

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	1 st February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Place Based Investment Programme and UK Shared Prosperity Fund
REPORT NUMBER	COM/23/042
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 proposed allocation of grant funding from the Place Based Investment Programme (PBIP) Fund 2022/23 and 2023/24 and bids to the UK Shared Prosperity Fund 2022/25.

2. RECOMMENDATION(S)

That the Committee approves:-

Place Based Investment Programme 2022/23

- 2.1 The award of up to £75,000 to Camphill School Aberdeen for the Murtle Market project subject to previously allocated funds becoming available within the programme;

Place Based Investment Programme 2023/24

- 2.2 The award of up to £10,987 for Fersands and Fountain Community for the Nursery Garden Improvement Project, subject to confirmation from the Scottish Government of the Place Based Investment Programme grant for 2023/24;

- 2.3 The award of up to £75,000 to Camphill School Aberdeen for the Murtle Market project, if no prior allocated funds become available within the 2022/23 Place Based Investment Programme and subject to confirmation from the Scottish Government of the Place Based Investment Programme grant for 2023/24;

UK Shared Prosperity Fund

- 2.4 The award of up to £167,112 to Tillydrone Community Development Trust for the Benholms Tower Project, following the establishment of an appropriate Subsidy Control Scheme by Aberdeen City Council; and
- 2.5 The award of up to £79,506 to Greyhope Bay for the Phase 2 Feasibility Project.

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. This has been fully allocated following the Finance and Resources Committee meeting on 7th December 2022.
- 3.5 One new application from Camphill School Aberdeen was received prior to the closing date for this committee meeting and is summarised within the table below. The project, from Fersand and Fountain Community is recommended to be allocated funds from next year's Place Based Investment Fund allocation. The project was partially successful in 2022/23 where it was allocated the remaining £22,013 from the 2022/23 programme. The recommendation within this report is to allocate up to a further £10,987 from 2023/24 Programme to complete their funding request of £33,000. 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 and key points summarised within the Officer Review Outcome column of table 1 below.

Table 1: Place Based Investment Fund.

Applicant	Project	Total Project Cost	Grant Requested	Officer Review Outcome	Grant Proposed to award from PBIP
Fersands and Fountain Community	Nursery Garden Improvement Project	£93,000	£10,987	Recommended for approval – This project shows great fit with PBIP objectives tackling inequality and disadvantage, net zero and community involvement.	Up to £22,013 was allocated in December 2022 by Committee of the £33,000 requested due to the limited remaining funds. Propose to award up to £10,987 from the 2023/24 Programme
Camphill School Aberdeen	Murtle Market	£570,154	£75,000	The project demonstrates a strong fit with the fund criteria, has secured additional sources of match funding and positioned to begin works imminently following an award of grant	Up to £75,000. This will come from the 2022/23 Programme should funds become available (the fund is currently fully committed) otherwise the 2023/24 Programme
	Total	£663,154	£85,987		

- 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 2022/23, 2023/24 and 2024/25. 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 activity to enhance 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 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. The UK Government have since approved the Investment Plan in December 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. Two fully completed applications have been received in this round, with a further six having been returned due to either being incomplete, or requiring additional information to be considered for allocation of funding. Where applications have been returned, the applicant has been provided with detailed feedback around the additional information required and offered a meeting with the external funding team to discuss the feedback further.
- 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
Tillydrone Community Development Trust	Benholms Tower	£557,099	£0	£167,112	£0	To award up to £167,112 to the project. Demonstrated a strong link the objectives of the relevant fund interventions along with evidence of strong community engagement.
Greyhope Bay	Phase 2 Feasibility Project	£79,506	£0	£79,506	£0	To award up to £79,506. The proposal will see Greyhope Bay look to demonstrate the viability of their future plans and how they can be realised. The Feasibility shows a strong fit to the relevant fund interventions and will ensure close engagement with the community in designing future plans for the area.

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
	Total	£636,605	£0	£246,618	£0	

4. FINANCIAL IMPLICATIONS

- 4.1 The Council has been allocated £847,000 of Place Based Investment Programme in 2022/23 from the Scottish Government. Aberdeen City Council has an in-principle allocation of £590,000 for 2023/24. The full £847,000 for 2022/23 has now been allocated following the December Committee of Finance and Resources. Further options are presented in this report which would allow for a swift allocation of funds in the event any projects were to withdraw or have an underspend, rather than having to return the funds unspent to the Scottish Government.
- 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 2022/23, £1,437,115 in 2023/24, £3,765,241 in 2024/25. The “Multiply” priority, to improve people’s numeracy skills, has been allocated £1,235,919 over two and a half years.
- 4.4 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. Officers assess all bids in line with the published criteria and guidance on the Aberdeen City Council website. Applications which are incomplete or require further information will be returned to the applicant with feedback on the areas which require attention before being resubmitted.
- 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 applications.

5.3 To ensure compliance with the Subsidy Control Act 2022, officers are in the process of establishing a subsidy control scheme for both the Place Based Investment Fund and the UK Shared Prosperity Fund Communities and Place programme. Upon establishment of these schemes, all awards will then be uploaded to the UK Government's Subsidy control database and where required the transparency register. These records and the audit trails generated can be set out as internal guidance for future funding schemes, to ensure the Council is complying with the new Act.

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?
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	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</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	<p>All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies.</p> <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
- 10.3 COM/22/277 Place Based Investment Programme and UK Shared Prosperity Fund on 7th December 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
- 11.3 Appendix 3 – Place Based Investment Programme and UK shared Prosperity Fund – Funds awarded to date

12. REPORT AUTHOR CONTACT DETAILS

Name	Stuart Bews
Title	Team Leader – External Funding
Email Address	stbews@aberdeencity.gov.uk
Tel	+44 1224 069349