



REPORT TO: THE MORAY COUNCIL 17 JUNE 2020

SUBJECT: REGENERATION CAPITAL GRANT FUND

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To inform the Council of the Regeneration Capital Grant Fund invitation for stage 1 applications with a deadline of 19 June 2020. As only Local Authorities can apply to this fund, the Cabrach Trust and Forres Area Community Trust are requesting for the Council to be the lead applicant on their behalf.
- 1.2 This report is submitted to Council in terms of Section III A (2) of the Scheme of Administration relating to long-term financial plans.

2. RECOMMENDATION

2.1 It is recommended that the Council:

- (i) consider the request by the Cabrach Trust to act as a lead applicant to the Regeneration Capital Grant Fund with no financial implications for the Council and if agreed;**
- (ii) approve the submission of stage I application and if successful stage II application;**
- (iii) consider the request by the Forres Area Community Trust to act as a lead applicant to the Regeneration Capital Grant Fund with no financial implications for the Council and if agreed; and**
- (iv) approve the submission of stage I application and if successful stage II application**

3. BACKGROUND

- 3.1 The Governments Regeneration Capital Grant Fund (RCGF) is delivered annually in partnership with COSLA, supporting locally developed place-based regeneration projects that involve local communities, helping to tackle inequality and support inclusive growth in disadvantaged and fragile communities across Scotland.

- 3.2 The fund is primarily aimed at providing new and/or improved infrastructure to improve the economic, social, and physical environment of communities and is open to all 32 Scottish Local Authorities.
- 3.3 Eligible projects have to meet the following overarching aims & objectives:
- Projects are primarily focused on areas that suffer from high levels of deprivation and disadvantage
 - Proposals can demonstrate clear community involvement.
 - Schemes will deliver large scale transformational change with strong regeneration outcomes.
 - That they can encourage additional investment and address market failure.
- 3.4 There is no restriction on the number of applications that may be submitted by each Local Authority but, given the limited size of the overall fund, applicants are requested to be realistic with the number of applications and combined value of grant requests being made. Also where project proposals are being submitted by lead bodies on behalf of partners, these project proposals must be considered and supported by lead bodies prior to final submission. Lead applicants are expected to review all applications closely, consider how the projects will meet RCGF criteria, and in particular, can deliver the outcomes and draw grant as profiled within the required timeframes. If appropriate, project proposals should be prioritised accordingly.
- 3.5 RCGF applications follow a two-stage, competitive process. The independent RCGF Investment Panel makes recommendations to Ministers and COSLA on those projects to be funded from each round. Closing deadline for stage I application is 19 June 2020 and if successful stage II applications have to be submitted in October 2020 with outcomes known in January 2021.
- 3.6 **The Cabrach Trust** proposal is to open the Historic Distillery, which will reflect the manufacture and production of malt whisky, matching as closely as possible historic methods from the 1800s as part of the visitor experience. This will be followed by the creation of a new Heritage Centre utilising academic research to present the story of illicit whisky distilling and how it shaped and formed the modern Scotch whisky industry we know today.
- 3.7 Once fully operational, the Heritage Centre and Historic Distillery will safeguard the cultural heritage of the Cabrach and serve as an important hub for the dispersed community. Collectively both initiatives will provide employment opportunities for 15 people. The project will generate around £20m in economic impact to the local economy over a decade and will be a major contributor through jobs, the Heritage Centre, the Distillery and its supply chain.
- 3.8 Planning permission for the site is already in place. The estimated capital costs for the project is £3.5 million. The indicative funding request from RCGF is for £1.4 million with £2.1 million match funding in place, which consists of £2 million from Reekimlane Foundation, £80,000 from William Grant Foundation and £50,000 from Classindarroch Community Fund.

- 3.9 The **Forres Area Community Trust** proposal is to develop the Forres Town Hall into a Community and Social Enterprise Hub creating the following opportunities:
- Provide a facility in the town centre that attracts a diverse range of users and draws people to the High Street and the Town Hall and encourages them to use the services
 - Provide employment through a range of projects, events and opportunities which contributes to the reduction in economic poverty people face locally and increases the range of services on offer
 - Provide volunteering opportunities to increase community cohesion and engagement in the area
 - Create economic stimulus through a co-working and hot-desking facility for local social enterprises, charities and national organisations who need a local base.
- 3.10 The anticipated outputs and outcomes on completion of the project are:
- People have access to appropriate community facilities and places to meet
 - The Community have a positive identity and future aspirations
 - People are empowered to improve their area and maximise local assets
 - Securing the future of an important landmark building for the Forres area
 - 480m² of social enterprise/ office/ event space
 - 12 organisations supported within the facility weekly
 - 70 local organisations supported annually with regular bookings
 - 10 community services supported
 - 10 jobs supported or created
- 3.11 It is planned to submit Planning and Listed Building Consent applications in July 2020. The estimated capital project cost is £3,073,600 with a request of £2,773,600 from RCGF and potential match funding of £300,000 from HIE, which still has to be applied for.
- 3.12 If the funding applications are successful, all aspects of the project management responsibilities lies with the trusts alongside with confirmation of all match funding and any statutory consents' being in place prior to starting the projects.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The projects will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy

(b) Policy and Legal

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan. For any partnership agreements Legal will be consulted.

(c) Financial implications

As only Local Authorities can apply to this fund, the request from the Trusts have been made for the Council to front the applications.

As outlined para 3.8 for the Cabrach Trust proposal match funding is in place and as stated in para 3.11 the Forres Area Community Trust still has to secure any match funding for their proposal.

However there are no financial implications for Council.

(d) Risk Implications

To mitigate any risks, partnership agreements will be drawn up at full application stage outlining that the Trusts will adhere to all funders grant conditions and that they are solely responsible for any liabilities associated with the funding.

(e) Staffing Implications

Both trusts will prepare applications and claims; set up project systems for carrying out the works including for procurement, monitoring and evaluation.

Staff from the Economic Growth & Regeneration section will provide support for submitting the applications, interim and final claims to the RCGF and make arrangements for claimed funds to be transferred to the Trusts. If the funding applications are successful, both projects have to be completed by end of the financial year 22/23.

The required support work can be accommodated within existing staffing resources, however at this stage it is difficult to forecast how many staff hours it will require as it depends on the experience & efficiency of the project management for both initiatives. It can range from the equivalents of a couple of hours to several days per months, which may impact on resources needed to be considered against new economic priorities necessary to recover from the current crisis as and when recovery allows. If the project management provided by the organisations is effective and efficient the impact on staff will be a few hours a month.

(f) Property

None arising from this report

(g) Equalities/Socio Economic Impact

An equality impact assessment is not required as the reason for the report is for the Council to consider being the lead applicant for the Cabrach and Forres Area Community Trusts to access funds, which they could not undertake themselves.

The focus of the Regeneration Capital Grant Fund is on projects in areas that suffer from high levels of deprivation and disadvantage and that demonstrate clear community involvement. Being lead applicant for these projects will assist the council in addressing socio-economic inequalities in accordance with the Fairer Scotland duty.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Head of Financial Services, the Head of Legal and Democratic Services, the Equalities Officer and the Democratic Services Manager have been consulted and comments incorporated into this report.

5. CONCLUSION

5.1 Both project proposals have ambitious regeneration plans in their respective areas. They have been locally developed, involving the local communities and on completion will create jobs and build sustainable communities.

5.2 The Regeneration Capital Grant Fund could be the most suitable funding source for this type of investment, however as only Local Authorities are eligible to apply, it is recommended to support the Trust's requests for Council to work in partnership and be the lead applicant for the applications.

Author of Report: Reni Milburn, Economic Growth & Regeneration Manager

Background Papers: Documents on file in Economic Growth & Regeneration section.

Ref: