
SCOTTISH GOVERNMENT TOWN CENTRE CAPITAL FUND – PROJECT UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 The council was allocated £1.24m Town Centre Capital Funding from Scottish Government as part of the 2019/20 budget settlement to Argyll and Bute Council. On 27th June 2019, Council agreed to allocate the fund across eleven discreet projects and for 5% to be retained as a programme contingency, expenditure of which was delegated to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader and Depute Leader of the Council and the Leader of the Opposition.
- 1.2 The timescales required in which to commit spend and to deliver Town Centre Fund (TCF) projects were reviewed by Scottish Government in February 2020, subsequent to which an extension was provided.
- 1.3 Further to the extension announcement, TCF projects are now required to be evidenced by a fully let contract, or through grant contract to a third party organisation, by 31st March 2021, and be complete by 30th September 2021.
- 1.4 The programme contingency of £63,000 is currently unallocated and as such there is still potential to utilise this to support a project with a shortfall on conclusion of the tender process.
- 1.5 The purpose of this report is to provide an update on each of the eleven projects following the second monitoring report submitted to Scottish Government on 31st March 2020. A highlight report (Appendix 1) is attached to provide a summary of each project, and assesses the associated risk especially given the set of extraordinary circumstances brought about by the coronavirus, COVID-19.

RECOMMENDATION

- 1.6 Members of the Business Continuity Committee are invited to note the contents of this report.

SCOTTISH GOVERNMENT TOWN CENTRE CAPITAL FUND – PROJECT UPDATE

2.0 INTRODUCTION

- 2.1 The purpose of this report is to update members on the eleven Town Centre Fund projects, which are supported by the £1.24m Town Centre Capital Funding from Scottish Government for 2019/20.

3.0 RECOMMENDATIONS

- 3.1 Members of the Business Continuity Committee are invited to note the contents of this report.

4.0 DETAIL

- 4.1 The overarching aim of the Town Centre Fund (TCF) is to contribute to transformative investments which drive local economic activities and re-purpose town centres to become more diverse, successful and sustainable.
- 4.2 As members will be aware, the council has been allocated £1.24m from the Town Centre Capital Funding distributed by Scottish Government as part of the 2019/20 budget settlement to Argyll and Bute Council. Projects identified to benefit from this discreet pot of funding were agreed by Council on 27th June 2019. Eight of the projects are being managed by council officers and three of the projects are taking the form of grant to a third party; to be managed by the third party. It is the purpose of this report to provide an update on each of these projects following submission of the second monitoring report to Scottish Government. A highlight report is attached as Appendix 1 and provides information on both the status of each project and the associated risk, taking account of the extraordinary circumstances brought about as a result of the coronavirus (COVID-19) pandemic.
- 4.3 On 20th February 2020, Scottish Government announced an extension to the TCF programme. Projects are now required to be evidenced by a fully let contract, or through grant contract to a third party organisation, by 31st March 2021 and be complete by 30th September 2021. This will go some way to

easing the pressure on each project as a result of having to postpone letting contracts and undertaking works as a result of the crisis management relating to attempts at combating the spread of COVID-19.

- 4.4 The second monitoring report was submitted on 31st March 2020. The purpose of the report is to provide an update on the position of each project, including its financial status and to provide a narrative for each that describes how the project was chosen, and how it aligns with Town Centre Fund policy. The report also describes the anticipated benefits and evaluation process.
- 4.5 Appendix 1 shows that the eleven projects remain as agreed by Council and that these are continuing to be progressed by officers as much as practically possible at this challenging time.
- 4.6 In cases where amendments are required, including any respective redistribution of costs, at their meeting of 27th June 2019, Council delegated decision making powers to the Executive Director with responsibility for Development and Economic Growth in consultation with the Council Leader, Depute Leader and Leader of the Opposition. There is therefore the potential to allocate the programme contingency of £63,000 to a project showing a shortfall following the conclusion of the tender exercises.
- 4.7 The next monitoring report is required to be submitted to Scottish Government in August 2020. It is therefore intended to provide members with a further update to coincide with this monitoring report.

5.0 CONCLUSION

- 5.1 Even with the programme extension from Scottish Government, as the impact of the coronavirus (COVID-19) pandemic is still unknown this remains a challenging programme to deliver. That being said, the programme is continuing and each project will be progressed as far as is practically possible. Appendix 1 provides an update on each individual project.
- 5.2 It is intended to bring an update to members in September 2020 to coincide with the monitoring report due to Scottish Government on 31st August 2020.

6.0 IMPLICATIONS

- 6.1 Policy – There is a need to comply with the Scottish Government Town Centre First policy and associated guidance for the Fund.
- 6.2 Financial – The Scottish Government expect that any uncommitted funds by 1st April 2021 will be returned to Scottish Government. The full fund is committed at this stage. £166,422 has been spent to date. The programme contingency of £63,000 can be allocated against a project showing a shortfall on conclusion of the tender exercise.

6.3 Legal – None

6.4 HR – Resourced from existing staff

6.5 Fairer Scotland Duty:

6.5.1 Equalities - protected characteristics - None

6.5.2 Socio-economic Duty – The Fund will support local economies through town centre regeneration activity

6.5.3 Islands – The Fund will support island economies through town centre regeneration activity

6.6. Risk – The full effects of the impact that the coronavirus (COVID-19) pandemic will have on the programme is at this stage unclear. At the time of writing, contractors have been asked by the government to down tools for an unconfirmed period of time, which will have an impact on project delivery. It is too early however to determine to what extent. This is somewhat mitigated by the Fund's delivery extension provided by Scottish Government, which requires contracts to be fully let by 31st March 2021, a year later than first instructed. The projects will be continually monitored to ensure that funds can be reallocated to another Town Centre Fund project to avoid having to return any uncommitted funds to Scottish Government at this time.

6.7 Customer Service - None

Kirsty Flanagan, Interim Executive Director with responsibility for Development and Economic Growth

30th March 2020

For further information contact:

Audrey Martin, Transformation Projects and Regeneration Manager

Tel: 01546 604 180

APPENDICES

Appendix 1 – March Town Centre Fund Highlight Report (EXEMPT)