

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	5 July 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Local Authority Covid Economic Recovery Fund
REPORT NUMBER	COM/23/221
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 This report seeks approval from Committee to allocate unspent monies from the Local Authority Covid Economic Recovery Fund.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Awards up to £35,000 to the Enhanced Business Support/Community Wealth Building support project;
- 2.2 Awards up to £60,000 to undertake feasibility of a Community Bank/Micro Credit Scheme;
- 2.3 Awards up to £105,000 to the Aberdeen City Council Events project;
- 2.4 Awards up to £50,000 to Spectra; and
- 2.5 Delegates authority to Chief Officer - City Growth, following consultation with Convenor and Vice-Convenor of Finance and Resources Committee, Director of Commissioning and Director of Resources, to award LACER grants of up to £25,000 for remaining LACER funds.

3. CURRENT SITUATION

- 3.1 The Scottish Government made £80m of funding available across Scotland through the Local Authority Covid Economic Recovery Fund announced in February 2022. Using an existing settlement formula, £2,865,000 was allocated to the Council.

- 3.2 The Scottish Government published key principles for the allocation of the funding. These are summarised as:
- These funds can be used by Local Authorities on interventions that support local economic recovery and contribute to businesses being able to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building resilience.
 - These funds can be used by Local Authorities on projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts.
 - These funds can be used by Local Authorities to support the low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active.
- 3.3 At Committee on 21st June 2022 £1,924,440 was allocated towards Aberdeen Inspired Gift card project to provide support to targeted households receiving Council Tax reductions and enabling a significant cash injection to local businesses to increase customer confidence.
- 3.4 Households eligible for a gift card worth £125 had until 31st March 2023 to activate the gift card. 14,306 cards were issued with 12,366 being activated by 31st March 2023. The maximum spend for the project, including set up fees and distribution of cards, is £1,600,697 and therefore £323,743 has now become available for re-allocation within the original LACER principles.
- 3.5 The table below summarises proposals for awards of up to £250,000 of the remaining funds that contribute directly to the principles of the Fund. Appendix 1 to the report provides a summary of each proposal.

Proposal	Cost	Outcome	Recommendation
Enhanced business support/Community Wealth building support within regeneration areas. 1 FTE adviser for up to 12 months	£35,000	Business Support	Approve in full
Community bank/Micro-credit scheme feasibility study. To determine options/viability of a scheme that could be funded by Just Transition Fund and support people into self-employment. Possibility to extend this to support individuals with poverty issues (advice and/or financial support	£60,000	Business Support	Approve in full
Events Project: Events activation pack for UTG and Community use.	£105,000	Events/ Tourism	Approve in full
Spectra	£50,000	Events/Tourism	Approve in full

4. FINANCIAL IMPLICATIONS

- 4.1 The proposals in this report are all Aberdeen City Council projects and projects which would not be able to proceed without the allocation of LACER funding.
- 4.2 Spend should be incurred and defrayed within 23/24 financial year.

5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will be put in place where necessary.
- 5.2 Officers will ensure that all reporting requirements to the Scottish Government are met.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

- 7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

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?
Strategic Risk		No significant risk identified	L	Yes
Compliance	L	Grant Agreements with regular monitoring by Officers	L	Yes
Operational		No significant risk identified	L	Yes
Financial		Grant Agreements with regular monitoring by Officers. Approval of grant funding subject to Committee decision	L	Yes
Reputational		No significant risk identified	L	Yes

Environment / Climate		No significant risk identified	L	Yes
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8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	<p>The proposals within this report support the delivery of the following aspects of the policy statement themes:</p> <ul style="list-style-type: none"> • Supporting People with the Cost of Living • A Vibrant City • A Prosperous City • Empowering Aberdeen's Communities • A Transparent, Accessible and Accountable Council
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	500 Aberdeen City residents upskilled/reskilled to enable them to move into, within and between economic opportunities as they arise by 2026
Regional and City Strategies	<ul style="list-style-type: none"> • Regional Economic Strategy • Tourism Strategy • Culture Strategy

9. IMPACT ASSESSMENTS

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

10. BACKGROUND PAPERS

10.1 City Growth & Resources Committee, 21 June 2022 (COM/22/111)

11. APPENDICES

11.1 Appendix 1 – LACER Applications Summary

12. REPORT AUTHOR CONTACT DETAILS

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