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**PLACE BASED INVESTMENT AND CROWN ESTATE FUND 2022/23 – INITIAL  
PROJECTS AND ALLOCATION**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 Argyll and Bute Council has been allocated £712,000 for financial year 2022/23 from Scottish Government, via its Place Based Investment (PBI) Programme. The purpose of this report is to ask members to agree to some initial projects and respective PBI funding allocations with the allocation of the remainder of the funding being considered at the August meeting of the Policy and Resources Committee.
- 1.2 The report also asks members to agree to the allocation of Crown Estate funding for 2022/23 to a number of projects. Whilst the Council has not yet been advised of the formal allocation for 2022/23, at the February Council meeting it was advised that it would be considered prudent to commit up to £1.0m of anticipated funding in 2022/23. Based on the £1.0m allocation and the spend previously agreed at February Council, there remains £597,453 available to be allocated by members. Members are also asked to agree to a variation in the original proposal relating to the allocation of £50,000 of Crown Estate Scotland (CES) funding to Argyll & the Isles Coast and Countryside Trust (ACT). This was originally agreed at the Policy and Resources Committee on 18 February 2021.
- 1.3 This is the second year that the Council has been in receipt of Place Based Investment (PBI) funding from the Scottish Government. The allocation for 2021/22 was £821,000. The Scottish Government committed to providing all local authorities with Place Based Investment funding on an annual basis to coincide with their remaining financial years. This means that PBI funding will be available to the Local Authorities for a further three years following this year's allocation.
- 1.4 Funding can only be used for capital regeneration projects, and projects must aim to:
- link and align to place-based initiatives, and establish a coherent local framework to implement the Place Principle;

- support place policy ambitions, such as town centre revitalisation, community-led regeneration, 20 minute neighbourhoods and Community Wealth Building;
  - ensure that all place-based investments are shaped by the needs and aspirations of local communities; and,
  - accelerate net zero ambitions, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.
- 1.5 The funding for 2022/23 must be committed by 31st March 2023 and be evidenced by at minimum a fully let contract or commencement of works in order to avoid having to return any unspent funds to Scottish Government. This means that there is not much time to ensure that we meet with this timeframe and as such the recommended projects in Table 1 (paragraph 4.7) are projects that not only have the ability to meet the aims of the fund, but add value to existing pieces of work and are time critical.
- 1.6 The fund links closely to the ongoing reprioritisation focus of the Economic Growth service, and associated Economic Strategy and Economic Recovery Plan. With its 'place' focus, the fund also builds on and adds value to the previous year's PBI funding as well as previous Town Centre Fund investment, as well as previous regeneration initiatives taken forward by the council.
- 1.7 The Crown Estate funding is targeted at the sustainability of coastal communities within the following categories:
- Environment
  - Community
  - Climate Change
  - Economic Development.

As part of the annual reporting requirements for this fund, the Council has to advise how the funding has been spent across the categories.

## 1.8 **RECOMMENDATIONS**

It is recommended that Policy and Resources Committee:

- a) Agree to the allocation of the Place Based Investment funding for 2022/23 to the projects in Table 1, paragraph 4.7.
- b) Agree to the allocation of the Crown Estate funding for 2022/23 to the projects in Table 1, paragraph 4.7.
- c) Agree to the amendment to the proposals relating to the award of £50,000 of CES funding to ACT as detailed under paragraph 2.5.
- d) Note that a further report on the allocation of the remaining unallocated £322,486 Place Based Investment and £397,453 Crown Estate Funding for 2022/23 will be brought forward to the August meeting of the Policy and Resources Committee.

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**2.0 INTRODUCTION**

- 2.1 The council has been allocated £712,000 from Scottish Government for financial year 2022/23 for capital 'place' regeneration projects. In addition to this year's allocation, the Scottish Government has committed to continuing to provide local authorities with funding from its Place Based Investment Programme on an annual basis for the next 3 financial years. Although the annual share for Argyll and Bute in subsequent years is yet to be fully determined, it is likely to be of a level that could deliver a number of key projects, and which could meaningfully support the economic recovery of the area. It is also hoped that these funds could act as match funding to unlock larger projects over time.
- 2.2 The purpose of this report is to ask members to agree the allocation of Argyll and Bute Place Based Investment (PBI) for 2022/23 to some initial projects.
- 2.3 The initial projects proposed are considered to fit strongly with the PBI criteria, deliver on the Council's Economic Recovery Strategy, are time critical, add value to investment that has already been made by the Council, deliver on our regeneration outcomes for our places, take account of available officer resources and take account of the relatively tight timeline that we need to meet to align with the funding.
- 2.4 The purpose of this report is also to ask members to agree to the allocation of some additional Crown Estate (CE) funding that is expected within 2022/23 to allow officers to progress with the projects identified. Although the CE allocation for 2022/23 is not yet confirmed it was recommended at the February Council meeting that the Council could commit up to £1.0m of anticipated funding in 2022-23. At that meeting it was agreed to allocate £402,547 from the £1.0 million leaving £597,453 still available to be allocated.
- 2.5 The report also asks members to consider an amendment to a previously agreed allocation (Policy & Resources Committee February 2021) of £50,000 under CES funding to Argyll & the Isles Coast and Countryside Trust (ACT) in regard to the provision of Bute and Cowal climate change satellite pods. ACT has consulted with local organisations on how best to deliver on the Crown Estate proposal which falls under the category of Environment and

Community and the following changes to the funding are proposed:

1. £10,000 grant to Bute Community Forest to extend community engagement by providing e-bike and mountain bike access to the community forest, working with Fyne Futures. The funding will pay for a handover station for the transition between e-bikes, which are unsuitable in the forest, to mountain bikes. This would enable the journey from Rothesay to be car free and would also provide a 'carbon free' product. If the funding envelope allows, a small pontoon will also be constructed near Moss Wood. This £10,000 funding would therefore go directly to Bute Community Forest.
2. Remaining £40,000 grant to ACT to assist in enhancing the existing Dunoon Bike Bothy project including delivery of secure bike storage, working in partnership with the Dunoon Bothy to deliver on activities similar to the successful eco hub in Blarbuie Woodland, Lochgilphead, including a tool library, food share initiative, providing zero carbon information and supporting the development of cycling in the area. These activities aim to promote reuse/refurbish of key products, diverting them from landfill and would also be a partnership with local organisations

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Policy and Resources Committee:

- a) Agree to the allocation of the Place Based Investment funding for 2022/23 to the projects in Table 1, paragraph 4.7.
- b) Agree to the allocation of the Crown Estate funding for 2022/23 to the projects in Table 1, paragraph 4.7.
- c) Agree to the amendment to the proposals relating to the award of £50,000 of CES funding to ACT as detailed under paragraph 2.5.
- d) Note that a further report on the allocation of the remaining unallocated £322,486 Place Based Investment and £397,453 Crown Estate Funding for 2022/23 will be brought forward to the August meeting of the Policy and Resources Committee.

### **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. Scottish Government confirmed that Local Government would be receiving a share of the PBIP funding over a 5 year period, including the initial year 2021/22, to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund. As has been the case this year, Argyll and Bute Council will receive a share of this capital funding over the next 4 years.

4.2 Argyll and Bute Council's allocation for year 1 (2021/22) was £821,000. The Council's allocations for this year (2022/23) is £712,000. Forthcoming years have not yet been determined but if the same percentage were to be applied against the current total fund figures that have been given, it is estimated that the Council's allocation for years 3-5 could be in the region of £500,000 per year. However, there is no absolute certainty to these figures at this time.

4.3 The main objectives of the PBIP 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; and,
- to accelerate our ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.

4.4 The challenge in respect of the fund is to identify projects that meet the place-based criteria, and are able to be delivered within short timeframes with our limited staff resources. Projects to be delivered under the 2022/23 allocation need to be delivered in a 9 month period and therefore need to be sufficiently well advanced in terms of their development, straightforward to deliver and/or be ready to start on site, or be able to be delivered by a third party.

4.5 Under the PBI allocation for 2021/22 the council supported a total of 8 projects and prior to the commencement of PBI funding the council supported a total of 28 projects under the previous SG Town Centre Funding stream. As a number of those projects being supported through the previous year's allocation are ongoing, the key issue has and continues to be the availability of internal resources to develop and deliver new projects.

4.6 As with last year's PBI funding the focus for this year's PBI fund has to be on projects that are at delivery stage, and can definitely be delivered. The projects need to fit with the PBI criteria, have the ability to build on previous investments, and require the resources to be in place to ensure delivery within the timescales required by the Scottish Government. The initial projects identified in **Table 1** have therefore been selected on the basis that they are focusing on existing projects that are well advanced and there is a time constraint associated with them and they can be readily taken forward to meet the PBI timelines, and for the added value that they can offer to our communities.

4.7 As members will also be aware the Council receives an allocation of funding from Crown Estate (CE) Scotland each year and whilst confirmation is still awaited as to the actual allocation for 2022/23 it is estimated that there is still

sufficient funding that would allow funding from CE to support the delivery of a number of time critical projects. The proposed projects and associated allocation for both PBI and CE are listed below in **Table 1**

**Table 1 Place Based Investment & Crown Estate Funding 2022/23 Allocation**

<b>Project</b>	<b>Consideration Fit with Criteria</b>	<b>Estimated Funding Required</b>	<b>2022/23 Place Based Investment</b>	<b>2022/23 Crown Estates (total award still to be confirmed estimate of £1million))</b>
<b>Lochgilphead CARS Priority Buildings</b> To be provided as third party grant to support the repair of an additional two Priority Buildings; to substantially enhance project outcomes, safeguard historic buildings and visually lift the area.	Strong fit with PBI – adds value to existing funding secured via Historic Environment Scotland	£200,000	£200,000	£0
Helensburgh Pier – Enhanced hard landscaping and lighting of the masonry pier section of Helensburgh Pier to improve its visual appearance and further enhance this part of the waterfront, including the views looking out from the swimming pool and gym. By ensuring that the surfacing is seamless and matches the quality and finishes of the Council's Waterfront development project, it will visually lift this area of the townscape at this point, increase pedestrian safety and add value to the investment already taking place.	Fits well with PBI and CE criteria – Place , 20 min neighbourhood  Previous £163,000 PBI and £92,710 CE award giving Total of £255,710, based on estimate back in December 2021. Subsequent increase costs based on estimated figures from June 2022. New figure is significantly	£89,514	£89,514	£0

	higher reflecting rises in construction costs and is now £345,224 which leaves £89,514 of a shortfall. Contract ready to be let.			
<b>Tobermory Harbour Wall and Railings, Phase 2</b> To increase the wall height and introduce new railings to Tobermory Harbour as the next phase of harbour improvements; to mitigate against the effects of climate change, ensure the retail core is better protected and safer for pedestrians.	Fit with PBI and CE – Phase 1 was supported by CE and TCF	£450,000 (apply to IP for £250,000)	£100,000	£100,000
<b>Jura Passenger Ferry infrastructure</b> The proposal is to replace the existing ladder system with a small pontoon and gangway boarding arrangement that can be semiportable and deployed on the Feolin side when required.  The funding would be used to provide the community with the means to safely board and exit the small replacement craft used as a passenger only link when the larger vessels cannot sail. The access needs to provide a safe sloped access and floating staging area for passengers which can accommodate the small craft alongside.	Fit with CE criteria Critical infrastructure that will provide inclusive access provision for Jura community and other ferry users	£100,000	£0	£100,000
<b>TOTALS</b>			<b>£389,514 ( PBI 2022/23 is £712,000 Leaving £322,486 to still be allocated )</b>	<b>£200,000 (if approved £397,453 remaining for 22/23 assuming estimated £1million allocation )</b>

- 4.8 With the Scottish Government having committed PBI funding for the next three years, it is important to plan how best to take full advantage of the funding going forward as well as CE future funding. In advance of the third round of funding, key projects could be identified to allow time for these to be fully developed to align with the programme and ensure that projects have the best chance of being delivered. However it may also be considered that it is beneficial to retain flexibility in regard to future PBI and CE funding to allow the Council the ability to meet shortfalls in funding relating to existing projects and complement existing investments.

## **5.0 CONCLUSION**

- 5.1 The relatively tight timescales associated with both of these funds but more specifically the PBI fund, combined with the large number of existing projects being delivered by the council, make for a challenging place based investment programme. The initial projects recommended in this report are focused on those that are time critical and fit well with the net zero ambitions of the Council and Government together with the 20 minute neighbourhood/wellbeing context. The proposed projects build on investment already in place, or projects identified through existing Place based work such as the Lochgilphead CARS or Helensburgh visioning exercises.

## **6.0 IMPLICATIONS**

- 6.1 Policy – There is a need to comply with the Scottish Government ‘place’ policies as outlined in paragraph 4.3 and associated guidance for the Fund as well as the Crown Estate fund guidance outlines in paragraph 1.7
- 6.2 Financial – The Scottish Government expect that any uncommitted PBI funds by 1<sup>st</sup> April 2023 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 centre regeneration activity.
- 6.5.3 Islands – The Fund will support island economies through place-based regeneration activity and has the potential to align with, and add value to, the Islands Infrastructure Investment Fund.
- 6.6 Risk – In order for each PBI project to progress to delivery stage, a fully let contract must be in place by 31<sup>st</sup> March 2023. The projects will be continually monitored to ensure that funds can be reallocated to another Place Based Investment Fund project to avoid having to return any uncommitted funds to



Scottish Government at this time.

6.7 Climate Change – the projects deliver towards net zero and address Argyll and Bute's carbon footprint.

6.8 Customer Service - None

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