
Report to Council

Date of Meeting: 9 March 2017

Subject: Clackmannan Regeneration Project

Report by: Executive Director

1.0 Purpose

1.1 The purpose of this report is to update Council on the progress of the Clackmannan Regeneration Project and to seek authority to pursue particular actions to ensure the Scottish Government's Economic Development Fund award of £2 million is legally committed by 31 March 2017.

2.0 Recommendations

2.1 It is recommended that the Council :

- (a) agrees to enter a formal development agreement (based on the Heads of Terms at Appendix 4) with Kingdom Housing Association (KHA) to take forward the redevelopment of the Main Street/North Street site whereby the Council retains ownership of the ground floor shell business units and KHA takes ownership of the upper floor flatted accommodation for mid-market social rent ;
- (b) notes the progress on the Community Enterprise Hub project and that a further report on the project will be brought to Council in due course ;
- (c) notes that a verbal update on the award of contracts for both the Main Street/High Street and Port Street/Lochies Road Streetscape Works will be provided at the Council meeting and
- (d) notes the progress in acquiring the Lochies Road Coach/Vehicle Repairs premises and that demolition and clearance will proceed once the businesses have relocated to new premises being constructed at Dumyat Business Park.

3.0 Considerations

3.1 The Clackmannan Regeneration Project consists of three major initiatives that have arisen essentially as a consequence of investment priorities within the Council's Capital Programme, the award of Scottish Government Economic Development Fund monies and the pursuit of new social housing as part of the Council's Strategic Housing Investment Plan.

3.2 In the case of the Capital Programme the Council has approved some £2.2 million towards the wider regeneration project consisting of the following :

a) Clackmannan Primary School	£1.4m	(2017/18)
b) Village & Small Town Initiative	£0.45m	(2017/20)
c) Street Lighting Improvements	£0.225m	(2017/18)
d) Park, Play Areas & Open Spaces	£0.025m	(2017/18)
e) Clackmannan Town Hall/CAP	<u>£0.093m</u>	(2017/18)
	<u>£2.193m</u>	

This total is some £119k greater than the figure reported in December 2016 due to reconciliation of funding available for the Primary School project through the Government's "Scotland's Schools for the Future" programme.

3.3 The previous exempt report to Council on 15 December 2016 indicated how the Scottish Government's Economic Development Fund award of £2 million was to be allocated, as follows :

a) Main Street Redevelopment & Community Enterprise Hub	£0.900m
b) Main Street/High Street Streetscape Works	£0.350m
c) Lochie Road Business Relocations, Site Acquisition, Demolition & Clearance	£0.400m
d) Port Street/Lochie Road Streetscape Works	£0.350m

3.4 Insofar as this funding requires to be legally committed by 31 March 2017 the December report recommended, among other things, the acquisition of 59 Main Street, Clackmannan to complete land assembly for the redevelopment of derelict and vacant/underused property within the Conservation Area at Main Street/North Street.

3.5 The acquisition of 57 Main Street and the Former Printing Works at North Street had been completed and the purchase of 59 Main Street has now been completed. In total the property assembly costs (including fees) amount to some £182,400.

3.6 In order to advance the early redevelopment of the site for a mixed business space/residential scheme it was also agreed in December that the Council would extend its partnership working with Kingdom Housing Association/Kingdom Initiatives Ltd. Since then feasibility work has progressed on a scheme involving the creation of 4 ground floor business shell units and 5 upper floor social housing units. The detailed design of the proposal will, of course, be subject to planning consent and consultation with the local community. However, based on the proposed use and size of the respective floorspace Kingdom's consultants have been able to prepare preliminary costs for enabling works and development of the new-build accommodation in order to enable agreement on how the project can now proceed. This is set out in the following section.

4.0 Proposed Redevelopment at Main Street/North Street :

- 4.1 Based on the draft development proposal summarised above (Appendix 1) the preliminary costs associated with the project are estimated to be £1.275m. This estimate takes account of the required demolitions, site clearance and substructure works, together with the construction of the proposed social housing and shell business units and associated VAT, design, site investigation and management fee costs.
- 4.2 The indicative grant contribution towards this project of some £900k assumed land assembly costs would be considerably less than the £182k required. Insofar as the Council is able to reclaim the estimated VAT cost (£107k) and Kingdom Housing Association have provisionally agreed a contribution of £350k towards their share of the development then a potential shortfall of around £100k may arise based on the construction estimate and original grant allocation. As such, it is now proposed to increase the share of the overall grant towards this project to £1,000k to reflect the increased land assembly costs. Once the detailed tender prices are known then we will be in a better position to determine whether it is necessary to move £100k of the £400k grant allocation originally indicated for the Lochies Road site acquisition, demolition and clearance project which is covered in Section 7.0.
- 4.3 As agreed at the Council meeting in December 2016, it is proposed that the redevelopment of the site will be progressed in partnership with Kingdom Housing Association, the Council's established housing development partner, using a pre-existing framework arrangement to procure a contractor for the new build project. The required demolition of existing buildings will also be carried out using a pre-existing framework arrangement. The Heads of Terms for the proposed development are set out at Appendix 4.

5.0 Proposed Community Enterprise Hub

- 5.1 A feasibility study has been procured on behalf of Clackmannan Development Trust (CDT) through a framework contract to explore the development of a Community Enterprise Hub within the current CAP/Library adjoining the Town Hall. The work will consider the suitability of the building and the estimated cost of adaptations. The study also makes provision for consultation with a range of stakeholders and, in this respect, a series of 3 Community Workshops took place in late February/early March. These events were designed to explore options for the potential use of the Hub by community groups, including community café/kitchen, healthy eating services, support for local voluntary groups/small businesses, services for older adults (e.g. befriending and dementia support), tourist/heritage information and associated Council services. The study is expected to be complete by April 2017 and will also include provision for a temporary Project Officer post (employed by CDT) in order to support the community implement the plans.
- 5.2 The cost of the feasibility study is £17k and is being funded through the Government grant. A contribution of £25k towards the temporary CDT Project Officer post will also be met through the grant albeit the estimated budget for the development costs (£93k) does not require to be committed by 31 March 2017 as it forms part of the Council's approved capital contribution. As such,

a further report on this specific project will be brought to Council in due course.

6.0 Proposed Streetscape Works at Main Street/High Street and Port Street/Lochies Road

- 6.1 Following approval of the recommendation to Council on 15 December 2016 to bring forward approved capital allocations in 2018/19 and 2019/20 to enable the Government's grant contribution to be used for the Main Street/High Street streetscape project we placed the project on the Public Contract Scotland website with a tender return date of 3 March 2017. The estimated project cost is £780,000 (£350,000 grant and £430,000 Council) and is aimed to enhance the streetscape of the central area shown in Appendix 2. The project tender returns were considered as a priority earlier this week and a verbal update will be provided at the Council meeting on the outcome of that exercise.
- 6.2 This project has been formulated in partnership with Clackmannan Community Council and Clackmannan Development Trust and aims to address main priorities identified in their Community Action Plan 2015-20, namely local heritage, parking/roads/transport and appearance of the town. The overall design accommodates the community's wish to make Main Street one-way for traffic while delivering high quality natural stone finishes on the footways and public spaces around the Tolbooth, Mercat Cross, Sone of Mannan and Main Street/High Street generally. Works are programmed to start in the second week in June.
- 6.3 The final design of the Port Street/Lochies Road Streetscape Project has also progressed such that we have been able to produce a tender value from our in-house Road Maintenance Framework Contract. The project was developed as a flexible design that could be adapted to suit the budget available after the value of the winning tender for the Main Street/High Street project (Section 6.1) was confirmed earlier this week. The cost of completing the contract through the Framework Contract will be up to £350,000. We have been able to make use of the Road Maintenance Framework Contract for this project as all of the main construction items are included in the Framework. Utilising the in-house Framework Contract removes the need for a lengthy tender period. As the Road Maintenance Framework Contract does not include rates for laying the natural paving slabs and granite setts, making up the majority of the work in Main Street and High Street, we were required to offer that contract to competitive tender through the Public Contract Scotland website. This project has been pursued to enhance the streetscape around the local school and public park while crucially addressing longstanding road safety issues. The design (Appendix 3) promotes responsible parking around the Primary and Nursery Schools while reducing congestion at key points in the school day. This is in no small way supported by the related relocation of the adjoining coach and vehicle repair businesses as part of the broader regeneration plan. Works have been programmed to take place during the school holidays to minimise disruption. Again, a verbal update will be provided at the Council meeting on the outcome of this contract award.
- 6.4 Beyond the established joint working with the community drop-in information sessions for the local community took place on 28 February 2017 in

collaboration with the Community Council and Development Trust. The required traffic orders relating to both projects are underway together with consultation with bus operators affected by the Main Street one way proposal.

7.0 Proposed Relocation of Coach and Associated Vehicle Repair Businesses

- 7.1 Acquisition of the coach and vehicle repair premises has been completed and the purchase cost of £230k will be met from the Government grant. As stated as Section 4.0 above, the estimated allocation of grant for this project has been reduced from £400k to £300k.
- 7.2 Once Hunters Executive Coaches have completed the construction of their new 5,000 sq ft business premises and relocated to Dumyat Business Park work will then progress to demolish and clear their vacated depot and yard. While we are at an early stage of planning the afteruse of the site, the principle of a social housing development has been agreed as part of the recently updated Strategic Housing Investment Plan (SHIP). As such, a further report will be prepared, in association with Housing Services, for further consideration of options by the Council, including the tendered costs of demolition and clearance given the revised estimate of grant towards this element of some £28k.

8.0 Proposed Social Housing at Burnside

- 8.1 In terms of the pursuit of new social housing and beyond the proposed units in Main Street/North Street and the future development site in Lochies Road the Council has been involved in negotiations to secure the development of a larger affordable housing site at Burnside. Together with the Falkirk Pension Fund, Castle Rock Edinvar Housing Association/Places for People and Ambassador Homes it is proposed to unlock the potential of this, otherwise, non-effective site to provide some 75 new homes, 35 of which are now planned to be for social rent.
- 8.2 On 24 February 2017 the Planning Committee approved the erection of the 35 affordable homes. Ambassador Homes will now construct the homes which will be purchased by Places for People, a registered social landlord, who will give the Council nomination rights over the units. Beyond brokering the Pension Fund investment in Clackmannan the Council have also worked closely with Scottish Government officials to secure Housing Grant (approximately £550k) and Infrastructure Grant (approximately £633k) to help render the site viable and thereby contribute to the wider regeneration project in Clackmannan.

9.0 Sustainability Implications

- 9.1 Each of the proposed projects is intended to have a significant positive impact on the environmental and economic sustainability of the community.

10.0 Resource Implications

10.1 Financial Details :

Insofar as the Government's grant funding requires to be legally committed by 31 March 2017 the following provides a summary of the status of the £2 million award :

10.1.1 Main Street/North Street Redevelopment :

- Land Assembly @	£182,400
- Development Contribution @	£817,600

10.1.2 Community Enterprise Hub :

- Feasibility Study @	£17,000
- Project Officer @	£25,000

10.1.3 Proposed Streetscape Works :

- Main Street/High Street Tender Contribution @	£350,000
- Port Street/Lochies Road Tender Contribution @	£350,000

10.1.4 Proposed Relocation of Lochies Road Businesses :

- Property Acquisition @	£230,000
- Demolition & Site Clearance @	£ 28,000
	<u>£2,000,000</u>

10.2 The above summary confirms that, subject to approval of this report, the Council will have committed the grant funding by the required deadline.

10.3 Finance Services have been consulted and have agreed the financial implications as set out in the report.

10.4 Staffing :

There are no direct staffing implications.

11.0 Exempt Reports

11.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

12.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

The area has a positive image and attracts people and businesses
Our communities are more cohesive and inclusive

- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

13.0 Equalities Impact

- 13.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
 Yes No

14.0 Legality

- 14.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

15.0 Appendices

- 15.1 Appendix 1 - Indicative Development Layout at Main Street/North Street
 Appendix 2 - Proposed Streetscape Works at Main Street/High Street
 Appendix 3 - Proposed Streetscape Works at Port Street/Lochie Road
 Appendix 4 - Heads of Terms for Development at Main Street/North Street
 Appendix 5 – Proposed Residential Development at Burnside

16.0 Background Papers

- 16.1 Council Report of 15 December 2016 (Exempt)

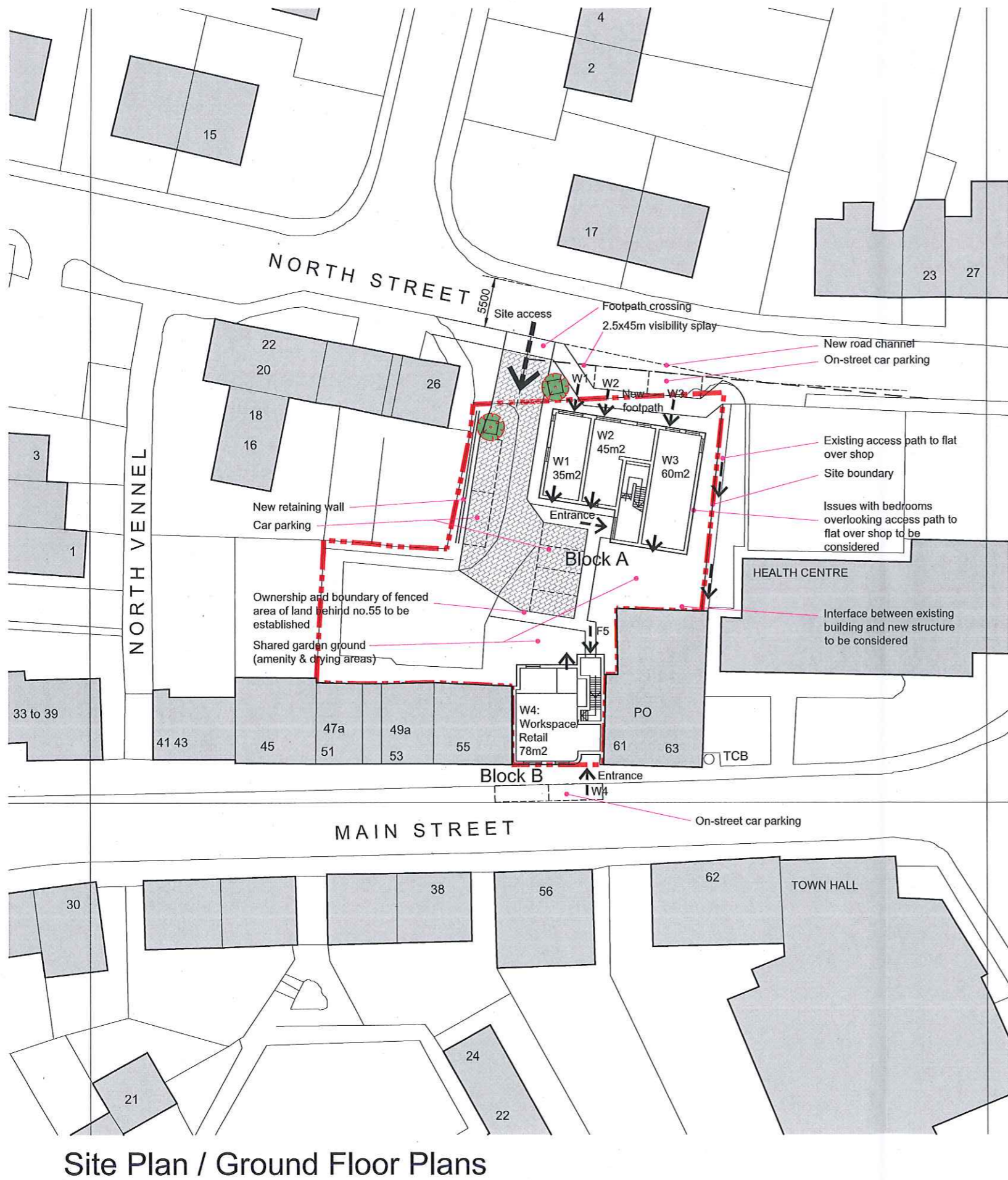
Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Garry Dallas	Executive Director	2531

"

Approved by

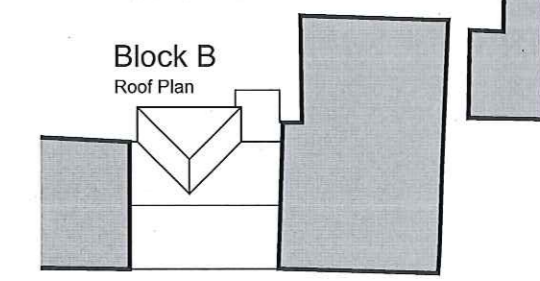
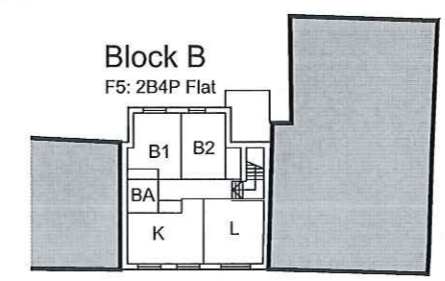
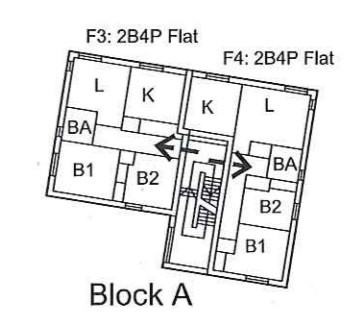
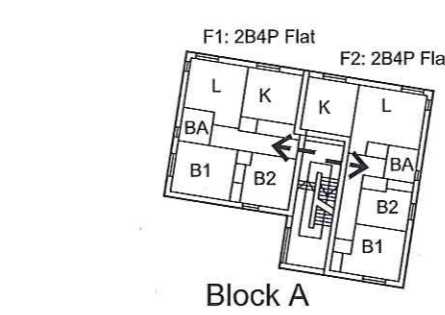
NAME	DESIGNATION	SIGNATURE
Garry Dallas	Executive Director	Signed: G Dallas
Elaine McPherson	Chief Executive	Signed: E McPherson



Residential		Workspace/Retail	
Block A		Block A	
2B4P Common Access Flat (Flats F1-F4)	4no.	Workspace/Retail Unit (Units W1-W3)	3no.
Block B		Block B	
2B4P Private Access Flat 1no. (Flat F5)		Workspace/Retail Unit (Unit W4)	1no.
Total	5no.	Total	4no.

10no. car parking spaces indicated (4no. on-street, 6no. off-street)

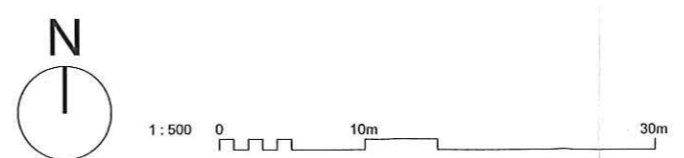
Parking proposals subject to Local Authority approval

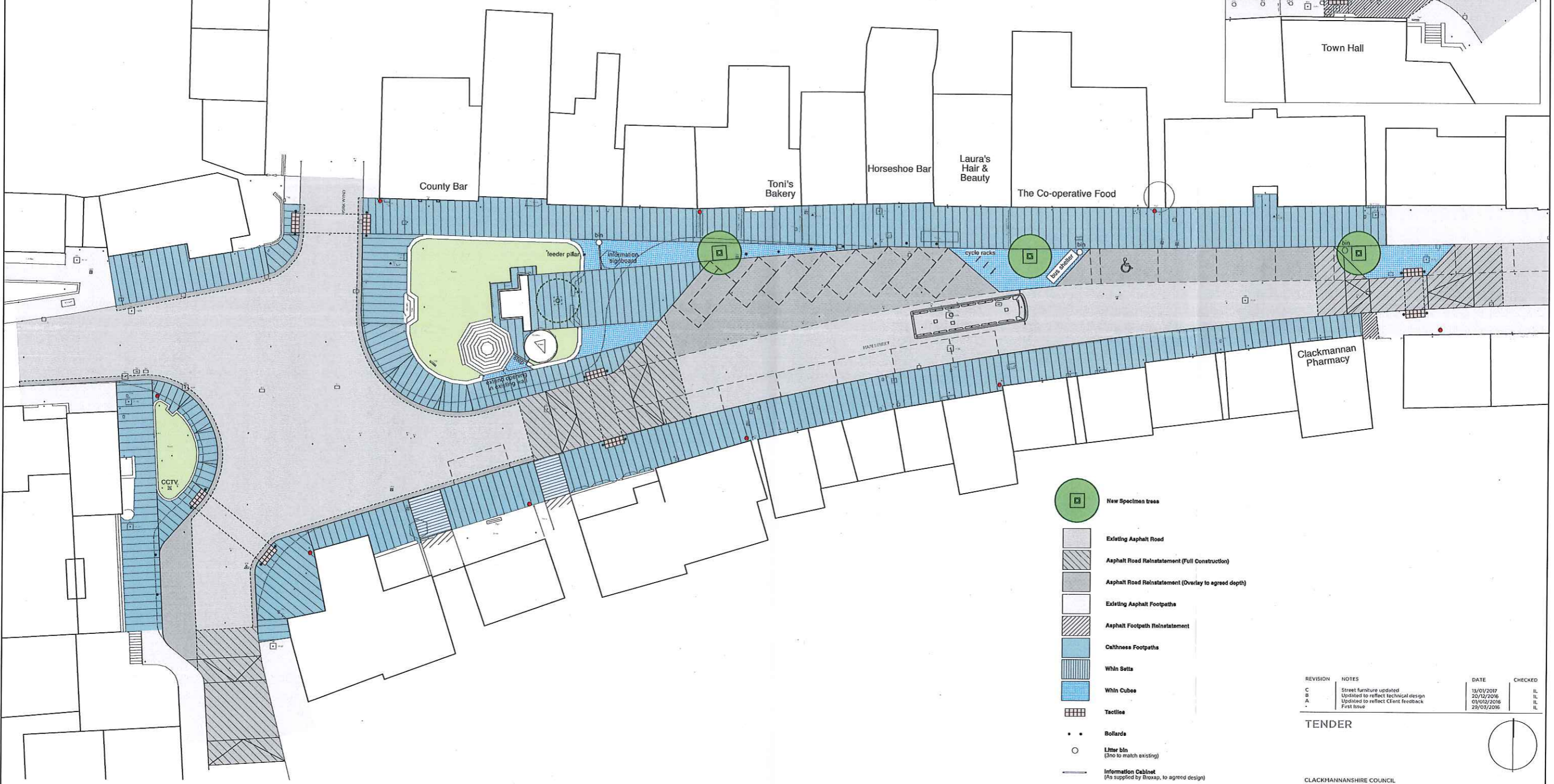
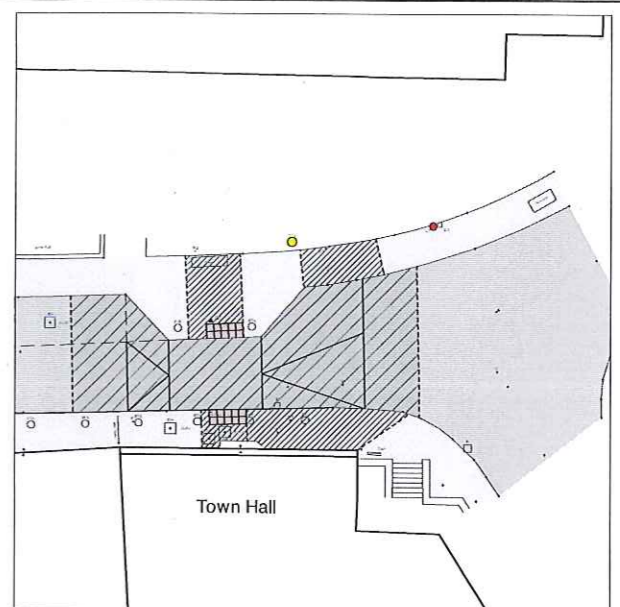
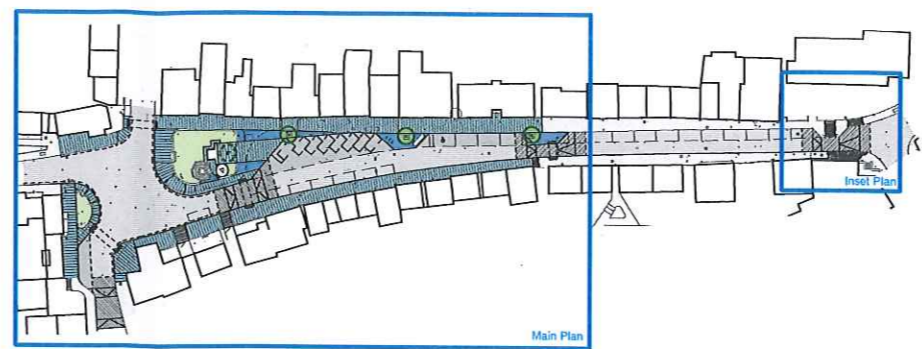
















First Floor Plans

Second Floor Plans

REV	DATE	DESCRIPTION	DRN	CHD
Bracewell Stirling				
●		38 WALKER TERRACE, TILlicOUNTRY, FK13 6EF TEL: 01259 750301		●
○		5 NESS BANK, INVERNESS, IV2 4SF TEL: 01463 233760		○
PROPOSED NEW HOUSING NORTH STREET / MAIN STREET, CLACKMANNAN KINGDOM HOUSING ASSOCIATION				
TITLE FEASIBILITY SITE LAYOUT				
SCALE	DATE	12/08/2015	BY	—
1:500	PURPOSE	—	PAPER	A3
DWG NO.-REV 4154-SK003 A				





-  New Specimen trees
-  Existing Asphalt Road
-  Asphalt Road Reinstatement (Full Construction)
-  Asphalt Road Reinstatement (Overlay to agreed depth)
-  Existing Asphalt Footpaths
-  Asphalt Footpath Reinstatement
-  Calthness Footpaths
-  Whin Setts
-  Whin Cubes
-  Tactiles
-  Bollards
-  Litter bin
(3no to match existing)
-  Information Cabinet
(As supplied by Broxap, to agreed design)
-  Bus Shelter
(Product to be identified and agreed with Clackmannannshire Council)

REVISION	NOTES	DATE	CHECKED
C	Street furniture updated	13/07/2017	IL
B	Updated to reflect technical design	20/12/2016	IL
A	Updated to reflect Client feedback	01/02/2016	IL
-	First Issue	29/03/2016	IL

TENDER

CLACKMANNANSHIRE COUNCIL
MAIN STREET, CLACKMANNAN

SCALE 1:200 @ A1

LANDSCAPE LAYOUT

DRAWING NO: 2037 / 01

3A Forrest Road
Stirling, FK8 3ZH
T: 01786 446446
F: 01786 446441
E: studio@iwastirling.co.uk

**IAN
WHITE
ASSOCIATES
LANDSCAPE
ARCHITECTS**



Legend

- Footway Area
- Footway Widened Across School Frontage
- Existing Footway Resurfaced
- Existing Carriageway Formed as Widened Footway
- Footway Widened into Vacant Ground
- Carriageway Raised to Footway Level and Surfaced with Coloured Stone
- Parking Bays Across School Frontage (Lochies Road)
- Safe Step Out Areas at Parking Bays and Surfaced with Coloured Stone
- Areas Set Aside for Parking Within Altered Road (Port Street)
- Ramps to Raised Areas Gradient to Suit Public Transport
- Vacant Grassed Area
- Footway to be Upgraded Under Future Redevelopment of Garage Site
- 'Small-Leaved Lime Tree' Tilia Cordata 'Greenspire'
- Existing Trees

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REVISIONS.			
SURT	DATE	BY	CONTENTS

Clackmannanshire Council
www.clacksweb.org.uk
ROADS & TRANSPORTATION
 SERVICES TO COMMUNITIES
 Kinross
 Greenside Street
 Alloa FK10 1EB
 Tel: 01259 450000 Fax: 01259 727451
 email: roads@clacks.gov.uk

PROJECT Lochies Road / Port Street Clackmannan Street Alterations
DRAWING Proposed Streetworks

scale	drawn	checked	date

DRG NO. PO1-103 - 004/1

DRAFT

HEADS OF TERMS

FOR

DEVELOPMENT

AT

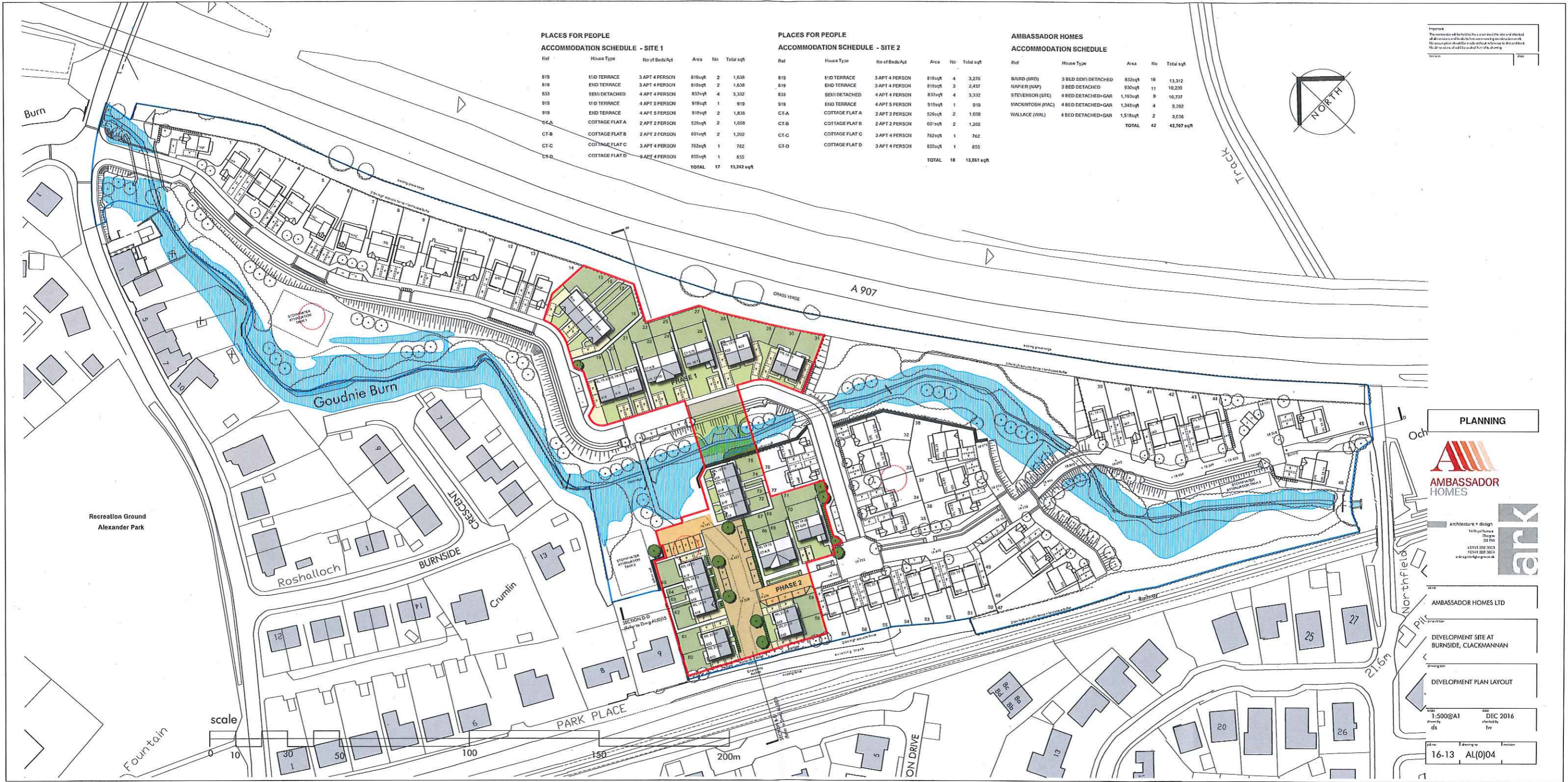
MAIN STREET/NORTH STREET, CLACKMANNAN

NOTE: THE HEADS OF TERMS HAVE NOT YET BEEN AGREED BY KINGDOM HOUSING ASSOCIATION OR THEIR SOLICITORS

Owner	Clackmannanshire Council a local authority constituted under the local Government etc (Scotland) Act 1994, Kilncraigs, Greenside Street, Alloa, FK10 1EB
Project Manager of Development	Kingdom Housing Association, registered under the Industrial & Provident Societies Act 1965 (registration number 1981R(s), Saltire Centre, Pentland Court, Glenrothes, Fife
Building Contractor	the building contractor or contractors as the Owner may appoint in terms of the Building Contract
Property	The properties at: <ul style="list-style-type: none"> (i) 57 Main Street, Clackmannan registered under Title Number CLK13502; (ii) Former Printworks at North Street, Clackmannan registered under Title Number CLK10599; (iii) Part of the subjects at 59 Main Street, Clackmannan registered under Title Number CLK2746
Development	The design and build of 5 mid market rent housing and 4 commercial units at the Property
Project Management Agreement	The Owner and the Project Manager will enter into a Project Management Agreement which will contain the terms and condition of:

	<ul style="list-style-type: none"> (i) Design and Development of the Property; (ii) Construction Contract (iii) Sale of Mid market rent housing to the Project Manager (iv) Timelines for completion of the Development (v) Such other terms and conditions agreed between the Owner and the Project Manager both acting reasonably
Construction Contract	means the contract to be entered into between the Owner and the Building Contractor through the Project Manager's framework agreement with the Owner [<i>do we need to slot in the details of this framework agreement</i>] for the construction of the Development
Target Date for Practical Completion	June 2018
Warranties (Owner/Tenant/Bank)	Building Contractor, Project Manager and professional team collateral warranties will be provided to the Owner either through the Construction Contract and/or the Project Management Agreement and to any funder/bank or tenant of the commercial units
Mid Market Rent Housing Purchase Price	Estimated purchase price is £350,000 subject to confirmation of the open market value of the properties on the date of completion
Owner's Contribution	<p>The Owner will be funding the Development through the Regeneration Funding Grant being obtained by the Owner from the Scottish Government as part of Clackmannan Regeneration;</p> <p>Any shortfall in funding will be provided by the Owner</p>
Owner's Solicitor	<p>Lee Robertson, Solicitor Legal Services Clackmannanshire Council Kilncraigs Greenside Street</p>

	<p>Alloa e-mail: leerobertson@clacks.gov.uk Telephone: 01259 452087</p>
Project Manager's Solicitor	<p>Derek Hogg Solicitor Harper Macleod Solicitors The C'a'doro 45 Gordon Street Glasgow e-mail: Telephone: 0141 221 8888</p>
Legal Costs	<ul style="list-style-type: none"> (i) Each Party will be bear their own legal costs and expenses. (ii) Land and Building Transaction Tax in relation to the Project Manager's acquisition of the Mid Market Rent Housing will be paid by the Project Manager. (iii) Registration dues associated with the Development Agreement will be paid equally by both parties



PLACES FOR PEOPLE
ACCOMMODATION SCHEDULE - SITE 1

Ref	House Type	No of Beds/Act	Area	No	Total sqft	
819	M/D TERRACE	3 APT 4 PERSON	819sqft	2	1,638	
818	END TERRACE	3 APT 4 PERSON	819sqft	2	1,638	
833	SEMI DETACHED	4 APT 4 PERSON	833sqft	4	3,332	
919	M/D TERRACE	4 APT 5 PERSON	919sqft	1	919	
919	END TERRACE	4 APT 5 PERSON	919sqft	2	1,838	
CT-A	COTTAGE FLAT A	2 APT 2 PERSON	529sqft	2	1,058	
CT-B	COTTAGE FLAT B	2 APT 2 PERSON	601sqft	2	1,202	
CT-C	COTTAGE FLAT C	3 APT 4 PERSON	762sqft	1	762	
CT-D	COTTAGE FLAT D	3 APT 4 PERSON	855sqft	1	855	
TOTAL					17	13,242 sqft

PLACES FOR PEOPLE
ACCOMMODATION SCHEDULE - SITE 2

Ref	House Type	No of Beds/Act	Area	No	Total sqft	
819	M/D TERRACE	3 APT 4 PERSON	819sqft	4	3,276	
819	END TERRACE	3 APT 4 PERSON	819sqft	3	2,457	
833	SEMI DETACHED	4 APT 4 PERSON	833sqft	4	3,332	
919	END TERRACE	4 APT 5 PERSON	919sqft	1	919	
CT-A	COTTAGE FLAT A	2 APT 2 PERSON	529sqft	2	1,058	
CT-B	COTTAGE FLAT B	2 APT 2 PERSON	601sqft	2	1,202	
CT-C	COTTAGE FLAT C	3 APT 4 PERSON	762sqft	1	762	
CT-D	COTTAGE FLAT D	3 APT 4 PERSON	855sqft	1	855	
TOTAL					18	13,861 sqft

AMBASSADOR HOMES
ACCOMMODATION SCHEDULE

Ref	House Type	Area	No	Total sqft	
BARO (BRD)	3 BED SEMI DETACHED	832sqft	16	13,312	
NAPIER (NAP)	3 BED DETACHED	930sqft	11	10,230	
STEVENSON (STE)	4 BED DETACHED+GAR	1,193sqft	9	10,737	
MACKINTOSH (MAC)	4 BED DETACHED+GAR	1,348sqft	4	5,392	
WALLACE (WAL)	4 BED DETACHED+GAR	1,518sqft	2	3,036	
TOTAL				42	42,707 sqft

Important
The information contained in this document is for the use of the client and is not to be used for any other purpose without the written consent of the architect.
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PLANNING

AMBASSADOR HOMES

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ark

AMBASSADOR HOMES LTD

DEVELOPMENT SITE AT
BURNSIDE, CLACKMANNAN

DEVELOPMENT PLAN LAYOUT

Scale: 1:500@A1
Date: DEC 2016
Drawing No: 16-13 AL(0)04

