

PERTH AND KINROSS COUNCIL

EXECUTIVE SUB-COMMITTEE OF THE STRATEGIC POLICY AND RESOURCES SUB-COMMITTEE

23 October 2020

UPDATE ON THE TOWN CENTRE FUND

Report by the Interim Chief Operating Officer (Report. 20/204)

PURPOSE OF REPORT

This reports 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. A number of options for re-allocating project underspends and the additional funding are outlined.

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 Perth & Kinross Council 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 table provides a brief update on the current situation with each of the projects:-

TABLE 1: PROJECT UPDATES

Project	Lead	Project Update	Funding
Strathmore Community Hub (SCH) – original allocation £150K	SCH	Planning permission awarded & tenders received. However, significant funding gap identified. (£64K already spent on planning/design fees, etc.) The project lead has now requested additional funding of £487K to allow them to let the contract and complete the works (Phase 1 - £240K; Phase 2 £247K). The original allocation was not based on any proper costed estimates which is why the actual costings are significantly higher.	Additional request for £487K to allow full project to proceed now tenders have been received.
Coupar Angus Cycling Hub – original allocation £50K	Forward Coupar Angus	We have been advised by the organisation that the project no longer fits with their revised priorities and has been cancelled.	This means we have £50K to re-allocate.
Connecting Loch Leven with Kinross Town Centre (car park & access improvements) – original allocation £800K	Kinross Estate	Planning permission has been awarded & project currently out to tender. Original allocation was £800K. May require additional funds depending on tender returns which are due by 30 October. Project aiming to start on site end November.	May need a small additional allocation to cover increased costs (£20K)

Project	Lead	Project Update	Funding
Drummond Arms, Crieff – original allocation £600K	DARL	Project has already committed £149K on purchase, scaffolding costs, studies and surveys. They have now indicated they wish to proceed with a “soft strip out” of the main building at an est. cost of £250K. They are also potentially planning to demolish the various outbuildings, but this will require Listed Building Consent which will take them outwith timescales of funding. The issue of the neighbouring RBS building remains a concern.	Depending on progress and scale of works contracted there may be c.£200K underspend available to be re-allocated. However, they have indicated they could spend more on the “soft strip”/repairs. Therefore it is recommended their original allocation remains in place.
Events Space, Pitlochry – original allocation £383K	Perth & Kinross Council	Despite a number of consultation events and discussion with property owners and community reps, there is not a viable project that can be delivered in the timescale.	This means we have £383K to re-allocate.

- 1.7 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 20 September 2021 for spend. Scottish Government have made it clear that no further extension is available (14 October 2020).
- 1.8 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 1.7 above.
- 1.9 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.

2. PROPOSALS TO RE-ALLOCATE FUNDING AND ALLOCATE ADDITIONAL RESOURCE

2.1 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 an allocation of the projected underspend from the original allocation (£433K), as well as the additional funding recently awarded (£714K). This represents a total sum available of £1.147m. 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: PROPOSALS FOR ADDITIONAL SPEND

Project	Lead	Est. Costs	Aims/Impact/Outcomes
Strathmore Community Hub – Existing project	SCH	Project Shortfall request Phase 1 - £240K Phase 2 - £247K Overall request - £487K	This project falls under the “Enterprising Communities” aim of the TCF & will create a new community hub by refurbishing & re-purposing an empty building. This is being led by an active community group. This project is ready to be delivered now.
Connecting Loch Leven with Kinross Town Centre	Kinross Estate	Request for additional £20K contingency in case actual costs are more than estimated.	This project falls under the “accessible public services (car park) and “proactive planning aims of the TCF. The project has community and key partner support (SNH/Historic Scotland) and is ready to be delivered.
Former Strathearn Hotel, Crieff 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 Crieff Hotel, Crieff Acquisition & Demolition	Creative Crieff	£400K	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

Project	Lead	Est. Costs	Aims/Impact/Outcomes
			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”.
Perth Y Centre	Perth YMCA	£25K	This project is also being submitted for Scottish Government Regeneration Capital Grant funding and requires an element of match funding from the Council. £75K has already been identified from another budget. However an additional £25K would increase the chances of the project receiving a grant from the RCGF. This project would support the TCF aim of “enterprising communities” and “proactive planning”.
Town Wi-Fi projects – to add additional locations (e.g. Alyth, Comrie, Coupar Angus, Scone plus an extension to Perth City WiFi)	PKC	£50K	In previous years we have installed WiFi 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”.
Local Full Fibre Network – to fund identified capital funding shortfall	PKC	£200k	This is a Tay Cities Deal project to significantly enhance Rural Broadband, including a number of rural towns. We have also secured match funding from the UK government. There is a potential capital gap of a max. of £422K. This project is currently out to tender & ready to be implemented. The project would support the TCF aim of “digital towns”.
TOTAL		£1.957k	

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 For a number of reasons, two of the projects previously allocated funding via the Town Centre Fund are now unable to proceed, freeing up £433k to be re-allocated. In addition, there is an additional “top up” allocation of £714k to be committed by 31 March 2021 and spent by 30 September 2021. This provides £1.147m which is available to be allocated to viable and appropriate projects in support of Council priorities.
- 3.2 For consideration is a formal request for additional funding from the Strathmore Community Hub, which is one of the original projects supported by the Council in February 2019. Without additional funding, this project cannot progress in order to delivered the intended outcomes.
- 3.3 It is recommended that:-
- (i) An additional £487k is allocated to the Strathmore Community Hub project in Coupar Angus.
 - (ii) An additional £20k is provisionally allocated to the Loch Leven/Kinross project, subject to tender submissions.
 - (iii) The original allocation of £600k remains allocated to the Drummond Arms project to allow the project to bring forward additional spend.
 - (iv) The Executive Sub Committee considers the potential project options outlined in Table 2 above and the potential allocation of the remaining balance of funds (£640k).
 - (v) Instruct officers to bring forward a further report on the remaining balance to the next Strategic Policy and Resources Committee for final approval.

Author(s)

Name	Designation	Contact Details
Alison Seggie	Service Manager - Employability, Skills and Special Projects	01738 475000

Approved

Name	Designation	Date
Karen Donaldson	Interim Chief Operating Officer (Corporate & Democratic Services)	22 October 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.
- 2.5 The Head Corporate IT and Revenues 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, the Head of Legal and Governance and The Head of Corporate IT and Revenues 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

No background papers have been relied on in preparing this report.

3. APPENDICES

There are no appendices to this report.