# Regeneration Capital Grant Fund

# Second Stage

# Application Form

# Guidance Notes

# 2019/20

**October 2018**

These notes should be referred to when completing the Regeneration Capital Grant Fund second stage application form. If you wish to include a map to illustrate the area to be developed you can do so by enclosing this as a separate document. Please do not embed files within the application form. **Do not include any other documentation as it will not be considered by the Panel.**

**You are asked to be concise and use the text box sizes as a guide in the level of response required. Although overall size is not restricted, the final application form is not expected to exceed 30 pages.**

## Section 1: Cover Page

**Note:** To be eligible to apply for funding you must have received notification that your first stage application has been approved. If the lead organisation or title of the project has changed from the original first stage application please inform the Scottish Government Regeneration team. **Contact Billy Love, Regeneration Investment Manager billy.love@gov.scot**

The name of the organisation that will take lead responsibility for the project and is applying for the grant

Please insert the title from your first stage application.

You will have been provided with a reference number with your first stage approval email and you should insert here.

Please enter the start date of the project which should be the date activity/spend commences on the project, and which must be after 1 April 2019 and prior to 31 March 2020. **Projects starting after 31 December 2019 will be scrutinised carefully in terms of their viability. Projects which can demonstrate that all funding is in place or will be in place and the project works will have been procured by September 2019 may be prioritised.**

Enter the total costs of the project to which the RCGF grant will contribute (do not include any in–kind contributions). This should be the same total as given at 17a.

Enter the total RCGF grant being requested. This should be the same as total grant request given at 17a.

Provide the name, telephone and email for the person who should be contacted to discuss any queries on the application. This must be someone from the lead organisation.

## Section 1: Organisation Details

| Question | Notes |
|---|---|
| 1 | The name of the organisation that will take lead responsibility for the project and is applying for the grant. Should match cover page. |
| 2 | Full address including postcode should be entered here. |
| 3 | Name, Designation, full office address and contact details of person who can be contacted to discuss the application. |
| 4 | Name, Designation, full office address and contact details of person who can be contacted to discuss the application in absence of main contact. |

## Section 2: Project Details

| Question | Notes |
|---|---|
| 5 | Please confirm the local authority areas and include ward areas that this project will cover. Please be as detailed as you can and include postcodes where helpful.<br>Please also provide the exact address of the site/ property to be redeveloped. |
| 6 | Please provide the start and end dates for the project. Start dates relate to the first RCGF spend on the project which must be on or after 1 April 2019. End dates relate to the completion of the project activity (not grant claim). **Please Note** that expenditure / legal commitment in relation to the RCGF grant **must** have been made by 31/3/2020 in order to be eligible. Where grant is requested over more than 1 year, grant must be claimed according to the profile provide in the application form. |
| 7 | Provide details of the key stages of the project delivery and include the date that each stage is due to be completed. You should use this as a guide to activities to be described in the project description at Q9. Please ensure you include the following: planning in place, design team appointed, start of the procurement process, the date major contract works are awarded which should ideally be prior to 31 December 2019. |
| 8 | If you have introduced or removed any elements of the project from that described in your first stage project application please indicate this here.<br><br>The Investment Panel will need to consider whether these are acceptable changes and do not impact on the approval of activity at first stage.  If you have been advised to include or remove elements as part of the first stage feedback you should confirm this has been done at this section.<br><br>You should only indicate a change if this will produce a new outcome or physical output on the project or similarly removed an output or outcome from the original application. Minor changes on how the project will be delivered do not require to be explained at this stage.<br><br>Increases in grant requests are not anticipated but will be considered on an exceptional basis. The panel will consider any such request but will approve only on a case by case basis and where they feel it has been clearly justified.<br><br>Following their meeting the panel may ask officials to discuss the level of grant award with project applicants which may result in a revised offer to the project. |

| 9 | **Project Description** |
|---|---|
| | Provide a detailed description of the overall project. You should include: |
| | <ul><li>What will be physically delivered by the project and how this will deliver additional and/ or better outcomes?</li><li>The aim(s) of the project.</li><li>The reason this project is required, including background to its development. Specific evidence of need should be included at Q13.</li><li>Some detail on the project costs associated with the delivery of the project. Please make it clear what element of the project will be funded by RCGF and provide further detail, this should be consistent with financial breakdown provided at Section 5. Please refer to the focus and eligibility of expenditure which is included within the Q and A.</li><li>Please clarify who owns the site/ property and whether this will change throughout the process.</li><li>You should provide detail on how your project supports the local regeneration strategy/development plan or masterplan for the area, contributes to Single Outcome Agreements.</li><li>URC's/SPV's should describe how this project contributes to their business/masterplan plan.</li></ul><ul><li>You may also wish to refer to other policies at either national or local level, **if** these are relevant to your development, e.g.</li><li>Achieving a Sustainable Future, the Scottish Government's Regeneration Strategy<ul><li>https://beta.gov.scot/publications/achieving-sustainable-future-regeneration-strategy/</li></ul></li><li>Scotland's Economic Strategy</li><li>National Planning Framework</li><li>Infrastructure Investment Plan</li><li>Cities Strategy, and others policy areas such Digital, Environmental, Renewables and Energy.</li></ul><ul><li>Applicants may also wish to consider how the project will address the Programme for Government and how it may contribute to delivering a Fairer Scotland, inclusive growth, addressing issues of inequality.</li></ul> |
| 10a | **Viability** |
| | Please provide detail on how you anticipate being able to deliver the project successfully. Please demonstrate the project's feasibility and practical delivery.<br><br>Provide evidence to support how the project can be delivered within the proposed timescales and in particular that the project will commence and draw grant during 2019/20. It is anticipated that all funding should be in place no later than the end of September 2019. Projects should be able to demonstrate that their capital works relating to the RCGF grant are fully procured and contractors appointed prior to 31 December 2019. |

| | |
|---|---|
| | Demonstrate that work is underway to ensure that funding from other sources will be secured, including the timescale for any decisions and likelihood of success. Please note that funding sources such as BIG, Heritage Lottery etc. are likely to be consulted on your application.<br><br>Describe how the project will be managed and monitored ensuring it can be delivered in the timescales required. Where lead applicants are working with external partners please provide detail on any review of relevant business cases that support RCGF investment in the project.<br><br>Demonstrate what steps have been taken, e.g. research, evaluation, partner involvement, that will enhance the projects likely impact and success.<br><br>Provide evidence that there is demand for the project in terms of economic potential, market failure in terms of investment.<br><br>Your response should consider the timescales indicated for the spend (Q6), the list of project milestones (Q7), project description (Q9), the funding package that has been put in place (Q17-18), and information relating to the planning and other legal requirements at Section 6. |
| 10b | **Legacy** |
| | The RCGF provides initial capital investment for new or improved infrastructure. It does not provide long-term funding and it is therefore important that applicants have appropriate strategies in place to identify how they will ensure continued funding and development of the project.<br><br>Clarify any relevant discussions, timescales and agreements in place relating to securing and bridging with other funding opportunities to contribute to long-term viability of the project.<br><br>You should provide details of what will happen when your RCGF project is complete:<br><br>• options for future financing.<br>• options for mainstreaming.<br>• anticipated usage of new infrastructure and steps to ensure this is sustainable.<br>• actions that will be taken to ensure the successful regeneration outcomes that the project is expected to achieve.<br>• On-going community involvement. |
| 11 | **Community Involvement** |
| | Please provide evidence of **how you have engaged with and involved the people** living in the communities in the areas in which this project will be delivered.<br><br>The expectation is that applicants will have involved local people in planning and developing the project. Detail how the local community has played an integral role in deciding on the project to be delivered, how it will meet their aspirations and how they will benefit from the outcomes. |

| | |
|---|---|
| | Demonstrate how local community representatives have been involved and contributed to the project proposal, and/or how the community will be involved in the roll out of the project if the bid were to be successful.<br><br>If your project is to support a community of interest please include details of the wider community engagement that you have undertaken. This could be in the form of a community action plan or some wider strategy or policy.<br><br>This process should embody the principles set out in the National Standards of Community Engagement.<br><br>http://www.scdc.org.uk/what/national-standards/ |
| 12 | **Partnership** |
| | In addition to the Community Organisations detailed at Q11, have you developed the project in conjunction with other partners, please describe any partnerships in place for the delivery of the project. Detail any partner, their roles in the project, funding contributions and how they will continue to be engaged throughout the delivery of the project and thereafter. Identify any longer term benefits or lasting legacy the partners in your project will bring to the community as a result.<br><br>Describe how other third sector or public organisations will be involved in the roll out of the project, e.g. taking over running of a building, or public sector providing new/enhanced or additional services.<br><br>Evidence to demonstrate contributions from partners is not required at the application stage but you may be asked to provide this if your application is successful. |
| 13 | **Evidence of Need** |
| | Please provide further information on the disadvantaged communities this project will support or the impact that the project will have on wider disadvantaged areas. Use this section to provide details of the needs of the communities in which your project will be delivered.<br>You should provide **current** evidence to support this, and can include:<br>• SIMD data<br>• Rural disadvantage<br>• Unemployment figures<br>• Or any other information that you believe identifies the community as requiring further help to become sustainable and promote well-being. You should also provide details of how this project will address those needs and how this will be measured. |
| Section 3 Regeneration Outcomes / Project Outputs | |
| 14 | Please refer to the list of Regeneration Strategy Supporting Outcomes that has been provided at Annex A.<br><br>Please complete the table in the application form by including the appropriate Regeneration Strategy Outcomes for each of the three categories (i.e. physically, economically and socially sustainable |

| | communities), that apply to your project. |
|---|---|
| | Outcomes are longer term and relate to the positive change that the project aims to have on the community, such as increasing employment or improving health. |
| | Consider how the project will have a long term beneficial effect on the community. |
| | Physical Outcomes - as the nature of the fund is a capital grant fund, the emphasis and highest weighting is placed on physical regeneration which would result in transformational change. |
| | Economic outcomes may include demonstration that a project will bring economic benefit (in terms of investment, employment or training opportunities). |
| | Social outcomes may include demonstration that the project will enhance social cohesion, community well-being or safety. |
| 15 | Project outputs |
| | Please select as many of the project outputs that are relevant and will be achieved by the delivery of your project and provide a realistic estimate. |
| | You may include additional outputs that the project will achieve but ensure you provide corresponding justification at 15b. |
| | Should your project ultimately be funded you will be expected to report on these figures as part of the monitoring process linked to claiming of grant in relation to the project. |
| 15b | Description of indicators chosen, regeneration outcomes and project outputs |
| | Please provide a brief explanation on the outcomes and outputs selected at 14 and 15 for your project and the basis on which these have been estimated. If you included other outputs please include further detail. |
| Section 4 Monitoring and Reporting | |
| 16 | **Project Monitoring** |
| | Please provide detail on what information you will collect and how you will monitor the project in terms of the outcomes it will deliver. |
| | If you are a Lead Partner please include information on how you will be supporting organisation delivering the project. |
| | State how you will measure the success of the project not just in the terms of the physical infrastructure/changes it will create but also its longer term impact on the local community and wider regional area. |
| | We will require regular monitoring reports for the project to ensure progress towards your desired outcomes and outputs. This section should be used to detail what information you will be collecting to |

measure these and how this will allow you to determine whether the aims, outputs and outcomes of the project are being achieved. We will also require an evaluation report at the end of the project.

This section should be used to identify any information, tools and techniques you will be using to determine whether the project met or will meet its aims, outputs and outcomes.

## Section 5: Financial Breakdown

| Question | Notes |
|---|---|
| | **Please Note the focus is on projects that can start and deliver significant expenditure during 2019/20, project starting after December 2019 will be subject to additional scrutiny.** |
| 17a | **Finance Summary** |
| | Please enter the overall costs and funding relating to the project broken down by the relevant financial year. Total Expenditure should be shown to be met by RCGF and other funding sources. Figures here should be used as the basis for breakdowns provide in tables 17b and 17c. Space is provided for any clarification which you think would be helpful.<br><br>Please use the comments box to provide a breakdown of costs and describe the nature of costs or funding. |
| 17b | **Expenditure funded by RCGF Grant.** |
| | You should use your own budget headings in the table and outline the total costs for the project for each item. Only include those costs which are being directly funded by RCGF grant. i.e. **total cost in this section should equal the grant requested.**<br><br>This may include contract fees, professional and legal fees in regard to construction, consultancy, purchase of material/equipment, etc. which is required specifically for the project. |
| 17c | **Expenditure funded by Other Sources.** |
| | This could be :<br>• a proportion of the eligible cost detailed in 17a that will be supported by co-funding<br>• Ineligible costs relating to the activity or expenditure in the project<br><br>Please do not include costs relating to wider regeneration activity. Only costs associated with the specific development described in the application should be detailed. |
| | Please note that we will only pay for VAT that is non-recoverable. VAT if eligible should be included in each of the relevant project cost headings in question 17 and **not** as a separate expenditure heading. |
| | **Funding breakdown** |

| 18 | Provide details of all the funding that has been secured or is being sought to support the costs for the project. The total here should reflect the expenditure stated in 17a. |
| --- | --- |
| | Please note that while we are looking for the best value for money for the public purse, recommendations are not made solely on which projects offer the best intervention rates. Consideration is taken of how opportunities to engage with multiple organisations and secure funding differ greatly across Scotland. |
| 19 | Provide details of any in-kind contributions that support direct delivery of the project and how the value of these has been calculated. Please note that we do not consider the work undertaken to develop the project or prepare this application to be an in-kind contribution. |

## Section 6: Legal Requirements and Terms and Conditions

**Please read all of sections carefully. Please ensure you complete section 6.7 on planning, 6.8 State Aid and complete the authorisation**

6.7 Requires that you indicate detail on the planning process and that all requirements are or can be met to deliver the project within the timescale. If appropriate please describe the ownership of the property/land and any issues relating to purchase if this is required.

6.8 Requires that you provide a specific statement on the state aid implications of delivering the project. You must indicate how this is considered, whether state aid applies and how it will be dealt with. Describe why state aid is not applicable in this case. Please note the State Aid Unit at Scottish Government will be consulted on any successful application to ensure compliance prior to a final grant offer being made.

It is likely that any grant funding awarded to public bodies such as Local Authorities will not be regarded as State Aid. However, the third party beneficiaries of these grant awards may be themselves engaged in economic activity and therefore you must consider the four State Aid tests.

Please provide comments beside each of the four State Aid tests below, and explain why you believe each test to be met or not at the level of the third party beneficiary.
Test 1
Has there been an intervention by the State or through State resources? (RCGF is a grant provided by Scottish Government and so therefore will be regarded as a State Resource). **The answer to this question will be YES**.
Test 2
Does the intervention give the recipient an advantage on a selective basis, for example to specific companies or industry sectors, or to companies located in specific regions? (This could be relieving a company of regeneration costs that it would otherwise have to bear themselves). The answer to this question is likely YES.
Test 3
Has competition been or may be distorted? (If the intervention is likely to be selective, it will undoubtedly have the ability to distort competition even on a local basis)

Test 4
Is the intervention likely to affect trade between Member States? (Does this activity have a market in other Member States or does it intend to attract visitors from other Member States?)

Please note that the four tests are cumulative therefore all have to be met for State Aid to be present. If State Aid is believed to be present, applicants will need to consider the options available to deliver the aid compliantly. One of these is the General Block Exemption Regulation (GBER) which has cover for a variety of activities (e.g.) Culture and Heritage Conservation and local infrastructure projects where there are schemes in place in order to deliver this.

*If you are an urban regeneration company or other SPV you will need to speak to the Scheme Administrator regarding State Aid cover.

## Section 7: Acknowledgement and agreement on terms and conditions

Please ensure that the individual signing off the application has the authority to commit the organisation to the delivery of the project and to meet the terms and conditions which apply to the application for Regeneration Capital Grant Funding. The authorised signatory need not be the project contact.

**Annex A**

**All Regeneration Strategy Supporting Outcomes**

**Physically Sustainable Communities**

- People have access to quality public space and appropriate greenspace
- Well planned neighbourhoods and local areas, with accessible facilities and amenities
- Communities have a positive appearance and are places where people want to live, work and invest
- Quality design and upkeep of buildings and spaces
- Address vacant and derelict land and property and preserve heritage/built environment for productive use
- Use resources efficiently and respect the natural environment
-

**Economically Sustainable Communities**

- Strong local economies, providing access to jobs and support for business
- A well trained workforce whose skills meet economic needs
- People have access to the learning and development opportunities that they need and the right support is in place to help people to work
- A thriving private sector and social enterprise
- Effective strategies in place to link economic opportunity and demand
- The right affordable housing options with sufficient availability and quality of housing across all tenures
- Places encourage positive and appropriate private sector investment and social enterprise which provides opportunities for business and jobs
- Infrastructure fosters the right conditions for growth and community cohesion, including good transport and digital connectivity
- Thriving towns and high streets
- Sustainable employment and reducing welfare dependency

**Socially Sustainable Communities**

- Communities and people are protected and feel safe
- Delivery is focussed on the needs of people
- Communities are involved in designing and delivering the services that affect them
- Strong and effective community networks are in place
- People have access to appropriate community facilities and places to meet
- Communities have a positive identity and future aspirations
- People are empowered to improve their area and maximise local assets
- People have good physical and mental health
- People have access to effective local services and facilities, including health, education and early years support
- Towns and high streets act as a focal point for social and economic interactions
- Communities are fair and inclusive, where all have a voice and can participate
- Sustainable employment to tackle worklessness