

PERTH AND KINROSS COUNCIL
STRATEGIC POLICY AND RESOURCES SUB-COMMITTEE

25 November 2020

UPDATE ON THE TOWN CENTRE FUND

Report by the Interim Chief Operating Officer
(Report No. 20/230)

This report provides an update on the Town Centre Fund, the latest position on the projects previously identified for funding and advising elected members of an additional offer of grant from the Scottish Government. It specifically provides an update on the Pitlochry Town Centre project; and requests that the funding previously allocated for Pitlochry is allocated to additional projects.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Scottish Government announced the Town Centre Fund (TCF) in December 2018 to help support the regeneration of town centres. The Council received a letter of award on 7 March 2019 which advised of an allocation of £1.983m from the Fund.
- 1.2 The grant was intended to fund a wide range of investments against the themes of the Scottish Government's Town Centre Action Plan. This could include re-purposing buildings for housing, retail, business, social and community enterprise, services, leisure and culture, tourism and heritage, improvements to access and infrastructure. The grant funding could be used to fund Council led projects, for third party capital expenditure and to enhance existing projects. Towns of over 1000 population are eligible as is Perth City.
- 1.3 The aims of the Town Centre Fund are: -
- Town Centre Living
 - Vibrant Local Economies
 - Enterprising Communities
 - Accessible Public Services
 - Digital Towns
 - Proactive Planning
- 1.4 A workshop was held with Elected Members on 25 March 2019 to outline the background to the Fund and allow Councillors to bring forward proposals for their wards. A long list of approximately 30 projects was brought forward at the workshop and this was prioritised by officers against agreed criteria following the workshop. These criteria were: -
- deliverability
 - ability to meet TCF aims

- cost/benefit ratio
 - mitigating future revenue impact on Council budget
 - previous capital investment
- 1.5 A report was approved by the Strategic Policy and Resources Committee on 12 June 2019 (Report No. 19/170 refers) which agreed the funding be allocated to five projects. These were: -
- Strathmore Community Hub, Coupar Angus (£150K)
 - Coupar Angus Cycling Hub (£50K)
 - Connecting Loch Leven with Kinross Town Centre (£800K)
 - Drummond Arms, Crieff (£600K)
 - Development of an Events Space, Pitlochry (£383K)
- 1.6 The funding was originally to be committed by 31 March 2020 and spent by 30 September 2020; however, this was extended to 31 March 2021 for commitment and 30 September 2021 for spend. Scottish Government have made it clear that no further extension is available (14 October 2020).
- 1.7 As part of the Scottish Government's Economic Recovery Plan, **additional Town Centre funding was announced on 10 September this year**, and confirmed by letter on 18 September 2020 of the additional allocation of £714K to Perth & Kinross Council. This is to be committed and spent by the same deadlines as set out in paragraph 1.6 above.
- 1.8 The Town Centre Fund grant award letter states that "*unused grant is to be repaid to the Scottish Government unless otherwise agreed in writing by Scottish Ministers*". Should funded expenditure on any given project not be fully incurred by the 20 September 2021 and the Scottish Government exercise this clause, the Council will require either to withdraw funding or to continue funding from within the Council's own capital budget. The Scottish Government have also requested that we inform them by the end of November 2020 if we will be unable to allocate the full award.
- 1.9 An update report outlining progress to date on the various projects was provided to the Executive Sub-committee of SP&R on 23 October (Report No. 20/204 refers) where it was agreed to: -
- De-commit funding previously allocated to the Coupar Angus Cycling Hub (due to the project not proceeding)
 - Provide an additional allocation of £487K to the Strathmore Community Hub in Coupar Angus
 - Provide an additional allocation of £20K to the Kinross/Loch Leven project
 - Request that further efforts be made to bring forward a viable and deliverable project in Pitlochry, and that an update be provided to the November Strategic Policy and Resources Committee.
 - Allocate funding to the Perth Y Centre project - £25K
 - Allocate funding to the Local Full Fibre Network project - £200K

1.10 The current funding position is as outlined below: -

Original allocation = £1,983,000

Additional allocation = £714,000

Revised Total Allocation = £2,697,000

TABLE 1

Strathmore Community Hub, Coupar Angus	£637,000
Loch Leven/Kinross Project	£820,000
Drummond Arms, Crieff	£600,000
Pitlochry Town Centre project	£383,000
Perth Y Centre	£25,000
LFFN Fibre Broadband project	£200,000
Total allocated to date	£2,665,000

2. PROPOSED PITLOCHRY PROJECT - BACKGROUND AND UPDATE

2.1 Local consultation and engagement have been undertaken with the community and key stakeholders over the last 18 months on the proposal to prepare and implement a design to improve the public realm to support adjacent development and create an improved civic space for events and markets at the Memorial Garden, Atholl Road Pitlochry. The following is a timeline of the various engagements with the local community.

- Following consultation on the detail of the preferred scheme a meeting of local stakeholders took place on the 17th December 2019 but the majority of those attending that meeting did not support the proposal.
- The Pitlochry And Moulin Community Council on the 13th January 2020 agreed to support exploration of an alternative scheme to create a Tourism & Culture Hub in the Council Office, Atholl Road Pitlochry.
- Local members subsequently held a public consultation on 9th February 2020 in Pitlochry to seek views from the community and business interests on the two identified potential proposals. The meeting was well attended and resulted in a range of views being expressed on both the proposals and wider development and community issues that could potentially be explored for assistance.
- Local members subsequently held a public consultation on 9th February 2020 in Pitlochry to seek views from the community and business interests on the two identified potential proposals. The meeting was well attended and resulted in a range of views being expressed on both the proposals and wider development and community issues that could potentially be explored for assistance.

- Local members discussed further engagement on both current and potential proposals within Pitlochry with Pitlochry And Moulin Community Council on the 9th March 2020. It was agreed to discuss the potential of supporting alternative options further within the revised timescale accepting that this could remain a challenge depending on how well developed the proposals were and whether they meet the criteria for assistance.
 - A further meeting took place on the 13th March 2020 with local members, Council officers, the Community Council and other community representative bodies to discuss the current proposals further as well as exploring the potential for alternative housing, building repair and public realm proposals that had been suggested.
- 2.2 The conclusion of the meeting on 13th March was that the community wished to revert to the original preferred scheme proposed at the initial workshop by Elected Members for enhanced use of space at the Memorial Garden, Atholl Road adjacent to the former Bank House to complement and support investment in the site to meet the required regeneration objectives of the Town Centre Fund.
- 2.3 The community recognised the potential benefits of the scheme regardless of their previously expressed views on initial concept layouts and that alternatives that had been suggested were currently insufficiently developed or would fail to meet funding criteria.
- 2.4 Council representatives agreed they would continue to engage with the community on the development of designs noting the community's desire for the minimum of change, but advising that any infrastructure investment and change to layout would involve some disruption.
- 2.5 Community and business interests in Pitlochry were advised that there was potential for the preferred scheme to be pursued with the owners of the adjacent development site and Pitlochry In Bloom. If proposals were to have been progressed on this basis, they would still have required engagement with the community on designs to be developed to meet the revised deadline. The Community Council also indicated its intention to engage with the landowner and interested parties. However, despite a number of attempts by Council officers, no subsequent response was forthcoming.
- 2.6 Risks were discussed at the time in respect of the potential impact of the Covid 19 pandemic on the ability to deliver any scheme given predicted impacts on public health, businesses and the economy and re-prioritisation of public sector activities to respond to this. Subsequent to the meeting of 13th March, the pandemic did adversely impact officer capacity within the relevant Council departments needed to support any detailed design work as predicted.

- 2.7 It was also noted that it remained open to the Council to support other schemes within the Perth and Kinross area using the current funding allocation, subject to political agreement, if it was not possible to deliver a project in Pitlochry.
- 2.8 Regrettably, due to delays in agreeing and progressing the proposal concept and the impact of the subsequent coronavirus pandemic, it has not been possible to develop a proposal that supports broader regeneration and development of the adjacent site, that meets Town Centre Fund criteria, and can be delivered within predicted timescales for procurement, even within the extended timescales of the original funding. Most significantly and understandably, the landowner hasn't been able to finalise the adjacent Old Bank site redevelopment proposal. He is not, therefore, able to confirm details that would support investment in the space at the Memorial Garden and, importantly, meet the regeneration objectives of the Town Centre Fund.
- 2.9 However, while it is not possible to develop a proposal within the current timescales of the Town Centre Fund, there remains a commitment to pursue a modified scheme in the short term at the Memorial Garden, including additional lighting proposals, using alternative funding.
- 2.10 These proposals will continue to be discussed with local community and business representatives. The Council remains committed to developing place-based frameworks and projects in collaboration with partners, communities and businesses as part of the development of the Perth and Kinross offer and will work with the Pitlochry community to develop a local place plan aimed at preventing a similar situation when other funding becomes available.
- 2.11 Following discussion at the meeting of the Executive Sub-committee of Strategic Policy and Resources on 23 October 2020, officers reviewed initial proposals to see whether a modified scheme involving more minor works to replace street furniture, soft landscaping and electrical infrastructure could be delivered within the required timescales, and which meet the criteria of the scheme. Again, it has regrettably been concluded that staffing resource constraints, and the ability to demonstrate a benefit to broader regeneration preclude the possibility of using Town Centre funding originally allocated to the project.
- 2.12 In summary, the primary reasons the original, or a modified proposal cannot currently be progressed are: -
- The landowner hasn't finalised the adjacent old bank site redevelopment proposal and, therefore, understandably, is not in a position to confirm details that would support investment in the space at the Memorial Garden.
 - There is no officer capacity within Community Greenspace, Roads Network Management and Public Transport to support required design development due to priority Covid response work.

- Due to resources being redeployed to respond to identified priorities as a result of the pandemic, there is insufficient time to procure external consultancy support
 - There is insufficient time to secure statutory consents that would be required
- 2.13 Officers have recently progressed the development of a lighting scheme at the War Memorial at the junction of Ferry Road and Atholl Road in Pitlochry and are now exploring the potential of a similar scheme at the Memorial Garden, Atholl Road. This could deliver some benefits to the evening economy and extend opportunities for integration with the Enchanted Forest event within the town in the future, through enhanced visitor numbers to this location. Again, capacity to deliver the scheme and meet the criteria of the Town Centre Fund will necessitate this being funded through existing resources early in 2021.
- 2.14 There still remains potential to fund a larger scheme in the future from within the capital programme or via external funding. It is likely that any external funding will require evidence that the investment will deliver economic, as well as social and environmental benefits. In the short-term, officers will progress the development of design options as and when resources permit and seek clarity from adjoining landowners on how it would support and deliver the development of the adjacent site.
- 2.15 It should be noted that Pitlochry will benefit from the new Town Centre Fund allocation of funding to the Local Full Fibre Network project. A number of premises within the town are scheduled to be included within that wider project including, Pitlochry High School, the Community Hospital, the Area Office, the Recycling Centre and the Atholl Leisure centre. In addition, a Pitlochry Town Wi-Fi project is currently underway, funded from a previous allocation of budget, and this should go “live” very shortly.

3. PROPOSALS TO RE-ALLOCATE REMAINING FUNDING

- 3.1 Given the current position outlined above and in order to ensure that these funds are deployed to benefit communities across Perth and Kinross, it is important to urgently agree the allocation of the projected underspend now that it has been clarified that a project cannot be taken forward at this time in Pitlochry. The total sum now available for re-allocation is £415K, £383K originally allocated to the Pitlochry project, and the remaining overall balance of £32K.
- 3.2 The table below outlines a number of options for consideration. Given the timescales for committing expenditure, projects will require to be able to be quickly implemented, and essentially “shovel ready”.

TABLE 2: POTENTIAL PROPOSALS FOR ADDITIONAL SPEND

Project	Lead	Est. Costs	Aims/Impact/Outcomes
Former Strathearn Hotel, Crieff (option A) Acquisition & Demolition	PKC	£375K	This project falls under the “Proactive Planning” aim of the TCF by removing a derelict eyesore property. Local Elected Members are keen that a solution is found.
Former Strathearn Hotel – Demolition (option B)	Current Owner	£265K	This project falls under the “Proactive Planning” aim of the TCF by removing a derelict eyesore property. Local Elected Members are keen that a solution is found. Providing a grant to the current owner would be a quicker/more cost-effective option than having to factor in acquisition.
Former Crieff Hotel, Crieff Acquisition & Demolition	Creative Crieff	£100K	This project is being developed by a community organisation Creative Crieff who are planning to acquire the semi derelict building, demolish and replace with a modern Community Arts Space (incl. a community cinema). They have been successful in getting to Round 2 of the Scottish Government Regeneration Capital Grant Fund & PKC require to provide at least £100k of match funding to support the application. This project would support the TCF aims of “vibrant local economies” and “enterprising communities”.
Quality Café/Clachan Bar, Perth Acquisition, Demolition & Landscaping	PKC	£400K	This project aims to tackle two eyesore buildings in central Perth in significant disrepair. The Council have been seeking a solution/funding to action the acquisition, demolition & temp. landscaping of the site. This project would support the TCF aim of “proactive planning”.
Town Wi-Fi projects – to add additional locations (e.g. Alyth, Comrie, Coupar Angus, Scone plus an extension to Perth City Wi-Fi)	PKC	£50K	In previous years we have installed Wi-Fi in Perth City Centre and a number of rural towns. This proposal supports the installation in a further 4 towns, plus extending the area covered in Perth City Centre. The project would support the TCF aim of “digital towns”.

4. CONCLUSION AND RECOMMENDATIONS

4.1 It is very unfortunate that a viable project cannot be identified in Pitlochry to utilise the funding originally allocated at this moment in time; however in order for that funding not to be lost to Perth and Kinross, it is recommended that the funds previously allocated to Pitlochry (£383K) and the remaining balance of our revised Town Centre fund allocation (£32K); totalling £415K be allocated to the projects identified in the recommendations below which officers believe are the projects which best meet the aims of the Fund, and can be implemented the most timeously.

4.2 It is recommended that: -

- (i) Funding is de-committed from the Pitlochry Town Centre project.
- (ii) Funding is allocated to the following projects: -
 - Crieff Hotel - £100K
 - Strathearn Hotel (option B) - £265K
 - Town Wi-Fi - £50K

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Name	Designation	Date
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Karen Donaldson	Interim Chief Operating Officer (Corporate & Democratic Services)	16 November 2020

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	No
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	n/a
Communication	
Communications Plan	n/a

1. Strategic Implications

Community Plan

- 1.1 The proposals within the report will support the delivery of the Perth and Kinross Community Plan in terms of the following priorities: -

- (iii) Promoting a prosperous, inclusive and sustainable economy
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 The proposals within the report will support the delivery of the following Council's Corporate Plan priorities: -

- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1 The Head of Finance has been consulted on the proposals and has indicated agreement with the proposals.
- 2.2 These proposals will be funded from a grant received from the Scottish Government and as such should have no direct impact on our existing Capital or Revenue budgets.

Workforce

- 2.3 There are no project specific workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.4 The Executive Director (Housing & Environment) has been consulted on the report and has indicated agreement with the proposals.

3. Assessments

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).
- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 This section should reflect that the proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
 - in the way best calculated to deliver any statutory adaptation programmes; and
 - in a way that it considers most sustainable.
- 3.6 The proposals have been assessed against the Council's Principles for Sustainable Development and it is considered that all the proposals outlined would support the achievement of sustainable development.

Legal and Governance

- 3.7 The Head of Legal and Governance has been consulted on the report and has indicated agreement with the proposals.

Risk

- 3.8 The key risks associated with the proposals presented in the report relate to our, and partners abilities to implement approved projects within the timescales required. If we are unable to do this, our grant funding will have to be returned to the Scottish Government under the conditions of the grant offer.

4. Consultation

Internal

- 4.1 The Executive Director (Housing and Environment), the Interim Chief Operating Officer, the Head of Finance, and the Head of Legal and Governance have been consulted in the preparation of this report.

External

- 4.2 No external parties have been consulted in the preparation of this report.

5. Communication

- 5.1 The agreed proposals will be communicated to all appropriate parties including external organisations receiving Town Centre Fund grant awards.

2. BACKGROUND PAPERS

Report No. 19/170

Report No. 20/204

3. APPENDICES

There are no appendices to this report.