

Historic Environment Scotland: Conservation Area Regeneration Scheme**Report by Ian Johnson, Head of Communities and Economy****1. Purpose of Report**

- 1.1** In accordance with the decision of the 28 June 2016 meeting of Midlothian Council, approval of Cabinet is sought to submit a bid to Historic Environment Scotland (HES) for Conservation Area Regeneration Scheme (CARS) Round 7 funding for a scheme at Penicuik town centre. Approval is also sought to submit a bid to the Heritage Lottery Fund (HLF) for Town Heritage (TH) programme funding to help make a bigger scale improvement to Penicuik town centre than just through a CARS programme on its own. Cabinet is also asked to authorise the level of Council financial contribution to support the bids to HES and the HLF. The deadline for submitting bids to HES and the HLF is 31 August 2016. Bids have been prepared for submission to both HES and HLF.

2. Background

- 2.1** The 28 June 2016 report to Midlothian Council provided details of HES's CARS funding programme and for what funding could be used. Penicuik was considered to offer the strongest case in Midlothian for a successful bid to the CARS funding programme. The report made reference to a successful bid potentially being a catalyst for a bid to the HLF's TH programme. Successful bids to both organisations will provide access to a potentially much larger source funding than through an application to just the CARS programme. A larger source of funding would assist in increasing the scale and extent of improvement works that could be undertaken in Penicuik.
- 2.2** Officers have prepared bids to HES and HLF seeking grant funding through the respective CARS and TH funding programmes. To strengthen these bids and to clearly demonstrate the strong support of the Council to town centre regeneration at Penicuik, authority is sought from the Council to support these bids with match funding from the Council of £350,000 comprising developer contributions collected by the Council.
- 2.3** The report to the 28 June 2016 meeting of the Council highlighted the Council's previous experience of the CARS schemes at Dalkeith and Gorebridge showing that for bids to be successful, some element of Council funding is required. It is considered that the financial support sought in this report would very clearly highlight the Council's commitment and support to the bids to HES and HLF. The Council would expect to be informed by HES by 31 January 2017 if its CARS bid has been successful. The bid to HLF is a phase 1 bid and the HLF will inform the Council during January 2017 if it has progressed to phase 2. Further information is required for phase 2 and the HLF will inform the Council three months after the submission of this additional information on whether it has been successful in its application for funding. Bids can be made to the HLF from across the United Kingdom, not just Scotland as is the case with bids to HES's CARS scheme.

- 2.4** The bids to HES and HLF prepared by the Council have focused on the historic core of the town centre and aim to tackle the effects of poor maintenance and loss of architectural features, poor shopfront design, unsympathetic public realm works and underuse/vacancy of some key buildings. The recent formation and early successes of Penicuik First (BID), and the community led development of the Storehouse and Pen-y-coe Press, present very good catalysts for targeted action to restore and improve the historic core of Penicuik town centre. The proposed scheme will focus on improving the quality of place and appearance of the historic environment, providing a strong setting for existing and future community activities and the promotion of Penicuik as a shopping and tourist destination.
- 2.5** The key elements of the project are:
- repairing and restoring priority buildings;
 - operating a grant scheme to repair and restore specified buildings;
 - public realm improvements in key locations;
 - traditional construction and maintenance skills training programme;
 - heritage education and awareness programme, including development of a heritage trail and digital interpretation material.
- 2.6** The bids focus on the historic core of Penicuik, primarily, the town hall, selected properties on the High Street, John Street (west side), West Street, The Square and Bridge Street, St Mungo's Church Hearse House/ St Kentigern's and public realm works. At the end of the project, the historic core of Penicuik will be in a better physical condition and will have a sounder basis for longer term maintenance. The project will contribute significantly to the reinvigoration of Penicuik town centre and greatly help with enhancing Penicuik as a visitor destination. It will also have helped maintain and increase traditional building skills and helped enhance a wider understanding and appreciation of Penicuik's history.
- 2.7** HES has scheduled the seventh of its CARS programme to start in 2017. The HLF has scheduled commencement in 2018 for successful bids to its TH programme. If the Council's bids to both bodies were successful it would be advantageous to commence both projects in 2018. This would allow for detailed preparation and design of the scheme to be undertaken for April 2018 commencement.

3. Report Implications

3.1 Resources

The total value of the project is estimated at about £3.5 million. Request is made to attribute £350,000 of developer contributions collected by the Council for road infrastructure improvement and town centre regeneration at Penicuik. Previous experience of the CARS schemes at Dalkeith and Gorebridge showed that for bids to be successful, some element of Council funding is required.

3.2 Risk

If the Council does not submit a bid under this round of CARS it loses the opportunity to draw in additional funding to upgrade one of Midlothian's town centre conservation areas, and the physical, economic and community benefits that would be achieved.

3.3 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

3.4 Key Priorities within the Single Midlothian Plan

Investment in comprehensive improvement of town centres in Midlothian directly addresses economic inequalities.

3.5 Impact on Performance and Outcomes

No direct impact arising from this project.

3.6 Adopting a Preventative Approach

Investment in town centres can arrest and reverse their decline.

3.7 Involving Communities and Other Stakeholders

In compiling successful bids, the applicant Council will need to demonstrate prior genuine engagement with local groups and the community and show that they are an integral part of the bid.

3.8 Ensuring Equalities

A Midlothian Council Equality Impact Assessment has been undertaken as part of preparation of this report.

3.9 Supporting Sustainable Development

Vibrant and vital town centres which are well connected by public transport are contributors to a more sustainable economic and physical environment.

3.10 IT Issues

None.

4. Summary

- 4.1** Bids have been prepared for submission to HES for the CARS programme, and HLF for the TH programme. Authority is sought from Council to submit bids to both bodies for these funding programmes. The submission deadline for both bodies is 31 August 2016. It is considered that the bids would be stronger if they included money from the Council as match funding. The town centres of Dalkeith and Gorebridge and by extension their wider hinterlands have gained tangible benefits from CARS funding. It would therefore clearly be in the interests of Midlothian to submit a further application to HES and HLF.

5. Recommendations

It is recommended that Cabinet;

- i) authorises submission of the prepared bid to Historic Environment Scotland for Conservation Area Regeneration Scheme Round 7 funding for a scheme at Penicuik;
- ii) authorises submission of a bid to the Heritage Lottery Fund through Townscape Heritage funding for town centre improvements at Penicuik to complement the bid to Historic Environment Scotland to enlarge the scope and scale of works that can be undertaken; and
- iii) authorises a Council funding contribution of £350,000 collected by way of developer contributions to provide match funding and help support the bids to Historic Environment Scotland and the Heritage Lottery Fund.

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Background Papers: None