

Agenda Item	10
Report No	DSA/006/22

## HIGHLAND COUNCIL

**Committee:** Dingwall and Seaforth Area Committee

**Date:** 7 February 2022

**Report Title:** Place Based Investment Programme

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

### 1 Purpose/Executive Summary

- 1.1 The Scottish Government has allocated the Council £1,963,000 ring-fenced Place Based Investment Programme (PBIP) funding for 2021/22. On 1 September 2021, Economy and Infrastructure Committee Members agreed an area distribution of the grant. Dingwall and Seaforth Committee was allocated £140,777.
- 1.2 In discussion with Ward 8 Members via email on 21 December 2021, Members expressed a desire to invest the PBIP area allocation in the ongoing refurbishment of Dingwall Town Hall and requested that Officers provide a PBIP proposal for their consideration at the next available Committee.

### 2 Recommendations

- 2.1 Members are asked to consider the appended PBIP proposal and agree to investing £140,777 in the refurbishment of Dingwall Town Hall.

### 3 Implications

- 3.1 **Resource** - The Placed Based Investment Programme are capital and ring-fenced with specific conditions attached. The grant can be spent by Council or third parties. The grant needs to be contractually committed by 31 March 2022.
- 3.2 **Legal** – The Council, along with statutory community planning partners, has a legal duty from the Community Empowerment Act (Scotland) (2015) to tackle inequalities. The Council and its partners must produce 'locality plans' at a more local level for areas experiencing disadvantage. All partners must take account of these plans in carrying out their functions and must contribute appropriate resources to improve the priority outcomes.

By seeking the views of the community partnerships in allocating this place-based funding and in recognising the areas of need to consider, the place-based investment can support the Council's legal duties.

- 3.3 **Community (Equality, Poverty and Rural)** – A key objective of the Place Based Investment Programme is to support wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership. While the allocation formula included use of the Scottish Index of Multiple Deprivation (SIMD), the Council has agreed with community planning partners to also use the Socio-Economic Performance (SEP) index which recognises rural deprivation better. This has led to over 20 locality planning areas being identified for community planning partners to work together in and with communities to reduce inequalities. Communities where locality plans have been or are being produced should be included in the consideration for this funding.
- 3.4 **Climate Change / Carbon Clever** - A key objective of the Place Based Investment Programme is to accelerate net zero ambitions.
- 3.5 **Risk** - When managing external funding it is imperative that the risks to the Council are accessed/mitigated and any back-to-back grant award letters with third parties and financial claims management protect Council financial and reputational interests. In addition, the Best Value Assurance Report 2020 highlighted the need for the Council to make progress with partners in delivering our shared empowerment and locality planning obligations. The involvement of community partnerships in informing the priorities for place-based investment will help deliver this improvement action.
- 3.6 **Gaelic** - No direct implications arising albeit specific projects may bring positive implications.

#### **4 Place Based Investment Programme background**

- 4.1 The 2020 Programme for Government committed to establishing a Place-Based Investment Programme (PBIP), linking and aligning place-based funding initiatives. The aim of the PBIP is to ensure that all place-based investments are shaped by the needs and aspirations of local communities and accelerate ambitions for place, 20-minute neighbourhoods, town centre action, community led regeneration and community wealth building.
- 4.2 The Place Principle, which underpins this approach, was adopted by Scottish Government and COSLA as a basis for collaborative working to ensure that future local investment is relevant to local communities for the benefit of local people. Bringing relevant services, enterprise, and communities together to make our towns, villages, and neighbourhoods more viable.
- 4.3 The Scottish Government recognise that local government is a key partner in delivering the PBIP. Scottish Government and CoSLA have agreed that Local Government will receive a share of the funding over 5 years to support and advance place-based investment.

4.4 Local Government will receive a share of this capital funding, with £38m in 2021/22; £33m in 2022/23; £23m in 2023/24; £23m in 2024/25; and £23m in 2025/26. The £1,963,000 awarded to the Highland Council for 2021/22 is based on a distribution methodology agreed by COSLA and Scottish Ministers with 80% distributed based on the total population and number of towns, and 20% distributed based on deprivation. E and I Committee agreed that the same formula be applied to arrive at the area committee allocations.

4.5 Assuming that no changes are made to the aforementioned distribution formula, the Council can expect the following awards in future years:-

- £1,704,710 in 2022/23
- £1,188,131 in 2023/24
- £1,188,131 in 2024/25
- £1,188,131 in 2025/26

## 5. PBIP objectives

5.1 The main objectives of the Place Based Investment Programme are:-

- to link and align place-based initiatives and establish a coherent local framework to implement the Place Principle;
- to support place policy ambitions such as town centre revitalisation, community led regeneration, 20-minute neighbourhoods and Community Wealth Building;
- to ensure that all place-based investments are shaped by the needs and aspirations of local communities; and
- to accelerate ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.

## 6. PBIP locations

6.1 The Programme aims to invest in centres or neighbourhoods connected with two categories of settlement.

1. Rural settings with smaller populations, dependent on larger geographical area for support, for example:-

- small towns with a limited range of non-specialised facilities; and
- villages with very limited, or non-existent, access to facilities.

2. Urban settings with sizeable populations, for example:-

- regional capitals with extensive provision supporting a wide geographical area;
- larger towns with a comprehensive range of dedicated services and facilities; and
- individual neighbourhoods with limited access to relevant local provision.

6.2 As a consequence of the above aims, Economy and Infrastructure Committee agreed that all places, irrespective of population, be considered eligible for PBIP support.

## **7. Dingwall Town Hall**

7.1 The report considered by Members of the Economy and Infrastructure Committee on 1 September 2021 highlighted that the PBIP provides a valuable opportunity for Area Committee Members in the first instance to consider supporting existing Town Centre Fund (TCF) projects that may be experiencing deliverability challenges. Furthermore, across the wider economy budgetary challenges are exacerbated by the effect of the pandemic resulting in cost increases. Dingwall Town Hall is no exception. The project sponsor is seeking the full PBIP area allocation of £140,777 to augment the approved Dingwall Common Good budget of £55,000 and the residual TCF budget of £84,143 to undertake essential external fabric repairs which predominantly focus on the roof and rainwater goods. This work is critical to halt water ingress and ensure that the museum and Newton Room continue to enjoy full use of the property.

### **7.2 Project eligibility**

The full detail of the project can be viewed in Appendix 1. In summary the project satisfies a number of the PBIP objectives. Given that this project has previously secured TCF investment previously, it is no surprise that alignment with the town centre renewal objective is a particularly strong outcome for the Dingwall Town Hall project. The project is capital nature, and the intention is to award contract by the end of March 2022. Therefore, all essential eligibility criteria are met.

### **7.3 Community Planning Partnership**

A key requirement of the decision-making process agreed by Economy and Infrastructure Committee is that Members take into account the views of the community partnerships when allocating this place-based funding. The appended project proposal states that the project is supported by the Mid Ross Community Partnership. Dingwall Town Hall is identified as a priority project in the Dingwall Locality Plan. Specifically:-

- Improve accessibility of Town Hall
- Development of Town Hall as a 'Community Hub'
- Newton Room well used by all sections of the community

Designation: Executive Chief Officer Infrastructure, Environment and Economy

Date: 24 January 2022

Author: Alan Webster, Regeneration Team Leader

## Place Based Investment Programme Application Form



- Please refer to the '**Guidance Notes**' to complete this application. It provides important information, definitions, and examples to ensure you answer each section correctly.
- This fund is for **capital projects** only.
- Supporting documentation (see page 8) **must** be submitted with the application.
- Application to be submitted to **regeneration@highland.gov.uk**
- Projects must **not** start or commit expenditure before receiving and accepting the offer of grant letter.

### SECTION 1: PROJECT SUMMARY

<b>1.1 Applicant organisation</b>	The Highland Council	
<b>1.2 Project title</b>	Dingwall Town Hall Refurbishment – Funding Shortfall – Roof and Rainwater Goods following updated surveys of building.	
<b>1.3 Project costs</b>	<b>Total cost of project</b>	£316,500 est.
	<b>Match Funding</b>	£55,000 Dingwall Common Good Fund £84,143 Residual TCF grant  <i>Fundraising ongoing for balance £36,580. However, works to be tendered and may be lower than estimated.</i>
	<b>PBIP grant requested</b>	£140,777
<b>1.4 Project start date</b>	2019/20 on going project	
<b>1.5 Project end date</b>	Roof work phase by September 2022	

<b>1.6 Which of the following programme objectives will the project meet?</b> <i>See guidance notes for further information.</i>	
1. Town centre revitalisation	YES
2. 20-minute neighbourhoods	YES
3. Community wealth building	YES
4. Net zero	Contribute
5. Wellbeing and inclusive economic development	YES
6. Tackling inequality and disadvantage	YES
7. Community ownership – Common Good Fund and THC	YES / NO

## **SECTION 2: CONTACT DETAILS**

<b>2.1 Main contact name</b>	Tom Murdison, Property Manager Diane Agnew, Ward Manager
<b>Contact number</b>	Finlay MacDonald [REDACTED] Tom Murdison [REDACTED] Diane Agnew [REDACTED]
<b>Alternative contact number</b>	
<b>2.2 Position</b>	Head Property Property Manager Ward Manager
<b>2.3 Address</b>	The Highland Council Glenurquhart Road Inverness
<b>Postcode</b>	IV3 5NX
<b>2.4 Email address</b>	<a href="mailto:finlay.macdonald@highland.gov.uk">finlay.macdonald@highland.gov.uk</a> <a href="mailto:diane.agnew@highland.gov.uk">diane.agnew@highland.gov.uk</a> <a href="mailto:Tom.murdison@highland.gov.uk">Tom.murdison@highland.gov.uk</a>
<b>2.5 Website address</b>	<a href="http://www.highland.gov.uk">www.highland.gov.uk</a>

### **SECTION 3: ORGANISATION DETAILS**

<b>3.1 Organisation Status</b>	<b>Please indicate (x)</b>	<b>Organisation number</b>
<b>Constituted Group</b>		
<b>SCIO</b>		
<b>Charity</b>		
<b>Public Body</b>	x	
<b>Company limited by guarantee</b>		
<b>Other (please specify)</b>		Local Government

<b>3.2 Are you applying on behalf of a partnership and is your organisation the lead applicant?</b> <i>Please provide partnership agreement with the application if applicable.</i>	<b>NO</b> <b>Stakeholder Group will be formed once roadmap to present.</b>
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<b>3.3 Is the organisation VAT registered?</b>  By ticking this, you are declaring the organisation VAT status as per HMRC. If this changes at any time during the project, you <u>must</u> notify the Regeneration Team as this may affect the offer of grant.	<b>YES</b>
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<b>3.4 If the organisation is VAT registered, please quote number.</b>	663758203
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<b>3.5 Is the VAT related to the project being reclaimed from HMRC?</b> <i>Provide relevant details in the box below, i.e., details of exemptions</i>	<b>Whole</b>	<b>Partial</b>	<b>None</b>
		Yes	

**Notes:**  
  
This is dependent on scale, scope of work and vat regulations.

<b>3.6 Project team</b>	
<b>Name</b>	<b>Area of work/Job title</b>
Finlay MacDonald	Head of Property - THC
Tom Murdison	Property Manager - THC
Neil Jaffery	Principal Project Manager - THC
Kirsty MacLean	Project Manager
John Clark	Property Project Officer

<b>3.7 Privacy Notice</b>
<b>Please confirm you have read and understood the PBIP Privacy Notice (page 9):</b>
<b>Yes</b>

## **SECTION 4: PROJECT DETAILS**

Please refer to the **Guidance Notes** to complete this section. It provides important information, definitions, and examples to ensure you answer each section correctly.

### **4.1 Project location - include postcode**

**IV15 9SV**

### **4.2 Do you own the land/building, or a lease/control of asset is in place?**

*Lease agreements must be for at least 10-years. Please provide evidence of ownership or lease with the application. If not in place, what are the arrangements to obtain this and by when?*

**Details: Building is on Church Street, Dingwall IV15 9SV Building is in Dingwall Common Good and The Highland Council ownership – THC lease the building and Highlife Highland manage and run the building which is accessible by public and Newton Room.**

### **4.3 The Project**

**(a) Please summarise the project, explaining how it will achieve the funds' objectives as noted in 1.7, and list which outcomes it hopes to achieve.**

Background:

As a result of ongoing survey work it is evident that there is a need for significant capital investment in the property. This is to ensure that the built fabric does not deteriorate any further and adversely impact upon its usage. Just over £500,000 of essential works have been identified. Housing and Property have identified the roof and rainwater repairs as an urgent pressing need, and it is requested PBIP allocate additional funding to enable the progression of works to ensure the building is wind and watertight.

**(b) How will the project benefit local communities and surrounding locality areas? Who will benefit from the project?**

The Dingwall and Seaforth Community Council and the Dingwall Development Group have carried out Engagement Session which aided identification of priorities for Dingwall. Those sessions were in fact held in the Dingwall Town Hall and the Town hall itself was identified as priority by the people of Dingwall and they wished the Hall to be accessible to all and to ensure that there was increased availability of the venue. The development of the Newton Room and the installation of the lift goes a long way to achieving this and with the ongoing commitment of the local Councillors, HIE, The Highland Council, Dingwall Academy and Primary and High Life Highland and many community stakeholders. The enhancement of the Town hall will ensure we leave a legacy of good use for the community of Dingwall and much further afield for future proofing the building.

The building roof has been leaking and causing considerable damage to the fabric of the building – costs are coming in above the initial estimates and more surveys have been commissioned a revised scope of works are currently being developed to go to tender imminently. More essential works have been identified than expected prior to survey works. The continued use of the building to the many users has been affected and will continue to be affected due to the ongoing state of the roof. With essential roof works being undertaken it would enable the building to be wind and watertight and the Museum to continue to open, the Newton Room to continue operating for the young people and community serving wider area than just Dingwall.



The community wish the venue to have increased usage and with the installation of the lift and the development of the Newton Room. However, because of the roof leaks and the deterioration of the roof this now affects the fabric and could challenge the structural integrity of the building. The venue is seen as the heart of the Town.

**(c) What need or opportunity will the project address? How do you know there is local support for the project?** *Please provide evidence of community support with the application i.e., letters of support/consultation reports*

See above included info on engagement.

**(d) List the main activities to deliver the project including timescales – this will be the project delivery plan.** *Projects must be completed and claimed by the end of September 2022.*

Activity name	Achieved by (date)
Ongoing survey work to identify scope and scale of remedial works required	End February 2022
Tender Process would be end of February to beginning of April 2022	April 2022
Lead in time and start of works around May June 2022	August/September 2022

**(e) In developing the project, please detail how you have considered the following:**

**Environmental impact** – *describe how you have taken into consideration how the project specifically addresses climate change/net zero ambitions.*

- Reusing as much original material as possible to get the value out of the embedded carbon footprint that exists in the building already.
- By making the building wind and watertight it will help reduce heat losses therefore reducing the heat losses.

**Equalities impact** – *explain how you have taken groups with protected characteristics into account in the development of the project. How will you strive to ensure that no one is excluded or disadvantaged from benefitting from the project?*

- Part of the tender process will be to ensure that all contract awards go to equalities compliant contractors.
- We would expect contracts or have policies in place to ensure they act in an equalities manner.

**(f) How will the project be supported after PBIP funding and what will be the lasting benefits?**

The benefits will be that the extra funding will enable more essential works to be continued on the roof defects therefore saving the fabric of the building ensuring continued safe and comfortable use of the building.

**(g) Please outline how the project fits with local plans and strategies**

The project is supported by the

- Mid Ross Community Partnership
- Dingwall Community Council
- Identified as a priority for the Dingwall and Seaforth Highland Councillors, Dingwall Academy and Primary Schools, Newton Room, Dingwall Town Hall Stake Holders, Dingwall Museum and Friends and Dingwall Community Council and Dingwall Development Group.

- Community Engagement undertaken by The Highland Council, Dingwall Development Group and Mid Ross Community Partnership.

<b>4.4 Does the project require planning permission or statutory regulatory consents?</b>	<b>YES / NO</b>
<b>If YES, please detail below – if consents are in place, please provide evidence with the application</b>	
<b>Type</b>	<b>Date granted/expected</b>
Historic Environment Scotland – once the scope is completed there will be contact with interested parties to make sure any work undertaken to make sure that all works comply with all statutory obligation on that building.	Before works start. Between February and May, the discussions will be concluded.

## **SECTION 5: BUDGET**

This can be provided in a separate excel spreadsheet if preferred. Delete the example below before completing this section.

<b>5.1 Main project expenditure</b>		
Yellow highlights the essential elements that form part of the TCF/PBIP project.		
Element Group	Cat2	Sum of Budget cost
Chimneys	1: Essential	£5,100
External Walls, Windows and Doors	1: Essential	£227,910
Roof and Rainwater Goods	1: Essential	£271,400
Fire Risk Assessment	1: Essential	£40,000
Making good internals - localised repairs	1: Essential	£30,000 (if tender prices are lower it is recommended that any underspend is directed towards this essential item)
Reinstate Roof vents	1: Essential	£30,000.00
Provisional Sum (Dry Rot)	1: Essential	£35,000.00
Provisional Sum (Asbestos)	1: Essential	£3,000.00
External Walls, Windows and Doors	2: Desirable	£1,030.00
Making good internals - full refurbishment	2: Desirable	£100,000.00
Upgrade internal lighting	2: Desirable	£20,000.00
Replacement stage floor	2: Desirable	£15,000.00
Upgrade / refurbishment of windows	2: Desirable	£50,000.00
Refurbishment of toilets	2: Desirable	£40,000.00
Sub Total Desirable Works		£226,030.00
<b>TOTAL</b>		<b>£731,040.00</b>

<b>5.2 Reasonableness of cost – how did you obtain project costs?</b>
<ul style="list-style-type: none"> <li>These were generated pre pandemic from a consultant's report and current inflation matrix have been applied.</li> <li>However, there is further survey work required to determine the full scale of the scope of work and tender process to be completed to determine the true value of the works.</li> </ul>

## **SECTION 6 – MATCH FUNDING**

<b>6.1 Please give details of confirmed match funding if applicable:</b> <i>If match funding is confirmed, please provide letters of awards with the application</i>		
<b>Name</b>	<b>Date awarded/expected</b>	<b>Amount £</b>
Dingwall Common Good Fund	Awarded 2020	55,000
Highland Council Town Centre Fund	Awarded 13.01.2021	£100,000 (£84k remaining)
<b>Total match funding</b>		<b>£139,000</b>
<b>PBIP Grant requested</b>		<b>£140.777</b>
<b>Total project cost</b>		<b>£316,500 est.</b>

<b>6.2 Will the project involve “in kind” support?</b> <i>This should not be counted as confirmed match funding for the project</i>
<p><b>Yes</b></p> <p><b>If yes, please detail:</b> <b>The Highland Council resources and staff time.</b></p>
<b>6.3 For private sector led projects please detail why public subsidy is necessary? Clearly identify the market failure or equity rationale such as social difficulties or distributional concerns that the project is seeking to address. In addition, please explain the specific public policy objective that the project is supporting.</b>

## **SECTION 7 – REVENUE GENERATION PROJECTS**

For projects that will generate revenue, please submit a business plan and financial forecast with the application.

<b>7.1 Will the project generate revenue?</b>	
<p><b>Yes</b></p> <p><b>If yes, how will the revenue benefit the organisation? How will it be utilised?</b></p> <ul style="list-style-type: none"> <li>the project will ensure the future availability of the building which will have potential to generate increased income</li> </ul>	
<b>7.2 Have you considered taking out a loan for the project?</b>	
<p><b>No</b></p> <p><b>Please state your reasons:</b></p>	
<b>7.3 Have you had support from other organisations in developing the project? If so, please specify the organisation and contact person.</b>	
<b>Name of organisation</b> <i>(e.g., Highlands and Islands Enterprise, Business Gateway etc.)</i>	<b>Contact Person</b>

<b>7.4 Has the organisation previously received public funding?</b>			
<b>Yes</b>			
<b>If yes, please provide details of awards for the last 3 years:</b>			
<b>Funding</b>	<b>Date of award</b>	<b>Amount £</b>	<b>State Aid YES/NO</b>
Dingwall Common Good Fund	2019	£8,000	NO
Dingwall Common Good Fund	2020	£55,000	NO
Town Centre Fund (TCF) – Highland Council	10/2019	£114,000	NO
Town Centre Fund (TCF) – Highland Council	01/2021	£100,000	NO