

## REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 17 JUNE 2021

### RURAL PARTNERSHIPS CHALLENGE FUND

#### 1 Reason for Report/Summary

1.1 To seek approval for the proposed Rural Partnerships Challenge Fund.

#### 2 Recommendations

**The Committee is recommended to:**

**2.1 Consider and endorse the design and delivery of the Rural Partnerships Challenge Fund as set out in this report and Appendix 1;**

**2.2 Agree delegation to the Head of Service, Economic Development and Planning, to determine grant awards following consultation with the Chair, Vice-Chair and Opposition Spokesperson for Infrastructure Services Committee and the Chair and Vice Chair of the relevant Area Committee. Where grant awards are recommended for activity that covers multiple areas, all relevant Area Committee Chairs and Vice Chairs will be consulted and asked to consider the proposed awards; and**

**2.3 Agree that an update report on progress with the Rural Partnerships Challenge Fund and the agreed Service Level Agreements be brought back to this Committee in summer 2022.**

#### 3 Purpose and Decision-Making Route

3.1 At its Budget meeting on 17 March 2021 (Item 5), Aberdeenshire Council agreed to establish a £100,000 reserve to support Aberdeenshire's six rural partnerships with Covid recovery, community enterprise and resilience. The Economic Development Service was subsequently tasked with drawing up plans for this reserve budget, which is now referred to as the Rural Partnerships Challenge Fund (RPCF). Responsibility for decision making on Economic Development matters is reserved to Infrastructure Services Committee.

3.2 On 22 March 2021, the Garioch Partnership informed the Council that it did not wish to take up the Service Level Agreement that was proposed by the Council for each of the rural partnerships in the 2021-22 and 2022-23 financial years. This means that £22,500 per financial year will not now be awarded to the Garioch Partnership. The Challenge Fund budget has therefore been increased by £45,000, and now stands at £145,000.

## 4 Discussion

- 4.1 Guidance for the Rural Partnerships Challenge Fund has been drafted with input from Area Managers and lead officers within the Economic Development Service. It is included with this report as **Appendix 1**.
- 4.2 The guidance states that the £145,000 is a one-off fund and can be spent in the 2021-22 and 2022-23 financial years. A minimum grant amount of £10,000 is proposed with no maximum amount (up to the £145,000 available). Proposals for grant funding in excess of £30,000 will be expected to cover at least two rural partnership areas. Joint proposals across two or more areas will be encouraged.
- 4.3 Officers recommend that the fund is flexible and able to respond to local needs and opportunities, as identified by the rural partnerships themselves. The guidance suggests types of activity and outcomes which could be expected, but it will ultimately be for rural partnerships to set out why their proposals are locally relevant and the added value that they bring. Officers are particularly keen to consider proposals that explore business diversification and financial sustainability models for the rural partnerships, given that core funding from the Council is due to end in March 2023.
- 4.4 The Challenge Fund remains open to the Garioch Partnership, but it will also be possible for other rural partnerships to submit proposals that deliver in all or part of the Garioch area.
- 4.5 If approved, it is intended that the Rural Partnership Challenge Fund will be launched week commencing 21 June, with an application deadline of 3 September. If all of the available funding is not committed in the first round, it is proposed that a second round will be launched in spring 2022. Applications will be assessed by an Officer Panel consisting of representation from each of the six areas and the lead officers from the Economic Development Service. The Officer Panel will make recommendations on grant awards for approval in line with the proposals at 4.6.
- 4.6 Formal approval is sought for delegation to the Head of Service, Economic Development and Planning, to determine grant awards following consultation with the Chair, Vice Chair and Opposition Spokesperson for Infrastructure Services Committee and the Chair and Vice Chair of the relevant Area Committee. Where grant awards are recommended for activity that covers multiple areas, all relevant Area Committee Chairs and Vice Chairs will be consulted and asked to consider the proposed awards.

## 5 Council Priorities, Implications and Risk

- 5.1 This report helps deliver the Strategic Priority Health and Wellbeing within the Pillar Our People.

- 5.2 This report helps deliver the Strategic Priority Resilient Communities within the Pillar Our Environment
- 5.3 This report helps deliver the Strategic Priority Economy and Enterprise within the Pillar Our Economy.
- 5.4 This report helps deliver on the LOIP Priority – Tackling Poverty and Inequalities.
- 5.5 The table below shows whether risks and implications apply if the recommendations are agreed.

<b>Subject</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Financial		x	
Staffing		x	
Equalities		x	
Fairer Scotland Duty		x	
Town Centre First		x	
Sustainability		x	
Children and Young People's Rights and Wellbeing		x	

- 5.6 An equality impact assessment is not required because the proposed Challenge Fund is available to rural partnerships that cover all of Aberdeenshire and the general administration of the fund will not therefore have a differential impact on any of the protected characteristics. Rural partnerships will be asked to demonstrate how tackling poverty and inequalities has been built into their proposals.
- 5.7 There are no direct staffing/financial/sustainability implications and the Challenge Fund will be managed through existing staff resources within the Economic Development Service.
- 5.8 No risks have been identified as relevant to this matter on a Corporate Level.

## **6 Scheme of Governance**

- 6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

- 6.2 The Committee is able to consider and take a decision on this item in terms of Section F1.1 (b) of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to policy and resources matters for Economic Development.

**Alan Wood**  
**Director of Infrastructure Services**

Report prepared by Matt Lockley, Service Manager Economic Development  
2 June 2021

**List of Appendices**  
Appendix 1 – Rural Partnerships Challenge Fund 2021-22 Guidance Note

**ABERDEENSHIRE RURAL PARTNERSHIPS CHALLENGE FUND 2021-22****GUIDANCE NOTE****1 Background**

- 1.1 At its budget meeting in March 2021, Aberdeenshire Council agreed to create a £100,000 reserve budget as a Challenge Fund for rural partnerships, with a specific focus on Covid recovery to support community enterprise and resilience. The reserve budget has subsequently been augmented by the £45,000 that would have been awarded to the Garioch Partnership in 2021 and 2022 through the Council's pre-existing arrangements with rural partnerships, due to Garioch Partnership deciding not to take up this funding.
- 1.2 In total, therefore, £145,000 is available in the Rural Partnerships Challenge Fund (RPCF). The funding is available over the 2021-22 and 2022-23 financial years although it is anticipated that the bulk of activity and spend will be concluded by the end of 2022. There is no area ring-fence and the fund will be awarded on the basis of a competitive process.
- 1.3 The fund is a one-off and no assumptions should be made about any future financial allocations to rural partnerships. Caution is therefore advised in terms of projects or proposals that include ongoing revenue commitments.

**2 Objectives**

- 2.1 The main objectives of the RPCF are to:
  - Encourage rural partnerships to explore and design innovative business and operating models that support their future viability and sustainability. This could include consideration of asset-based models building on local best practice.
  - Encourage joint working across and amongst the rural partnerships, with a particular focus on scaling up and/or extending successful initiatives and exploring the scope for operational efficiencies.
  - Support the co-design of local economic development and community wealth building activity and pilot schemes, ensuring that these complement existing and forthcoming local place planning initiatives.

**3 Outcomes**

- 3.1 The Challenge Fund will not be prescriptive about outcomes but applications will be expected to demonstrate how activity will contribute towards Council policy drivers including inclusive economic growth, net zero, digital inclusion

and tackling poverty and inequalities. Indicative outcomes could include [not exhaustive and not in any particular order of priority]:

- Business diversification or new business creation/social enterprise development.
- Business plans and bids for external funding/grants secured to support the partnership's objectives and diversify income streams.
- Increased outcomes from existing projects (i.e. as a result of scaling up or extending delivery footprint).
- Improved digital skills and confidence – outcomes at either individual or organisational level.
- Increased local awareness of net zero priorities and in particular of the social enterprise opportunities that flow from net zero initiatives.

#### **4 Funding Levels**

- 4.1 As noted above, there is no area ring-fence or pre-agreed allocation for the Challenge Fund. Proposals will be assessed on merit, fit with objectives and impact and should be developed in consultation with the Council's Area Teams. Considerations such as leverage may also be taken into account.
- 4.2 It is anticipated that proposals will be able to demonstrate some leverage (non-Council cash or in-kind) although this will not be a formal requirement.
- 4.3 Minimum grant awards of £10,000. No maximum grant award (within the £145,000 envelope) but proposals requesting grant in excess of £30,000 will be expected to benefit at least two rural partnership areas.

#### **5 Bidding, Scoring and Decision-Making Process**

- 5.1 Application forms and further guidance (including details of scoring criteria) will be sent to Rural Partnerships week commencing 21 June 2021. The deadline for applications will be Friday 3 September 2021. Reid Hutchison, Community Economic Development Co-ordinator, will be the principal point of contact for any queries during the bidding window.
- 5.2 An officer group, chaired by the Service Manager Economic Development and involving relevant officers from Economic Development and Area Offices will consider applications received and score and moderate them in line with existing good practice (e.g. for the Crown Estate and Town Centre funds). Recommendations will be put forward to the Chair, Vice Chair and Opposition Spokesperson for Infrastructure Services Committee and Chair and Vice Chair of the appropriate Area Committee for consideration, with the Head of Service, Economic Development and Planning having delegated authority to determine grant awards.

- 5.3 In the event that cross-area proposals are forthcoming, Committee Chairs and Vice Chairs of all of the proposed areas of benefit will be consulted prior to determination.

## **6 Future Rounds**

- 6.1 In the event that the full £145,000 is not awarded in the first round, it is proposed that a second round would take place during the spring of 2022. The deadline for spend will remain March 2023.

## **7 Proposals for Garioch**

- 7.1 The Garioch Partnership will be able to submit applications for the Garioch area if it chooses to do so. Equally, other rural partnerships with the capacity to extend their proposals to cover all or part of the Garioch area will be able to do so.