



REPORT TO: MORAY COUNCIL ON 28 OCTOBER 2020

SUBJECT: TOWN CENTRE FUND CAPITAL GRANT 2020 TO 2021

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To provide Council with an update on additional funding allocation for the Town Centre Fund Capital Grant and to authorise proposed works and grant schemes.
- 1.2 This report is submitted to the Council in terms of Section III A (2) of the Council's Scheme of Administration relating to long-term financial plans.

2. RECOMMENDATION

2.1 It is recommended that Council :-

- (i) note the additional funding allocation;
- (ii) agree for town centres with a population of over 1000 residents
 - a. the grant scheme turning empty space into living space
 - b. the grant scheme for altering large vacant retail premises into smaller retail units, each as set out in the report;
- (iii) agree that the pre-existing mechanism for decision making and delegation of authority as set out in paragraph 3.10 of the report will continue for the additional funding; and
- (iv) agree to allocate £30,000 to cover a shortfall for the previously agreed restoration of the Market Cross in Forres.

3. BACKGROUND

- 3.1 In 2019 the Scottish Government allocated £1,233,000 to Moray for capital expenditure of the local authority and/or to be used to fund third party capital expenditure, either directly or through the provision of grants to third parties (public sector bodies, private/third sector bodies or individuals) to stimulate and support place based economic investments, which encourage town

centres with a population of over a 1000 residents to diversify and flourish, creating footfall through local improvements and partnerships. Specifically, this fund was to contribute to transformative investments which drive local economic activities and re-purpose town centres to become more diverse, successful and sustainable.

- 3.2 Originally it was expected that any works would be completed; or at least work or contracts signed and/or commenced within 2019-20. In February 2020 the Government agreed to extend the expenditure deadline for all projects to 31 March 2021 with a final evaluation report to be submitted by end of September 2021.
- 3.3 In September 2020, the Scottish Government announced further investment into capital regeneration as part of a wider 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. As outlined in the report Economic Recovery Plan to the Economic Growth, Housing and Environmental Sustainability Committee on 6 October 2020, (para 8 of the draft minute of refers) Moray's allocation is £443,000.
- 3.4 The expenditure deadline for all new projects is 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" with a final evaluation report to be submitted by end of September 2021.
- 3.5 It is proposed for the town centres with a population of over 1000 residents to reopen up the grant scheme to turn empty space into living space and to provide new grants for alterations to large vacant retail units into smaller ones.
- 3.6 For the turning empty space to living space scheme for residential and/or student accommodation, the grants would be available at a 25% intervention rate and but capped at £50,000. Full details of the updated application from are included as **APPENDIX I**.
- 3.7 In September 2020 a town centre vacancy rate survey was completed, showing that there were 34 empty units in Elgin, 12 in Keith, 12 in Buckie, 4 in Forres and 4 in Lossiemouth of which the number of vacant large retail units were 6 in Elgin, 4 in Forres & 2 in Keith.
- 3.8 In response to this vacancy snapshot, it is proposed to provide new grants for alterations of large vacant retail units into smaller ones. Grants would be available at a 50% intervention rate and capped at £50,000 for the town centres with a population of over 1000 residents. Full details of the application from are included as **APPENDIX II**.
- 3.9 In light of time constraints, advance authority to advertise the grant schemes was given by the Economic Growth, Housing and Environmental Sustainability Committee at its meeting on 6 October 2020. Application forms will be available online from the Moray Council website and for any enquiries or to discuss any proposals, people will be invited to get in touch via e-mail

towncentrefund@moray.gov.uk leaving their contact details. For both grant schemes the deadline is 14 November 2020.

- 3.10 For the administration of the funds, it is planned to continue with the present arrangements as per Council agreement on 8 May 2019 (para 13 of the minute of refers). The in-house working group of relevant officers will assess any applications and will make recommendations for funding. Under the previously agreed delegated authority, the Head of Economic Growth & Development in consultation with the Convenor of the Council and group leaders will approve any grants.
- 3.11 Under the Town Centre Fund 2019 to 2020 theme of Community & Place/Quality Impression, it was previously agreed to restore the Market Cross in Forres with an estimate for works of £11,580. However it was not possible to carry out the work, as it became apparent that the urgently required need to arrest stone decay, which has resulted in the loss of carved architectural detail would require more funding. As it is a focal point within the High Street and no other funding sources are available for this urgent repair, it is proposed to allocate £30,000 from the new Town Centre Fund 2020 to 2021 allocation to cover the shortfall.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Town Centre Funds proposals will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan. Applications packs with grant conditions were finalised with support and in consultation from Legal.

(c) Financial implications

Moray's additional allocation to the Town Centre Fund is £443,000. If the additional allocation of £30,000 to cover the shortfall for the restoration of the Market Cross in Forres is agreed, it would leave £413,000 for the proposed grant schemes. Depending on the uptake of the grants at 25% and/or 50% intervention rate, it would generate between £413,000 to over £1.6 million in match funding investment.

(d) Risk Implications

All possible care is taken across departments delivering externally funded projects to mitigate any risks. One of the main risks is the time constraints in which the fund has to be ideally spent by, which is the end of this financial year 2020/21. Final claims have to be submitted by no later than September 2021 providing some leeway for potential adverse weather conditions.

(e) Staffing Implications

The work has to be accommodated within existing staffing resources, as the fund is for capital expenditure only.

(f) Property

The fund has enabled work on Council properties, which would not have been possible otherwise under the present financial constraints.

(g) Equalities/Socio Economic Impact

An impact assessment is not required, however all proposals have considered equality implications such as accessibility

(h) Consultations

Consultation has taken place with the Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Estates Manager, the Equal Opportunities Officer, Paul Connor (Principal Accountant) and the Democratic Services Manager have been consulted and comments received have been incorporated into the report.

5. CONCLUSION

5.1 The Scottish Government recent investment into the capital regeneration provides Moray with an additional allocation of £443,000 to the existing £1.23 million Town Centre Fund.

5.2 It provides much needed opportunity to stimulate and support place based economic investments, which encourages town centres to diversify, become successful and sustainable.

Author of Report: Reni Milburn, Economic Growth & Regeneration Manager

Background Papers: Documents on file in Economic Growth & Regeneration section.

Ref: