

**Outcome of Scottish Government Regeneration Capital Grant Fund Bid for Phase 2 of Dalkeith High Street Improvements****Report by Ian Johnson, Head of Communities and Economy****1 Purpose of Report**

At its meeting on 22 April 2014, Cabinet agreed the submission of a revised bid to the Scottish Government Regeneration Capital Grant Fund (RCGF) Round 2 for improvement works at eastern High Street Dalkeith. The purpose of this report is to advise Cabinet that the Round 2 bid submitted on 9 May 2014 was unsuccessful and the project has not been recommended by the Scottish Government Regeneration Investment Panel to proceed to stage 2.

**2 Background**

- 2.1** In May 2014, a bid led by Midlothian Council was submitted to the Scottish Government Regeneration Capital Grant Fund. A grant of £265,000 was requested to bring a vacant historic building back into use and to undertake improvements to the public realm in the vicinity of the building. The total project value was estimated as £360,000 (£215,000 of improvements to the building and £145,000 of improvements to the vicinity).
- 2.2** On 26 June 2014, the Scottish Government Regeneration Investment Team advised that the Midlothian Round 2 bid for improvements in East High Street Dalkeith had not been recommended to proceed to stage 2.
- 2.3** The Regeneration Investment Team provided general feedback on the Round 2 bid. For a second year there has been huge demand for RCGF funding and 97 applications were received at Stage 1 totalling £94m of grant requests. The total annual budget for RCGF funding in 2014/15 is £14.4m. Given the number of applications, the Investment Panel inevitably took a closely defined view that only applications that were clearly able to demonstrate that they would meet the specific criteria of the Fund, as well as its wider aims, should be invited to progress to stage 2.
- 2.4** In taking that more closely defined view the Investment Panel gave less favour to proposals which included a substantial element of public realm works; and has been minded to emphasise the significance of improvements to important and historic buildings. Accordingly, the Midlothian proposal fell into that less favoured category, on account of its scale of public realm improvements.

- 2.5** There is still a desire to improve the public realm in eastern High Street and potential sources of funding will continue to be investigated. Should further sources of funding become available for this or other town centre projects, a report will be brought to Cabinet outlining the proposals.
- 2.6** Improvements to eastern High Street would build on the work that has been carried out at the western end of the High Street as part of the Dalkeith Townscape Heritage Initiative, Conservation Area Regeneration Scheme and Town Centre Regeneration Scheme projects. It would complement the work due to be undertaken at Dalkeith Country Park and the Dalkeith Corn Exchange and would help to attract people to the upper part of the street where there is a major hotel, a number of restaurants and other commercial uses.
- 2.7** Some improvement works are still planned for eastern High Street; Buccleuch Estates plan to upgrade the public realm outside the Palace Gates entrance and Melville Housing Association will improve the public realm outside the Corn Exchange as part of their work to bring the Corn Exchange back into use.
- 2.8** Should a third round of Scottish Government Regeneration Capital Grant Fund funding be announced, a further report will be submitted to Cabinet which considers alternative town centre projects which may be more eligible for funding.

### **3 Report Implications**

#### **3.1 Resource**

There are no issues arising from this report.

#### **3.2 Risk**

There are no issues arising from this report.

#### **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**

In terms of the key priorities of the Community Planning Partnership through the Single Midlothian Plan, improvements to Dalkeith town centre could deliver significant benefits in terms of the business growth and positive destinations priorities. Although this bid has been unsuccessful, potential opportunities for funding and improvements to Dalkeith and other town centres will continue to be sought.

**3.5 Impact on Performance and Outcomes**

There are no relevant matters arising from this report, given that the bid was unsuccessful.

**3.6 Adopting a Preventative Approach**

There are no relevant matters arising from this report, given that the bid was unsuccessful.

**3.7 Involving Communities and Other Stakeholders**

Those involved with the project have been advised that the bid to the Scottish Government RCGF has been unsuccessful.

**3.8 Ensuring Equalities**

The only relevant matter arising in this regard is that the planned improvements to the public realm in East High Street, which would have greatly enhanced pedestrian movement including for those with a disability, will now not go ahead.

**3.9 Supporting Sustainable Development**

There are no relevant matters arising from this report, given that the bid was unsuccessful.

**3.10 IT Issues**

There are no issues arising from this report.

**4 Recommendations****4.1** It is recommended that Cabinet:

- (a) notes the unsuccessful outcome of the Scottish Government Regeneration Capital Grant Fund stage 1 bid for phase 2 of Dalkeith High Street improvements;
- (b) agrees that, should a third round of Scottish Government Regeneration Capital Grant Fund funding be announced, a further report be submitted to Cabinet which considers alternative town centre project proposals; and
- (c) notes that alternative sources of funding for potential improvement projects in Dalkeith and other town centres, will continue to be investigated.

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**Background Papers:**

**Cabinet Reports dated 8 October 2013; 14 January 2014; and 22 April 2014**