

# PERTH AND KINROSS COUNCIL

## Environment, Infrastructure & Economic Development Committee

21 September 2022

### UPDATE AND PROPOSALS FOR THE SCOTTISH GOVERNMENT PLACE BASED INVESTMENT PROGRAMME

Report by Head of Planning and Development  
(Report No. 22/225)

#### 1. PURPOSE

- 1.1 This report provides an update on progress with projects allocated funding from the Place Based Investment Programme and recommends further projects to receive funding from the Programme allocation.

2. RECOMMENDATIONS	
2.1	<p>It is recommended that Council:</p> <ol style="list-style-type: none"><li>I. notes the progress being made on delivery of the already approved Place Based Investment Programme funded projects allocated funding during 2021/22.</li><li>II. approves the allocation of funding available via the Place Based Investment Programme 2022/23 to the following projects:<ol style="list-style-type: none"><li>a. Rannoch Hub. Kinloch Rannoch</li><li>b. Aberfeldy Tourism Infrastructure</li><li>c. Self-Catering Accommodation, Cultybraggan Camp, Comrie</li><li>d. PLUS Perth, Civic Space, Ropemakers Close, Perth</li><li>e. Clachan and Quality Café, Perth</li></ol></li><li>III. notes the proposal to introduce an open application process for future years allocation of Place Based Investment Programme funding. This is to link with other national and local funding to maximise efficient use of resources and investment support.</li></ol>

#### 3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background/Main Issues
- Section 5: Proposals
- Section 6: Conclusion
- Appendices

#### 4. BACKGROUND / MAIN ISSUES

4.1 Prior to its replacement by the Place Based Investment Fund Programme, the Scottish Government allocated Perth and Kinross Council £2.697M from the Town Centre Fund. Following discussion by members, the Strategic Policy and Resources Committee initially awarded funding to 5 projects in June 2019 (Report No 19/127 refers):

- Strathmore Community Hub (£150K)
- Coupar Angus Cycle Hub (£50K)
- Connecting Loch Leven with Kinross Town Centre (£800K)
- Drummond Arms, Crieff (£600K)
- Events Space, Pitlochry (£383K).

4.2 An Executive Sub-Committee of the Strategic Policy and Resources Committee on 23 October 2020 (Report No 20/204 refers) subsequently agreed to:

- de-commit funding from the Coupar Angus Cycling Hub due to the project not proceeding
- provide an additional allocation of £487K to the Strathmore Community Hub
- provide an additional £20K to the Kinross/Loch Leven project
- allocate £25K to the YMCA Perth Y Centre project
- allocate £200K to the Local Full Fibre Network project
- make further efforts to bring forward a viable project in Pitlochry as the original idea did not generate widespread community support.

4.3 Despite efforts to progress a project in Pitlochry, a further report was brought back to the Strategic Policy and Resource Committee on 25 November 2020 (Report No 20/227 refers) to re-allocate resources from Pitlochry with additional, and remaining, Town Centre Fund funding to the following projects:

- Crieff Hotel arts hub (£100K)
- Strathearn Hotel demolition and site clearance (£265K)
- Town Wi-Fi Schemes (£50K)

4.4 Meantime, the Place Based Investment Fund Programme (PBIP) was launched in September 2020 as a replacement of the Town Centre Fund, with the grant offer and objectives received on 10 May 2021. The main objectives of the PBIP are to:

- align 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

- accelerate ambitions for net zero carbon, wellbeing, and inclusive economic development, tackling inequality and disadvantage, and community involvement.

4.5 These criteria align with the Council's own priorities to reduce poverty and inequality, promote sustainable growth and development collaboratively, consistent with the principles of the Perth and Kinross Offer.

4.6 The Programme is to be achieved by investing in projects focussed on:

- rural places with smaller populations, dependent on larger geographical areas for support, for example:
  - small towns with a limited range of non-specialised facilities
  - villages with very limited, or non-existent, access to facilities.
- urban places with sizeable populations, for example:
  - regional centres with extensive provision supporting a wide geographical area
  - larger towns with a comprehensive range of dedicated services and facilities
  - individual neighbourhoods with limited access to relevant local provision.

4.7 The available funds to Perth and Kinross were allocated as follows:

Year	LA Allocation £M	Perth & Kinross Share £M
2021/22	38	1.265
2022/23	33	1.098
2023/24	23	0.766
2024/25	23	0.766
2025/26	23	0.766
TOTALS	£140M	Est £4.661M

4.8 The PBIP grant can be claimed for eligible capital expenditure incurred by local authorities or third parties. The grant is for expenditure additional to that which is already, or would otherwise, be allocated to the budget of each financial year and should not substitute for existing spend. The grant may also be used to fund third party capital expenditure either directly, or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals). The grant must be committed in the financial year it applies to. For the financial year of 2022/23, it is expected that expenditure will be undertaken or at least work, or contracts signed or commenced, by 31 March 2023. This is a challenging timescale for capital projects.

4.9 Following discussion by members, the Strategic Policy and Resources Committee of 1 September 2021 (Report No 21/149 refers) awarded £1.265m PBIP funding to five existing Town Centre Funded projects which had identified additional funding needs to ensure they could be fully completed. In addition, they also allocated funding to the Council supported Letham Hub

project which had identified a funding gap, but which was due to start on site in December 2021.

- Strathmore Community Hub - £125,000
- Town Wi-Fi - £30,000
- Kinross Loch Leven Car Park - £35,000
- Drummond Arms - £140,000
- Crieff Hotel Community Arts Space - £200,000
- Letham Hub - £735,000

4.10 Due to the risk of having to return unspent money to the Scottish Government because of planning and procurement issues, it was agreed during March 2022 to decommit the funding to the Crieff Hotel. This was undertaken following consultation with the three Strathearn Ward Elected Members, with agreement for the funding already committed to a project in the ward to be re-allocated to the Drummond Arms project, which was able to commit further essential works before the end of March.

4.11 Following the replacement of the Town Centre Fund, the Scottish Government currently operates four funds that support place-based regeneration and economic development:

- The long-established Regeneration Capital Grant Fund is a competitive fund that provides significant funding for capital projects led or sponsored by local authorities and targeted at the most deprived urban and rural areas across Scotland.
- The Vacant and Derelict Land Investment Programme is a competitive fund that operates from 2021-26. It provides significant funding for capital projects which seek to tackle persistent vacant and derelict land through low carbon, community-led, place-based approaches.
- The third fund is the Place Based Investment Fund Programme which operates from 2021-2026, replacing the one off 2018 Town Centre Fund.
- The fourth fund is Rural Community Led Local Development Fund which builds on the legacy of LEADER. This fund aims to test new approaches to delivering community-led local development through place-based partnerships. Projects supported by this funding must advance equality, inclusion, and diversity.

4.12 There are further opportunities to align funding and maximise resource support for projects with:

- National Lottery Fund
- Tay Cities
- Capital programme
- Revenue capital grant support for property via Vacant Property/ Adapt Your Property/Open for Business/ Housing Grants
- Environmental Challenge Fund
- Community Investment Fund, Participatory Budgeting
- City Heritage Fund.

4.13 There are potentially some opportunities for further alignment of funding to projects between these Scottish Government, national charities, and local grant schemes with UK Government grant schemes:

- The UK Shared Prosperity Fund provides revenue and capital funding and is available from 2022-2025. During the 3-year period, Perth and Kinross has an allocation of £4.736m. The primary aim of the fund is to empower local leaders and communities to deliver locally identified priorities across 3 themes: Community and Place; Supporting Local Business; and People and Skills. Additional resources of £988k are allocated to support numeracy training via the Multiply programme. Agreement on priorities for initial, high level allocations and capacity to align with other funding through an open challenge fund applications process have been agreed and is awaiting a response from UK Government.
- The UK Government also operates the competitive Levelling Up Fund (LUF). This is a capital fund which aims to tackle economic differences and drive prosperity through town centre and high street regeneration, local transport projects, and cultural and heritage assets. A bid of 10M has been submitted for Perth West. The UK LUF runs for four years from 2020-2025 with no commitment to continue beyond this period.

4.14 A workshop for all elected members was held on 12 January 2022 to advise on key criteria in relation to the allocation of funding based on previous awards for the use of the remaining Place Based Investment Programme funding. It was advised that critical issues to consider in the allocation of resources for future years to meet core criteria and objectives:

- alignment with community needs and priorities
- geographical spread
- deliverability
- previous support
- scale of projects and social, economic, and environmental benefits
- targeting resources to assist investment in areas of greatest socio-economic need
- maximising funding support and leverage through match funding from other national and local place-based investment and grants

4.15 It was noted that community and business engagement along with the co-design of outcome focussed projects, in line with the principles of the Perth & Kinross Offer, were being progressed in a variety of ways. These include the Economic Wellbeing Plan, Tourism Infrastructure Strategy and Action Plan, Locality Outcome and Action Plans, Community Action Plans, area housing and greenspace participation frameworks.

4.16 Five projects have now been assessed and identified as priorities for investment against key criteria and are proposed for Place Based Investment Fund Programme 2022/23 funding. These priorities are primarily because of community and business support, immediate need for funding to augment other funding and deliverability within the timescale.

## 5. PROPOSALS

- 5.1 The table below provides an update on progress and spend relating to previously approved Town Centre Fund and PBIP funded projects indicating positive progress in all projects. The Drummond Arms is awaiting drawdown of funding for completed works. The Letham Hub has to date utilised previous resource allocations via RCGF (Regeneration Capital Grant Fund) funding, but it is anticipated the Place Based Investment Fund Programme allocation for 2021/2022 will be drawn down in October 2022.
- 5.2 Allocations from UK SPF for 2022/23 and future years are being decided by a political process with the UK Government. The projects which have potential alignment with the fund have submitted Expressions of Interest to be included in the funding ask of UKSPF (UK Shared Prosperity Fund) for 2022/23. In both cases noted below, it would be preferable to fund solely from PBIF to enable the projects to commence with certainty, securing their overall funding packages. This would also extend the potential leverage of UKSPF and other funds to maximise the potential economic, social, and environmental impact.

**Town Centre Fund & PBIF Approved Projects - Spend to date**

	Total Grant Award	TCF grant	Total TCF spend	% TCF spend to date	PBIF grant	Total PBIF spend	% PBIF spend to date
<b>Drummond Arms, Crieff</b>	940,000	600,000	600,000	100	340,000	163,192	48
<b>Strathmore Community Hub</b>	762,000	637,000	637,000	100	125,000	125,000	100
<b>Loch Leven Car Park</b>	855,000	820,000	820,000	100	35,000	34,291	98
<b>Perth Y Centre</b>	25,000	25,000	25,000	100			
<b>Crieff Hotel/Creative Crieff</b>	100,000	100,000	100,000	100			
<b>WiFi projects - Comrie, Scone, Kinross, Alyth, Coupar Angus</b>	80,000	50,000	50,000	100	30,000	27,988	93
<b>Strathearn Hotel, Crieff</b>	265,000	265,000	252,000	95	0		
<b>LFFN broadband project</b>	200,000	200,000	200,000	100	0		
<b>Letham Hub, Perth</b>	735,000				735,000	0	0
<b>TOTAL</b>	<b>3,962,000</b>	<b>2,697,000</b>	<b>2,684,000</b>		<b>1,265,000</b>	<b>350,471</b>	

- 5.3 The table below proposes projects where this year's PBIP funding could be allocated and notes opportunities for potential alignment with UKSPF funding on the basis of current needs and requests for assistance:

<b>PROJECT</b>	<b>PBIP FUNDING</b>	<b>UKSPF potential alignment</b>
Rannoch Hub	£308k	Yes
Aberfeldy Tourism Infrastructure	£275k	Yes
Self-Catering Accommodation, Cultybraggan Camp	£25k	
PLUS, Perth Civic Space, Ropemakers Close	£20k	
Clachan and Quality Café	£470k	
<b>TOTAL</b>	<b>1,098</b>	

#### **Rannoch Hub, Kinloch Rannoch**

- 5.4 Rannoch Community Trust are transforming the former Outdoor Centre in Kinloch Rannoch into an exciting multi-use venue to serve at the heart of the Rannoch Community. The building will be turned into a Community Hub and social enterprise café/bar to provide free business and leisure facilities to the socially isolated, remote community. It will be a self-sustaining community owned initiative developing community wealth through creating local employment and volunteering opportunities, whilst catering to the needs of locals and visitors to the area.
- 5.5 Estimated project costs are £830k. The project has secured funding from the Scottish Land Fund and UK Community Ownership Fund as well as several other external grant funders. The project requires funding of £308k to enable project commencement in 2022/23.

#### **Aberfeldy Tourism Infrastructure, Aberfeldy**

- 5.6 Perth & Kinross Council, in partnership with Perth & Kinross Countryside Trust, are creating the first in a series of low carbon, active travel and outdoors leisure hubs created to support the River Tay Way. The hubs will be accessible by all abilities and are designed to improve overall visitor experience for residents, communities & leisure visitors. The first Hub will be at Aberfeldy and will include the development of new toilet facilities open year-round for the benefit and comfort of walking, cycling, wheeling, horse riding and water sports visitors on the long-distance active travel route. The Aberfeldy hub will also include waste disposal facilities for motorhome users touring the area. The facility will be managed daily by the onsite outdoor provider, creating local jobs, and supporting an established local business. Through providing nodal facilities on the long-distance route, the project seeks to ensure that the local community feels the economic benefits of tourism whilst the impacts are mitigated.

- 5.7 Estimated project costs are £512k. The project has already secured £235k through the Rural Tourism Infrastructure Fund. The project requires funding of £275k to enable the project to commence in 2022/23.

### **Self-Catering Accommodation, Cultybraggan Camp, Comrie**

- 5.8 Comrie Development Trust's project to develop four former POW Nissan huts will create four additional self-catering visitor accommodation units at the community owned Cultybraggan Camp. The project will enable more visitors to stay in the Comrie area. This will support the local economy and build community wealth through contributing to the financial sustainability of Comrie Development Trust to undertake local initiatives.
- 5.9 Project estimated costs are £50,000 with £25,000 already secured from the Trust core funds. A contribution from PBIP of £25,000 would allow project commencement and completion during 2022/23.

### **PLUS Perth, Civic Space, Ropemakers Close, Perth**

- 5.10 Local mental health and wellbeing charity PLUS Perth are creating an indoor Civic Space within the city centre which will be open daily for local people interested in art, film, music, dance, and other sociable pursuits. They have recently taken ownership of the disused public toilet building in Ropemakers Close and propose to renovate it. This will bring the building back into use and improve the immediate surroundings - aligning with and delivering positive impact towards the broader vennel improvement proposals throughout the city. The project will tackle inequalities through creating cultural opportunities and indirectly address antisocial behaviour, which will support the immediate economy.
- 5.11 Project estimated costs are £40,000 with £20,000 already secured from the charity's core funding. A contribution from PBIP of £20,000 would allow project commencement and completion in 2022/23.

### **Clachan and Quality Café, Perth**

- 5.12 Dangerous buildings notices have been issued for the Clachan and Quality Café in Perth, which require the owners to begin demolition by October 2022. If this work is not done by the owners, statutory demolition and acquisition powers are proposed to be used to ensure the essential works are undertaken and a charging order placed on the properties.
- 5.13 The initial estimated demolition and acquisition costs were £350k but these are likely to increase, due to construction inflation and additional landscaping costs, to around £500k.

- 5.14 The eyesore building is having a damaging effect to the economic wellbeing of surrounding businesses and creates a negative perception of the City Centre. The site has limited development potential and assessment suggests there is no commercially viable solution and public intervention is required. Estimated costs and values also suggest that cost recovery will be challenging but may assist negotiations on acquisition. The medium-term aspiration for the cleared site will be to deliver public benefit through creation of greenspace or potentially a mobility hub.
- 5.15 Should the owners begin demolition by October 2022, the Council will not be required to undertake the work. In this instance, reallocation of the proposed funding to a project which meets the grant criteria of PBIP and can commence in 2022/23 would be required.

### **Future Years**

- 5.16 It is our intention to create a single application process which will be developed to simplify the funding application process for community organisations to apply for PBIP funding along with other national and local Council funding. This will bring together both revenue funding for project development and project funding for viable projects. This will create a more robust project pipeline and maximising use of resources to support project delivery. This will bring together both revenue funding for project development and project funding for viable projects creating a more robust project pipeline and maximise use of resources to support project delivery. This single application process will be in place from April 2023.
- 5.17 In some instances, it may be more appropriate for the Council itself to develop and deliver capital projects supported by the wider community. For example, the Council has given a commitment to deliver a project in Pitlochry at Atholl Road in future years. Revenue support is required in the first instance to develop designs and fully define project costs and funding requirements, through collaboration with both the community and private landowners in line with the Pitlochry Community Action Plan.
- 5.18 The proposed process is aligned with the Perth & Kinross Offer to encourage co-creation and co-design with communities to support project feasibility and the development of a project pipeline.

## **6. CONCLUSIONS**

- 6.1 The report summarises the satisfactory progress being made in the delivery of previous Town Centre Fund / Place Based Investment Programme funded projects and proposes five new projects to be funded from the Place Based Investment Programme 2022/23 allocation. Each of the five new projects has community support, has been identified as a priority for investment, meets the criteria of the Place Based Investment Programme and can be progressed in the current financial year should funding be allocated.

**Author**

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Barbara Renton	Executive Director (Communities)	12 September 2022

**APPENDICES**

None

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>N/A</b>
Asset Management (land, property, IST)	<b>Yes</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>Yes</b>
Sustainability (community, economic, environmental)	<b>Yes</b>
Legal and Governance	<b>Yes</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>N/A</b>
<b>Communication</b>	
Communications Plan	<b>Yes</b>

### 1. Strategic Implications

#### Community Plan/Single Outcome Agreement

- 1.1 The proposals within the report will support the delivery of the Perth and Kinross Community Plan in terms of the following priorities: -

- (iii) Promoting a prosperous, inclusive, and sustainable economy
- (v) Creating a safe and sustainable place for future generations.

#### Corporate Plan

- 1.2 The proposals within the report will support the delivery of the following Council's Corporate Plan priorities: -

- (iii) Promoting a prosperous, inclusive, and sustainable economy.
- (v) Creating a safe and sustainable place for future generations.

### 2. Resource Implications

#### Financial

- 2.1 The Head of Finance has been consulted on the proposals and has indicated agreement with the proposals.

- 2.2 These proposals will be funded from a grant received from the Scottish Government and as such should have no direct impact on our existing Capital or Revenue budgets.

#### Workforce

- 2.3 There are no project specific workforce implications arising from this report.

#### Asset Management (land, property, IT)

- 2.4 N/A.

### **3. Assessments**

#### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome: (i) Assessed as not relevant for the purposes of EqIA.
- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) Assessed as not relevant for the purposes of EqIA.

#### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

#### Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council must discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets.

- in the way best calculated to deliver any statutory adaptation programmes; and
- in a way that it considers most sustainable.

3.6 The proposals have been assessed against the Council's Principles for Sustainable Development and it is considered that all the proposals outlined would support the achievement of sustainable development.

#### Legal and Governance

3.7 The Head of Legal and Governance Services has been consulted on the report and has indicated agreement with the proposals.

#### Risk

3.8 The key risks associated with the proposals presented in the report relate to our, and our delivery partners, abilities to implement approved projects within the timescales required. If we are unable to do this, our grant funding will have to be returned to the Scottish Government under the conditions of the grant offer.

### **4. Consultation**

#### Internal

4.1 The Chief Operating Officer, the Head of Finance, and the Head of Legal and Governance have been consulted in the preparation of this report.

#### External

4.2 No external parties have been consulted in the preparation of this report.

### **5. Communication**

5.1 The agreed proposals will be communicated to all appropriate parties including external organisations receiving Place Based Investment Programme grant awards.

## **2. BACKGROUND PAPERS**

Report No. 19/127

Report No. 20/204

Report No. 20/227

Report No. 21/149