

**ANGUS COUNCIL**

**POLICY & RESOURCES COMMITTEE – 8 JUNE 2021**

**REGENERATION CAPITAL GRANT FUND AND LEVELLING UP FUND**

**REPORT BY  
ALISON SMITH, INTERIM DIRECTOR OF COMMUNITIES**

**ABSTRACT**

This report seeks authorisation for Angus Council to act as lead applicant and to submit stage one applications to Scottish Government “Regeneration Capital Grant Fund” on behalf Arbroath Courthouse Community Trust and Showcase the Street. It also seeks approval to act as lead applicant to submit a bid to the Levelling Up Fund for Showcase the Street – Seaton Park.

**1. RECOMMENDATION(S)**

It is recommended that Committee

- (i) note the background to the Regeneration Capital Grant Fund and the specific opportunities and risks which arise from participation in the programme as set out in the report;
- (ii) note the position on the applications covered by this report and the specific benefits and potential risks associated with these;
- (iii) authorises Angus Council to act as lead applicant and to submit stage one applications to Scottish Government “Regeneration Capital Grant Fund” on behalf Arbroath Courthouse Community Trust and Showcase the Street;
- (iv) agrees to rank Arbroath Courthouse Community Trust as 1<sup>st</sup> priority and Showcase the Street as 2<sup>nd</sup>;
- (v) agree that should the stage one applications be successful a further report will be provided to members to confirm next steps; and
- (vi) note that agreeing to submit a stage one application means the Council is supportive of the projects in principle at this stage and that final sign off, should RCGF be awarded, will be the subject of further reports.
- (vii) authorises Angus Council to act as lead applicant and to submit an application to UK Government “Levelling Up Fund” on behalf of Showcase the Street;
- (vii) agree that should the application be successful at stage one, a further report will be provided to members to confirm next steps; and
- (vi) note that agreeing to submit a stage one application means the Council is supportive of the project in principle at this stage and that final sign off, should Levelling Up Fund be awarded, will be the subject of further reports.

**2. ALIGNMENT TO THE COUNCIL PLAN**

**ECONOMY**

- An Inclusive and sustainable economy
- Attractive employment opportunities

**PEOPLE**

- An enhanced, protected and enjoyed natural built environment

- A reduced carbon footprint
- Safe, secure, vibrant sustainable communities

### 3. BACKGROUND

#### 3.1 REGENERATION CAPITAL GRANT FUND

The Regeneration Capital Grant Fund (RCGF), delivered in partnership with COSLA and local government, supports locally developed place-based regeneration projects that involve local communities, helping to tackle inequalities and deliver inclusive growth in deprived, disadvantaged and fragile remote communities across Scotland.

Applications to the fund are invited on an annual basis and, where justified, can potentially cover more than one financial year (subject to available budget). The fund is open to all 32 Scottish local authorities individually or they can work through Urban Regeneration Companies or other Special Purpose Vehicles (SPVs) i.e. a third party.

In 2018 Angus Council working with Montrose Playhouse were successful in securing funding from RCGF. **Reference is made to Item 12 of the minute of meeting of the Angus Council dated 5 September 2019** This has resulted in more third parties (community groups) who are looking for significant capital funding to approach and request Angus Council to act as lead applicant on their behalf.

Due to the pre-election period Scottish Government's website was not updated with the RCGF details for this year therefore, no formal public announcement about the fund opening was made. Local Authorities were directly notified by Scottish Government advising they are now accepting proposals for the Regeneration Capital Grant Fund 2022-23 with a deadline of 2pm on Thursday 17<sup>th</sup> June 2021. Community groups who have in the past expressed an interest in the fund were notified and made aware of this funding opportunity and invited to submit Stage 1 applications and a project plan for consideration. The organisations notified were, Arbroath Courthouse Community Trust (ACCT), Kirrie Connections, Monifieth Community Resource Group and Showcase the Street.

#### 3.2 LEVELLING UP FUND

The UK Government announced the launch of the Levelling Up Fund in March 2021. It applies to the whole of the UK. It brings together the Department for Transport, the Ministry for Housing, Communities and Local Government and the Treasury to invest £4.8 billion in high value local infrastructure. It focuses on the needs of individual places and the strategic case for investment. While the Fund is open to every local area, it is especially intended to support investment in places where it can make the biggest difference to everyday life, including ex-industrial areas, deprived towns and coastal communities. It is also designed to help local areas select genuine local priorities for investment by putting local stakeholder support, including the local MP where they want to be involved, at the heart of its mission.

In Scotland, the Fund is to be delivered through Local Authorities. Capacity Building funding of £125,000 is to be made available to support preparation of bids although at this time a date for this being awarded is yet to be confirmed.

The number of bids that a local authority can make will relate to the number of MPs in their area. Accordingly, local authorities can submit one bid for every MP whose constituency lies wholly within their boundary. Every local authority can submit at least one bid. Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder. Only one successful bid for each of the allocated number of bids is allowed.

The Fund will focus investment in projects that require up to £20m of funding. In Scotland local authorities can also bid for larger high value transport projects, Bids above £20m and below £50m will be accepted for transport projects only, such as road schemes.

The first round of the Fund will focus on three themes: smaller transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets, in particular:

- Transport investments including (but not limited to) public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and accessibility improvements. We are requesting proposals for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.
- Regeneration and town centre investment, building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure, acquire and regenerate brownfield sites, invest in secure community infrastructure and crime reduction, and bring public services and safe community spaces into town and city centres.
- Cultural investment maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces

#### 4. CURRENT POSITION

Stage one applications were received from Arbroath Courthouse Community Trust and Showcase the Street.

Arbroath Courthouse Community Trust - "Arbroath Courthouse Community Centre" ACCT plan to create a multi-purpose Community owned facility serving the DD11 postcode area. The former Courthouse is comprised of two connected listed buildings. As part of the proposed project, they will be repaired and adapted in a sustainable manner which protects their listed status, improving and enhancing the civic qualities that both buildings inherently have.

The Trust visualise this project as a catalyst towards regeneration of the High Street aiding revival of the town centre as a place of civic activity, creativity, and social enterprise.

It is envisaged that such a facility would cater for all age groups from the young to the more senior citizens providing opportunities for social engagement, reducing isolation, learning, skills development related to both personal enhancement and achievement and where appropriate directly to employment. Those most disengaged and disadvantaged in the community would be able to access and use the facility as a focal point to address the issues that concern them. The facility would provide spaces for heritage interpretation, exhibitions, visitor information and become a physical component of the cultural strategy for the town and region.

Whilst community engagement has been undertaken to determine potential use, final user groups have not yet been agreed and this represents an area of risk and uncertainty for the ongoing financial viability of the project at this stage. Further work to confirm sustainable future usage will be required to ensure the viability of the proposal should it proceed to Stage 2. Council support for the Stage 1 application is being recommended for approval on the basis that the risks and uncertainties will be addressed as part of that next phase. Council officer support for a Stage 2 application will therefore be the subject of a further update to members and should not be regarded as guaranteed at this point.

The main beneficiaries would be the people of Arbroath and surrounding area who benefit from the development of the Courthouse Community Centre and the following outcomes:

- A better place to work and visit
- More Opportunities to learn and gain skills
- A more economically thriving town centre
- Improved wellbeing and access to information service
- A more integrated community

At present ACCT is a steering group whose sole purpose is to establish the project. It does not therefore deliver services itself; the focus being achieving the transfer (achieved December 2020) and developing the building. This will develop into a more operational management committee in the future to ensure robust management of the building. The model adopted by ACCT is to stimulate, coordinate manage community activity within the centre, this allows maximum impact from user groups who will be encouraged to work collaboratively.

Appendix 1: Arbroath Courthouse Community Trust Stage One application

Showcase the Street – "Seaton Park

- Based at Seaton Park, Arbroath, Showcase the Street plan to create a transformational Community Facility made, in the main, from recycled building and low carbon materials. The facility will have the ability to interact with the community in areas of the arts, sports, digital learning, training in the renewables sector and digital sector, as a community hub and many other assets as well as becoming a UK first in its build and design thereby attracting interest from all over the world and additional benefits for the area in tourism and training. A video walk through of the facility can be seen in the link here - <https://vimeo.com/131180247>

Whilst the project will be based in the North End of Arbroath it will serve the whole town, and indeed Angus and its unique nature will also bring international recognition and attention from across the world in regard to environmental excellence and an exemplar for the construction industry who are supporting the project. The potential for development of vital digital skills and training creates potential to link the premises to hubs across Angus and open opportunities for learning.

The feasibility study was supported by Zero Waste Scotland who continue involved as is the Chaffinch Trust and HRH Princess Anne and the Construction Scotland Innovation Centre

Funding strategy meetings are now ongoing with Showcase the Street, Zero Waste Scotland and the Chaffinch Trust to develop presentations to funders and private donors, who have already expressed interest in supporting as well as gaining 'in kind' support from material suppliers and construction companies based on the unique nature of the build.

Extensive community consultation in the community has already been undertaken.

Most recently commitment from the Scottish Tech Army has been secured to develop a fully functional technology space with VR, AR, and A.I, but also a teaching space inside the building to help people who are left behind by inequality, with that gap increasing during the pandemic and lockdowns, and supporting them to be just as capable of engaging with technology and finding pathways into these new jobs sector.

Work on the site is expected to start later this year and move forward into 2022 where the facility should be ready late 2022 into 2023.

Appendix 2 – Showcase the Street application

## 5. PROPOSALS

Local Authorities are required to rank multiple applications for RCGF in order of preference and meeting priorities. It is recommended that both project proposals are worthy of support; RCGF is primarily aimed at providing new/and or improved infrastructure to improve the economic, social and physical environments of communities. Both project proposals received are based in Arbroath and individually meet the aims and objectives of the fund. Both projects focus in areas of high level of deprivation and inequalities, demonstrate community engagement and involvement, and will deliver transformational change in Arbroath and the surrounding area.

Project proposals also correlate with the Angus Council vision and Community Plan 2017-2020 priorities, namely, reducing child poverty, improving mental health and wellbeing, and improving accessibility and connectivity

Proposed ranking of applications. on the basis that Showcase the Street are being put forward to the Levelling Up Fund

(1) Arbroath Courthouse Communities Trust – Arbroath Courthouse Community Centre,  
Request for funding £2,108,942  
Total Cost £2,573,913  
Balance – pending decision

(2) Showcase the Street – Seaton Park

Request for funding £2,500,000

Total Cost £6,000,000

Balance – £150,000 secured; balance pending decision

Deadline for stage one applications is 2pm Thursday 17 June. Applicants will be notified of assessment decisions by September 2021 and successful proposals invited to submit a stage two application by October 2021. Decision on successful applications are expected by December 2021/January 2022

### **Levelling Up Fund**

It is proposed to submit the Seaton Park bid to the Levelling Up Fund given the potential this project has to address inequalities across Angus, increase opportunities and skills and to create a UK leading facility in Angus attracting international interest. The application meets the key criteria of:

- Characteristics of the place – each local authority will be sorted into category 1, 2 or 3 based on our assessment metrics, with category 1 representing the highest level of identified need. Angus is classed as category 2.
  - Deliverability - based on supplementary finance, management and commercial cases, with bids able to demonstrate investment or which begin delivery on the ground in 2021-22 financial year prioritised in the first round of funding.
  - Strategic fit with local and Fund priorities – this should be addressed in the strategic case of submissions and should include support from stakeholders.
- Value for money – an economic case should be submitted to explain the benefits of the bid and how it represents value for money

In addition, the project is able to spend in 2021/22.

The Angus transport bid will not be submitted for round one and a future report will set out the proposals for this application. Similarly, any joint bids with Dundee City Council for the constituencies that cover Angus and Dundee will be brought to committee in due course.

- Deadline for round one is Friday 18<sup>th</sup> June at 12 noon.

## **6. FINANCIAL IMPLICATIONS**

Although the RCGF provides a valuable opportunity for community groups to deliver regeneration projects there are significant risks and potential financial implications for Angus Council from participation in the RCGF programme. The Council must be lead applicant if a third party wishes to apply and therefore bears the project financial and monitoring responsibilities as well as adhering to the legal terms and conditions of the grant from Scottish Government.

The Council is the funding applicant with Government for RCGF and is responsible for ensuring compliance with the grant terms and conditions. Despite, in the case of the applications covered by this report the Council not being the direct deliverer of the projects, (and not in control of their delivery or any third party funding) it is the Council which bears the financial risk if something were to go wrong which required the RCGF to be repaid. Decisions to support RCGF applications must therefore be taken with these financial risks to the Council and Council taxpayers in mind.

In addition to the risks associated with the grant itself, experience has shown that to manage the Council's risk exposure takes significant officer time and if either of the two applications covered by this report were to be successful in securing RCGF funding a monitoring/liason team comprising of officers from communities, property assets, legal and finance would be needed to work with the applicant to deliver the project. This input will impact on staff availability for other projects and work the Council wishes to take forward.

Levelling Up Fund - Once funding awards are decided, relevant local institutions are responsible for their delivery. Further contributions from the Fund will not be provided to meet cost overruns after funding has been agreed. Further details on the monitoring and financial responsibilities for Angus Council as the submitting organisation are still pending at this time but will be clarified

and considered before agreeing further support to the application should it proceed to Stage 2. It may be that the same model is to be used as for RCGF in which case projects granted Levelling Up funding will carry the same risks as highlighted above. The position will be clarified in follow up reports to members.

## **7. OTHER IMPLICATIONS**

### **7.1 RISK**

Risk of the capacity of third party to deliver large scale regeneration projects.

Community Groups applying to RCGF and Levelling Up Fund will require to have the capacity and project management experience to deliver large scale regenerational projects. Successful groups will be required to comply with all financial, legal, audit and project monitoring requirements as set by the Managing Authority.

Risk of non-compliance with State Aid rules – however test in place to ensure compliance.

Risk of additional resource required from staff and impact on other work - resource intensive particularly for legal and finance. Projects contribute to Community Plan outcomes but bring in no revenue to the council.

### **7.2 Implications and lessons learned from previous applications to RCGF on behalf of third sector**

At the time of this report it is too early to say what the implications to Angus Council will be as RCGF follows a two-stage, competitive process. The independent investment panel makes recommendations to Ministers and COSLA on a project before it can advance to stage two. Only after stage two approval and a grant offer being issued would financial and legal implications and risks to Angus Council increase.

The following are a note of potential additional risks that may apply.

Where the project relies on third party funding, the balance of funding package not achieved  
Tendered costs exceed funding package  
Costs exceed tender estimate due to unforeseen issues  
Timescale: Full spend won't be achieved in financial year requiring flexibility on grant payment from Scottish and or UK Government  
Project Failure during construction phase  
Ongoing financial viability issues leading to closure once operational  
Lack of Council oversight/control of project delivery which may increase risk to Council

**7.3** Should one or either of the project propose to Stage 2 further analysis of risk will be undertaken and a report presented to committee for decision whether to support a Stage 2 application.

**8. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment has been carried and is attached.

**9. CONSULTATION (IF APPLICABLE)**

The Corporate Leadership Team has been consulted on the preparation of this report.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

OR

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

**REPORT AUTHOR: Rhonda McFarlane, Strategic Policy & Projects Officer**

**EMAIL DETAILS: [McFarlaneR@angus.gov.uk](mailto:McFarlaneR@angus.gov.uk)**

List of Appendices:

Appendix 1 – Arbroath Courthouse Community Trust

Appendix 2 – Showcase the Street



## Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

### Step 1

**Name of Proposal** (includes e. g. budget savings, committee reports, strategies, policies, procedures, service reviews, functions):

Committee Report

### Step 2

Is this only a **screening** Equality Impact Assessment

Yes/No

**(A)** If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

(i) It does not impact on people

Yes/No

(ii) It is a percentage increase in fees which has no differential impact on protected characteristics

Yes/No

(iii) It is for information only

Yes/No

(iv) It is reflective e.g. of budget spend over a financial year

Yes/No

(v) It is technical

Yes/No

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

**(B)** If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment

Yes/No

Is this a Fairer Scotland Duty Assessment

Yes/No

If you have answered Yes to either or both of the above, continue with Step 3.

If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.



### Step 3

(i)Lead Directorate/Service:

(ii)Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

(iii)What is the aim of the proposal? Please give full details.

(iv)Is it a new proposal?      Yes/No      Please indicate      OR

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function?      Yes/No      Please indicate

### Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees                      Yes/No

Job Applicants                Yes/No

Service users                 Yes/No

Members of the public        Yes/No

**Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:**

**Internal data** (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

**Internal consultation** (e.g. with staff, trade unions and any other services affected).

**External data** (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

**External consultation** (e.g. partner organisations, national organisations, community groups, other councils.

**Other** (general information as appropriate).

**Step 6: Evidence Gaps.**

Are there any gaps in the equality information you currently hold?      Yes/No

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

**Step 7: Are there potential differential impacts on protected characteristic groups?** Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

**Please state if there is a potentially positive, negative, neutral or unknown impact for each group. Please state the reason(s) why.**

Age

**Impact**

Disability

**Impact**

Gender reassignment

**Impact**

Marriage and Civil Partnership

**Impact**

Pregnancy/Maternity

**Impact**

Race - (includes Gypsy Travellers)

**Impact**

Religion or Belief

**Impact**

Sex

**Impact**

Sexual orientation

**Impact**

**Step 8: Consultation with any of the groups potentially affected**

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

**Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?**

**Step 10: If a potentially negative impact has been identified, please state below the justification.**

**Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to:** eliminate unlawful discrimination; advance equality of opportunity; and foster good relations between people of different protected characteristics?

**Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?**

### **Step 13: FAIRER SCOTLAND DUTY**

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

**Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?**

**Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.**

**Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings?** Please remember to take into account any particular impact resulting from **Covid-19**.

**Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.**

**Low and/or No Wealth** (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future.

### **Impact**

**Material Deprivation** (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

**Impact**

**Area Deprivation** (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport)).

**Impact**

**Socio-economic Background** i.e. social class including parents' education, people's employment and income.

**Impact**

**Other** – please indicate

**Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.**

**Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?**

**Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?**

**Step 16: Sign off and Authorisation.** Please state name, post, and date for each:

Prepared by: Rhonda McFarlane, Strategic Policy and Projects Officer

Reviewed by:

Approved by:

NB. There are several worked examples of separate EIA and FSD Assessments in the Guidance which may be of use to you.

---