



Item: 3

Community Development Fund Sub-committee: 1 July 2025.

Regeneration Capital Grant Fund – Monitoring Report.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. On 22 June 2021, when considering a draft framework that would allow the Council to submit applications on behalf of community organisations to funding schemes that were open to local authorities, the Policy and Resources Committee recommended:
- That the Third Party Funding Applications Framework be approved.
 - That powers be delegated to the Community Development Fund Sub-committee to determine requests to the Council to submit funding applications on behalf of a third party.
- 1.2. The Third Party Funding Application Framework, approved by the Council, states that at each meeting of the Community Development Sub-committee, a monitoring report will be submitted to advise of the outcomes of third-party funding applications submitted and to report progress on all projects that have been processed via this framework.
- 1.3. This report provides an update on one Regeneration Capital Grant Fund (RCGF) application that is in process and one live project with approved RCGF funding.

2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
- i. Note progress on the undernoted projects processed via the Third-Party Funding Application Framework to the Regeneration Capital Grant Fund:
 - Pier Arts Centre, Stromness – provision of creative arts hub in the former Stromness Post Office.
 - North Ronaldsay Development Trust – Community Wellbeing Hub, the Pund, at Trebb.

3. Regeneration Capital Grant Fund Applications – Update

- 3.1. One application, submitted on behalf of the Pier Arts Centre (PAC), remains live in relation to the Scottish Government's round 11 Regeneration Capital Grant Fund (RCGF).
- 3.2. On 6 November 2023, the Community Development Fund Sub-committee approved the submission of a Stage 2 funding application to the Scottish Round 11 RCGF, on behalf of the Pier Arts Centre. The project intends to provide a creative arts hub in the former Stromness Post Office, bringing back into use a prominent derelict building on the town's main street. This is part of the Creative Islands Wellbeing programme in the Islands Growth Deal.
- 3.3. On 28 March 2024, the Council was notified by the Scottish Government that the Round 11 RCGF programme was being paused due to the unprecedented pressure on capital investment budgets across the public sector.
- 3.4. On 5 December 2024, the Scottish Government wrote to the Council confirming the availability of 2025/26 RCGF budget and sought confirmation that Round 11 Stage 2 submissions could still be considered viable and deliverable within 2025/26.
- 3.5. On 13 December 2024, the Council submitted a response indicating the project's viability and a desire to be considered for funding.
- 3.6. A formal resubmission of the Stage 2 proposal at the requested amount of £1,408,000 was submitted by the Council on 24 January 2025, with the response from the Scottish Government that they would be in touch in due course.
- 3.7. Officers have remained in contact with Scottish Government representatives since this submission to align timescales with regards to both project delivery and the Scottish Government's internal budget setting.
- 3.8. On 21 May 2025, the project was listed online as being one of a number of projects to be supported.
- 3.9. Direct discussions between officers and Scottish Government officials on 22 May 2025 clarified that the project has been recommended for support by the Independent Investment Panel and the recommendation approved by the former Minister for Employment and Investment for RCGF funding in 2025/26. This is subject to budget approvals, and a 'letter of assurance' has been received by the Council on 20 June 2025 to that effect.

- 3.10. On confirmation of budget approval, anticipated in Summer 2025, it is anticipated that a formal grant offer letter will be issued. Officers are continuing to engage positively with Scottish Government in this regard.

4. Regeneration Capital Grant Fund – Funded Project Monitoring

- 4.1. The Council submitted a successful application in 2022/23 to the RCGF on behalf of the North Ronaldsay Development Trust to support its Community Wellbeing Hub, the Pund, at Trebb.
- 4.2. Since the last update to the Community Development Sub-committee on 6 February 2025, the building work of the Community Hub, the Wool Mill and the Meat Larder at the Trebb site have experienced delays due to extreme winter weather. In addition, other community projects on the island that were in receipt of funding with tight claim deadlines required use of the limited contractors available to comply with the timescales. As a result, the intended project completion date is now expected to be Autumn 2025 at the earliest.
- 4.3. The Scottish Government has been informed of delays by regular reporting and permission was approved for the Council to carry over the residual RCGF budget into 2025/26 that will allow the project to complete.

For Further Information please contact:

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Implications of Report

- 1. Financial:** There are no direct financial implications from this report. Officer support for both these bids has been met from within existing budgets.
- 2. Legal:** There are no direct legal implications from this report.
- 3. Corporate Governance:** Not Applicable.
- 4. Human Resources:** There are no implications from this report.
- 5. Equalities:** An Equality Impact Assessment is not required in respect of monitoring reports.
- 6. Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of a monitoring report.

- 7. Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
- ☒ Growing our economy.
 - ☒ Strengthening our Communities.
 - ☒ Developing our Infrastructure.
 - ☐ Transforming our Council.
- 8. Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
- ☒ Cost of Living.
 - ☒ Sustainable Development.
 - ☒ Local Equality.
 - ☐ Improving Population Health.
- 9. Environmental and Climate Risk:** There are no specific implications arising from this report.
- 10. Risk:** There are no specific implications arising from this report.
- 11. Procurement:** There are no specific implications arising from this report.
- 12. Health and Safety:** There are no specific implications arising from this report.
- 13. Property and Assets:** There are no specific implications arising from this report.
- 14. Information Technology:** There are no specific implications arising from this report.
- 15. Cost of Living:** There are no specific implications arising from this report.

List of Background Papers

Policy and Resources Committee: 22 June 2021.

Third Party Funding Applications Framework.