

**PLACE BASED INVESTMENT AND CROWN ESTATE FUND 2022/23 –
REMAINING FUNDING ALLOCATIONS AND POSSIBLE PROJECTS**

1.0 EXECUTIVE SUMMARY

- 1.1 As members will recall Argyll and Bute Council has been allocated £712,000 for financial year 2022/23 from Scottish Government, via its Place Based Investment (PBI) Programme. At the meeting of the Policy and Resources Committee on 16 May members agreed to allocate £322,486 of the PBI funding to some initial projects. The purpose of this report is to seek members' consideration of the remainder of the £322,486 unallocated PBI funding for 2022/23.
- 1.2 The report also asks members to give consideration to the unallocated Crown Estate (CE) funding for 2022/23. As with the PBI funding allocation the Policy and Resources Committee on 16 May also agreed to allocate CE to a number of initial projects. This means that, based on the prudent estimate of £1.0m of anticipated funding in 2022/23, and taking into account the allocation also agreed at February Council, there remains £397,453 available to be allocated by members.
- 1.3 This report provides the basic criteria that needs to be considered and adhered to when determining which potential projects could be supported via the PBI and CE allocation for 2022/23. In addition to the criteria itself the PBI 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.
- 1.4 In order to advance this process it is proposed that the Executive Director with responsibility for Development and Economic Growth seeks suggestions for potential projects which would fit within the funds criteria and timeline from all Elected Members. It is also proposed that a delegation is given to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader, Depute Leader, and Leader of the largest Opposition Group to agree the expenditure on projects that fit best for the 2022/23 allocation.

- 1.5 The suggestion is that the focus of the projects for 2022/23 should be in respect of those existing projects that are well advanced, relate to Council assets or to third party projects we are currently working closely with and there is a time constraint associated with them and they can be readily taken forward to meet the PBI and CE timelines, and for the added value that they can offer to our communities.
- 1.6 It is worth noting that in addition to this year's allocation for PBI, the Scottish Government has committed to continuing to provide local authorities with funding from its PBI 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. In addition the CE funding is also likely to be available in subsequent years.
- 1.7 Depending on the response and suggestions from members the fact that there will be funding available in subsequent years for both PBI and CE, could allow any projects that meet with the criteria but cannot be delivered within this year's allocation timeframe or were not an immediate priority, to be put forward for consideration as part of future year's allocations. Although it should be borne in mind that if LUF bid were to be successful that some PBI and CE funding has been put forward as match and would need to be set aside.

RECOMMENDATIONS

It is recommended that Policy and Resources Committee agree:

- a) That the Executive Director with responsibility for Development and Economic Growth seeks suggestions for potential projects that would fit with the funds criteria and timeline from all Elected Members.
- b) That delegated authority be given to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader and Depute Leader of the Council, and Leader of the largest Opposition Group to agree expenditure on the projects that fit best for the 2022/23 allocation, following receipt of any suggestions.

**PLACE BASED INVESTMENT AND CROWN ESTATE FUND 2022/23 –
REMAINING FUNDING ALLOCATION AND POSSIBLE PROJECTS**

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. At the meeting of the Policy and Resources Committee on 16 May members agree to allocate £322,486 of the PBI funding to some initial projects. The purpose of this report is to seek member’s consideration of the remainder of the £322,486 unallocated PBI funding for 2022/23 taking into account the PBI criteria as set by Scottish Government and the associated timeline for spend and resource implication. As part of the annual reporting requirements for this fund, the Council has to advise how the funding has been spent across the categories.
- 2.2 The report also asks members to give consideration to the unallocated Crown Estate (CE) funding for 2022/23. As with the PBI funding allocation, the May Policy and Resources Committee also agreed to allocate CE to a number of initial projects. This means that, based on the prudent estimate of £1.0m of anticipated funding in 2022/23, and taking into account the allocation also agreed at February Council, there remains £397,453 available to be allocated by members. As with the PBI funding, as part of the annual reporting requirements for this fund, the Council has to advise how the funding has been spent across the categories.
- 2.3 Any projects proposed would need to be considered to fit strongly with the PBI and CE 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.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Policy and Resources Committee agree:

- a) That the Executive Director with responsibility for Development and Economic Growth seeks suggestions for potential projects that would fit with the funds criteria and timeline from all Elected Members.
- b) That delegated authority be given to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader and Depute Leader of the Council, and Leader of the largest Opposition Group to agree expenditure on the projects that fit best for the 2022/23 allocation, following receipt of any suggestions.

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 subsequent 3 years.
- 4.2 Information has been provided below to assist members when considering which project suggestions would best fit with the PBI programme in regard to allocating the remainder of the £322,486 PBI funding for 2022/23. It may also be helpful at this stage for members to be aware of a number of projects that officers are currently working on that may require additional funding this financial year. These include Gibraltar Street public realm projects in Oban, tender process to commence in the next two months, Dunoon Burgh Hall project, this is currently being tendered by the Trust, Rockfield Outdoor space Community Wellbeing Hub and outdoor public green space and also worth noting that we are still awaiting the decision regarding the Islands Programme submissions.
- 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 In regard to PBI 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.

4.5 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 are projects not only have to have the ability to meet the aims of the fund, but add value to existing pieces of work and are time critical.

4.6 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.

4.7 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.

4.8 The challenge in respect of the fund is to identify projects that meet the PBI and CE 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 7 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.

4.9 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.

- 4.10 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 within the tight timeframe. 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. Ideally for this year's funding the focus should be on existing projects that are well advanced, relate to council assets or to third party projects we are currently working closely with and there is a time constraint associated with them and they can be readily taken forward to meet the PBI and CE timelines, and for the added value that they can offer to our communities.

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. Any suggested projects should be 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 and build on investment already in place, or projects identified through existing Place based work.
- 5.2 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 support the delivery of a number of key projects, and which could meaningfully support the economic recovery of the area.
- 5.3 In addition to the PBI funding the CE funding is also likely to be available in subsequent years. Depending on the response and suggestions from members the fact that there will be funding available in subsequent years for both PBI and CE, could allow any project suggestions that meet with the criteria but cannot be delivered within this year's allocation timeframe or were not an immediate priority, to be put forward for consideration as part of future year's allocations. Although it should be borne in mind that if the Regeneration Levelling Up Fund bid were to be successful that some PBI and CE future year funding has been put forward as match and would need to be set aside in subsequent years.

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 1st 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 31st 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

Executive Director with responsibility for Development and Economic Growth:
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21 July 2022

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