

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	29 th March 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Place Based Investment Programme
REPORT NUMBER	COM/23/096
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 2023/24.

2. RECOMMENDATION(S)

That the Committee:-

Place Based Investment Programme 2022/23

- 2.1 Notes the withdrawal of the commitment to the Woodside Gateway project which had been allocated £100,000;
- 2.2 Notes that in line with the Committee decision on 07/12/2022 an additional £10,987 was awarded to Fersands Fountain Community Project following consultation with Convener of Finance and Resources;
- 2.3 Approves an initial award of £90,994 to Aberdeen City Council for the Tolbooth Museum External Improvements and Structural Repairs project, and agrees that any funds which become available from previously approved PBIP 2022/23 projects, be re-allocated to this project;
- 2.4 Notes that any PBIP 2022/23 funds allocated to the Tolbooth project will reduce the value of UK Shared Prosperity Funds allocated to the project by the same value;
- 2.5 Agrees to transfer the allocation of £253,981 to Tillydrone Community Development Trust for the Benholms Gateway project from the 2022/23 programme to the 2023/24 programme;

Place Based Investment Programme 2023/24

- 2.6 Approves an award of up to £155,615 to Aberdeen City Council for The Street Design – Woodside Gateway project;
- 2.7 Rejects the application from Camphill School Aberdeen for the Murtle Market project; and
- 2.8 Rejects the application from Aberdeen Social Centre for the Aberdeen Alternative Arts Festival project.

3. CURRENT SITUATION

- 3.1 The 2020-21 Programme for the Scottish Government announced the creation of a PBIP with £275m of capital funding to support community led regeneration, town centre revitalisation, community wealth building and 20 minute neighbourhoods. It is a multi-annual capital fund with the Scottish Government distributing £38m 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 Fund are:
 - to link and align place-based initiatives and establish a coherent local framework to implement and embed 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 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.
- 3.4 Officers promoted the fund on the Aberdeen City Council website including an application form and supporting guidance documents. Four applications received are summarised within the tables 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 for 2022/23 projects and table 2 for 2023/24 projects.
- 3.5 The Woodside Gateway project has had its commitment withdrawn. The Invitation to Tender process returned a cost higher than initially anticipated. Due to timescales, it was not possible to source additional funding and sign off the contracts by 31 March 2023, a condition of the funding. A revised

application for this project has been received for 2023/24, which if approved, would allow the project to proceed.

- 3.6 A condition of the PBIP from the Scottish Government is that any uncommitted funds on 31 March 2023 will require to be returned to Scottish Government. To ensure full use of the funding is made, it is recommended that any funds which become available can be re-allocated to the Tolbooth project. The External Funding Team previously secured funds for the Tolbooth project from the UKSPF, and the intention is to reduce that allocation in line with any additional funds provided from PBIP. The total allocation of funding to Tolbooth project will remain the same.
- 3.7 An application was received from Camphill School for the Murtle Market project, summarised within Appendix (1), seeking £75,000 of capital grant funding. A business case was provided with the application and on review officers identified that if the capital award were to be approved there would be associated revenue implications for Aberdeen City Council which cannot be met from this fund. Officers sought clarification from Camphill who confirmed that the project would lead to the Council incurring additional revenue fees in 23/24 of £165,000 and in 24/25 of £207,000. In consultation with education service it has been agreed that the capital grant request should be recommended for rejection, whilst officers work with Camphill to identify alternative sources of revenue funding necessary to complete the funding package within the business case.
- 3.8 Tillydrone Community Development Trust are progressing their Benholm Gateway project, however there have been some delays. As instructed by Committee in December 2022 the Council has petitioned the court to seek authority for the disposal of this common good property to Tillydrone Community Development Trust and enable the community asset transfer to progress. The tender process is nearly complete and it may be possible to sign main works contracts by 31st March 2023, however it would be beneficial to allow more time and move the award from 2022/23 to 2023/24.

Table 1: Place Based Investment Programme 2022/23

Applicant	Project	Total Project Cost	Grant Requested	Officer Review Outcome	Grant Proposed to award from PBIP 22/23
ACC	Tolbooth Museum External Improvements and Structural Repairs	£1,360,000	£660,000	Recommended for approval – Project supports PBIP aims and objectives. Supports a historically significant building in the city centre creating jobs and supporting wellbeing	£90,994

Table 2: Place Based Investment Programme 2023/24

Applicant	Project	Total Project Cost	Grant Requested	Officer Review Outcome	Grant Proposed to award from PBIP 23/24
ACC	Street Design Project – Woodside Gateway project.	£155,615	£155,615	Recommended for approval – Projects supports PBIP objectives community involvement and ownership. Officers will seek to find external funding sources of funding to reduce the PBIF contribution	£155,615

Aberdeen Social Centre	Aberdeen Alternative Arts Festival	£12,000	£8,000	Reject – Project not eligible with PBIP criteria. PBIP can only fund capital costs. Officers will support Aberdeen Social Centre to find alternative sources of revenue funding.	£0
Camphill School Aberdeen	Murtle Market	£570,154	£75,000	Reject – due to revenue implications on ACC budget. If the capital ask of UKSPF was approved it would lead to unexpected 23/24 ACC revenue budget implication of £165,000, and 24/25 ACC revenue budget implication of £207,000 due to existing SLA's	£0

4. FINANCIAL IMPLICATIONS

- 4.1 The Council has been allocated £847,000 from the PBIP in 2022/23 by the Scottish Government. Appendix 2 provides a summary of the full allocation of funds to date by Committee.
- 4.2 The full £847,000 must be committed by 31st March 2023 (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.
- 4.3 It is essential that the projects from PBIP comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the Scottish Government.
- 4.4 Confirmation of the PBIP grant allocation for 2023/24 is still to be received, however based upon the agreed five year programme plan, it is expected to be £590,000.

5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require to be put in place between Aberdeen City Council and those external organisations which are awarded grant funding.
- 5.2 Officers will undertake Subsidy Control risk assessments for all external applicants, and ensure that any awards are made in compliance with the relevant legislation

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	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>	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
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 report to Finances and Resources Committee on 7th December 2022

11. APPENDICES

- 11.1 Appendix 1 – Place Based Investment Programme – Summary of applications received
- 11.2 Appendix 2 – Place Based Investment Programme 2022/23 Grant Allocations

12. REPORT AUTHOR CONTACT DETAILS

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