



Item: 3

Community Development Fund Sub-committee: 6 February 2025

Regeneration Capital Grant Fund – Monitoring Report.

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

1. Overview

- 1.1. On 22 June 2021, when considering a draft framework that would allow the Council to submit applications on behalf of community organisations to funding schemes that were open to local authorities, the Policy and Resources Committee recommended:
 - That the Third Party Funding Applications Framework be approved.
 - That powers be delegated to the Community Development Fund Sub-committee to determine requests to the Council to submit funding applications on behalf of a third party.
- 1.2. The Third Party Funding Application Framework, approved by the Council, states that at each meeting of the Community Development Sub-committee, a monitoring report will be submitted to advise of the outcomes of third-party funding applications submitted and to report progress on all projects that have been processed via this framework.
- 1.3. This report provides an update on one Regeneration Capital Grant Fund (RCGF) application that is in process and one live project with approved RCGF funding.

2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
 - i. Note progress on the undernoted projects processed via the Third Party Funding Application Framework to the Regeneration Capital Grant Fund:
 - Pier Arts Centre, Stromness – provision of creative arts hub in the former Stromness Post Office.
 - North Ronaldsay Development Trust – Community Wellbeing Hub, the Pund, at Trebb.

3. Regeneration Capital Grant Fund Applications – Update

- 3.1. Since the Third-Party Applications Framework was implemented, only one application, submitted on behalf of the Pier Arts Centre (PAC) remains live in relation to the Scottish Government’s round 11 Regeneration Capital Grant Fund (RCGF).
- 3.2. At its meeting held on 6 November 2023, the Community Development Fund Subcommittee approved the submission of a Stage 2 funding application to the Scottish Round 11 RCGF, on behalf of the Pier Arts Centre, at the requested amount of £1,608,000. The project intends to provide a creative arts hub in the former Stromness Post Office, bringing back into use a prominent derelict building on the town’s main street.
- 3.3. On 28 March 2024, the Council was notified by the Scottish Government that the Round 11 RCGF programme was being paused due to the unprecedented pressure on capital investment budgets across the public sector.
- 3.4. On 5 December 2024, the Scottish Government wrote to the Council confirming the availability of 2025/26 RCGF budget and sought confirmation that Round 11 Stage 2 submissions could still be considered live. This was confirmed with the Pier Arts Centre project team and RCGF officers were notified. It has since been confirmed that the PAC Stage 2 application will be considered by an assessment panel in the coming weeks.
- 3.5. It is understood that applicants will be notified of funding decisions in February or March 2025.

4. Regeneration Capital Grant Fund – Funded Project Monitoring

- 4.1. Prior to implementation of the Third Party Funding Applications Framework, the Council submitted an application, on behalf of the North Ronaldsay Development Trust, to support its Community Wellbeing Hub, the Pund, at Trebb.
- 4.2. The application was successful and was awarded £985,460 payable over 2022/23 and 2023/24.
- 4.3. During 2022/23 and 2023/24, unforeseen circumstances resulted in project delays that put the RCGF grant offer at risk. Working with Highlands and Islands Enterprise as a funding partner and the Trust, additional support was offered that resulted in a Project Team being established enabling construction contracts to be awarded in time to protect the Regeneration Capital Grant Fund grant offer.

- 4.4. The revised funding model and construction projects were, however, complex with 10 different funders and an additional funding gap of £150,000 was identified. The Project Team supported by Council Officers was able to secure an additional funding gap commitment from the Scottish Government in December 2023.
- 4.5. As a result of the full funding package and procurement process satisfying RCGF officers, the full RCGF grant of £1,135,460 was transferred to the Council in March 2024 for onwards disbursement, monitoring and reporting.
- 4.6. The Trebb project, with total costs of £1,944,079, has progressed considerably during 2024/25 and is due to complete by 31 March 2025.

For Further Information please contact:

Stuart Allison, Service Manager (Enterprise), extension 2514, Email: stuart.allison@orkney.gov.uk.

Implications of Report

1. **Financial:** There are no direct financial implications from this report. Officer support for both these bids has been met from within existing budgets.
2. **Legal:** There are no direct financial implications from this report.
3. **Corporate Governance:** Not Applicable.
4. **Human Resources:** There are no implications from this report
5. **Equalities:** An Equality Impact Assessment is not required in respect of project monitoring.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of project monitoring.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.

9. **Environmental and Climate Risk:** There are no specific implications arising from this report.
10. **Risk:** There are no specific implications arising from this report.
11. **Procurement:** There are no specific implications arising from this report.
12. **Health and Safety:** There are no specific implications arising from this report.
13. **Property and Assets:** There are no specific implications arising from this report.
14. **Information Technology:** There are no specific implications arising from this report.
15. **Cost of Living:** There are no specific implications arising from this report.

List of Background Papers

Policy and Resources Committee: 22 June 2021.

Third Party Funding Applications Framework