

## ABERDEEN CITY COUNCIL

---

<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	08 May 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	UK Shared Prosperity Fund
<b>REPORT NUMBER</b>	CR&E/24/127
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Julie Wood
<b>REPORT AUTHOR</b>	Laura Paterson
<b>TERMS OF REFERENCE</b>	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 £91,078.58 to Aberdeen Performing Arts for the Repointing and Exterior Restorations at His Majesty's Theatre project;
- 2.2 Awards up to £85,000 to Aberdeen City Council for Phase 2 of the Denis Law Trail, subject to final business case;
- 2.3 Awards up to £75,000 to Belmont Community Cinema for the Belmont Community Cinema project;
- 2.4 Awards up to £14,391.60 to Cairncry Community Centre for the Community Café Refurbishment project;
- 2.5 Awards up to £100,000 to Granite City Taekwondo for the Tillydrone Community Centre Upgrades project, on the condition that they receive permissions from ACC by 1<sup>st</sup> July 2024;
- 2.6 Awards up to £99,945 to SHMU for the Redevelopment to Station House project, on the condition of confirmation of match funding;
- 2.7 Notes that an additional 7 applications were received for the Communities and Place priority totalling £944,431.00 which were not recommended for approval;

- 2.8 Notes that if the above are approved then the Communities and Place priority is now fully allocated; and, as such
- 2.9 Approves that any underspend which are returned from projects be reallocated to any other previously approved project supported by the UK Shared Prosperity Fund within the same priority, which may require additional resources, following consultation with the Convener and Vice Convener of the Finance & Resources Committee.

#### UKSPF Local Business Support

- 2.10 Awards up to £40,000 to Aberdeen City Council for the Culture Aberdeen Network Coordination Service;

#### UKSPF People & Skills

- 2.11 Awards up to £161,970 to ABZWorks for the Startup Accelerator Programme Project in partnership with Robert Gordon's University;
- 2.12 Awards up to £133,887 to ABZWorks for the Sparking Change: Aberdeen Project in partnership with Aberdeen University;
- 2.13 Notes that if the above are approved then the People and Skills priority is now fully allocated; and, as such
- 2.14 Approves that any underspend which are returned from projects be reallocated to any other previously approved project supported by the UK Shared Prosperity Fund within the same priority, which may require additional resources, following consultation with the Convener and Vice Convener of the Finance & Resources Committee.

### **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'. Six 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. The reasons the applications were not brought forward are: 3 due to concerns over timescales of delivery, 3 due to insufficient details in report;1 due to not aligning with the funds priorities.
- 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. One application is 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 priorities to ensure that all funds are allocated within a timeframe which will enable project delivery prior to March 31<sup>st</sup> 2025. These projects support priority activities and include a Pop-Up Shop scheme and net zero & energy support for local businesses.
- 3.9 Applications have been developed under the People and Skills 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. Two applications are presented in this report: One developed with partners from the existing LEP framework; and an in-house project which will benefit economically inactive people.

**Table 1: Communities and Place - Applications for consideration**

Project	Beneficiary	Total Project Cost	Total UKSPF capital request for Round 8	Officer Review Outcome and Proposed Award
---------	-------------	--------------------	---	---

<p>Aberdeen Performing Arts - Repointing and Exterior Restorations at his Majesty's Theatre</p>	<p>General public who use the theatre.</p>	<p>£271,007.17</p>	<p>£91,078.58</p>	<p>Awards up to £91,078.58 to Aberdeen Performing Arts. Project is a good fit with UKSPF interventions through regeneration of a much-loved community facility in the centre of Aberdeen.</p>
<p>Aberdeen City Council – Phase 2 of the Denis Law Trail</p>	<p>Local artists and Printfield Community</p>	<p>£200,000.00</p>	<p>£85,000.00</p>	<p>Awards up to £85,000 to Aberdeen City Council, subject to final business case. Projects aligns to UKSPF priorities through creation of cultural asset.</p>
<p>Belmont Community Cinema – Belmont Community Cinema</p>	<p>Benefitting the community of Aberdeen and visitors to the city.</p>	<p>£75,000.00</p>	<p>£75,000.00</p>	<p>Awards up to £75,000 to the Belmont Community Cinema. Project aligns well to UKSPF interventions by supporting the redevelopment of a much-loved cinema in the city centre.</p>
<p>Caincry Community Centre - Community café Refurbishment.</p>	<p>Supporting the people in one of Aberdeen's most deprived areas.</p>	<p>£14,391.60</p>	<p>£14,391.60</p>	<p>Awards up to £14,391.60 to Caincry Community Centre. Project is low risk and has high benefit for the community in a regeneration area and has</p>

				strong links to LOIP.
Granite City Taekwondo - Tillydrone Community Centre Upgrades	The community in the Tillydrone area.	£150,000.00	£100,000.00	Awards up to £100,000 to Granite City Taekwondo on the condition they receive permission from ACC. Project aligns well to UKSPF by supporting net zero transformation of a community facility in a regeneration area.
SHMU - Redevelopment of Station House	Benefitting people from all over the city.	£370,703.00	£99,945.00	Awards up to £99,945 to SMHU. Project aligns well to UKSPF interventions.
<b>TOTAL</b>		<b>£1,081,101.77</b>	<b>£465,415.18</b>	

**Table 2. Local Business Support – Applications for consideration**

<b>Project</b>	<b>Beneficiary</b>	<b>Total Project Cost</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
Aberdeen City Council – Culture Aberdeen Network Coordination Service	Creative industry businesses in the city.	£45,544.00	£40,000.00	Awards up to £40,000 to support Coordinator post. Well aligned with the UKSPF priorities to support new and existing

				businesses and start ups, contributing to the local economy growth.
<b>TOTAL</b>		<b>£45,544.00</b>	<b>£40,000.00</b>	

**Table 3. People and Skills – Applications for consideration**

<b>Project</b>	<b>Beneficiary</b>	<b>Total Project Cost</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
ABZWorks – Startup Accelerator Programme in partnership with Robert Gordon’s University	Students and entrepreneurs	£161,970.00	£161,970.00	Award of up to £161,970 to Startup Accelerator Programme. Project fits well with UKSPF priorities in particular intervention S41 which supports new partnership and project-based entrepreneurial learning between business and education to develop a culture that celebrates entrepreneurship.
ABZWorks – Sparking Change: Aberdeen in partnership with Aberdeen University	Students and entrepreneurs	£133,887.00	£133,887.00	Award of up to £133,887 to the Sparking Change: Aberdeen pilot. Project fits well with UKSPF priorities in particular intervention S41

				which supports new partnership and project-based entrepreneurial learning between business and education to develop a culture that celebrates entrepreneurship.
<b>Total</b>		<b>£295,857.00</b>	<b>£295,857.00</b>	

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The UK Government allocated £7,156,831 to the Council to support projects until 31<sup>st</sup> 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 £465,415.18. Of this funding: £380,415.18 is being awarded to external organisations; and £85,000 is awarded to Aberdeen City Council. This equates to more than 80% of funding being allocated to external organisations. If approved, there will be £0 to allocate within the Communities and Place priority prior to March 31<sup>st</sup> 2025.
- 4.3 The total amount of the Local Business Support funding allocated for this round is £40,000. If approved there will be £284,441 to be allocated within the Local Business Support priority prior to March 31<sup>st</sup> 2025.
- 4.4 The total amount of People and Skills funding allocated for this round is £295,857. If approved there will be £0 to be allocated within the People and Skills priority prior to March 31<sup>st</sup> 2025.
- 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 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 31<sup>st</sup> 2025.

## 5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will be required 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?
<b>Strategic Risk</b>	No risks identified	None	L	Yes
<b>Compliance</b>	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



<b>Operational</b>	No risks identified	None	L	Yes
<b>Financial</b>	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
<b>Reputational</b>	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
<b>Environment / Climate</b>	No risks identified	None	L	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	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.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
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

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	New Integrated Impact Assessment has been completed
<b>Data Protection Impact Assessment</b>	Not required

<b>Other</b>	Not required
--------------	--------------

## **10. BACKGROUND PAPERS**

- 10.1 COM/21/176 External Funding report to City Growth And Resources Committee on 21<sup>st</sup> June 2022
- 10.2 COM/22/277 Place Based Investment Programme and UK Shared Prosperity Fund on 7<sup>th</sup> December 2022

## **11. APPENDICES**

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

## **12. REPORT AUTHOR CONTACT DETAILS**

<b>Name</b>	Laura Paterson
<b>Title</b>	Interim Team Leader – External Funding
<b>Email Address</b>	<a href="mailto:LaPaterson@aberdeencity.gov.uk">LaPaterson@aberdeencity.gov.uk</a>
<b>Tel</b>	+44 1224 067082