

South Ayrshire Council

**Report by Director of Communities and Transformation
to Cabinet
of 18 June 2024**

Subject: Maybole and Girvan Regeneration Projects

1. Purpose

1.1 The purpose of this report is to update Cabinet on the progress of the Maybole Regeneration Project (MRP) and of the Girvan Regeneration Project.

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 notes the progress of the Maybole Active Travel Phase 1 (MAT1) project and approves transfer of the project management and delivery of the two-way MAT1 option to Ayrshire Roads Alliance;

2.1.2 approves closure of the Small Grants Scheme funds;

2.1.3 approves funding for the appointment of an external project manager to cover maternity leave period and to extend the Maybole Regeneration Project through the end of December 2025;

2.1.4 notes the progress of the Girvan Regeneration Heritage and Place Project and approves funding required to deliver Development Stage activities and enable a Delivery Stage application; and

2.1.5 otherwise notes the contents of the report and supports the approaches and activities set out in this report.

3. Background

3.1 Maybole Active Travel Phase 1 (MAT1) aims to improve pedestrian experience of the high street, to improve opportunities for active travel and to support links from the High Street to the rail station.

3.2 Original proposals for the project detailed a one-way carriageway. Public Consultation on the scheme in 2022 was largely supportive. Design Development fees for Stages 0-4 were funded via Sustrans 'Places for Everyone' (PfE). If this iteration of the project had continued and been approved at Stage 4, subsequent construction stages would have been funded through the same programme.

- 3.3 In 2023, the Council chose to interrogate a two-way design with 'give way' sections, requiring additional Capital funding to support the design development changes. Public feedback on the new scheme in February 2024 was less supportive than that of the previous iteration, however as there is a requirement for Maybole High Street to function as an alternative to the by-pass in case of incidents or closures, the two-way design, with 'give ways' has been identified as the preferred option.
- 3.4 In the intervening time, PfE delivery has changed, and projects approved at Stage 4 through PfE will now instead apply for Transport Scotland's 'Active Travel Infrastructure Fund' (ATIF). ATIF opens to applications once per year, with the next available window opening in January 2025.
- 3.5 The above points have caused a significant delay to the delivery of MAT1.
- 3.6 To date, MAT1 has been progressed by the Maybole Regeneration Lead post however, Ayrshire Roads Alliance are leading on similar projects across the Authority and would be well-placed to deliver MAT1.
- 3.7 Maybole 'Small Grants Scheme' was identified as key project in MRP, with the ambition to deliver noticeable, long-term improvements to properties on the High Street. Council investment was supported by multiple funders including Historic Environment Scotland, National Heritage Lottery Fund and North Carrick Community Benefit Company, bringing the total project budget to £849,103.00.
- 3.8 The 'Small Grants Scheme' has seen numerous challenges including; low interest levels from applicants with suitable properties, poor performance from applicants' chosen Professional Advisors, low interest from suitable tenderers and increased costs from expired tenderers, making it difficult to prove best value 4nr. properties remain involved. A proposal to reallocate funding from the Smalls Grants Scheme to other projects that can be delivered within the funds available and within timescales will be the subject of a subsequent report to Cabinet in Autumn 2024.
- 3.9 The Lead Project Officer is due to be on Maternity Leave from approximately 31st July until 1st February 2025, and it is the intention to appoint an external project manager through the appropriate Professional Design Services framework. A transfer of £35,000 is sought to cover a 6.5-month maternity leave period and include a 2-week transition period in July 2024 to ensure effective handover of the project.
- 3.10 The Maybole Regeneration Project is reaching conclusion and it is considered that current staffing levels are required in order to deliver the project successfully. A transfer of funding of £92,781.34 through the Maybole Regeneration Works budget to cover staffing costs associated with extension of the project through 31st December 2025 is sought.
- 3.11 In regard to Girvan, £170,000 in funding was awarded through Historic Environment Scotland's (HES) Heritage and Place Programme (H&PP). Match funding was approved by the National Lottery Heritage Fund (NLHF) in Spring 2023. The funding was awarded for 'development stage' activities to identify projects and initiatives to be delivered in a subsequent 'delivery stage', which would be subject to approval of a separate second round application.
- 3.12 The application and award included the following in regard to cost and income:

Development Cost Headings	£
Project Staff	70,000
Professional Advisor Fees	70,000
Community Engagement	30,000
Total Costs	£170,000

Income Source	£
NLHF	85,000
HES	85,000
Total	£170,000

- 3.13 The £170,000 figure was an estimate informed by experience in Maybole and is the joint largest award in this round of Heritage and Place funding from NLHF/HES.
- 3.14 Inherent in the development stage are activities and actions that require the appointment of external consultants with the specialised skills, experience and qualifications to meet funder requirements, - for example, conservation accredited architect, structural engineer and quantity surveyor to lead on the development of condition surveys and design specification for priority projects.
- 3.15 The tender process for the appointment of required consultants is currently underway and it is now expected that additional funds will be required. This is attributed to a recognition that there is an acute shortage of specialist heritage consultants combined with significant inflation since application submission.
- 3.16 A transfer of £60,000 from the Girvan Regeneration Projects £2m budget is sought to cover projected shortfalls for the appointment of consultants for Development Stage activities and enable a Delivery Stage application.

4. Proposals

- 4.1 MAT1 to be transferred to ARA for delivery from June 2024, with the existing Design Team being given the opportunity to continue their appointment. ARA to establish a Project Board.
- 4.2 Close the 'Small Grants Scheme' with immediate effect, maintaining sufficient budget to complete the works on the 4nr. identified properties.
- 4.3 Transfer of £127,781.34 from the Maybole Regeneration Works budget for the appointment of an external project manager to cover maternity leave and for staffing costs associated with extension of the project through 31 December 2025.
- 4.4 Transfer of £60,000 from the Girvan Regeneration Projects budget to fund Development Stage activities and enable a Delivery Stage application.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 The proposed projects meet the Council's regeneration ambitions and thereby through the due diligence process associated with reporting schedules will help deal with and mitigate any potential issues. This will ensure that the projects' Business Plans are robust and kept up to date and continue to show operational viability thus reducing the financial risks. In addition the continuation/establishment of Project Support Groups for each of the projects working with their design teams will help to monitor and assist with the progress of the projects and their long-term sustainability.
- 6.2 In the event that the 'Small Grants Scheme' is closed, funding from Historic Environment Scotland, National Lottery Heritage Fund and RCGF will not be claimed in full, or the balance will be returned.
- 6.3 Considering the delay to MAT1, it is possible that additional professional fees will be due. Relevant future Cabinet approvals will be sought, if required.

7. Human Resources Implications

- 7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 In regard to Maybole, there are reputational risks associated with adopting the recommendations. Whilst the Project Board minuted that they are disappointed with delays and lack of progress across most of the MRP projects, they were supportive of transferring MAT1 project management responsibilities to ARA.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 In the case of MAT1, the risks associated with rejecting the recommendations is the missed opportunity to identify and advance priority regeneration project that would have transformational impacts in the community.
- 8.2.2 In the case of 'Small Grants Scheme', the risk associated with rejecting the recommendations is the missed opportunity to access match funding.
- 8.2.3 In the case of Girvan's Story, the risk associated with rejecting the recommendation is inability to delivery key packages of work and ultimately the missed opportunity to access significant additional funding and investment for improvements to key buildings and spaces in the town – for example, McKechnie Institute, Stumpy Tower and other priority projects identified in the Development Stage as well as provision of small grants to private owners, and construction skills/ training programmes and the telling of Girvan's Story to instil a sense of identity and pride.

9. Equalities

- 9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial

decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - The Scottish Government Gateway will be contacted in terms of any potential SEA Requirements and the assessment of environmental impacts (SEA / EIA (Economic Impact Assessment)) and reporting.

11. Options Appraisal

- 11.1 In regard to Maybole, extensive options appraisals have taken place over the course of the project, including the identification of priority projects and in regard to preferred options for MAT1.
- 11.2 In regard to Girvan, an initial range of priority projects were identified through the Place Plan, Place-based Strategy and consultation with Officers and Elected Members. The finalisation of priority projects is a key aspect of the Development Phase work and will be undertaken in coordination with the Project Board and Funders and further consultation over the six months or so.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Priorities 1, 2 and 3 of the Council Plan: Spaces and Places/ Moving around and the environment (Outcome 1), Live, Work, Learn (Outcome 2) and Civic and Community Pride (Outcome 3).

13. Results of Consultation

- 13.1 All MRP project updates have been reported regularly to the MRP Project Board.
- 13.2 In regard to MAT1, there has been extensive public and stakeholder consultation within the context of the Maybole Regeneration Project. Further consultation will be required as part of the statutory Planning process.
- 13.3 In regard to Girvan, extensive consultation has taken place through Place Plans, Place-based Strategies and bespoke events associated with the H&PP. Further consultation will be programmed throughout the Development Stage.
- 13.4 Consultation has taken place with Councillor Bob Pollock, Portfolio Holder for Economic Development, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Director of Communities and Transformation will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Implement the recommendations in this report in regard to Maybole	Sept 2024	Assistant Director Communities
Implement the recommendation in this report in regard to Girvan	June 2024	Assistant Director Communities

Background Papers None

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