

ITEM No ...10.....

REPORT TO: FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE
COMMITTEE - 21 APRIL 2025

REPORT ON: COMMUNITY REGENERATION PARTNERSHIP 2025/26

REPORT BY: EXECUTIVE DIRECTORS OF CITY DEVELOPMENT AND CORPORATE
SERVICES

REPORT NO: 114-2025

1 PURPOSE OF REPORT

- 1.1 This report provides an update on the £20 million funding awarded to Dundee City Council by the Ministry of Housing, Communities and Local Government (MHCLG) for the Levelling Up Partnership (now renamed the Community Regeneration Partnership – CRP) in 2025/26 and seeks approval to delegate authority to the Executive Director of City Development and Executive Director of Corporate Services, as the Section 95 Officer, to deliver the programme.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:

- a Welcomes the investment of £20 million into the city and notes the projects to be delivered through the Programme;
- b Remits the Executive Directors of City Development and Corporate Services to work with relevant city stakeholders and partners to progress the compliant development and delivery of the Community Regeneration Partnership Programme;
- c Delegates authority to the Executive Directors of City Development and Corporate Services to award grants following conclusion of the three challenge funds that will shortly open for applications upon approval of the report; and
- d Recognises that the delivery of the Programme within the required timescale will be a significant challenge and delegates authority to the Executive Directors of City Development and Corporate Services to agree with MHCLG timescales and phasing of the CRP Programme and the potential reallocation of funding if this becomes necessary.
- e Note that officers will deliver Member briefings on the Programme at appropriate stages.

3 FINANCIAL IMPLICATIONS

- 3.1 The allocation of funding from the Community Regeneration Partnership to Dundee is £20 million in capital and £250,000 in revenue during financial year 2025/26 and will be in the form of a direct award to Dundee City Council.
- 3.2 The UK Government has allocated £45,000 in 2025/26 as a capacity payment for CRP, which will support the internal delivery of the projects by City Development.

4 DUNDEE CITY COMMUNITY REGENERATION PARTNERSHIP

- 4.1 In October 2023, the UK Government announced an £80 million expansion of their Levelling-Up Partnership Programme, marking its first implementation in Scotland. Throughout 2024/25 the MHCLG collaborated with Dundee City Council and key stakeholders to identify projects for delivery in the city. Ministers within the UK Government made the final decisions on projects to be supported. The UK Government confirmed the £20 million allocation for Dundee as part of the Autumn Statement in October 2024. (See Appendix 1)
- 4.2 The Programme includes 15 capital projects (see Appendix 2), which will be delivered either by the Council or external partners, and three revenue projects.

- 4.3 The timescale for delivery set by the UK Government requires all contracts for capital projects to be let before 31 March 2026. This will be a significant challenge, particularly given the nature and range of Programme investment and the need to engage directly with delivery partners. Risks include the identification of match funding, project management capacity and the timescales associated with procurement and statutory consents.
- 4.4 Dundee City Council signed a Memorandum of Understanding (MOU) with MHCLG in February 2025 outlining the expected delivery approach for the Community Regeneration Partnership.
- 4.5 The MOU provides Dundee City Council with the opportunity to seek to amend the project list if any identified project is unable to proceed within the agreed timescales. Any alternative project must contribute to the aims of the package and reflect the menu of interventions developed, and to be agreed by Ministers.
- 4.6 Dundee City Council may submit a request to add a project to the package if it meets the following criteria:
- i. Its requirement for grant can be contained within the approved package budget
 - ii. The Council can demonstrate that the project would contribute to the aims of the package
 - iii. It reflects the menu of interventions developed during the partnership and agreed with ministers
 - iv. It is feasible and deliverable, represents value for money and reflects local strategic needs and aspirations.
- 4.7 The next steps in the delivery of the programme include:
- Confirming that projects can deliver within the timescales of the programme.
 - Formalising grant offer letters between Dundee City Council and programme delivery partners, including conditions of grant, financial reporting mechanisms, project updates and to avoid any transfer of risk from the project partner to the Council. This will enable the Executive Directors of City Development and Corporate Services to sign off on project delivery at appropriate stages.
 - Delivering the three Challenge Funds – Fabric First, Community Facilities and Historic Buildings Renewal will be launched late April 2025 by the Executive Director of, City Development):
 - **Historic Buildings Renewal Fund:** grants to stimulate investment in the renovation and repurposing of buildings that support the regeneration of the city centre. Focusing on both ground floor and upper levels – particularly vacant and underused spaces as well as net zero investments.
 - **Fabric First Fund:** a grant scheme for city centre premises, with two key priorities: façade enhancements/just in time external repairs for both vacant and occupied premises and grants to support the internal refurbishment/upgrading of vacant premises to bring them back into productive use.
 - **Community Facilities Fund:** a programme of grants aimed at developing facilities in local communities, with a particular focus on deprived communities, to provide diversionary activities for young people. Neighbourhood Services will collaborate with City Development to develop and deliver this fund.
 - Collaborating with programme partners both within the Council and externally, to ensure the Executive Director of Corporate Services, as Section 95 Officer, is content that projects are compliant with the terms of their grant offer letter and can be delivered effectively.
 - Develop a risk register for each project identifying if any projects are at risk of not delivering and agreeing the process for reallocating spend.

5 GOVERNANCE

- 5.1 The following governance model is proposed to deliver the Community Regeneration Partnership Programme and detailed further in appendix 3:
- a The Executive Directors of Corporate Services and City Development will act as CRP Programme sponsors.
 - b The Executive Director of City Development will use capacity building funding (£45,000 in 2025/26) to support delivery, ensuring that the City Council has the necessary skills, resources, and capacity to deliver the programme effectively and compliantly.
 - c The Council's Corporate External Funding Team will manage the day-to-day operations and monitor the programme, working closely with colleagues engaged in the delivery of activities across the Council, and will provide regular updates to the Executive Directors of Corporate Services and City Development.
 - d The Executive Director of City Development will provide quarterly reports to MHCLG and where required, Committee will be provided with updates on individual projects and/or the programme.
 - e The Executive Director of City Development will seek appropriate Committee approval for any capital projects being directly delivered by Dundee City Council, in accordance with standing orders.
 - f Dundee City Council will complete Fraud Risk Assessments for each project/partner to ensure the safe administration of grants and that appropriate measures are put in place to mitigate against the risk of both fraud and payment error.

6. POLICY IMPLICATIONS

- 6.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

7 CONSULTATIONS

- 7.1 The Council Leadership Team were consulted in the preparation of this report.
- 7.2 The UK Government consulted with a wide range of stakeholders in the development phase of the Programme (January to March 2024). The aim was to identify capital projects that best met the key priorities of both the UK Government, the stakeholders and the city.

8 BACKGROUND PAPERS

- 8.1 None.

Gregor Hamilton
Head of Planning and Economic Development

Author: Diane Milne

Robin Presswood
Executive Director of City Development

Paul Thomson
Executive Director of Corporate Services

Dundee City Council
Dundee House
Dundee

GH/DM/HG

25 March 2025

APPENDIX 1

BACKGROUND: COMMUNITY REGENERATION PARTNERSHIP

Levelling Up Partnership

The UK Government introduced the Levelling Up Partnership approach in the March 2023 budget, allocating up to £20M to twenty areas in England for bespoke, place-based regeneration in 2023-24 and 2024-25. In the October 2023 Budget, the Government expanded the programme to Scotland, selecting four local authorities - Dundee, Argyll & Bute, Comhairle nan Eilean Siar and the Scottish Borders – to receive a similar £20M contribution. The programme has been renamed the Community Regeneration Partnership by the current Government.

Delivery Mechanism

In early 2024, a team of officers from the MHCLG visited Dundee and engaged with a range of key stakeholders across the city (such as third sector and business organisations, academic partners, infrastructure providers and national agencies). Their goal was to identify local challenges, key opportunities and potential projects for inclusion in the Programme, aligning with the key objectives of MHCLG.

Following this collaborative approach to programme development, the UK Government announced the Partnership (and the key projects to be supported) on the 9th of May 2024. The new Government reconfirmed following the Autumn Statement in October 2024.

Dundee City Council will be the Programme lead for delivery and governance which will include:

- Projects delivered directly by Dundee City Council (standalone capital projects);
- Projects delivered by third party partners e.g. Dundee and Angus College (standalone capital projects)
- A series of challenge funds, inviting organisations and companies to submit bids (Capital Investment through Challenge Funds)
- Revenue investment

This page is intentionally left blank

APPENDIX 2

Named Community Regeneration Partnership Projects - Dundee

Theme: Accelerating Dundee's business ambitions				
Project	Description	Delivery	Revenue	Capital
Life Sciences Innovation District/ Technopole (Centre for Targeted Protein Degradation)	To fit out elements of the University's Centre for Targeted Protein Degradation, to ensure that it remains at the cutting edge of innovation and can capitalise on the rapidly expanding targeted protein degradation market.	University of Dundee	-	£2M
Legal Tech Education and Incubator Facility	Creation of and education and innovation space to provide the next generation of legal professionals with up to the minute technical skills, through delivery of a combined legal/tech curriculum.	Academic/ Legal joint entity	-	£1.1M
Central Waterfront Phase 3 Office Development	Next phase of the waterfront - additional grade A office space to meet demand, attract investment, create employment and generate income. Business plan will set out other external funding opportunities e.g. Tay Cities Region Deal, Growth Accelerator.	Dundee City Council	-	£3M
Improving Business Support for High Potential Start Ups	Enabling potential high growth companies in the city to access national development programmes delivered by organisations such as Scale Up and The Hunter Foundation.	Dundee City Council	£120K	-
Theme: Enhancing the City Centre				
City Development Plans	To support master planning of city centre and key development sites in the city, to support future investment. This will ensure that the city has a pipeline of future projects, on the shelf, when funding opportunities arise.	Dundee City Council	-	£0.2M
Historic Buildings Renewal Fund (Challenge Fund)	To support the regeneration and reuse of vacant historic buildings in the city centre, providing grants to developers to reduce the viability gap e.g. housing, commercial developments.	Dundee City Council	-	£2M
Fabric First Grant Fund (Challenge Fund)	To support enhancements to the facades of city centre premises that are currently occupied and the interiors and/or facades of vacant premises. To attract new users to the city centre and increase footfall.	Dundee City Council	-	£1M
Eastern Quarter Improvements	To invest in the regeneration of key routes/public realm in the Eastern Quarter/City Centre, based on the findings of recent master planning work undertaken by LDA Consultants.	Dundee City Council	-	£1M
Dundee Museum of Transport	To support the redevelopment of the former tram depot in Maryfield, creating a new, permanent home for Dundee Museum of Transport.	Dundee Museum of Transport	-	£1.2M

Project	Description	Delivery Partner	Revenue	Capital
	Theme: Bridging the Divide			
Dundee & Angus College Future Skills Programme	To enable Dundee & Angus College to develop their campus at Gardyne Road creating a facility for future skills, including <ul style="list-style-type: none"> • Practical workshops for energy transitions and construction decarbonisation • A digital training suite featuring design and simulation software for energy and building systems • Green technology equipment such as solar panels, wind turbine models, EV charging stations and thermal imaging tools. 	Dundee & Angus College	-	£4.5M
Dundee & Angus College Social/ Health Care Facility	To fit out space at Dundee & Angus College to provide a Health and Social Care Simulation Training Facility, including a hospital ward, a care at home flat and flexible teaching spaces, providing a realistic training environment. .	Dundee & Angus College	-	£0.5M
Community Facilities Grant Scheme	To run a challenge scheme to support investment in facilities in local communities that provide diversionary youth activities and to support the development of new infrastructure in the north of the city (such as Kirkton Community Centre).	Dundee City Council	£70K	£2.5M
Dundee Green Circular Active Travel	To support investment in the city's green circular path network, enhancing a key section of the route.	Dundee City Council	-	£0.5M
Improving the Council's understanding of private housing in Dundee	To undertake research looking at the quality of the tenemental housing stock in the city, and the impact of students on the housing market.	Dundee City Council	£60K	-
Drug Rehabilitation Infrastructure	Investment in drug recovery infrastructure/facilities in the city.	Dundee City Council	-	£0.5M
TOTALS			£250K	£20M

APPENDIX 3

DELIVERING THE COMMUNITY REGENERATION PROGRAMME IN DUNDEE

Role of the Lead Authority

Dundee City Council will be the accountable body for the CRP funds, responsible for implementing and delivering the projects, in partnership with both MHCLG and the named delivery partners. Funding will be awarded subject to approved business templates and grants will be given as a direct award.

Dundee City Council commits to on-going monitoring, with the aim of ensuring accountability and performance against milestones, spend, risks, outputs and outcomes as detailed in the Delivery Plan which form part of the MOU. Officers from MHCLG and Dundee City Council will meet quarterly, as a minimum, to ensure that projects are being delivered as agreed, and that they are having their intended impact. The meetings will be based on quarterly reports to be prepared by Dundee City Council.

A Grant Determination Letter will be issued once funding has been released.

Governance Approach

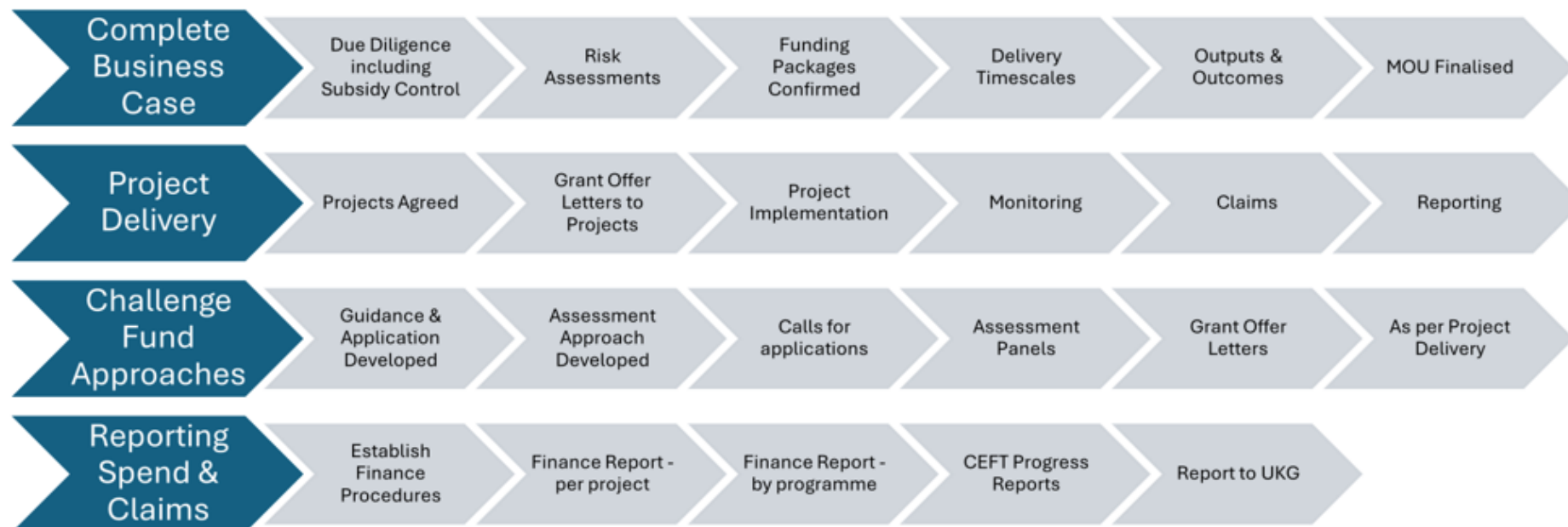
The Executive Directors of City Development and Corporate Services, along with their teams, will work closely with MHCLG to deliver the Community Regeneration Partnership in Dundee. This will involve engaging officers from key service areas including City Development (Planning, Economic Development, Property, Engineers), Corporate Services (Finance, Fraud, Legal & Democratic Services, Procurement) and Neighbourhood Services in both the development and delivery of the programme.

This cross-Council approach, coupled with the agreed delivery model, will enable the Council to meet its responsibilities, ensuring the Section 95 Officer can be confident that all projects, including those delivered by a third party, are feasible.

City Development have established a high level working group, meeting fortnightly, to drive the delivery of the programme and to ensure full spend. Each project has an identified Senior Responsible Officer and a Project Lead.

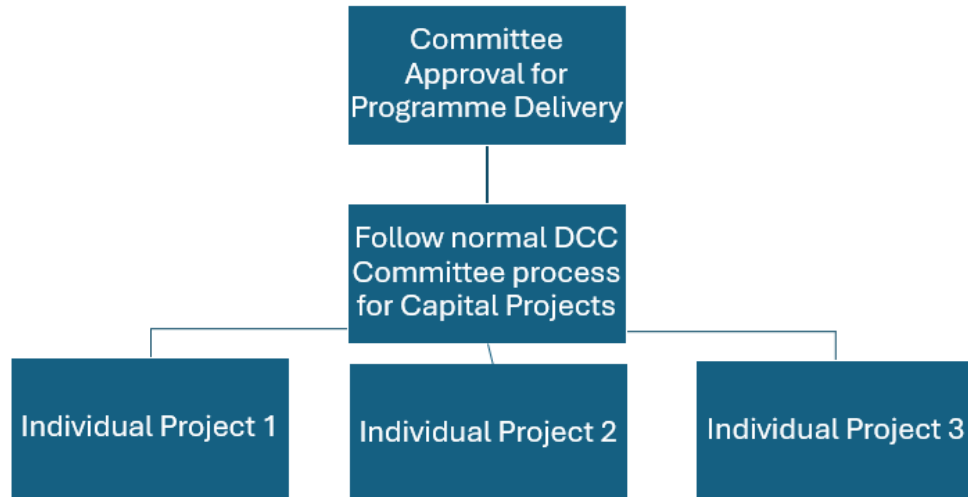
The Corporate External Funding Team Board – comprising the Head of Planning and Economic Development, the Senior Manager for Economic Development, the Team Leader for Economic Growth, the Accounting Manager for City Development, and the Principal Officer for Funding & Major Projects and any co-opted members necessary for the CRP delivery e.g. capital monitoring team - will oversee the programme and reporting to the UK Government.

Actions to support project delivery include:



Committee Process

The Programme will involve the delivery of several capital projects by Dundee City Council and, as such, will follow the required procedures for capital projects to seek Committee approval for capital spend.



This page is intentionally left blank