

Agenda Item	10
Report No	LA/15/22

## HIGHLAND COUNCIL

**Committee:** Lochaber Area

**Date:** 30 August 2022

**Report Title:** Town Centre Fund-Request for Reallocation of Funding

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

### 1 Purpose/Executive Summary

- 1.1 This report is presented to Members to request a variation to the approved Town Centre Funding for the Fort William Marina & Shoreline Community Interest Company (CIC) project in line with changes that have occurred subsequent to the original approval.

### 2 Recommendations

- 2.1 Members are asked to approve a variation to the Town Centre Fund (TCF) grant for a total of £25,314.41 towards the cost of dredging works, in line with the approved objectives of the Highland Coastal Communities Fund (HCCF) project.

### 3 Implications

- 3.1 **Resource** – The TCF grant is capital (for investment in fixed physical assets) and ring-fenced for approved activity with specific conditions attached. As the TCF programme is now closed this funding cannot be allocated elsewhere and should Members not approve this variation then the funds will be returned to Scottish Government. It is considered that the dredging works are eligible expenditure under TCF as an essential investment into development of a capital asset.
- 3.2 **Legal** – When managing external funding it is imperative that the risks to The Highland Council are assessed/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, Rural and Island)** – The purpose of the additional grant is to support the construction sector with contracts in town centres across Highland. Equalities and rural issues are considered as part of the HCCF approval process.
- 3.4 **Climate Change / Carbon Clever** – No direct implications arising albeit specific projects may bring positive implications. Environmental impact is considered as part of the HCCF approval process.
- 3.5 **Risk** – When managing external funding it is imperative that the risks to The Highland Council are assessed/mitigated and any back to back grant award letters with third parties, and financial claims management protect The Highland Council financial and reputational interests.
- 3.6 **Gaelic** – No issues arising.

## **4 Background**

- 4.1 As part of the Town Centre Fund (TCF) allocation discussion in the Lochaber Area Committee meeting on 18 January 2021, Committee Members awarded Fort William Marina & Shoreline CIC £29,478 for The Puffer Pier & Slipway Project to fund rock armour for dredging material to infill an area between the Puffer Pier and slipway.
- 4.2 Alongside this project Fort William Marina & Shoreline CIC were awarded £70,447.02 from the Highland Coastal Communities Fund (HCCF) round 1 Lochaber allocation for dredging works at the Fort William marina foreshore, and subsequently an additional allocation of £15,000 from the HCCF strategic Fund to complete the funding package required at this time.
- 4.3 Both projects were planned to work hand in hand with the dredge material used to infill an area at the Puffer Pier.
- 4.4 In June 2021 the Fort William Waterfront Development Company Limited revoked permission originally granted to fill the area between the Puffer Pier and slipway. As a direct consequence both projects had to be amended and the project to install rock armour at the Puffer Pier could not be progressed.
- 4.5 The amended dredging works subsequently encountered significant increases in costs for various reasons including bad weather, a higher volume of rocks and clay being dredged than was indicated from the core samples, higher fuel costs and delays also occurred to accommodate a cruise ship in port.

4.6 This unforeseen increase in dredging costs consequently translates in a shortfall of funding of £25,314.41 to complete the project. Members are therefore asked to consider a variation to the TCF approval to enable the additional dredging costs to be covered and the approved project to be completed.

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 11 August 2022

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