

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources Committee
<b>DATE</b>	5 July 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Union Street Empty Shops Grant Scheme
<b>REPORT NUMBER</b>	COM/23/192
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Jen Lawie
<b>TERMS OF REFERENCE</b>	1.1.15

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### 1. PURPOSE OF REPORT

- 1.1 To provide an overview of the Union Street Empty Shops Grant Scheme and seek delegated authority for relevant Chief Officers to make and approve grant awards.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the launch of the Union Street Empty Shops Grant Scheme, with objectives and conditions as detailed in the body of the report;
- 2.2 Approves the establishment of a Review Panel for the scheme; and
- 2.3 Delegates authority to the Chief Officer - City Growth and Chief Officer – Finance, in consultation with the Convenor of the Finance and Resources Committee, to approve grant awards **up to** a maximum amount of £35,000;

### 3. CURRENT SITUATION

- 3.1 In December 2022, Council approved the Union Street Empty Shops Action Plan. The Plan identified potential interventions within six themed Programme Areas to be led by various city centre stakeholders.
- 3.2 To support the delivery of the Union Street Empty Shops Action Plan, £500,000 from the Capital Programme has been allocated to a grant scheme which will enable reconfiguration of empty shops on Union Street for reoccupation. The scheme will run over two financial years 2023/24 and 2024/25.
- 3.3 The Union Street Empty Shops Grant Scheme has been developed following internal engagement with the Conservation Area Regeneration Scheme (CARS), External Funding team, Strategic Place Planning, Planning, Building

Standards, Estates, Climate and Sustainability, Finance and Legal Services. Additionally, external consultation was undertaken with Aberdeen Inspired, Our Union Street, Aberdeen City Heritage Trust, Federation of Small Business, Business Gateway and local commercial letting agents.

- 3.4 The core objectives of the Union Street Empty Shops Grant Scheme are:
- To reduce the number of vacant shops on Union Street by supporting eligible physical works to reconfigure the units for new uses – eg retail, cultural, hospitality or office space;
  - To leverage private investment in vacant shops on Union Street to bring them back into use; and
  - To support new business start-ups and entrepreneurs, and create new employment opportunities, by enabling the provision of suitable premises on Union Street.
- 3.5 Grant awards from the scheme will offer up to 50% of project's eligible costs. The scheme is limited to ground floor units, and eligible costs include capital investment related to internal reconfiguration only (eg. room partitioning, installation of kitchen and WC facilities, upgrade of utilities).
- 3.6 Applications will be accepted from property owners of vacant units where they have a new tenant secured on a favourable lease; or new tenants may apply directly, with the permission of the property owner. Details of the new tenancy venture will be requested. Ineligible new businesses include large national chains (ie. Tesco, Boots, Starbucks), betting shops, sex shops, pawn brokers, tanning salons, tobacconists and vape shops.
- 3.7 Applicants will be asked to demonstrate, where possible, how their intended project works strategically align with the Council's policies including the Union Street Empty Shops Action Plan, City Centre Masterplan, Net Zero Aberdeen Routemap and the Local Outcome Improvement Plan.
- 3.8 Applications will be scored against a matrix of essential, priority and additional assessment criteria. Priority and additional assessment criteria will ensure applications proposing project works which create new Fair Work opportunities; improve the Energy Performance rating of the unit; improve accessibility to the unit; and result in a reoccupation which aligns to Council policies, are prioritised thus maximising impact from the scheme.
- 3.9 Final approval decisions and award amounts up to a maximum of £35,000 will be determined by a Review Panel, with membership including the Chief Officer – City Growth and Chief Officer – Finance, and in consultation with the Convenor of this Committee. The Terms of Reference for the Review Panel can be found in Appendix 1.
- 3.10 A service update to the Committee detailing progress and spend to date under the Grant Scheme will be circulated at the end of the 2023/24 financial year.

#### **4. FINANCIAL IMPLICATIONS**

4.1 £250,000 has been allocated for 2023/24 and 2024/25 agreed at the Council's budget meeting in March 2023. All grants must be paid out by 31 March 2025, adhering to Public Pound Guidance.

## 5. LEGAL IMPLICATIONS

5.1 Grant Agreements will be required between Aberdeen City Council and the successful applicants allocated grant funding.

5.2 To ensure compliance with the Subsidy Control Act 2022, officers will establish a subsidy control scheme for the Union Street Empty Shops Grant Scheme on launch. All awards will be uploaded to the UK Government's Subsidy Control database and where required, the transparency register.

## 6. ENVIRONMENTAL IMPLICATIONS

6.1 While there are no direct environmental implications arising from the recommendations of this report, the Scheme itself may have a positive impact on the environment through providing financial support for building improvements which in many cases will be in line with EPC certificate recommendations.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Unsuccessful implementation and allocation of the Fund may negatively impact delivery of Union Street Empty Shops Action Plan and the CCMP.	Robust award criteria.  Continued internal and external engagement to ensure Fund is promoted and potential applicants identified.	L	Yes
<b>Compliance</b>	Non-compliance with grant conditions will require grant repayment.	Project Team, with support from Legal, will advise and monitor applicants as projects progress to ensure compliance.	L	Yes

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	Subsidy Control	To ensure all external grants allocated are compliant.	L	
<b>Operational</b>	Staff resource required to review and process applications and administer grants	Initial staff resource assigned and to be monitored during Year 1	L	Yes
<b>Financial</b>	Under-utilisation of funds within the project period	Continued internal and external engagement to ensure Fund is promoted and potential applicants identified.	L	Yes
<b>Reputational</b>	Risk of reputational damage if we are not seen to be delivering Union Street regeneration	Strong collaboration with Union Street stakeholders including Our Union Street and Aberdeen Inspired.	M	Yes
<b>Environment / Climate</b>	No risks identified	None	L	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN 2022-2023</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>  <u><a href="#">Working in Partnership for Aberdeen</a></u>	<p>The Scheme has the potential to contribute to delivery of:</p> <p>A Vibrant City</p> <ul style="list-style-type: none"> <li>Establish a task force to identify disused and derelict land and buildings and help bring them back into use, including investigating the purchase and conversion of upper floors along Union Street</li> </ul>

	<ul style="list-style-type: none"> <li>Investigate establishing an art hub where artists can create, display and sell their work</li> </ul> <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> <li>Support efforts to move towards a circular economy with the establishment of repair hubs, helping people to access the tools that allow them to repair or upcycle</li> </ul> <p>A Prosperous City</p> <ul style="list-style-type: none"> <li>Work with partners to expand the support available for new start-ups including investigating access to microfinance and affordable leases on workspaces for start-ups</li> </ul>
<a href="#">Aberdeen City Local Outcome Improvement Plan 2016-26</a>	
Prosperous Economy Stretch Outcomes	<p>The Scheme will contribute to the delivery of:</p> <ul style="list-style-type: none"> <li>Stretch Outcome 2 – 400 unemployed Aberdeen City residents supported into Fair Work by 2026, through reoccupation of vacant units by new businesses and subsequent job creation</li> </ul>
Prosperous Place Stretch Outcomes	<p>The Scheme may contribute to delivery of:</p> <ul style="list-style-type: none"> <li>Stretch Outcome 13 – addressing climate change by reducing Aberdeen’s carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate, through providing funding which may be utilised to make energy efficiency improvements to Union Street units.</li> </ul>

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Full impact assessment not required
<b>Data Protection Impact Assessment</b>	Required, complete
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

- 10.1 COM/22/287 Vacant Units on Union Street – Action Plan (Council, 14 December 2022, pages 491-526)

10.2 RES/23/085 General Fund Revenue Budget and Capital Programme – 2023/24 to 2027/28 (Council, 1 March 2023, pages 101-336)

## 11. APPENDICES

11.1 Appendix 1 - Union Street Empty Shops Grant Scheme Review Panel, Terms of Reference

## 12. REPORT AUTHOR CONTACT DETAILS

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