

Gorebridge Connected – Project Update

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

1 Purpose of Report

1.1 The purpose of this report is to update Council on the Gorebridge Connected project and set out:

- what the project has delivered and how much money has been spent on the project; and
- how the expenditure on the project will be funded.

2 Background

2.1 Council Members will be aware through reports to Council on 26 June 2018, 12 February 2019 and 25 June 2019 of the Gorebridge Connected project that followed the Gorebridge Conservation Area Regeneration Scheme (CARS). The Gorebridge Community Development Trust was the Council's partner in the development of the CARS and Gorebridge Connected projects.

2.2 These previous reports identified that Gorebridge Connected comprised the following three interlinked projects:

- Hunter Square public realm enhancement;
- Redevelopment of the former Gorebridge Railway station building; and
- the Link Project – a heritage trail project connecting Hunter Square, Gorebridge train station and the remains of Newbyres Castle.

2.3 The restoration of the former train station building would have involved the ground floor of the former station building being converted to a café/restaurant, with shop and a multi-use space, and the second floor being converted to open plan office space. An extension would have been made to the first floor of the building to accommodate a bike rental and repair operation. The restored train station building would have been operated and run by the Gorebridge Community Development Trust. The operation was intended to have provided full and part-time employment and volunteering opportunities. A key role of the project would have been to help draw people into Gorebridge and the surrounding area, from both Gorebridge and beyond, particularly from the Borders Railway line.

Funding Sources

2.4 In order for the Gorebridge Connected project to proceed £1,642,981 of funding was secured. The funding sources for this £1,642,981 were:

- £1,038,000 from the Scottish Government Borders Railway Blueprint Programme for the public realm improvements at Hunter Square, the refurbishment of the former Gorebridge train station building and the Link Project;
- £199,981 from the EU and Scottish Government funded LEADER programme, which supports rural economic development and supports rural communities, for the former Gorebridge train station building;
- £130,000 from the Railway Heritage Trust for the former Gorebridge train station building;
- £125,000 from the Council's General Services Capital Plan budget for Borders Rail – Economic Development Projects; and
- £150,000 of developer contributions collected by the Council from development in Gorebridge.

2.5 In addition to the above, £41,000 was available from the Gorebridge CARS project for public realm improvements at Hunter Square in the Gorebridge Conservation Area.

Gorebridge Community Development Trust Withdrawal

2.6 On 20 August 2019 the Gorebridge Community Development Trust informed Midlothian Council with extreme disappointment that it would be withdrawing from the project to restore the former Gorebridge train station building. The board of the Trust informed the Council they did not consider the business case for the project to be viable and had concerns regarding start-up costs for the project. The business case for the project was prepared by the previous board of the Trust. The board of the Trust said they did not wish to revisit a similar experience to that which they had with establishing The Beacon in Gorebridge.

3 Gorebridge Connected - Work Undertaken and Project Update

3.1 Work had started on implementing the Gorebridge Connected project during the financial year 2017/2018. At the time of the withdrawal of the Gorebridge Community Development Trust on 20 August 2019, the public realm work component of Gorebridge Connected at Hunter Square was complete and under budget. The Link Project (heritage trail) was also under budget and complete, with the exception of the installation of an interpretative information panel that would have been put outside the restored station building.

3.2 Following the withdrawal of the Gorebridge Community Development Trust, a decision was taken to stop work on the station restoration project to stop further expenditure.

3.3 Following this decision to stop work on the former train station building the grant funders LEADER (£199,981) and the Railway Heritage Trust (£130,000) withdrew their funding. None of their grant funding had been drawn down from them and used on the project. If a new station project were to come forward, then a fresh application could be made to the Railway Heritage Trust. There is no guarantee though it would be successful. The LEADER funding was Scottish Government and EU funding. It is unknown what, if any, LEADER successor there may be. Parties contacting the Council with any interest in pursuing a project at the station building have been advised to contact the building owner, Network Rail.

3.4 At that time of the Trust's withdrawal on 20 August 2019, the Gorebridge Connected project was, and remains, at the following, stage:

- Hunter Square public realm heritage enhancement scheme – **Status: Complete**. This included new yorkstone paving, traffic calming with road resurfacing, public space, bus stop, cycle racks and tree planting -
- Redevelopment of the former Gorebridge Railway station building into a "Railway Café and Gallery";
 - detailed planning permission granted on 30 July 2018 for the proposed uses (ref. 18/00377/DPP);
 - listed building consent granted on 30 July 2018 for the works (ref. 18/00378/LBC);
 - site and building investigation work had been undertaken;
 - final designs were being progressed to allow submission for building warrant and to enable the project to go out to tender for construction;
 - no lease for the former station building had been signed between the Council and its owners, Network Rail;
 - no construction contract for the restoration of the station building had been let;
- The Link Project (heritage trail) – **Status: Complete** (with the exception of an interpretative information panel that had been planned for siting outside a restored station building). This includes information panels at The Beacon, Hunter Square and Newbyres Castle, heritage plaques on Main Street and Hunterfield Road, and development of a heritage trail provided to the Gorebridge Community Development Trust.

3.5 The Council has had discussions with Network Rail about their future intentions for the vacant former station building.

4 Gorebridge Connected Project Expenditure

4.1 The table below sets out the current expenditure on the three components of the Gorebridge Connected project.

Expenditure on component projects of Gorebridge Connected	£ cost
Hunter Square public realm	Final estimate £481,000 (£41,000 to be funded by Gorebridge CARS project)
Former Gorebridge Railway station building	Final expenditure estimated at approximately £70,000
Link Project (heritage trail)	£14,560
	Total Cost Estimate £566,000

Hunter Square Public Realm

- 4.2** The project is complete and under budget at a cost of approximately £481,000. The final cost will be calculated for year end 2019/2020. Of that approximate £481,000, £41,000 was funded from the Gorebridge CARS project as a contribution to public realm enhancement at Hunter Square.

Gorebridge Station Project Restoration

- 4.3** At the time of writing this report the fees and costs are being finalised. Final costs are being sought from elements of the project design team and Network Rail. The current committed expenditure on the project is almost £64,000. The final cost for work spent on the former station building restoration project is expected to be approximately £70,000.
- 4.4** As identified in paragraph 3.4 of this report, a lot of detailed work has been prepared and in the Council's possession. This includes a planning and listed building consent, site and building investigation work and reports, and detailed drawings and building design and engineering work.

Link Project

- 4.5** The project is complete and under budget at a cost of £14,560.

5 Report Implications

5.1 Resource

The below table sets out the estimated final spend on the Gorebridge Connected project.

Expenditure	Budget £000's	Actual Cost £000's	Variance £000's
Hunter Square public realm	518	440	-78
Former Gorebridge Railway station building	1,045	70	-975
Link Project (heritage trail)	100	15	-85
Total	1,663	525	-1,138

The Gorebridge CARS project provided £41,000 of funding toward the total Hunter Square public realm cost of £481,000.

Paragraph 2.4 sets out that £1,038,000 from the Scottish Government Borders Railway Blueprint Programme was secured by the Gorebridge Connected project for the public realm improvements at Hunter Square, the refurbishment of the former Gorebridge train station building and the Link Project. It is proposed to utilise £525,000 of this Blueprint grant funding to fund the £525,000 of costs incurred on the project to date in full.

Using the Scottish Government Borders Railway Blueprint Programme funding to meet these costs in full is considered to be the best use of this money to maximise the benefit of the funding for Gorebridge. Subject to confirmation this may leave a further £513,000 of further Blueprint funding that can be used to fund further projects in the Gorebridge area. Council officers will need to investigate if the unused remaining Blueprint money can be used on projects in Gorebridge.

In addition, £150,000 of Developer Contributions which were allocated to Gorebridge Connected have not been required to be used and will also be available to support projects and capital investment in the Gorebridge area in the forthcoming financial years, further enhancing the benefit to Gorebridge.

Council officers will therefore engage with relevant stakeholders and elected members over the coming months to establish the best use of this funding.

Utilising the Blueprint funding to meet the total costs incurred to date for the project, will also mean that the £125,000 of prudential borrowing funding currently allocated to the Gorebridge Connected project is no longer required, which will therefore lower the overall borrowing costs for the Council, and support the wider capital investment requirements the Council has.

Finally, paragraph 3.3 sets out that following the decision to stop work on the former Gorebridge train station building, the grant funders LEADER (£199,981) and the Railway Heritage Trust (£130,000) withdrew their funding. To date, none of their funding had been drawn or applied to fund any of the project costs.

5.2 Risk

Following the Gorebridge Community Development Trust's decision to withdraw from the former station building restoration project, the Council ceased work on the project to stop further expenditure.

5.3 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

5.4 Key Priorities within the Single Midlothian Plan

Investment in comprehensive improvement of town centres in Midlothian directly addresses economic inequalities, and can arrest and reverse their decline.

5.5 Impact on Performance and Outcomes

As set out in sections 2 to 4 of this report.

5.6 Adopting a Preventative Approach

This report sets out that following the decision by Gorebridge Community Development Trust to withdraw from the former station building restoration project, a decision was taken to stop work on the project to reduce the risk and financial exposure to the Council.

5.7 Involving Communities and Other Stakeholders

The Council worked with the Gorebridge Community Development Trust in delivering the Gorebridge CARS project and developing the Gorebridge Connected project. The proposals for Gorebridge Connected were subject to public engagement.

The Council engaged with the Gorebridge Community Development Trust when they informed the Council they wished to withdraw from the project to restore the former Gorebridge train station.

5.8 Ensuring Equalities

This report does not relate to a new / revised policy / service change / budget change. It is therefore considered that undertaking an Equalities Impact Assessment (EqIA) in relation to this report is not necessary.

5.9 Supporting Sustainable Development

Investment in town/village centres can help create more vibrant and vital centres which are contributors to a more sustainable economic and physical environment. The work completed in the Gorebridge Connected project represents significant investment in the public realm of central Gorebridge. A restored former train station building would add to the attractiveness and vibrancy of Gorebridge and surrounding area as a place and destination.

This report does not relate to the adoption by the Council of a strategic document and Strategic Environmental Assessment' ('SEA') legislation does not apply to this report.

5.10 IT Issues

There are no IT implications from this report.

6 Summary

- 6.1** The report sets out that two of the three components of the Gorebridge Connected project, the Hunter Square public realm enhancement and Link Project heritage trail, are complete and were delivered under budget. The third component, the restoration of the former Gorebridge station building, has not progressed following the withdrawal of the Council's community partner, the Gorebridge Community Development Trust in August 2019. Approximately £70,000 will have been spent on the project to restore the former Gorebridge station building. No contract had been let for the restoration of the former station building and no lease for the building had been entered into between the building owners, Network Rail, and the Council. From the work undertaken on the station building restoration project the Council is in receipt of planning and listed building consent for the building, site and building investigation work and reports, and detailed drawings and building design and engineering work. Using the Scottish Government Borders Railway Blueprint Programme funding to meet in full the costs of the Gorebridge Connected project is considered to be the best use of this money. It maximises the benefit of the funding for Gorebridge through the range of work delivered by the project. Council officers will explore whether remaining Blueprint grant funding can be used for other projects in Gorebridge.

7 Recommendations

7.1 Council is asked to note the content of this report, and in particular that:

- the Hunter Square public realm enhancement and Link Project (heritage trail) components of the Gorebridge Connected project are complete and were delivered £0.163 million (26%) under their £0.618 million budget;
- the costs, set out in paragraph 4.1 of this report, expended on the three components of the Gorebridge Connected project;
- work has stopped on Gorebridge Connected, including the station restoration project, and it will now be removed from the Council's General Services Capital Plan. However, the Council remains in contact with the building's owners, Network Rail, regarding the future of the former Gorebridge train station building;
- no construction contract has been let for the restoration of the former station building and no lease for the building has been signed between the Council and Network Rail;
- Scottish Government Borders Railway Blueprint Programme money will be used to fund in full the costs incurred on the three strands of the Gorebridge Connected project;
- the withdrawal of Leader (£199,981) and Railway Heritage Trust (£135,000) funding;
- £0.125 million of prudential borrowing currently allocated to the project is no longer required;
- Council officers will explore whether remaining Scottish Government Blueprint funding (£513,000) can be used for other projects in Gorebridge; and
- that there are £0.150 million of Developer Contributions that have not been applied to the Gorebridge Connected project and can be used to support future projects in Gorebridge.

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Background Papers: None