

Finance and Resources Committee

10.00am, Thursday, 15 August 2019

Corstorphine Youth and Community Centre

Executive/routine	Executive
Wards	6 – Corstorphine/Murrayfield
Council Commitments	35

1. Recommendations

1.1 Committee are asked to:

- 1.1.1 Note that the Housing and Economy Committee in June 2019 requested that Finance and Resources Committee release funding from Albion Equity Limited to the development of Corstorphine Youth and Community Centre (CYCC) as outlined in paragraph 3.6.1;
- 1.1.2 Note that the redemption of shares in Albion Equity Limited may not proceed and that the earliest that this will be known is quarter 4 2019/20 and as a result the associated payment may not be forthcoming; and
- 1.1.3 Note that a funding source for the expenditure has not been identified and that the request be considered, as appropriate, as part of the mid-year monitoring and 2020/25 budget setting processes.

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Corstorphine Youth and Community Centre

2. Executive Summary

- 2.1 Corstorphine Community Centre (CCC), a Scottish Charitable Incorporated Organisation, is seeking to develop the Corstorphine Youth and Community Centre (CYCC) at a cost of circa £2m. There is currently a £0.750m funding gap. The [Housing and Economy Committee](#) has recommended that the Finance and Resources Committee consider how funding “can be found to enable the Corstorphine Youth and Community Centre development to proceed, either as match funding or council resources”.

3. Background

- 3.1 The Corstorphine Public Hall (built 1891-1903) was a public hall at 14 Kirk Loan in Corstorphine, Edinburgh. In October 2013, the building was largely destroyed by fire with only the façade remaining. Since October 2013, there have been considerable efforts on the part of the community to restore the Hall. As an interim solution, activities are being run out of a leased unit at 191 St John's Road.
- 3.2 Corstorphine Community Centre (CCC) (a Scottish Charitable Incorporated Organisation) is seeking to redevelop the site to deliver the CYCC. Designs for the CYCC, which would incorporate the façade of the former Corstorphine Public Hall, were granted planning permission in May 2016. The projected cost of the project is approximately £2m of which the CCC currently holds approximately £1.25m, leaving a funding gap of £0.750m. The CCC has stated that work can begin promptly if funding can be secured.
- 3.3 The Council has no material interest in the former Corstorphine Public Hall site.
- 3.4 The CYCC was considered by elected members as a potential project to be funded from the 2019/20 capital budget, but ultimately was not included in the agreed budget.
- 3.5 In January 2019, the CCC approached the Council to ask about the Scottish Government Regeneration Capital Grant Fund as a means of bridging the £0.750m funding gap. The Council's Economic Development service provided the CCC with advice on various grant opportunities.

- 3.6 In February 2019, the CYCC was added to the list of potential projects to be funded from the Council's £2.613m share of the Scottish Government's Town Centre Fund. On 6 June 2019, the Housing and Economy Committee agreed the allocations of the Town Centre Fund. The CYCC was not allocated any funding. However, the Committee agreed the following coalition motion:
- 3.6.1 "...recommends the Finance and Resources Committee of August 2019 release funds from Albion Equity Ltd shares, to the Corstorphine community centre project, and calls for a further report to the most appropriate executive committee before the end of August 2019, on how any additional requirements beyond this amount can be found to enable the project to proceed, either as match funding or council resources".
- 3.7 Albion Equity Limited, a subsidiary of the Albion Trust, is the owner and operator of Norton Park Business and Conference Centre. The Council exchanged its ownership of the Centre in return for 350,000 £1 preference shares in Albion Equity Limited in 1995. In February 2019, the trustees of the Albion Trust approached the Council to ask it to redeem its preference shares for their market value of £0.350m. The City of Edinburgh Council agreed to this on [30 May 2019](#).
- 3.8 Through discussion with the trustees of Albion Equity Limited it has been ascertained they will potentially not be able to redeem the Council's preference shares at their book value due to other funding pressures meaning the realisation of £350,000 via this route is uncertain. The trustees have indicated that they will consider the redemption of shares in the third quarter of 2019.
- 3.9 On 26 June 2019, officers from the Economic Development service met with the Chair and Vice Chair of CCC. At the meeting, the Chair and Vice Chair of CCC advised that they had exhausted all available grant funding application processes and that loan funding of the project was not viable. The CCC also made it clear to officers that the funding currently secured comes from a variety of sources and that it is time-bound. If the funding gap is not met now the agreed funding will start to fall away. The position set out was that grant funding is sought now to avoid this happening.

4. Main report

- 4.1 As set out above, there is a £0.750m funding gap to deliver the CYCC and there is no certainty about whether the Albion Equity Ltd Shares will be redeemed in the near future. The CCC have made clear representation to the Council that this funding is needed now in order to avoid the funding gap widening. In response to the coalition motion of 6 June 2019 two broad options have been identified and these options are set out in more detail below:
- 4.1.1 Review current expenditure and funding budgets. This would entail reducing funding from projects in the current Capital Investment Programme and reallocating it to the CYCC. The Priorities Fund is now committed with the remaining sum being identified to offset part of this year's revenue

overspend. There is currently no certainty that the Albion Trust shares will be redeemed and therefore this cannot be identified as a funding source at this time. Thus, a funding source of £0.750m would need to be identified. The mid-year capital monitoring report would give an opportunity to consider possible funding options and will be reported to Finance and Resources Committee in December, which could align with a decision by Albion Equity Trust.

- 4.1.2 Consider funding as part of the 2020-25 capital budget process. This would allow funding of this development to be considered alongside other Council priorities with a decision on funding in February 2020 and by this time there will be greater clarity in relation to the Albion Trust shares. There is, however, a risk that the funding gap may have grown by this stage.

5. Next Steps

- 5.1 If agreed, the CYCC will be added to the list of funding requirements to be considered as part of the 2020/25 budget process.

6. Financial impact

- 6.1 If funding is ultimately agreed this would entail the Council identifying a funding source either from the existing Capital Investment Programme or as part of the 2020-25 budget process.

7. Stakeholder/Community Impact

- 7.1 There is strong support in the local area for the CYCC project.

8. Background reading/external references

- 8.1 ["Albion Equity Ltd – Disposition of Council's Preference Shares" – report to the City of Edinburgh Council \(30 May 2019\)](#)
- 8.2 ["Town Centre Fund – Allocations Report" – report to the Housing and Economy Committee \(6 June 2019\)](#)

9. Appendices

- 9.1 None.