

**SPECIAL POLICY & RESOURCES COMMITTEE – 1 OCTOBER 2020**

**TOWN CENTRE FUND – ADDITIONAL FUNDING**

**JOINT REPORT BY THE DIRECTOR OF COMMUNITIES AND THE DIRECTOR OF FINANCE**

**ABSTRACT**

This report advises the Committee of additional funding allocated to the Council under the Town Centre Fund and seeks agreement of proposals on how this funding should be used.

**1. RECOMMENDATION**

1.1 It is recommended that the Committee:

- a) Note that Angus Council has been awarded additional funding from the Scottish Government under the Town Centre Fund of £387,000 in financial year 2020/21;
- b) Note that the criteria for using this additional funding are largely the same as for the original allocation of £1.080m awarded to the Council in financial year 2019/20;
- c) Note that the timescale for spending the additional funding in a manner which fits the Town Centre Fund criteria is challenging but achievable providing that quick decisions are made on use of the extra funding;
- d) Agree that the additional funding of £387,000 be distributed and used in the manner set out in paragraph 3.1 and Table 1 of this report;
- e) Agree the delegated authority and flexibility measures set out in Section 4 of this report which include delegating to the Director of Communities, following consultation with the Director of Finance and local ward members, authority to identify and implement projects to use the additional funding provided;
- f) Note that a full update on all projects being delivered using the Town Centre Fund, including those projects to be funded using the additional funding described in this report, will be brought to the meeting of this Committee in December 2020.

**2. INTRODUCTION**

2.1 In June 2019 (Report 217/19 refers) members were advised of new capital funding awarded to the Council under the Town Centre Fund 2019/20. Members agreed to distribute the funding to the 7 main burgh towns based on population and agreed to undertake a public consultation exercise to gather project ideas and options from the public. In September 2019 (Report 289/19 refers) members agreed the list of projects to be taken forward in each town. In January 2020 (Report 25/20 refers) an update on the progress of projects to be funded using the Town Centre Fund was provided and members agreed some specific measures to manage the funding in a way which reduced the risk of it not being utilised in full.

2.2 The Council was advised by letter on 18 September 2020 that additional funding of £387,000 was being awarded under the Town Centre Fund in the current financial year. The stated aim of this additional funding (£18m for the whole of Scotland) is to

stimulate local construction activity and support employment across Scotland, and local authorities are being asked to ensure this is prioritised in investment decisions. Local authorities should also make investment decisions using the 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.

- 2.3 The Council's original funding allocation for Town Centre Fund (£1.080m) had to be spent or legally committed by 31 March 2020 and fully expended by 30 September 2020. These deadlines (for all Councils) were subsequently extended by a full 12 months in early March (just before the pandemic and lockdown took effect) in recognition that the original timescales set were difficult to achieve in practice.
- 2.4 The additional funding of £387,000 although only confirmed at the mid-point of the financial year must be spent within these revised timescales, i.e. spent or legally committed by 31 March 2021 (in 6 months) and fully expended by 30 September 2021. These timescales have a bearing on what can practically be achieved and is partly why officers are seeking an urgent decision on the use of these additional funds at this special meeting of the Committee.
- 2.5 The additional funding is capital funding and must be spent on projects not already included in the Council's plans and budgets.

### 3. USE OF ADDITIONAL FUNDING

- 3.1 In view of urgency of using the funding quickly in the current economic climate; the deadlines for using the additional funding and the intention behind it as stated in paragraph 2.2 above the Committee is asked to agree the following approach to use of the additional funding of £387,000:-
- That it be distributed on the same basis as the original allocation – to the 7 burgh towns based on population (see Table 1 below);
  - That projects to use this funding which meet the Fund criteria be identified by officers in consultation with local ward members as a matter of urgency;
  - That projects outwith the town boundaries e.g. in large villages which would still meet the Town Centre Fund eligibility criteria can be included if local ward members are in agreement with such an approach;

**Table 1 – Updated Funding Allocations**

Town	Population	%age*	Funding Share – Original £1.080m	Funding Share – New £0.387m	Revised Total Funding
Arbroath	23,911	28.9	£312,294	£111,905	£424,199
Brechin	7,201	8.7	£94,050	£33,701	£127,751
Carnoustie	11,386	13.8	£148,709	£53,287	£201,996
Forfar	14,099	17.1	£184,142	£65,984	£250,126
Kirriemuir	5,912	7.1	£77,215	£27,669	£104,884
Monifieth	8,224	9.9	£107,411	£38,489	£145,900
Montrose	11,958	14.5	£156,180	£55,964	£212,144
<b>Total</b>	<b>82,691</b>	<b>100.0</b>	<b>£1,080,000</b>	<b>£387,000</b>	<b>£1,467,000</b>

\* - shares calculated to 6 decimal places and some rounding errors apply

- 3.2 Officers have reviewed progress on existing projects and the potential for new projects to be delivered in each town utilising the additional funding and are confident that if decisions are made within the next few weeks worthwhile and suitable projects can be identified and delivered within the funding deadlines.

#### **4. DELGATED AUTHORITY AND FLEXIBILITY MEASURES**

4.1 Through Report 25/20 members gave authority to:

- a) exceed the total funding allocated at that time (£1.080 million) by up to 2.5% (£27,000) – this to be funded from the Council’s uncommitted General Fund Reserve if required; and
- b) adjust the allocations to individual burghs by up to +/- 10%.

Both of these measures were intended to give flexibility to officers (working with local members) to deliver all of the agreed projects and were recommended solely to reduce the risk of some of the Town Centre funding going un-used and having to be returned to the Scottish Government.

4.2 Although the total funding now available through the Town Centre Fund has increased no changes to the value (£27,000) in point a) in paragraph 4.1 above are recommended. This means the Committee’s previous decision from January 2020 to allow spending in excess of the Town Centre Fund allocation would remain at £27,000 (equivalent to 1.8% of the revised funding total).

4.3 In relation to point b) in paragraph 4.1 above it is recommended that the +/- 10% flexibility now be applied to the Revised Total Funding column in Table 1 to take account of the additional funding allocated.

4.4 In approving Report 25/20 members also agreed to delegate to the Director of Communities, following consultation with the Director of Finance and local members, authority to determine any further changes to the Town Centre Fund projects (including the addition of new projects if funds allow) to ensure delivery of the agreed projects and use of all of the funds available. Allowing adjustments to be made in this way, without having to revert back to Committee, was considered essential to avoid delays.

4.5 It is recommended that this delegation continue to apply and be extended to cover new projects utilising the additional funding provided (£387,000).

#### **5. FINANCIAL IMPLICATIONS**

5.1 There are no additional financial implications for the Council arising from the recommendations in this report. All projects will be funded using the Town Centre Fund allocations from the Scottish Government. A small allowance of £27,000 (previously approved in Report 25/20) is proposed to be continued to provide flexibility to ensure that the whole amount of Government funding can be fully utilised. In view of decisions made by Council in September 2020 on revisions to the 2020/21 revenue budget (Report 211/20 refers) should the £27,000 require to be utilised it would need to come from the Council’s COVID-19 contingency as all other uncommitted General Fund Reserves have now been committed.

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