

# The Highland Council

Agenda Item	<b>5</b>
Report No	<b>CIA/15/25</b>

**Committee:** City of Inverness Area

**Date:** 19 May 2025

**Report Title:** Community Regeneration Fund – Approval of Process

**Report By:** Assistant Chief Executive - Place

## **1 Purpose/Executive Summary**

- 1.1 This report provides an update on the value of Community Regeneration Fund monies allocated to the City of Inverness Area for investment in 2025/26. It also seeks approval to apply the assessment process and governance arrangements previously agreed by Committee for 2025/26.

## **2 Recommendations**

- 2.1 Members are asked to:

- i. **Agree** to utilise the existing delegated powers granted to Inverness Common Good Fund Sub Committee (ICGFSC) to make recommendations to CIAC on final funding awards for the sifting of expressions of interest and assessment of applications; and
- ii. **Agree** that the priority outcome for CRF funding in the City of Inverness and Area should be projects that meet the outcome of reducing poverty and inequality.

## **3 Implications**

- 3.1 **Resource** – There are therefore no resource implications arising from this report.
- 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 **Risk** – There are no risks arising from this report.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - No risks arising directly from this report. Risks within projects are identified and managed on a project-by-project basis by the applicant organisation

- 3.5 **Gaelic** - No risks arising directly from this report. Risks within projects are identified and managed on a project-by-project basis by the applicant organisation

## **4 Impacts**

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 A separate screening for impact for each application is not required, however consideration of impacts for equalities, socio-economic impact and consideration of the impact on the individual community is part of the assessment criteria and included within the assessment report. This supports the decision-making process.

## **5 Background**

- 5.1 Community Regeneration Funding is an umbrella term for a number of funds that are available for communities/organisations to access in Highland. It comprises the Highland Coastal Communities Fund and the Place Based Investment Programme, both of which are Scottish Government Funding streams to support economic regeneration and sustainable development in Highland. Area Committees are awarded devolved allocations according to approved formulae and decision making on which projects should receive funding sits with elected Members.
- 5.2 The following funds are available for investment in 2025/26:
- Highland Coastal Communities Fund Tranche 5 – £58,506.74;
  - Highland Coastal Communities Fund Tranche 6 - £59,536.16;
  - Total confirmed funding - £118,042.90

In addition, it is expected that the Scottish Government will reinstate the Place Based Investment Programme (PBIP) during 2025/26, in line with the original 5-year indicative allocation. This would result in Highland receiving the same allocation as 2023/24 of £1,187,000. In anticipation of a formal award being forthcoming, the distribution of funding in Highland has been agreed by the CRF Strategic Subgroup. This was in accordance with methodology agreed by the Economy and Infrastructure Committee on 1 September 2021. This calculation replicates the Scottish Government's distribution methodology and has been consistently applied for the duration of PBIP funding. Potentially this could result in an additional £387,000 of capital funding being available to the City of Inverness Area in 2025/26.

## **6 Previous approach approved by CIAC**

- 6.1 During the previous round of CRF funding (2023/24) the CIAC agreed a pragmatic approach to managing the expected volume of funding requests. Working with the CRF team, expressions of interest to the fund and full applications were dealt with by the ICGFSC. Supported by an assessment from the CRF team, this allowed the ICGFSC to make a recommendation to CIAC on which projects should receive an award of funding. The final approval of funds remains with CIAC in line with the overall governance of the CRF programme.

## **7 Prioritisation of funds**

- 7.1 The CRF Strategic Sub Group agreed at their meeting in February that in terms of policy going forward, where possible there should be a move away from a challenge fund approach and better alignment with priorities emerging from area-based plans. Taking a challenge fund approach can be divisive within areas where groups across the area are competing for a limited amount of funding. Further, this is counter to the wider aspirations to strengthen and build capacity in the third sector, can create disharmony and makes for a fractured approach to achieving regeneration objectives.
- 7.2 In addition to this, it is clear that there is an ongoing risk to the delivery of the CRF approach in Highland arising from an increasing risk of clawback of funding by Scottish Government. It is therefore crucial that funds are allocated to shovel ready projects that are able to deliver within Scottish Government timeframes.
- 7.3 It is suggested that within Inverness the investment priority for CRF should be aligned to the Inverness Common Good Fund priorities that have already been agreed by Members. This ensures alignment between the two funds and maximises the impact to be delivered against an already identified priority. It is therefore recommended that CRF funding is directed towards projects that can demonstrate they are meeting the outcome of reducing poverty and inequality. This will allow a review of ICGF applications currently in the system, which are in excess of the amount of funding available. Following this, the CRF team will work with the ICGFSC to determine whether there is sufficient CRF funding balance to bring forward additional projects, for example by undertaking an open call.

Designation: Assistant Chief Executive - Place

Date: 2 May 2025

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Background Papers: None

Appendices: None