

Agenda Item	6
Report No	WRSL/002/21

HIGHLAND COUNCIL

Committee: **Wester Ross, Strathpeffer and Lochalsh Committee**

Date: **14 January 2021**

Report Title: **Town Centre Fund**

Report By: **Executive Chief Officer Infrastructure and Environment**

1. PURPOSE/EXECUTIVE SUMMARY

- 1.1 The Scottish Government has allocated The Highland Council an additional £1,066,000 ring-fenced Town Centre Fund (TCF). On 5 November 2020, Members of the Economy and Infrastructure Committee Members agreed an area distribution of the grant. Wester Ross, Strathpeffer and Lochalsh Committee was allocated £56,104. The two eligible settlements for TCF investment are Ullapool and Strathpeffer.
- 1.2 While a Town Centre focus remains with the fund, the key driver behind the extra funding is to stimulate local construction activity and support employment across Highland at this time of economic crisis. Accordingly, the Scottish Government has conditioned the grant offer that grant expenditure must be complete by March 2021 (i.e. works completed or contracts signed/commenced within 2020/21).
- 1.3 At the 16 November 2020 Ward Business Meeting, Wester Ross, Strathpeffer and Lochalsh Committee Members requested that Council Officers engage with existing TCF Grantees to determine whether the approved 2019/20 projects required additional financial assistance to complete or enhance their projects. Members also requested that Officers identify any 'shovel ready' projects that had been developed by existing Grantees that met the objectives of the 2020/21 fund. Of primary concern to Members was the ability to meet the challenging timetable. As such it was felt that by working with existing Grantees would mitigate the threat of funds not being committed by 31 March 2021.

2. RECOMMENDATIONS

- 2.1 Members are asked to:
- i. consider and agree the proposed additional items of TCF expenditure.

3. IMPLICATIONS

- 3.1 **Resource** – The additional TCF grant is capital (for investment in fixed physical assets) and ring-fenced with specific conditions attached. The grant can be spent by The Highland Council or third parties.
- 3.2 **Legal** – When managing external funding it is imperative that the risks to The Highland Council are accessed/mitigated and any back to back grant award letters with third parties, and financial claims management protect The Highland Council financial and reputational interests.
- 3.3 **Community (Equality, Poverty and Rural)** – The purpose of the additional grant is to support the construction sector with contracts in town centres across Highland.
- 3.4 **Climate Change / Carbon Clever** – No direct implications arising albeit specific projects may bring positive implications.
- 3.5 **Risk** – As per item 3.2 above.
- 3.6 **Gaelic** – As per item 3.4 above.

4. TOWN CENTRE FUND GRANT AWARD: 2020/21

- 4.1 On 10 September 2020 the Scottish Government announced an additional £18m through the Town Centre Fund as part of its national economic recovery stimulus package, particularly aimed at supporting construction activity across Scotland. On 18 September the Scottish Government issued its formal grant offer to The Highland Council. The value of the grant offered is £1,066,000.
- 4.2 The grant offer and accompanying guidance includes the following key conditions of grant:
1. *All grant expenditure must be complete by 31 March 2021 (whether the project is led by Council or third party);*
 2. *The grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2020-21 budget, and should not substitute for existing spend;*
 3. *The Grant may also be used to fund third party capital expenditure in the current year; and*
 4. *No part of the grant may be transferred to the Capital Fund, nor may any part of the grant be used to meet the costs of debt redemption.*

5. DELIVERY CONSIDERATIONS

- 5.1 The Scottish Government in their TCF grant award guidance explicitly states that: *it is expected that local authorities will prioritise projects which are established and can progress in time to meet this deadline (31 March 2021). Expenditure is defined as “It is expected that work will be completed; or, at least work or contracts signed or commenced within 2020/21”.*

In other words, this together with the town centre purpose of the fund can be read as, the Scottish Government is expecting The Highland Council to support existing Town Centre located projects that could benefit from some additional spend, or new Town Centre projects that are ‘shovel ready’ to be progressed.

6. TCF PROPOSALS

6.1 Ullapool Harbour Trust

The 2019/20 TCF project has experienced slippage as a result of COVID. However, it is progressing and will be delivered within the revised 2019/20 timetable. At this time, Ullapool Harbour Trust do not require any additional capital to realise the 2019/20 project. Nor do the Ullapool Harbour Trust have any 'shovel ready' projects that satisfy the objectives of the 2020/21 Town Centre Fund.

6.2 Strathpeffer Community Council

Two additional cost items associated with the 2019/20 project have been identified as:

1. Additional pump for the Fountain and/or Waterfall cascade - £9,000
The two current pumps are reconditioned/refurbished. One in particular is over 30 years old and therefore reaching the end of its life expectancy. The new pump will allow for rotation and facilitate ongoing maintenance of the two existing pumps. In turn ensuring the long term operation of these two important assets.
2. Extend electricity supply within the new gazebo to provide power points and lights - £1k
The 2019/20 proposal did not include this work but it is felt that it would enhance the use of the gazebo.

6.2.1 A number of 'shovel ready' projects were also identified by Strathpeffer Community Council. Those that best fit with the objectives of the 2020/21 fund and the budget available are as follows:

- Improved signage - £15,000
 - *Local tourism (A834) and brown tourism trunk road (A835) signage is felt to be deficient and could be enhanced to increase visitor number and improve the visitor experience.*
- Drainage works required for the site of the new community play park - £28,000
 - *The new community playpark is a well established local priority. £18,000 has already been secured for the drainage works. TCF support would enable this work to progress immediately and act as the catalyst for delivering the full project in due course.*

6.2.2 The residual balance of £3,104 should be held as contingency in the event that the cost items exceed budget estimates. In the event that it is not required there is an opportunity to take advantage of and promote use of the improved Peffery Way (all abilities route between Dingwall and Strathpeffer), with the Community Council using it as match funding to purchase an electric "trishaw". The specific use of a "trishaw" would be to facilitate residents from local care homes accessing the countryside and thus improving personal well-being.

Designation: Executive Chief Officer Infrastructure and Environment

Date: 15 December 2020

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