

Cross-Party Group on Towns and Town Centres, Financing and Investing in Our Towns—Deliverables and Constraints

Tuesday 4th March 2025, 17:40-18:30

Minutes

Present

MSPs

Meghan Gallacher MSP
Stephen Kerr MSP

Invited guests

Kimberley Guthrie	Scotland's Towns Partnership
Anna Tozer	Scottish Futures Trust
Gary Templeton	Moray Council
Colin Souter	Robertson Property

Non-MSP Group Members

Adrian Watson	Aberdeen Inspired Business Improvement District
Alison Luke-Jones	Scotland's Towns Partnership
Angharad Rogers	Moray Chamber of Commerce
Chloe Milne	Fisher & Donaldson
Cliff Robertson	Project Management Services
Daniel MacIntyre	Argyll & Bute Council
David McDowall	East Ayrshire Council
Elaine Bone	Scotland's Towns Partnership
Emilie Wadsworth	Verture
Gabija Blazyte	TechFest
Gemma Slight	Fife Council
Hannah Clinch	Dunoon Community Development Trust
Heather Macnaughton	Historic Environment Scotland
Jamie Mackie	Scottish Grocers' Federation
Jonny Pickering	Glasgow City Council
Kathryn Hill	Midsteeple Quarter
Ken Ford	Pacific Shelf 360 Ltd
Kevin Harrison	Artlink Central Limited
Kirsten Logue	South of Scotland Enterprise
Leigh Sparks	Scotland's Towns Partnership
Magdalena Swider	West Dunbartonshire Council

Margaret Fraser	Possilpark Improvement District
Nairn Pearson	West Lothian Council
Nicola Hutchinson	Scotland's Towns Partnership
Paul Fretwell	Architects Scotland Ltd
Ro Pengelly	University of Stirling www.deshca.co.uk housing, and ISPA project
Rob Kirk	Thrive in the City
Ross Martin	ScotIncGrowth
Sharon Rice-Jones	Perth and kinross council
Suzanne Hamilton	Frontline Consultants
Suzanne Rhind	Aberdeenshire Council
Tracy Murray	East Ayrshire Council
Wendy Findlay	TechFest

Apologies

Sarah Boyack MSP	
David Melhuish	Scottish Property Federation
James Trolland	Sustainable Drumchapel
Katherine Macintosh	Robertson Property

Agenda item 1

Welcome and Opening Remarks – Kimberley Guthrie (STP)

Agenda item 2

Minute of last meeting held 4th December and Matters Arising - Meghan Gallacher MSP, Convener

The convenor requested that any questions or feedback be placed in the chat acknowledging that additional parliamentary business had curtailed the available time for additional discussion at this committee.

Agenda item 3

KG introduced the first discussion:

“Financing and Investing in Our Towns—Deliverables and Constraints”:
Kimberley Guthrie, Chief Officer, Scotland's Towns Partnership

KG summarised some of the discussion from the previous session, noting that tonight's discussion would follow on and expand on those discussions.

Understanding different funding models is key to unlocking further opportunities in creating attractive places for investment. Over the last 2 years, SPT has been leading on working groups and information sessions to explore the differing financial mechanisms available in regeneration work. This work has illustrated the need for collaborative solutions to development challenges and has raised the importance of gaining better insight on the topic. Underpinning all of this is the need for public and private sector partnership, which will help to expedite risks in our towns' development. There are many examples of partnerships across the country and opportunity to leverage more as we develop, invest and make our town centres more sustainable.

Later colleagues from Moray Council and the Robertson Group will provide some fresh perspective on collaborative funding for development in Elgin, highlighting the need for building, not just for capacity but also for confidence.

KG referenced a short-life working group, which concluded last autumn that has resulted in a comprehensive report looking at how innovation and collaboration can unlock further funding and investment to drive more regeneration. Anna Tozer will cover this later in the agenda.

Agenda item 4

Anna Tozer, Associate Director, Scottish Futures Trust

AT noted that she would be sharing some of the insights from the Town Centre Living work undertaken in partnership with SFT, STP and Architecture and Design Scotland including the short-life working group on funding and finance. She will also elaborate of some of the wider work on SFT's real estate team.

AT noted some of the key challenges facing town centres, including vacancy rates, decreased asset values and complex ownership issues. However, alongside these challenges there is a positive policy context (NPF4, MCAs and Permitted Development Rights) supporting investment in our towns and initiative such as Town Centre Living. There are also additional challenges of deliverability around increased infrastructure and construction costs. These challenges call for an even greater focus on the public sector on coordinated approaches to attracting investing.

As part of the Town Centre Living Work many great examples of developments were identified but they were often quite small in scale, bespoke and location specific. This helped identify the specific challenges of costs in development of our town centres including:

(See also slides)

- Scale and viability
- Ownership and control – importance of public sector taking a lead role
- Current funding sources (a mixed picture) – scale and certainty conditions
- Clarity on risk quantification and sharing (what are the roles of public / private sector)

- Resource commitment – given complexity/timescales (multiyear funding not necessarily available)
- Building the investment case – identifying wider benefits for place making, economic investment, net zero to attract different investment streams
- The need for greater clarity on the roles of the public and private sectors

This brought us on to look at the investment journey from both the public and private sector perspectives and identifying points of engagement, barriers, public sector intervention, risk sharing etc. The working group also considered differing funding and investment approaches including:

- Joint Ventures
- Shared Equity or Ownership
- SG investment
- The Bank Investment
- Risk Sharing Mechanisms and Guarantees

AT presented further insight gained across roadshow events and discussion with developers, which have been distilled down to five recurring themes/ five key questions around the conditions for development:

- Leadership and collaboration
- Holistic place making and planning
- Funding and resources
- Local engagement and partnership
- Willingness to consider risk mitigation

AT presented good examples of public sector approaches (see slide) that including intervention on:

- Framework and conditions
- Funding Pots
- Land ownership
- Smaller intervention
- Civic and community anchors
- Risk mitigation and partnership
- Scaling up

AT reported on an example of SFT's work with Inverness college, which including collaboration between the public and private sector including the management of listed building, sale and private development of the site in partnership with Highland Council.

AT concluded the three take aways from this work:

- Coordinated public sector approach
- Develop bespoke delivery mechanisms linked to viability and risk sharing
- Non-financial aspects such as skill and resources are also of key importance

The convenor thanked AT for his presentation.

Agenda item 5

Case study: Elgin. Led by Gary Templeton, Strategic Planning & Delivery Manager, Moray Council

GT thanked the convenor for the opportunity to present at committee, noting that he would be highlighting some of the funding secured and projects delivered in Elgin. GT noted that there were four main funding streams delivering in Elgin including:

- Moray Growth Deal
- Levelling Up Fund round 3
- Place Based Investment Fund
- Long Term Town Fund – Elgin Town Board

GT noted particularly the Housing Mixed delivery project (funded by Moray Growth deal) which provided 1.7M to the South Street re-development. This project was initiated following a 2019 study by HIE which looked at the barriers to housing delivery and highlighted the need for public sector to be very proactive in engaging partnership and collaborations and in bringing the staffing resources to projects.

There is a very strong policy framework in place in Elgin including the 2021 approved Elgin City Master Plan, which demonstrates a very innovative approach in partnership with the Elgin BID and Elgin Community Council. The Master Plan identifies a range of projects including active travel, derelict space, conservation and heritage, creative industries and town centre connectivity.

South Street was one of the priority projects identified which my colleague will go into in further detail below.

Using a Town Centre First approach allowed us to push for Business Enterprise investment in the town centre. GT noted the importance of the strong partnerships involved (UHI, ECC, CoC, BID) and the time and communication required to develop these partnerships. GT also noted the need to identify the differing roles and knowledge of public and private sectors and shared risk. GT raised the role of building for confidence, highlighting the former Gordon Arms Hotel development. This development is being made into a creative arts centre, as detailed as a need in the Master Plan, along with mixed use office/retail which will increase footfall to the Town Centre.

GT summarised the need for the Public Sector to be proactive, develop partnerships, the importance of partnership communication, finding a shared approach to risk and to be enablers and leaders.

The convenor thanks GT for his presentation noting it was yet another example of forward thinking and illustrating how to tackle the challenges and constraints involved in development.

Agenda item 6

Colin Souter, Senior Development Manager, Robertson Property

CS provided a brief background on Robertson Property noting it is one of the largest family owned businesses providing construction, infrastructure and support services in the UK with offices throughout Scotland. Robertson are embedded in town centre regeneration with established teams providing knowledge and expertise as well as project delivery. The transformation of town centres is about place making and collaboration with councils to enable viable regeneration. Robertson Property manage a number of town centre regeneration projects at differing scales but to highlight South Street in Elgin allows us to identify the kinds of barrier that arise for town centre development across Scotland and the UK.

CS noted that Robertson were first involved during 'lockdown' to identify approaches to the regeneration of a derelict town centre site in Elgin. There were many challenges to the site including ownership but with collaboration, we have worked through these together. The South Street Jailhouse had been vacant for 20 years and the overall site had five different owners with the project requiring agreement from all. It was clear early on that there was no option for any standard commercial development solution that would be economically viable which meant public sector support would be required.

Robertson developed the proposal to address economic objectives and understand any funding requirements including the development of a risk register and surveys of the properties and sites involved. Some of the required assessments were only achievable post demolition. Robertson worked with Elgin Council and UHI Moray (entering into a minute of understanding) to mitigate the risks involved and progress the project.

Following concept analysis a mixed-use development plan was agreed which included 37 flats, 3 retail units, a business enterprise hub and a new public realm.

Robertson committed to proceed with the project despite not all of the funding being in place but there was a clear plan and agreement on these requirements. Robertson progressed to acquire all the properties involved some with difficulty and, although supported by the council if needed, no compulsory purchase orders were required.

A design team was engaged and planning consent obtained in liaison with HES around listed elements. Working with the council on planning and with building standards colleagues early in the process and prior to application allowed us a full understanding of council requirements and helped us find a solution to any challenges. The plans have received very positive feedback and press coverage with planning consent confirmed in May 2024.

Ensuring that projects are inclusive and deliver for the whole community is essential, as is the delivery of community wealth building, which was a requirement of this project. The feasibility study allowed us to establish the budget and made clear what additional funding was required, which the Council was successful on obtaining from

multiple sources. Work was then enabled to commence in January 2025 and Robertson worked in partnership to identify all known and unknown risks involved in delivery.

Lessons Learnt (see slides) included the need for common goals; good communication; public sector and council support; collaboration on managing risk; the right timeframe to secure required funding and having the community on side.

The convenor thanked CS for his presentation and acknowledging the learning from all of the presentations tonight, thanking all for their thorough and detailed consideration, not just on how we finance and invest in our town centres but also on how we secure the future of our towns. MG also noted the exciting and innovative work being undertaken in Elgin

Close of Meeting

Date of next meeting: 11 June – 5.30pm