

ANGUS COUNCIL - 4 NOVEMBER 2021

REGENERATION CAPITAL GRANT FUND – ARBROATH COURTHOUSE COMMUNITY TRUST

**REPORT BY
VIVIEN SMITH, DIRECTOR OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC SECTOR
REFORM**

ABSTRACT

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

1. RECOMMENDATION(S)

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 programme 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) authorises Angus Council to act as lead applicant and to a submit stage two application to Scottish Government “Regeneration Capital Grant Fund” on behalf Arbroath Courthouse Community Trust.
- (iv) note 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 Regeneration Capital Grant Fund be awarded, will be the subject of further reports.
- (v) Note that further satisfactory detail on future ongoing revenue streams necessary for the success of the project as well as the liability implications for Angus Council are required prior to officers being able to recommend that Angus Council supports the acceptance of a potential grant from Scottish Government, should the stage two application progress to the next stage.

2. ALIGNMENT TO THE COUNCIL PLAN/COMMUNITY PLAN

- Angus to be a go to place for business
- To maximise inclusion and reduce equalities
- Our communities to be strong, resilient, and led by citizens
- Angus Council to be efficient and effective

ECONOMY

- An Inclusive and sustainable economy
- Attractive employment opportunities

PEOPLE

- An enhanced, protected and enjoyed natural built environment
- A reduced carbon footprint
- Safe, secure, vibrant sustainable communities

PLACE

- Engage with citizens and communities to deliver the right services at the right time
- Coordinate our place-based activity and investment through the development of the Angus Local Development Plan (known as the Angus Plan)

3. BACKGROUND

- 3.1 The 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.
- 3.2 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). The fund is open to all 32 Scottish local authorities individually or they can work through Urban Regeneration Companies or other Special Purpose Vehicles (SPVs) i.e., a third party.
- 3.3 In 2018 Angus Council working with Montrose Playhouse were successful in securing funding from RCGF. Reference is made to Item 12 of the minute of meeting of the Angus Council dated 5 September 2019. This has resulted in more third parties (community groups) who are looking for significant capital funding to approach and request Angus Council to act as lead applicant on their behalf.
- 3.4 Due to the pre-election period, the Scottish Government's website was not updated with the Regeneration Capital Grant Fund details for this year therefore, no formal public announcement about the fund opening was made. Local Authorities were directly notified by Scottish Government advising they were accepting proposals for the Regeneration Capital Grant Fund 2022-23 with a deadline of 2pm on Thursday 17th June 2021. Community groups who have in the past expressed an interest in the fund were notified and made aware of this funding opportunity and were invited to submit Stage 1 applications and a project plan for consideration. The organisations notified were, Arbroath Courthouse Community Trust (ACCT), Kirrie Connections, Monifieth Resource Community Group and Showcase the Street.
- 3.5 Applications were received by Arbroath Courthouse Community Trust (ACCT) and Showcase the Street.
- 3.6 Following authorisation at Policy & Resources Committee on 8th June 2021 Angus Council, acting as lead applicant submitted two stage one applications ranked as follows:
- Priority 1 – Arbroath Courthouse Community Trust
Priority 2 – Showcase the Street
- 3.7 The proposal has close links to the Place priority in the Council Plan. Supporting our communities to be strong, resilient and led by citizens will see a change in direction in communities have greater control and support from the Council to develop proposals and access funds to take forward projects and build capacity is part of Council business. Support through initiatives such as this shows strong commitment.
- 3.8 The proposal also aligns to the Tay Cities Deal, particularly the Regional and Tourism Investment Programme.

4. CURRENT POSITION

- 4.1 The Regeneration Capital Grant Fund Investment Panel met on 19th August 2021 to consider all project proposals received and Angus Council was informed of the panel decision by email on Thursday 16 September as follows:
- 4.2 Priority 1, Arbroath Courthouse Community Trust – recommended by the panel and invited to submit a stage 2 application with a recommendation that the panel would like to see further information on how the project fits into Tay Cities cultural regeneration and wider local plans.
- 4.3 Priority 2, Showcase the Street – not recommended by the panel.

4.4 The deadline for stage 2 applications was Friday 22nd October. As there was no committee planned before the deadline Scottish Government were contacted and asked if there was any flexibility with the submission date for sign off. Scottish Government agreed that the application be submitted in time for the deadline pending Angus Council consideration on Thursday 4th November. A copy of the full application is detailed at appendix one which is an exempt paper due to the confidential nature of the application.

4.5 Decisions on successful applications is expected December 2021/January 2022. Should the Stage 2 bid be successful, a further report will be brought to Council potentially 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 adapting this complex into a multi-purpose community facility in the heart of the town it would fundamentally change the nature of the town centre and regeneration a community with datazones in the worst 5%, 10 and 20% SMID.

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 onset 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. When first established there were 30 members, Trust membership is now over 400 and recruiting continues with the aim of a membership of around 1000.

5.3 Arbroath Courthouse Community Trust 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 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 2014. The plan is to refurbish and upgrade the building to provide a stunning, accessible, and functional building for the community. Funding will also be secured for a team of staff to deliver a programme of initiatives throughout the year that will have an economic and social impact.

5.5 In 2016 The Arbroath Town Centre Charrette highlighted the Sheriff Courthouse building as a possible prototype for regeneration of the street as a proactive element of the Arbroath economy, enterprise, and culture. The facility would provide spaces for heritage interpretation, exhibitions, 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. 2020) 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 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 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 round a single vision. The complex will include a variety of multi-use spaces that will support community cohesion, new enterprise, learning and skills development, 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.

- 5.7 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 to individuals alike. It can also provide rental space for public sector services more generally.

6. PROPOSALS

- 6.1 The Regeneration Capital Grant is primarily aimed at providing new/and or improved infrastructure to improve the economic, social, and physical environments of communities. The proposal meets the aims and objectives of the fund and focuses on area with high level of deprivation and inequalities, demonstrates community engagement and involvement and will deliver transformational change in Arbroath and the surrounding area.

- 6.2 The project proposal also correlates with the Angus Council vision and Community Plan 2017-2020 priorities, namely reducing child poverty, improving mental health and wellbeing, and improving accessibility and connectivity.

- 6.3 Project Costs

RCGF requested	£2,246,688	
Other funding sources Historic Environment Scotland Repair Grant	£ 348,800	HES Repair Grant Stage2 is currently under consideration and report will be finalised during Oct 2021 and submitted to HES for a decision. The estimated costs directly related to the HES Repair Grant are £696000. HES can grant up to 50% of this amount, ACCT would have to match fund the other 50%.
RCGF total cost expenditure	£2,594,488	

- 6.4 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). Grant is generally paid in arrears and must relate to spend actually incurred or legally committed.

- 6.5 Arbroath Courthouse Community Trust currently have four funding applications pending totalling £399,057.00 for a combination of capital and revenue costs. To date a total funding of £141,614.00 is confirmed from various sources.

- 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 insufficient revenue income 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 2020). As indicated in this Report's recommendations, further satisfactory detail 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 Scottish Government, should the stage two application progress to the next stage.

7. FINANCIAL IMPLICATIONS

- 7.1 Angus Council must be lead applicant if a third party wishes to apply and therefore bears the project financial and monitoring responsibilities, as well as adhering to and potentially legal responsibility for the legal terms and conditions of the grant from Scottish Government.
- 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 grant should the stage two application progress to the next stage so that clarity is obtained on the potential liability of Angus Council in terms of the grant funding and detail of such liability will be provided to Council when a further report is brought on this matter.
- 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 albeit there is likely to be financial implications for Angus Council should the Arbroath Courthouse Community Trust be unable to meet the grant conditions. Whilst officer input will likely be sizeable at this stage, it is an essential part of accepting any grant offer – without this the grant may well not proceed to be finalised and the Council may be exposed to further significant financial risks and have no means to manage those exposures. It should be noted that officer resource, particularly in legal would require to be augmented to undertake this work.

8. OTHER IMPLICATIONS

8.1 RISK

As noted in report 191/21 which approved the Council acting as lead applicant on the stage one application, it is too early to say what the implications to Angus Council will be given the two-stage competitive process followed by RCGF. The following initial risks are highlighted however:

- i. Risk of the capacity of third party to deliver large scale regeneration projects - Community Groups applying to RCGF will require to have the capacity and project management experience to deliver large scale regeneration projects. Successful groups will be required to comply with all financial, legal, audit and project monitoring requirements as set by the Managing Authority, in this instance – Angus Council.
 - ii. State Aid and Compliance with UK Subsidy Control. –. The EU State Aid Rules were revoked from UK Law in January 2021. All applicants will be required to adhere to UK Government Subsidy Control schemes obligations, including amongst others, the EU-UK Trade and Cooperation Agreement, World Trade Organisation Membership and commitments arising from international treaties and Fair-Trade Agreements to which the United Kingdom is a party.
 - iii. Risk of additional resource required from staff - resource intensive particularly for legal and finance. Projects contribute to Community Plan outcomes but bring in no revenue to the council. It will therefore be essential to consider the revenue implications for both the project and Angus Council, (which will be outlined in future reporting) if the bid progresses to the next stage before it can be recommended.
 - iv. Only after stage two approval and an offer of grant being issued would the financial / legal implications and risks to Angus Council increase. However, based on the experience of the grant offer to the Montrose Playhouse project, key risks were raised, and mitigation measures, in so far as these were possible, put in place via a legal agreement (report 218/19 refers). Should ACCT's stage two application be successful similar mitigation measures would require to be put in place to seek to minimise the impact of the identified risks.
- 8.2 Key Risks identified:
- Balance of funding package not being achieved
 - Tendered costs exceeding funding package
 - Costs exceed tender estimate due to unforeseen issues

- Timescales: full spend won't be achieved in any particular financial year, requiring flexibility on grant payment from Scottish Government
- Project failure during construction phase
- Ongoing financial viability issues leading to closure once operational
- Lack of oversight/control of project delivery Anchor tenants demand lower than anticipated, Angus Courthouse Community Trust may want to widen their tenant scope to include statutory partners.
- Displacement and demonstration of added value
- On acceptance of award, if the proposal is approved, the terms and conditions of grant fall with Angus Council. Should anything go wrong, Angus Council is responsible to rectify including in terms of costs.
- 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.
- Potential for services to be displaced from other properties in the town.
- Potential that the project cannot be recommended due to revenue costs to Angus Council not being available to support the proposal and/or the nature of the financial liabilities that Angus Council is expected to take on.

9. EQUALITY IMPACT ASSESSMENT

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

10. CONSULTATION

10.1 The Corporate Leadership Team has been consulted on the preparation of this report.

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:

Exempt Appendix1 – Regeneration Capital Grant Fund Stage 2



Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

Step 1

Name of Proposal (includes e. g. budget savings, committee reports, strategies, policies, procedures, service reviews, functions):

Step 2

Is this only a **screening** Equality Impact Assessment No

(i) It does not impact on people No

(ii) It is a percentage increase in fees which has no differential impact on protected characteristics No

(iii) It is for information only No

(iv) It is reflective e.g. of budget spend over a financial year No

(v) It is technical No

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment Yes

Is this a Fairer Scotland Duty Assessment No

If you have answered Yes to either or both of the above, continue with Step 3.

If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 3

(i)Lead Directorate/Service: Strategic Policy, Transformation and Public Service Reform

(ii)Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

No, The 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). The fund is open to all 32 Scottish local authorities individually or they can work through Urban Regeneration Companies or other Special Purpose Vehicles (SPVs) i.e. a third party.

Following authorisation at Policy & Resources Committee on 8th June 2021 Angus Council, acting as lead applicant submitted two stage one applications ranked as follows:

Priority 1 – Arbroath Courthouse Community Trust
Priority 2 – Showcase the Street

It was noted that agreeing to submit a stage one application meant the Council was supportive of the projects in principle at this stage and that final sign off, should Regeneration Capital Grant Fund be awarded, will be subject to further reports.

The Regeneration Capital Grant Fund Investment Panel met on 19th August 2021 to consider all project proposals received and Angus Council was informed of the panel decision by email on Thursday 16 September as follows:

Priority 1, Arbroath Courthouse Community Trust – recommended by the panel and invited to submit a stage 2 application with a recommendation that the panel would like to see further information on how the project fits into Tay Cities cultural regeneration and wider local plans.

Priority 2, Showcase the Street – not recommended by the panel, application declined.

(iii)What is the aim of the proposal? Please give full details.

Further information required from stage 2 application form

Arbroath Courthouse Community Trust (ACCT) - "Arbroath Courthouse Community Centre"

ACCT plan to create a multi-purpose Community owned facility serving the DD11 postcode area. The former Courthouse is comprised of two connected listed buildings. They will be repaired and adapted in a sustainable manner which protects their listed status, improving and enhancing the civic qualities that both buildings inherently have.

The Trust visualise this project as a catalyst towards regeneration of the High Street aiding revival of the town centre as a place of civic activity, creativity, and social enterprise. It is envisaged that such a facility would cater for all age groups from the young to the more senior citizens providing opportunities for social engagement, reducing isolation, learning, skills development related to both personal enhancement and achievement and where appropriate directly to employment. Those most disengaged and disadvantaged in the community would be able to access and use the facility as a focal point to address the issues that concern them.

The facility would provide spaces for heritage interpretation, exhibitions, visitor information and become a physical component of the cultural strategy for the town and region.

(iv) Is it a new proposal? Yes
Please indicate OR

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function? No Please indicate

Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees	Yes
Job Applicants	No
Service users	Yes
Members of the public	Yes

Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:

Internal data (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

Internal consultation (e.g. with staff, trade unions and any other services affected).

CLT discussions have taken place on applications and the project management required by Angus Council on behalf of third-party applicants including financial and legal risks.

External data (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

Arbroath Courthouse Communities Trust has carried out extensive research to support their individual proposals and applications. Applicants were asked to provide Angus Council with a fully detailed project plan that includes project summary, logic model, delivery plan, organisational competence, evidence and research on meeting demand, engagement and support.

External consultation (e.g. partner organisations, national organisations, community groups, other councils).

Arbroath Courthouse Communities Trust – Project Plan section 6 – Engagement and support.

“The original Business Plan produced in 2015 updated twice, most recently in 2020, reports on research carried out in the community to gauge support for the project. In the community survey 209 responses representing 500 people offered their views about the concept. Stakeholder interviews over two phases representing 25 separate organisations were held to ascertain their views about the viability of the project. The following aspects were also included to provide an in depth study, Strategic Review, Demographic/statistical analysis, Case studies, Competitive/Partner analysis providing an overview of 41 facilities in the town and wider region covering sport, leisure, community and culture to identify a gap for the Courthouse project. Around 600 people have engaged in the research with 250 contributing in detail.

The Trust has over 400 members and recruiting continues.

By restoring the buildings the visual impact for that area of the High Street would be considerable contributing to the regeneration of the street and its environs. Increased footfall in the immediate area would assist in the economic viability of the street. As a facility open and used by the community the sense of wellbeing would be potentially increased”

Other (general information as appropriate).

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? No

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

Step 7: Are there potential differential impacts on protected characteristic groups? Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each group. Please state the reason(s) why.

Age

Impact - Positive

Investment in proposals will provide access to facilities and activities that in turn will reduce child poverty, improve mental health and wellbeing and Improve accessibility and connectivity. Facilities will cater for all age groups from young to older people providing social engagement, learning, skills development opportunities helping reduce social isolation.

Disability

Impact - Positive

Regeneration of the local area with high quality facilities will offer accessible opportunities for people locally to address health issues, increase wellbeing and decrease mental health issues. Local people will be encouraged to access sports, the arts and activities that will provide a pathway to training and skills development.

Gender reassignment

Impact – No impact

Marriage and Civil Partnership

Impact – No impact

Pregnancy/Maternity

Impact - Neutral

Race - (includes Gypsy Travellers)

Impact

Religion or Belief

Impact- Neutral

Sex

Impact – Positive all services and facilities are available to all residents of Angus. Facilities will be developed and established to provide space that can be used by a wide range of the community groups and the Third Sector e.g. Men's Shed's

Sexual orientation

Impact – Neutral – all services and facilities are available to all residents of Angus.

Step 8: Consultation with any of the groups potentially affected

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

Consultations were carried out by a third party.

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?

N/A

Step 10: If a potentially negative impact has been identified, please state below the justification.

Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations between people of different protected characteristics?

It fosters good relations between people of different protected characteristics

Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?

Step 13: FAIRER SCOTLAND DUTY

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?

Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.

Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.

Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future.

Impact

Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

Impact

Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport).

Impact

Socio-economic Background i.e. social class including parents' education, people's employment and income.

Impact

Other – please indicate

Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.

Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?

Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by:

Reviewed by:

Approved by:

NB. There are several worked examples of separate EIA and FSD Assessments in the Guidance which may be of use to you.
