

## **Town Centre Capital Fund 2020 – 2021: Project Allocations**

**Report by Derek Oliver, Chief Officer – Place**

**Report for Decision**

### **1 Recommendations**

It is recommended that Council:

- i. Agrees the recommended projects for the Town Centre Capital funding approval; and
- ii. Agrees the suggested process for project governance and reporting.

### **2 Purpose of Report**

- 2.1 The purpose of this report is to provide detail on, and seek approval for, the recommended internal projects that Midlothian Council will fund from the £331,000 allocation from the second funding round of the Scottish Government's Town Centre Capital Fund. The report further seeks approval for project governance and reporting.

**Date:** 9 February 2021

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### 3 Background

- 3.1 This report follows the Town Centre Fund - Capital Grant 2020 - 2021 report approved by Council on 15<sup>th</sup> December 2020, which set out the background to the £331,000 allocation to Midlothian from the Scottish Government's Town Centre Capital Fund. Governance and process arrangements in regards to the Fund allocation was also approved, as detailed in Appendix B.
- 3.2 Due to the time sensitive and challenging deadline set by the Scottish Government, projects are required to have commenced or contracts committed by 31<sup>st</sup> March 2021.
- 3.3 Council approved that suitable, eligible internal projects should be considered first, with previously unsuccessful applications from the initial round considered second. If necessary, further projects could then have been canvassed externally.
- 3.4 All recommend applications in this report are internal, Council managed projects.
- 3.5 The Council report of 15<sup>th</sup> December 2020 approved that a project group was formed to assess the submitted projects and provide a list of recommendations. The project group has included a reserve list should any approved project fail to proceed due to unforeseen circumstances.
- 3.6 Members of the project group comprised the Elected Member spokesperson for Economic Development; Chief Officer - Place; Economic Development; Finance; Communities and Lifelong Learning services.
- 3.7 A total of seven projects were considered by the project group and scored independently. The full list of projects is detailed in Appendix C, with a summary of the Project and Project Value detailed in the table below.

Project	Project Value (£)
Ironmills Lighting – Dalkeith	£6,000
Penicuik Town Hall – Public Realm & Insulation	£175,000
Jarnac Court Regeneration – Dalkeith	£160,000
Welfare Park - Newtongrange	£130,000
Litter & Salt Bins – Pan Midlothian	£34,687.36
Community Re-use Cabin – Newtongrange	£10,000
Multi-Tech Bus – Pan Midlothian	£160,000

- 3.8 The fund guidelines state that decision making on how to spend the funding resides with the local authority. There is no requirement for bids or submission of proposals to be approved by Scottish Government.
- 3.9 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. Also, the focus of this phase of the Town Centre Capital Fund was to support the construction industry and to support jobs.
- 3.10 Based on this scoring exercise, the project group recommend the following highest scoring projects for funding approval.

### 3.11 Recommended Projects for Approval

<b>Recommended Projects</b>	<b>Project Value (£)</b>
Jarnac Court Regeneration – Dalkeith	£160,000
Litter & Salt Bins – Pan Midlothian	£34,687.36
Welfare Park - Newtongrange	£130,000
Ironmills Lighting – Dalkeith	£6,000
<b>Total Project Value</b>	<b>£330,687.36</b>
<b>Underspend</b>	<b>£312.64</b>
<b>Reserve Projects</b>	
Multi-Tech Bus – Pan Midlothian	£160,000
Penicuik Town Hall – Public Realm & Insulation	£175,000
Community Re-use Cabin – Newtongrange	£10,000
<b>Total Reserve Project Value</b>	<b>£345,000</b>

*Underspend of £312.64 allocated as a contingency at this stage, to be drawn down by any of the successful projects that may require additional, minimal spend.*

## 4 Reporting

- 4.1 All grant expenditure must be concluded by 31<sup>st</sup> March 2021. Expenditure is defined as “It is expected that work will be completed; or, at least work or contracts signed or commenced within 2020/21”.
- 4.2 The Scottish Government requires an end of year report in April 2021 which details financial expenditure; shows how this was additional to existing spend; profiles delivery; and, outlines anticipated impact and outcomes and how these will be measured. There will be an evaluation in Autumn 2021 capturing project completions.
- 4.3 The Scottish Government will issue templates for all of these returns. Midlothian Council is expected to notify the Scottish Ministers as soon as possible of any anticipated under-spend.
- 4.4 It is recommended that, should any projects underspend against the approved amount, the project group will have the governance to redistribute funds within the existing approved projects in order to add value.
- 4.5 Representatives from the project group and other Council Officers will monitor and support the projects to ensure that they remain on track.
- 4.6 Further information on the terms and conditions is available in the Scottish Government’s grant offer letter and conditions in Appendix D.
- 4.7 Reporting and audit requirements will align with the Council’s existing Large Grant Scheme, which has been subject to review from the Council’s Internal Audit Team.

## **Report Implications (Resource, Digital, Risk and Equalities)**

### **5. Resource & Governance**

- 5.1 The management and reporting of this fund will continue to be led by Midlothian Council's Economic Development Service, in close liaison with Council colleagues through the project group. The group of officers involved in putting forward the applications will continue to meet throughout the duration of project activity to ensure projects remain supported and reduce any risk of underspend. A representative from the Council's Finance team will ensure robust financial monitoring.

### **6 Digital**

- 6.1 No implications.

### **7. Risk**

- 7.1 The fund is time limited with spend committed within the financial year to 31<sup>st</sup> March 2021 and all works should be completed prior to the project evaluation in the Autumn of 2021. Any unspent funds will be reclaimed by Scottish Government after this time.
- 7.2 Deliverability has been a key consideration by the project group during the scoring process. Each project has provided timescales in the application. The project group will continue to meet regularly to ensure potential risks are identified at an early stage, allowing for remedial actions to be undertaken as required.
- 7.3 Should any projects not proceed, any resultant unallocated grant would be reallocated to reserve projects as outlined in 3.11.
- 7.4 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.

### **8. Ensuring Equalities**

- 8.1 An IIA has been completed and is available for this proposal.

## **Background Papers**

**Appendix A – Additional Report Implications**

**Appendix B – Midlothian Council Report Approved 15<sup>th</sup> December 2020**

**Appendix C – Summary of Recommended Projects**

**Appendix D – Scottish Government Grant Offer Letter**

## APPENDIX A – Additional Report Implications

### A.1 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.

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious

### A.4 Delivering Best Value

All projects submitted will be evaluated as part of the scoring process to ensure that the Council's best value duties have been applied.

### A.5 Involving Communities and Other Stakeholders

The recommendation from Council report of 15<sup>th</sup> December 2020 to prioritise internal projects was successful therefore it has not been necessary to externally consult. The restrictive timeframe, combined with the operational impact of the Coronavirus Pandemic would not have enabled this consultation or engagement activity.

## **A.6 Impact on Performance and Outcomes**

The recommended projects meet the aspiration outlined in the December report, as below.

- Consider projects with the potential to have significant impact on a range of economic outcomes.
- Consider projects that have the potential to increase the attractiveness of Midlothian's town centres as a place to work, live or invest in.
- Consider projects that offer the 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.

## **A.7 Adopting a Preventative Approach**

Successful town centres are a key component of a thriving local economy and part of the Scottish Government's 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 of which has a positive impact on the local economy and its people.

## **A.8 Supporting Sustainable Development**

The nature of this fund is to support sustainable development and investment in Midlothian's town centres. This was key criteria when considering proposals to ensure long term viability.

## **Appendix B**

### **Midlothian Council Report Approved 15<sup>th</sup> December 2020**

## **Appendix C**

### **Summary of Projects**



Project  
Summaries.pdf

## **Appendix D**

### **Scottish Government Grant Offer Letter**



General Capital Grant  
2020-21 - Offer Letter