

## **Item: 20**

**Policy and Resources Committee: 19 September 2023.**

**Place Based Investment Programme.**

**Report by Corporate Director for Enterprise and Sustainable Regeneration.**

### **1. Purpose of Report**

To consider allocation of funds received through the Place Based Investment Programme (PBIP).

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That the 2020 Programme for Government committed to establishing a Place Based Investment Programme, with Scottish Government and Council Leaders agreeing that Local Government will receive a share of the funding over five years to support and advance place based investment.

#### **2.2.**

That the Council received an allocation of £106,000 in 2022/23 from the Place Based Investment Programme, with an indication that £74,000 will be received in 2023/24 and the following two financial years.

#### **2.3.**

That the requirement to enter contracts for any work before the end of the financial year, as well as the inability to use the funds for any project already on the Council's capital programme, significantly limit options for how the Place Based Investment Programme funding can be used.

#### **2.4.**

That the aims of the Place Based Investment Programme are particularly well aligned to the Council's draft Strategic Tourism Infrastructure Development Plan, where a place based approach is being taken and funding could form part of match funding for bids to other external funding sources such as VisitScotland's Rural Tourism Infrastructure Fund.

**It is recommended:**

## **2.5.**

That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Corporate Director for Neighbourhood Services and Infrastructure, to determine use of the Council's Place Based Investment Programme awards for 2023/24 to 2025/26, to fund 'place based' projects, with a preference towards tourism infrastructure projects identified and developed through the Strategic Tourism Infrastructure Development Plan, where match funding can also be identified from the Rural Tourism Infrastructure Fund and/or other external funding sources.

## **3. Background to the Place Based Investment Programme**

### **3.1.**

The 2020 Programme for Government committed to establishing a Place-Based Investment Programme (PBIP), linking and aligning the Scottish Government 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 Scottish Governments ambitions for place, 20-minute neighbourhoods, town centre action, community led regeneration and community wealth building.

### **3.2.**

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 towns, villages, and neighbourhoods more viable.

### **3.3.**

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 including child poverty, community involvement and ownership.

### **3.4.**

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 Place Based Investment Programme.

### **3.5.**

Local Government will receive a share of this capital funding, with £33m confirmed in 2022/23; £23m for 2023/24, and in-principle allocations of £23 million per year to 2025/26.

### **3.6.**

The grant award states that the grant is to be used in the financial year received. It is expected that expenditure will be met, or at least work or contracts signed or commenced by the end of the financial year.

### **3.7.**

The fund can be used to fund third party capital works, as per the previous Town Centre Fund, however it can also be used to fund Council projects, for any works not already in the approved capital programme.

## **4. OIC award from the Place Based Investment Programme**

### **4.1.**

Orkney Islands Council received £106K in 22/23, with the Chief Executive exercising emergency powers to assign £83K to provide a disabled access ramp at the Stromness Community Centre, with the remaining £23k being assigned to a third party project.

### **4.2.**

For 2023/24 an award letter for £74k has been received, and it is expected a similar award will be made for the following two financial years.

### **4.3.**

The main limitations on use of the fund are the need for funding to be committed by the end of the financial year, not being able to fund anything already in the capital programme, and finding projects which link with the 'place principle', in particular where it can be demonstrated that the project is shaped by the needs and aspirations of local communities, such as through consultation or development of a place plan.

## **5. Proposed use of funds**

### **5.1.**

The Council has been assisting local communities to produce 'Place Plans' informed by consultation to develop a vision for future development of the communities. This work will help to identify developments supported by communities and is intrinsically linked to development of the Council's draft Strategic Tourism Infrastructure Development Plan (STIDP).

### **5.2.**

The STIDP prioritises strategic tourism infrastructure projects that support a high value, regenerative approach, enhancing the well-being of local communities and improving the visitor experience; contributing to the conservation of natural and cultural heritage; and providing access for all. The proposals include investment in hubs for visitor activity. The STIDP proposes infrastructure hubs in:

- Dounby (Market Green).
- Finstown.
- Birsay.
- St Margaret's Hope.
- Stromness.
- Kirkwall.

### **5.3.**

Area 2 of the STIDP – Drive regenerative tourism across the islands, relates to a proposition specifically to the non-linked and linked isles in response to feedback received through consultation: community-led development of tourism masterplans. These would be aligned with island development plans and coordinated with a place planning process.

### **5.4.**

The Council's strategy in funding STIDP projects thus far has been to maximise contributions from the Rural Tourism Infrastructure Fund (RTIF), established by the Scottish Government and managed by VisitScotland on its behalf. Since 2018, £18 million of grant funding has been awarded to 74 projects across rural Scotland. The Council can apply for up to 75% funding (or maximum £750,000 per project) through this fund.

### **5.5.**

In 2021 the Council received a £260k RTIF award for upgrades to the Point of Ness campsite in Stromness. The Council contributed £97,000 from its Crown Estate Fund towards total project costs of £357,000. The Council was also awarded a further £35,000 in recovery funding through a new RTIF pilot programme to develop the STIDP. Furthermore, in 2022 RTIF provided £98,400 to fund the design phase for the six settlements' infrastructure hubs referenced in section 5.2 above.

### **5.5.1.**

To date, the Council has benefitted from £393,400 in RTIF grants and there are currently two projects developed for RTIF consideration, namely Dounby Market Green and Birsay Campsite.

### **5.6.**

In December 2021, £500k was allocated by Council for a 'Tourism Infrastructure Fund' (TIF), with the aim of using this to match against RTIF. This amount was reduced to £400k in February 2023 through a report seeking to manage Council reserves and aid in budget setting for 2023/24.

### **5.7.**

On 18 April 2023, the Policy and Resources Committee noted that "the aims of the Place Based Investment Programme are particularly well aligned to the Council's STIDP, therefore it may be appropriate to use future allocations as part of match funding for bids to RTIF".

### **5.8.**

It is proposed that use of the Council's Place Based Investment Programme award for 2023/24 and the two subsequent years for which funding has been earmarked (expected to be £74k per year over a three-year period), be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Corporate Director for Neighbourhood Services and Infrastructure, to fund 'place based' projects, with a preference towards funding tourism infrastructure projects identified and developed through the STIDP, where match funding can also be identified from the RTIF and/or other external funding sources.

### **5.9.**

The delegation outlined at section 5.8 above will allow funds to be spent in line with the fund guidelines, minimise risk of failing to commit funding and subsequent claw back, and give flexibility to respond to opportunities to lever in external grant funding.

## **6. Governance**

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **7. Financial Implications**

### **7.1.**

The Place Based Investment Programme was offered to local authorities over the period 2022/23 to 2025/26.

## 7.2.

The eligibility criteria for which the Grant can be claimed are capital costs incurred by local authorities or third parties through the Place Based Investment Programme, and include the following:

- The grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2022/23 budget, and in subsequent years budgets up to and including 2025/26; and, should not substitute for existing spend.
- The Grant may also be used to fund third party capital expenditure in the current year, either directly or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals) which would, if incurred by the local authority, be capital expenditure.
- The confirmed Grant is to be used in the financial year 2022/23. It is expected that expenditure will be met, or at least work or contracts signed or commenced by 31 March 2023. Subsequent in- principle Grant for financial years 2023/24 to 2025/26 is subject to written confirmation by the Scottish Ministers following annual spending reviews and approval of the Budget Bill in each financial year, and on confirmation of annual budget Grant is to be used in the financial year in which it is allocated, with expenditure met or at least work or contracts signed or commenced by 31 March of the year of allocation. There is an assumption that the Grant will be applied to finance local authority capital programmes before the application of any other capital or revenue resources such as capital receipts or borrowing.

## 8. Legal Aspects

There are no legal implications arising directly from the recommendations contained in this report.

## 9. Contact Officers

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