

## **Town Centre Capital Fund 2019/20**

### **Report by Dr Mary Smith, Director, Communities, Education and Economy**

#### **1. Purpose of Report**

- 1.1 The purpose of this report is to provide information in relation to the recently announced £50million Town Centre Capital Fund of which Midlothian has been awarded a £910k allocation.
- 1.2 The report seeks approval for both the governance of the fund and the mechanism for proposing and approving Midlothian based projects.

#### **2. Background**

- 2.1 In 2013 the Scottish Government published the Town Centre Action Plan. This was in response to their national review of town centres. The action plan focussed on national and local solutions, identifying a range of actions over key themes to encourage and stimulate activity across public, private and community sectors in order to help revitalise town centres.
- 2.2 The Town Centre Capital Fund is new ring fenced Scottish Government capital funding offered to each Local Authority in Scotland through the local authority capital settlement. The aim of this funding is to enable local authorities to stimulate and support place based economic investments which encourage town centres to diversify and flourish, creating footfall through local improvements and partnerships.
- 2.3 It is expected this fund should contribute to transformative investments which drive local economic activities and re-purpose town centres to become more diverse, accessible, sustainable and enterprising places.
- 2.4 Scottish Government guidelines request the fund should deliver against the themes of the Town Centre Action Plan. Those themes are:
  - Town Centre Living – footfall is key to achieving thriving, successful towns centre; and, the best footfall is residential for people who will use shops, services, and will care for its safety and security in the evenings.
  - Vibrant Local Economies – creating a supportive business environment including the involvement of Business Improvement Districts (BIDs) and other local partnerships.

- Enterprising Communities – social enterprise, services, arts and events; and, community empowerment and community based activities which increase the health, wealth and wellbeing of town centres.
- Accessible Public Services – creating and accessing public facilities and services, supported by economic, service and transport hubs.
- Digital Towns – exploiting digital technology and promoting Wi-Fi infrastructure to enable access to information, data analytics, marketing opportunities, branding, and communication with the wider world.
- And Proactive Planning – land reform and supporting the creation of sustainable, low-carbon and connected places which promote natural and cultural assets, designed in partnership with local communities and key stakeholders.

### **3 Report Implications**

#### **3.1 Details of Fund**

- 3.1.1** The Scottish Government have produced broad guidelines detailing how they would like Town Centre Capital Funding to be spent and reported on.
- 3.1.2** Funding will be paid to Local Authorities quarterly; in April 2019, July 2019, November 2019 and March 2020. Any funding not spent within 2019/20 financial year will be reclaimed by the Scottish Government.
- 3.1.3** ‘Spent’ has been defined as where the construction work has commenced or contracts signed. All works must be completed by six months into the next financial year 2020/21 or there is risk of funding being reclaimed.
- 3.1.4** Decision making on how to spend the funding resides with local authorities and there is no requirement for bids or submission of proposals to the Scottish Government for approval.
- 3.1.5** Local Authority investment decisions should align with the ‘Town Centre First Principle’ and the ‘Place Principle’. As such, it is expected that investment decisions are based on approaches which are collaborative and place based with a shared purpose.

#### **3.2 Local Action**

- 3.2.1** Given the time constraints on this funding, a project team representing interested Council departments was assembled. Represented on this group are senior officers from: Planning, Conservation and Environment, Communities, Estates and Economic Development.
- 3.2.2** The third sector is also represented on this group following an approved participation request from Midlothian Voluntary Action under the guidelines of the Community Empowerment Act.

### **3.3 Proposed Approach**

**3.3.1** To enable the Council to maximise the impact of the new Town Centre Capital Fund within the strict timeline associated within financial year 2019/20 to spend, and consider projects in a fair, open and collaborative way, the group have suggested a process for proposing and developing applications:

- This would take a co-ordinated communication exercise targeting communities, third sector and business groups to raise awareness of the funding opportunities and to invite expressions of interest.
- Expressions of interest would follow a similar format to those currently in place within Tyne Esk LEADER; capturing a basic understanding/overview of the project proposal along with an estimated cost. Council led applications would require to follow this format in the same way.
- It is recognised that some Midlothian town centres have received considerable investment via Conservation Area Regeneration (CARS) /Townscape Heritage Initiative (THI) funding whilst some towns had received limited or no investment. Projects from towns which have received limited investment will be encouraged.
- And projects which offer leverage by way of match funding/ additionality will be considered favourably.
- Capital projects can require considerable time for associated planning, studies, and consultations and for completion of works. A critical part of the criteria when considering proposals should therefore be the ability for projects to be deliverable within the timescales provided. Any funds unspent within these timescales will be reclaimed by the Scottish Government.
- Selection criteria will be developed which aligns with the Scottish Government fund guidelines and which takes recognition of local policy and priorities.
- Expressions of Interest will be considered by a steering group comprised of senior officers from Planning, Estates, Economic Development, Communities, and the third sector. The elected member with the Communities and Economy portfolio will also be invited to participate in this process.
- Projects that best fit the selection criteria will be shortlisted by the steering group. Projects will then require further developing to include detailed costings and consultation as required. Support will be offered by council officers in the case of any community led submissions.
- Developed projects will be resubmitted to the steering group for further consideration and to ensure viability.
- Recommended projects will be submitted to Council in October for final approval. Appropriate timescales will be applied to each stage of this process to ensure project delivery within the timeframe set by the Scottish Government.
- There will be no appeal process for unsuccessful applicants.

### **4. Resource**

**4.1** It is proposed that the management and reporting of this process and fund is led by the Council's Economic Development Service in close liaison with Council colleagues. However applicants will be offered support from officers across the council.

- 4.2** The Economic Development service have strong links to Scotland's Towns Partnership which are the Scottish Government funded national organisation providing practical support and guidance to support town centres and neighbourhoods including Business Improvement Districts. Support from this organisation will be of great value throughout this process. The service also have oversight of key strategic projects which this fund has the opportunity to complement.
- 4.3** Improving the sustainability and viability of Town Centres is of interest to not only the communities of Midlothian in which they are located, but also to the wider range of Council departments which provide a service to, or that are located within. It is envisaged that this fund and process will be cross service in approach, thereby ensuring quality proposals and maximising the additionality potential.
- 4.4** No Council funds are required to match this funding although efforts will be made to lever external funding opportunities where possible to enhance the impact and benefit of funding.

## **5. Risk**

- 5.1** As this funding is time limited with spend required this financial year 2019/20, one of the main risks is not agreeing an effective process and timescale for considering project proposals.

## **5.2 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

## **5.3 Key Priorities within the Single Midlothian Plan**

- The funding is directly aimed at supporting the regeneration of Town Centres which is a key priority under the Sustainable Growth theme of the Single Midlothian Plan.
- The monies will directly fund projects which support place based economic investments which encourage town centres to diversify and flourish.
- Projects have the potential to improve opportunities for the people of Midlothian. Public engagement will attempt to involve citizens in the design and delivery of their local services. Project proposals will be encouraged from all communities giving individuals and groups the opportunity to directly influence project spend and the third sector will have a key role in the decision making process.
- Community asset transfer proposals will also be duly considered as part of the process where requested.

#### **5.4 Impact on Performance and Outcomes**

- This new funding has the potential to have significant impact on a range of economic outcomes.
- Depending on the nature of the projects supported, the fund has the potential to increase the attractiveness of Midlothian's town centres as a place to work, live or invest in.
- It offers opportunity to support the national inclusive growth agenda through: helping to support, attract or secure employment opportunities and/or public services, and encourage business start-ups and growth.

#### **5.5 Adopting a Preventative Approach**

Successful town centres are a key component of a thriving local economy and part of the Scottish Governments Inclusive Growth agenda. Having a vibrant and successful local town centre can help deliver key services, provide employment opportunities, attract tourism and encourage investment, all which has a positive impact on the local economy and its people.

#### **5.6 Involving Communities and Other Stakeholders**

The opportunity to submit project proposals for this fund will be a fair, open and transparent process. Proposals will be considered from communities, third sector, businesses and public sector groups. Successful projects will be those which are best fit to the fund guidelines. The wider community and third sectors will be represented by a dedicated representative on the steering group and assessment panel.

The opportunity to allocate this funding following a Participatory Budgeting approach was considered by the group. However it was felt that this would be unachievable within the specified time restrictions. If additional town centre capital funding is released in the future then it is suggested to reconsider this approach.

#### **5.7 Ensuring Equalities**

Projects will be considered in line with fund guidelines which will be developed with consideration to local policy and priorities. This process will be inclusive.

#### **5.8 Supporting Sustainable Development**

The nature of this fund is to support sustainable development and investment within Midlothian town centres. This will be a key criteria when considering proposals to ensure project viability.

#### **5.9 IT Issues**

No IT Issues apparent at this stage.

## **6. Summary**

- 6.1** This report provides background on the new Town Centre Capital Fund of which Midlothian has been awarded a £910k allocation to be spent this financial year.
- 6.2** It summarises that decisions should be made in a collaborative manner, as underpinned by the key themes identified in the Town Centre Action Plan and in line with local policy and priorities.
- 6.3** The report suggests a process for proposing and approving capital projects which must be delivered in the current financial year or risk of funding being reclaimed by Scottish Government.

## **7. Recommendations**

Cabinet is recommended to:

- 1. Note the guidelines and timescales of the funding.
- 2. Agree the suggested process for project proposals and consideration.
- 3. Agree projects will be presented to October Council meeting for final approval.

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### **Report Contact:**

Caroline Wight, Economic Development Officer (Tourism & Rural Development)

0131 271 3432

[Caroline.Wight@midlothian.gov.uk](mailto:Caroline.Wight@midlothian.gov.uk)

Background Paper: Town Centre Capital Fund 2019/20 – Guidance Note