

**PLACE BASED INVESTMENT PROGRAMME FUND 2021 – 2024 ALLOCATIONS
AND PROJECT UPDATES**

1.0 EXECUTIVE SUMMARY

- 1.1 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 each Local Authority would be receiving a share of the PBIP funding over a 5 year period, starting in 2021/22, to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund.
- 1.2 The purpose of this report is to provide an update to members on the PBIP allocation for the years 2021/22, 2022/23 and 2023/24 as well as the allocations agreed to individual projects and any subsequent changes made to allocations and an update on progress for each of the projects.
- 1.3 The PBIP allocation to Argyll and Bute Council for 2021/22 was £821,000. The allocation for 2022/23 was £712,000 and for 2023/24 it was £496,000. There remains a further two years of funding available based on the 2020 Programme of Government 5 year commitment.
- 1.4 The PBIP allocation for each year was split across a number of projects following agreement from members at the relevant Policy and Resources Committee meetings. The individual project supported via the PBIP are listed in Table 1 along with the year awarded and the specific PBIP allocations. The funding for each year had to be committed by the end (31 March) of the respective financial year it was awarded and 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 has meant that the projects not only have had to have the ability to meet the aims of the fund, but also add value to existing pieces of work and be time critical.

- 1.5 The PBIP 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.
- 1.6 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 Town Centre Fund investment, as well as previous regeneration initiatives taken forward by the Council.
- 1.7 As part of the annual reporting requirements to Scottish Government for this fund, the Council has to advise how the funding has been spent across the categories.

RECOMMENDATION

It is recommended that Policy and Resources Committee:

- a) Note the allocation of PBI funding provided in from the period 2021-2024;
- b) Note the agreed allocation of the Place Based Investment funding during the period 2021-2024 to the projects in Table 1;
- c) Approve any amendments to the funding allocation as detailed in paragraph 4.9;
- d) Note the update on each of the individual projects as detailed in Table 1; and
- e) Agree to a delegation of powers to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to approved PBIP grant allocations to ensure that any risk relating to payback of any grant is minimised. This may involve swapping PBIP allocations with Crown Estate (CE) allocation of grants against individual projects but would not affect the projects but simply the grant source.

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2.0 INTRODUCTION

- 2.1 The Scottish Government committed to provide local authorities with funding from its Place Based Investment Programme on an annual basis for a period of 5 financial years. To date the Council has received 3 years of PBIP funding including funding for 2023/24. Although the annual share for Argyll and Bute has reduced since the initial allocation of £821,000 in 2021/22 to £496,000 in 2023/24, it has enabled the delivery of a number of key projects either by providing the main funding source or by providing match funding to unlock larger projects.
- 2.2 The purpose of this report is to provide an update to members on the PBIP allocation for the years 2021/22, 2022/23 and 2023/24 as well as the allocations agreed to individual projects and any subsequent change that has had to be made as well as an update on progress of each project.
- 2.3 All of the projects approved for PBIP funding 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 Once members agree the projects and the allocation in respect of the PBIP, officers continually monitor the projects to ensure compliance with the criteria and timeframe in order to avoid having to return any uncommitted funds to Scottish Government. As members will note from the Table 1 it is proposed to move the PBIP funding originally set aside against Rockfield and use it for the Tobermory Harbour Wall and Railings Phase 2 project making their overall PBIP support £200,000 and taking the £100,000 Crown Estate (CE) allocation against the Tobermory Harbour Wall and Railings project and instead setting it against Rockfield. The Tobermory project is on site and will meet the PBIP timeframe. The CE funding is more flexible in regard to delivery timeframe and will allow Rockfield more time to progress their project without jeopardising the grant.

3.0 RECOMMENDATIONS

3.1 It is recommended that Policy and Resources Committee:-

- a) Note the allocation of PBI funding provided in from the period 2021-2024;
- b) Note the agreed allocation of the Place Based Investment funding during the period 2021-2024 to the projects in Table 1;
- c) Approve any amendments to the funding allocation as detailed in paragraph 4.9;
- d) Note the update on each of the individual projects as detailed in Table 1; and
- e) Agree to a delegation of powers to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to approved PBIP grant allocations to ensure that any risk relating to payback of any grant is minimised. This may involve swapping PBIP allocations with Crown Estate (CE) allocation of grants against individual projects but would not affect the projects but simply the grant source.

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 to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund.
- 4.2 Argyll and Bute Council's allocation for year 1 (2021/22) was £821,000, year 2 (2022/23) it was £714,000 and for this financial year (2023/24) it was £496,000. There remains 2 years of PBIP funding support to be received based on the Scottish Government's initial 5 year commitment but as yet there is no confirmation of figures for the forthcoming years.
- 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 funding has always been to identify projects that meet the place-based criteria, and are able to be delivered within short

timeframes with our limited staff resources. Projects put forward to members for the last 3 years needed to be delivered often in a short period of time 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 PBIP 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 At their respective meetings of 24th June 2021, 12th August 2021, and 2nd September 2021, Argyll and Bute Council, the Policy and Resources Committee and Environment, Development and Infrastructure Committee agreed to use the 2021/22 PBIP towards 8 projects that support a living well locally concept, have climate friendly ambitions, and which have stemmed from the community through design-led consultation activity or through needs identified by key partner organisations. Table 1 provides an update in respect of each of these projects.
- 4.7 At the meeting of the Policy and Resources Committee on 16th June 2022 members agreed to allocate £389,514 of the PBIP 22/23 funding to 3 initial projects. The remaining £322,486 was allocated to a further 4 projects via a delegated authority process agreed at the August 2022 Policy and Resources Committee meeting. All 7 projects are listed in Table 1.
- 4.8 On 10 August 2023, members of the Policy and Resources Committee agreed to allocate the PBIP 23/24 to a total of 8 projects. All 8 projects are listed in Table 1 however as members will appreciate this decision was only recently taken and therefore the delivery of these projects is still at a very early stage.
- 4.9 As members will note from the Table 1 it is proposed to move the PBIP funding originally set aside against Rockfield and use it for the Tobermory Harbour Wall and Railings Phase 2 project making their overall PBIP support £200,000 and taking the £100,000 Crown Estate (CE) allocation against the Tobermory Harbour Wall and Railings project and instead setting it against Rockfield. The Tobermory project is on site and will meet the PBIP timeframe. The CE funding is more flexible in regard to delivery timeframe and will allow Rockfield more time to progress their project without jeopardising the grant.

5.0 CONCLUSION

- 5.1 The relatively tight timescales associated with PBIP funds, combined with the large number of existing projects being delivered by the Council, make for a challenging place based investment programme. However there is no doubt that the PBIP funding has enabled more projects to be delivered that build on

investment already in place as well as supporting new investment, and that support community wealth building and wider economic development of the area.

6.0 IMPLICATIONS

- 6.1 Policy – There is a need to comply with the Scottish Government ‘place’ policies as outlined in the report and associated guidance for the PBIP Fund.
- 6.2 Financial – The Scottish Government expect that any uncommitted funds 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 supports local economies through place-based centre regeneration activity.
 - 6.5.3 Islands – The Fund supports 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 project to progress to delivery stage, a fully let contract or grant contract must be in place by the end of the financial year (31st March) the grant is awarded in. The projects are continually monitored to ensure that funds can be swapped out and reallocated to avoid having to return any uncommitted funds to Scottish Government.
- 6.7 Climate Change – None arising directly from this report.
- 6.8 Customer Service - None

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

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September 2023

For further information contact:

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APPENDICES

Appendix 1 – List of Projects

APPENDIX 1 – LIST OF PROJECTS

Table 1

AREA	PROJECT/ TIMESCALE FOR COMPLETION	RESPONSIBLE SERVICE	PBI ALLOCATION	YEAR OF AWARD	PROGRESS UPDATE – AUGUST 2023
ALL	A&B Wide Shopfront Scheme	DEG	£80,000	21/22	Works complete.
B&C	Rothesay TH – Tower Street	DEG	£100,000	21/22	Works Ongoing. Due for completion by the end of 2023.
B&C	Dunoon Cycle Bothy	DEG	£70,000	21/22	PBI funded works complete. Full project is due for completion in October 2023.
B&C	Dunoon Burgh Hall Café Garden	DEG	£50,000	21/22	Works complete.
H&L	Helensburgh Pier	Commercial Services	£163,000	21/22	Works complete.
H&L	Hermitage Park – Bothy	DEG	£28,000	21/22	Works complete.
MAKI	Bowmore Public Realm works	R&I	£80,000	21/22	Works complete.
OLI	Gibraltar Street Public Realm	DEG	£250,000	21/22	RIS looking to start works on-site 18 th September.
		21/22 Total	£821,000		
B&C	Re-instate fountain on Rothesay Promenade	R&I	£15,000	22/23	Works complete.
H&L	Helensburgh Pier	Commercial Services	£113,000	22/23	Works complete.
MAKI	Lochgilthead CARS Priority Buildings	DEG	£200,000	22/23	Works commenced on site The funding has been awarded to two priority buildings. The contracts were both awarded in 2022-23. Both projects are currently on site. The entire £200,000 will be paid out in 2023-24.
MAKI	Port Ellen Playing Fields - RCGF project	DEG	£44,000	22/23	Works ongoing, onsite construction has commenced.
OLI	Rockfield Outdoor Centre	DEG	£100,000	22/23	Grant contract issued and accepted. Awaiting confirmation from

					Rockfield on the project timescales. Due to the delays, we are seeking to swap this PBI funding with the Crown Estates funding allocated to Tobermory Harbour Wall and Railings.
OLI	Aros Waterfront Development	DEG	£140,000	22/23	Works complete
OLI	Tobermory Harbour Wall and Railings, Phase 2	R&I	£100,000	22/23	Works Ongoing. Completion due December 2023 Tender Value – £398,255.10 Date of Award – 07/03/2023 Total Payment to Contractor to date – £174,018.39 Date and value of Invoice 1 – 24/07/2023 (£133,191.07) Date and value of invoice 2 – 28/08/2023 (£40,827.32)
		22/23 Total	£712,000		
B&C	Dunoon Burgh Hall Phase 2	DEG	£74,500	23/24	Grant contract currently being prepared for issue mid-September 2023.
B&C	Dunoon CARS/LACER	DEG	£49,500	23/24	Grant application documents currently being prepared.
H&L	Helensburgh CARS – Shopfront Scheme	DEG	£44,000	23/24	Grant application documents currently being prepared.
H&L	Helensburgh Skatepark	DEG/ Commercial Services	£80,000	23/24	Discussions ongoing regarding site of new skatepark.
MAKI	Lochgilphead CARS – Shopfront Scheme	DEG	£100,000	23/24	Grant application documents currently being prepared.
MAKI	Campbeltown – Steel Beam Project and LACER Shopfront Scheme	DEG	£38,000	23/24	Grant application documents currently being prepared.

OLI	RGD – Tobermory Worker Accommodation	DEG	£50,000	23/24	Tender documents being prepared.
OLI	Bid4Oban Shopfront Scheme and Signage	DEG	£60,000	23/24	Grant contract currently being prepared for issue mid-September 2023.
		23/24 Total	£496,000		