

Agenda Item	6
Report No	SR/19/26

The Highland Council

Committee: Isle of Skye and Raasay

Date: 31 August 2026

Report Title: Community Regeneration Fund – Funding Requests

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 The purpose of this report is to present two funding requests to the Isle of Skye and Raasay Community Regeneration Fund (CRF) allocation, for discussion and decision by Members. The report also updates Members on the Isle of Skye and Raasay CRF budget position for 2026/27.

2 Recommendations

- 2.1 Members are asked to:-
- i. **Note** the Community Regeneration Funds currently available in Isle of Skye and Raasay;
 - ii. **Consider** the requests presented and agree whether to approve, defer or reject the request of up to £210,672 match funding to the Islands Programme 26/27 application – IP019 – Gaeltec Community Hub Phase 1, Dunvegan Community Trust, and the request of up to £100,000 match funding for works associated with the Tigh Na Sgìre Portree Demonstrator Project; and
 - iii. **Agree** the approved CRF grant award, subject to conditions outlined in 7.3 below, up to the value of the available area allocation.

3 Implications

- 3.1 **Resource** – Isle of Skye and Raasay has funding of £752,216.32 from the current CRF budget. The total grant request amount under consideration is £310,672. Therefore, there are no resource implications in approving the funding award as requested.
- 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's financial and reputational interests.

- 3.3 **Risk** - A balanced approach to risk is necessary when disbursing grant funds as sometimes it is necessary if a community led project is to proceed, to forward grant payment. Factors such as past knowledge of and project experience of the grant recipient; release of funds related to invoices/works completion certificates etc are considered in such assessments.
- 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** - Consideration given within individual project applications in line with the Council's policy.

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 currently comprises elements of the Highland Coastal Communities Fund (HCCF) which is a Scottish Government funding stream to support economic regeneration and sustainable development in Highland. Area Committees are awarded devolved allocations according to approved formula and decision making on which projects should receive funding sits with elected Members.

- 5.2 Broad eligibility criteria for the fund are as follows:-

All projects are expected to be able to meet at least one of the following priorities:-

- Economic recovery;
- Community resilience;
- Mitigating the impact of the climate/ecological emergency; or
- Addressing the challenges of rural depopulation

Projects should be able to demonstrate that they are:-

- Sustainable/viable;
- Providing value for money;
- Providing additionality; and
- Able to evidence positive impacts and wide community benefit.

5.3 Within Isle of Skye and Raasay, the table below highlights the funding remaining available for investment:-

Funding Source	Eligibility	Amount
Highland Coastal Communities Fund (Tranche 7)	Capital or Revenue	£490,391.82
Are Budget 2025-26 underspend - carry forward	Capital or Revenue	£261,824.50
Total Confirmed Isle of Skye & Raasay CRF Budget 2026-27		£752,216.32
Less Awards Made from Isle of Skye & Raasay CRF Budget 2026-27 To Date		£0.00
Available Skye & Raasay CRF Funds on 31/08/2026	Capital or Revenue	£752,216.32

Two requests are under consideration by Members today with a total grant request value of **£310,672**.

If Members were to approve both requests, there would be **£441,544.32** remaining in the Isle of Skye and Raasay CRF budget for 2026/27.

5.4 The Islands Programme is a Scottish Government challenge fund, underpinned by the National Islands Plan identified objectives, and aimed at improving community resilience and developing critical infrastructure on Scottish islands. The 2026/27 Islands Programme closed for applications on 8 June 2026. As agreed at the CRF Strategic Subgroup meeting held on 2 June 2026 six applications in total were submitted for consideration, three of which are from the Isle of Skye and Raasay:-

- The Storr;
- Edinbane Link Path; and
- Gaeltec Community Hub Phase 1, Dunvegan.

6 Islands Programme 2026/27 – Gaeltec Community Hub Phase 1

6.1 The Highland Council has been successful in securing an award of up to £393,000 from the 2026/27 Islands Programme for the Gaeltec Community Hub, Phase 1 project. This funding will support the regeneration of two interconnected buildings (known as the Gaeltec buildings) into a multi-use hub that will incorporate a childcare space, two commercial/rentable units, a community gym, workshop space, tool library and a multi-use space for arts and crafts activities, groups and workshops.

- 6.2 The total value of the work for this project is £1,031,112. This report seeks to secure the £210,672 of match funding to deliver the project and to agree this will be funded via an award of £210,672 from the Isle of Skye and Raasay CRF budget for 26/27.

7 Tigh Na Sgìre – Annexe Accommodation

- 7.1 The progress report for the Tigh Na Sgìre Redevelopment Project that is presented for Members information under agenda item 11, notes that a bid to the CRF is proposed to help support the full delivery of the project. A review of the scope of works and the costs has indicated that a further £200,000 would be required to complete this work within the current project timeframe.
- 7.2 £100,000 has been confirmed as available from the capital programme to meet the costs of this work and up to a further £100,000 is requested as match funding from CRF to meet the balance. Undertaking this work will allow the Citizens Advice Bureau to move their base into the annexe. This is an important step in the overall co-location project which will support the long-term occupation of the building and provide benefit to the wider community in the accessibility of the service.
- 7.3 If Members are minded to approve the match funding of up to £100,000, the following conditions are suggested as part of the approval:-
- Detailed breakdown of works and costs to be provided; and
 - Prior to release of the funds a report to be provided showing how the project has met the eligibility for the fund as outlined in 5.2 above.

Designation: Assistant Chief Executive - Place

Date: 14 August 2026

Authors: Fiona Cameron, CRF Programme Manager
Marie-Anne Gray, Project Officer

Background Papers: None

Appendices: None