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## NORTH AYRSHIRE COUNCIL

19<sup>th</sup> May 2020

### Emergency Governance Decisions (Covid-19 Outbreak)

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**Title:** Vacant and Derelict Land Funding, 2020/21

**Purpose:** To seek approval for the expenditure of funds allocated by the Scottish Government through the Vacant and Derelict Land Fund in 2020/21.

**Recommendation:** That the Chief Executive, following appropriate consultation, agrees on behalf of the Council to:

- i) Note the VDLF award of £1.323M for 2020/21;
- ii) Agree to the submission of a local delivery plan to the Scottish Government for the expenditure of funds in 2020/21, as set out in this report; and
- iii) Agree that any major changes to the delivery plan will be agreed with the Portfolio Lead and Chief Executive.

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## 1. Executive Summary

- 1.1 North Ayrshire contains a significant legacy of vacant and derelict land due to the closure of former industries within the area. The Vacant and Derelict Land Fund (VDLF) is administered by the Scottish Government and aims to tackle long term vacant and derelict land, by providing funding to authorities where the issue and its impact on communities is greatest.
- 1.2 North Ayrshire has benefitted from access to the fund since 2016/17, following a review of the criteria for funding allocations. The funding allocation for the financial year 2020/21 has recently been confirmed as £1.323M. This paper advises on intentions for the expenditure of the funding through the submission of a Local Delivery Plan. An update is also provided on how funding has been used to date.

## 2. Background

- 2.1 In light of the current Covid-19 outbreak, meetings of the Council and its committees have been suspended until 30 June 2020. During this period, the Scheme of Delegation to Officers already allows the Chief Executive to consider and deal with any urgent issues, howsoever arising, subject to reporting back to the Cabinet for information at the first available opportunity. This power is to be exercised in consultation with the relevant

Chief Officer and the relevant portfolio holder. This report is presented for consideration during this emergency Covid-19 period due to the urgency around agreeing projects to allow them to proceed and to allow the essential submission of a local delivery plan to the Scottish Government outlining projects to be funded through the expenditure of funds in 2020/21. Please see Section 5 for further details of the consultation which has been undertaken in the preparation of this report.

- 2.2 Vacant land is defined by the Scottish Government as, “Vacant land within a settlement that has been previously developed, without physical constraint, and which the planning authority has indicated is available for redevelopment”. Derelict land is defined as land 'damaged by development, so that it is incapable of development for beneficial use without some remedial works'. Both are sometimes referred to as 'brownfield' sites.
- 2.3 The Scottish Vacant and Derelict Land Survey (SVDLS) provides a national data source for vacant and derelict land. In 2018, there were 11,037 hectares of vacant and derelict land in Scotland. North Ayrshire contains the fourth highest level of vacant and derelict land in Scotland with 1,279 ha of land, 12% of the Scottish total, across 222 sites. The figure includes large sites such as Ardeer (407ha), Riverside at Irvine Enterprise Area (111ha), Hunterston (67ha) and Lochshore (40ha).
- 2.4 The Scottish Government's Vacant and Derelict Land Fund (VDLF) aims to tackle the presence of long-term vacant (i.e. vacant for 15 years or longer) and derelict land in Scotland and in doing so stimulate economic growth/job creation, an improved environment and quality of life. At its inception in 2007, access to the Fund was restricted to 5 local authorities (excluding North Ayrshire) to focus the available financial resource, and to prioritise authorities most impacted by both the extent of vacant and derelict land and levels of deprivation.
- 2.5 A review of the Fund was carried out in 2015, which has seen North Ayrshire Council benefit from access to the fund since the financial year 2016/17. The other four authorities which currently benefit from the funding are South Lanarkshire, North Lanarkshire, Fife and Glasgow City.
- 2.6 The Council has now received a total funding allocation of £7.026M between 2016/17 and 2019/20. Allocations have been informed by the Councils Vacant and Derelict Land Strategy (2014) and by Cabinet agreement to prioritise investment in four sites (Irvine Enterprise Area, Ardrossan North Shore, Lochshore and Irvine Harbourside) in May 2017. There are a limited number of sites which can benefit from the funding as the funding requires to be focused on sites of at least 0.1 ha in size, that are owned by the Council and have been vacant for at least 15 years. The funding cannot be used on housing or infrastructure projects such as transport or flooding. The main sites which have benefitted from the £7.026M VDLF investment to date include:
  - £1.4M to Ardrossan North Shore to support purchase of the site, site investigations and design work
  - £0.68M To Lochshore to assist with the physical and economic regeneration of the derelict Glengarnock steelworks site with VDLF funding being used for site investigation and design work;
  - £0.85M to i3 Enterprise Area. Consideration is currently being given to the purchase of land within i3 from Scottish Enterprise utilising these funds and to facilitate Ayrshire Growth Deal investment

- £1.79M to Quarry Road, Irvine to facilitate the development of a business and sports development, with VDLF assisting in the early stages of land purchase, remediation and preparation and allowing significant levels of external funding to be awarded to the project;
- £1.25M to Kyle Road, Irvine Industrial estate to support the development of a 700m<sup>2</sup> industrial unit. Negotiations are ongoing with a prospective tenant who would occupy the building on completion.
- £0.50M at Moorpark Road West in Stevenston to formalise the core footpath, the installation of an outdoor gym and play items and the regeneration of 2,580m<sup>2</sup> of open ground for the use of Auchenharvie Golf Course.

2.7 In many cases the Fund has helped to inform our knowledge of the condition of heavily contaminated sites, develop proposals and lever in other sources of funding to deliver physical improvements.

2.8 In recommending the allocation of funds for 2020/21, the following factors have been considered:

- The Scottish Government funding criteria;
- The economic development focus of the funding;
- The priority sites identified by the Council. Lochshore, Irvine Enterprise Area and Ardrossan North Shore are now at a stage that increased funding can be directed to these sites to reflect development work to date and to allow the implementation of works;
- The need to balance feasibility and site preparation work, with interventions that see physical space and employment created, and the Scottish Government's aspiration for around 25% of funding to be spent on greening projects; and,
- The need to secure a spread of interventions in terms of type and geography.

2.9 Looking to the allocation for 2020/21, the following are proposed:

<b>Site</b>	<b>Proposal</b>	<b>Indicative Cost</b>
Lochshore	Contribution to detailed design and delivery of access improvements/active travel infrastructure. This will build upon the recent award of Regeneration Capital Grant Funding of £1.75M to enable the first phase of the Lochshore development	£0.500M
Ardrossan North Shore	Contribution to the construction of a coastal path and to site remediation works	£0.350M
Annickbank, Irvine, Phase 3	Contribution towards a fifth office pavilion, with funds also provided by the Council 's infrastructure fund (£250k tbc) and North Ayrshire Ventures Trust (£500k).	£0.250M
Development work - various sites	Allocation to allow the purchase of problem vacant sites and their development or temporary improvement.	£0.100M
Harbour Master's Office, Irvine Harbourside	Surveys, and works to improve a semi-derelict listed building and allow designs, planning consent and marketing with a view to securing private sector operator interest.	£0.050M
Kyle Road, Irvine Industrial Estate	Additional contribution to project enabling works.	£0.030M
2 Main Street, Kilbirnie	Contribution to demolition costs, ground clearance, site survey, design works.	£0.028M
Dalry Road, Saltcoats	Invasive species management plan and remediation, surveys, ground investigation and design work.	£0.015M
<b>Total</b>		<b>£1.323M</b>

2.10 Any major changes to the above allocations or expenditure being diverted to substitute projects as a result of any project constraints emerging will be agreed with the Chief Executive, the portfolio holder and Scottish Government Officers.

2.11 Assuming a continued allocation beyond 2020/21, major sites such as Lochshore, Ardrossan North Shore and i3 Enterprise Area will continue to be a priority for the allocation of funds as the projects develop. In addition, the further sites which will benefit from any future funding will be informed by the development of a Regeneration Strategy later this year.

2.12 A Local Delivery Plan requires to be submitted to the Scottish Government to allow Ministerial approval of our intentions for expenditure of the funding in 2020/21.

### **3. Proposals**

3.1 The Chief Executive, following appropriate consultation, is invited on behalf of the Council to:

- i) Note the VDLF award of £1.323M for 2020/21;
- ii) Agree to the submission of a local delivery plan to the Scottish Government for the expenditure of funds in 2020/21, as set out in this report; and
- iii) Agree that any major changes to the delivery plan will be agreed with the Portfolio Lead and Chief Executive.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 £1.323M has been allocated by the Scottish Government in the financial year 2020/21 for expenditure on relevant projects. The final detail of projects and expenditure will be agreed with Scottish Government and North Ayrshire Council's Finance Service. Projects will be subject to assessment by Scottish Government officers and approval by Ministers is envisaged by June 2020.

#### **Human Resources**

4.2 There are no human resource implications arising from the report.

#### **Legal**

4.3 While the building is owned by the Council, the proposal to support the reuse of the Harbourmasters office at Irvine Harbourside will require the agreement of NPL Estates as Harbourmaster.

#### **Equality/Socio-economic**

4.4 There are no equality or socio economic implications arising from the report.

#### **Environmental and Sustainability**

4.5 The proposals will see considerable environmental benefit through the positive improvement or reuse of several vacant or derelict sites.

#### **Key Priorities**

4.6 This proposal supports the Council Plan's key priority of Growing our economy, increasing employment and regenerating towns.

#### **Community Wealth Building**

4.7 Any construction contracts let will include the provision of appropriate community benefit in line with the Council's community benefit policy. The improvement of vacant sites and positive intervention by the Council to support this supports the community wealth building strategy.

## **5. Consultation**

- 5.1 Draft project proposals have been shared with officers of the Scottish Government and the proposals have been informed by North Ayrshire's Vacant and Derelict Land Survey.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Gareth Picken, Regeneration Officer** , on **01294 324746**.

### **Background Papers**

North Ayrshire Vacant and Derelict Land Strategy