

**Aberdeen City Council
External Funding Plan
2022-2025**



**ABERDEEN
CITY COUNCIL**

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Purpose of the External Funding Plan

- This document seeks to inform the Committee, Elected Members and other Council service areas of funding priorities and policy objectives the External Funding team is supporting, and the remit of the team.
- The funding plan can inform organisations seeking grant funding of the support available.
- The External Funding plan will ensure a renewed focus on our priorities to maintain the Council's position as one of the most successful Local Authorities in securing grant funding.

Background

- The External Funding team seeks to maximise external income for projects within the City.
- Since 2012, the External Funding team have helped secured over £90 million in grant funding.
- The team's expertise and experience support organisations to build a much closer match between their projects and funding criteria, increasing the chance of a successful funding application, and ensuring compliance with funding and audit requirements.
- The work of External Funding officers is currently centred around operating challenge funds to support the delivery of public funding (*Place-Based Investment Programme, Local Authority Covid Economic Recovery Fund, UK Shared Prosperity Fund*) and identifying suitable funding streams for projects.

External Funding Team



Responsibility is allocated within the team to define which officer will be the first point of contact for a particular organisation, project or fund. Involvement of officers may depend on existing relationships with applicants.

The External Funding team is involved in bidding for and ensuring compliance of external funds in three main ways:

- 1. Where the Council seeks funding to deliver its own projects.**
 - The External Funding Team submits a funding application to UK, Scottish or EU funding schemes to deliver projects and will submit evidence and claims to that funding body to ensure compliance.
 - Officers seeking funding should complete a funding enquiry template (see page 7) and submit this to the External Funding team who can then identify funding options and support in accessing these.
- 2. To provide support to local organisations to help identify and secure grant funding for the delivery of projects in Aberdeen by those organisations.**
 - A member of the team will compile a report of funding options which suit the organisation's project proposal.
 - The External Funding team offer support and feedback on draft applications and guidance on funding eligibility criteria to strengthen the application.
 - Successful applicants to private, charitable (e.g., Russell Trust; National Lottery), or public funding streams ACC is not involved in, will commence their projects, and may contact the team with updates or queries as the project develops.
- 3. To administer as Managing Authority funding locally on behalf of UK or Scottish Government.**
 - Aberdeen City Council sets up a challenge fund where applications are internally assessed and ranked in relation to eligibility, contribution to fund priorities, and deliverability. Current schemes being administered locally include the Place-Based Investment Programme, UK Shared Prosperity Fund and Local Covid Economic Recovery Fund.
 - Officers recommend the highest scoring projects to the Committee seeking approval to award funds. Following approval successful applicants are notified and an offer of grant will be drafted and signed off by legal services.
 - The project manager must produce reports at various stages and a final project report upon project completion. This ensures compliance with external funding regulations and the Council's own internal procedures to avoid recovery of grant.
 - Evidence is collated and the claim is prepared. All costs must be eligible and traceable to ensure compliance with the UK/Scottish Government terms and conditions.

Key Current Funds

On behalf of Scottish and UK Government, the External Funding team is responsible for administering the Place Based Investment Programme, Community Renewal Fund, the UK Shared Prosperity Fund and Covid Economic Recovery Fund.

Place-based Investment Programme

Aims: *Town centre revitalisation, community led regeneration, 20-minute neighbourhoods and Community Wealth Building, accelerating net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage.*

Timescales: *The 5-year fund commenced in 2021/22. Aberdeen City Council's allocation for 2022/23 is £847,000, solely for capital expenditure. The in-principal allocations for 2023/24, 2024/25 and 2025/26 is £590,000 each year.*

Governance: *The Council's role is to run challenge funds and subject to review of applications, projects with the strongest contribution to funding priorities will be recommended to the Committee for approval.*

Note: *Committee paper June 2022 expected.*

Please see <https://www.aberdeencity.gov.uk/place-based-investment-programme-fund>

Levelling up Fund

Aims: *Investing in infrastructure through transport investments, Regeneration and town centre investments, and Cultural investment.*

Timescales: *The fund is running for 5 years up to 2024/25 and the second round has just been announced.*

Governance: *ACC submits bid to UK government and upon approval, plans for spend will be confirmed by the Committee.*

Note: *Aberdeen City was successful in securing £20m in the 2021/22 round of funding for the City Centre Masterplan and further bids will be considered where suitable projects are identified.*

Please see <https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus>

UK Shared Prosperity Fund

Aims: *The UKSPF replaces the EU Structural Funds and aims to level up prosperity and opportunity and build pride in place through long-term stable revenue and capital investments. There are 3 broad investment priorities of Communities and place, supporting local business, and people and skills. Alongside the core funding is 'Multiply', a new adult numeracy programme to increase the levels of functional numeracy among adults.*

Timescales: *3 years of funding from April 2022 to March 2025. Aberdeen City Council's core allocation for the 3-year period is £5,920,913 with an additional £1,235,919 for Multiply.*

Governance: *The Council will manage the allocation by assessing and approving applications, undertaking relevant procurement processes, and processing payments and day-to-day monitoring. Decisions will be taken by committee.*

Note: *Officers will develop and submit to UK government a local investment plan by 1 August 2022 to unlock three years of UKSPF investment.*

Please see <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

Just Transition Fund

Aims: *To support the transition to a net zero economy, and in particular Scotland's transition away from fossil fuels.*

Timescales: *£500m of funding for Scotland over 10 years.*

Governance: *The External Funding team will coordinate any bid submissions from the Council to Scottish Government and ensure compliance with the funding terms and conditions.*

Note: *Awaiting a prospectus to be published to confirm further details for years 2 to 10. For year 1 £20m has been made available. £1m is to be ring fenced for Participatory budgeting. The remaining £19m is subject to an open call for applications to the Scottish Government.*

<https://www.gov.scot/publications/just-transition-fund/>

Local Authority Covid Economic Recovery Fund

Aims: *To support local economic recovery and low-income households with cost-of-living impacts.*

Timescales: *£2.85m of funding for Aberdeen City for the financial year 2022/23.*

Governance: *External Funding Officers will administer this fund and ensure compliance.*

Note: *Committee paper June 2022 seeking approval for allocation of this fund.*

Please see <https://www.gov.scot/news/covid-economic-recovery-fund/>

Funding Priorities & Projects

External Funding practice at Aberdeen City Council is largely guided by the policy priorities set out in various key documents. The table below states the priorities within each document and links to current projects.

Policy Document	Priorities	Projects	Potential Funds
Local Outcome Improvement Plan 2016-2026.	Prosperous Economy – Support sustainable inclusive economic growth	<i>Possible use of LACER fund to top up Financial Inclusion Service, Business Gateway grants</i>	Local Authority Covid Economic Recovery Fund UK Shared Prosperity Fund
	Prosperous People (Adults) Identify opportunities (social,	Inchgarth Community centre Expansion	Regeneration Capital Grant Fund

	economic) aligned to the priorities of our communities	Ensuring employability and skills support for adults to progress into and through employment	UK Shared Prosperity Fund National Transition Training Fund (£25m) Parental Employability Support Fund No-one left behind Fund
	Prosperous People (Children) – Every child and young person in Aberdeen has equal opportunities to thrive and prosper.	<i>Place-based projects e.g. Play park refurbishment.</i> <i>Possible use of LACER fund to top up Hardship Fund.</i>	UK Shared Prosperity Fund Place-Based Investment Programme National Lottery (Awards for All) Parental Employability Support Fund
	Prosperous Place – Promote and improve the positive qualities of Aberdeen as a place to live, work, and visit.	<i>Place-based projects e.g. Community space projects</i>	Place-Based Investment Programme The Regeneration Capital Grant Fund UK Shared Prosperity Fund Sustrans
Net Zero Vision and Supporting Strategic Infrastructure Plan (SIP) Council Climate Change Plan 2021-2025	Net Carbon Zero – Public Sector Decarbonise ACC’s own assets & operations Actions to reduce emissions and enhance resilience	Torry District Heat Network Aberdeen harbour – Freeports	Horizon 2020 Just Transition Fund Live Labs Fund
Aberdeen City Region Hydrogen Strategy & Action Plan 2015-2025	Hydrogen-based projects Hydrogen vehicle deployments Renewable Hydrogen production Refuelling infrastructure Non-transport applications Supply Chain / Market Development Communication & Education Policy & Regulation	Feasibility & Deployment of H2 vehicles (JIVE, Hector, Hytrec2) Use of h2 for non-transport applications Joint venture with BP Production of offshore h2 Development of an H2 hub	Horizon 2020 Green growth Accelerator Net Zero Hydrogen Fund Industrial Energy Transformation Fund NZIP Industrial Fuel Switching NZIP Proposed Industrial Hydrogen Accelerator Hydrogen Business Model Renewable Transport Fuel Obligation (RTFO) scheme.
Socio-economic rescue plan 2020	Post-covid socio-economic recovery Actions to mitigate the impact of the pandemic	Aberdeen as a competitive location for investment in renewables Supporting entrepreneurship & partnership	Regeneration Capital Grant Fund UK Shared Prosperity Fund Place-Based Investment Programme Local Authority Covid Economic Recovery Fund Just Transition Fund

		Workforce development	
City Centre Masterplan	Transforming the City while conserving its heritage, to make Aberdeen an even better place to live, work, visit and do business.	Union Terrace Gardens <i>Developing -Streetscape & connectivity interventions, Aberdeen Market.</i>	Levelling Up Fund Sustrans UK Shared Prosperity Fund Place-Based Investment Programme
Beach Masterplan	Revitalisation of beach area with new attractions and connections from the city centre to the beach	<i>Beach ballroom, stadium, boardwalk, gardens, pier, sports area, amphitheatre.</i>	

Funding Enquiry template

Contact Details
Name:
Team/cluster:
Email:
Funding proposal
Project name:
Business case/No business case developed (<i>delete as appropriate</i>) (<i>Please attach</i>)
Brief outline of the project and its objectives:
Costings

Capital/Revenue project (*delete as appropriate*)

Match funding/No match funding (*delete as appropriate*) If yes, Amount of match funding:

Amount of funding sought:

Brief cost breakdown:

The Funding enquiry template will be made accessible on ACC's website & Intranet.

Risks

Aberdeen City Council recognises that to operate effectively we must learn from past practice and adapt, as well as foresee difficulties and respond to these before they materialise.

Risk	Mitigation
Lack of resources to meet deadlines.	Team preparation through the workplan and sharing the workload. Important fund deadlines are noted in advance. Should additional resource be required a business case will be prepared to seek additional resource. The volume of grant funding currently being administered by the External Funding Team has increased significantly in the last 18 months and appears to be the preferred method of UK and Scottish Government.
Projects non-compliance with funding requirements resulting in grant recovery.	Project Managers must provide thorough project plans before funding is approved & consistent reporting and communication throughout the project timeline. The External Funding team always prepare detailed guidance documents specific to each fund to inform applicants of the consequences of non-compliance. Officers will advise and monitor projects to ensure compliance and undertake the completion of financial reporting in line with auditable requirements.
Unspent allocated funds	There is a risk of projects not being delivered on time, often due to external factors such as lockdowns or unavailability of materials, resulting in funds having to be returned to UK/Scottish Government. Officers will recommend projects with well-developed plans and an ability to deliver. Officers assessing proposals may be more cautious where the risk is significant.

Reputational damage	Non-compliance with funding requirements or unspent funds could damage relations with funding bodies or those delivering projects. To mitigate this risk, officers build positive relationships with organisations and make expectations (e.g. deadlines) explicit early on.
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Case study

Greyhope Bay Centre

This project was funded under the Place-based Investment programme 2020/21 and opened to the public on the 9th April 2022. The charity received an £80,000 grant toward the completion of a dolphin viewing centre, community/education space, and café at Torry Battery.



Works included the installation of walkways and decking, cladding, and roofing, internal joinery and bespoke furniture and fit of the kitchen.

A rainwater harvesting system and solar and battery power was also installed.

The project greatly reflects some place-based objectives.

- Carbon savings from the circular energy system
- Enhanced local well-being from access to green and coastal space
- Community involvement in the project development process



Please direct any External Funding queries to externalfunding@aberdeencity.gov.uk and see <https://www.aberdeencity.gov.uk/services/services-business/grant-funding-support> for updates.