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**REPORT TO: MORAY COUNCIL ON 27 NOVEMBER 2019**

**SUBJECT: TOWN CENTRE FUND CAPITAL GRANT**

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

**1. REASON FOR REPORT**

- 1.1 To provide Council with an update on the Town Centre Fund Capital Grant and seek approval for the recommendations.
- 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 progress of the Town Centre Fund Capital Grant commitments and work in progress;**
- (ii) agree to providing 100% grant award for Sulva Cottage Elgin to bring it back into use; and**
- (iii) agree to allocate any funds that become available for footfall counters in the towns of Elgin, Lossiemouth, Forres, Buckie and Keith and any remaining funds to be invested in further Public Realm proposals.**

**3. BACKGROUND**

- 3.1 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 will contribute to transformative investments which drive local economic activities and re-purpose town centres to become more diverse, successful and sustainable. An overarching grant condition is that ideally all works will be completed in 2019/20 with some leeway in case of adverse

weather conditions and all final claims to be submitted by no later than September 2020.

- 3.2 Council agreed on 8 May 2019 (para 13 of the minute of refers) to offer the town centres under the theme of Town Centre Living in Elgin, Forres, Buckie, Lossiemouth and Keith a grant scheme to turn empty space into living space for residential and or student accommodation. These grants were originally at a 50% intervention rate and capped at £150,000, however due to unexpectedly high demands were capped under delegated authority at £100,000 or 25% of the eligible costs, whichever is the lesser amount.
- 3.3 For all towns including settlements with a population of 1000 or more, which comprises Lhanbryde, Burghead, Fochabers, Hopeman, Dufftown, Kinloss, Cullen, Aberlour, Rothes, Portknockie, Findochty and Mosstodloch under the theme of Vibrant Local Economies, a shop front improvement and/or small grants scheme has been offered at an intervention rate of 50% with a maximum grant availability of £25,000.
- 3.4 Under the theme of Enterprising Communities and Accessible Public Services a range of public realm investment has been agreed with the priorities of the Council to spend to save, including digital smart systems, which would create a network that can be used independently of mobile signals for small packets of data for footfall, temperature, road traffic, air quality, social care uses and opportunities for businesses.
- 3.5 Under the theme to enhance low carbon accessibility and transport hubs it was agreed to invest in Buckie to create a bus stop bay, which will improve journeys to and from the town centre and in Elgin to transform the bus station into a travel hub with improved access for pedestrians and vehicles, install a PA system, external lighting, replacement of the existing canopy, seating, etc.
- 3.6 Due to the time constraints and any unused monies having to be returned to the Government, it was agreed to award grants based on the merits of the application and the sums remaining for distribution, without any overarching nominal allocation to each eligible town or settlement. The deadline for applications and proposals was 21 June 2019.
- 3.7 A working group was set up to aid the delivery of projects and consisted of Economic Growth and Regeneration team, which administers the funds, Finance, Building Standards and Development Management, Direct Services, Legal and Transport sections. Roadshows throughout May/June 2019 were provided for initial support and guidance for applicants.
- 3.8 The main criteria for assessment of applications was that the proposal was transformational and at the heart of any town centre or settlement; and that the project had clear outputs and outcomes and was achievable in the given time frame. Additionally for residential properties, that the Landlord would act responsibly. Applicants were asked to provide photos before works and after completion. Also all necessary consents such as planning permission, building warrant, etc. have to be in place before any work commences.

- 3.9 16 applications for transforming empty space to living space have been submitted at a total value of over £3.7 million requesting £1.2 million. For shopfront & small grants 40 applications were received at a total value of £1.2 million requesting £437,000. Over 56 Public realm proposals were received requesting well over £1million with 2 transport proposals at £95,000. The working group assessed the proposals and made recommendations as to compliance with the criteria, prioritisation and scale of award. Full details are contained in **APPENDIX I and APPENDIX II.**

#### **SULVA COTTAGE**

- 3.10 One proposal which was considered by the working group which would require a 100% grant award rather than the level set out in paragraph 3.2 is a Council Trust property; Sulva Cottage in Elgin requires significant work to bring the property back into a useable state. The property sits at the foot of Ladyhill and is currently vacant; the proposal would bring the property back into use and provide a rental income to the trust sufficient for future maintenance and for the future improvement of the adjacent cottage. Without this funding the property will remain empty and deteriorate.

#### **REMAINING FUNDING**

- 3.11 Subject to funding becoming available through variations in cost or non take up of grants, it is proposed that unallocated money be used for footfall counters to utilise the Internet of Things LoRaWAN network discussed in a separate report to this meeting. Footfall counters in Buckie, Keith, Lossiemouth, Elgin and Forres may cost in the region of £15k and would provide permanent and continuous footfall counts in town centres to inform Town Centre performance reports and impacts of events and avoid staff time in manual counts.
- 3.12 It is proposed that any last remaining funds be further used to enhance public realm with prioritisation given to those projects that meet the Town Centre criteria and save Council money.

### **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**

The total allocation for Moray is £1,233,000 for capital expenditure only. For transforming empty space to living space, if the proposed refurbishment of the Sulva Cottage is approved at 100% grant award,

the total investment on completion will be £1,652,453 consisting of £477,015 grant offer and attracting £1,175,438 match funding. For shopfront improvements the total investment on completion will be £1,241,834 consisting of £353,918 grant offers attracting £887,916 in match funding.

For transport the total cost is £95,000 with the Town Centre Fund allocation of £88,000 and match funding from HITRANS/Stagecoach of £7,000.

For public realm work £316,080 has been committed. For all schemes, monitoring systems have been set up to assess progress and any potential underspend, to allow re-allocation of funds for further public realm works and footfall counters. The full details of any associated cost for these counters have not been finalised yet and will be subject to funds being available.

**(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 2019/20. Final claims have to be submitted by no later than September 2020 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 Head of Legal and Democratic Services, the Equal Opportunities Officer, the Head of Financial Services and Tracey Sutherland, Committee Services Officer have been consulted and comments received have been incorporated into the report.

**5. CONCLUSION**

**5.1 The Town Centre Fund provides much needed opportunity to stimulate and support place based economic investments, which encourages town centres to diversify and flourish.**

**5.2 If the recommendation are approved, the Town Centre Fund of £1.23 million will have supported a total of 59 projects and on completion created an investment of over £3.2 million, transforming the heart of Moray's communities to become more diverse, successful and sustainable.**

Author of Report:

Background Papers: Documents on file in Economic Growth & Regeneration  
Section

Ref: