

Finance Committee asked to “lend” funds for McMillan Hub

When the Finance & Resources Committee meets today it has a long agenda of items to consider, and one of these is a gap in funding for the new McMillan Hub in Muirhouse.

The report prepared by council officers urges councillors to proceed with one of three possible options, one that will “forward loan fund the remaining project budget shortfall subject to the cost recovery arrangements being agreed with North Edinburgh Arts”. This will allow the arts body time to do more fund-raising.

North Edinburgh Arts has already moved out of its previous building which has now been partly demolished, and a new community hub is being built alongside a new civic square. Part of the development will include an early years centre for 185 children and a new library and skills hub, affordable homes and a new home for North Edinburgh Arts to move into. Construction is progressing from the start made in April this year, and completion is expected by autumn next year.

In the contract awarded in March this year a funding gap of £1.87 million was identified of which the council would “front loan” £0.994 million relating to the overall structure of the building. The remaining £0.876 million is to be raised by North Edinburgh Arts who have engaged a professional fundraiser to achieve this. They still have around £0.5 million to raise, but

only yesterday the organisation attended a “hard hat” photo call confirming around £300,000 of funding from [Foundation Scotland](#).



L-R Maria Law Foundation Scotland, Cllr Kevin Lang, Alex Cole-Hamilton MSP, Lesley Hinds Chair North Edinburgh Arts and Kate Wimpress CEO of North Edinburgh Arts

At a presentation in July this year North Edinburgh Arts detailed their progress in raising the funds required. The body had made 113 applications to charitable trusts and foundations and were due to meet with key city philanthropists in August and September the outcome of which is not yet known. The council has also included the project in a second round bid for £1.295 million to the UK Government’s Levelling Up Fund. Some funding from the Scottish Government Regeneration Capital Grant Fund [last December](#) allowed the redevelopment plans to progress.

Some of these applications for funding will take more time to

realise.

If the council decided to change or reduce what is being built in the £15.489 million contract awarded to Robertson Construction Group Ltd then there are obvious risks with an anticipated rise in costs (perhaps as much as double) when renegotiating any new contract in future.

North Edinburgh Arts really needs the whole building to be able to earn the income that it proposed in its initial plans.

Council officers recommend proceeding with the whole project under an arrangement where the council lends funds to North Edinburgh Arts subject to an agreed repayment plan. The upside of this arrangement is that if North Edinburgh Arts failed in its repayments to the council, then with a security over the building the council would have an asset ready to lease to another body.

Lesley Hinds Chair of North Edinburgh Arts (NEA) remains very positive. She said: "McMillan Hub is one of the most exciting projects in Scotland. It is a true partnership between NEA and the Council. Despite an increase in the project costs NEA has still managed to raise 61% of the funding needed to refurbish and expand NEA. All political parties have been very supportive of NEA and I am sure will support option 3 at the Finance meeting."

The Finance & Resources Committee meets at 10am. The agenda for the meeting is [here](#). A special meeting of the Finance & Resources Committee will be held next month to consider and approve the annual audit report and to approve revised arrangements for running the Lauriston Castle Trust.



Members of the Committee

[Councillor Mandy Watt](#)

[Councillor Graeme Bruce](#)

[Councillor Phil Doggart](#)

[Councillor Joan Griffiths](#)

Members of the Committee

<u>Councillor Euan Hyslop</u>

<u>Councillor Lesley Macinnes</u>

<u>Councillor Alys Mumford</u>
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<u>Councillor Vicky Nicolson</u>
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<u>Councillor Neil Ross</u>

<u>Councillor Alex Staniforth</u>

<u>Councillor Lewis Younie</u>
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