

# Policy and Sustainability Committee

10.00am, Thursday, 11 June 2020

## Scottish Government Town Centre Fund Update and Regeneration Capital Grant Fund Applications

Executive/routine	Executive
Wards	All
Council Commitments	<a href="#">1, 2, 4, 6, 10, 13 and 15</a>

### 1. Recommendations

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- 1.1 It is recommended that Policy and Sustainability Committee:
  - 1.1.1 Note the adjustments made to the overall allocation of funds between the four projects funded under the Scottish Government's Town Centre Fund;
  - 1.1.2 Approve the projects to go forward into to the Regeneration Capital Grant Fund (RCGF) application process at Stage 1; and
  - 1.1.3 Note that officers will continue to work with colleagues across the Council to develop the pipeline of projects for future RCGF bids.

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Executive Director of Place

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## Scottish Government Town Centre Fund Update and Regeneration Capital Grant Fund Applications

### 2. Executive Summary

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- 2.1 This report provides an update on the Scottish Government Town Centre Fund allocations to projects in Edinburgh.
- 2.2 It also requests approval of applications to go forward to Stage 1 of the Scottish Government Regeneration Capital Grant Fund (RCGF). Applications close on 19 June 2020.

### 3. Background

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#### Scottish Government Town Centre Fund

- 3.1 On [6 June 2019](#) the Housing and Economy Committee agreed the distribution of the Council's £2.613m Town Centre Fund allocation as follows: £1.013m to Granton Station, £1.000m to South Queensferry public realm, £400,000 to Westside Plaza phase two, and £200,000 to the Pennywell Culture and Learning Hub.
- 3.2 Committee agreed that, should any project not fully spend their allocation during 2019/20, surplus funds should be reallocated among the other projects at the discretion of the Executive Director of Place, in consultation with the appropriate Convenor and Vice Convenor and agreed that a report should be made to the relevant committee following the end of the financial year.
- 3.3 In 2019, the Scottish Government adjusted the terms of conditions of the Town Centre Fund to reflect that funds need to be legally committed by 30 April 2021 and fully paid by 30 September 2021. The previous conditions were that the funds had to be legally committed by April 2020 and fully paid September 2020.
- 3.4 In January 2020, the Housing, Homelessness and Fair Work Committee agreed a strategic statement concerning future investment in town centres and local centres: "The Council will direct investment in Edinburgh's town centres and local centres to projects that strengthen and reinforce their roles as set out in the Edinburgh Local Development Plan; contribute to inclusive growth; and enhance their resilience and sustainability in the face of change".

- 3.5 The Committee further agreed that the Council should prepare a schedule of key projects requiring investment in each of Edinburgh's town centres and local centres. The schedule will identify the highest priority project in each centre, informing future investment decisions should funds become available. The schedule will be developed by officers and shared with ward councillors and community councillors for their views before being submitted to Committee for approval. A draft schedule has been prepared but the process of consulting on it has been delayed by the coronavirus pandemic. It is planned that the consultation will be undertaken remotely in Q3 2020, before a report is presented to Committee.

### **Regeneration Capital Grant Fund (RCGF)**

- 3.6 The RCGF, delivered in partnership between the Scottish Government and COSLA, supports locally developed, place-based regeneration projects that involve local communities, helping to support and create jobs and build sustainable communities.
- 3.7 RCGF is available, on a competitive basis, to local authorities, or where they exercise their functions through Urban Regeneration Companies (URCs) or other Special Purpose Vehicles (SPVs). There is no limit to the number of projects that can be included in a local authority bid but local authorities are expected to rank them in priority
- 3.8 Since 2014/15, £9.3m has been awarded from RCGF to the Council for seven projects. Awards have ranged from £750,000 to £1,900,000. Table 1 in Appendix 1 provides a list of these projects.
- 3.9 Applications to the fund are made annually. Projects are expected to detail how they are considering and contributing towards the target of net zero carbon emissions by 2045 and should be focussed on:
- 3.9.1 Areas that suffer from high levels of deprivation and disadvantage;
  - 3.9.2 Demonstrating clear community involvement;
  - 3.9.3 Delivering large scale transformational change with strong regeneration outcomes; and
  - 3.9.4 Encouraging additional investment and address market failure.
- 3.10 The applications should also demonstrate how they complement, support or contribute to the Place Principle; Scotland's Economic Strategy; Town Centre Action Plan and Town Centre First Principle; local authority local economic development, regeneration; local development and strategic development plans; and climate change.
- 3.11 For this round of applications, projects must be able to start on site in 2021/22 and should have a site start by December 2021, though some consideration may be given to projects with a site start date between December 2021 and March 2022 in special circumstances.

## 4. Main report

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### **Town Centre Fund Update**

- 4.1 Since approval of funding in June 2019, the Granton Station, South Queensferry and Wester Hailes projects have all made good progress. However, the commencement of work on site has been delayed as a result of the COVID 19 pandemic. The following updates are provided:
- 4.1.1 As work has progressed on Westside Plaza (Wester Hailes), concerns have been identified around the structural safety of a number of columns. The removal of these columns would cost an additional £50,000;
- 4.1.2 Work is progressing in South Queensferry with further issues identified regarding repairs that need to be carried out to the footway in town centre. These repairs would cost an additional £75,000; and
- 4.1.3 There have been no additional works identified at Granton Station.
- 4.2 The Pennywell Culture and Learning Hub forms an important part of the Pennywell and Muirhouse Town Centre regeneration project. Officers are currently reviewing the approach to ensuring the completion of this project, including options for the delivery of the Culture and Learning Hub. £75,000 of the original £200,000 has been reserved for this project, leaving £125,000 to be allocated across the other two projects as set out in paragraphs 4.1.1 and 4.1.2.
- 4.3 As anticipated, the Town Centre Fund is not being repeated in 2020/21. However, £1m has been made available for Business Improvement Districts across Scotland (including the two in Edinburgh).
- 4.4 The approach set out in paragraph 3.5 will be followed to inform any future applications for any new town centre funds.

### **Regeneration Capital Grant Fund**

- 4.5 Based on the information available currently, officers have drawn up a long list of 11 projects which have been considered for RCGF.
- 4.6 Following the Scottish Government's guidance, the projects have been ranked using the Scottish Index of Multiple Deprivation (SIMD), with the project serving the most deprived and disadvantaged area ranked first and the project serving the least deprived area ranked last. This approach was also taken in 2019/20 and it objectively prioritises projects in "areas that suffer from high levels of deprivation and disadvantage", in line with the Scottish Government's criterion
- 4.7 Following assessment against the criteria, a short list of seven has been developed. Each meets criteria set out in paragraph 3.9 to a reasonable degree of sufficiency and have a high probability of being on site by December 2021 (see paragraph 3.11). These projects are set out in Appendix 2 below.
- 4.8 In particular, Committee is asked to note that the two Granton projects form part of the Edinburgh Waterfront major strategic regeneration programme and are therefore seen as the Council's key priorities.

- 4.9 Four projects are considered not to be sufficiently well developed to be able to assess their potential for meeting the criteria and are not able to show a path to being on site by December 2021 to a sufficient degree of confidence for submission. It is not considered appropriate to submit speculative projects as this could undermine the assessors' confidence in other more deliverable projects. However, officers will work up these proposals for potential submission in the next round of RCGF. These projects are:
- 4.9.1 Business space project at E2 Fountainbridge;
  - 4.9.2 Portobello Town Hall;
  - 4.9.3 Industrial estate development at Russell Road;
  - 4.9.4 Pennywell Culture and Learning Hub.
- 4.10 The first three projects are Council led projects and can be developed further for submission in the next round. Pennywell Culture and Learning Hub may be considered in a future round of RCGF bids subject to the review outlined in paragraph 4.2 above and compliance with RCGF criteria.

## **5. Next Steps**

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- 5.1 If approved, the schemes set out in Appendix 2 will be progressed to submission of funding applications by 19 June 2020.
- 5.2 It is anticipated that consultation on the schedule of key projects in town centres and local centres across the city will be undertaken in Q3 2020, with submission to Committee for approval thereafter. This will form the basis of future applications for any new Town Centre Fund or RCGF applications.

## **6. Financial impact**

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- 6.1 The projects set out in paragraphs 4.1 – 4.4 are funded by the Scottish Government Town Centre Fund. £125,000 of funding is available to be reallocated between the projects with £125,000 of additional costs identified within the approved schemes so there are no additional costs for this programme.
- 6.2 The projects set out in paragraphs 4.5 – 4.7 and in Appendix 2 will only progress if RCGF funding is allocated by the Scottish Government.

## **7. Stakeholder/Community Impact**

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- 7.1 The design of the Pennywell and Muirhouse Town Centre has been subject to extensive consultation with local residents and community groups.
- 7.2 Consultation on the schedule of key projects in town centres and local centres will be undertaken with ward councillors and community councils in Q3 2020. It is not

anticipated that an integrated impact assessment will be undertaken as these would be undertaken for individual projects as appropriate.

## **8. Background reading/external references**

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- 8.1 [Town Centre Fund - Allocations Report \(report to the Housing and Economy Committee, 6 June 2019\)](#)

## **9. Appendices**

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- 9.1 Appendix 1 – RCGF Successful Applications – 2014/15-2020/21
- 9.2 Appendix 2 – Current RCGF Applications

## APPENDIX 1:

### Successful City of Edinburgh Council RCGF Applications 2014/15-2020/21

<b>Project</b>	<b>Neighbourhood<sup>1</sup></b>	<b>Locality</b>	<b>Funding</b>	<b>Round</b>
Castlebrae Business Centre	Craigmillar/Niddrie	North East	£1,900,000	2014/15
New Civic Heart for Pennywell / Muirhouse	Muirhouse	North West	£1,520,000	2016/17
Castle Mill Works - Creative Industries Incubator	Fountainbridge	South West	£1,925,764	2016/17
Leith Walk Studios, Street Market and Community Partnership Service Hub	Leith/Easter Road	North East	£750,000	2017/18
Broomhouse Community Hub	Broomhouse	South West	£801,600	2017/18
Duncan Place Resource Centre	Leith	North East	£1,197,765	2018/19
Powderhall Stables	Broughton Road/Powderhall	North East	£1,205,040	2020/21

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<sup>1</sup> Per the Council's "Natural Neighbourhoods" designations.

## APPENDIX 2:

### City of Edinburgh Council RCGF Projects Recommended for Submission in 2020/21

Project	SIMD	Neighbourhood	Locality
<b>Upmo Performing Arts Hub</b> (in conjunction with Upmo): delivering a new performing arts hub for young people with learning disabilities.	1,318	Leith	North East
<b>Leith Theatre:</b> refurbishing the B-listed Leith Theatre to deliver a new theatre and arts hub.	1,362	Leith	North East
<b>Granton Gasholder:</b> illuminating the Granton Gasholder and funding initial design work.	1,999	Granton/West Pilton	North West
<b>Granton Station:</b> refurbishing the derelict B-listed Granton Station to provide new workspaces as part of the wider Granton Waterfront regeneration.	2,096	Granton/Waterfront	North West
<b>Nourishing Leith Hub</b> (in conjunction with Leith Community Crops in Pots): the conversion of a former sports pavilion into a hub encompassing offices, community space, a farm shop, and a café.	3,022	Leith	North East
<b>Corstorphine Community Centre</b> (in conjunction with Corstorphine Community Centre): delivering a new community centre. (NB – further discussion with Corstorphine Community Centre is needed to ensure the RCGF timescales are suitable.)	3,067	Corstorphine	North West
<b>Stanley Street Studios</b> (in conjunction with Edinburgh Palette): delivering new artists' studios along with a culinary training facility, community café, biodiversity garden, and other uses.	4,711	Portobello	North East