

City of Edinburgh Council

10.00am, Thursday 19 November 2020

Town Centre Fund – Additional Allocations – referral from the Housing, Homelessness and Fair Work Committee

Executive/routine

Wards

All

Council Commitments

1. For Decision/Action

- 1.1 The Housing, Homelessness and Fair Work Committee has referred an update report on the Town Centre Fund – Additional Allocations for consideration.

Andrew Kerr

Chief Executive

Contact: Sarah Stirling, Committee Services

Email: sarah.stirling@edinburgh.gov.uk | Tel: 0131 529 3009

Referral Report

Town Centre Fund – Additional Allocations

2. Terms of Referral

2.1 On 5 November 2020, the Housing, Homelessness and Fair Work Committee considered a report which sought approval on how an additional £0.954m of Town Centre Fund money was allocated and reallocation of £0.500m from the South Queensferry public realm project. A total of £1.354m was to therefore be allocated across suitable projects as identified in the report by the Executive Director of Place.

2.2 The Housing, Homelessness and Fair Work Committee agreed:

Motion

- 1) To agree the allocation of the additional £0.954m of the additional Town Centre Fund money.
- 2) To agree the reallocation of £0.500m from the South Queensferry public realm project
- 3) To note the agreed strategic statement: “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.”
- 4) To recognise the importance of outdoor public space especially in the current circumstances.
- 5) To further recognise the importance of investing in regeneration areas and the coalition commitment to tackling poverty and inequality.
- 6) To allocate to the projects as set out in the table below:

Gracemount public realm - £100k	100,000.00
Craigmillar town centre - £170k	170,000.00
Westside Plaza Phase 3	300,000.00
Granton Station	747,000.00
Pentlands Community Space	75,000.00
Pennywell Hub	62,000.00
TOTAL	£1,454,000.00

- 7) To agree that if it became apparent that any projects would not be able to achieve the funding timescales set out in 3.1 of the report, funding should be reallocated by the Executive Director of Place in consultation with the Convener and Vice Convener of Housing, Homelessness and Fair Work Committee.

- moved by Councillor Kate Campbell, seconded by Councillor Watt

Amendment 1

- 1) To agree the allocation of the additional £0.954m of the additional Town Centre Fund money.
- 2) To agree the reallocation of £0.500m from the South Queensferry public realm project
- 3) To agree to fund the following:
 - i) Bruntsfield St Oswald's (£0.55m)
 - ii) The Corstorphine Community Centre (£0.75m)
 - iii) Pentlands Community Space (£0.15m)
- 4) To agree that if it became apparent that any projects would not be able to achieve the funding timescales set out in 3.1 of the report, funding should be reallocated by the Executive Director of Place in consultation with the Convener and Vice Convener of Housing, Homelessness and Fair Work Committee.

- moved by Councillor McLellan, seconded by Councillor Jim Campbell

Amendment 2

- 1) To agree the allocation of the additional £0.954m of the additional Town Centre Fund money.
- 2) To agree the reallocation of £0.500m from the South Queensferry public realm project
- 3) To allocate the available funding as follows:

Project	Funding allocated (£m)	As a percentage of funding requested
Craigmillar town centre	0.170	100%
Gracemount public realm	0.100	100%
Granton station	0.759	89%
Pennywell hub	0.125	100%
Westside plaza phase 3	0.300	100%

- 4) To agree that if it became apparent that any projects would not be able to achieve the funding timescales set out in 3.1 of the report, funding should be reallocated by the Executive Director of Place in consultation with the Convener and Vice Convener of Housing, Homelessness and Fair Work Committee.

- moved by Councillor Miller, seconded by Councillor Booth

Amendment 3

- 1) To agree the allocation of the additional £0.954m of the additional Town Centre Fund money.

- 2) To agree the reallocation of £0.500m from the South Queensferry public realm project

- 3) To agree to allocate funding to:

- i) Bruntsfield St Oswald's
- ii) The Corstorphine Community Centre
- iii) Pennywell Hub

- 4) To agree that if it became apparent that any projects would not be able to achieve the funding timescales set out in 3.1 of the report, funding should be reallocated by the Executive Director of Place in consultation with the Convener and Vice Convener of Housing, Homelessness and Fair Work Committee.

- moved by Councillor Lang, seconded by Councillor Hutchison

Voting

First Vote

For the Motion	-	5 votes
For Amendment 1	-	3 votes
For Amendment 2	-	2 votes
For Amendment 3	-	1 vote

(For the Motion: Councillors Kate Campbell, Key, Munro, Watt and Work.

For Amendment 1: Councillors Jim Campbell, Hutchison and McLellan.

For Amendment 2: Councillors Booth and Miller.

For Amendment 3: Councillor Lang.)

There being no overall majority, Amendment 3 fell and a second vote was taken between the Motion, Amendment 1 and Amendment 2.

Second Vote

For the Motion	-	5 votes
For Amendment 1	-	4 votes
For Amendment 2	-	2 votes

(For the Motion: Councillors Kate Campbell, Key, Munro, Watt and Work.

For Amendment 1: Councillors Jim Campbell, Hutchison, Lang and McLellan.

For Amendment 2: Councillors Booth and Miller.)

There being no overall majority, Amendment 2 fell and a third vote was taken between the Motion and Amendment 1.

Third Vote

For the Motion - 7 votes

For Amendment 1 - 4 votes

(For the Motion: Councillors Booth, Kate Campbell, Key, Miller, Munro, Watt and Work.

For Amendment 1: Councillors Jim Campbell, Hutchison, Lang and McLellan.)

Decision

To approve the motion by Councillor Kate Campbell.

- 2.3 In accordance with Standing Order 30.1, a vote was taken for and against referral of the decision to Council for approval.

For referral - 4 votes

Against referral - 7 votes

(For referral: Councillors Jim Campbell, Hutchison, Lang and McLellan.

Against referral: Councillors Booth, Kate Campbell, Key, Miller, Munro, Watt and Work.)

In terms of Standing Order 30.1 the requisite number of members required that the decision be referred to the Council for approval.

3. Background Reading/ External References

Minute of the Housing, Homelessness and Fair Work Committee of 5 November 2020

4. Appendices

Appendix 1 – report by the Executive Director of Place

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 5 November 2020

Town Centre Fund – additional allocations

Executive/routine	Executive
Wards	All
Council Commitments	1, 2, 10, 50

1. Recommendations

- 1.1 It is recommended that Committee agrees:
- 1.1.1 the allocation of the additional £0.954m of the additional Town Centre Fund money,
 - 1.1.2 the reallocation of £0.500m from the South Queensferry public realm project;
 - 1.1.3 to select projects from the shortlist in Appendix 1 and distribute the £1.454m of funding now available amongst the selected projects; and
 - 1.1.4 that if it becomes apparent that any projects will not be able to achieve the funding timescales set out in 3.1, funding shall be reallocated by the Executive Director of Place in consultation with the Convener and Vice Convener of Housing, Homelessness and Fair Work Committee.

Paul Lawrence

Executive Director of Place

Contact: David Cooper, Service Manager, Commercial Development & Investment

E-mail: david.cooper@edinburgh.gov.uk | Tel: 0131 529 6233

Report

Town Centre Fund – additional allocations

2. Executive Summary

- 2.1 This report seeks agreement from members on how an additional £0.954m of Town Centre Fund money is allocated and reallocation of £0.500m from the South Queensferry public realm project. This gives a total of £1.354m to be allocated across suitable projects as identified in this report.

3. Background

- 3.1 In December 2018, the Scottish Government announced the creation of a £50m Town Centre Fund. In February 2019, each local authority in Scotland was awarded a share of the Fund as capital funding; the City of Edinburgh Council was awarded £2.613m. The money must be contractually committed by 31 March 2021 and spent by 30 September 2021.
- 3.2 The purpose of the Fund as stated by the Scottish Government is “*to drive local economic activity and to stimulate and support place based economic improvements to town centres and to invest in inclusive growth which supports town centres to become more diverse and sustainable, creating footfall through local improvements and partnerships which encourage town centres to become more vibrant, creative, enterprising and accessible places for their communities.*”
- 3.3 On [6 June 2019](#), the Housing and Economy Committee agreed the following allocations of the Council’s Town Centre Fund money (which totalled £2.613m):
- Granton Station – £1.013m;
 - Pennywell Culture and Learning Hub – £0.200m;
 - South Queensferry public realm – £1.000m; and
 - Westside Plaza phase two – £0.400m.
- 3.4 On [20 January 2020](#), the Housing, Homelessness, and Fair Committee agreed a strategic statement for investment in town centres and local centres in Edinburgh. The statement reads: “*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 On 20 January 2020, the Housing, Homelessness, and Fair Committee also instructed officers to prepare a schedule of key projects for each town and local centre in Edinburgh. The purpose of the schedule is to inform investment in each town and local centre by and allow decisions about the allocation of windfall funding such as the Town Centre Fund to be taken in a structured fashion.
- 3.6 On [11 June 2020](#), the Policy and Sustainability Committee agreed modifications to the Town Centre Fund allocations but not exceeding the total allocation of £2.613m. The revised allocations were as follows:
- Granton Station – £1.013m;
 - Pennywell Culture and Learning Hub – £0.075m;
 - South Queensferry public realm – £1.075m; and
 - Westside Plaza phase two – £0.450m.
- 3.7 Also, on 11 June 2020, the Policy and Sustainability Committee agreed that seven projects be put forward for the Scottish Government’s Regeneration Capital Grant Fund (RCGF): Corstorphine Community Centre; Granton Gasholder; Granton Station; Leith Theatre Nourishing Leith Hub; Stanley Street Studios; and Upmo Performing Arts Hub. Of the seven projects, two were successful at stage one: Granton Station and Nourishing Leith Hub. The Council should receive a final decision on whether these two projects have been successful at stage two in early 2021.

4. Main report

Current Allocations Update

- 4.1 A short update on the four projects allocated money in the previous funding round is provided below:
- 4.1.1 Granton Station – The Granton Station refurbishment is progressing well with applications for planning permission and building warrants having been made. It is hoped that main work will commence on site in Q4 2020. As set out above, an application has been made to the RCGF for support with the further works required to the building. The cost of the next phase of works is approximately £1.636m, not including potential enhanced public realm works which would cost a further £0.850m.
- 4.1.2 Pennywell Culture and Learning Hub – Since 11 June 2020, significant progress has been made with North Edinburgh Arts (NEA) working in partnership with the Council to deliver a community and neighbourhood hub at Pennywell, which promotes culture, learning, work, employment skills and wellbeing for the north of the city. The combined project will include a new early years centre, library, café, art space, skills and employability provision

as well as new affordable homes. This will be contained across a new purpose-built hub that will join seamlessly onto the existing NEA providing an invaluable opportunity to share space, facilities and resources in a way that provides the best offering to the community. The successful application for a Community Asset Transfer to NEA and agreed approach to design and delivery of the project between the Council and NEA provides certainty over the delivery route and timeframe. An outline design for the building has been agreed with a detailed planning application due to be submitted before the end of the year. The demolition of the existing buildings will take place in spring 2021 followed by construction in the autumn. An additional £0.125m is being sought from the Town Centre Fund (i.e. raising the Town Centre Fund allocation back to the original allocation of £0.200m).

- 4.1.3 South Queensferry Public Realm – Tenders were sought for carrying out the construction of the agreed scheme but there was limited contractor interest and the decision was made to re-tender. In the intervening period the Covid-19 pandemic prompted the local community to review the plans and have advised that they believe the currently designed scheme would benefit from revisions. It is likely that revisiting the design will make achieving the 31 March 2021 and 30 September 2021 deadlines unlikely, but this is judged to be the right thing to do in the circumstances. Officers wrote to the Scottish Government to enquire whether the deadline could be extended given the specific circumstances however they have advised that the deadline cannot be extended and have advised on reallocation to another Council project to ensure the money is not clawed-back. As result £0.500m which is unable to be spent in the relevant timescales has been released for reallocation. The remaining £0.575m will be still be spent in the period on civil engineering improvements that are required in any case. This will also assist in the delivery of the full project once the design has been revisited.
- 4.1.4 Westside Plaza – Works commenced on site in August 2020 and the first two phases are scheduled to be complete in March 2021. There is an ambition to fully complete the project by including the area to the west of Murrayburn House (Phase three of the original design); this would cost an estimated additional £0.300m.

Additional Town Centre Fund money

- 4.2 On 10 September 2020, the Scottish Government announced that local authorities would receive additional Town Centre Fund money. The Council received £0.954m, bringing its overall allocation across the two rounds to £3.567m. The grant offer letter is provided in Appendix 2 to this report.
- 4.3 The grant offer letter states: *“the aim of this additional £18 million fund is to stimulate local construction activity and support employment across Scotland, and local authorities should ensure this is prioritised in investment decisions. Local authorities should also make investment decisions in the context of national and local commitments to town centres including the Town Centre First Principle and the Town Centre Action Plan; and more recently, the Place Principle.”*

- 4.4 The context has changed significantly since the decision on projects was taken in June 2019 due to the Covid-19 pandemic, which has pushed the economy into recession and greatly depressed visitor numbers. Given this, a key consideration is how the funds can best be used to stimulate economic resilience/recovery.
- 4.5 As with the original money, this money must be contractually committed by 31 March 2021 and spent by 30 September 2021. Given this timeframe, it is imperative that a decision is taken timeously on how the money is to be used. The Council is required to provide a grant return setting out how the money will be spent by 30 November 2020; money that cannot be spent will be clawed back. As set out above, there is no prospect of extending the deadlines.
- 4.6 Officers attended a briefing by the Scottish Government on the additional funding on 2 October 2020. The Scottish Government emphasised that the funds should be spent quickly to stimulate economic recovery.

Potential projects for funding

- 4.7 Officers sent an email to all Councillors on 2 September 2020 as part of an exercise to build a schedule of the highest priority projects in each of Edinburgh's town and local centres as a tool to assist with allocating funding as and when it becomes available. This is an ongoing process with further consultation required and more work needed to add detail to the schedule. While the schedule is not yet complete, it has been drawn upon to help develop a long-list of potential projects.
- 4.8 An assessment of longlisted projects was carried out firstly to establish whether there is a reasonable prospect of it being able to proceed within the timescales set by the Scottish Government. Projects where there was no cost estimate available were discounted, as were projects where the costs significantly exceeded the available funding and/or the programme for delivery was known to be beyond the funding deadline. This resulted in a shortlist of projects which is set out in Appendix 1.
- 4.9 Members are asked to agree the projects from the shortlist to be supported, with the £1.454m now available, having regard to the Strategic Statement and its stated criteria. Regard should also be had to the transformative ability of projects to ensure that new or improved facilities and services are provided. It is the view of officers that all of these projects meet the terms of criteria set although consideration of where this money is best spent is a matter of judgement for elected members.

5. Next Steps

- 5.1 Once the allocation of the additional £0.954m and the reallocation of the £0.500m have been agreed, officers will work with the appropriate parties to ensure the money is fully committed and spent by the respective deadlines.

6. Financial impact

- 6.1 The Council has been awarded £0.954m of additional capital funding from the Scottish Government, ring-fenced for investments in town centres, bringing its total allocation up to £3.567m. This money must all be committed by 31 March 2021 and spent by 30 September 2021 or it will be clawed back.

7. Stakeholder/Community Impact

- 7.1 Consultation on the schedule of key projects with ward councillors has been carried out. Further consultation with community councils is underway.

8. Background reading/external references

- 8.1 ["Town Centre Fund - Allocations Report" – report to the Housing and Economy Committee, 6 June 2019](#)
- 8.2 ["Investment in Town Centres – Strategic Statement" – report to the Housing, Homelessness and Fair Work Committee, 20 January 2020](#)
- 8.3 ["Scottish Government Town Centre Fund Update and Regeneration Capital Grant Fund Applications" – report to the Policy and Sustainability Committee, 11 June 2020](#)

9. Appendices

- 9.1 Appendix 1 – Summaries of shortlisted projects.
- 9.2 Appendix 2 – Grant offer letter.

Appendix 1 – Summaries of shortlisted projects

<p>Bruntsfield St. Oswald's The community-led conversion of St. Oswald's Church and Hall in Bruntsfield into a space for community, art, and sports activities. The building was the subject of a community asset transfer in August 2020.</p> <p>FUNDING REQUEST: £0.550m</p>	
<p>Corstorphine Community Centre A rebuild and expansion of the former Corstorphine Public Hall which was largely destroyed by fire in 2013. A community-led SCIO has been established to take forward the project to provide an inclusive community focal point for Greater Corstorphine. The majority of the budget has been secured.</p> <p>FUNDING REQUEST: £0.750m</p>	
<p>Craigmillar town centre £0.170m would enable a gap site in the heart of the Craigmillar regeneration area to be utilised as a container-park style market place, turning a derelict site into a hub for the local community and providing spaces for new and existing businesses.</p> <p>FUNDING REQUEST: £0.170m</p>	
<p>Gracemount public realm £0.100m of enhancements to public realm at Gracemount local centre including replacing shrubs with trees and upgrading street furniture and bike racks.</p> <p>FUNDING REQUEST: £0.100m</p>	
<p>Granton Station The conversion of the B-listed former rail station into an enterprise hub. An initial phase of restoration works is underway. £0.850m would allow an enhanced public realm to be delivered outwith the building, creating a new 1,000 sqm public space for community events such as street markets and pop-up exhibitions. The historic station platforms would be turned into linear parks for community gardening, meetings, and socialising.</p> <p>FUNDING REQUEST: £0.850m</p>	

Pennywell Hub

In conjunction with North Edinburgh Arts, delivering a new community and neighbourhood hub in Pennywell promoting culture, learning, work, employment skills and wellbeing for the north of the city. Funding would enable designs to be progressed to facilitate the delivery of the hub.

FUNDING REQUEST: UP TO £0.125m



Pentlands Community Space

A community-led project to convert a former public convenience in Juniper Green into a new community hub for uses such as provision for after school clubs, dementia groups, lonely older people, and young families, along with an affordable home. £0.150m would leave this project fully funded.

FUNDING REQUEST: £0.150m



Wayfinding phase three

The Wayfinding project aims to install a network of totems throughout Edinburgh to assist with navigation. Each totem costs approximately £0.008m; £0.500m would enable the delivery of circa 63 totems in the city centre and other locations such as Leith, Stockbridge, Duddingston, Cramond and Morningside.

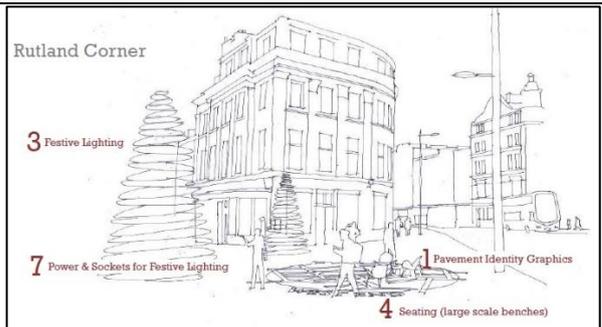
FUNDING REQUEST: UP TO £0.500m



West End Placemaking

The West End Placemaking project is a comprehensive package of improvements to the public realm of Edinburgh's West End. £0.150m would allow for works including pavement etchings, feature lighting, wayfinding totem poles, cycle stands, benches, and soft landscaping.

FUNDING REQUEST: £0.150m



Westside Plaza Phase 3

Building on the regeneration of Westside Plaza already underway, a further £0.300m would enable the land to the west of Murrayburn House to also be regenerated, creating high quality new public realm.

FUNDING REQUEST: £0.300m



Appendix 2 - Grant offer letter

Housing and Social Justice Directorate
Social Justice and Regeneration Division



Scottish Government
Riaghaltas na h-Alba
gov.scot

E: paul.tyrer@gov.scot

By e-mail

To: Local Authority Directors of Finance
c/c: Chief Executives of Scottish Local
Authorities
Directors of Economic Development and
Regeneration

18 September 2020

Dear Director of Finance

TOWN CENTRE FUND - CAPITAL GRANT 2020-2021

1. The Scottish Ministers, in exercise of their powers under legislation detailed in Schedule 1 of this Offer Letter, hereby offer to local authorities (“the Grantees”) grant totalling £18 million STERLING (with individual allocations as per Schedule 2), payable in the financial year 2020-21, to finance capital investment, subject to the terms and conditions set out below at paragraph 2 onwards.

Definitions and Interpretation

2. In these Conditions, the words and expressions set out in Schedule 3 shall have the meanings ascribed to them in that Schedule.
3. In these Conditions, unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.
4. The headings in these Conditions are for convenience only and shall not be read as forming part of the Conditions or taken into account in their interpretation.
5. Except as otherwise provided for in these Conditions, any reference to a clause, paragraph, sub-paragraph or schedule shall be a reference to a clause, paragraph, sub-paragraph or schedule of these Conditions.

Purpose of the Grant

6. The Scottish Government is delivering £30 million capital into regeneration in 2020-21 as part of the £230 million economic recovery stimulus package, particularly aimed at supporting construction activity across Scotland. The Scottish Government agreed with COSLA and local authority Leaders that £18 million will be provided to local authorities through the Town Centre Fund. **Funding allocations are in Schedule 2.**

Conditions of the Grant

7. **All grant expenditure must be complete by 31 March 2021.** Expenditure is defined as *“It is expected that work will be completed; or, at least work or contracts signed or commenced within 2020/21”*.
8. The grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2020-21 budget, and should not substitute for existing spend.
9. Decisions on use of funding will reside with the grantee. However, the aim of this additional £18 million fund is to stimulate local construction activity and support employment across Scotland, and local authorities should ensure this is prioritised in investment decisions. Local authorities should also make investment decisions in the context of national and local commitments to town centres including the Town Centre First Principle and the Town Centre Action Plan; and more recently, the Place Principle.
10. The Grant may also be used to fund third party capital expenditure in the current year, either directly or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals) which would, if incurred by the local authority, be capital expenditure. Limitations apply and these are detailed in Schedule 1.
11. There is an assumption that the Grant will be applied to finance local authority capital programmes before the application of any other capital or revenue resources such as capital receipts or borrowing.
12. Should any grant be used to fund third party capital expenditure and that third party is another local authority or a public body the grant must be used by that third party in the financial year 2020-21. Should the grant be made to a local authority controlled company or other body that will be consolidated into the council’s group accounts the grant must be used by that body in the financial year 2020-21.
13. For the avoidance of doubt no part of the grant may be transferred to the Capital Fund, nor may any part of the grant be used to meet the costs of debt redemption.
14. No part of the grant may be used to fund any ‘capital’ injection into a Public Private Partnership (PPP) or similar scheme without the written consent of Scottish Ministers.
15. Where the local authority provides grant to any person, whether for use by that person or by a third party, the conditions attaching to the grant award must ensure that the expenditure it funds would, if incurred by the authority, be capital expenditure. The grant conditions must also ensure that the eligible costs exclude reclaimable Value Added Tax. Where the grant is to another local authority or public body, or a body that is consolidated into a local authority group accounts, the conditions attaching to that grant award must ensure the grant is fully used in the financial year 2020/21.
16. Any grant paid to a third party subsequently repaid to the local authority, may only be used to fund further capital investment as permitted by this agreement. This condition only applies where the grant is repaid within five years of the original grant payment.
17. If the Grantee does not use the grant in the financial year 2020-21, unused grant is to be repaid to the Scottish Government unless otherwise agreed in writing by Scottish Ministers.

18. No part of the Grant shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party.
19. Revisions to the conditions of this offer shall be subject to the written agreement of the Scottish Ministers.

Conditions of grant – reporting of 2020-21 expenditure

20. The Grantee shall keep the Scottish Ministers informed of the use of their grant through the submission of:
 - **a grant return by Monday 30 November 2020.** If local authorities believe that they cannot spend all of their available funds this financial year, it would be helpful to have early notice of that by end of November to allow funds to be reallocated to other projects which can be delivered in that timescale.
 - **an end of year report in April 2021** which details financial expenditure; shows how this was additional to existing spend; profiles delivery; and, outlines anticipated impact and outcomes and how these will be measured.
 - **an evaluation in autumn 2021 capturing project completions.**

The Scottish Government will issue templates for all of these returns. It is expected that the grantee will notify the Scottish Ministers as soon as possible if an underspend is anticipated.

21. A statement of compliance with the Conditions of Grant will be included in the Final Capital Return 2020/21 which must be certified by the grantee's Director of Finance or equivalent.
22. The Grantee shall also provide any other information that the Scottish Ministers may reasonably require to satisfy themselves that the expenditure is consistent with the Agreement. The Grantee shall provide the Scottish Ministers with prompt access to any information they reasonably require to ensure compliance with these Conditions.
23. The Grantee shall keep and maintain for a minimum period of 5 years after the expenditure occurs, adequate and proper records and books of account recording all receipts and expenditure of monies paid to it by the Scottish Ministers by way of the Grant. The Grantee shall afford the Scottish Ministers, their representatives, the Auditor General for Scotland, his/her representatives and such other persons as the Scottish Ministers may reasonably specify from time to time, such access to those records and books of account as may be required by them at any reasonable time in response to a written request for such access from the person seeking it. The Grantee shall provide such reasonable assistance and explanation as the person carrying out the inspection may from time to time require.
24. Where the grantee uses the Town Centre Fund Capital Grant to fund third party capital projects the grant should be treated, for annual accounts purposes, as service revenue income in the Comprehensive Income & Expenditure Statement (CIES). This will therefore require that General Capital Grant used to support third party capital expenditure be matched, on the same CIES service line, to the grant paid out or direct expenditure paid by the authority.

Payment of Grant

25. The Grant shall be paid by the Scottish Ministers to local authorities on the return of grant acceptance.

Confidentiality and Data Protection

26. To comply with section 31(3) of the Public Services Reform (Scotland) Act 2010, the Scottish Ministers publish an annual statement of all payments over £25,000. In addition, in line with openness and transparency, the Scottish Government publishes a monthly report of all payments over £25,000. The Grantee should note that where a payment is made in excess of £25,000 there will be disclosure (in the form of the name of the payee, the date of the payment, the subject matter and the amount of grant) in the both the monthly report and the annual Public Services Reform (Scotland) Act 2010 statement.

Default

27. The Scottish Ministers reserve the right to withhold, make deduction from or require repayment of grant monies where the conditions included in this Agreement are not met.

Variation

28. Any variation to this Agreement will only be valid when confirmed in writing by the Scottish Ministers.

Corrupt Gifts and Payments of Commission

29. The Grantee shall not offer or give or agree to give any person any gift or consideration of any kind as an inducement or reward in relation to this Grant. The Grantee shall ensure that its employees shall not breach the terms of the Prevention of Corruption Acts, 1889 to 1916 in relation to this or any other grant.

Continuation of Conditions

30. These Conditions shall continue to apply for a period of 5 years after the end of the financial year in which the final instalment of the Grant was paid.

Compliance with the Law

31. The Grantee shall ensure that in relation to expenditure funded with this Grant, they and anyone acting on their behalf shall comply with the relevant law, for the time being in force in Scotland.

Acceptance of grant

32. To accept the grant offer on the terms and conditions as set out in the letter and schedules, we require a letter from the Council signed by the Director of Finance (or equivalent). The letter must identify the grant being accepted on the terms and conditions set out in this grant offer letter. A suggested format is set out below. Please send your acceptance letter to Alex McGhie (alex.mcghie@gov.scot), electronically as an attachment to an email. This should arrive **no later than Wed 30 September.**

33. If you would like any further information, please contact Iain Murray, Regeneration Policy Officer at iain.murray@gov.scot

A handwritten signature in black ink, appearing to read "Paul Tyrer", enclosed within a thin black rectangular border.

Paul Tyrer
Deputy Director

To be returned on Council headed paper

Date

TOWN CENTRE FUND CAPITAL GRANT 2020/21 - GRANT ACCEPTANCE

On behalf of [local authority] I accept the offer of grant from the Scottish Ministers dated 18 September 2020 on the terms and conditions as set out in the letter and annexed Schedules.

Signature:

Director of Finance (or equivalent)
[name]

SCHEDULE 1

1. The Grant may only be used to fund capital expenditure of the local authority, or any third party capital expenditure incurred, whether or not disbursed in the form of grants, by any persons (public sector bodies, private sector bodies or individuals) towards expenditure which would, if incurred by the local authority, be capital expenditure. In permitting the grant to be used to fund third party capital expenditure reliance is placed on specific legislation. As such the use of the grant to fund third party capital expenditure is limited to the subject of the specific legislation listed below. Local authorities should assure themselves that any grant payments that they may make to any person would be permitted by the legislation listed below.

2. Nothing in the legislation should be interpreted as enabling the grant to be used for any revenue expenditure other than that outlined in condition 2.3.

GRANT MAKING POWERS OF SCOTTISH MINISTERS – LEGISLATIVE DETAILS	
<i>Condition 2.2: The Grant may be used to fund capital expenditure of the local authority</i>	
Section 37 of the Local Government in Scotland Act 2003	Scottish Ministers may make grants to local authorities in respect of their capital expenditure. Capital expenditure is that expenditure that falls to be capitalised in accordance with proper accounting practices (section 39 of the Act)
<i>Condition 2.3: The Grant may be used to fund third party capital expenditure, either directly or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals) which would, if incurred by the local authority, be capital expenditure. Grant making powers are as detailed below:</i>	
Section 37 of the Local Government in Scotland Act 2003	Scottish Ministers may make grants to local authorities in respect of their capital expenditure. Reliance is placed on this section to allow Councils to make grants to other Councils or other local authorities such as Regional Transport Partnerships.
Section 13 of The Flood Prevention (Scotland) Act 1961	Expenditure incurred by a local authority in carrying out flood prevention operations in accordance with a flood prevention scheme. Flood Prevention Schemes are those which have been promoted by the authority and confirmed by Scottish Ministers in accordance with legislation
Section 21 of the Coast Protection Act 1949	Scottish Ministers may make grants towards any expenditure incurred under this Act by a coast protection authority, or incurred by a local authority in carrying out of coast protection work under the enactments relating to roads.
Section 70 of the Transport (Scotland) Act 2001	Scottish Ministers may make grants to any persons for any purposes relating to transport. Reliance is placed on this section to allow unitary authorities (councils) to make grants to regional transport partnerships or bridge authorities.

<p>Section 126 of the Housing Grants, Construction and Regeneration Act 1996</p>	<p>Expenditure incurred in connection with activities which contribute to the regeneration or development of an area.</p> <p>Extract from Act provision:</p> <p>Activities which contribute to the regeneration or development of an area include, in particular—</p> <ul style="list-style-type: none"> (a) securing that land and buildings are brought into effective use; (b) contributing to, or encouraging, economic development; (c) creating an attractive and safe environment; (d) preventing crime or reducing the fear of crime; (e) providing or improving housing or social and recreational facilities, for the purpose of encouraging people to live or work in the area or of benefiting people who live there; (f) providing employment for local people; (g) providing or improving training, educational facilities or health services for local people; (h) assisting local people to make use of opportunities for education, training or employment; (i) benefiting local people who have special needs because of disability or because of their sex or the racial group to which they belong.
<p>Section 90 (1) (a) of the Housing Scotland Act 2001</p>	<p>Grants for housing purposes</p> <p>(1) The Scottish Ministers may make grants to a local authority for the purposes of—</p> <ul style="list-style-type: none"> (a) the authority's functions in connection with— <ul style="list-style-type: none"> (i) providing, improving, adapting, repairing, maintaining and managing housing, (ii) undertaking, and assisting the undertaking of, the development, redevelopment and improvement of the physical, social, economic and recreational environment related to housing, (iii) preventing or alleviating homelessness,
<p>Section 96 of the Housing (Scotland) Act 2006</p>	<p>Any power of a local authority to make grants or loans (including the powers to make payments under section 91(1) and to provide assistance under section 95(1)(b)), and any function of a local authority in relation to the making of grants or loans, under this Part is exercisable by the Scottish Ministers as it is by the local authority.</p>
<p>Section 153 (1) and (3) of the Environmental Protection Act 1990 as amended by SSI 83 of 2002</p>	<p>Scottish Ministers may give financial assistance for environmental purposes. Section 153 (1) includes:</p> <ul style="list-style-type: none"> (nn) any scheme for the storage, treatment or disposal of any material or product for the purpose of preventing or reducing environmental damage.

SCHEDULE 2

DISTRIBUTION OF TOWN CENTRE FUND CAPITAL GRANT 2020/21

The Town Centre Fund Grant offer per local authority is set out below:

Local Authority	Allocation
Aberdeen City	£ 484,000
Aberdeenshire	£ 1,179,000
Angus	£ 387,000
Argyll and Bute	£ 444,000
City of Edinburgh	£ 954,000
Clackmannanshire	£ 245,000
Dumfries and Galloway	£ 548,000
Dundee City	£ 264,000
East Ayrshire	£ 611,000
East Dunbartonshire	£ 339,000
East Lothian	£ 462,000
East Renfrewshire	£ 353,000
Falkirk	£ 711,000
Fife	£ 1,560,000
Glasgow City	£ 1,096,000
Highland	£ 1,066,000
Inverclyde	£ 235,000
Midlothian	£ 331,000
Moray	£ 443,000
Na h-Eileanan Siar	£ 80,000
North Ayrshire	£ 507,000
North Lanarkshire	£ 1,168,000
Orkney Islands	£ 72,000
Perth and Kinross	£ 714,000
Renfrewshire	£ 527,000
Scottish Borders	£ 511,000
Shetland Islands	£ 73,000
South Ayrshire	£ 382,000
South Lanarkshire	£ 902,000
Stirling	£ 387,000
West Dunbartonshire	£ 307,000
West Lothian	£ 658,000
Scotland	£ 18,000,000

This follows the same TCF allocation methodology as agreed between Ministers and Council Leaders in March 2019: Based on an equal weighting of the number of towns in a local authority (determined by the NRS Settlements and Localities data, where a town is a locality with a population equal to or greater than 1,000 people) and the local authority population.

SCHEDULE 3

DEFINITIONS

“Agreement” means these Conditions and the Grantee’s acceptance of these Conditions;

“Capital Expenditure” means that expenditure on the Town Centre Fund

“Conditions” means these grant conditions;

“Financial Year” means a period from 1 April in one year until 31 March in the next;

“Grant” means the grant offered by the Scottish Ministers to the Grantee as specified in the Award Letter, as varied from time to time in accordance with these Conditions;

“Grantee” means the local authority to which the Grant will be payable as specified in Schedule 2.

“Payment” means each of the payments specified in Schedule 2 hereto.

“Proper accounting practices” is to be construed in accordance with section 12 of the Local Government in Scotland Act 2003

“Third party in the public sector” means another local authority or a local authority controlled company or other body that will be consolidated into the Grantee’s group accounts.

SCHEDULE 4

TOWN CENTRE CAPITAL FUND 2020-21 - GUIDANCE NOTE

Purpose

1. The purpose of this note is to provide local authorities as “grantees” guidance on the aims and allocation of the ring-fenced £18m Town Centre Fund for 2020-21, to be distributed through the local authority capital settlement.

Town Centre Fund 2020-21

2. On 16th June 2020, the Cabinet Secretary for Finance announced a £230 million Economic Recovery Stimulus Package to help invigorate Scotland’s economy. The package:
 - **bolsters the remaining pipeline of 2020-21 construction activity - to give additional support to the sector as re-start is now underway;**
 - Accelerates digital transformation, and supports the most vulnerable groups to access digital services;
 - brings-forward an early boost to our ambition for a green economy; and
 - Supports promising, early stage growth companies through existing Tech-start and Scottish Investment Bank initiatives.
3. As part of this recovery package, the Cabinet Secretary for Communities & Local Government announced on 10 September 2020 that **£30m capital funding for regeneration** would be invested through two existing funding mechanisms, the Town Centre Fund and Regeneration Capital Grant Fund (RCGF). This aims to stimulate local construction activity across Scotland and support disadvantaged areas in the recovery.
4. Town Centre Fund and RCGF are delivered in partnership with COSLA and through local authorities as grantees. We duly engaged with COSLA and the Settlement & Distribution Group on plans for allocating funding this way, subsequently agreed by Council Leaders. The agreed approach involves £18m through Town Centre Fund in 2020-21, and £12m being invested through RCGF. **The Town Centre Fund local authority allocations are summarised in Schedule 2** and follow the same Town Centre Fund allocation methodology as agreed between Ministers and Council Leaders in 2019.

Wider expectations and support

5. The aim of this additional £18 million fund is to stimulate local construction activity and support employment across Scotland, and local authorities should ensure this is prioritised in investment decisions. **All grant expenditure must be complete by 31 March 2021**, therefore it is expected that local authorities will prioritise projects which are established and can progress in time to meet this deadline. Expenditure is defined as *“It is expected that work will be completed; or, at least work or contracts signed or commenced within 2020/21”*.

National and local commitments

6. COVID-19 has had a profound impact on the way that we work and has changed our perceptions of the communities around us. It has forced us to look local. That theme runs throughout our Programme for Government (PfG) 2020-21 with new commitments around **local supply chain development and 20 minute neighbourhoods** - where people can meet their needs within a 20 minute walk from their house – enabling people to live better, healthier lives and supporting our net zero ambitions. As part of the Work Local Challenge Programme we will work with partners on innovation and deployment of local work hubs and office space solutions to enhance workplace choices.
7. This is also the time to build on the progress we have been making **on Community Wealth Building**. This is a way of working that looks to reorganise our local economies to maximise local

opportunities and resilience – ensuring that local people and businesses have a genuine stake in producing, owning and enjoying the wealth they create.

8. We will develop a network of **Climate Action Towns** targeted at small towns with little historical involvement in climate action. This will support them to reduce what they use, recycle more, and cut their emissions and become carbon neutral, as part of our aim to ensure that Scotland's response to the global climate emergency is a truly national endeavour.

Town Centre Action Plan

9. The Town Centre Action Plan published in 2013 was the Scottish Government's response to the National Town Centre Review. It focused on national and local solutions, encouraging action across public, private and community sectors. The Scottish Government and local government subsequently agreed the **Town Centre First Principle (TCFP)**, which requested that government, local authorities, the wider public sector, businesses and communities put the health of town centres at the heart of proportionate and best value decision making. The Scottish Government and COSLA agreed to adopt the **Place Principle** to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment. The principle was developed by partners in the public and private sectors, the third sector and communities, to help them develop a clear vision for their place.
10. We are taking forward a **collaborative review of the progress and scope of the Town Centre Action Plan**. This will build on our UK leading town centre first approach which has shaped recent announcements by our counterparts elsewhere in the UK. The purpose of this review is to consider the impact and lessons from the TCAP, and the impact of COVID-19 on our town centres, as part of a wider package of national towns recovery and renewal work.
11. Empowered communities, localism and valuing the skills and assets of our communities have long been central to our approach to regeneration. The review provides an opportunity to amplify that by embracing the Place Principle and TCFP, promoting town centre living, building a future that takes account of our ambitions for a healthier, greener country, and with a focus on social renewal and equality through the Social Renewal Advisory Board.

Scotland's Towns Partnership

12. The Scottish Government funds Scotland's Towns Partnership to provide information, support and services which contribute to the vibrancy, vitality and viability of our town centres and neighbourhoods; and, to support the development of partnerships including Business Improvement Districts.
13. There are a range of tools and resources to support how partners can understand, audit, plan, and improve their town centres. It is expected that local authorities will use a range of tools and approaches to ensure investment decisions are based on an understanding of town centre performance and ownership; shared visions and plans with local communities, partnership and stakeholders fully engaged; and, identification of physical infrastructure changes that will contribute to maximisation of investments and achievement of those visions.

Tools and resources

- [Understanding Scottish Places](#) (USP): a unique and dynamic online tool which shows how every town in Scotland with a population of 1,000 or more is interacting with its surrounding settlements and performing against a range of indicators and inter/dependency relationships.
- [USP Your Town Audit](#): add to USP a six-day study which provides the standard benchmark for measuring the health of a Scottish town.
- [Place Standard](#): a framework designed to support communities, public, private and third sectors to work efficiently together to assess the quality of a place.
- [Town Centre Toolkit](#): guidance on designing and planning town centres to be attractive,

accessible and active, focusing on urban design, quality, sustainability and use of town assets.

Support

14. Additional support is offered by Scotland's Towns Partnership in partnership with other key organisations such as: Scottish Futures Trust; Scottish Enterprise, Highlands and Islands Enterprise, or South of Scotland Economic Partnership, and Architecture and Design Scotland to support the development of investment decisions or work with local authorities individually or across neighbouring or regional authorities, to build momentum, share learning, and to maximise funding.
15. Local authorities will have their own good practice in terms of monitoring and evaluating the benefits, impacts and outcomes of investment as part of relevant strategies and programmes; and, to ensure that they meet their duty to achieve Best Value. Additional support could also be offered to discuss how best to identify and collect data; assess impact; and, share formats that could contribute to consistent and wider learning.