

Appendix A to this report contains exempt information under the Access to Information Act as it identifies potential future recipients of financial assistance and estimated expenditure on contracts, Appendix A is therefore a restricted circulation. The report itself may be considered in public.

COMMITTEE	Council
DATE	17 August 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Conservation Area Regeneration Scheme
REPORT NUMBER	CHI/16/185
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To seek authority to submit a bid for up to £1.5 million funding from Historic Environment Scotland towards a Conservation Area Regeneration Scheme which could make a significant contribution to regenerating Union Street.

2. RECOMMENDATION(S)

That Council agrees:

- i. submission of a bid for up to £1.5 million to Historic Environment Scotland for a Conservation Area Regeneration Scheme;
- ii. matching funding in principle of up to £1.5 million be allocated from the City Centre Masterplan budget;
- iii. That officers report the outcome of the bid to a future meeting of the Finance Policy and Resources Committee.

3. FINANCIAL IMPLICATIONS

Finance Policy and Resources Committee 7 June 2016 (item 8.1) identified the need to address the condition of buildings on Union Street.

The City Centre Programme Board, at their meeting on 19 July 2016, agreed to support the submission of an application for a Conservation Area Regeneration Scheme (CARS), subject to Council approval to

allocate, in principle, up to £1.5 million match funding to support the project.

At the time of writing it is considered that the funding requirement for Council over 5 years is in the range of £1.2 million to £1.5 million in order to secure up to £1.5 million external funding from Historic Environment Scotland (HES). The actual figure will be confirmed as the detail of each project is developed. The potential maximum contribution from the Council will be £1.5 million as is proposed to be met from the existing City Centre Masterplan budget.

The range of potential projects and indicative costs can be reviewed in Appendix A to this report. Given the appendix identifies particular buildings in advance of contact with owners and gives estimated expenditure on potential future grants it is considered a restricted circulation at this stage.

Should the grant application be successful the project would commence 1 April 2017 and run for 5 years with an anticipated spend profile of:

	ACC £	HES £	Total £
Year 1 (2017-18)	175,000	175,000	350,000
Year 2 (2018-19)	250,000	250,000	500,000
Year 3 (2019-20)	280,000	280,000	560,000
Year 4 (2020-21)	300,000	300,000	600,000
Year 5 (2021-22)	495,000	495,000	990,000
Total	1,500,000	1,500,000	3,000,000
<i>Figures are indicative until detail of each project is developed. ACC contribution not to exceed £1.5 million</i>			

Aberdeen City Heritage Trust (AHT) and Aberdeen Inspired support the application of a CARS bid in principle. Their respective Boards will consider the application and how best to support the development of the programme, whether by direct financial contribution, projects supporting the programme, or by contribution in kind.

The cost of preparation of the submission is being met within existing budgets jointly between Planning and Sustainable Development and Aberdeen City Heritage Trust.

The scheme would be devised in order to be compliant with State Aid regulations and associated derogation, which make provision for grant aiding work in the historic environment.

4. OTHER IMPLICATIONS

A successful bid for funding would lead to the establishment of a fixed term (5 years) project officer post within the Planning and Sustainable

Development Service of Communities Housing and Infrastructure for the duration of programme. The post would be accommodated in existing council property and require access to IT equipment. Resourcing a project officer would count toward the Council's match-funding contribution. The programme would also be supported in kind by the Council's own conservation team in the Planning and Sustainable Development Service.

Legal advice would be required in relation to significant grants in order to protect the investment of public funds through standard securities and conservation burdens in favour of the grant provider. Legal advice may be required in the event of default of grant conditions.

A CARS contributes to the sustainability and usefulness of buildings, extending the life of structures that encapsulate significant embodied energy.

Processes and procedures would be developed in accordance with current health and safety requirements as appropriate to the nature of the activity.

5. BACKGROUND/MAIN ISSUES

- 5.1 Historic Environment Scotland announced £10 million funding for the latest round of its Conservation Area Regeneration Scheme which encourages investment in the historic built environment as a means of achieving conservation-led regeneration.
- 5.2 The maximum grant award available from HES is £2 million. The deadline for the current round of applications to HES is 31 August 2016 with determination of bids anticipated by January 2017.
- 5.3 CARS are delivered over a 5 year programme and will offer grant support towards a proportion of the costs of external repair and restoration of buildings on Union Street, Castle Street and Holburn Junction, with a focus on those properties most in need of repair.
- 5.4 The type of support offered under a CARS would include the following:

Building Repair

Substantive external restoration of defective parts of buildings to restore them back to a good state of repair. There is an opportunity to ensure that significant grant awards provide for adequate future maintenance by condition of grant. Priority projects will be identified, but the scheme will extend to other properties within the CARS area.

CARS funding can be used to support work that improves the appearance of buildings by reinstating lost or missing architectural detail in the context of a building being brought back into a fully repaired state.

Shopfronts/ Commercial frontages

A CARS can support substantive structural or other repair and restoration (where possible) of frontages considered to have potential to make a more positive contribution to the street scene.

Education and Training

A bespoke education and training plan centring on building maintenance will be developed to complement and provide sustainability to physical improvements.

Contractor Training

Contractor Training with a view to maintaining and enhancing traditional building skills will be delivered with input from Historic Environment Scotland.

Operational Costs & Management

Costs, including staffing costs, associated with the management of a CARS.

It is considered that a CARS would make a significant and positive contribution to delivering improvements in Union Street as part of the suite of initiatives identified in the Aberdeen City Centre Masterplan. This bid represents an opportunity to seek to enhance the level of funding available for improvement works in Union Street.

- 5.5 Visual survey of frontages carried out in February 2016 identified properties which had repair of a type that could attract grant assistance in a CARS. Further high level and rear repair is likely and will not be revealed until full investigation is possible. A rooftop survey, to be carried out in the autumn, will enable better understanding of roof level conditions and supplement a CARS bid.

A process of contacting owners responsible for the properties is underway. Further condition evaluation is being undertaken in August 2016 to refine outline estimates of building repair costs and to prioritise those buildings which appear most in need of repair.

- 5.6 There is a significant amount of work currently underway which is necessary to support the application. This is summarised below:

1	Communications – liaison with Union Street owners, press and publicity
2	Union Street Conservation Area Character Appraisal to be updated with mini appraisal
3	Condition Survey (visual inspection carried out Feb-Mar 2016) Rooftop drone survey required
4	Further evaluation of property condition to allow clarification on the extent of repair need to be carried out by ACHT in collaboration with conservation accredited architects.
5	Refined estimated costs to be provided by ACHT with quantity surveyors

6	Background information on masterplan, supporting enhancement schemes, development proposals and approvals, public realm works, strategic policy
7	Analysis of property types and vacancies
8	Analysis of HES desirable outputs for grant funding, review and development of KPIs
9	Analysis of Scottish Index of Multiple Deprivation – local data sets for Union St, residential, health, crime etc
10	Education/awareness and contractor training programme to be scoped and costed (required to support application)
11	Administration, Finance and on costs
12	Demonstrations of fit with strategic plans, City Deal
13	Community Planning
14	Risk Analysis

6. IMPACT

Improving Customer Experience –

The initiative provides an opportunity to improve quality of life and pride in place in the city centre which contributes to wider economic strategic objectives.

Improving Staff Experience –

Staff experience will be improved by developing a programme of repair and restoration work, enabling staff to be proactive in managing our historic environment.

Improving our use of Resources –

Leverage of additional external resources to deal with building repair in Union Street over a five year period.

Corporate -

Smarter City vision 2012-17

- We will ensure that Union Street regains its position as the heart of the city and move cultural activity centre-stage through re-invigorated cultural leadership
- Contribution to delivery of Smarter Living (Quality of Life) by recognising the cultural contribution made by Aberdeen's architectural heritage
- Smarter Environment (Natural Resources) through sustainable repair which contributes to ...safe and attractive streetscape....

Community Plan and the Single Outcome Agreement

- Investment in property and Economic Growth, making Aberdeen more appealing as a place to invest, live, work, visit and export from
- Underlying principle to Promote Pride in Aberdeen and Environmental Sustainability.

Strategic Infrastructure Plan

Key Goals-

- The skills and labour that Aberdeen needs to thrive- make Aberdeen a more desirable location to live and visit
- A better image for Aberdeen- Boost the external appeal of the city as a place to live, visit and invest, Foster greater civic pride, Celebrate and showcase existing strengths.

Priority Projects-

- City Centre Regeneration from which flows: Aberdeen City Centre Masterplan
- Approved by Council 24 June 2015, Project CM11 Union Street Conservation Area Scheme is identified in the delivery plan, working in partnership with Aberdeen City Heritage Trust.

Public –

The report is likely to be of interest to the public as a successful bid for funding represents a step towards regeneration of Aberdeen city centre.

A CARS would provide benefits to residents and business in the CARS area but would have a wider city, regional and national impact by improving the condition and appearance of Aberdeen's main street for residents, visitors and investors.

CARS policies and processes will be developed to ensure that data collected from property owners is appropriately stored and processed in compliance with the requirements of data protection legislation.

7. MANAGEMENT OF RISK

There is a risk that a potentially significant funding opportunity to regenerate a key element of the City Centre will be missed if a bid is not submitted.

There is a risk that public money could be perceived to contribute to private property development. This will be managed by a demonstrable need for grant assistance (there being no automatic entitlement to grant). Large grants awarded (over £25,000) would be subject to two forms of protection - Standard Security to recover grant funding in the event of a future property disposal and through a Conservation Burden on the property title.

In future, there may be delivery risks in relation to a successful CARS bid that relate to economic circumstances which may impact the local property market. Full risk analysis and management will be developed as a necessary component of any grant programme.

8. BACKGROUND PAPERS

Aberdeen – the Smarter City

<https://www.aberdeencity.gov.uk/web/files/CouncilHousing/LHSAppendix2.pdf>
Community Plan and Single Outcome Agreement
<http://www.gov.scot/Topics/Government/PublicServiceReform/CP/finalsoas/AberdeenCityFinalSOA>
Strategic Infrastructure Plan
<http://committees.aberdeencity.gov.uk/documents/s33119/Strategic%20Infrastructure%20Plan.pdf>
Aberdeen City Centre Masterplan
http://www.aberdeencity.gov.uk/council_government/shaping_aberdeencity/City_Centre_Masterplan.asp
Finance Policy and Resources Committee - Tuesday, 7 June 2016
Item 8.1
<http://councilcommittees/documents/g3904/Printed%20minutes%2007th-Jun-2016%2014.00%20Finance%20Policy%20and%20Resources%20Committee.pdf?T=1>

9. REPORT JOINT AUTHOR DETAILS

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