

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 th March 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	UK Shared Prosperity Fund
REPORT NUMBER	COM/24/075
DIRECTOR	Gale Beattie
CHIEF OFFICER	Julie Richards-Wood
REPORT AUTHOR	Laura Paterson
TERMS OF REFERENCE	1.1.8, 1.1.11 & 3.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee's approval for the proposed allocation of grant funding of the UK Shared Prosperity Fund (UKSPF).

2. RECOMMENDATION(S)

That the Committee:-

UKSPF Communities & Place

- 2.1 Awards up to £60,000 to Aberdeen Council of Voluntary Organisations LTD (ACVO) for Aberdeen Third Sector Hub feasibility Study;
- 2.2 Awards up to £99,200 to Aberdeen City Council for the Tall Ships Races Aberdeen 2025 Culture Programme 24/25;
- 2.3 Awards up to £26,447 to Growing2gether for the Strengthening Communities by Building Local Skills, Wellbeing and Resilience project;
- 2.4 Awards up to £63,000 to Look Again in partnership with Culture Aberdeen and northeast based freelancers for the Aberdeen Independents project;
- 2.5 Awards up to £37,000 to Soundfestival for the Soundcommunities project;
- 2.6 Awards up to £45,228 to St Georges Community Centre for the Saint Georges Community Centre project;
- 2.7 Awards up to £108,000 to the Port of Aberdeen Trust Port to support Tall Ships Community Promotion, which includes volunteer recruitment and engaging young people with sail traineeships;
- 2.8 Awards up to £116,777 to Avenue for Mental Health and Relationship Support for Families and Individuals in Aberdeen;

UKSPF Local Business Support

- 2.9 Awards up to £562,680 to Aberdeen City Council to enable delivery of Business Start-up grants;
- 2.10 Award up to £45,000 to Aberdeen City Council for the Aberdeen Renewable Energy Groups (AREG)'s Enhancing Offshore Wind Renewables through Digital Innovation project;
- 2.11 Instructs the Chief Officer – City Development and Regeneration to develop applications within Local Business Support which will deliver priority activities for approval by Finance and Resources Committee on 8th May 2024;

UKSPF Multiply

- 2.12 Awards up to £827,773.44 to ABZ Works for the Core Numeracy Project; and
- 2.13 Approves up to £133,885.36 of revenue funding from the Local Business Support, People & Skills and Multiply strands only be retained by Aberdeen City Council, as per UKSPF regulations which details that 4% of revenue funds can be retained by Local Authorities to ensure robust delivery and monitoring of the UKSPF Programme.

3. CURRENT SITUATION

- 3.1 The UK Government published the UK Shared Prosperity Fund prospectus on 13 April 2022 alongside indicative funding allocations for each Local Authority within the United Kingdom. The Aberdeen City Council area received an indicative allocation of up to £7,156,832 for 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.
- 3.2 The core UKSPF element can be used across three priority areas: Community and Place; Supporting Local business; and People and Skills.
- 3.3 In order to access the funding, Aberdeen City Council developed and submitted an Investment Plan to the UK Government in August 2022. The Investment Plan outlined the key priority areas for investment. It was approved in December 2022 and is available on the Council's UKSPF Website [UK Shared Prosperity Fund | Aberdeen City Council](#).
- 3.4 As approved within the Investment Plan, there are three routes to allocate the funding: ‘Challenge Funds’; ‘Procurement’; or ‘in-house’. The proposed expenditure requires Committee approval.
- 3.5 Applications are being sought under the Communities and Place priority through a ‘challenge fund route’. Eight complete applications are presented to Committee for consideration, outlined in Table 1 and summarised within

Appendix 1. Where applications have been returned, the applicant has been provided with detailed feedback around the additional information required and offered a meeting with officers to discuss the feedback further.

- 3.6 As approved within the Investment Plan, there is a minimum capital investment required within the Communities and Place strand. There is £384,616 which has to support capital investment in the final year of the UKSPF Programme, as per the UKSPF Investment Plan which was previously agreed at Committee. Subsequently, the eighth round of the Communities and Place priority was open for capital projects only.
- 3.7 Applications are also being developed under the Local Business Support priority through an ‘in-house’ or ‘procurement’ route. Officers engaged with the City Development service which is seeking funding for projects which align with the interventions of the fund. External organisations including the Federation of Small Businesses, Scottish Enterprise, ONE, Elevator, the current Business Gateway provider, Aberdeenshire Voluntary Action and ACVO have been consulted with to understand the current needs of their customers/members and ensure that these applications support key priorities of the local business sector. Two applications are presented to Committee for consideration, outlined within Table 2 and summarised within Appendix 1.
- 3.8 Applications are currently being developed by officers for future rounds of Local Business Support and People and Skills priorities to ensure that all funds are allocated within a timeframe which will enable project delivery prior to March 31st 2025. These projects support priority activities and include a Pop-Up Shop scheme, net zero & energy support for local businesses, support for cultural organisations and an internship programme.
- 3.9 Applications have been developed under the Multiply strand under an ‘in-house’ or ‘procured’ route with ABZWorks, following discussions with the Local Employability Partnership (LEP). The LEP consists of organisations including Skills Development Scotland, Business Gateway, NESCol and NHS Grampian. It was agreed that a mix of commissioned activities through the employability services procurement framework, alongside grants to community organisations which can attract harder to reach groups and agencies which can support with financial advice and support, would enable a broad and positive spread of activities, which would also, where appropriate, create an early stage pipeline to employability services.

Table 1: UK Shared Prosperity Fund

Communities and Place - Applications for consideration

Project	Beneficiary	Total Project Cost	Total UKSPF revenue request for Round 7	Officer Review Outcome and Proposed Award
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Aberdeen Third Sector Hub Feasibility Study (ACVO)	Third sector organisations in Aberdeen City and the community accessing the services.	£60,000.00	£60,000.00	Approves up to £60,000. Project aligns well with UKSPF objectives and supports Aberdeen's Third Sector.
Tall Ships Races Aberdeen 2025 Culture Programme 24/25 (Aberdeen City Council)	The Aberdeen community and tourists visiting the area.	£236,200.00	£99,200.00	Approves up to £86,200. Project supports UKSPF interventions through support of culture in the city as well as promoting the area and upcoming events.
Strengthening Communities by Building Local skills, Wellbeing and Resilience (Growing2gether)	Hard to reach young people from regenerations areas.	£30,847.00	£26,447.00	Approves up to £26,447. Project is a good fit with UKSPF interventions by supporting young people's wellbeing, community connections and education.
Aberdeen Independents (Look Again)	Freelancers in Aberdeen's creative sector.	£63,000.00	£63,000.00	Approves up to £63,000. Project supports UKSPF interventions by enhancing accessibility to Aberdeen's distinctive cultural practices.
Soundcommunities (Soundfestival)	Emerging composers, local young musicians and composers, and local music groups.	£71,940.00	£37,000.00	Approves up to £37,000. Project aligns well with UKSPF intervention and supports a wide range of musical individuals.
Start-up (St Georges Community Centre)	The community of Tillydrone	£45,228.00	£45,228.00	Approves up to £45,228. Project links well to communities and place

				through supporting people in an area of multiple deprivation.
Tall Ships Promotional Campaign (Port of Aberdeen Trust)	Young people, local communities & businesses	£284,000.00	£108,000.00	Approves up to £108,000. Links to LOIP and UKSPF priorities
Mental Health and Relationship Support for Families and Individuals in Aberdeen (Avenue)	Young people, families, individuals	£204,966.00	£116,777.00	Approves up to £116,777. Strong links to LOIP and UKSPF.
TOTAL		£996,181.00	£555,652.00	

Table 2. Local Business Support – Applications for consideration

Project	Beneficiary	Total Project Cost	Grant Request 2024/25	Officer Review Outcome and Proposed Award
Business Start-up grants	New and existing SMEs (Those that have registered a new business since 1 January 2024 will be eligible to apply)	£562,680	£562,680	Aligns with UKSPF priorities and LOIP outcomes.
AREG – Enhancing Offshore Wind Renewables through Digital Innovation	Local technology innovators; renewable sector supply chain	£90,000	£45,000	Aligns with UKSPF priorities.
Total		£652,680	£607,680	

Table 3. Multiply – Applications for consideration

Project	Beneficiary	Total Project Cost	Grant Request 2024/25	Officer Review Outcome and Proposed Award
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ABZ Works' Core Numeracy Project	Individuals aged 18+	£827,773.44	£827,773.44	Approves up to £827,773.44. Aligns with UKSPF priorities and LOIP outcomes.
Total		£827,773.44	£827,773.44	

4. FINANCIAL IMPLICATIONS

- 4.1 The UK Government allocated £7,156,831 to the Council to support projects until 31st March 2025 through UKSPF. A full list of approved applications to date are available to view on the Aberdeen City Council webpage.
- 4.2 The total amount of the Communities and Place funding allocated for this round is £555,652. Of this funding: £456,452 is being awarded to external organisations; and £99,200 is awarded to Aberdeen City Council to support a year long cultural and events programme. This equates to more than 80% of funding being allocated to external organisations.
- 4.3 The total amount of the Local Business Support funding allocated for this round is £607,680. If approved there will be £426,788.80 to be allocated prior to March 31st 2025.
- 4.4 The total amount of Multiply funding allocated is £827,773.44. If approved, the grant award within the Multiply priority will have been fully allocated to enable project delivery prior to March 31st 2025.

Table 4: Allocated Spend

Priority	Allocated Budget	Project spend allocated to date	Total recommended in this report	Management Costs (4%)	Total remaining – pending report approval
Communities & Place	£3,809,693.00	£2,784,235.82	£555,652.00	-	£469,805.18
Local Business Support	£1,256,220.00	£189,850.00	£607,680.00	£31,901.20	£426,788.80
Multiply	£862,264.00	£0	£827,773.44	£34,490.56	£0

- 4.5 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 Council's 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.

4.6 It is essential that the projects comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the UK Government if conditions are not complied with.

4.7 The UK Government has established guidance that local authorities can use up to 4% of the allocated revenue funding to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. It is recommended that the External Funding Team retain 4% of total revenue allocations from the Local Business Support, People and Skills and Multiply strands to ensure robust delivery and monitoring of the UKSPF allocations. This could be up to £133,885.36 if the funds are fully allocated as outlined in Table 4.

4.8 **Table 4: Management Budget Allocation**

Strand	Total Approved Budget	Management Costs (4%)
Local Business Support	£1,256,220.00	£50,248.80
People and Skills	£1,228,650.00	£49,146.00
Multiply	£862,264.00	£34,490.56
TOTAL	£3,314,138.00	£133,885.36

4.9 The UK Government announced a threshold approach to carrying forward any unallocated funds to 24/25 in November 2023. As it currently stands, the Council have an underspend of 26.3% over the whole programme for Year 1 and Year 2. Under this threshold-based approach, the Council can access all of the Year 3 allocation. An initial payment for Year 3 will be determined by previous spend over the first two years of the Fund. Subsequently, the Council will be paid 70% of Year 3 allocation at the beginning of financial year 24/25 with the remainder paid at the end of financial year 24/25. The Council will be expected to repay any underspend remaining as of March 31st 2025.

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 established a subsidy control scheme for the UK Shared Prosperity Fund Communities and Place programme. Upon establishment of this scheme, all awards will then be uploaded to the UK Government's Subsidy control database and where required the transparency register.

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	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 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

COUNCIL DELIVERY PLAN	
	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, and these were assessed by officers to ensure clear links.
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	New Integrated Impact Assessment has been completed
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/22/277 Place Based Investment Programme and UK Shared Prosperity Fund on 7th December 2022

11. APPENDICES

- 11.1 Appendix 1 – UK Shared Prosperity Fund – Summary of applications received

12. REPORT AUTHOR CONTACT DETAILS

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