

Finance and Resources Committee

10.00am, Thursday, 11 October 2018

Leith Meanwhile Uses

Item number	7.10
Report number	
Executive/routine	
Wards	Leith Walk
Council Commitments	2, 7, 38 and 47

Executive Summary

This report provides an update on the Council's successful bid for £750k from the Scottish Government's Regeneration Capital Grant Fund to deliver 'meanwhile' uses at 165 and 165a Leith Walk prior to the site being redeveloped.

The Meanwhile Uses project will run onsite until 2021.

Leith Meanwhile Uses

1. Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 Notes that the Council secured £750k of funding from the Scottish Government's Regeneration Capital Grant Fund to deliver a 'meanwhile' uses project. This comprises the refurbishment of 165a Leith Walk and the formation of creative workspaces and community space on part of the plot at the rear (formed by the demolition of the derelict former tram depot);
 - 1.1.2 Notes the progress with the project pilot's activities in the area; and
 - 1.1.3 Requests an end of project report once the project is concluded, including lessons learned.

2. Background

- 2.1 The Council owns 165 Leith Walk (a former tram depot) and 165a Leith Walk (a C listed 1930s office building). 165 Leith Walk was demolished in 2017/18 with part of the plot formed by these works reserved for use as a works compound should the Council decide to extend the tram line to Leith.
- 2.2 In November 2015, the Finance and Resources Committee approved the preparation of a Strategic Viability Study for the creation of a "Partnership Centre" serving Leith. This would co-locate public service providers to offer a more efficient and efficacious service to the local community; provide a hub for service users in the Leith area; and enable the rationalisation of assets that were no longer fit for purpose. The Leith Walk site was identified as the optimal location for this.
- 2.3 On 23 March 2017, the Finance and Resources Committee agreed to transfer 165 and 165a Leith Walk to the Council's HRA for housing development. This would potentially include the creation of a "Partnership Centre", subject to an assessment of its financial viability. The site transfer will take place on conclusion of the tram works or if the compound is for any reason no longer required for tram works.
- 2.4 In June 2016, the Council submitted a bid to the Regeneration Capital Grant Fund (RCGF is a Scottish Government fund providing discretionary grants for regeneration projects) for funds to deliver 'meanwhile' uses at 165 and 165a Leith Walk. In September 2016, the Council was invited to proceed to the second stage

of the bid. A second stage bid was submitted in November 2016 and, in March 2017, the Council was informed that its bid had been successful.

2.5 The grant of £750k was to deliver the following:

- Refurbishing 165a Leith Walk, providing a community services hub and flexible business space;
- Acquiring, fitting-out and deploying up to ten shipping containers on part of the site formed by the demolition of 165 Leith Walk to provide creative space and other uses orientated to small businesses and community uses; and
- Adapting surplus wooden stalls held in storage to create a street market on part of the site formed by the demolition of 165 Leith Walk.

2.6 The purpose of this report is to provide an update on the meanwhile uses project.

3. Main report

3.1 The project commenced on 3 April 2017, with a requirement for all funds to be legally committed by 31 March 2018. Refurbishment of 165a Leith Walk was undertaken between April 2018 and August 2018.

3.2 Hub South East Scotland oversaw the refurbishment of 165a Leith Walk and other elements of the construction phase of the project. A local social enterprise, Rebuild, carried out the refurbishment of the shipping containers. Rebuild are an Edinburgh based social enterprise which supports individuals experiencing barriers to work, such as ex-offenders, the formerly homeless, sufferers of PTSD and other mental health difficulties. By offering live, on-site construction training, Rebuild focuses on helping those individuals to gain valuable learning and development experience, practical skills and self-confidence. Five trainees worked on the fit out of the shipping containers through the Rebuild programme.

3.3 The arts trust, Out of the Blue, worked with the Council on community engagement for the project which involved the formation of a community group: “*Meanwhile...at Persevere Square*” responsible for running activities on the site going forward.

3.4 165a Leith Walk has been occupied by the NHS and Capital City Partnership since the beginning of September 2018. In mid-September, the artists moved into the shipping containers and the community will start to animate the remainder of the site pending approval of their Planning application.

3.5 In summary, the project to date has delivered:

- The refurbishment of the C listed building at 165a Leith Walk. The structure of the building has been protected from further deterioration by roof repairs and window refurbishment, as well as making the space more suitable for modern occupation.
- Occupation of 165a by the NHS and Capital City Partnership, and offering flexible touchdown space for Council Officers working in the area. Occupants

for 165a were selected by a matrix scoring suitability against the project criteria.

- Seven shipping containers have been upcycled to provide six artist studios and one facilities block on site. The shipping containers will be managed by Out of the Blue. This is a reduction from the original proposal of ten shipping containers due to additional necessary works associated with the building structure at 165a Leith Walk.
- 1,000sqft (93msq) of community activated space is being created including community gardens and children's play space. An area has also been created to allow for community led events to take place.

4. Measures of success

- 4.1 As part of the RCGF process, the Council proposed several targets for the project. These include the creation of new jobs, the restoration of 165a Leith Walk, and the creation of training places for young people, veterans and other supported groups.
- 4.2 A full report will be required to be submitted to the Scottish Government at the end of the pilot period to assess the success against the original application criteria. A further report will be provided to the Finance and Resource Committee at the same time reporting on these measures of success (October 2021), including lessons learnt.
- 4.3 The project has been taken forward in partnership allowing ideas to be tested for larger, development, partnership projects and the lessons learned will be documented in the final report to Committee.

5. Financial impact

- 5.1 The Council has secured £750,000 of grant funding from the Scottish Government. This breaks down as follows:
- £475,630 for works to 165a Leith Walk;
 - £126,438 for the purchase, fit-out and installation of shipping containers;
 - £500 for the refurbishment and installation of the market stalls;
 - £19,000 for site preparation works and;
 - £128,075 Professional fees.
- 5.2 Following the conclusion of the meanwhile uses, the Council will retain ownership of the refurbished 165a Leith Walk (which could be used for operational purposes); and the shipping containers (which could be redeployed within the Council's estate as required), giving the Council ownership of assets with income-generating potential.

- 5.3 The Council's direct contribution to the project (excluding staff time) is £527,400. This breaks down as follows:
- £375,400 for the demolition of 165 Leith Walk and boundary works;
 - £90,000 for the holding costs relating to setting aside part of the cleared site for the meanwhile uses as opposed to letting it;
 - £12,000 for the relocation of the modular units at the end of the project;
 - £15,000 approximately of surplus office furniture (reused from other Council buildings);
 - £5,000 for design work, condition survey and statutory consents;
 - £30,000 was included in the budget post application allowing for a more efficient heating system to be installed: the breakeven point for this investment is 1.8 years based on efficiency savings.
- 5.4 As part of the application process a £75,000 nominal contingency budget (offset against savings and revenue) was included. This was not required during the build phase of the project.
- 5.5 The main costs, the tram depot demolition, were met from within the Edinburgh tram project budget should the future phase of the Edinburgh tram proceed.

6. Risk, policy, compliance and governance impact

- 6.1 Leases granted as part of this project are temporary and will run until 2021 unless there is a delay in developing the site. An option to extend the lease at the Council's discretion has been included in the lease for this reason.

7. Equalities impact

- 7.1 The project is expected to deliver multiple benefits for disadvantaged groups including offering training opportunities for young people and veterans.
- 7.2 An [Integrated Impact Assessment](#) was carried out for the project and is available on the City of Edinburgh Council website.

8. Sustainability impact

- 8.1 The project will improve the energy efficiency of 165a Leith Walk via measures including, the installation of a modern heating system, the restoration of windows, and insulation of the roof.

9. Consultation and engagement

- 9.1 Consultation has been undertaken internally with officers from the Council's Planning, Housing and Estates service areas along with the tram project team and externally with representatives of the community, NHS Lothian and the Council's co-partner, the arts trust, Out of the Blue.
- 9.2 A consultation event was held on 28 June 2017 attended by the immediate neighbours to 165 and 165a Leith Walk.
- 9.3 A community consultation event was held on the 11th of November 2017 and from this the community steering group was formed, continuing to meet approximately every 4- 6 weeks.
- 9.4 Feedback will be gathered as part of the final report to the Scottish Government under the funding agreement and the outcome of this will be shared in the 2021 Finance and Resource Update.

10. Background reading/external references

- 10.1 [Equalities and Rights Impact Assessments - Leith Meanwhile Project](#)
- 10.2 [Leith Walk Former Depot](#), Economy Committee, 25 April 2017

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11. Appendices

- 11.1 None.