Abstract: This report requests authorisation to appoint consultants for the submission of a Stage 1 Townscape Heritage Initiative bid for Brechin town centre in May 2005.

1 RECOMMENDATION

It is recommended that the Committee agrees to authorise the Director of Planning and Transport to commission a consultancy team to submit a Stage 1 bid to the Heritage Lottery Fund for a Townscape Heritage Initiative for the historic centre of Brechin in May 2005.

2 BACKGROUND

2.1 In 1998 the Heritage Lottery Fund (HLF) launched a UK-wide, regeneration scheme, titled the “Townscape Heritage Initiative” (THI). Details of the scheme were initially brought to the attention of Elected Members in report 633/98.

2.2 THI’s are intended to enable partnerships of local, regional and national interests to preserve and enhance the character of historic areas by:-

- repairing the fabric;
- restoring authentic details and materials;
- securing the continued use of historic buildings;
- bringing vacant floorspace in historic buildings back into use;
- facilitating a high standard of design and materials in filling gap sites and key frontages.

The essence of THI schemes is that members of the partnership develop a clear strategy to address the problems of an area through physical project works. The principle is that partners contribute to a common fund from which:-

- the cost of a Project Manager, or team, is met (in-house staff costs are not eligible);
- grants are offered towards the cost of eligible works undertaken by property owners;
- works to the public realm, such as historic street features, are grant aided.

2.3 Grant levels are set so that any private gain is minimal and is outweighed by the benefits of the scheme to the public. THI schemes run for a period of five years from the signing of the contract with HLF. Partnerships must make grant offers to third parties and contract direct works within the first three years and settle all claims for
payment within five years. The power to make offers from the common fund (including HLF’s contribution) will normally be delegated to the partnership and monitored on behalf of HLF by external consultants.

2.4 The level of funding provided under THI’s is usually 50% but a maximum of 75% is awarded in exceptional cases. HLF state that THI’s, over their entire five year life, are likely to be between £100,000 and £2 million in value.

2.5 The bidding process has two stages. Stage 1 shows how a THI could be developed including identification and costing of individual projects. Applicants who submit successful, Stage 1 bids are invited to develop their proposals in detail and to subsequently submit a Stage 2 bid. Both Stage 1 and Stage 2 bids are very demanding and usually require consultants. HLF recognise that this has cost implications and are prepared to award development funding for Stage 2 bids. Funding of up to £25k or 75% of the consultancy cost may be available from HLF but not for Stage 1.

2.6 A bid for THI funding for Arbroath was submitted in 2001 and was approved in 2002 by HLF. Details of the successful bid were reported to the Planning & Transport Policy, and Policy & Resources Committees, on 7 March and 19 March 2002 respectively (Report 312/02 refers).

2.7 Arbroath Abbey to Harbour THI, commenced on 8 January 2003 with the appointment of a Project Manager. The total budget is £1.81 million, £0.9 million of which is provided by HLF the other funders are ERDF, SET, Historic Scotland and Angus Council.

2.8 Stage 1 bids are usually invited around October/November once a year. The deadline for the submission of Stage 1 bids in the 2005 bidding has to be formally announced but is likely to be May 2005. Even if the Stage 1 bid is successful, the Council is not committed to proceeding to Stage 2, so there are no additional cost implications at this point in the process other than the cost of the consultancy team.

3 FIT WITH HLF’s ASSESSMENT CRITERIA

3.1 In their guidance notes HLF cite three strategic aims:-

- to conserve and enhance diverse heritage;
- encourage more people to be involved in their heritage;
- make sure that all can learn about, have access to and enjoy their heritage.

Successful THI bids will be assessed against these three strategic aims.

3.2 As regards how HLF assess THI bids they cite a number of “priorities for support” as follows:-

1. for historic areas whose special character is threatened by problems of extensive disrepair, inappropriate change, empty buildings and loss of buildings;

2. where the threat to the historic areas special character is either a cause or a symptom (or both) of wider economic and social problems and where public funding is needed to tackle this decline;
3. which contribute, as part of a wider strategy, to the regeneration of areas demonstrating high levels of deprivation;

4. which involve and deliver benefits to the wider community;

5. where the public benefits of a THI scheme will outweigh any private gain on the part of the owners of THI grant-property; and

6. where the benefits of a THI scheme will be sustained through a long-term approach to conservation issues.

3.3 Brechin largely meets these “priorities for support” and these “priorities for support” will be met as follows:-

1. there is little doubt that the historic fabric of the town centre is at risk through extensive disrepair and empty/under-used buildings. There is less problem with appropriate change because the development control regime has worked fairly well in Brechin over a number of years. There is concern over the threat to historic buildings in the town as a number are not in use;

2. the threat to the special historic character of Brechin town centre is symptomatic of wider economic decline in the town. A number of initiatives have tried to reverse this decline, for example the development of Pictavia next to the dual carriageway and some environmental improvement works. These initiatives notwithstanding, the town is still experiencing major economic decline and the retail sector suffers from lack of pedestrian footfall;

3. a THI for Brechin could form part of the wider strategy that is being developed through the City of Brechin Partnership. The Partnership is generally supportive of the concept of a THI for Brechin. How the wider strategy could be developed will be explored as part of the Stage 2 bid. That said, the Director of Planning and Transport has previously implemented streetscape improvements and a façade enhancement scheme in Brechin. These initiatives provide a platform to develop the THI;

4. wider community involvement and benefits to local people arising from a THI can be developed through the City of Brechin Partnership. This provides a basis from which to develop an implementation vehicle for a THI to ensure that there is local input;

5. the approach in assessing grant eligibility will be to apply before and after valuations to any property which is upgraded with grant aid from the THI. The main aim of this exercise will be to identify the shortfall, or “conservation deficit”, that is required to make projects economically viable;

6. this is probably the most important aspect of all. All Departments will have to work on a corporate basis to ensure that the impact of substantial public funding is not diluted by inappropriate works in the town centre.

3.4 HLF state that “schemes which show all of the ‘priorities for support’” will be their highest priority for support under the THI scheme. It is considered that a THI for Brechin town centre can meet the aforementioned criteria.
4 AREA FOR THI BID

4.1 The area to be covered by the proposed THI will be determined by two factors; ensuring the maximum impact from the various projects and the likely, overall budget that will be available.

4.2 Based upon how THI schemes have been developed across the UK as a whole it seems that the THI for Brechin should focus on most of the High Street, St David Street, Swan Street, Church Street and the Cathedral precinct.

4.3 The available budget, too, will have a bearing upon how far the area extends. If it is drawn too widely then it may be that there is insufficient funding to have any significant economic/heritage regeneration impact.

5 FINANCIAL IMPLICATIONS

5.1 It is anticipated that a Stage 1 bid will cost in the region of £25 - £30k. No HLF grant is available for the Stage 1 bid. SET have expressed informal interest in providing financial assistance. There are currently uncommitted monies within the Director of Planning and Transport’s Conservation Budget for 2004-05 that could be used to help fund the Stage 1 bid. Brechin Common Good Fund could be a third source. The costs would be split across all the funding partners on a pro rata basis.

5.2 If the Stage 1 bid is successful, the Council will be invited to submit a Stage 2 bid. Consultants will be required to develop the Stage 2 bid, the cost of which is estimated at around £25 - £30k. HLF may provide up to £25k, or 75%, of the total cost, whichever is the greater. The remaining sum will have to be found by the Council and its partners; a sum that is estimated at up to £6 - £7k. This sum could be drawn from the 2005-06 Conservation Grants Revenue Budget. The decision on the Stage 1 bids will be announced in October 2005.

5.3 Even if the Stage 1 bid is successful, the Council and its partners are not committed to proceeding to Stage 2. If the Council decides to submit a Stage 2 bid, however, consideration will have to be given to the long-term financial implications. The total cost of a THI for Brechin, is likely to be in the range of £1.25 – 1.8 million. Normally, HLF grant aid 50% of the total cost, but there is provision for up to 75% where the need for a higher grant rate can be demonstrated. Capital grants of 75% are extremely rare so an award based upon 50% of the eligible costs is more likely to be the case.

5.4 In a worst case scenario and assuming that the Council is the sole funding partner, £312k - £900k will be required as match funding, over five years, on a roughly pro rata basis. This will have to be considered as part of the capital budget process from, in all likelihood, 2006-07 onwards and external funding sources may have to be considered.

6 HUMAN RIGHTS IMPLICATIONS

6.1 There are no human rights implications arising from this report.

7 CONSULTATION
7.1 The Chief Executive and the Directors of Finance, Law & Administration, Information Technology and Property Services have been consulted in the preparation of this report.

8 CONCLUSION

8.1 THI’s are good mechanisms for focused schemes of repair in the centre of small towns. They have the advantage of merging social, economic and heritage considerations so THI’s address a range of issues that are of interest to local authorities.

8.2 Public support and involvement are prerequisites for THI’s. There is public support for a THI amongst the Brechin community and it is likely that they would take an active role in developing the project over its five year life.

8.3 Whilst there are financial implications, the leverage ratio would be at least 1:1, in all likelihood, higher. Moreover, any capital sum that the Council provides for a THI in Brechin would be spread over five years.

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 the above Report.

AA/PM/IAL
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