

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	05 November 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Place Based Investment Programme/UK Shared Prosperity Fund
REPORT NUMBER	CR&E/25/241
EXECUTIVE DIRECTOR	Acting Director: David Dunne
CHIEF OFFICER	Julie Wood
REPORT AUTHOR	Charlotte Farquhar
TERMS OF REFERENCE	1.1.8 & 1.1.11

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to (1) secure the Committee's approval for the proposed allocation of grant funding from the Place Based Investment Programme (PBIP) Fund 2025/26 and (2) seek approval to reallocate underspend from the UK Shared Prosperity Fund.

2. RECOMMENDATIONS

Place Based Investment Programme 2025/26

That the Committee :-

- 2.1 Approve an allocation to Aberdeen Hindu Temple Trust of up to £41,041.00 for the Improving Energy Efficiency Project;
- 2.2 Approve an allocation to Aberdeen City Council of up to £36,126.46 for the Smart and Clean Street project;
- 2.3 Approve an allocation to Aberdeen City Council – Business Support of up to £37,400.00 for the Empty Shops Activation Kit Project;
- 2.4 Approve an allocation to Albury Community Sports Hub of up to £60,676.90 for the Refurbishment of Tennis Courts and Replacement of Existing Fencing Project;
- 2.5 Approve an allocation to Camphill Wellbeing Trust of up to £71,500.00 for the Compass Project - Road Resurfacing and Accessible Path (Phase 3 Infrastructure) Project;

- 2.6 Approve an allocation to CFINE of up to £65,889.90 for the CFINE Pantry + project;
- 2.7 Approve an allocation to Code the City of up to £19,537.00 for The Soap Factory Community Facilities Project;
- 2.8 Approve an allocation to Fersands and Fountain SCIO of up to £14,300.00 for the Fersands Youth Zone Renovation Project;
- 2.9 Approve an allocation to Aberdeen Association of Social Service (operating as VSA) of up to £34,137.70 for the Fields of Opportunity: Barn Refurbishment & Learning Hub Project;
- 2.10 Approve an allocation to Aberdeen Performing Arts of up to £78,750.00 for the Music Hall Energy Saving Encore Project;
- 2.11 Approve an allocation to Aberdeen City Council of up to £130,641.04 for the Inchgarth Community Centre Project, pending confirmation of Tranche 2 of the proposed 2025/26 PBIP funding from the Scottish Government;
- 2.12 Authorise the Chief Officer – City Development and Regeneration to approve the reallocation of funding within previously approved projects should any underspends be reported, following consultation with the Convener and Vice Convener of Finance and Resources Committee;
- 2.13 Authorise the Chief Officer – City Development and Regeneration to approve new projects up to a value of £30,000 should any underspends be reported, following consultation with the Chief Officer – Finance, Chief Officer – Commercial and Procurement Services and Convener of Finance and Resources Committee.

UK Shared Prosperity Fund 2025/26 - Communities and Place

- 2.14 Note that the Station House Media Unit: Phase 2 Extension Project is now no longer viable to be complete by March 31st 2026; and consequently
- 2.15 Approve the reallocation of up to £110,000 from Station House Media Unit's Phase 2 Extension Project to Station House Media Unit's Phase 1 Redevelopment Project.

3. CURRENT SITUATION

Place Based Investment Programme

- 3.1 The 2020-21 Programme for the Scottish Government announced the creation of a Place Based Investment Programme Fund with £275million of capital funding to support community led regeneration, town centre revitalisation, community wealth building and 20 minute neighbourhoods (neighbourhood location where people can access most of their basic needs within a 20-minute

walk.) It is a multi-annual capital fund with the Scottish Government distributing £23 million to Local Government across Scotland.

- 3.2 The main objectives of the Place Based Investment Programme Fund are:
- to link and align place-based initiatives and establish a coherent local framework to implement the Place Principle;
 - to support place policy ambitions such as town centre revitalisation, community led regeneration, 20-minute neighbourhoods and Community Wealth Building;
 - to ensure that all place-based investments are shaped by the needs and aspirations of local communities;
 - to accelerate ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.
- 3.3 Scottish Government announced local authority allocations for the Place Based Investment Programme Fund on June 25th 2025. Approval for the partial release of funds was announced, with a second tranche being potentially announced later this year. Aberdeen City Council was awarded £461,970 in Tranche 1 and may receive a further £128,030 in Tranche 2.
- 3.4 The PBIP Fund Grant Scheme was subsequently launched on August 1st 2025 and closed on 1st September 2025. Non-profit organisations were eligible to apply to support capital projects. As stipulated by Scottish Government, all contracts have to be signed by March 31st 2026. A total of 21 applications were received with a total ask of £1,104,334
- 3.5 Applications were scored on a number of merits, including: Alignment to PBIP objectives; support of Council priorities, such as the Local Outcome Improvement Plan; risk management and mitigation; and deliverability to ensure that contracts are signed by March 31st 2026. Applicants were also assessed on technical compliance, such as complying with Following the Public Pound guidance and eligible expenditure being capital.
- 3.6 A significant number of projects did not provide sufficient evidence of their ability to commit to having contracts signed by 31st March 2026, which is a key condition of the fund, due to factors such as awaiting confirmation of match funding and planning permissions. They did, however, address a number of key criteria of the grant and would be encouraged to apply again in future should the programme continue.
- 3.7 A summary of applications recommended for approval are contained within Appendix 1. A summary of all applications are contained within Appendix 2.

UK Shared Prosperity Fund

- 3.8 Station House Media Unit (SHMU) were awarded £110,000 from the UK Shared Prosperity Fund at Finance and Resources Committee on 7 May 2025 to support a planned extension of their existing building. Due to inability to secure match funding and cost increases, this project is no longer viable to be delivered by 31st March 2026 – a stipulation of the UK Government funding.

- 3.9 SHMU had secured funding to enable Phase 1 redevelopment of the existing site. Due to rising costs and unforeseen challenges, overall project costs have increased beyond the original funding secured. SHMU have subsequently requested that the £110,000 originally allocated to support Phase 2 be reallocated to support completion of Phase 1 works. This will enable SHMU to deliver a high-quality, energy-efficient community facility, and deliver immediate, tangible benefits for Aberdeen's priority communities. Details of this are contained within Appendix 3.
- 3.10 Following unsuccessful applications to secure match funding and cost increases, the extension is no longer viable in the current financial year. Station House Media Unit have requested the transferal of funds from phase two to phase one due to cost increases and unforeseen issues arising during the redevelopment.
- 3.11 Officers reviewed the capital applications previously submitted to UKSPF that were unsuccessful, to ensure no other projects could be considered for funding. There are no other projects currently in a position to be awarded this funding.

4. FINANCIAL IMPLICATIONS

Place Based Investment Programme

- 4.1 The Council has a confirmed allocation of £461,970 (Tranche 1) of Place Based Investment Programme 2025/26 from the Scottish Government. A further £128,030 (Tranche 2) may be made available at a later date. This paper makes recommendations for the full £590,000 (Tranche 1 and 2 combined) funding, including a provisional recommendation for Tranche 2 funding in the event it becomes available.
- 4.2 All spend must be committed by 31st March 2026 - this is considered to be a commitment of expenditure which can be evidenced by a fully awarded contract or commencement of works. Only capital costs are eligible. All projects recommended to receive funds have demonstrated that they can achieve this. It is essential that the projects from the Place Based Investment Programme Fund comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the Scottish Government if conditions are not complied with.
- 4.3 All recommended organisations have been subject to review for compliance with Following the Public Pound.

Table 1: Place Based Investment Programme Allocations 2025/26

Organisation	Project	Total Project Investment	Recommended Grant Award 2025/26	Officer Review Outcome and
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				Proposed Award
Aberdeen Hindu Temple Trust	Improving Energy Efficiency	£41,041.00	£41,041.00	To award up to £41,041.00. Project demonstrated a strong link to the objectives of the fund supporting net zero contributions.
Aberdeen City Council	Smart and Clean Streets Project	£36,126.46	£36,126.46	To award up to £36,126.46. The project demonstrates a strong fit with town centre revitalisation.
Aberdeen City Council – Business Support	Empty Shops Activation Kit	£40,000.00	£37,400.00	To award up to £37,400. The project shows strong links to town centre revitalisation.
Albury Community Sports Hub	Refurbishment of Tennis courts and replacement of existing fencing	£95,676.90	£60,676.90	To award up to £60,676.90. Project shows high support to the aims and objectives of the fund.
Camphill Wellbeing Trust	Compass Project - Road Resurfacing and Accessible Path (Phase 3 Infrastructure)	£85,800.00	£71,500.00	To award up to £71,500. Project aligns well to PIBP and LOIP.
CFINE	CFINE Pantry +	£ 65,889.90	£65,889.90	To award up to £65,889.90. Project shows high benefits to community aligning well to the fund.

Code the City	The Soap Factory Community Facilities	£19,537.00	£19,537.00	To award up to £19,537.00. Project aligns well to the fund's objectives.
Fersands and Fountain SCIO	Fersands Youth Zone Renovation	£25,300.00	£14,300.00	To award up to £14,300. Project shows good value for money and is a good fit for PBIP.
Aberdeen Association of Social Service (operating as VSA)	Fields of Opportunity: Barn Refurbishment & Learning Hub	£47,792.78	£34,137.70	To award £34,137.70. Project shows good value for money and strong links to LOIP.
Aberdeen Performing Arts	Music Hall Energy Saving Encore	£164,174.19	£78,750.00	A partial award of up to £78,750 for the screen element of the project. Project aligns well to the ambitions of the fund.
ACC Inchgarth Community Centre	Inchgarth Community Centre Café/ Kitchen Fit Out	£130,641.04	£130,641.04	To award up to £130,641.04 pending confirmation of Tranche 2 funding from the Scottish Government. Project aligns well to the fund's objectives and LOIP outcomes.
Total		£751,979.27	£590,000.00	

5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require to be put in place between Aberdeen City Council and those organisations which are awarded grant funding.
- 5.2 Officers have established a subsidy control scheme for the Place Based Investment Programme 2025-26 (Subsidy Control Number: SC11402) to ensure compliance with the Subsidy Control Act 2022. All awards will be uploaded to the UK Government's Subsidy Control database and Transparency Register, where required.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risk	Primary Controls/Control Actions to achieve Target Risk level	Target Risks Level Low (L) Medium (M) High (H)	Does target Risk Level Match Appetite Set?
Strategic Risk	Projects do not support Council and Regional Priorities	All applications must demonstrate how they support local and regional strategies	L	Yes
Compliance	Non-compliance with grant conditions will require return of grant	External Funding team are familiar with the compliance requirements and will advise and monitor projects as required to ensure compliance	L	Yes
	Subsidy Control	To ensure all external grants awarded are compliant	L	Yes
Operational	Projects cannot deliver signed contracts by 31 March 2026	All projects have been assessed to ensure that they can evidence deliverability by March 31 st 2026. Officers will monitor	L	Yes

		projects closely to ensure timescales are met.		
Financial	Any unspent, or unallocated funds will require to be returned to Scottish Government/UK Government	Close project monitoring will take place throughout to ensure these timescales will be met.	L	Yes
Reputational	Risk of reputational damage if funds are not spent in accordance with the grant conditions	Officers will work with projects to ensure proposals and applications meet the conditions of grant	L	Yes
Environment / Climate	No risks identified	None	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2025-26</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies. Work constructively with the Scottish Government to seek additional funding for Aberdeen. Seek to gain the maximum benefits for Aberdeen's people and businesses from the Scottish Government.
<u>Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process. The projects within this report align with Prosperous Economy LOIP outcomes. For example, Aberdeen City Council - Empty Shops

	Activation Kit project through support for entrepreneurs and SME Growth meeting stretch outcome 1 and 2.
Prosperous People Stretch Outcomes	The projects within this report align with Prosperous People LOIP outcomes. For example, Fersands and Fountain supports delivery of Outcome 4 by providing skill-building workshops and mentoring that prepares young people for employment or further education, as well as outcome 6 by the young people helping to shape and run the space, fostering ownership and civic engagement.
Prosperous Place Stretch Outcomes	The projects within this report align with Prosperous Place LOIP outcomes. For example, Aberdeen Hindu Temple Trust support stretch outcome 12 through the installation of solar panels to the building significantly reducing their carbon footprint.
Community Empowerment Stretch Outcomes	The projects within this report align with Community Empowerment LOIP outcomes. For example, VSA supports delivery of outcome 16 through activities which are co-designed with people who have learning disabilities and mental health conditions. People are supported to participate in decisions to change things for the better and improve their outcomes.
Regional and City Strategies	

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	New Integrated Impact Assessment has been completed
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 CR&E/25/100, UK Shared Prosperity fund 2025-26, Finance and Resources Committee, 7 May 2025.

11. APPENDICES

- 11.1 Appendix 1 - Application Summaries Recommended for Approval.
11.2 Appendix 2 - Application Summaries Not Recommended for Approval.
11.3 Appendix 3 - UKSPF SHMU Update.

12. REPORT AUTHOR CONTACT DETAILS

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