

Town Centre Capital Fund 2019/20 – Update

Report by Ann Marie Macaskill, Economic Development Manager

1. Purpose of Report

- 1.1 The purpose of this report is to provide updated information in relation to Midlothian's allocation of £910k from the Scottish Government's Town Centre Capital Fund.
- 1.2 The report seeks approval from Cabinet for delegated authority to officers to redistribute funds from the next highest scoring and deliverable project as determined by the panel. This will allow for full commitment of the TCCF's funds, and for Gorebridge Community Cares to be allocated £27k towards a component of their application.
- 1.3 In addition, should any further monies become available, Cabinet agrees officers be granted delegated authority to reallocate to previous applicants, providing they meet the deliverability criteria. This will ensure no monies are returned to the Scottish Government.

2. Background

- 2.1 The Town Centre Capital Fund is 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.
- 2.2 A report was approved by Council on 1 October 2019 outlining the Scottish Government's eligibility for funds and proposals for local delivery of Midlothian's £910k allocation was approved which included an open and democratic process for communities, business and groups.
- 2.3 The broad guidelines provided by the Scottish Government detailing how they would like Town Centre Capital Funding to be reported and spent set out clear deadlines including; requirement for quarterly reports, funding not drawn down would be reclaimed by the government, and time constraints where all projects must be 'spent' i.e. work commenced or contracts signed by March 2020, and completed by September 2020. Failure to do so risks funding being reclaimed.

3. Local Action

- 3.1 Given the time constraints on the funding, and following approval by Council, a project team representing interested Council departments was assembled. Represented on this group are senior officers from: Planning, Conservation and Environment, Communities & Lifelong Learning, Estates and Economic Development.

- 3.2 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 Projects were considered in a fair, open and collaborative way, and the group took a co-ordinated and targeted approach to inviting expressions of interest and then making recommendations for full applications during the course of summer 2019.
- 3.4 A total of 28 Expressions of Interest applications were received with a total request in excess of £3.5million. A scoring framework was developed which underpinned the guidelines of the Scottish Government's Town Centre Capital Fund and aligned with local priorities. From the initial 28 EOI's, the highest scoring 16 projects were invited to make full applications.
- 3.5 A total of 14 applications were received with two choosing to withdraw. A full list of recommended projects accompanied the report to Council on 1 October 2019 and was approved by members. Appropriate timescales were applied to each stage of the process to ensure project delivery within the timescale set by the Scottish Government, including local deadlines of monthly reporting being embedded into grant applications and managed by Economic Development.
- 3.6 The report to Council on 1 October 2019 recommended that in the instance any projects underspending against the approved amount, and to avoid funds being reclaimed by the Scottish Government, the project team will have the ability to redistribute funds within the existing approved projects in order to add value where required. The priority project in this instance will be Penicuik Town Hall due to the project not securing the full requested amount.
- 3.7 Regrettably, the Midlothian Council Hardengreen to Newtongrange Cycleway project required to withdraw from the process owing to issues concerning land ownership and was resultant in £247k coming back in to the pot. As approved by members, the remainder of the Penicuik Town Hall project was allocated on a priority basis, and an additional £219,423 was accepted by Midlothian Council officers for the project who confirmed the full project was deliverable within the timescales.
- 3.8 From Midlothian's allocation of £910k, this left a balance of £27k which was unable to be distributed amongst the approved projects list as they are all fully committed. In order to allocate the full amount of the allocation, officers seek delegated authority to reconsider the next highest scoring project from the list that is deliverable by March 2020 to ensure funds are fully committed. This will allow for full commitment of the TCCF's funds, and for Gorebridge Community Cares to be allocated £27k towards a component of their application namely a new training kitchen and boiler.

4. Resource

- 4.1 The management and reporting of this fund will continue to be led by the Council's Economic Development Service in close liaison with Council colleagues. The existing officer group will continue to meet throughout the duration of project activity to ensure projects remain supported throughout delivery and reduce risk of underspend. A representative from the Council's Finance team will also join this group to ensure robust financial monitoring.

5. Other Report Implications

5.1 Risk

The fund is time limited with spend required within the existing financial year March 2020 and all works completed by September 2020. Any unspent funds will be reclaimed by Scottish Government after this time.

Deliverability has been a key factor considered by the assessment panel during the scoring process. Each project has provided detailed timescales and milestones within their project delivery plan. The existing officer group will continue to meet regularly to ensure all project spend and milestones remain within the external time-frames provided. A risk has been identified regarding the potential underspend of £27k through this process and this report outlines action to be undertaken to mitigate any losses of the funding from Scottish Government.

To ensure robust financial monitoring and governance, the existing reporting and audit requirements in place for the Council's Large Grant Scheme will be mirrored throughout this project. All external applicants will be required to accept these terms and conditions within their grant award.

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.

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 an update to deliverability of projects from the Town Centre Capital Fund of which Midlothian has been awarded a £910k allocation to be spent by March 2020.
- 6.2 The report suggests a process for reallocating from officers agreed list of projects which must be delivered by March 2020 or risk of funding being reclaimed by Scottish Government.

7. Recommendations

Cabinet is recommended to:

1. Note the guidelines and timescales of the funding as previously agreed at Council.
2. Approve the redistribution of funds from the next highest scoring and deliverable project as determined by the approval panel. This will allow for full commitment of the TCCF's funds, and for Gorebridge Community Cares to be allocated £27k towards a component of their application namely a training kitchen and boiler.

3. To agree that if further monies become available, officers are granted delegated authority to reallocate to previous applicants, providing they meet the deliverability criteria. This will ensure no monies are returned to the Scottish Government.

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