
Report To:	Environment & Regeneration Committee	Date:	27 October 2016
Report By:	Corporate Director – Environment, Regeneration & Resources	Report No:	E+R/16/10/08/SJ
Contact Officer:	Stuart Jamieson	Contact No:	01475 712402
Subject:	Commercial and Industrial Property Improvements		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek authority to change part of the 2016/17 earmarked reserve for economic development from grant to direct intervention.

2.0 SUMMARY

- 2.1 As part of the 2016/17 budget setting process £120,000 was allocated for shop front improvements within the £500,000 allocated for economic development interventions. A further allocation of £75,000 was made as part of the Town Centres initiative ear marked reserve.
- 2.2 Economic Development Officers have sought to promote this fund of monies however the economic climate and the requirement for match funding from the recipient has resulted in slower than expected uptake of the £120,000 allocation towards shopfront improvements.
- 2.3 A number of properties within the commercial and industrial property portfolio are currently not available for lease due to outstanding works.
- 2.4 Significant regeneration is taking place in the Broomhill area of Greenock, the Council has a number of shop units in Broomhill Way and whilst five are functional in appearance, through investment, they could be brought up to a more acceptable standard.
- 2.5 It is proposed to vary the intervention allocated to shopfront improvements to direct investment in seven commercial and industrial properties to improve the likelihood of attracting a lease opportunity, and for the Council to instruct works to five shopfronts in Broomhill in order to sustain their longer term viability.

3.0 RECOMMENDATION

- 3.1 That the Committee agree to change the intervention type from grant to direct intervention on up to £120,000 of the 2016/17 economic development earmarked reserve to facilitate lease opportunities and shopfront improvements.

4.0 BACKGROUND

- 4.1 As part of the 2016/17 budget setting process part of an earmarked reserve was created to facilitate shopfront improvements within Inverclyde. This intervention complements the existing property improvement budget and was supplemented by the further allocation within the Town Centres earmarked reserve for shop front improvements.
- 4.2 Officers have marketed the available funds however the current economic climate, along with the requirement for match funding, has resulted in no uptake in the grant to date.
- 4.3 Significant investment is taking place in the Broomhill area of Greenock, in which the Council has a number of shop premises. Whilst the shopfronts on these premises are serviceable, replacement of them would reflect the significant improvement to the surrounding built environment. Despite direct marketing, the current lessees have no appetite to provide match funding for the improvements. It is therefore appropriate to consider direct intervention by the Council on its own premises for the better good of the urban environment.
- 4.4 Whilst the views of the current lessees would be taken into consideration, the design and appearance of the shopfronts would be reflective the functionality of any potential future uses. The allocation of up to £45,000 includes all design, statutory consents, shopfront replacement, signage and fascia upgrade at the rear of the premises
- 4.5 The Council has a number of Commercial and Industrial premises, both in the Common Good Fund and within the general account which are not currently available for lease due to them requiring works, often of a statutory nature, to make them lettable. The attached table identifies seven such premises which officers feel merit investment to allow them to be let. Whilst it is not anticipated that 100% of the premises would be let within eighteen months, current market interest justifies appropriate consideration.

Property	Date Vacated	Work Required	Value of Work Approx	Rent Per annum	Priority	Common Good
8 Bay Street	07/07/2016	rewire & Asbestos fire wall suspended ceiling	£15,000	£5,300	4	Yes
12 Bay Street Prince of Wales	13/05/2015	rewire & fire wall suspended ceiling minor refurb	£30,000	£17,000	2	Yes
16 King Street	25/07/2016	Rewire TBC Windows	£3,000	£2,600	6	No
4/6 King Street	30/05/2016	rewire fire wall suspended ceiling window repair	£12,000	£5,700	5	No
115 Grieve Road	06/09/2011	Electrical repairs	£500	£4,800	7	No
5 Sir Michael St	09/11/2015	Rewire	£4,000	£7,000	3	No
4 Larkfield Industrial Estate	18/08/2016	Rewire plumbing work general refurb	£10,000	£9,500	1	No

5.0 PROPOSAL

5.1 It is proposed to vary the intervention allocated to shopfront improvements to direct investment in seven commercial and industrial properties to improve the likelihood of attracting a lease opportunity, and for the Council to instruct works to five shopfronts in Broomhill in order to sustain their longer term viability.

6.0 IMPLICATIONS

Finance

6.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Economic	Ear marked reserves	2016/17	120		

Annually Recurring Costs/ (Savings) – **The budget is 100% external contract.**

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

Legal

6.2 There are no legal implications arising from this report.

Human Resources

6.3 There are no HR implications arising from this report.

Equalities

6.4 Service provision will facilitate diversity and equality in recruitment, all procedures will fall within the policy and practice of Inverclyde Council.

Repopulation

6.5 The delivery of the programme will provide key opportunities that will contribute to a reversal in population decline. It is recognised, however, there is no quick fix to this issue and continued investment in the most successful initiatives will be required to ensure continued progress.

7.0 CONSULTATIONS

7.1 Consultations with Departments have included all Heads of Service and appropriate Finance Officers.