

**SCOTTISH GOVERNMENT PLACE BASED INVESTMENT PROGRAMME FUNDING
2021/22**

1.0 EXECUTIVE SUMMARY

- 1.1 The Council has been allocated £821,000 of funding from Scottish Government for the financial year 2021/22 in connection with the Place Based Investment Programme. This funding is to enable the Council to carry out the Programme in their area. Scottish Government has agreed to a 5 year funding programme in regard to this Programme fund and as a local authority the council will receive a share of the funding each year over the 5 years to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund.
- 1.2 The main objectives of the Place Based Investment Programme are:
- to link and align place based initiatives and establish a coherent local framework to implement the Place Principle;
 - to support place policy ambitions such as town centre revitalisation, community led regeneration, 20 minute neighbourhoods and Community Wealth Building;
 - to ensure that all place based investments are shaped by the needs and aspirations of local communities;
 - to accelerate our ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.
- 1.3 The full £821,000 must be committed by 31st March 2022 and this commitment of expenditure should be evidenced by a fully let contract or commencement of works in order to avoid having to return any unspent funds to Scottish Government. The eligible costs for which the Grant can be claimed are capital costs incurred by the local authority or third parties through the Place Based Investment Programme.
- 1.4 As was the case with the previous Scottish Government Town Centre funding annual allocations, the timelines for the delivery of capital projects and associated spend under this new Programme fund is very tight and capacity to deliver projects is limited. In order to ensure that the council can fulfil the requirements of the grant the focus has to be on projects that can be delivered within the timeframe and for which there are the necessary staff

resources available for the delivery. Any project chosen will require to be able to start as soon as possible.

- 1.5 The report is seeking member's initial approval to allocate funding to three projects and to delegate authority on the allocation of the remaining funding for this year to the Policy and Resources Committee with a report going to the August meeting of the Policy and Resources Committee. The report will detail the further projects to be supported along with the allocation of funding to each one. It is estimated that the remaining funding to be allocated will be £561,000. The focus of the fund is clearly set out in the report and links closely to the reprioritisation focus of the Economic Growth service and associated Economic Strategy and Economic Recovery Plan, building on and adding value to previous investment made by the council through the Town Centre Fund and with a strong focus on Place and deliverability matched to available resources.

1.6 RECOMMENDATION

It is recommended that the Council:

- a. Note the allocation of £821,000 of Place Based Investment Programme funding from the Scottish Government for the financial year 2021/22.
- b. Note the main objectives of the Place Based Investment Programme funding and associated criteria and conditions of the grant including the tight timeline for delivery.
- c. Agree to the allocation of the Place Based Investment Programme funding to the three projects as detailed in paragraph 4.9.
- d. Agree to delegate authority on the allocation of the remaining unallocated Place Based Investment funding for 2021/22 to the Policy and Resources Committee with a report going to the August meeting of the Policy and Resources Committee recommending subsequent individual projects and associated funding allocations for 2021/22.

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2.0 INTRODUCTION

2.1 The council has been allocated £821,000 of funding from Scottish Government for the financial year 2021/22 in connection with the Place Based Investment Programme. This funding is to enable the Council to carry out the Programme in their area. Scottish Government has agreed to a 5 year funding programme in regard to this fund and as a local authority the council will receive a share of the funding each year over 5 years to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund,

3.0 RECOMMENDATIONS

3.1 It is recommended that the Council:

- a. Note the allocation of £821,000 of Place Based Investment Programme funding from the Scottish Government for the financial year 2021/22.
- b. Note the main objectives of the Place Based Investment Programme funding and associated criteria and conditions of the grant including the tight timeline for delivery.
- c. Agree to the allocation of the Place Based Investment Programme funding to the three projects as detailed in paragraph 4.9.
- d. Agree to delegate authority on the allocation of the remaining unallocated Place Based Investment funding for 2021/22 to the Policy and Resources Committee with a report going to the August meeting of the Policy and Resources Committee recommending subsequent individual projects and associated funding allocations for 2021/22.

4.0 DETAIL

4.1 The 2020 Programme for Government committed to establishing a Place-Based Investment Programme (PBIP), linking and aligning place-based funding initiatives. The aim of the PBIP is to ensure that all place based investments

are shaped by the needs and aspirations of local communities and accelerate our ambitions for place, 20-minute neighbourhoods, town centre action, community led regeneration and community wealth building.

- 4.2 The Place Principle, which underpins this approach, was adopted by Scottish Government and COSLA as a basis for collaborative working to ensure that future local investment is relevant to local communities for the benefit of local people. Bringing relevant services, enterprise, and communities together to make our towns, villages, and neighbourhoods more viable. The PBIP alongside the developing Place Framework are designed to make the Place Principle real.
- 4.3 Scottish Government believe that a coherent programme approach to place based investment will provide the structure to challenge, coordinate and target efforts in any particular geography. It is designed to make sure that all place based investments understand the place in which they are made, how their contribution will help deliver the changes needed, and how local communities shape their future.
- 4.4 Local authorities are a key partner in delivering the Place Based Investment Programme and Scottish Government and Council Leaders have agreed that Local Government will receive a share of the funding over 5 years to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund, which will also have its funding continued through the PBIP. As a local authority the Council will receive a share of this capital funding over the next 5 years, **£38m in 2021/22**; £33m in 2022/23; £23 in 2023/24; £23m in 2024/25; and £23m in 2025/26.
- 4.5 The main objectives of the Place Based Investment Programme are:
 - to link and align place based initiatives and establish a coherent local framework to implement the Place Principle;
 - to support place policy ambitions such as town centre revitalisation, community led regeneration, 20 minute neighbourhoods and Community Wealth Building;
 - to ensure that all place based investments are shaped by the needs and aspirations of local communities;
 - to accelerate our ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.
- 4.6 Local authorities will be expected to provide to The Scottish Government:
 - a progress report by 30 November 2021;
 - an end of year report in April 2022 which details financial expenditure; and shows how this was additional to existing spend;
 - evaluation reporting with timescales and content to be discussed and agreed.

4.7 The Programme aims to invest in centres or neighbourhoods connected with two categories of settlement.

1. Rural settings with smaller populations, dependent on larger geographical areas for support, for example :

- Small Towns with a limited range of non-specialised facilities;
- Villages with very limited, or non-existent, access to facilities.

2. Urban settings with sizeable populations, , for example :

- Regional Capitals with extensive provision supporting a wide geographical area;
- Larger Towns with a comprehensive range of dedicated services and facilities.
- Individual Neighbourhoods with limited access to relevant local provision.

4.8 As highlighted previously the biggest challenge in respect of this year's fund is to identify projects that meet the Place based criteria of the fund, are able to be delivered within the tight timeframe and that we have the necessary staff resources in place to deliver these. The focus of the fund is on capital spend and whilst this can cover development costs any projects that are being delivered under the 2021/22 allocation would need to be well advanced in regard to their development, be relatively straightforward and/or be ready to start on site.

4.9 As members will be aware under the recent Scottish Government Town centre funding from Scottish Government the council has supported 28 projects and we are still in the process of ensuring that these are all completed and the spend is undertaken by September of this year. The key issue has and continues to be resources to deliver these projects. Taking this into account, the focus for this year's new PBI fund has to be on identifying projects that can definitely be delivered, which would fit with the PBI Programme criteria, would build on previous investment, and the resources would be in place to deliver them. Some initial projects being proposed along with estimated grant allocation sought are listed below.

Argyll wide shop front improvement grant Scheme (£80,000 with a split across all 4 areas) – following the success of the grant scheme that was delivered via Scottish Government Town Centre funding from 2020/21 where there were over 70 businesses supported, it is proposed to re run this grant scheme using the PBI Fund, and to broaden this so that it can be accessed by smaller settlements (less than 1,000 population) and more rural retail businesses. It is currently not intended that this would apply to Bids towns, towns with Conservation Area Regeneration Schemes (CARS) or our larger settlements with the exception of Campbeltown which was the only town which was oversubscribed under the previous grant scheme and a number of grant requests could not be supported as a result.

Priority building, Tower Street, Rothesay (£100,000)– This is a priority building and the repair works are being delivered as part of the Rothesay Townscape Heritage/CARS project. The council has acquired the ground floor of the building to use as centralised office accommodation. The project is ready to start on site

however the current budget available for the works is insufficient to undertake all the works necessary to the building. If additional funding could be secured the full scope of works could be undertaken which would significantly enhance the appearance of this building which occupies a prominent location within the town centre.

Lochgilphead Front green (£80,000)– This project is now on site and there is the option to up spec the pavement surface finish to stone thereby complementing the surface finish used in the recently completed Colchester Square public realm project. As the project is on site a decision would require to be made soon. The change to the surface finish would add value to the existing investment from the council and partners including Sustrans and would ensure the delivery of a more attractive scheme and Place.

- 4.10 Work is on-going to determine the final allocation of funding against each of these projects and these initial costs may increase slightly however based on current estimates there will be £561,000 available to be allocated against additional projects. In regard to the possibility of support to other projects from this year's PBI fund authority is sought from Council to agree to delegate authority on the allocation of the remaining unallocated Place Based Investment funding for 2021/22 to the Policy and Resources Committee. It is proposed that a report be brought to the August Policy and Resources Committee meeting recommending subsequent individual projects and associated funding allocations for 2021/22.
- 4.11 Monitoring reports are required to be submitted to Scottish Government at the end of November 2021 and again in April 2022. The November report will provide detail on each project, and will require a narrative to describe how each was chosen, how it aligns with the Place Based Investment Programme and how the benefits from each will be realised and evaluated. The final report, due for submission in April 2022 will require information on the outputs and outcomes from each project and will inform the return of any unspent funds.
- 4.12 It is intended to provide members with two updates to coincide with the November 2021 and March 2022 monitoring reports.
- 4.13 In regard to future years funding from this 5 year Programme of funding from Scottish Government, the council is now in a position to plan in advance of the funding being received each year and to develop a programme of investment for our Places. This would identify key projects that would deliver on the objectives of the Council's Economic Strategy and Economic Recovery Plan and the Place Based Investment Programme. This Place based programme of investment would then shape the focus for the fund for subsequent years. Whilst it may not always be feasible to deliver an even geographical spread of projects each year over the 5 years of the project, the council and its partners would deliver a comprehensive programme of Place based regeneration initiatives across the area. A key part of the development of this programme would be engagement with members and the wider community. In addition members will be aware that there is the potential of further projects being supported and delivered from bids submitted to future funding streams including the UK Government Levelling up

fund. The biggest challenge at this time is the limited resources to both develop and deliver new projects.

5.0 CONCLUSION

5.1 The tight timescales associated with this year's fund combined with limited resources to deliver make for a challenging programme. The projects to be supported by this year's allocation of funding have to be focused on those that meet the criteria of the fund, are deliverable within the timeframe and have the necessary resources in place to ensure this otherwise there is a risk that funding will have to be paid back to Scottish Government.

6.0 IMPLICATIONS

6.1 Policy – There is a need to comply with the Scottish Government Place Based Investment Programme and associated criteria, grant conditions and guidance for the Fund.

6.2 Financial – The Scottish Government expect that any uncommitted funds by 1st April 2022 will be returned to Scottish Government.

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 Place based regeneration activity

6.5.3 Islands – The Fund will support island economies through Place based regeneration activity

6.6. Risk – In order for each project to progress to delivery stage at the very least a fully let contract must be in place by 31st March 2022. The projects will be chosen that on the basis of being deliverable within the timeframe and will be continually monitored to ensure that funds can be committed to avoid having to return any uncommitted funds to Scottish Government at this time.

6.7 Customer Service - None

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