

Penicuik Town Centre Heritage Regeneration Project Update**Report by Dr Mary Smith, Director of Education, Communities and Economy****1 Purpose of Report**

- 1.1 This report informs Cabinet of the approved funding for the Penicuik Town Centre Heritage Regeneration Project and the current work of the project, including the programmed transport/highway improvements (Phase 1) taking place in the High Street.

2 Background

- 2.1 At its meeting of 30 August 2016 Cabinet approved the simultaneous submission of applications to the Heritage Lottery Fund (HLF) for a Townscape Heritage (TH) grant and to Historic Environment Scotland (HES) for a Conservation Area Regeneration Scheme (CARS) grant towards a heritage regeneration project for Penicuik. This scheme is called the Penicuik Heritage Regeneration Project. Grants were awarded towards the project; £1,692,000 from the HLF in July 2018 and £980,000 from HES in August 2018.
- 2.2 The aim of the Penicuik Heritage Regeneration Project is to regenerate the historic core of Penicuik town centre by:
- Providing grant aid to repair and restore key historic buildings in the centre of the Penicuik Conservation Area. Building owners are required to provide a level of funding for improvement projects to their buildings in order to claim grant funding from the project;
 - Providing grant aid to improve the public realm in the High Street, the top end of Bridge Street and The Square.
 - Developing a training plan to encourage contractors, owners of historic buildings, schools and others to understand and appreciate the methods and techniques of traditional building construction, and
 - Developing wide-ranging community engagement activities to enable local people, organisations and schools to actively get involved in history and heritage projects and thereby gain a greater understanding of Penicuik's unique heritage.
- 2.3 The scheme will be similar to the Dalkeith THI/CARS (Townscape Heritage Initiative/Conservation Area Regeneration Scheme) and the Gorebridge CARS (Conservation Area Regeneration Scheme) town centre regeneration projects which have been successfully implemented.
- 2.4 A Project Team has been set up to direct the project and to consider grant applications made by property owners who wish to draw down the monies towards building repairs/restoration works. The Project Team is chaired by Councillor McCall and is comprised of representatives from Penicuik Community Development Trust/Alliance, Penicuik and District Community Council, Penicuik First (BID) and Midlothian Council.

3 Funding for the Penicuik Heritage Regeneration project

External Grant Funding

- 3.1 The application process to HLF and HES was in two stages. A Stage 1 submission was approved in January 2016 by HLF. HLF awarded a grant of £114,000 towards the cost of appointing consultants to prepare a more detailed Stage 2 application. Using this grant funding external consultants (Douglas Wheeler Associates and Austin-Lord+Smith) were appointed, as part of a competitive process, and with their help a Stage 2 application was submitted to HLF and HES in October 2017.
- 3.2 The Stage 2 application was approved by HLF in July 2018 and permission to start the scheme was issued on 28 August 2018. HLF awarded a grant of £1,692,000. HES approved their £980,000 contribution to the scheme on 21 August 2018.
- 3.3 Penicuik First (BID) pledged a £5,000 contribution to the project.

Developer Contributions

- 3.4 At its meeting of 30 August 2016 Cabinet, when approving the submission of application bids to HLF and HES, agreed that the Council would contribute £350,000 of developer contributions collected for specific purpose of town centre improvements and works to the highway, as its contribution to the project. £250,000 for Penicuik local transport/highway improvements and £100,000 for Penicuik town centre improvements.
- 3.5 Midlothian Council at its meeting of 27 March 2018 agreed to the utilisation of additional funding from already recovered developer contributions; £80,000 on transport/highway improvements and £30,000 towards Penicuik town centre works.
- 3.6 The developer contributions will be used towards the estimated £460,000 of transportation/highway and public realm works. All of the developer contributions have already been collected and therefore no prudential borrowing by the Council was required for these works.

Funding for the Penicuik Heritage Regeneration Project

Funder	Contribution
Midlothian Council Developer Contributions	£460,000.00
Historic Environment Scotland	£980,000.00
Heritage Lottery Fund	£1,692,000.00
Penicuik First	£5,000.00
Total	£3,137,000.00

- 3.7 In order to be able to claim all of the available grant money from HLF and HES it is anticipated that a further £598,218 from building owners will be committed towards the repair and restoration of historic buildings in Penicuik town centre in a 'match funding' type arrangement.

4 Penicuik Heritage Regeneration Project: Work Update

- 4.1 The official launch of the project took place with a well-attended programme of events in the first week of December 2018. The Penicuik High Street transportation/highway improvement works (Phase 1) is the first Penicuik Heritage Regeneration Project scheme to be approved and work started on site on October 2018 for a 22 week contract period. In line with the Council moratorium on road works, work ceased between 1 December 2018 and 7 January 2019. The works are anticipated to be finished in March 2019 and comprise; altering and widening the pedestrian areas, the installation of street furniture, resurfacing the footpaths and resurfacing the road surface.
- 4.2 HLF and HES have approved their grant allocations for the transport/highway improvement project and the funding for the project is as set out below:

Penicuik High Street transportation/highway improvement works (Phase 1)

Funder	Contribution
Midlothian Council	£371,104.52
Historic Environment Scotland	£42,232.48
Heritage Lottery Fund	£34,576.00
Total	£447,850.00

- 4.3 A number of community and training initiatives have also been delivered:
- “The Town Hall for All “ initiative has engaged with all the Penicuik primary schools, giving pupils the opportunity to come up with ideas of how Penicuik Town Hall can be used in the future . The results of the project were exhibited at the Venice Biennale as part of Scotland’s contribution to that international arts/architecture event and was then displayed in the Glasgow Lighthouse and show cased at the Scottish Parliament in 2018; and
 - Architecture students from Edinburgh University have undertaken projects looking at the restoration of stone work on Penicuik Town Hall and the Pilkington building in Bridge Street, both of which are priority projects in the scheme. The results of the students’ work will assist with the repair and restoration schemes for these buildings.

5 Report Implications

5.1 Resources

The Council's contributions to the project have been agreed by Cabinet at its meeting of 30 August 2016 and by Council at its meeting of 27 March 2018. The developer contributions have already been recovered and no prudential borrowing is required by the Council.

5.2 Risk

The funding for the project is in place and the Penicuik Heritage Regeneration Project has commenced. The project needs to be delivered to avoid reputational risk. The project has a risk register that will be kept up to date.

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 town centres and promoting economic growth are priorities in the Single Midlothian Plan.

5.5 Impact on Performance and Outcomes

Town centre improvements can assist in promoting economic development and social interaction and reduce inequalities.

5.6 Adopting a Preventative Approach

Investment in town centres can arrest and reverse their decline.

5.7 Involving Communities and Other Stakeholders

Public consultation took place in 2016 and 2017 as part of the application submission process to HLF and HES.

Local community groups, Penicuik Community Development Trust and Penicuik First (BID) have been involved in the project from the beginning, including making the grant application submission to HLF and HES. These parties and the Penicuik and District Community Council are members of the Project Team. The Project Team is responsible for decision making on grant applications and the direction of the project.

5.8 Ensuring Equalities

This report does not relate to a new/revised policy or service change/budget change. It is therefore considered that undertaking an Equalities Impact Assessment (EqIA) in relation to this report is unnecessary. An EqIA for the Penicuik Heritage Regeneration project was undertaken to accompany the report to Cabinet on 30 August 2016.

5.9 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. 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 Penicuik Town Centre Heritage Regeneration Project has a committed resource of £3,137,000 from the Council and its partners towards the improvement of buildings and the public realm in the town centre and towards community and training events. A project governance structure has been established and the first phase of works on the ground has commenced with enhancement work taking place in the High Street.

7 Recommendations

- 7.1 It is recommended that Cabinet note the update set out in the report.

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Background Papers: None