

**REPORT TO:** PLANNING & TRANSPORTATION COMMITTEE – 1 DECEMBER 2003

**REPORT ON:** ESTABLISHMENT OF THE DUNDEE HISTORIC ENVIRONMENT TRUST

**REPORT BY:** DIRECTOR OF PLANNING & TRANSPORTATION

**REPORT NO:** 740-2003

## **1 PURPOSE OF REPORT**

- 1.1 To advise members of progress in establishing the new 'City Heritage Trust' for Dundee and seek approval of detailed proposals for the establishment of a 'City Heritage Trust' in cooperation with Historic Scotland, and in consultation with the voluntary and business sectors.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that Committee
- a Agrees to the detailed proposals for setting up a City Heritage Trust for Dundee to be called the 'Dundee Historic Environment Trust'.
  - b Approves the Outline Project Plan (appendix 1);
  - c Agrees to the budgets and administration of the Façade Enhancement grant Scheme (£50,000) and the Doors Open Day Projects (£3,000) being paid as grants to the Trust annually for the three year period commencing 1 April 2004.;
  - d Agrees to second the Council's Conservation Officer to the Trust (for 3 years) and to back-fill the post;
  - e Remits the Director of Planning & Transportation to advertise for and appoint a chairman and board of directors for the management of the Trust;
  - f Agrees that the Director of Planning & Transportation be appointed a director of the Trust.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The 'City Heritage Trust' will be a grant making body largely funded by the Scottish Executive via Historic Scotland. Long term financial support from Historic Scotland will be dependent on partnership funding from Dundee City Council and other organisations. It is therefore recommended that the existing Façade Enhancement Grant Scheme and Doors Open Day budgets amounting to £50,000 and £3,000 respectively be paid to the Trust annually as grants for the three year period commencing 1 April 2004. The total annual cost of up to £53,000 can be funded by allocating £50,000 from the Department's Capital Budget (subject to approval of the Capital Plan in January 2004) and £3,000 from the Department's Revenue Budget (subject to the availability of resources). Further limited support may be provided 'in kind' (eg accommodation and facilities).

#### **4 LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 The 'City Heritage Trust' will make an important contribution to the Council's policies on sustainability: access to skills, knowledge and information; opportunities for culture and leisure and recreation; places, spaces and objects combine meaning and beauty with utility; diversity and local distinctiveness are valued and protected.

#### **5 EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 The 'City Heritage Trust' would be accessible to all sections of the community for educational and cultural purposes and encourage community involvement in the historic environment. Public access would further the Council's anti-poverty social inclusion objectives.

#### **6 BACKGROUND**

- 6.1 In June 2003 (report 344-2003) Members agreed to support the setting up of a 'City Heritage Trust' for Dundee and remitted the Director of Planning & Transportation to bring back detailed proposals to establish the trust in co-operation with Historic Scotland, and in consultation with the voluntary and business sectors.

##### **Consultation**

- 6.2 A number of local amenity, community and business organisations have been informed of the initial proposals and asked to comment. The following responses were received:
- Abertay Historical Society (Matthew Jarron) – supportive, prefers 'Dundee Historic Environment Trust' as name;
  - The Architectural Heritage Society of Scotland (Sean O'Reilly) – supportive, the Trust should aspire to promote highest standards of conservation and not refocus funding from building preservation trusts;
  - Broughty Ferry Community Council (David Hewick) – supportive, the Façade Enhancement Grant Scheme shows how effective 'seed funding' can be;
  - Director of Leisure & Arts – supportive, would wish to include railings at Eastern Cemetery as a possible project;
  - Dundee Heritage Trust (Stewart Brymer) – supportive, would wish to avoid confusion with their trust in choice of name, concern that the purposes and scope identified (from Outline Project Plan para 3) are objectives of Dundee Heritage Trust;
  - Forth Property Developments Limited – supportive, would welcome assistance from the Trust's funds for refurbishing property in the docks area;
  - The Scottish Civic Trust (Terry Levinthall) – very supportive, prefers 'Dundee Historic Environment Trust' as name;
  - The Unicorn Preservation Society (Lt Cdr W Roderick Stewart) – supportive, particularly with the waterfront as a priority;
  - University of Dundee, Department of History (Charles McKean) – detailed comments including needing consultation & collaboration with other heritage bodies, projects should include Dundee closes, Milne's Buildings & St David's Halls courtyard area;
  - University of Dundee, Museum Services (Matthew Jarron) – supportive, prefers 'Dundee Historic Environment Trust' as name;

- West End Community Council (Gordon Sharp) – supportive, particularly of promoting an understanding of ‘sense of place’, would like to see the Trust active ‘city-wide’.

Other organisations have responded informally, including Dundee Civic Trust, Dundee & Tayside Chamber of Commerce and Tayside Building Preservation Trust (all favourably). Other organisations consulted include DCC City Centre Manager, Dundee Institute of Architects, High School of Dundee, Stobswell Forum, University of Abertay Dundee, University of Dundee Estates & Buildings.

### **Historic Scotland**

- 6.3 Discussion has continued with Historic Scotland and a cross-group meeting was attended on 23 September with representatives from the other cities establishing such trusts, in order to agree the outline project plan, discuss local progress and discuss legal issues. The outline project plan is attached to this report (appendix 1) for members’ information and approval. The key objectives are:

By January 2004 to:

- appoint a Project Manager;
- agree core funding from the Council and agree the make up of the board;
- advertise for and appoint a chairperson and directors;

By April 2004 to:

- submit a baseline assessment of Dundee’s built heritage resource;
- complete legal incorporation and charity registration
- agree a 3-5 year business plan

By July 2004 to:

- publish a 3-5 year action plan of phased projects to be supported;
- agree a contract between the Trust, Historic Scotland and other major funding partners;
- secure Dundee City Council’s commitment for even higher standards of quality in the historic environment

By October 2004 to:

- lease appropriate premises;
- launch the Trust, advertise the grant scheme & achieve local press coverage

By January 2005 to:

- stimulate around £345k of bids for grant identified in the action plan and explore other funding sources;

By April 2006 to:

- award at least £345k of grants as identified in the action plan
- publish the first annual accounts and annual report.

### **Appointment of Project Manager**

- 6.4 The Council has been requested by Historic Scotland to appoint a person with appropriate skills to the post of Project Manager for a temporary period of three years. It is recommended that the conservation officer be seconded from the

Planning & Transportation Department for a period of 3 years and that the full employment costs be charged back to the Trust. This has advantages for the Trust in being able to start out with a suitably qualified and experienced staff member with proven experience directly related to the workload of the Trust and within the short time scale required. The conservation officer (Adam Swan) has been involved with setting up the Trust and has been charged with overall responsibility for implementing the Outline Project Plan. Historic Scotland supports this arrangement in principle providing the Conservation Officer post is back filled by competitive advertising. The Council's planning service would be advantaged by this arrangement as the City Heritage Trust will have capacity to take on services currently provided by the Council.

### **Agreement of Core Funding**

- 6.5 Historic Scotland has identified funding for three years. Transfer and continuation of the Façade Enhancement Grant Scheme (FEGS) and Doors Open Day budgets would help demonstrate this. Arrangements would be as detailed in report 334-2003, para 6.8, with the understanding that the projects would continue on the same basis and would be operated by the Trust to the Council's requirements.
- 6.6 Currently the FEGS budget is £100,000, with £50,000 provided by the Council and £50,000 by Scottish Enterprise Tayside. The Director of Finance has confirmed that the FEGS budget is allowed for at the same level for the financial years 2004-07, subject to Council's approval of the Capital Plan in January 2004.
- 6.7 Scottish Enterprise Tayside (SET) has confirmed that, while complementary of the Council's management of the scheme, they would support the Trust taking over its management.
- 6.8 It is recommended that the Council transfers the FEGS and Doors Open Day administration and budgets to the Trust, subject to the Trust continuing the projects to objectives and conditions as determined on an annual basis by the Director of Planning and Transportation and Scottish Enterprise Trust and subject to the Trust providing the Council with an annual report detailing expenditure and progress on both projects.

### **Name of Trust**

- 6.9 Following consultation, the name 'Dundee Historic Environment Trust' has received full support of those who have commented and it is recommended that this be used for the name of the Trust (reference, report 334-2993, para 6.7).

### **Appointment of Chairman and Board Members**

- 6.10 Historic Scotland has requested that the Council appoint the Chairman and board members for the management of the Trust. They require that these be individuals with relevant experience and qualifications and not necessarily represent of any organisation. It is recommended that the Director of Planning & Transportation be remitted to advertise for and appoint first the chairman and, with the chairman's assistance the board of directors.

- 6.11 Historic Scotland also suggest that the Council be represented on the board by the Director of Planning and Transportation and that a senior council official be appointed to the project team until the Trust is formally constituted.

## **7 CONSULTATIONS**

- 7.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Assistant Chief Executive (Community Planning), Director of Leisure & Arts and Director of Economic Development have been consulted and are in agreement with the contents of this report.

## **8 BACKGROUND PAPERS**

- 8.1 None.

Mike Galloway  
Director of Planning & Transportation

Ian Mudie  
Head of Planning

IGSM/AMS/MS

24 November 2003

Dundee City Council  
Tayside House  
Dundee

***OUTLINE PROJECT PLAN FOR SETTING  
UP CITY HERITAGE TRUSTS IN  
ABERDEEN, DUNDEE, INVERNESS AND  
STIRLING.***

***September 2003***



1. This Outline Project Plan has been prepared by Historic Scotland and endorsed by Aberdeen, Dundee, Highland and Stirling Councils as the basis for the development of local initiatives to set up a City Heritage Trust in their respective areas.

## **Purpose and scope**

2. The Council will work with Historic Scotland to set up a City Heritage Trust fully active by April 2005. It will be constituted as a company limited by guarantee and aim to have charitable status.

3. The Trust will allocate grants and co-ordinate a range of other activity in order to:

- safeguard and enhance the quality and value of the historic environment;
- promote the understanding, enjoyment and sustainable management of the heritage resource;
- help develop cultural awareness, appreciation and a sense of place;
- increase the attraction of the area as a place to live and visit;
- promote the competitive advantage of and help regenerate historic places; and
- add value to and amplify existing statutory and partnership initiatives.

## **Objectives**

4. By January 2004:

- appoint a professionally qualified Project Manager to provide full-time support to the Trust until April 2007;
- agree levels of core funding from the Council and the make up of the Board; and
- advertise for and appoint a Chairperson (to serve from April 2004 to April 2007) and Board of Directors with a mix of skills, knowledge, influence and experience closely matched to the purposes of the Trust.

5. By April 2004:

- submit a baseline assessment of the heritage resource to the Council and Historic Scotland;
- incorporate the Trust as a company limited by guarantee;
- incorporate the Trust as a charity; and
- agree a 3-5 year Business Plan with Historic Scotland and other major funding partners.

6. By July 2004:

- publish a 3-5 year Action Plan to set out a phased programme of projects to be undertaken with grant assistance from the Trust;
- agree a contract between the Trust, Historic Scotland and other major funding partners (to set out policies and procedures on the award of grant and performance indicators); and
- secure corporate Council commitment even higher standards of quality in the historic environment.

7. By October 2004:

- lease centrally located and accessible office, meeting and exhibition space; and
- launch the Trust,
- advertise the grant scheme, and
- achieve local press coverage.

8. By January 2005:

- stimulate around £345k of bids for grant to help deliver projects identified in the Action Plan; and
- explore other funding sources.

9. By April 2005:

- award at least £345k of conservation grant towards the delivery of projects identified in the Action Plan; and
- publish the first Annual Statement of Accounts and Annual Report outlining progress against core purpose and performance indicators.

## **Constraints**

10. The initial commitment is for the Trust to be awarded a three-year budget of £750k although there is a strong expectation this will be extended into the longer term. Whilst a significant commitment, this will be unlikely to enable the Trust to tackle projects involving the reuse of vacant or underused buildings on its own. Success in this regard is therefore dependent on the level of financial commitment the Council and other stakeholders are able to provide, together with the success of the Project Officer in drawing down complementary funding from other sources on a project by project basis.

11. There are legal constraints on the way in which Historic Scotland's grant to the Trust can be spent. It can be used to meet up to 85% of the cost of eligible works. It can only be used to 'promote the preservation or enhancement of the character and appearance of an outstanding conservation area, or any part of it,' or for the 'repair and maintenance of a building of outstanding architectural or historic interest or the upkeep of land adjacent to it.' Whilst this allows for investment in Scheduled Ancient Monuments where they form part of an outstanding Conservation Area, separate funding streams would be required to tackle Scheduled Ancient Monuments elsewhere. Scottish Ministers can also make grants to local authorities for the acquisition of listed buildings (normally limited to 50% of the District Valuer's valuation).

12. Government accounting rules prevent grant being drawn down in advance of need. The Trusts will therefore be required to find their own start-up working capital. Based on an annual capital spend of £250,000 and a monthly draw down of grant, this could be anything between £20,830 and £250,000, depending on the spread of grant payments over the year. In the cases of Edinburgh World Heritage Site and Glasgow Conservation Trust West, the Councils have been able to provide this by means of an annual grant. There may be other options and Historic Scotland will work with Councils to explore them.



## Budget

13. The table below estimates (within 30%) how the core funding could be spent. It does not take into account contributions or contributions in kind from the Council and other funding sponsors. Contributions in kind could usefully include premises, IT equipment and support, staff training, secretarial support, access to printing and publication services and legal advice.

	<b>Year 1</b> (2003/04)	<b>Year 2</b> (2004/5)	<b>Year 3</b> (2005/6)	<b>Year 4<sup>1</sup></b> (2006/7)
Project Officer	14 <sup>2</sup>	28	28	28
Administration and expenses	9	14	14	14
Promotion, outreach and marketing	2	2	2	2
Premises	0	5	5	5
Annual report	0	1	1	1
Baseline assessment	20	0	0	0
Business plan	5	0	0	0
Action plan	10	0	0	0
Conservation grants	0 <sup>3</sup>	295	295	200
<b>Total</b>	<b>£60k</b>	<b>£345k</b>	<b>£345k</b>	<b>£250k</b>

<sup>1</sup> Although Scottish Ministers have only committed a total of 750k for the Trust over 3 years, there is a strong expectation that the Historic Scotland commitment will continue in the longer term subject to performance.

<sup>2</sup> Assumes appointment from November 2003.

<sup>3</sup> Bearing in mind the time needed to constitute the Trust, it will be possible to exercise some end year flexibility and spread the first year's capital allocation over year 2 and 3.

## Risk Analysis

<b>High level risks</b>	<b>Contingencies</b>	
Failure to attract additional core funding from other partners by November 2003.	Exit strategy for 2005/06 to divert resources to places where better value for money can be demonstrated.	Fundraise and seek contributions in kind. Look for individual project funding from other HS funding streams, HLF, AHF, EU, LECs, council budgets etc.
Delays in constituting the Trust as a legal entity.	Seek additional revenue funding to build capacity for worthwhile activities.	Consider the scope for grants to be awarded to the Council.
Negative press and failure to establish local support.	Make early contact with newspapers, media and community representatives.	Consider the PR implications of actions and use the launch to foster a positive image.
High level political support is not forthcoming or withdrawn.	Constitute the Trust independently from the Council or consider other mechanisms for delivering a conservation grant scheme.	Divert resources to other places.
Nationally applicable quality standards are not met.	Use Project Manger and Historic Buildings Inspectorate to monitor quality.	Enforce quality through specifications as a condition of grant and by signing off awards of grant in arrears and after inspection.
<b>Medium level risks</b>	<b>Contingencies</b>	
Cannot attract human resources with suitable skills, knowledge, expertise and influence.	Ensure high level (Chief Executive?) approaches to potential Board Members.	Appoint Project Manager on salary attractive to an experienced professional. Appoint as a Council employee seconded to work for the Trust on a full- time basis.
Bids for conservation grant are not forthcoming, for example, through lack of interest or exclusive focus on public realm works.	Address this through Action Plan and through active marketing and promotion of the grant scheme.	Provide flexibility in the levels of grant available. Reduce levels of core funding.
Trust consistently fails to deliver against its performance targets.	Reduce annual HS contribution and divert resources to places where better value for money can be demonstrated.	
Cannot find suitable premises by April 2004.	Consider diverting money from other sources to lease.	Consider scope for acquiring property.
High turnover of staff.	Ensure continuity through Project Sponsor, Project Manager and Chair.	
Enhancements initiated by the Trust are undermined by individual development control decisions in and around the area.	Secure corporate Council support for quality, first class modern design and a firm line on enforcement.	Integrate the aims and objectives of the Trust with Development Plan policies and proposals.
Working Capital cannot be found from within the Council.	Explore ways to convince the bank to release working capital and explore other possible sources.	Architectural Heritage Fund may be able to provide working capital for individual projects.

## Project team

Name	Role	Responsibility
David Leven, Historic Scotland, (0131 668 8821).	Sponsor	Project team agreement to Outline Project Plan, day to day liaison, sign off appointments, baseline study, action plan, business plan and service agreement. Attendance at Project Team meetings.
Council Conservation Officer (until appointment of professional).	Project Manager	Overall responsibility for implementation of the Outline Project Plan. Organise Project Team meetings.
Senior Council official.	Project Team Member	Liaison with senior council officials and Councillors, brokering of Council's financial commitment, contribution in kind, financial contribution and representation on the Board. Also responsible for negotiating involvement of the Local Enterprise Company and making approaches to Chairperson and Board Members. Attendance at Project Team meetings until Trust is formally constituted (April 2004).
Principal Historic Buildings Inspector.	Adviser (Conservation)	General liaison, technical input into baseline assessment, action plan and business plan.
Eddie Tait/Martin Fairley, Historic Scotland Grants Branch (0131 668 8819/8691).	Advisers (Financial)	Attendance at quarterly meetings, input into annual contract and advice on conditions of grant.
Liz Davidson, Association of Preservation Trusts/Merchant City Initiative (0141 552 6060).	Adviser (Organisation and funding)	Attendance at quarterly meetings and advice on request.
David Reith, Lindsays WS, (0131 477 8708)	Adviser (Legal)	Attendance at quarterly meetings and consultant support.

14. Implementation of this Project Plan will be monitored through Project Team Meetings held every eight weeks. The designated Chairperson and newly appointed Project Manager will join the Project Team in due course. The Project Sponsor will host meetings between the four teams involved in setting up City Heritage Trusts. The first of these will be held in Stirling on 23<sup>rd</sup> September 2003. The intention is to have the next meeting in Stirling on 18<sup>th</sup> February 2004.

### Completion

15. The project will finish by April 2005 and after the Trust is formally constituted and active in implementing a Business Plan and awarding conservation grants against priorities set out in an agreed Action Plan.

**Historic Scotland  
23<sup>rd</sup> September 2003**