

Funding Bid Project for Arts in Midlothian**Report by Mary Smith, Director, Education, Communities and Economy****1 Purpose of Report**

This report sets out the opportunities to bid to funding for a capital investment in Arts performance space in the Newtongrange area. A number of external capital funds are available to bid for. This report sets out the developments undertaken so far, the timescale requirement for submission within the deadlines of the first funder and seeks retrospective approval for the submission of the initial bid to Creative Scotland as agreed by the council leader and deputy leader during the summer cabinet meeting recess period.

2 Background

- 2.1** As part of the Newbattle area strategy, proposals were sought by cabinet for investment opportunities that could have a beneficial economic, social and environmental impact on the Newbattle area.
- 2.2** Creative Scotland is making available this year a £ 35 million capital grants fund, and in late May announced its intention to seek applications. Final date for first stage bids was 8 August 2013. In addition the Scottish Government has announced a Capital Grants regeneration fund of £ 32 million, targeting investment on areas of deprivation. In Midlothian this would include Mayfield/Easthouses, Gorebridge and Woodburn/ Dalkeith central.
- 2.3** A short life cross divisional group led by the regeneration manager met with Creative Scotland to view potential sites for the Creative Scotland fund's investment. This followed a set of background pieces of work including:
- Early draft proposals developed by the Arts team in Education seeking retention of part of the old Newbattle High school as an arts facility,
 - Informal discussions including elected members , officers and members of the Newbattle communities during the course of the Newbattle High school development in which possible economic regeneration interventions in the Newtongrange area to support the village were seen as a positive option to be further explored
 - Initial exploratory discussions with the National Mining Museum Scotland Trust about the potential of collaborations between the council and the trust involving elected members and officers ,which were seen as positive by both council and trust board .
- 2.4** The officer group developed an outline business case and an outline plan for a theatre/ arts building, using the model of the successful Howden Centre in West Lothian, and gathered the evidence of need and gap in provision. This work was focused on supporting the funding

bids recognising that a fully developed, robust and tested business would be required before Council would be asked to commit to any development. CMT approved submission of the funding bids on this basis subject to approval being given by the Council leader. This approval was given and the chief executive authorised development of the bid and negotiations with the National Mining Museum Scotland (NMMS) Trust.

- 2.5** The development of an Arts Centre would represent a significant step forward for the arts in Midlothian. The local authority is currently one of the very few councils in Scotland which does not have any kind of theatre or centre for commercial artistic performance. Midlothian communities are also rich with artists representing a wide variety of traditional and contemporary forms of expression, but there is little or no physical outlet for them. Likewise, the lack of suitable venues means that Midlothian currently has little opportunity to draw in performers from elsewhere or benefit from fringe events surrounding Edinburgh's major festivals.

Through the creation of a Midlothian Arts Centre, the council and its partners seek to:

- Kick start the social and economic regeneration of some of Midlothian's most disadvantaged communities;
 - Create inspiring creative opportunities for young people and others who have had little creative outlet previously;
 - Make a positive contribution to the arts at a national level by creating a high quality venue that will be easily accessible by public transport, being located a few yards from the Newtongrange rail station. The links to the heritage village character of Newtongrange and the visitor attraction of the national mining museum mean that the centre has potential to function not just as a community arts venue, but also as a commercial performance space.
- 2.7** The outline business case assures the establishment of an arm's length Trust involving the council and the NMMS Trust, as well as arts organisations in the council area. 12 arts organisations have committed themselves in writing to supporting the bid so far.

3 Report Implications

3.1 Resource

Creative Scotland has made clear that matching funding from partners is required. The 2014/15 Capital Grant funding round offers a chance to do this. As well as this further bids to the Heritage lottery fund and the LEADER European Fund will be needed, as will a commitment by the Council itself to contribute to the capital costs. The draft bid (appendix 1) sets out the possible components of funding, but is clear that these are national and does not commit the council to any specific level of matching funding at this stage. Indicatively, if a figure of £1 million capital funding were provided by the Council, this would have a £60,000 p.a. impact on the revenue budget of £60,000 per year. The

outline business plan also assures the relocating the council's arts team to the arts centre, and to shared use of their time to undertake aspects of programme management and development, thus reducing the additional staffing required and maintaining a council commitment to in kind support to the bidding partnership. In addition it is anticipated that a first year revenue funding award will be needed to establish the project, enabling it to generate revenue in future years to sustain the operation. The outline business case is predicated on an operating model the project which aims to have no requirement for council subsidy after year one. Any capital injection and or revenue support will require equivalent cuts elsewhere in Council budgets.

3.2 Risk

As with all new projects there are a range of risks associated with going forward. An initial risk assessment is included in the business plan (appendix 2). Risks can be summarised as relating to the projections for both capital and revenue costs and both capital and revenue income. Dependence on competition for capital grants from a number of sources and the complexities of meeting expectations of a number of funders have already been displayed in Gorebridge. Critically the projections for commercial income generation whilst based on a reasonably close project in West Lothian, and expectations of the market opening up with Borders Rail line are still only indicative estimates and further work is required to assess their validity and to assess the assumption that the facility can operate with no revenue subsidy. If the first element of the project funding through Creative Scotland is achieved, they will provide developmental support to assist in mitigating the risks.

3.3 Policy

3.3.1 Strategy

The delivery of Arts performance space, rehearsal space and a focus for community arts supports the council's arts strategy the proposed Newbattle area regeneration strategy as well as the Midlothian tourism strategy and economic recovery plan.

3.3.2 Strategic Principles

The proposal fulfils the commitment to develop delivery of targeted and focussed services, partnership working, and subject to further agreement with the NMMS trust, arts communities and the local community has the potential to fulfil the principles of co- production.

3.3.3 Consultation

The lack of time so far has precluded any significant or widespread consultation or engagement; this will be an essential element of preparing any further bids. The arts community has on many occasions made clear the need for a professional viable public performance venue in the county. Evidence of previous consultation is available, but not about this specific location, further work will be required to take this proposal forward to these groups. NMMS Trust has given written support, and the Newtongrange community council chair has also confirmed in writing their support in principle for such a development, subject to there being no threat to any local community buildings.

3.3.4 Equalities

By locating the service adjacent to the two most deprived communities in Midlothian, utilising community benefit procurement in the construction phase and linking recruitment to the local training providers, it is intended that the project will reduce economic and social inequalities. The business case sets out the steps that will be taken to offer an accessible building , with an emphasis on going beyond simply physical access to be inclusive in programme , staff attitudes and technical facilities to widen access for the visually or hearing impaired

3.3.5 Sustainability

Any building will be constructed to the current standards for minimising environmental impact, and the adjacency of public transport will reduce the carbon footfall of the venue.

3.4 IT Issues

None

4 Recommendations

Cabinet is asked to confirm support for the steps taken so far , and to authorise appropriate staff to continue to seek funding and develop the business case for a Midlothian arts facility with NMMS trust , the arts community and external funders.

Date 11 June 2013

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Background Papers: (Appendix 1 Bid for funding, Appendix 2 Business plan)

