent years.
 - Creation of around 100 jobs directly and indirectly as a result of investment in the site.

Phasing and Development

- 2.10 The first phase of development will see the delivery of the community and visitor hub commence on site in Spring 2021. The £3.6m cost of the facility is supported by funding awards from the Scottish Government's Regeneration Capital Grant Fund (£1.55m) and the Nuclear Decommissioning Agency (£0.5m). It is envisaged that construction will take around 12 months with the hub opening in Spring 2022.
- 2.11 It is important that the opening of the hub building is supported by other investment in the area to create a destination from the start, before further funding is attracted to the

site in the long term. More detailed master planning is being progressed to inform design proposals for each phase of development on the site in accordance with the Council and Scottish Enterprise agreed strategic masterplan. Initial investments implemented from 2021 will include site infrastructure improvements, an active travel route and western gateway providing a direct connection to Kilbirnie and the NCN7, play facilities, walking and leisure routes, woodland planting and habitat creation/improvements. The improved active travel route will be facilitated by a further recent funding award of £413,000 from Sustrans in October 2020.

- 2.12 Proposals are also being developed to deliver an area of at least 10ha of tree planting over the planting season 2021-22. Subject to agreement the delivery of this would utilise funding from the Council's Investment Fund in addition to maximising external funding to support proposals— a key part of the local Green New Deal – and contribute to the Council's net zero carbon agenda. The Council's Investment Fund includes provision for up to £500,000 for tree planting projects across North Ayrshire and Lochshore provides an opportunity to provide a major element of this, while also helping to create an improved environment and interest at the site. More detailed master planning is required to assess the exact location of these proposals, their cost and phasing.
- 2.13 In phase 2 of development (years 3-6), commercial opportunities will be progressed including the development of adventure sporting activity (mountain biking and water sports) linked to a northern lookout centre and an overnight accommodation offer, such as camping or glamping. Local businesses are well placed to take forward some of this commercial activity and there are further opportunities for community enterprises in woodland and food growing. The site also has the potential to deliver new housing development in the long term, once an improved environment increases the marketability of the site.
- 2.14 Projections estimate that the delivery of the masterplan over a 10 year period will lead to the creation of 100 new jobs. This includes 12 jobs in the Garnock Visitor and Community Hub and additional construction employment during the development of the hub building and other projects.
- 2.15 The proposals also support the Council's Community Wealth Building strategy in terms of land and assets; at Lochshore there will be the opportunity for the community to take ownership of or lease parts of the site, for initiatives such as community food growing or community woodland. There is also the potential for community led delivery of affordable housing through the establishment of a community land trust.

Ownership and Delivery Mechanism

- 2.16 Around 80% of the site is currently owned by Scottish Enterprise (SE). Options for ongoing ownership and management of the project have been considered including long lease, joint venture and transfer of the SE ownership to NAC. It is proposed that NAC take ownership of the site to facilitate investment (in particular VDLF, which requires NAC ownership) and control over the implementation of the proposals.
- 2.17 Site ownership would enable North Ayrshire to carry out extensive greening/tree planting on the site, which would be a major contribution to the Council's aspirations on net zero carbon. It would also provide the Council with the opportunity to implement

housing development in the long term, once the environment has been improved through the creation of a destination.

2.18 Due diligence has been carried out to inform the proposed Council ownership of the site. This has included consideration of:

- ground conditions through site investigations;
- information on invasive species and the mechanisms in place to manage and/or eradicate these; and,
- ongoing revenue costs related to management and maintenance

2.19 A Contractual Collaboration Agreement has been developed with officers at SE to set out the terms of the transfer of their land to the Council and their future involvement in the delivery of the proposals. This would sit alongside the Heads of Terms for transfer of ownership which include a nil site value, but with a clawback provision on any net receipts from future housing development (the scale of the clawback would reduce over time).

2.20 In terms of the operation of the community hub facility a business plan has been developed which assumes the following:

- The Garnock Rugby Club would be the anchor tenant for the changing facilities, with responsibility for letting these out to other clubs;
- Other sources of income will be achieved through the lease of facilities and events;
- The café will initially be operated by NAC's Facilities Management Team, with the delivery model to be reviewed in line with the Council's Community Wealth Building aspirations after the first three years of operation, with the potential for this to be transferred to a local business or community enterprise.

2.21 Revenue generation will also be supported by events and marketing, and community engagement officers who will be tasked with generating activity at the site. It is anticipated that the Hub building will attract up to 145,000 visitors per annum by the third year of operation.

2.22 Lochshore will also benefit from marketing as a key attraction within the Clyde Muirshiel Regional Park and act as a destination hub for The Coig, allowing Lochshore to benefit from partnership promotion.

Future Governance

2.23 To ensure the successful implementation of the proposals, it is intended that a Strategic Board comprised of members of Scottish Enterprise, North Ayrshire Council, Green Action Trust and representatives of the local community and businesses, including the Lochshore Development Group, is established to provide strategic direction to the project. It is anticipated that Head of Service/Executive Director representation will be provided to the board overseeing the implementation of the project.

3. Proposals

- 3.1 The masterplan proposes a major placemaking investment to create an outdoor visitor destination, leisure/active travel attraction, play facilities and business opportunities, while creating the conditions for future housing development. Significant financial commitments have now been made from both the Council and external partners to allow the delivery of what will be a hugely positive development on a site that has seen alternative proposals fail. The key to the success of the current regeneration proposals has been, and will continue to be, the significant collaboration with the local community, the locality planning process, local partners and strong and effective relations with Scottish Enterprise. This has afforded the co-production of robust proposals and has contributed to the successful funding package which has been formed.
- 3.2 The proposals take forward a key site identified by the Council Plan and support our policies for placemaking, municipalisation, climate change and the Children's Services Plan, including strategic planning for play. The project is a key Community Wealth Building project.
- 3.3 It is proposed that Cabinet:
- I. Notes the significant progress made in securing £3.45m of the required £3.6m funding required to deliver the proposed Garnock Visitor & Community Hub;
 - II. Agrees to the transfer of land owned by Scottish Enterprise to the Council at nil value to facilitate the wider regeneration proposals;
 - III. Notes the proposed implementation of early phase projects including the Garnock Visitor & Community Hub and proposed access improvements, play facilities and planting which will contribute to the regeneration of the area;
 - IV. Notes the intention to utilise the Lochshore site as a key location for tree planting as part of the Council's net-zero aspirations.

4. Implications/Socio-economic Duty

Financial

- 4.1 Significant progress has been made in securing the required funding to allow the delivery of the proposed Garnock Visitor & Community Hub. Of the required £3.60m, £3.45m funding has been secured. This includes awards of £1.55M from Scottish Government's Regeneration Capital Grant Fund, £500k from Nuclear Decommissioning Authority and £50k from Land Trust, in addition to the already secured total of £1.35m from North Ayrshire Council's Capital Programme, Scottish Enterprise and the Garnock Valley Rugby Club. In addition, the outcome of a £100k Sport Scotland funding application will be known on the 6th Nov 2020 and a £50k application to the Scottish Rugby Union has been deferred due to COVID for consideration in 2021/22.

Wider investment in the site will be funded by a combination of VDLF, Sustrans, Scottish Enterprise, CSGNT and others to support the creation of a destination alongside the hub, before it is operational.

The proposed complementary improvements to the local active travel routes will be facilitated by the recent funding award of £413,000 from Sustrans in October 2020.

A business plan has been prepared and will continue to develop as the regeneration proposals continue to progress and be implemented. The wider investment

requirements of the site are subject to on-going development and will be informed by the detailed work required for each stage of development, business case proposals, Sustrans grant awards and other potential external funding bids. The wider regeneration full package of funding is yet to be secured along with the assessment of any revenue impact from future investment proposals.

Human Resources

- 4.2 The business plan for the hub includes provision for 2 part time development officers focussed on the delivery of activity and marketing of the site, including events and volunteering programmes. Staff for the hub building would be employed by NAC, with the cost of this being partially supported via external revenue grant funding. In addition to the two development officers, it is anticipated that facilities management will recruit for six new part-time positions within the café.

Legal

- 4.3 Missives of purchase are back to back with a Contractual Collaboration Agreement and will secure Scottish Enterprise's contribution to the site's development in the medium term. Whilst SE have advised they will include a clawback clause enforceable for a period of 10 years, this will be at a decreasing rate after 5 years.

Equality/Socio-economic

- 4.4 The project will contribute to improving wellbeing in North Ayrshire with significant education and health & leisure benefits. Educational benefits are estimated at £40k per annum, while health & leisure benefits are estimated £1.016m per annum by year three of the hub's operation.

Modest projections within the masterplan show that approximately 100 jobs would be created, both directly and indirectly. Projections show that increasing visitor numbers to 100,000 per year would provide a GVA of £1m to the wider North Ayrshire economy.

Environmental and Sustainability

- 4.5 The project will contribute to the mitigation of the climate emergency through significant tree planting and habitat creation and will bring 81.6ha of Vacant and Derelict Land back into productive use. Renewable energy sources are proposed for the hub building including air source heat pumps and solar PV panels.

Key Priorities

- 4.6 The proposals support the Council Plan priorities;
- Active and Strong Communities
 - Inclusive, growing and enterprising local economy
 - People enjoy good life-long health and well-being
 - Vibrant and welcoming places
 - A sustainable environment

The proposals take forward a key site identified by the Council Plan and support our policies for placemaking, municipalisation, climate change and the Children Services Plan, including strategic planning for play.

Community Wealth Building

- 4.7 This is a key Community Wealth Building project developed in response to locally agreed priorities, identified through the Go Garnock Charette and Locality Planning process, and will enable the local community to engage with the Lochshore site in a meaningful way with support from the Lochshore Development Group. There are also opportunities for community ownership of land and assets in future years.

Although the project will primarily support the delivery of the Land and Assets pillar, the project supports activity across the Community Wealth Building pillars:

Procurement: Local supply chain opportunities will be created via the delivery of the Masterplan. During phase 1 the main contractor for the Garnock Hub is responsible for ensuring that at least 70% of supply chain opportunities go to businesses within South West Scotland. 5 local supply chain engagement events will be held, and 10 local SME's will be provided with direct supplier development and skills opportunities. At least 5 local businesses will be invited to tender for the first time and become sub-contractors to a Tier one (Main) contractor.

Fair Employment: Staff for the hub building would be employed by NAC, with the cost of this being partially supported via external revenue grant funding; creating volunteering and skills development opportunities (volunteer and outdoor education opportunities including Duke of Edinburgh and John Muir awards linked to Garnock Community Campus); Modest projections within the masterplan show that approximately 100 jobs would be created, both directly and indirectly by the end of the 10 year delivery period. This includes 12 new jobs created within the Garnock Visitor and Community Hub and additional construction employment during the development of the hub building and other projects.

Land and Assets: Regenerating a major long term strategic site and bringing 81.6ha of Vacant and Derelict Land back into productive use; land being taken into municipal ownership with opportunities for community ownership of land and assets in future years; advancing local ownership of underused land and buildings (transfer of land and/or buildings to support community land trust or public commons partnership).

Financial Power: Investing in a locality and leveraging external national investment.

Plural Ownership: Creating volunteering and skills development opportunities (volunteer and outdoor education opportunities including Duke of Edinburgh and John Muir awards linked to Garnock Community Campus); Supporting local sports clubs, business and a variety of ownership models. Also, the development supports existing business on neighbouring industrial estate through the creation of a more attractive place. The project has opportunities for on-site business in leisure/adventure activity, woodland and food growing.

5. Consultation

- 5.1 The Lochshore Development Group was established in July 2019 and is made up of representatives from local community groups and businesses based in the Garnock Valley. This includes representatives from the Locality Planning Partnership, the three Community Councils; Beith, Dalry and Kilbirnie and Glengarnock, as well as all current users of the site.
- 5.2 Wider consultation on proposals has been carried out on a regular basis since project inception in May 2017, while the Lochshore Development Group acts as an advisory board for the project. A wider consultation plan is currently being developed with the Consultation Institute to assist with the development of a detailed masterplan. As aspects of the project are realised a monitoring and evaluation procedure will be initiated to capture opinions and ensure outcomes are being met.

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For further information please contact **Janet Dunsmore, Regeneration Manager**, on **01294 324735**.

Background Papers

1. Lochshore Concept Masterplan
2. Garnock Visitor and Community Hub Business Plan