

ANGUS COUNCIL

2 NOVEMBER 2023

REGENERATION CAPITAL GRANT FUND

REPORT BY ALISON SMITH, DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH

ABSTRACT

This report seeks authorisation from Angus Council to act as lead applicant and to submit a stage two application to the Scottish Government "Regeneration Capital Grant Fund" on behalf of Arbroath Courthouse Community Trust (ACCT).

1. RECOMMENDATIONS

It is recommended that the Council:

- (i) note the background to the Regeneration Capital Grant fund and the specific opportunities and risks which arise from participation in the fund as set out in the report;
- (ii) note the position on the application covered by this report and the specific benefits and potential risks associated with these;
- (iii) agrees that Angus Council act as lead applicant and authorises the Director of Vibrant Communities and Sustainable Growth to submit a stage two application to the Scottish Government Regeneration Capital Grant Fund on behalf of Arbroath Courthouse Community Trust; and
- (iv) notes that agreeing to submit a stage two application means the Council is supportive of the project in principle at this stage and final sign-off, should the Regeneration Capital Grant Fund be approved to be awarded, will be the subject of further reports.

2. ALIGNMENT TO THE COUNCIL PLAN

Caring for our Economy

Support entrepreneurship across Angus

Caring for our People

Reduce inequalities in all our communities.

Caring for our Place

Protect and enhance our natural and built environment.

Enable inclusive, empowered, resilient and safe communities across Angus.

Make our local services accessible.

Improve connectivity in and around Angus.

3. BACKGROUND

- 3.1 The Scottish Government Regeneration Capital Grant Fund (RCGF), delivered in partnership with COSLA and local government, supports locally developed place-based regeneration projects that involve local communities, helping to tackle inequalities and deliver inclusive growth in deprived, disadvantaged and fragile remote communities across Scotland. Applications to the fund are invited on an annual basis and, where justified, can potentially cover more than one financial year (subject to available budget).
- 3.2 The RCGF is primarily aimed at either providing new infrastructure or enhancing existing infrastructure that will improve the economic, social, and physical environment of communities.

The RCGF supports place-based approaches to delivering regeneration and inclusive growth and is aligned to the [Place Principle](#).

Projects should:

- focus on areas that suffer from high levels of deprivation and disadvantage
- demonstrate clear community involvement
- deliver large scale transformational change with strong regeneration outcomes
- encourage additional investment and address market failure in communities
- detail how they are contributing towards the target of net-zero carbon emissions by 2045.

3.3 Following a call for first stage applications, we received applications from Arbroath Courthouse Community Trust (ACCT) and Hospitalfield Trust.

3.4 Following agreement from CLT on 20th June 2023, stage one expression of interest bids for Regeneration Capital Grant Fund were reviewed and agreed by a small project subgroup of Director of Finance, Director Vibrant Communities and Sustainable Growth, Service Leader Planning and Service Leader Vibrant Communities. Angus Council, acting as lead applicant submitted two stage one applications.

3.5 The proposals also align to the Tay Cities Deal, particularly the Culture and Tourism Investment Programme.

4. CURRENT POSITION

4.1 The Scottish Government Regeneration Capital Grant Fund Investment Panel met in August 2023 to consider all Stage 1 project proposals received and Angus Council was informed of the panel decision by email on Thursday 28th September as follows:

- Arbroath Courthouse Community Trust – recommended by the panel and invited to submit a stage 2 application.
- Hospitalfield – not recommended by the panel. There was a very high level of competition for RCGF support and the assessment panel was not persuaded that the project sufficiently demonstrated a strong fit with the RCGF criteria given its focus on hotel/retail development, coupled with limited evidence to demonstrate delivery of regeneration outcomes - particularly physical and social. They felt additional evidence of wider community consultation and more information to demonstrate current market failure could have been included along with the rationale for reliance on 100% public funding, and other funding models that might have been considered.

4.2 The deadline for stage 2 applications is 14:00 on Friday 10th November. Decisions on successful applications are expected December 2023/January 2024. Should the Stage 2 bid be successful, a further report will be brought to Council seeking approval to accept the grant.

5. ARBROATH COURTHOUSE COMMUNITY TRUST

5.1 The Courthouse sits in the centre of the town and is a building of significant heritage interest that for centuries has been part of the fabric and skyline of the town. One part of the building was the former Townhouse the other the former Guildry building. By reconfiguring the courthouse into a multi-purpose community facility in the heart of the town it has the potential to fundamentally change the nature of the town centre and regenerate a community where areas of deprivation sit in the worst data zones of 5%, 10 and 20% (SIMD)

5.2 The former Arbroath Courthouse complex, comprises of two iconic buildings in the town centre, has always been regarded as important to the town and momentum grew to save the buildings when the Courthouse closed in 2014. The Arbroath Courthouse Community Trust (ACCT) was established to identify how the community could take control of the buildings and use them for the benefit of Arbroath. From the outset, the Trust's vision was to create a multi-purpose community centre in the heart of the town providing community services, learning space, social and creative space, and a suite of social enterprises. The Trust has a healthy board of 12 board members and additional advisors and has over 400 trust members who are members of the public with an interest in the project, this will increase as the project develops.

- 5.3 Arbroath Courthouse Community Trust (ACCT) took ownership of the building through a Community Asset Transfer with the Scottish Courts and Tribunals Services. This was made on the condition that the full refurbishment costs be funded by the charity and that future proposals would be of benefit to the community.
- 5.4 The project will see the refurbishment and upgrade of the former B-listed Arbroath Court House into a multipurpose community facility. The Arbroath Courthouse Building has over 1000m² of space but has deteriorated significantly since its closure in 2014. The plan is to refurbish and upgrade the building to provide a stunning, accessible, and functional building for the community. A variety of initiatives will be delivered in the building throughout the year that will have an economic and social impact, these are detailed within the Trust's business plan. The building is in good condition and monies secured from the Place-Based Investment Programme and Historic Environment Scotland have allowed repairs to the roof.
- 5.5 In 2016 The Arbroath Town Centre Charrette highlighted the Sheriff Courthouse building as a possible prototype for the regeneration of the street as a proactive element of the Arbroath economy, enterprise, and culture. From that engagement event, the plan is to develop a facility that will provide spaces for heritage interpretation, exhibitions, and visitor information and become a physical component of the cultural strategy for the town and region, adding to existing facilities that are present in the town. The updated Business Plan (Jan. 2023) states that the developed complex will:
- Establish a place where all members of the community can come together in an inclusive environment.
 - Create a space where both locals and visitors can find out about Arbroath's history, heritage, and culture.
 - Provide a space that will support enterprise.
 - Support a culture of learning and volunteering that will contribute to employment and resilience.
- 5.6 Dundee & Angus College have already agreed to work in partnership with the Arbroath Courthouse Community Trust as an outreach learning facility, especially for advanced students in construction skills development and providing an opportunity to gain accreditation or access to full-time courses. The college will use the premises as a centre for those disengaged from formal learning facilities such as colleges and schools. Hospitalfield has used the existing Courthouse Facility as the location for their yearly "artists in residence programme" over the summer period, as well as for exhibitions and events and is keen to continue to use the building and to work in partnership with the Courthouse.
- 5.7 The Trust will act as the "Anchor Organisation" by providing this centre for Arbroath and the surrounding area. It will establish a community-owned and managed asset that adapts in response to the community's needs over time. ACCT will not deliver services itself; the day-to-day operation of the centre will be delivered in partnership with user groups and tenants who will collaborate around a single vision. The complex will include a variety of multi-use spaces that will support community cohesion, new enterprise, learning and skills development, and economic activity, contributing to the regeneration of the High Street and the wider town. The Trust is conscious of the evidence of relative deprivation and the intention is to ensure that facilities and services provision will be inclusive of the most disadvantaged in conjunction with suitable workable partnership agreements in place.
- 5.8 The centre will provide space for community events, room hire for third-sector organisations, mini conference facilities, exhibition/event space and meeting rooms. High-speed internet provision, high-specification communication and presentation equipment will attract quality conference, meeting, and training hire of which there is a dearth in the town. The Trust will develop a pricing structure that does not act as a barrier to the third sector, community organisations or individuals alike. It can also provide rental space for public sector services more generally.

6. PROPOSALS

- 6.1 The project takes account of the Tay Cities Deal Regional Cultural & Tourism Investment Programme, Angus Tourism Strategy and Angus Cultural Strategy; this is a priority sector within Angus. In addition, the project fits into the Angus Community Plan, Local Development Plan and the wider Tay Cities Deal on economic development by creating opportunities for volunteering, employment, skills development, and training. It supports Inclusive Growth and community wealth-building principles.

6.2 The board of the Arbroath Courthouse Community Trust have been working closely with the Vibrant Communities team and has secured support from Development Trust Association Scotland (DTAS) and Business Gateway Tayside. The group have also reached out and are being mentored by the Huntly Development Trust, following a site visit to their multi-million-pound community-owned facility in Huntly.

6.3 Costs

Eligible project costs to be funded by RCGF grant	£2,328,000
Costs funded by other sources	£527,984
Total project cost (£)	2,855,984

Secured funding

Place-Based Investment Fund – Angus Council	£281,000
Robertson Trust	£20,000
Northwood Trust	£20,000
Town Improvement Trust	£1,500
Crowdfunding	£2,850
Rental Income	£4,560
Donations	£6,590
HES Repair Grant, Stage 2	£191,484
Total (£)	£527,984

6.4 The project by its nature is focussed on local regeneration, community & economic development and addressing a wide range of inequalities. This proposal supports the five national strategic objectives of wealthier and fairer, smarter, healthier, safer, and stronger and greener. ACCT's current and future development will encompass these aspects in partnership with other existing local groups.

6.5 There is no minimum request for the Regeneration Capital Grant Fund, and applicants may apply for 100% of the total eligible project costs. Leverage will be considered as part of the RCGF Investment Panel's assessment of applications, in terms of either contribution to a wider programme or within the project itself (Place Principle).

6.6 Arbroath Courthouse Community Trust will continue to apply for grant funding during the life of the project. This will provide working capital and kick-start investment in the early years of the project to reduce the risk of insufficient revenue income being available during early trading. The sustainability of the Courthouse is based on letting space. Key income generators will come from the let of kitchens, creche and retail spaces, anchor tenants and hall hire. (Source Business Plan 2023). As indicated in this Report's recommendations, further satisfactory details on future ongoing revenue streams necessary for the success of the project are required prior to officers being able to recommend that Angus Council supports the acceptance of a potential grant from the Scottish Government, should the stage two application be approved.

7. FINANCIAL IMPLICATIONS

7.1 Angus Council must be the lead applicant if a third party wishes to apply to the RCGF and therefore bears the project's financial and monitoring responsibilities, as well as adhering to the legal terms and conditions of the grant from the Scottish Government. This was the position with the now-completed Montrose Playhouse project.

7.2 Acting as lead applicant and submitting a stage 2 application on behalf of ACCT has no direct or immediate financial implications for the Council beyond the commitment of officer time. Officers will request sight of the proposed terms and conditions of the grant should the stage two application be approved so that clarity is obtained on the potential liability of Angus Council in terms of the grant funding and details of such liability will be provided to Council when a further report is brought on this matter. Please also see the key risks outlined below, Depending on the capacity available within the Legal team, it may prove necessary to outsource the legal

work related to this project. The position will be clarified in the follow-up committee report. Should the stage 2 funding application be approved together with estimated costs?

- 7.3 Should the stage two application be successful, and an offer of grant made, again there would be no direct or immediate financial implications for the Council beyond officer time to support and monitor the project to ensure the grant conditions can be met. Should, there be issues with the delivery of the project, the Scottish Government will work in partnership with Angus Council to support. One benefit of the redevelopment of the Court House is the condition of the building, it is not derelict and if required development can be phased. All terms and conditions to the council detailed within the Scottish Government agreement will be mirrored within the agreement between the Council and the Court House. It should be noted that officer resources from other services will be required, particularly in finance and support from legal will be required for the creation negotiating, monitoring and completion of a legal agreement.

8. OTHER IMPLICATIONS (IF APPLICABLE)

RISK

- 8.1 The following initial risks are highlighted:

- **Risk of the capacity of third party to deliver large-scale regeneration projects:** Community Groups applying to RCGF will be required to have the capacity and project management experience to deliver large-scale regeneration projects. This risk has been mitigated by the ongoing support to ACCT from the Vibrant Communities, Community Development Officers, DTAS and Business Gateway. Scottish Government have also given the group advice on progression and the group have recruited additional experienced board members.
- **Risk of additional resources required from staff:** All Community Development projects are resource intensive, however, the benefits, particularly around social and economic benefits outweigh the risk. This project contributes to the Community Plan outcomes and all Community Development Support is given in line with the Community Empowerment (Scotland) Act 2015.

- 8.2 Only after stage two approval and an offer of grant being accepted would the financial/legal implications and risks to Angus Council arise. Should ACCT's stage two application be successful mitigation measures will be put in place to minimise the impact of the identified risks but in any event, a further report will be brought to members before any offer of grant is accepted clearly outlining such risks.

- 8.3 Key Risks identified:

- Tendered costs exceeding the funding package.
- Costs exceed tender estimate due to unforeseen issues.
- Delay to the project, causing an issue in the funding. In this instance, a discussion with the Scottish Government will take place to secure an extension to the funding. Most RCGF applications are delivered over 2 years.
- Project failure during the construction phase, where there are legitimate issues, the Scottish Government will support Angus Council in finding the right solution.
- Ongoing financial viability issues leading to closure once operational. This risk has been mitigated through ACCT having a robust business plan in place, written by consultants and reviewed by both DTAS and Business Gateway.
- On acceptance of the award, if the proposal is approved, the terms and conditions of the grant become the responsibility of Angus Council and Angus Council is bound to ensure that they are complied with. Should anything go wrong, Angus Council is responsible for rectifying the issue in terms of the grant agreement. However, the Scottish Government will support Angus Council in this instance to secure a future end user of the building if required. Officers have been liaising with other Local Authorities and out of all 37 successful stage 2 bids Highland Council and Argyll and Bute Council have secured, all have been successfully delivered with no repercussion on the council.
- The Court House building has been purchased by Arbroath Courthouse Community Trust through a Community Asset Transfer with the Scottish Courts and Tribunal Services. Should Arbroath Court House Community Trust as a charity cease to exist, in line with their transfer agreement, the Scottish Courts and Tribunal Services would be able to reclaim the building.

9. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment has been carried out and is attached.

10. CONSULTATION

The Corporate Leadership Team has been consulted on the preparation of this report. Stage one bids for the Regeneration Capital Grant Fund were reviewed and agreed by a small project subgroup of the Director of Finance, Director of Vibrant Communities and Sustainable Growth, Service Leader Planning and Service Leader of Vibrant Communities.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1: Equality Impact Assessment
Appendix 2: ACCT building designs