

Regeneration Capital Grant Fund (RCGF)

Fifth call for Applications - 2018/19

Guidance on First Stage Submission

Introduction

General Information on the Fund

The RCGF forms one part of the financial support package provided by Scottish Government as part of *Achieving a Sustainable Future: The Regeneration Strategy*, published in December 2011 and accessible via the following link <https://beta.gov.scot/policies/regeneration/capital-investment/>

RCGF has been developed in partnership with COSLA and local authorities. It has an annual budget of £25m to provide financial support to projects that will help to deliver large-scale improvements to deprived areas.

The fund supports regeneration projects across Scotland and is available on a competitive basis to eligible organisations.

The fund is primarily aimed at providing new and/or improved infrastructure to improve the economic, social, and physical environment of communities. The application and assessment process aims to create a pipeline of projects with the potential for funding and provide feedback for projects to be further developed.

Funding available to support projects for 2018/19 – 2019/20 is subject to the Scottish Governments Spending Review.

The focus of this call is for projects that are capable of starting in the financial year 2018/19 and to fully utilise the grant allocated for that financial year. Project applications should therefore prioritise any grant request for 2018/19. Applicants may however profile grant support across three financial years if they wish to do so. Applicants should clearly justify any request for grant over more than one year as this will be scrutinised carefully by the Investment Panel. Subject to the spending review, further calls are anticipated for projects starting in 2019/20 and 2020/21.

There is no restriction on the number of applications that may be submitted by each organisation, however given the limited funds available applicants are requested be realistic with the number of applications and combined value of grant requests being made. Please note where projects are being submitted by lead bodies on behalf of partners, then these projects must also be included in any consideration by lead bodies prior to final submission.

Eligible Organisations

The fund is open to all 32 Scottish Local Authorities individually or whether they exercise their functions through Urban Regeneration Companies (URC's) or other Special Purpose Vehicles (SPV's).

Policy Context

Detailed responses are not required at Stage 1, however any proposal submitted should consider how it would demonstrate the ability to deliver the outcomes set out in the Regeneration Strategy.

Projects should also be able to demonstrate how they will complement and support or contribute to the following;

- Scotland's Economic Strategy <https://beta.gov.scot/publications/scotlands-economic-strategy/>
- Town Centre Action Plan and Town Centre First Principle. <https://beta.gov.scot/policies/regeneration/town-centre-regeneration/>
- Local Authority Local Economic Development, Regeneration, Local Development and Strategic Development Plans.

Project Eligibility

Applications are not restricted in geography, size or type of project; it will be for the eligible applicant organisation to demonstrate that the project fits with the aims and objectives of the fund and can demonstrate clear regeneration outcomes in line with ***Achieving a Sustainable Future: The Regeneration Strategy***. Applicants are also required to demonstrate the project is feasible and practicable.

Grant Requests

It is anticipated that grant requests will focus on 2018/19. Grant may be applied for over the lifetime of the project where it will be delivered over more than one financial year, however it must be clearly demonstrated that significant expenditure will be incurred by the project and which will allow RCGF to be drawn down in full during the year 2018/19. It is therefore expected that the main infrastructure works, which will be the focus of the RCGF support, will be underway or will at least have gone through full procurement and a successful contractor appointed and legally binding contract signed during 2018/19. Preference will be given to those projects that demonstrate they can be under way by end of December 2018.

Please note, where a project is successful in receiving a recommendation and offer of grant, drawdown must take place in line with the approved profile. There is no facility to carry over grant into subsequent financial years. Once approved, failure to draw grant in line with the agreed profile may result in grant being lost to the project.

Project end dates may go beyond the funding period outlined in the application; however it should be clear what the sources of funding for this activity will be.

Funding Profiles

The Investment Panel will consider all applications in terms of their viability. This will include ensuring that the focus of grant request is for 2018/19, but will also involve reviewing requests for grant from potential future year allocations and the corresponding impact that would have on the total grant funding that would be available for new projects at further calls. The panel will seek to ensure that significant resource remains on a year to year basis for new projects to come forward. Where projects seek funding across more than one financial year, it is essential that this has been clearly justified within the application.

Projects successful at receiving an invite to complete a full Stage 2 application will if appropriate, be given the opportunity to consider and amend their profile based on the outcome of the Spending Review.

Ineligible Projects and expenditure

The fund is primarily a capital expenditure fund. Future running costs are not eligible.

The fund is not intended be a primary source of funding for:

- Housing projects (but can support ancillary outcomes).
- Major infrastructure projects relating to transport.
- Purchase of moveable infrastructure, e.g. furniture and fittings.
- Projects relating **solely** to hotel or retail developments are unlikely to be supported if there are no clear regeneration outcomes.
- Projects that **focus solely** on public realm improvements, new roads / paths or upgrades are unlikely to be funded. However, these may be eligible if they are elements within wider regeneration projects which will produce economic and social outcomes.
- Flood protection / work / upgrades are **not eligible**.

Project Focus

- Projects that primarily focus on areas which suffer from high levels of deprivation and disadvantage.
- Projects that will deliver transformational change with strong regeneration outcomes.
- Projects and programmes which have the potential to lever in private sector investment and address long term market failure.
- Projects that demonstrate clear community involvement.

Final Grant Offers

- The panel may recommend a level of grant other than that requested in order to ensure all eligibility criteria are met or to fully utilise the funding available. This would be subject to discussion with individual applicants.

How to submit

Stage 1 forms can be downloaded from the Scottish Government website. A separate form should be completed for each project.

<https://beta.gov.scot/policies/regeneration/capital-investment/>

These should be completed and emailed to: rcgf@gov.scot

Deadline for submission is

12:00 Midday Friday 18 August 2017.

There is no requirement for signed or hard copies at this stage.

Guidance on completing stage 1 form

Project Submissions:

If applicants are making multiple submissions, these should be numbered accordingly. It is essential that each submitting organisation coordinates its funding priorities. There are limited funds available and there is an expectation that organisations will only submit projects considered to be a priority and that are sufficiently developed to be delivered in the timeframe outlined. **Application Forms must be submitted by eligible organisations.** Applications received from partner organisations may be deemed ineligible.

Project Start Date:

This is anticipated to be between **1 April 2018** and **31 December 2018**. Applicants will have to demonstrate that the project will be on-site during 2018, and it is imperative to be realistic about start dates and potential spend. Projects starting after 31 December 2018 will be scrutinised carefully and a clear case must be provided in order to justify the projects viability for Round 5. Please note all grant must be capable of being drawn down during the relevant financial year against eligible costs as profiled in the final approved application.

Project Completion Date:

This relates to when all spend (not only RCGF) on the project is physically complete. Projects may go beyond the period of funding support from RCGF but applicants should be aware they will be required to provide monitoring reports for a period up to 12 months after physical completion (a certificate of practical completion having

being issued) of the project and not just the period to which RCGF applies. Where projects go beyond the requested RCGF funding period evidence to demonstrate that funding to complete the project is likely to be secured is required to demonstrate to the panel the viability of the project.

Project Costs:

Please provide the total eligible spend on the specific activity to which grant will contribute. A more detailed breakdown of costs will be required at Stage 2. Additional information on any other costs, e.g. wider programme activities should only be included within the project description. Include detail on expenditure beyond the RCGF funding period where appropriate. It is not anticipated that any project would be incurring expenditure beyond 2020/21. However where this is the case please provide additional information within the project description.

Please detail any sources of finance other than RCGF which are contributing to the projects costs:

Provide detail other sources of funding, grant or loan investment which will contribute to the expenditure of the project. i.e. where you are not requesting 100% grant support toward the eligible costs of the project.

The funding described in table 7 should equate to the costs included at table 6.

Proposed Regeneration Capital Grant Fund cost and grant request:

There is no minimum request and you may apply for 100% of the total eligible project costs incurred for 2018/19. Please note however that leverage will be considered as part of the Regeneration Capital Grant Fund Investment Panel's assessment of applications, in terms of either contribution to a wider programme or within the project itself.

Grant is generally paid in arrears and must relate to spend actually incurred or legally committed. Please ensure expenditure figures are consistent with start and end dates of the project. Provide some detail within the project summary on the nature of costs that will actually be incurred and specifically those to which RCGF will contribute. **Grant cannot be claimed for costs incurred prior to 1 April 2018.**

Project Contact:

Please ensure that the project proposal is submitted by an appropriate official from your organisation and that this individual is available to respond quickly to information requests. Space is also provided to include details of an additional contact.

PROJECT PROPOSAL SUMMARY – maximum 3 Pages – font size 12.

1. Please keep your summary short and concise – Use bullet points. Be clear on what the project will actually deliver using RCGF.

Please ensure you provide responses to each of the following headings.

- What this project will actually deliver,
- Brief outline of why this project is being undertaken and how it has evolved.
- Timescales, objectives, target groups, geographical coverage, partnership, community involvement,
- Economic, social and physical regeneration outcomes,
- Any other financial contributions and the potential for wider regional impact,
- Demonstrate how this will benefit disadvantaged communities,
- Wider regeneration activity - please describe how this project will contribute to wider regeneration plans and its strategic importance.

Examples of potential projects are provided at Annex A

2. Further Information - Assessment of bids

All applications will be considered by the Regeneration Capital Grant Fund Investment Panel.

Projects will be initially assessed against the basic eligibility criteria and focus of the fund but are not scored at the first stage.

The final list of projects invited to Stage 2 will be based on recommendations by the Investment Panel.

Projects which do not clearly meet the wider aims of the fund are unlikely to progress beyond Stage 1.

3. Additional Criteria at Stage 2. In summary these will be:

- **Viability (10%)**

Demonstration of the projects feasibility and practicalities as well as the project's likely impact and success, and for instance but not exclusively, the potential of bridging with other match funding opportunities.

- **Community involvement (15%)**

Demonstration that the project has or will encompass a degree of community involvement, whether support from the community for the project to go ahead, local community representatives being involved and inputting into the project proposal or involvement of the community in the delivery or roll out of the project.

- **Regeneration outcomes – physical(30%), economic(25%), and social (20%)**

Demonstration of the physical, economic and social outcomes which the project would achieve if the bid was successful. Physical regeneration outcomes could take the form of land remediation and enabling infrastructure. This is then followed by economic and social outcomes, where for instance economic outcomes may include demonstration that a project will bring economic benefit (in terms of investment or employment opportunities) and social outcomes may include demonstration that the project will enhance social cohesion, community wellbeing or safety.

4. Feedback

All applicants will receive notification on whether or not projects have been successful in being invited to Stage 2 as soon as possible following a meeting of the Investment Panel, which is anticipated to be in September 2017.

5. Stage 2 Process

Full detail of the process for Stage 2 and forms and guidance will be made available in advance of the call for second stage applications.

6. Legal requirements.

Procurement, State Aid, Environmental Impact, Equalities Impact Assessment, Planning Permission, and other assessments as appropriate for projects

All projects will need to comply with all relevant legislation relating to the implementation of projects. Further information may be required from applicant organisations at Stage 2 and potentially prior to any offer of grant being issued.

7. Indicative timetable 2017

All dates are indicative and remain dependent on the timing and result of spending review process

- | | |
|---|----------------------------------|
| • Round 5 Stage 1 opens | Week beginning 22 May 2017 |
| • Stage 1 closes | Friday 18 August 2017 |
| • Investment Panel meeting | Week Beginning 25 September 2017 |
| • Applicants notified of results | Week beginning 9 October 2017 |
| • Stage 2 opens | Week beginning 16 October 2017 |
| • Stage 2 closes | Friday 8 December 2017 |
| • Investment Panel | Week beginning 22 January 2018 |
| • Notification of Funding Recommendations | Week beginning 19 February 2018. |

Examples of RCGF Projects funded in Previous Rounds.

Example 1

The project involves the redevelopment of three A-listed Victorian buildings to enable public access and to create an attractive environment for business and public engagement. It will be a part of a wider town centre and waterfront regeneration initiative and council's investment programme, with aims to create a centre for improved learning, leisure and cultural engagement. It is also a direct outcome from public consultations about the social and economic situation of the town and has been developed with local businesses, arts community and Historic Scotland.

Additional funding:

- Historic Scotland
- Local Authority

Project objectives:

- to increase local business development and start-up rates by creating a flexible business facilities that will provide space for local entrepreneurs, exhibitions and hospitality industry;
- to revitalise the town centre and make it more attractive private investors;
- to attract more tourists into the area.

Project outcomes/ outputs:

- 9 jobs created
- 8 construction jobs supported
- 3 buildings refurbished and brought back into use
- 453 sq m of business space created or modified

Example 2

The project will develop a high profile vacant and derelict site to provide efficient and affordable business space that would also attract companies from a low carbon sector. Community Links co-facilitated a local consultation, which highlighted that 94% of the local residents and businesses involved supported the initiative. The site is located close to the motorway and local railway station and the ease of access will be one of the key points to attract businesses and further enhance local regeneration.

Additional funding:

- Local Authority
- Private Leverage

Project objectives:

- unlocking a regionally and strategically important site and its economic potential;
- creating Grade A office space for SME's and Key Sector industries;
- providing job and training opportunities.

Project outcomes/ outputs:

- 455 jobs created
- 44 training places created
- 3,900 sq m of business space created
- 0.55 ha of Vacant and Derelict Land brought back into use
- 1550 additional employability and community capacity building interventions
- 51% carbon reduction as result of environmental improvements

Example 3

The aim of the project is to develop a community centre that will be a hub for local activities and services. The need for the new community facility was identified in the Community Action Plan as a number one priority to achieve social and economic regeneration. The project will be delivered by the local Community Development Company in a partnership with the Local Authority

The venue will be opened for the residents within a postcode area which is identified as being one of the five most deprived areas in Scotland.

Additional funding:

- Housing Association
- Climate Challenge Fund (SG)
- Robertson Trust
- Big Lottery Fund
- People and Communities Fund

Project outcomes:

- increasing the number of local people taking part in community-led and self-development programmes;
- promoting a range of training and development programmes;
- developing health and welfare improvements;
- encouraging a spirit of enterprise amongst residents and promote greater self-reliance through community enterprise or self-employment.

Project outcomes/ outputs:

- 36 jobs created
- 150 training places created
- 5 ha of Vacant or Derelict Land remediated
- 25 new services introduced to the local community

Example 4

This project will restore and secure reuse of a socially and architecturally significant A- listed building within the heart of the town centre. It will provide office space that would suit a broad range of users from the public, private or voluntary sector. By doing so the building can accommodate up to 200 jobs to the benefit of the local economy and town centre. The future use of the building has been agreed between the council and the local Development Trust: it is proposed that it becomes a home for the Skills and Employability Hub, providing space for employability programmes and social enterprises.

Additional funding:

- Fully Funded by RCGF

Main objectives:

- to restore and bring back into use an A-listed building within the town centre;
- to enhance the historic and cultural assets of the town centre;
- to bring the employability services closer to local communities;
- to improve the physical appearance of the town centre and make it more attractive for private investments and to bring job opportunities.

Project outcomes/ outputs:

- 30-90 jobs created
- 50 construction jobs supported
- 80 existing jobs supported
- 5 training places created
- 1 building refurbished and brought back into use
- 1,750 sq m of business space created or modified
- 1,750 sq m of building created or refurbished
- 2+ businesses/ enterprises benefiting from supported facilities

Example 5

The project will deliver a Grade A commercial office capable of accommodating a range of Small and Medium Enterprise (SME) businesses. The office will be built on land brought back into use, utilizing Vacant and Derelict Land Funding creating job opportunities within one of Scotland most disadvantaged communities.

Aims:

- Support a wide range of SME businesses with a variety of suites from single person, main door units to flexible floorspace.
- Provide employment opportunities for local residents.
- Encourage interaction with the local community by running a public café.

Additional funding:

- Local Authority – Guarantee SPRUCE Loan – Recycled Funding

Anticipated outputs:

- 188 new jobs created
- 10 construction jobs supported
- 13 existing job supported
- 20 training places created
- 1875 sqm of business space created or modified
- 1.51ha of Vacant and derelict Land remediated/ de-risked/ brought back into use
- 120 businesses/ enterprises benefiting from supported facilities

Example 6

This project will see the transformation of a derelict former Primary School in a Town Centre to create a home for artist studios, creative industries, business incubation, community education and workspaces, gallery and café. The project is a partnership project led by the Council in close partnership with Third sector organisations, Further and Higher Education, Business Gateway and a Local Arts Trust and Forum.

Additional funding

Local Authority

Creative Scotland

Main aims :

- Engage with surrounding communities and ensure that they benefit from the project in particular through the creative, cultural and digital industries and support inclusive growth by providing opportunities and pathways into the arts and enterprise;
- Regenerate a prominent redundant building within town centre, bringing the empty property back into productive use ;
- Provide affordable workspace and studios for artists and makers who could potentially grow their businesses;
- Support business incubation and acceleration for businesses in creative industries, including in more knowledge intensive areas such as digital technologies and computer software;
- Support the expansion of higher value by increasing the number of knowledge based and creative enterprises;

Anticipated outputs:

- 4 new jobs created
- 18 construction jobs supported
- 4 training places created
- 1 buildings refurbished brought back into use
- 1750 Sqm of business space created or modified
- 29 artists 37 creative industries 3 cultural organisations benefiting from supported facilities.