**Town Centre Fund**

**Information Sheet**

**May 2019**

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**Purpose**

The Town Centre Fund seeks to encourage town and city centres to diversify and flourish, giving new purpose and creating footfall. The Highland Council has been given a £2,965,000 capital grant to spend in the 2019-2020 financial year. This grant can be spent on Council, public or private sector projects.

While the fund can be used for a wide range of investments, in practice this is more limited due to:

* the capital nature of the fund (it must be used on physical assets),
* the Fund must be spent or committed by March 2020 (or else returned to Scottish Government) and,
* the guidance received from the Scottish Government states that the projects must be ‘transformational’ and making a change from what has happened in the past.

The top priority for any project is to give people a reason to be in the town/city centre by re-purposing buildings for housing, retail, business, social and community enterprises, services, leisure and culture, tourism and heritage.

The secondary priority, and ideally one that is undertaken in support of the re-purposing of buildings, is to improve town centre access and infrastructure.

It is anticipated that a small number of transformational projects will be identified and progressed during 2019/20. At the current time there is no indication as to whether the Fund will be available in subsequent years.

The Town Centre Fund grant is to be used in the financial year 2019-20. It is expected that the works funded will be completed; or, at least work or contracts signed or commenced within 2019-20. Unused grant will require to be repaid to the Scottish Government.

**In practice therefore, projects will effectively need all permissions in place and tenders issued early November 2019.**

**Decision-making**

Decisions on the use of the fund rest with the Council and can be used on Council or third party (public sector bodies, private sector bodies or individuals) capital expenditure. It can be anticipated that social enterprises or community organisations will be eligible if they are companies limited by guarantee/shares.

The Council is expected when making investment decisions, to do so:

* in the context of the Scottish Government’s policy steer for town centres, e.g. Town Centre First Principle
* based on approaches that are collaborative and place based with a shared purpose, e.g. town centre strategies
* after being informed by tools and support available, e.g. Town Centre Toolkit

In support of its localism commitment and to bring decision-making closer to communities, the Council has agreed that Area Committees will be involved in identifying and recommending which projects are awarded Town Centre Funding. To aid this decision making, indicative area financial allocations have been identified.

Allied to this and to provide contingency funding in case indicative area allocations are insufficient to enable a priority project to proceed, it is proposed to retain a strategic reserve fund which will ‘top-up’ grant awards. If an area is unable to utilise its allocation, the residual funds are returned to the strategic reserve fund.

A cross-party sub-group, Chaired by the Council’s Chair of Environment, Development and Infrastructure Committee, will then consider the ranked eligible projects and approve funding, utilising as appropriate the strategic reserve fund.

**Town/City Centres**

The following town/city centres have been identified as eligible for the Town Centre Fund:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Aviemore | Ardersier | Strathpeffer | Balintore | Brora |
| Grantown-on-Spey | Thurso | Ullapool | Conon Bridge | Dornoch |
| Kingussie | Wick | Maryburgh | Tain | Golspie |
| Newtonmore | Portree | Dingwall | Muir of Ord |  |
| Beauly | Broadford | Evanton | Avoch |  |
| Drumnadrochit | Nairn | Alness | Fortrose |  |
| Inverness | Fort William | Invergordon | North Kessock |  |

**Indicative Area Allocations**

|  |  |  |
| --- | --- | --- |
| **Town Centre Fund Grant received** | | £2,965,000 |
| **Strategic Fund @ 15%** | | £444,750 |
| **Name of Committee** | **Settlements** | **Area allocation\*** | **Strategic top-up** | **Total** |
| Badenoch and Strathspey Area Committee | Aviemore, Grantown-on-Spey, Kingussie, Newtonmore, | 265,289 |  | 265,289 |
| Caithness Committee | Thurso, Wick | 132,645 | 132,645 | 265,290 |
| City of Inverness Area Committee | Beauly, Drumnadrochit, Inverness (Balloch, Culloden, Smithton, Milton of Leys, Westhill, Inverness), Ardersier | 596,901 |  | 596,901 |
| Isle of Skye and Rasaay Committee | Broadford, Portree | 132,645 | 66,322 | 198,967 |
| Lochaber Committee | Fort William (Banavie and Corpach, Caol, Fort William) | 198,967 |  | 198,967 |
| Nairnshire Committee | Nairn | 66,322 | 132,645 | 198,967 |
| Ross and Cromarty Committee | Strathpeffer, Ullapool, Alness, Evanton, Invergordon, Balintore, Tain, Conon Bridge, Maryburgh, Dingwall, Muir of Ord, Avoch, Fortrose, North Kessock | 928,513 |  | 928,513 |
| Sutherland County Committee | Brora, Dornoch, Golspie | 198,967 |  | 198,967 |
|  | **TOTAL** | **2,520,250** | **331,612** | **2,851,862** |
| Residual Strategic Fund available |  |  | **113,612** |  |

\*Allocation calculated on the same distribution methodology utilised by the Scottish Government when allocating the Town Centre Fund across Scotland. A town is defined as a locality with a population equal to or greater than 1000 people.

**Project Eligibility**

The Scottish Government has decided that the Town Centre Fund must be for physical transformational projects and therefore to ensure that this takes place, has given it to the Council in the form of capital grant. This means that only certain types of projects can be funded, for example, the spending must be of a "one-off" nature and result in the construction or improvement of an asset such as a building or an area of land. Given the steer that projects are to be transformative it can be anticipated that a smaller number of larger projects rather than a series of small projects is envisaged by Scottish Government.

Spending that is of a revenue nature, for example, staff salaries, maintenance or for the costs of running events or services, is not eligible.

Three examples are given below of the type of transformational project envisaged with the re-purposing of buildings.

A Project Proposal proforma is outlined below and prospective project sponsors are requested to complete and return to [regeneration@highland.gov.uk](mailto:regeneration@highland.gov.uk), as soon as possible, but no later than 1st July 2019, to aid project identification.

**Transformational Project Examples**

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| --- |
| **Example 1**  The project involves the redevelopment of three listed buildings to enable public access and to create an attractive environment for business and public engagement. It will be a part of a wider town centre regeneration initiative, with aims to create a centre for improved learning, leisure and cultural engagement. It is also a direct outcome from public consultations about the social and economic situation of the town and has been developed with local businesses, arts community and Historic Environment Scotland.  Additional funding:   * Historic Environment Scotland   Project objectives:   * to increase local business development and start-up rates by creating flexible business facilities that provide space for local entrepreneurs, exhibitions and hospitality industry; * to revitalise the town centre and make it more attractive to private investors; * to attract more tourists into the area.   Project outcomes/ outputs:   * x jobs created * 3 buildings refurbished and brought back into use * x sq m of business space created or modified |
|  |
| **Example 2**  The project will develop a high profile long term vacant and derelict town centre site to provide efficient and affordable business space. Local consultation highlighted that 94% of the local residents and businesses involved supported the initiative. The site is well located and this ease of access will be one of the key points to attract businesses and further enhance local regeneration.  Additional funding:   * Private Leverage   Project objectives:   * unlocking a regionally and strategically important site and it’s economic potential; * creating office space for SME’s and Key Sector industries; * providing town centre job opportunities.   Project outcomes/ outputs:   * x jobs created * x sq m of business space created * x ha of vacant and derelict land brought back into use |
|  |
| **Example 3**  The aim of the project is to redevelop a vacant town centre property into ground floor retail/business unit and upper floors into residential property. The need for more housing in the town centre and creation of retail/business units for affordable rent was identified in the Town Centre Action Plan as a number one priority to achieve social and economic regeneration. The project will be delivered by the local Community Development Company in a partnership with the Local Authority and a private developer.  Additional funding:   * Scottish Government Housing Investment * Private leverage   Project outcomes:   * increasing the number of local people taking part in community-led and self-development programmes; * bringing back business/retail use to town centre * repopulating the town centre   Project outcomes/ outputs:   * x jobs created * x residential flats for affordable rent * x flats available for low cost purchase * x retail/business unit available * x ha of vacant or derelict Land remediated |

|  |  |
| --- | --- |
| **Town Centre Fund**  **Project Proposal**  (Send to [regeneration@highland.gov.uk](mailto:regeneration@highland.gov.uk) ) | |
| **Site Address:** |  |
| **Ownership:** |  |
| **Project Lead and contact details:** |  |
| **Type of community consultation/ nature of response** |  |
| **Description of Site** (including planning status): | |
| **Proposed Town Centre Fund Works** (*e.g. acquisition, demolition, remediation, % contribution towards capital build costs):* | |
| **After Use:** | |
| **Indicative Costs** (Please provide a breakdown of key cost elements):   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Town Centre Fund** |  |  | **Overall costs and funding source** |  | |  | £ |  |  | £ | |  | £ |  |  | £ | |  | £ |  |  | £ | |  |  |  |  |  | | **Total** | **£** |  | **Total** | **£** | | |
| **Timescale for Completion** (including key milestones i.e. tender issue date, tender acceptance, works start, TCF works complete, project completion date. All statutory consents to be in place and tenders issued no later than 1 November 2019): | |
| **Fit with Policy** (projects are expected to be aligned with national and local commitments to town centres including the Town Centre First Principle and the Town Centre Action Plan; and more recently, the Place Principle): | |
| **Estimated Outputs** (e.g. jobs created, Xm² of floor space brought back into productive use, ha land remediated, X residential units created): | |
| **Location Plan** | |