

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth & Resources
DATE	6 th February 2020
EXEMPT	No, but appendix is exempt:- TERMS OF ACQUISITION OR DISPOSAL 9. Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services provided disclosure of these terms would prejudice the Council in these or any other negotiations..
CONFIDENTIAL	No
REPORT TITLE	Town Centre Fund
REPORT NUMBER	PLA/20/021
DIRECTOR	N/A
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Stuart Bews
TERMS OF REFERENCE	Purpose 1 To approve and monitor appropriate short, medium and long term financial strategies and plans for the Council in light of available funding Purpose 2 To approve the addition of new projects and associated budgets to the capital programme, to approve additional funding for existing projects

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present additional options provided by officers for project proposals and seek approval to distribute the allocation of funds to each identified project in relation to the Scottish Government Town Centre Capital Grant Fund where Aberdeen City Council received an allocation of £1,351,000 and of which £137,497.50 remains unallocated.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Approves the request of additional funding for the Living Wall Project as per Appendix 1;
- 2.2 Approves the allocation of funding for the Queen Street demolition projects as per Appendix 1; and

- 2.3 Delegates authority to the Chief Officer - Capital, following consultation with Commercial and Procurement Services to consider and approve business cases (including estimated expenditure) for the recommended projects for the purposes of Procurement Regulation 4.1.1: and thereafter to procure appropriate works and services, and enter into any contracts necessary for the delivery of the recommended projects without the need for further approval from any other Committee of the Council.

3. BACKGROUND

- 3.1 The Scottish Government announced in January 2019 that there would be a new ring-fenced capital fund of £50m which would be distributed to local authorities based on the number and size of each local authority's town centres. This fund is referred to as the Town Centre Capital Fund.
- 3.2 The broad aims of the fund are to; stimulate and support a wide range of investments which encourage town centres to diversify and flourish; create footfall through local improvements and partnerships. Specifically, this fund will contribute to transformative investments which re-purpose and diversify town centres.
- 3.3 The fund also aims to; deliver against the themes of the Town Centre Action Plan including town centre living and supporting town centres to be vibrant, accessible and enterprising places. This could include re-purposing buildings for housing, retail, business, social and community enterprise, services, leisure, and culture, tourism and heritage; and, improving access and infrastructure.
- 3.4 Alongside the grant there are accompanied grant conditions which must be adhered to in order to spend the grant. The main conditions to be noted for the purpose of this report are:-
- 3.4.1 The grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2019/20 budget; and, should not substitute for existing spend. Demonstration of how the expenditure with this grant is additional to budgeted spend is required within the final reporting to the Scottish Government.
- 3.4.2 Decisions on use of funding will reside with the grantee. It is expected that local authorities make investment decisions in the context of national and local commitments to town centres including the Town Centre First Principle and the Town Centre Action Plan; and more recently, the Place Principle. As such, it is expected that investment decisions are based on approaches which are collaborative and place based with a shared purpose; and, make use of tools and support developed by the Scottish Government, Scotland's Towns Partnership and other key partners.
- 3.4.3 The Grant is to be used in the financial year 2019-20. There is an assumption that the Grant will be applied to finance local authority capital programmes before the application of any other capital or revenue resources such as capital receipts or borrowing.

- 3.5 At the meeting of City Growth and Resources Committee in June 2019 (ref PLA/10/290), an initial £1,213,502.50 was allocated to identified projects, with an instruction for officers to return to Committee with further options on how the balance of £137,495.50 can be allocated. Appendix 1 sets out the options available based on identified project extensions and a new project. The table below serves as a reminded of the funding allocated by Committee in June 2019.

Project	Estimated total costs	TCF Allocation
Hayton Road - Street Design	£90,000	£90,000
Parklets	£80,000	£80,000
Suspended Signage	£400,000	£400,000
Intelligent Street Lighting	£125,000	£125,000
Union Street Public Realm	£68,502.50	£68,502.50
Mither Kirk	£390,000	£390,000
Living Wall	£60,000	£60,000

4. FINANCIAL IMPLICATIONS

- 4.1 Funding has been allocated by Scottish Government and is in addition to the Council's budget. There are specific funding requirements as outlined at section 3.4 and it is essential that the projects comply with the set requirements to avoid issues around eligibility.
- 4.2 The allocated funding is additional to the approved Council budget and is therefore an opportunity to deliver capital projects in the City which may not otherwise have had the full financial commitment to be achieved.

5. LEGAL IMPLICATIONS

- 5.1 By accepting the grant ACC has agreed to the conditions outlined in the grant offer letter and the legislative details that are contained within. The grant has been allocated under the grant making powers of Scottish Ministers; Section 37 of the Local Government in Scotland Act 2003 - Scottish Ministers may make grants to local authorities in respect of their capital expenditure. Capital expenditure that falls to be capitalised in accordance with proper accounting practices (section 39 of the Act)
- 5.2 Procurement implications will be managed on an individual project basis and outlined in the project business cases post funding award.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	As per the grant conditions the money must be committed by the end of Financial Year 2019/20	M	Projects benefiting from the fund will have undertaken measures which will take into account the delivery timescales of the project. Close project monitoring will take place throughout to ensure these timescales will be met.
Legal	Grant conditions not being met	L	From the project outset officers are aware of the conditions that need to be complied with so not meeting the grant conditions should be avoided.
Employee	No risks identified		None
Customer	Residents of the identified town centres will not benefit from the enhancement of the area if the project does not fulfil grant conditions	M	It is the intention to fulfil the grant conditions and to spend the allocated amount therefore enhancing the areas in question
Environment	No risks identified		None
Technology	No risks identified		None
Reputational	Risk of reputational damage with the relationship with Scottish Government if we do not spend the funds in accordance to the grant conditions therefore potentially impacting on future funds received from Scottish Government	L	It is the intention to spend the allocated amount and ensuring that the conditions of grant are met accordingly, informing Scottish Government of any deviation, or issues along the way

7. OUTCOMES

- 7.1 In relation to the Local Outcome Improvement Plan Themes and Design Principles of the Target Operating Model, each individual Project has completed section 7; contained within Appendix 1 of the report.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not required

9. BACKGROUND PAPERS

PLA/19/290 - Town Centre Capital Grant Fund, 6th June 2019, published.

10. APPENDICES (if applicable)

1. Town Centre Capital Fund – Description of additional projects

11. REPORT AUTHOR CONTACT DETAILS

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