

Agenda Item	7.
Report No	CC/03/21

HIGHLAND COUNCIL

Committee: Caithness Committee

Date: 21 January 2021

Report Title: Town Centre Fund

Report By: Executive Chief Officer: Infrastructure and Environment

1. PURPOSE/EXECUTIVE SUMMARY

- 1.1 The Scottish Government has allocated The Highland Council an additional £1,066,000 ring-fenced Town Centre Fund (TCF). On 5 November 2020, Members of the Economy and Infrastructure Committee Members agreed an area distribution of the grant. Caithness Committee was allocated £56,104. The eligible settlements for TCF investment are Thurso and Wick.
- 1.2 While a Town Centre focus remains with the fund, the key driver behind the extra funding is to stimulate local construction activity and support employment across Highland at this time of economic crisis. Accordingly, the Scottish Government has conditioned the grant offer that grant expenditure must be complete by March 2021 (i.e. works completed or contracts signed/commenced within 2020/21).
- 1.3 On 17 November 2020, the Chair of Caithness Committee confirmed that it was the wish of Members in the first instance to prioritise the second tranche of TCF grant for existing 2019/20 TCF projects that required additional financial assistance to complete or enhance their projects. A secondary aspiration was to investigate established local priorities that could be delivered by The Highland Council. One such example was CCTV provision in both eligible settlements. Of primary concern to Members was the ability to meet the challenging timetable. As such it was felt that by working with existing Grantees and prioritising Council led projects, it would mitigate the threat of funds not being committed by 31 March 2021

2. RECOMMENDATIONS

- 2.1 Members are asked to:
- i. Consider and agree the proposed additional TCF expenditure for 126 High Street, Wick; and
 - ii. Consider arranging a Special Committee Meeting to consider Council led projects to benefit from the remaining TCF investment.

3. IMPLICATIONS

- 3.1 **Resource** – The additional TCF grant is capital (for investment in fixed physical assets) and ring-fenced with specific conditions attached. The grant can be spent by The Highland Council or third parties.
- 3.2 **Legal** – When managing external funding it is imperative that the risks to The Highland Council are accessed/mitigated and any back to back grant award letters with third parties, and financial claims management protect The Highland Council financial and reputational interests.
- 3.3 **Community (Equality, Poverty and Rural)** – The purpose of the additional grant is to support the construction sector with contracts in town centres across Highland.
- 3.4 **Climate Change / Carbon Clever** – No direct implications arising albeit specific projects may bring positive implications.
- 3.5 **Risk** – As per item 3.2 above.
- 3.6 **Gaelic** – As per item 3.4 above.

4. **TOWN CENTRE FUND GRANT AWARD: 2020/21**

- 4.1 On 10th September 2020 the Scottish Government announced an additional £18m through the TCF as part of its national economic recovery stimulus package, particularly aimed at supporting construction activity across Scotland. On 18th September the Scottish Government issued its formal grant offer to The Highland Council. The value of the grant offered is £1,066,000.
- 4.2 The grant offer and accompanying guidance includes the following key conditions of grant:
1. *All grant expenditure must be complete by 31 March 2021 (whether the project is led by Council or third party);*
 2. *The grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2020-21 budget, and should not substitute for existing spend;*
 3. *The Grant may also be used to fund third party capital expenditure in the current year; and*
 4. *No part of the grant may be transferred to the Capital Fund, nor may any part of the grant be used to meet the costs of debt redemption.*

5. **DELIVERY CONSIDERATIONS**

- 5.1 The Scottish Government in their TCF grant award guidance explicitly states that: *it is expected that local authorities will prioritise projects which are established and can progress in time to meet this deadline (31 March 2021). Expenditure is defined as “It is expected that work will be completed; or, at least work or contracts signed or commenced within 2020/21”.*
- In other words, this together with the town centre purpose of the fund can be read as, the Scottish Government is expecting The Highland Council to support existing Town Centre located projects that could benefit from some additional spend, or new Town Centre projects that are ‘shovel ready’ to be progressed.

6. **TCF PROPOSALS**

6.1 126 High Street, Wick

The 2019/20 TCF project has progressed well and nearing completion. However, on completion of the demolition works it became apparent that the original scope of the works proposed to make good the exposed gable end of the adjacent property, was considered by the property owner as inappropriate and unsatisfactory. Consequently a more permanent remedial solution was devised (stonework repairs) and agreed with the property owner. The implication is that the project is now projecting a £12,000 overspend (£11,000 works and £1,000 professional fees). The project lead, Highland Housing Alliance are seeking a further £12,000 TCF to absorb this unforeseen package of additional works.

6.2 Council led projects (CCTV)

At the time of writing a detailed TCF proposal has not been developed. The Council is currently undertaking a piece of work to review all Highland Public Space CCTV and current provision and monitoring arrangements. This involves liaising with Police Scotland as part of the Highland CCTV Partnership. As part of this work the Council will be looking at improvements in current camera technology and monitoring capabilities including locations across the area. It is anticipated that sufficient information will be available in the middle of February to inform a detailed TCF proposal being drafted for Members consideration. It is therefore suggested that consideration be given to arranging a special meeting of the Caithness Committee next month to agree the scope of project to benefit from the remaining balance of the Caithness TCF allocation (£44,104).

Designation: Executive Chief Officer: Infrastructure and Environment

Date: 14 January 2021

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