
Report To:	Environment and Regeneration Committee	Date:	1st May 2014
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	R330/14/AF
Contact Officer:	Aubrey Fawcett	Contact No:	01475 749822
Subject:	Inverclyde Regeneration Single Operating Plan – Financials Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on recent funding made available for regeneration purposes and alterations to the spend profiles for projects as included in Appendix B of the Plan.

2.0 SUMMARY

- 2.1 Members approved the Inverclyde Economic Development and Regeneration Single Operating Plan 2014-17 in March 2014. Since then it has been successful in attracting £1.5m additional funding from the Scottish Government for Kelburn Phase 2. In addition, at the time of preparing the Plan in early 2014 details were unknown regarding the extent of additional funding which may have become available through the budget process. In this regard a further £1.15m was allocated for regeneration activities by the Council. A further £400k was provided to substitute for ESF.
- 2.2 This paper advises Members on revisions to the financial forecast for projects in line with latest information available. The table presented at Appendix 1 is a replacement in the final version of the Plan for Page 53. Reallocations of funding to finance the revisions in spend have been made as per the detailed notes in Appendix 2.
- 2.3 It is intended that quarterly revisions to the schedule will be presented to reflect up to date progress with projects and to highlight possible funding shortfalls or averages. A process is being prepared in conjunction with the Inverclyde Council Finance staff to manage future revisions to the Plan, including resulting updates to outputs and outcomes. The projected outputs from the proposed changes to the investment profiles are also identified in paragraph. 5.2.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee:
- endorse the amendments to the investment proposals within the Inverclyde Economic Development and Regeneration Single Operating Plan 2014-17 as outlined in Appendices 1 and 2 and note that further reports will be brought forward to update Members on a regular basis; and,
 - note that details of spending programmes will be brought forward in relation to the funding allocated for Broomhill/Central Greenock and Port Glasgow.

Aubrey Fawcett

Corporate Director Environment, Regeneration & Resources

4.0 BACKGROUND

4.1 Members approved the Inverclyde Economic Development and Regeneration Single Operating Plan 2014-17 and endorsed the investment plan in Appendix B on 6th March 2014. This was followed by approval of the Plan by the Riverside Inverclyde (ri) Board on 20th March 2014.

5.0 MAIN ALTERATIONS

5.1 The detail of all the changes in the financial profiles is outlined in Appendix 2. The main alterations include:

- Increase in the scope of Kelburn Phase 2 due to additional funding allocated from Scottish Government
- Additional funding allocated against Broomhill/Central Greenock and Port Glasgow Regeneration. Members should note that details of spend programme for these areas will be brought forward for Members' consideration in due course.
- Spend profile on Gourock Pier Head Development brought forward.

5.2 The detail of the changes to the outputs is included in the table below. The main changes are:

- Small increase in constructions jobs
- Increase for Kelburn Phase 2 – 11 jobs and 1,120 m² floor space
- Changes for investment in Port Glasgow, Gourock and Broomhill/Central Greenock yet to be quantified.

Inverclyde Economic Development and Regeneration Single Joint Operating Plan 2014-2017					
Group 1 Projects - Output and Outcome Summary - post 27/03/14					
Key indicator	TARGETS				
	2014/15	2015/16	2016/17	TOTAL	
OUTPUTS					
No of businesses supported (new and existing)	524	435	438	1,397	
m ² of new / refurbished office / commercial space	698	0	306	1,004	
m ² of new / refurbished industrial space	1620	350	1,000	2,970	
Ha of land developed for economic after-use	0	0	1.44	1.44	
No of individuals supported with employability	1,829	1,759	1,690	5,278	
OUTCOMES					
No of jobs supported (created and safeguarded)	324.5	232.5	237.5	794.5	
No of new business start-ups	150	150	150	450	
No of residents progressing into employment	804	734	665	2,203	
Construction job years	52.40	26.44	10.96	89.80	

6.0 IMPLICATIONS

6.1 Financial Implications

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Earmarked Reserves	Regeneration	2014/17	1,500		

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

6.2 Legal

Legal and Procurement advice continues to be sought regarding the proposals.

6.3 Human Resources

There are no human resource issues arising from this report.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES (see attached appendix)
<input checked="" type="checkbox"/>	NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

6.5 Repopulation

The regeneration works outlined in this report should contribute to retaining and increasing the population within the area.

7.0 CONSULTATIONS

7.1 The Head of Legal & Property Services has been consulted on this report.

7.2 The Head of Regeneration & Planning has been consulted on this report.

7.3 The Head of Finance has been consulted on this report.

7.4 Riverside Inverclyde has been consulted on this report.

Appendix One

Inverclyde Economic Development and Regeneration Single Joint Operating Plan 2014-2017							
Appendix B: Group 1 Projects - Financial Summary							
April 2014 - March 2017							
				TOTAL COSTS			
Theme	Activity	Project / Service	Lead organisation	2014/15	2015/16	2016/17	Total
Business	Business premises	Customs House Phase 3	ri	£1,000,000	£0	£0	£1,000,000
		Custom House Phase 2	ri	£32,000	£0	£0	£32,000
		Kelburn Phase 1	ri	£100,000	£0	£0	£100,000
		Kelburn Phase 2	ri	£1,576,000	£124,000	£0	£1,700,000
		Cartsdyke Phase 1	ri	£0	£800,000	£700,000	£1,500,000
		Small Business Centre, Scarlow Street, Port Glasgow	ri	£1,061,820	£0	£0	£1,061,820
		Riverside Business Park	ri	£85,000	£0	£0	£85,000
		Maintenance of business property portfolio (ri)	ri	£325,000	£100,000	£150,000	£575,000
		Faulds Park Business Support	ri	£39,000	£0	£0	£39,000
		Feasibility consultancy	ri	£62,018	£39,613	£55,869	£157,500
	Business support	Business advice, grant and loan funds	IC	£241,590	£115,590	£115,590	£472,770
	Sector development	Business advice and engagement	IC	£268,820	£268,820	£66,820	£604,460
	Marketing and investment attraction	Marketing and Inward Investment	IC	£149,370	£75,370	£80,366	£305,106
	SUB-TOTAL: BUSINESS				£4,940,618	£1,523,393	£1,168,645
People	Employability / FJF	IC	£3,064,000	£2,282,000	£1,964,000	£7,310,000	
	Vocational training and development support	IC	£466,310	£340,310	£189,930	£996,550	
SUB-TOTAL: PEOPLE				£3,530,310	£2,622,310	£2,153,930	£8,306,550
Place	Town Centre Regeneration and Area Renewal	Port Glasgow	ri	£518,986	£610,000	£600,000	£1,728,986
		Gourock	ri	£2,400,000	£2,672,000	£0	£5,072,000
		Broomhill	IC	£500,000	£350,000	£585,000	£1,435,000
SUB-TOTAL: PLACE				£3,418,986	£3,632,000	£1,185,000	£8,235,986
UNALLOCATED COSTS				£77,000	£626,000	£349,970	£1,052,970
TOTAL COSTS				£11,966,914	£8,403,703	£4,857,545	£25,228,162
TOTAL INCOME							
Org	Source of Funding / Income	Description		2014/15	2015/16	2016/17	Total
ri	Inverclyde Council	Revenue		£1,500,000	£1,300,000	£1,300,000	£4,100,000
	Inverclyde Council	Capital (Gourock)		£2,100,000	£2,322,000	£0	£4,422,000
	Inverclyde Council	Capital (Port Glasgow)		£268,986	£100,000	£0	£368,986
	Inverclyde Council	Additional Regen 20/02/14			£650,000	£500,000	£1,150,000
	Scottish Government	Core Funding		£500,000	£400,000	£0	£900,000
	Scottish Government	Additional Core Funding		£1,500,000			£1,500,000
	Scottish Government	Capital Grant		£550,000	£0	£0	£550,000
	riph surplus			£150,018	£399,613	£445,835	£995,466
	Funding brought forward	Unallocated		£297,000	£0	£0	£297,000
	Inverclyde Council	Carried forward (unallocated)		£249,000	£250,000	£250,000	£749,000
Inverclyde Council	Carried forward (TCRF)		£511,820	£0	£0	£511,820	
SUB TOTAL				£7,626,824	£5,421,613	£2,495,835	£15,544,272
TOTAL INCOME							
Org	Source of Funding / Income	Description		2014/15	2015/16	2016/17	Total
Inverclyde Council	Inverclyde Council	Core Budget		£397,710	£397,710	£397,710	£1,193,130
	Inverclyde Council	Earmarked reserves		£1,085,000	£557,000	£0	£1,642,000
	Inverclyde Council	Area Renewal		£250,000	£0	£0	£250,000
	Inverclyde Council	Additional Regen 20/02/14		£400,000	£0	£0	£400,000
	Inverclyde Council	Regeneration Fund		£2,024,000	£1,964,000	£1,964,000	£5,952,000
	SDS*	Youth Employment Fund		£120,000	£0	£0	£120,000
	SDS*	Apprenticeships		£63,380	£63,380	£0	£126,760
SUB TOTAL				£4,340,090	£2,982,090	£2,361,710	£9,683,890
TOTAL INCOME				£11,966,914	£8,403,703	£4,857,545	£25,228,162

Appendix Two

Inverclyde Economic Development and Regeneration Single Joint Operating Plan 2014-2017			
Revisions made to Plan - post 27/03/14			
1. Kelburn Phase 1			
£200k drawn down already in 2013/14 adjusted for			
Allocate additional £100k to Phase 1 for 2014/15 for additional costs			
New Scottish Government additional funding of £1,500,000 added to plan			
Include estimated spend on Phase 2 of £1,700,000 and remove surplus IC Funding for Phase 2 to unallocated as follows -			
2014/15		-£440,000	
2015/16		-£100,000	
		<u>-£540,000</u>	
2. Custom House			
Allocate additional £32k to Phase 2 for additional costs.			
Move 2015/16 funding allocation of £100,000 to 2014/15 making total available £850,000			
Include estimated spend on Phase 3 of £1,000,000			
3. Maintenance of Business Property portfolio			
Allocate additional £25k in order that road adoption works at RBP of £140k can be included in the works.			
4. Faulds Park Business Support			
Show a separate line for this cost of £39k and allocate funds from unallocated within 2014/15			
5. Gourock Municipal Buildings			
Revise allocation of funding total of £600k from 100% in 2015/16 to 50% in 2014/15 and 50% in 2015/16			
6. Inverclyde IC approved Additional Regeneration Allocations - 20/02/14 £1.55m			
Allocate Port Glasgow £500k 50/50 to years 2015/16 and 2016/17			
Allocate Gourock additional £150,000 to 2015/16			
Allocate Greenock additional £500,000 50/50 to years 2015/16 and 2016/17			
Allocate Employability additional £400,000 to FY 2014/15 to cover ESF funding			
7. Reallocate Gourock Town Centre Funding			
Amend main contract funding as follows -			
		FY 2014/15	FY2015/16
Original	£1,100,000	£3,022,000	£4,122,000
Revised	£2,100,000	£2,022,000	£4,122,000