

Item: 9

Development and Infrastructure Committee: 4 June 2019.

Town Centre Fund.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider use of a capital grant allocation received from the Town Centre Fund for financial year 2019 to 2020.

2. Recommendations

The Committee is invited to note:

2.1.

That the Scottish Government has confirmed an award of capital grant funding, amounting to £200,000, to the Council as part of the Town Centre Fund.

2.2.

That the aim of the Town Centre Fund is to enable local authorities to support economic investments in towns with a population of over 1,000 which encourage town centres to diversify and flourish.

2.3.

That the decision on use of the Town Centre Fund grant allocation rests with the Council and the grant, which is for capital expenditure, must be used in financial year 2019 to 2020.

2.4.

That Financial Regulations permits the Head of Finance, in exceptional circumstances, and in consultation with the Leader of the Council, Depute Leader and the Chief Executive, to approve any capital expenditure which he considers is in the interest to the Council and which is fully funded.

It is recommended:

2.5.

That, following consideration of feedback from Kirkwall BID Limited and the Stromness Community Development Trust, powers be delegated to the Executive Director of Development and Infrastructure, in consultation with the Chair and Vice Chair of the Development and Infrastructure Committee, to identify a range of potential projects, to utilise the Town Centre Fund.

2.6.

That, due to the exceptional circumstance, being the funding time constraint, the procedure, referred to at paragraph 2.4 above, be followed in order to seek approval for capital projects that may be delivered utilising the £200,000 Town Centre Fund.

3. Background

3.1.

In December 2018, the Scottish Government announced that it would provide a new £50 million ring fenced Town Centre Fund for 2019 to 2020 aimed at supporting improvements to town centres.

3.2.

In March 2019, the Scottish Government confirmed distribution of the Town Centre Fund between local authorities, with Orkney Islands Council being awarded a capital grant of £200,000. Eligible towns are defined as having a population of over 1,000, restricting local eligibility to projects located in Kirkwall and Stromness.

4. Grant Aims and Conditions

4.1.

The aim of the Town Centre Fund is to enable local authorities to support economic investments which encourage town centres to diversify and flourish, creating footfall through local improvements and partnership. In particular, the grant is expected to fund projects which deliver against the themes identified in the Scottish Government's Town Centre Plan. These themes include:

- Town Centre Living – to promote affordable housing in town centres.
- Vibrant Local Economies – creating a supportive business environment including the involvement of Business Improvement Districts and other local partnerships.
- Enterprising Communities – social enterprise, services, arts and events; and, community empowerment and community-based activities which increase the health, wealth and wellbeing of town centres.
- Accessible Public Services – creating and accessing public facilities and services, supported by economic, service and transport hubs.
- Digital Towns – exploiting digital technology and promoting WiFi infrastructure to enable access to information, data analytics, marketing opportunities, branding and communication with the wider world.
- Proactive Planning – land reform and supporting the creation of sustainable, low carbon and connected places which promote natural and cultural assets.

4.2.

The decision on use of the funding rests with the Council and the grant, which is for capital expenditure, must be used in financial year 2019 to 2020. The grant may also be used to fund third party capital expenditure in the current year, either directly or

through the provision of grants to third parties (public sector bodies, private sector bodies or individuals).

4.3.

It is expected that local authorities make decisions on what projects to fund in the context of 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. As such it is expected that investment decisions are based on approaches which are collaborative and place based with a shared purpose, and make use of tools and support developed by the Scottish Government, Scotland Town Partnership and other key partners.

5. Projects for Consideration

5.1.

In terms of identifying potential projects in Kirkwall and Stromness and in the absence of any town centre plans for either settlement, planning documents such as the Kirkwall and Stromness Urban Design Frameworks can provide an indication of future development plans for both towns, however projects identified in both plans tend to be larger scale projects which will have a long lead in timescale. As a result, such projects are unlikely to be suitable for the Town Centre Fund given the challenging timescale of completing projects before the end of March 2020.

5.2.

In order to try and identify one or two small scale projects that could be progressed in Kirkwall and/or Stromness relatively quickly, contact has been made with both Kirkwall BID Limited and the Stromness Community Development Trust with a request to come forward with any potential projects.

5.3.

In terms of Council promoted projects within town centres which might be considered worthy of future investment, the former primary school playground(s) in Stromness would benefit from some investment as a public space with better public access from the Town Centre. In Kirkwall, further public realm works as an addition to those carried out via the Townscape Heritage Initiative could be considered but the lead in time for design works may not allow for completion in the current financial year.

6. Corporate Governance

This report relates to the Council complying with its financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

7.1.

The £200,000 grant to the Council is for capital expenditure which is additional to that which is already, or would otherwise be, included in the 2019 to 2020 capital programme and should not substitute for existing spend.

7.2.

If the Council does not use the grant in the financial year 2019 to 2020, any unused grant is to be repaid to the Scottish Government unless otherwise agreed in writing by Scottish Ministers.

7.3.

The grant will be paid to the Council quarterly with £50,000 received to date.

7.4.

Any request for an addition to the capital programme would normally be by way of a recommendation to the Policy and Resources Committee. Due process allows for competing priorities to be evaluated against each other over the medium to longer term along with the allocation of finite resources over the short term to the development of capital projects, including an options appraisal. This process plays an important role in terms of planning delivery of an ongoing programme of capital works and ultimately assessing both the affordability and effectiveness of the capital programme as a whole.

7.5.

The established route for initiating development of a capital project is through the Capital Programme Asset Management working group and onwards to the Senior Management Team. Outline Stage 1 Capital Project Appraisals are then duly considered by the relevant service committee, before the Policy and Resources Committee decides which projects are to be progressed to detailed Stage 2 Capital Project Appraisal and added to the capital programme as appropriate. That said, the relatively short timescale attached to this offer of capital grant funding may be considered a reason to treat this request as an exception to due process.

7.6.

Paragraph 7.1.2 of the Financial Regulations permits the Head of Finance, in exceptional circumstances, and in consultation with the Leader of the Council, Depute Leader and the Chief Executive, to approve any capital expenditure which he considers is in the interest to the Council and which is fully funded.

8. Legal Aspects

If the Council is to be the recipient of grant assistance, the Council will require to adhere to any conditions upon which such funding is provided.

9. Contact Officers

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