

ANGUS COUNCIL

INFRASTRUCTURE SERVICES EXECUTIVE SUB COMMITTEE - 10 AUGUST 2009

SUBJECT: TOWN CENTRE REGENERATION FUND

REPORT BY THE DIRECTOR OF INFRASTRUCTURE SERVICES

Abstract: This Report updates the Committee on progress with bids to the Scottish Government Town Centre Regeneration Fund and seeks approval to authorise appropriate officer to submit a bid to the second and final application deadline.

1 RECOMMENDATION

1.1 It is recommended that the sub committee agree to:-

- (i) Note the latest developments with regard to the Town Centre Regeneration Fund (TCRF); and
- (ii) Authorise the Director of Infrastructure Services to submit an application to the TCRF for property acquisition and renovation in Brechin town centre to complement the ongoing investment being made through the Townscape Heritage Initiative as outlined in this report.

2 BACKGROUND

2.1 The sub committee is referred to R463/09 which provided background to the Scottish Government TCRF and to Article 11 of the minutes of the Infrastructure Services Committee meeting of 2 June 2009 which records that the Committee agreed :-

- i) to approve the submission of a bid of up to £250,000 for the improvement of Monifieth town centre.
- ii) to authorise the Director of Infrastructure Services to progress other options for further consideration by appropriate Committees.
- iii) to note that advice would be available to properly constituted groups from the Council's Economic Development Division; and
- iv) that, if necessary any further bids be considered by an Executive Sub Committee of this Committee over the summer recess due to the timescales involved.

3 PROGRESS

3.1 An application for £250,000 of grant aid from the TCRF, matched by £250,000 of investment by Angus Council, for environmental improvements in Monifieth town centre was submitted in time for the first deadline on 5 June 2009. The Scottish Government has previously advised that decisions on the first round of bids will be announced at the end of July 2009. At the time of finalising this report (3 August) no announcement had been made. It is worth noting that there is considerable competition for the funding. The value of bids submitted to the Scottish Government in the first round totalled £125m and there is only around £40m available for distribution.

- 3.2 Work is currently underway regarding a funding bid for the acquisition and renovation of vacant and or dilapidated properties in Brechin town centre. A list of such properties has been compiled. Where owners have expressed a willingness to sell for no more than market value or a willingness to undertake their own improvements within the timescale of the fund (before 31 March 2009) these properties are being surveyed by the Council's agents Graham & Sibbald, who have been remitted to assess:-
- Open market valuation
 - Building condition and
 - The scale of proposed refurbishment works with estimated costs
- 3.3 Following this survey, owners will be re-contacted to establish if they remain willing to sell based on our agents valuation. An application to the TCRF will be drafted to both acquire and refurbish those properties whose owners respond positively, provided that the inclusion of these properties is judged to add value to the improvements proposed through the Townscape Heritage Initiative (THI). The bid will be presented as part of wider regeneration works which will span a longer time frame and will include the THI, associated training opportunities (e.g. Modern Apprenticeships) and business support efforts as outlined in the Summary Land Use and Economic Development Strategy for Brechin (R451/09 Article 14 of the Minute of the Infrastructure Services Committee of 2 June 2009 refer).
- 3.4 Properties acquired and improved through the project will either be offered for sale on the open market or may be retained by the Council and marketed for occupation. Some discussions with Registered Social Landlords (RSL) have taken place through Neighbourhood Services regarding the Lead Tenancy Scheme, whereby RSL's take up to a 20 year lease of property.
- 3.5 It has been advised that 2nd round application bids (due by 21 August) will not be approved until the end October 2009 leaving only 5 months for delivery of approved projects. While it is anticipated that acquisitions could be concluded within that time frame (as only willing sellers will be included), there is little prospect of being able to let and conclude renovation contracts. It is understood that where a Local Authority has entered into a legally binding contract before the end of March 2010 it is open to Ministers to consider payment in advance of need. The application will be submitted on this basis and Government commitment to advance payment will be sought.
- 3.6 A further application to the TCRF was considered for the upgrade of CCTV coverage in Angus. However, as most of the recommended works would take place outside of the town centre boundaries, and therefore ineligible, it was decided not to proceed with a bid.

4 BRECHIN PROPERTIES, PROJECT OUTCOMES

- 4.1 It is anticipated that the following regeneration outcomes will be achieved through a successful property based TCRF application for Brechin.
1. Improved townscape.
 2. Increased investment in the town centre supporting short term employment opportunities (including Modern Apprenticeship and Future Job Fund positions).
 3. Bring underutilised properties back into occupation increasing the resident population in the town centre and supporting town centre services.
 4. Contribute to a strategic approach to the regeneration of the centre.
 5. Encourage increased commercial, residential and retail investment; and
 6. Facilitate minor environmental improvements.

- 4.2 Consultations regarding the Brechin property proposal have been held with both the Brechin Community Planning Partnership and Brechin Business Association (BBA) and both have confirmed their support for the proposals (full CPP support is yet to be confirmed but the chair and Secretary have confirmed their support). BBA had considered making a separate application to TCRF. It is now intended to include this proposal, for environmental enhancements and opening up a pedestrian close link between the Church Street car park and St David St, as part of the Councils bid but recognising the BBA's interest in this proposal within the application. Demonstrating community support for an application will considerably enhance the likelihood of its success.

5 FINANCIAL IMPLICATIONS

- 5.1 There is no specific requirement for match funding associated with the TCRF but clearly applications which can demonstrate significant contribution, thereby reducing the burden on the fund will be given priority. As stated in para 3.3 above, it is anticipated that in relation to the Brechin property project, the full cost of the THI could be presented as part of the overall strategic regeneration project, albeit that timescales for delivery of the THI go well beyond the TCRF timescale. Contribution can also be advanced from the Economic Development Capital budget for regeneration which will cover advanced costs associated with the employment of Graham & Sibbald (estimated cost £20,000).
- 5.2 In advance of the Graham & Sibbald report it is difficult to assess what the overall costs associated with property acquisition and regeneration will be but a cost in the region of £2.0m to £2.5m can be anticipated. If this can be linked with the total anticipated THI spend (£2.9 m) as adding value to this wider regeneration, advanced costs associated with the Economic Development Regeneration budget (£20,000), Business Gateway revenue based business support (e.g. a retailer training event = £7K) and training funding for Modern Apprenticeships or Future Jobs Fund (say £20,000 over 2 years), a total project of in the region of £5m to £5.5m can be promoted. Grant funding for the full anticipated cost of £2.0m to £2.5m associated with the property project would therefore represent between 36.4% and 45.5% of the total project cost. It is expected the Graham & Sibbald report will be received in advance of the Executive Sub-Committee meeting and an update will be provided at the meeting.
- 5.3 Once properties are acquired there will be some short to medium term revenue costs incurred. These will comprise of marketing and agency costs associated with the subsequent sale or the leasing of the properties. It is proposed these costs will be covered by rental or sale income generated. However, there will also be potential Council Tax liabilities associated with the ownership of vacant residential properties and potential Non Domestic Rates liabilities associated with the ownership of vacant commercial premises. It is proposed that these liabilities also be met from income generated by rental and sale income. Of course, there is the potential to be incurring such costs prior to the receipt of any income. While this is an undesirable position, the longer term financial and social benefits generated by the project will clearly far outweigh any shorter term exposure. Should this occur such costs will be met from the Infrastructure Services revenue budget.

6 HUMAN RIGHTS IMPLICATIONS

- 6.1 There are no Human Rights implications arising from this report.

7 EQUALITIES IMPLICATIONS

- 7.1 The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An [equalities impact assessment](#) is not required.

8 SINGLE OUTCOME AGREEMENT

- 8.1 This report contributes to the following local outcome(s) contained within the Single Outcome Agreement for Angus.
- We realise our full economic potential with more and better employment opportunities for our people.
 - We live in well designed, sustainable places where we are able to access the amenities and services we need.

9 CONSULTATION

- 9.1 The Chief Executive, Director of Corporate Services, Head of Law & Administration and Head of Finance have been consulted in the preparation of this report.

10 CONCLUSION

- 10.1 The TCRF provides a one-off 'competitive' opportunity to bid for Scottish Government funding for the regeneration of town centres. The short time frame available for identifying appropriate projects and preparing bids and the conditions that apply has restricted the scope of how these funds can be used.
- 10.2 The Director of Infrastructure Services was authorised at the Committee meeting held in June to identify suitable projects for consideration. Two were considered but it has been decided to only proceed with a single bid for funding to aid the regeneration of Brechin town centre.
- 10.3 With regard to the Brechin project, a letter was sent out to owners of selected empty or dilapidated properties in the town centre and a press release was issued to encourage additional property owners to come forward. To date 10 properties are being surveyed as a result of this exercise. If the TCRF application is successful, it together with the Thi investment could secure in the region of £5m - £5.5m towards physical regeneration of the town centre of Brechin.

ERIC S LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

ECDEV/DV/NP/LJP
06 August 2009