

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	City Growth and Resources
<b>DATE</b>	06 June 2019
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Town Centre Capital Grant Fund
<b>REPORT NUMBER</b>	PL/19/290
<b>DIRECTOR</b>	Not Applicable
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Susan Cameron
<b>TERMS OF REFERENCE</b>	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

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the options provided by officers for project proposals and seek approval to distribute the allocation of funds to each project in relation to the Scottish Government Town Centre Capital Grant where Aberdeen City Council received an allocation of £1,351,000 in March 2019.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the funding of £1,351,000 allocated to Aberdeen City Council from the Scottish Government Town Centre Capital Fund;
- 2.2 Discuss the list of projects provided by officers at Appendix 2 and determine which projects are to be taken forward; and
- 2.3 Delegate authority to the relevant project Chief Officer, following consultation with the Head of 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 £50,000,000 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. These conditions are included in full within the Grant Funding Offer Letter (Appendix 1). The main conditions to be noted for the purpose of this report are;
- 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.
  - 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.
  - 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 Upon being informed that Aberdeen City Council would be in receipt of the funds an internal consultation process commenced providing the opportunity for projects to be tabled for consideration. Directors and Chief Officers were asked to present forward their project ideas and the recommended projects are outlined in the table below and in more detail within Appendix 3 Town Centre Capital Fund – Description of Projects.

<b>Project Proposal</b>	<b>Locality</b>	<b>Estimated Cost</b>	<b>Timescale</b>
Hayton Road – Street Design Project co-funding from Sustrans which will improve the walking and cycling in the area including environmental improvements	Tillydrone	£90,000	Work around architect's design have already commenced so completion would be on track for April 2020
Parklets Development (Huntly Street and Castlegate) – taking unused spaces and making them more useable i.e. seating area, tables, bike racks etc.	City Centre	£80,000	Works/contracts to be started/signed before April 2020
Suspended Signage	City Centre	£400,000	Works/contracts to be started/signed before April 2020
Intelligent Street Lighting Phase 2 – using smart technology to improve the current lighting in the city especially for events and to improve safety in the city centre.	City Centre	£125,000	Estimated Completion of September 2019
Union Street Public Realm – Phase 2	City Centre	£380,000	Works/contracts to be started/signed before April 2020
Mither Kirk – funding requested for the replacement heating system	City Centre	£390,000	Works/contracts to be started/signed before April 2020
Archibald Simpson House Creative Hub Space	City Centre	£120,000	Works/contracts to be started/signed before April 2020
Living Wall – Flourmill Lane	City Centre	£60,000	Works/contracts to be started/signed before April 2020
<b>Total</b>		<b>£1,645,000</b>	

#### **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 in 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 so is an opportunity to deliver priority capital projects in the City that might otherwise not have had the full financial commitment.
- 4.3 The proposed project list totals £1,645,000. Members will require to determine which projects should proceed with the available funding.

## 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
<b>Financial</b>	As per the grant conditions the money must be spent 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.
<b>Legal</b>	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.
<b>Employee</b>	No risks identified		None
<b>Customer</b>	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
<b>Environment</b>	No risks identified		None
<b>Technology</b>	Technology implemented via the 2 technology based proposals does	M	Maintenance will be considered and covered in

	not work and requires a large degree of maintenance		any technology-based contracts signed.
<b>Reputational</b>	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

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Prosperous People</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Prosperous Place</b>	Each individual Project has completed section 7; contained within Appendix 3

<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Customer Service Design</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Organisational Design</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Governance</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Workforce</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Process Design</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Technology</b>	Each individual Project has completed section 7; contained within Appendix 3
<b>Partnerships and Alliances</b>	Each individual Project has completed section 7; contained within Appendix 3

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	Not required
<b>Data Protection Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not required

## 9. BACKGROUND PAPERS

None

## 10. APPENDICES (if applicable)

1. Grant Offer Letter
2. Town Centre Capital Fund – List of Projects
3. Town Centre Capital Fund – Description of Projects

## 11. REPORT AUTHOR CONTACT DETAILS

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