

THE HIGHLAND COUNCIL

**PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE
20 May 2009**

Agenda Item	8
Report No	PED 39/09

TOWN CENTRE REGENERATION FUND

Report by Director of Planning & Development

SUMMARY

This paper provides information on the recently announced Town Centre Regeneration Fund and offers an approach to guide the Council efforts in any applications that may be made within Highland for support from this Fund.

1. Introduction

- 1.1 On Thursday the 30th of April 2009 the Scottish Government formally launched the Town Centre Regeneration Fund. A detailed briefing on the Town Centre Regeneration Fund is attached as Appendix 1.
- 1.2 It is known that there will be considerable interest in this Fund and strong competition for it across all of Scotland. Local government, including the Council, has long argued for funding to be made available to help small town centres to complement the funding that Scotland's cities have received through the City Growth Fund.
- 1.3 As demand will be high and the fund is relatively speaking small at only £60m, any application will be assessed against a series of strict criteria as detailed below:
- Only one bid per organisation per town centre will be accepted.
 - The Fund can only be invested in Town Centres – as designated in Local Plans.
 - Works must be capital in nature.
 - Funding must be additional to existing spending programmes.
 - The Fund must be spent in financial year 2009/10.
 - A degree of leverage funding is being achieved.
 - The bids support local delivery plans with all local statutory, private and third sector representatives being involved and supportive.
 - How well the proposal satisfies 4 key Scottish Government National Outcomes
 1. *We live in a Scotland that is the most attractive place for doing business in Europe.*
 2. *We realise our full economic potential with more and better employment opportunities for our people.*
 3. *We live in well designed, sustainable places where we are able to access the amenities and services we need.*
 4. *We value and enjoy our built and natural environment and protect and enhance it for future generations.*

- 1.4 As a number of other organisations in addition to the Council will be able to apply for the fund, it is quite conceivable that a number of separate bids could be submitted from the Highland Council area.

2. Appraisal and assessment process

- 2.1 Applications will be subject to a four stage assessment process comprising:

- An initial sift to ensure eligibility conditions are satisfied.
- Scoring of all applications against the criteria to produce a ranking of bids.
- Consideration by an Independent Assessment Panel which will consider the spread of bids geographically, organisationally and by size of town and, combining this with ranking information, recommend to Ministers the allocations that ought to be made.
- Consideration and final decision by Ministers.

3. Deadline for applications

- 3.1 Applications for the Town Centre Regeneration Fund will be taken in two tranches to allow rapid action and results, as well as the opportunity for all bodies and all activities to have a fair chance to apply.

Tranche One

The first deadline for applications will be 5 June 2009. The Scottish Government hope to complete the assessment process and be able to announce offers of grant around 30 July 2009.

- Successful projects will receive offers of grant.
- Unsuccessful applicants will receive written feedback on the reason their bid was unsuccessful. There will be no prohibition on re-submission of bids for the second tranche of funding. Feedback will be limited to an explanation of reasons for lack of success, and will not extend to assisting in preparation of a further bid.

Tranche Two

The second and final deadline for applications will be 21 August 2009. The Scottish Government hope to complete the assessment process and be able to announce offers of grant around 19 October 2009.

- Successful projects will receive offers of grant.
- Unsuccessful applicants will receive written feedback on the reason their bid was unsuccessful.

4. Proposed Council Approach

- 4.1 In determining which Town Centre(s) should be selected for inclusion in the Council's bid, the assessment will need to ensure that the key criteria as detailed above is met, as well as how the bid supports the Council's Programme 2009-2011. It is suggested that, in addition to submitting its own bid for its preferred

town centre(s), the Council should also consider supporting applications from other organisations where these align with existing Council priorities and programmed works.

- 4.2 As detailed in Appendix 1 some 23 settlements have Local Plan designated 'town centres' and hence potentially calls will be made on the Council to support bids in a number if not in all these 'town centres'. Clarification has been sought from the Scottish Government as to whether Inverness 'city centre' is eligible or not. A verbal update will be given to Committee.
- 4.3 As explained in paragraph 2.1 the Council has long argued for investment in its various town centres and hence it is exceptionally difficult to prioritise the need of one town or a small number of towns against the remainder. However, as demand will be great for this Fund and the resources finite and available only in 2009/10, the Council needs to assess and determine which town(s) is/are best placed to compete for the available funding.
- 4.4 At this time the Council's Programme points towards the town centres in Thurso and Wick as part of the wider regeneration initiative in Caithness, while the existing programmed capital streetscape works in Dingwall and Nairn town centres, where consultation is complete and design work is nearing finalisation, suggest these town centres should be considered as a high priority.
- 4.5 At the time of writing this report joint investigative work is ongoing with the Corporate and Ward Managers to establish where business interest and project proposals exist. If the proposals meet the eligibility criteria, then further joint work will take place to help determine whether a viable and competitive bid for the Fund can be made.
- 4.6 As this work is ongoing it is not possible to bring a detailed assessment to the consideration of this Committee. If an application(s) is to be submitted in Tranche 1 by 5 June 2009, which is recommended if at all possible as 66% of the Fund will be dispersed at this time, Members are asked to agree to a delegated decision making process whereby the Director of Planning in consultation with the Convener, Leader of the Council's Administration and Chair of the Planning, Environment and Development Committee, determines which town(s) is/are included in the Council bid and which town(s) is/are supported by the Council if an application is made by another eligible organisation. A further report will be presented to the August PED Committee on any application(s) made and an assessment of any potential Tranche Two applications to be made by the 21 August 2009 deadline.

5. RECOMMENDATION

5.1 Committee is recommended to:

- (i) Authorise the Director of Planning & Development, in consultation with the Convener, Leader of the Council's Administration and the Chairman, to submit an application or applications for the Town Centre Regeneration Fund by the 5 June 2009 deadline and to determine which other applications, to be made by others, the Council should support.

- (ii) Request that a further report is presented to the August PED Committee on any application(s) made and an assessment of any potential Tranche Two applications to be made by the 21 August 2009 deadline.

Signature:

Designation: Director of Planning and Development

Date: 5 May 2009

Author: Andy McCann/Alan Webster

APPENDIX 1: TOWN CENTRE REGENERATION FUND

Why has the fund been introduced?

The Scottish Government recognises the importance of Scotland's town centres and local high streets to the economic and social fabric of the nation. The new £60m Town Centre Regeneration Fund is a sign of the Government's commitment to the improvement of town centres, particularly through challenging economic times.

What does the Fund aim to achieve?

The Fund is intended to support regeneration and growth in town centres the length and breadth of Scotland. The Scottish Government is looking for projects that can provide tangible economic, social and environmental benefits to their local communities, thereby helping deliver National Outcomes. Bids that are coordinated through local partnerships that include business and community groups will be encouraged. This is to promote a sustained legacy of improved town centres and partnerships to continue to support them.

Who will be able to apply for funding?

The Scottish Government has indicated that it will accept bids from Local Authorities; Community Planning Partnerships; Town Centre Management organisations; local businesses and business groups such as the Chambers of Commerce; Business Improvement Districts; Urban Regeneration Companies; Registered Social Landlords where these are active in relevant town centres, and third sector groups.

All applicants will be required to prove their legal identity, and their legitimate interest in the town centre on behalf of which they are submitting the bid. Only one bid will be accepted per organisation per town centre. Those bids which are coordinated through local partnership arrangements including, for example, the Community Planning Partnership or Business Improvement District will be looked upon favourably.

Appraisal and assessment process

Applications will be subject to a four stage assessment process:

Stage 1: Initial Sift

The Scottish Government Housing and Regeneration Division will, with the support of COSLA undertake all appraisal and assessment at stages one and two of this process.

At the initial sift stage, any application from an ineligible town centre; applicant; or for activity which does not constitute capital investment will be eliminated. In addition, the Scottish Government will be looking for evidence that:

- The Fund would complement rather than replace existing planned spend;
- A degree of leverage of funding from other public and/or private sector sources will be achieved;
- Spend can be achieved in an appropriate timescale (at latest by end of March 2010).

Stage 2: Scoring against Criteria

Bids that satisfy eligibility criteria will proceed to the second sift stage, at which point they will be scored against a number of criteria. Scores will be used to produce a ranking of applications which will help to inform selection of the projects that are eventually chosen.

The first four criteria represent Scottish Government National Outcomes and will assist in determining the degree to which projects support the achievement of these national priorities.

Criterion 1: We live in a Scotland that is the most attractive place for doing business in Europe.

Criterion 2: We realise our full economic potential with more and better employment opportunities for our people

The Scottish Government will be looking in particular for evidence of:

- Leverage from other public and private sector sources. Higher rates of leverage will attract higher scores
- The involvement and support of the local business community in the bid, through the Community Planning Partnership or other local partnership arrangements
- Creation of employment opportunities, particularly where these are long term and will benefit the local community
- Potential to attract future investment

Criterion 3: We live in well designed, sustainable places where we are able to access the amenities and services we need

The Scottish Government will be looking in particular for evidence that the bid will support delivery of relevant local plans, agreed between local partners.

Criterion 4: We value and enjoy our built and natural environment and protect and enhance it for future generations

The Scottish Government will be looking for evidence that bids will enhance the built and natural environment of the town centre through, for example, remediating gap sites or perhaps undertaking a fundamental clean of the built environment.

Criterion 5: Project can be delivered, and within the accelerated timescale of the Fund

The Scottish Government will be looking for assurance that applicants are ready and able to quickly deliver outcomes. This will particularly include evidence that:

- All necessary planning consents are in place
- All necessary building consents are in place
- All grant will be claimed by the end of March 2010

Criterion 6: Strategic impact and long term sustainability

The Scottish Government will be looking for evidence that:

- The bid supports local delivery plans
- All local partners have been/are involved and supportive
- Funding for all other elements of the project are identified and committed
- Any ongoing revenue costs arising from the investment are identified and a local partner is committed to meeting these costs

Stage 3: Consideration by Independent Panel

At the third stage of assessment, scoring information on ranked bids will be considered by an independent expert panel which will include a representative from local government, from the private sector and an independent chair. Their role will be to recommend to Ministers the allocations that should be made. In doing so, they will consider the geographic spread of bids to ensure that all areas of Scotland benefit from the Fund. They will also consider the spread of bids across towns of differing sizes and will look to ensure that small and medium sized towns benefit fairly from the Fund. This information will be weighed up alongside the scores achieved by bids to arrive at a recommendation for allocations that reflects the relative merits of bids whilst ensuring a good spread across all of Scotland.

Stage 4: Consideration and Decision by the Scottish Ministers

Finally, Ministers will be asked to consider the recommendations of the panel and to decide to which applicants grant will be offered.

Highland 'Town Centres'

A preliminary assessment of the Highland Council's adopted and draft local development plans indicates the following settlements have a designated 'town centre':

Local Development Plan	Settlement
Inverness Local Plan (March 2006)	Inverness * Beauly ✓ Drumnadrochit Ardersier Fort Augustus ✓
Sutherland Local Plan - Deposit Draft November 2008	Golspie
West Highland and Islands Local Plan Deposit Draft 2008	Fort William Portree
Local Development Plan Caithness Local (September 2002)	Settlement Thurso ✓ Wick ✓
Nairnshire Local Plan (December 2000)	Nairn ✓
Wester Ross Local Plan (June 2006)	<i>No settlements identified as having a 'town centre'</i>
Ross & Cromarty East Local Plan (February 2007)	Invergordon Tain Strathpeffer Alness Dingwall ✓ Fortrose Achnasheen Avoch Evanton Munlochy North Kessock Muir of Ord

Table 1

✓ Indicates where Planning and Development Capital Programme has projects for 2009/10

* Clarification on eligibility sought from Scottish Government.

What types of project might be able to apply?

The Town Centre Regeneration Fund can only support capital investment. This might include, for example, infrastructure improvements such as improving pedestrian access, remediation of vacant and derelict sites, streetscape projects which enhance and improve how a town centre operates, access infrastructure, shopfront improvement projects, fitting of vacant sites to provide car parking facilities, or structural remodelling of business premises.

Deadline for applications

The Town Centre Regeneration Fund will be available from 1 April 2009 until 31 March 2010. Applications will be taken in two tranches to allow rapid action and results, as well as the opportunity for all bodies and all activities to have a fair chance to apply.

Tranche One

The first deadline for applications will be 5 June 2009. The Scottish Government hope to complete the assessment process and be able to announce offers of grant around 30 July 2009.

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Successful projects will receive offers of grant. Unsuccessful applicants will receive written feedback on the reason their bid was unsuccessful.

Does the Government intend for the full £60m to be spent in 2009-10?

Funding has been accelerated from 2010-11 in recognition of the additional needs of our town centres in these difficult economic times. The funding does therefore require to be spent in financial year 2009-10.

Will there be a Town Centre Regeneration Fund in 2010-11?

The Scottish Government has no current plans for provision in 2010-11.

Will there be any limits on the level of spending available to each area/ project?

The Scottish Government wants to create opportunities for real and lasting improvements to High Streets and at the same time ensure that the benefit of the fund is felt across the whole of Scotland. While there will be no absolute limits on the levels of funding available to each project, effort will be taken to make sure that no one project or area benefits at the expense of other town centres in Scotland. The Scottish Government also points out that any successful application will be expected to display additional investment being made as a result of the Fund and any other levered-in resources.