
REGENERATION OF GALASHIELS – GREAT TAPESTRY OF SCOTLAND VISITOR CENTRE- PROJECT UPDATE

Report by Executive Director
EXECUTIVE COMMITTEE

19 June 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report provides an update on the external funding applications and what the funding will deliver as part of the project.**
- 1.2 This report follows the detailed report considered by Council on 16 December 2016 to approve the location of the Great Tapestry of Scotland visitor facility in Galashiels, and the requirement to obtain external funding to the value of £700k.
- 1.3 In 2017 the project team engaged with three main funders:
 - Heritage Lottery Fund
 - Historic Environment Scotland
 - Scottish Governments' Regeneration Capital Grant Fund
- 1.4 It was decided to focus on the Historic Environment Scotland and Regeneration Capital Grant Fund as they aligned with the project delivery programme and there was sufficient opportunity to fill the £700k budget gap.
- 1.5 The Council are progressing through the application process for an HES Repair Grant and expect to receive up to £40k when contracts are in place, as per the mandated process by HES.
- 1.6 Following a two stage application process a confirmation letter was received on 12 March 2018 from the Regeneration Capital Grant Fund that they would commit £1.18M to the project. This provides an additional £480k to the project to deliver external aspects of the Galashiels Master Plan defined in the application (following community consultation on priorities), in parallel with the recommencement of the Galashiels Inner Relief Road Phase 5 project that was put on hold until the outcome of the external funding applications was known. This will allow £896k to be invested in the delivery of key aspirations from the Galashiels Master Plan that will enhance the visitor experience of the new attraction.
- 1.7 It is proposed to incorporate the existing £416k Galashiels Inner Relief Road Phase 5 budget and the additional £480k regeneration Capital Grant Fund into a new Capital budget line call '*Galashiels Town Centre Regeneration*' to allow the external improvements to be delivered and managed as one project.

2 RECOMMENDATIONS

2.1 I recommend that the Committee:-

- (a) Notes the progress achieved with external funding applications to close the project funding gap;**
- (b) Notes that the £416k Galashiels Inner Relief Road Phase 5 budget and the additional £480k of Regeneration Capital Grand Fund have been moved into a new Capital budget line called '*Galashiels Town Centre Regeneration*' as per Table 3 in this report.**
- (c) Approves the projects identified in Section 8.6 to be delivered within this first phase of investment.**
- (d) Approves the re-profiling of the Capital Budgets as per tables 2 and 3 of this report.**

3 BACKGROUND

- 3.1 On 22 December 2016 Scottish Borders Council agreed to locate the permanent home for the Great Tapestry of Scotland in Galashiels.
- 3.2 The report identified that the £6.7M budget estimate would be funded by £3.5M from Scottish Borders Council Capital borrowing and £2.5M of Borders Railway Blueprint, leaving a £700k budget gap that would ultimately be underwritten by the Council.
- 3.3 The project team were tasked with pursuing external funding from Heritage Lottery Fund, Historic Environment Scotland and Regeneration Capital Grant Fund to avoid the Council underwriting the gap with Galashiels Inner Relief Road Phase 5 budget (£416k) and a re-alignment of the current approved Capital Plan (to accommodate £284K).

4 FUNDING UPDATE – HERITAGE LOTTERY FUND

- 4.1 A meeting was held with Heritage Lottery Fund officers on 28 April 2017 to discuss the options for funding for the project. The Heritage Lottery Fund had several funding programmes that the project could have been appropriate for, but the timescales did not align with the projects delivery programme and it would have added between 6 and 18 months to the project.
- 4.2 An analysis of the Heritage Lottery Funding option was submitted to the Project Board and it was agreed that the funding should be postponed until the outcomes of the Regeneration Capital Grant Fund and Historic Environment Scotland funding application were known.

5 FUNDING UPDATE – HISTORIC ENVIRONMENT SCOTLAND

- 5.1 The Council are progressing through the application process for an HES Repair Grant and expect to receive up to £40k when contracts are in place, as per the mandated process by HES.

6 FUNDING UPDATE – REGENERATION CAPITAL GRANT FUND

- 6.1 This grant fund was identified as the main source of funding the £700k budget gap with the postponement of a bid to Heritage Lottery Fund.
- 6.2 The project team submitted a Stage 1 application to the Scottish Government on 18 August 2017 for £1.18M, broken down as follows:
 - for £700k towards the building funding gap, and
 - an addition £480k to supplement the Galashiels Inner Relief Road Phase 5 budget of £416K to commence the delivery of key elements of the Galashiels Master Plan to complement the Tapestry development (Galashiels Town Centre Regeneration).
- 6.3 On 13 October 2017 the Scottish Government confirmed that the Stage 1 application was approved following the Capital Grant Fund Panel meeting on 4 October 2017. This approval to proceed was received with a number of areas to address in the Stage 2 application due to the competition for the limited funding.

- 6.4 The Stage 2 application was submitted for 8 December 2017 and addressed the points raised by Scottish Government, which included community engagement/involvement with the project. A meeting was held with the Galashiels Development Stakeholder Group on 25 October 2017 to define the priorities for the funding to align with the Galashiels Master Plan (draft at that point in time).
- 6.5 The project team received confirmation that the Stage 2 application for £1.18M was successful on 12 March 2018.

7 PROJECT DELIVERABLES BASED ON FUNDING DECISIONS

- 7.1 With the outcomes of the funding applications to Historic Environment Scotland and the Scottish Government, the project is fully funded and there is now additional funding to supplement the Galashiels Inner Relief Road Phase 5 to commence the delivery of elements of the now approved Galashiels Master Plan (Galashiels Town Centre Regeneration).
- 7.2 The original £416k Galashiels Inner Relief Road Phase 5 budget was put in place to
- To provide environmental improvements from the key pedestrian routes into the town centre (Green Street, Bridge Place, Channel Street & High Street) to link to the civic spaces delivered within GIRR4;
 - To maximise the socio-economic benefits from the new town centre developments and the Borders Railway;
 - To provide development opportunities for the town centre;
 - Engage with the community to allow them to steer the development of the project;
 - Identify routes of external funding (Historic Scotland & Lottery) to enhance the outcomes of the project;
 - To ensure the solutions represent the best value for money.
- 7.4 With the commitment to locate the Great Tapestry of Scotland in Galashiels, the 16 December 2016 report confirmed that the Galashiels Inner Relief Road Phase 5 project would be put on hold until the external funding strategy was complete, as the budget could be used to partially fill the funding gap if no external funding was achieved.
- 7.5 As part of the Regeneration Capital Grant Fund application process it required community involvement in the development of the application proposals. The project team convened a special Galashiels Development Stakeholder Group meeting on 25 October 2017 to priorities the areas of funding for the original GIRR 5 £416k and the additional £480k requested from the Regeneration Capital Grant Fund (totalling £896k), in line with the Galashiels Master Plan. The group membership is as follows:
- Galashiels Councillors
 - Community Council
 - Chamber of Trade
 - BIDS Team
 - Energise Galashiels
 - Braw Lads

- Community Residents
- Old Gala Club
- Gala Waterways
- Transport
- Schools

7.6 The priorities identified by the community at this special meeting were included as a commitment in the Stage 2 Regeneration Capital Grant Fund application. The areas for investment are as follows:

- Channel Street Plaza improvements – to create an enhanced surrounding streetscape for the new Great Tapestry of Scotland visitor centre.
- Douglas Bridge improvements – to create a strong welcoming route from the Borders Railway to the Great Tapestry of Scotland visitor centre. Also, stimulate the investment in the retail property in the area.
- Channel Street improvements - to create a strong welcoming route from the Borders Railway to the Great Tapestry of Scotland visitor centre. Formulate the temporary one-way system that is in place. Also, stimulate the investment in the retail property in the area.
- Wayfinding, Road Signage & Gateways – improve visitor signage to the new Great Tapestry of Scotland visitor centre and other town attractions. Improve traffic information to direct visitors. Create a gateway statement to inform visitors that Galashiels is the home of the Great Tapestry of Scotland.
- Coulter Candy Trail – provide visitors an interactive route around the town that connects all attractions and interact with children by celebrating the Scots folk song 'All Bally Bee' written by former Galashiels weaver Robert Coltart.

All of these elements will take account of the Master Plan review of disability access (Euan's Guide) and deliver the appropriate elements of the tactile map for improved road crossing.

8 IMPLICATIONS

8.1 Financial

- (a) With the award of the Regeneration Capital Grant Fund and Historic Environment Scotland the funding is provided in **Table 1**.

Table 1 – Project Funding

| FUNDER | CAPITAL & GRANT FUNDING £000s |
|--|---|
| Scottish Borders Council – Tapestry | £3,500 |
| Scottish Borders Council – GIRR 5 | £416 |
| Borders Railway Blueprint | £2,500 |
| Regeneration Capital Grant Fund | £1,180 |
| <i>Historic Environment Scotland (To be confirmed)</i> | <i>up to £40 (not included in this total)</i> |
| TOTAL | £7,596 |

- (b) **Table 2** contains the proposed alterations to the budget profile for Executive approval. .
- (c) **Table 3** confirms that the £416k Galashiels Inner Relief Road Phase 5 budget and the additional £480k Regeneration Capital Grant Funding have already been moved into a new budget line within the Capital Plan title '*Galashiels Town Centre Regeneration*' to commence the commitment to the further development of Galashiels identified in the Borders Railway Blueprint and the Regeneration Capital Grant Fund applications. This will allow the external improvements to be managed and delivered as one project.

Table 2 – Proposed Great Tapestry of Scotland Budget Profile

| Budget Heading | Actual to date £000s | 2018/19 £000s | 2019/20 £000s | 2020/21 £000s | TOTAL £000s |
|--|---------------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Great Tapestry of Scotland | £1,000 | £700 | £4,950 | £50 | £6,700 |
| Funding Sources: | | | | | |
| <i>Scottish Borders Council</i> | | | <i>£3,450</i> | <i>£50</i> | <i>£3,500</i> |
| <i>Borders Railway Blueprint</i> | <i>£1,000</i> | | <i>£1,500</i> | | <i>£2,500</i> |
| <i>Regeneration Capital Grant Fund</i> | | <i>£700</i> | | | |

Table 3 – Proposed Galashiels Town Centre Regeneration Budget Profile

| Budget Heading | Actual to date £000s | 2018/19 £000s | 2019/20 £000s | 2020/21 £000s | TOTAL £000s |
|--|---------------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Galashiels Town Centre Regeneration | £0 | £480 | £416 | £0 | £896 |
| Funding Sources: | | | | | |
| <i>Scottish Borders Council - GIRR 5</i> | | | <i>£416</i> | | <i>£416</i> |
| <i>Regeneration Capital Grant Fund</i> | | <i>£480</i> | | | <i>£480</i> |

8.2 Risk and Mitigations

The Regeneration Capital Grant Fund has to be committed in 2018/19 otherwise the project may lose funding. The majority of the funding has been allocated to the delivery of the Tapestry building which is on programme. The external works elements that require to be delivered are the Coulter Candy Trail, wayfinding, road signage and gateways. A significant amount of work was undertaken to define these elements in advance of the GIRR 5 project suspension in 2016, so the internal design team will recommenced the delivery process for this financial year.

8.3 Equalities

An Equalities Impact Assessment has been carried out on this proposal and there are no adverse equality implications.

8.4 Acting Sustainably

There are economic benefits created by this project with the safeguarding and creation of employment (up to 17 jobs) and wider economic benefits identified to the community of up to £7M Gross Value Added over 10 years. We have included community participation in identifying the first phase of Master Plan elements to be developed. The project will also safeguard and bring into public use the front two storey's of the former Post Office building

8.5 Carbon Management

The project will replace the existing Poundstretchers building with an energy efficient modern visitor attraction. The former Post Office building will be insulated and update to energy efficient product to minimise its carbon footprint.

8.6 Rural Proofing

Not applicable.

8.7 Changes to Scheme of Administration or Scheme of Delegation

Not applicable.

9 CONSULTATION

- 9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and any comments have been incorporated into the final report.

Approved by

Rob Dickson
Executive Director

Signature

Author(s)

| Name | Designation and Contact Number |
|--------------|---|
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Background Papers: Scottish Borders Council 16 December 2016

Previous Minute Reference: Scottish Borders Council 16 December 2016

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Ewan Doyle can also give information on other language translations as well as providing additional copies.

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