

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	7 th December 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Place Based Investment Programme and UK Shared Prosperity Fund
REPORT NUMBER	COM/22/277
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Stuart Bews
TERMS OF REFERENCE	1.1.8, 1.1.11, 3.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to secure the Committee's approval for the allocation of grant funding from the Place Based Investment Programme (PBIP) Fund 2022/2023 and bids to the UK Shared Prosperity Fund 2022/25.

2. RECOMMENDATION(S)

That the Committee approves:-

Place Based Investment Programme 22/23

- 2.1 The award of up to £50,000 to the Ferryhill Railway Heritage Trust incorporating Ferryhill Men's Shed for the Restoration of historic Office Buildings and Water Tower project;
- 2.2 The award of up to £22,013 to the Fersands Fountain Community for the Nursery Garden Improvement Project with agreement to increase this up to the requested £33,000 should there be underspends in any of the previously approved projects;

UK Shared Prosperity Fund

- 2.3 The award of up to £70,000 to Aberdeen City Council Community Buildings Feasibility Studies project, subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- 2.4 The award of up to £101,000 to Aberdeen City Council ClimateOS software project, subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- 2.5 The award of up to £240,000 to Aberdeen City Council SPECTRA festival project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;

- 2.6 The award of up to £700,000 to Aberdeen City Council Tolbooth Museum Improvements and Structural Repairs project, subject to approval of a full business case by Finance and Resources Committee and subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- 2.7 The award of up to £40,000 to Aberdeen City Council - Aberdeen Archives, Gallery and Museum for Reimagining the Cowdray Hall feasibility project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- 2.8 The award of up to £90,000 to Aberdeen City Council - Aberdeen Archives, Gallery and Museum for Aberdeen Archives Centre feasibility project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government; and
- 2.9 The award of up to £150,000 to Aberdeen City Council – Aberdeen Archives, Gallery and Museum for Audience Evaluation & Acquisition feasibility project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government.

3. CURRENT SITUATION

- 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 £38 million this financial year to local government, of which £847,000 was allocated to Aberdeen City Council to be administered locally.
- 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 The Place Based Investment Programme has been launched following the closure of the Scottish Government Town Centre Fund, however the focus within The Place Based Investment Programme fund is targeted at the Place Principle. The Place Principle was adopted by Scottish Government and COSLA as a basis for collaborative working to ensure that future local investment is relevant to local communities and for the benefit of local people.

Bringing relevant services, enterprise, and communities together to make our towns and neighbourhoods more viable. The Place Based Investment Programme, alongside the developing Place Framework, aim to embed the Place Principle.

- 3.4 Under the five-year Programme Councils will receive an annual share of the fund of the following values: £38m in 2021/22, £33m in 2022/23, £23m in 2023/24, £23m in 2024/25 and £23m in 2025/26. For 2022/23 Aberdeen City Council received an allocation of £847,000.
- 3.5 Officers promoted remaining funds on the Aberdeen City Council website including an application form and supporting guidance documents. Two applications were received and are summarised within the table below. Further detail on each project is also provided within Appendix 1 to this report. All applications have been assessed by officers against the fund criteria. Where a project is proposed to be unsuccessful, or only partially successful in their grant request, the reasons are summarised within the officer review outcome column of table 1.

Table 1: Place Based Investment Fund.

Applicant	Project	Total Project Cost	Grant Requested	Officer Review Outcome	Grant Proposed to award from PBIP 22/23
Ferryhill Railway heritage Trust incorporating Ferryhill Mens Shed	Restoration of Historic Buildings and Water Tower	£265,000	£50,000	Recommended for approval – Project supports PBIP aims and objectives net zero, community involvement, tackling inequality and disadvantage and 20 minute neighbour hood	£50,000
Fersands Fountain Community	Nursery Garden	£93,000	£33,000	Recommended for approval – This project shows great fit with PBIP objectives tackling inequality and disadvantage, net zero and community involvement. Due to limited funds available this project is recommended	£22,013

Applicant	Project	Total Project Cost	Grant Requested	Officer Review Outcome	Grant Proposed to award from PBIP 22/23
	Improvement Project			to be partially funded.	
	Total	£1,558,000	£83,000		£72,013

- 3.6 The UK Government published the UK Shared Prosperity Fund prospectus on 13th April 2022 alongside indicative funding allocations for each Local Authority within the United Kingdom based upon a methodology calculation. Based on this methodology Aberdeen City shall receive an indicative allocation of up to £7,156,832 covering an initial three-year period covering 22/23, 23/24 and 24/25. This is made up of £1,235,919 for Multiply and £5,920,913 for the core UK Shared Prosperity Fund. The Multiply element of funding is ringfenced for adult numeracy skills provision.
- 3.7 The core UK Shared Prosperity Fund element can be used across three priority areas: Community and Place; Supporting Local business; People and Skills.
- 3.8 In order to access the funding, Aberdeen City Council developed and submitted Investment Plan on 1st of August 2022 following instruction from City Growth and Resources Committee in June 2022. The Investment Plan outlined the key priority areas for investment of the fund. Following submission of the Investment Plan it will be considered by the UK Government prior to subsequent approval before the end of 2022.
- 3.9 Upon approval of the Investment Plan there are three routes to spending the fund: 'Challenge Funds', 'Procurement' or 'in-house'. All spend will require Committee approval prior to commencement.
- 3.10 At this time applications are being sought under the Communities and Place priority only through a challenge fund route. Officers promoted the challenge fund on the Aberdeen City Council website including an application form and supporting guidance documents. Eight applications were received in the first round and are summarised within the table below. Further detail on each project

is also provided within Appendix 2 to this report. All applications have been assessed by officers against the fund criteria. Where a project is proposed to be unsuccessful, or only partially successful in their grant request, the reasons are summarised within the officer review outcome column of table 2.

3.11 It should be noted that this fund covers multiple years and therefore funding can be allocated over more than just a single year, as outlined in the table below.

Table 2: Shared Prosperity Fund

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
Aberdeen City Council	Community Buildings Feasibility Study	£70,000	£70,000	£0	£0	Recommended for approval. Strong links to various UKSPF interventions- feasibility study to improve community assets, support for energy efficiency and decarbonisation will help to improve sustainability of vital community facilities £70,000
Aberdeen City Council	ClimateOS software	£101,000	£101,000	£0	£0	Recommended for approval. Relevant to UKSPF interventions, most appropriate for local decarbonisation and energy transition goals. £101,000
Aberdeen City Council	SPECTRA Scotland's Festival of Light	£990,000	£70,000	£85,000	£85,000	Recommended for approval. Strong support of UKSPF interventions – creative activities and development and promotion

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
						of wider campaigns to encourage people to visit Aberdeen £240,000
Aberdeen City Council	Tolbooth Museum Improvements and Structural Repairs	£1,200,000	£100,000	£600,000	£0	Recommended for approval subject to committee approval of business case. Relevant links to supporting important local heritage project. £700,000
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Reimaging The Cowdray Hall - Feasibility Study	£40,000	£10,000	£30,000	£0	Recommended for approval. UKSPF various interventions supported by conducting feasibility study to further development of the cultural/heritage venue to be more useful and accessible. £40,000
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Aberdeen Archives Centre - Feasibility Study	£90,000	£10,000	£80,000	£0	Recommended for approval. Conducting feasibility study to improve and preserve Aberdeen and Aberdeenshire's archives to help safeguarding city's heritage. £90,000

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Audience Evaluation & Acquisition Feasibility Study	£150,000	£10,000	£70,000	£70,000	Recommended for approval. Clear support of UKSPF intervention to conduct feasibility study helping culture and heritage organisations understand their own audiences and inform planning and delivery of their services and programmes £150,000
Tillydrone Community Development Trust	Benholms Tower					Deferred till the next committee to ensure available route for compliance with Subsidy Control legislation coming into force from 4 th January 2023
	Total	£2,641,000	£371,000	£865,000	£155,000	£1,391,000

4. FINANCIAL IMPLICATIONS

4.1 The Council has been allocated £847,000 of Place Based Investment Programme in 2022/23 from the Scottish Government. Further funds will be allocated for 2023/24 in due course by the Scottish Government. Up to £774,987 was previously approved with options to allocate the remaining £72,013 being brought forward in this report, ensuring the full funding is committed.

- 4.2 The full £847,000 must be committed by 31st March 2023 and this is considered to be a commitment of expenditure which can be evidenced by a fully awarded contract or commencement of works. The eligible costs for which the grant can be used are capital costs incurred by the local authority or third parties which are in line with the main objectives of the fund. These costs must be additional to that which is already or would otherwise be allocated to the 2022/23 budget. The Place Based Investment Programme is therefore not a substitute for existing or committed spend. All projects recommended to receive funds have demonstrated that they can achieve this.
- 4.3 The Council has provisionally been allocated £7.1m of UK Shared Prosperity Funds (UKSPF) by UK Government over the next two and a half years. The Core UKSPF allocations are: £718,557 in 2022/2023, £1,437,115 in 2023/2024, £3,765,241 in 2024/2025. The “Multiply” priority, to improve people’s numeracy skills, has been allocated £1,235,919 over two and a half years.
- 4.4 The full £718,557 for 22/23 must be committed by 31st March 2023 and this is considered to be a commitment of expenditure which can be evidenced by a fully awarded contract or commencement of works. The eligible costs for which the grant can be used are capital or revenue costs incurred by the local authority or third parties which are in line with the main objectives of the fund.
- 4.5 It is essential that the projects from both programmes comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the Scottish Government or UK Government if conditions are not complied with.

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 will undertake Subsidy Control risk assessments for all external applicants.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

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?
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Strategic Risk	No risks identified	None	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	No risks identified	None	L	Yes
Financial	As per the grant conditions the money must be committed by the end of Financial Year 2022/23 for all Place Based Investment Programme Projects	Projects recommended to be awarded funding have demonstrated their ability to deliver within the required timescales within the application.	L	Yes
	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 to 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</u>	
	Impact of Report
Aberdeen City Council Policy Statement	All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies.

<u>Working in Partnership for Aberdeen</u>	<p>Work constructively with the Scottish Government to seek additional funding for Aberdeen.</p> <p>Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events.</p> <p>Seek to gain the maximum benefits for Aberdeen's people and businesses from the Scottish Government's £500 million Just Transition Fund and their £100 million Green Jobs Fund</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous People Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous Place Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 COM/21/176 External Funding report to City Growth And Resources Committee on 21st June 2022.
- 10.2 COM/22/205 Place Based Investment Programme report to City Growth and Resources Committee on 21st September 2022

11. APPENDICES

- 11.1 Appendix 1 – Place Based Investment Programme – Summary of applications received

11.2 Appendix 2 – UK Shared Prosperity Fund – Summary of applications received

12. REPORT AUTHOR CONTACT DETAILS

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