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**REPORT TO: SPECIAL MORAY COUNCIL ON 25 OCTOBER 2023**

**SUBJECT: UK GOVERNMENT “OUR LONG-TERM PLAN FOR TOWNS”**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the announcement on 1 October 2023 that Elgin is one of 55 towns in the UK to receive £20 million funding towards town centre regeneration projects from the UK Government and to agree that the Head of Economic Growth and Development liaises with the UK and Scottish Governments to progress governance arrangements to establish a Town Board.
- 1.2 This report is submitted to Committee in terms of Section III(A)(2) of the Council’s Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 The Council is asked to:**

- (i) note the award of £20 million funding for Elgin from the UK Government Long-Term Plan for Towns;**
- (ii) agree that the Head of Economic Growth and Development liaises with the other 6 Scottish towns local authorities which have been awarded funding to share best practice;**
- (iii) agree that the Head of Economic Growth and Development establishes an initial informal group as per para 4.8 and suitable interim governance structures;**
- (iv) agree that the Head of Economic Growth and Development proposes to the initial group that the Elgin City Centre Masterplan and Delivery Programme are updated to inform the Long Term Plan, and if this is supported, delegated authority is granted to progress that work ahead of formal constitution of the Town Board; and**
- (v) agree a further report be prepared for Council when further details on the staffing and financial implications surrounding the**

**funding are available.**

### **3. BACKGROUND**

- 3.1 The Long –Term Plan for Towns was published on 1 October 2023 and seeks to invest £1.1billion into 55 towns across the UK, of which 7 are within Scotland, including Elgin.
- 3.2 The Plan recognises that through the Government’s existing programmes and lessons learned from other countries, the need for longer term funding certainty, building local partnerships, having a clear plan for delivery, joint working between central and local Government and involving people and communities from the outset are key to success and have been embedded in the Plan.
- 3.3 The funding will be focused on the issues that matter most to local people, including high streets, heritage and regeneration. The funding complements several projects within the Moray Growth Deal which will invest in Elgin and town centre regeneration funding secured from a number of external sources as reported to Economic Development and Infrastructure Services Committee on 5 September 2023 (paragraph 10 of the minute refers).

### **4. PROPOSALS**

- 4.1 The Long Term Plan requires that each of the 55 towns will have a long term plan drawn up by a new Towns Board, made up of local community leaders and employers. Each town will have a £20 million endowment style fund to invest over the next decade.
- 4.2 To support this work, the UK Government will also be establishing a new Towns Taskforce reporting directly to the Prime Minister, which will support towns on their Long-Term Plans also making it easier to repurpose empty high street shops by reforming licensing rules and supporting more housing in town centres.
- 4.3 Each town will be required to;
- Develop a Long Term Plan to invest in and regenerate their town, based on the priorities of local people and put to local people for consultation
  - Receive £20 million in endowment style funding and support over ten years to support the Town Plan, to be spent on issues that matter to local people, including regenerating high streets and securing public safety. This plan will be put to local people for comment.
  - Establish a Town Board to bring together community leaders, employers, local authorities and the local MP to oversee and deliver the Long-term Plan.
- 4.4 Once structures are in place, capacity funding will be made available from Spring 2024 to develop Town Plans which should be produced no later than Summer 2024. From summer 2024 the UK Government will provide the first year of funding to support the interventions set out in the Long Term Plan

which will be subject to assessment by the Department for Levelling Up, Housing and Communities

- 4.5 Details of the endowment style fund need to be clarified, with the Plan stating that Towns will receive funding and support of £20M (25% resource, £75% capital) to provide a range of interventions across the investment themes and will have ten years to deliver these, providing longer term certainty to deliver significant improvements in their towns. The 25% “resource” needs is presumed to be revenue but clarification is required on spending criteria.
- 4.6 The Plan states that the UK Government will provide further guidance and discuss next steps with each of the local authorities. The UK Government will work with devolved administrations in Scotland and Wales to consider how best this approach is applied in Scotland and Wales.
- 4.7 The Town Boards are expected to comprise a group of local organisations, including;
- Community partners, such as community groups, faith groups and local charities, the neighbourhood forum, the local Council for Voluntary Services
  - Local businesses and social enterprises, such as the chair or board members for the Business Improvement District, key local employers or investors in the town
  - Key cultural, arts, heritage and sporting organisations
  - Public sector agencies such as representatives from schools or police subject to local priorities
  - The local MP/MSP (to be clarified) in Scottish towns, relevant local authorities representatives such as local Councillors.
- 4.8 The Plan encourages local authorities to start bringing partners together which will form part of their Town Boards in advance of this, and to begin to set out a vision, formulate investment priorities and engage with local communities.
- 4.9 The significant work and engagement already undertaken associated with the Elgin City Centre Masterplan (ECCMP), Levelling Up Fund (LUF) round 2 bid and Moray Growth Deal mean that many projects are well positioned to progress to further engagement and delivery with advanced design work completed. The current work to complete addressing formal and informal feedback received on the unsuccessful LUF round 2 bid is transferable and includes;
- Establishing governance structures, including partnership agreements
  - Baseline information requirements and monitoring and evaluation framework
  - Risk registers
  - Revised project costs to reflect inflation
  - Phasing plan
  - Ensuring a strong, linked package of projects is retained
  - Revised economic modelling

- 4.10 However, given that the funding is secured, there is an opportunity to revisit long list projects which weren't included within the LUF round 2 bid and consider for inclusion.
- 4.11 Updating the ECCMP and preparing a complementary Delivery Plan is a resource efficient way to progress, aligning with the work associated with developing a place based approach in the next local development plan. This will then provide the opportunity to consult on priority projects which support the objectives of the Fund.

## **5 NEXT STEPS**

5.1 The proposed next steps are;

- Continue liaison with UK and Scottish Governments to inform governance and understand funding implications.
- Liaise with the other 6 Scottish towns to share best practice.
- Establish an initial informal group.
- Report to Moray Economic Partnership and the Community Planning Board on the proposed governance structures and representation on the Town Board. It is suggested that council representatives for informal discussions be those appointed to Moray Economic Partnership and the Council Leader.
- Report to Council by March 2024 with proposed governance structures and further details on financial and staffing implications.
- Establish Town Board and associated governance structures by April 2024. The Town Board to include representation from business and community.
- If supported, update the ECCMP and develop a Delivery Plan by end July 2024.
- Recruitment of project management staff to support the Delivery Plan by September 2024.

## **6 SUMMARY OF IMPLICATIONS**

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

Town Centre regeneration is a key element of economic development which is a priority in the Corporate Plan. The funding will support employment, training and skills opportunities with regeneration of the town centre supporting and enhancing the regional role of Elgin as a place to live, work and invest.

A Community Wealth Building Plan will be developed to support the programme of projects seeking to maximise economic benefit.

### **(b) Policy and Legal**

The funding will support delivery of the statutory Moray Local Development Plan 2020 and the ECCMP.

Subsidy control advice has been taken through development of the LUF bid and further advice will be required as the programme progresses.

**(c) Financial implications**

The details of how the endowment fund will operate are not known at this time with details awaited from the UK Government.

Project Management costs will be paid from the 25% revenue within the £20 million allocation. Capacity funding will be released in April to help progress the Town Centre Plan, the amount is not yet known.

Projects are likely to result in increased maintenance costs as previously reported and it is important that projects are designed from the outset to minimise ongoing costs to the Council.

Update of the ECCMP and Delivery Plan if supported will be progressed within existing resources.

**(d) Risk Implications**

There are a number of risks and opportunities including;

- A risk that the benefits of the £20M are not fully realised or evaluated officers have held workshops to establish Monitoring and Evaluation and benefits realisation plans associated with the LUF projects and these can be updated and adapted to support the Delivery Plan.
- A risk that projects are not shovel ready, however, as noted above, strong partnerships and design work has been progressed for a number of projects.
- A risk regarding inflation and construction costs, which has been and will continue to be reflected in updated cost for projects including high optimism bias levels.
- A risk that the public are not engaged in the project- this will be managed through a strong and active Communications and Engagement Plan. The local press have been very supportive and active on town centre regeneration projects and a partnership approach to communications and engagement will be key to keeping everyone informed and engaged as projects progress.

**(e) Staffing Implications**

Most of the work carried out to address LUF feedback has been carried out in house by officers within Strategic Planning and Development, Transportation and Consultancy with external expert economic consultancy support.

Officers within Strategic Planning and Development, Transportation and Consultancy will continue to progress and deliver projects as part of their duties in delivering the Moray Local Development Plan 2020, the ECCMP, Active Travel Strategy, Elgin Transport Strategy, Surface Water Management Plan.

It is proposed that in discussion with the initial advisory group, the ECCMP is updated and a Delivery Plan prepared for engagement. This will be done within existing staff resources as it aligns with the place based approach required for the new local development plan which is being prepared. Any aspirational plans outwith those previously articulated through levelling up, growth deal and ECCMP may require additional staffing resource and would need to be funded through the capacity funding within the grant.

However, it is likely that there will be a requirement for the following additional staffing resource for the delivery phase of the project, as well as external legal support;

- A dedicated programme/ project manager to co-ordinate the project to be employed in house and a part time project officer, reporting to the Strategic Planning and Development Manager
- A Project Manager (engineer) to lead on transportation projects, reporting to the Senior Engineer (Transportation)
- Potentially additional part time staff in communications, finance, procurement and audit which will need further clarification.

**(f) Property**

Council property and the public realm within the town centre may be eligible for support through this funding although clearly the focus of the funding is much wider.

**(g) Equalities/Socio Economic Impact**

The funding aims to support town centre regeneration and address economic disadvantage and in doing so, provide safer, more inclusive and accessible places.

An Equalities/ Socio Economic Impact Assessment will be undertaken on the updated Elgin City Centre Masterplan and Delivery Plan.

**(h) Climate Change and Biodiversity Impacts**

The proposals support delivery of the ECCMP which include objectives intended to reduce carbon, by re-using vacant and derelict premises, promoting active travel, greening town centres and through new initiatives including investigating a potential heat network.

There is an opportunity to link funding from the Nature Restoration Fund with delivery of town centre project in future years.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the the Head of Economic Growth and Development, the Legal Services Manager, the Head of Financial Services, the Democratic Services Manager, the Principal Climate Change Officer, the Consultancy Manager, the Senior Engineer (Transportation), the Senior Communications Officer and the Equalities Officer have been consulted and comments received have been incorporated into the report.

## **5. CONCLUSION**

- 5.1 The UK Government has published “Our Long- Term Plan for Towns” which includes Elgin as one of 55 towns in the UK to receive £20M funding towards issues that matter most to local people, including high streets, heritage and regeneration and public safety and security.**
- 5.2 The Plan requires the Council to set up a Town Board and prepare a Town Plan to deliver the £20M. The ECCMP and work to develop the LUF round 2 bid and address subsequent feedback would provide a strong platform for progressing the governance arrangements required.**
- 5.3 This report proposes that officers liaise with the UK and Scottish Governments over arrangements and begin to establish an initial advisory group and governance arrangements, then update the ECCMP and Delivery Programme.**

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Background Papers:

Ref: SPMAN-813460984-438