

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	07 August 2024
EXEMPT	The report is public but Appendix 2 is exempt under Paragraph 6 of the Act
CONFIDENTIAL	No
REPORT TITLE	UK Shared Prosperity Fund
REPORT NUMBER	CR&E/24/216
DIRECTOR	Gale Beattie
CHIEF OFFICER	Julie 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 for the Local Business Support priority of the UK Shared Prosperity Fund (UKSPF) and provide an update on all UKSPF projects funded to date.

2. RECOMMENDATION(S)

That the Committee:-

UKSPF Local Business Support

- 2.1 Notes that Committee have previously approved an in-house or procured delivery model for the Local Business Support strand, as outlined in 3.3, and subsequently;
- 2.2 Awards up to £137,592 to Aberdeen City Council for delivering the Energy Pilot Project in partnership with SCARF;
- 2.3 Awards up to £40,000 to Aberdeen City Council for the Learning Journey Support for SMEs in Tourism, Digital Tech and Food and Drink project;
- 2.4 Awards up to £48,740 to Aberdeen City Council for AI Upskilling for SMEs project;
- 2.5 Awards up to £55,000 to Aberdeen City Council for the Tall Ships Creative Makers Programme;
- 2.6 Awards up to £100,000 to Aberdeen City Council to deliver the Vibrant & Sustainable City Centre Pilot; and

- 2.7 Approves that any underspend 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;

UK Shared Prosperity Fund Update

- 2.8 Notes that should the recommendations above be approved the full amount of £7.15m from the UK Shared Prosperity Fund is now fully allocated; and
- 2.9 Notes an update on all approved UK Shared Prosperity Fund projects to date.

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 £7,156,831 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; Local Business Support; 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 Local Business Support priority through ‘Procurement’ and ‘In-house’ routes. Five internal complete applications are presented to the Committee for consideration, outlined in Table 1 and summarised within Appendix 1. Applications have been developed by the City Development and Regeneration Service, in consultation with SCARF, VisitAberdeenshire, ONETech Hub and ONE Food and Drink, to maximise the impact of the fund on the current city’s priorities.

Table 1. Local Business Support – Applications for consideration

Project	Beneficiary	Total Project Cost	Grant Request 2024/25	Officer Review Outcome and Proposed Award

Aberdeen City Council/SCARF – Energy Pilot	Small and Medium Enterprises	£137,592	£137,592	Award up to £137,592 to Aberdeen City Council. Project aligns with UKSPF priorities, through support for decarbonisation and climate adaptation.
Aberdeen City Council - Learning Journey Support for SMEs in Tourism, Digital Tech and Food and Drink project	Small and Medium Enterprises	£40,000	£40,000	Award up to £40,000 to Aberdeen City Council. The project aligns with UKSPF priorities by supporting the development of SMEs and enabling their growth.
Aberdeen City Council - AI Upskilling for SMEs project	Small and Medium Enterprises	£48,740	£48,740	Award up to £48,740 to Aberdeen City Council. The project aligns with UKSPF priorities by strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development.
Aberdeen City Council – Tall Ships Creative Makers programme	Small businesses and young entrepreneurs	£57,000	£55,000	Award up to £55,000 to Aberdeen City Council. The project aligns with UKSPF priorities by strengthening local

				entrepreneurial ecosystems and supporting businesses at all stages of their development.
Aberdeen City Council – Vibrant & Sustainable City Centre Pilot	Small and Medium Enterprises	£100,000	£100,000	Award up to £100,000 to Aberdeen City Council. This project aligns with UKSPF priorities by supporting SMEs at all stages of their development.
TOTAL		£383,332	£381,332	

UK Shared Prosperity Fund Update

- 3.6 Prior to this Committee a total of £6,641,609 of the £7,156,831 UK Shared Prosperity Fund has been allocated to projects.

Table 2. UK Shared Prosperity Fund Allocations to Date

Priority	Number of Projects	Total amount allocated from UKSPF	Total project investment (inc. match funding)
Communities & Place	40	£3,809,693.00	£6,889,916.60
Local Business Support	5	£824,639.00	£875,183.00
People and Skills	9	£1,179,504.00	TBC
Multiply	1	£827,773.00	£0

- 3.7 An update on all UKSPF funded projects is included in Appendix 2.

- 3.8 Notable outputs from the UK Shared Prosperity Fund include:

- From April 2023 to May 2024 Aberdeen Science Centre have engaged with 1447 children and 1211 adults through the Community Engagement Project in Aberdeen. These participants have been from a diverse range of backgrounds including areas of multiple deprivation, low-income

households, care homes, adults' support groups and additional support needs groups;

- Based on the feasibility report for Danestone Community Centre, upgrades have been approved by the Capital Board and will be delivered utilising developer obligation funds;
- Absafe has provided educational sessions to 43 groups, reaching over 1290 young people. All attendees have given positive feedback, with an average knowledge improvement of 79%. Additionally, 95% stated that they learned something that could potentially save their life, and 92% said they learned something that could potentially save someone else's life.

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 Funding for the Communities and Place, People and Skills, and Multiply priorities has been fully allocated.
- 4.3 The total amount of the Local Business Support funding proposed for this round is £381,332. If approved the Local Business Support priority funding will be fully allocated.
- 4.4 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.
- 4.5 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.
- 4.6 The UK Government announced a threshold approach to carrying forward any unallocated funds to 24/25 in November 2023. An initial payment for Year 3 has been determined by previous spend over the first two years of the Fund. The end of year report was submitted to UKSPF in May 2024 and was subsequently approved. The Council will be paid 70% of Year 3 allocation on the 5th July 2024 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 Direct awards from these approvals are delivered through an In-House or Procured route. Any grants subsequently awarded from projects following approval at this committee will be issued grant agreements and have to comply with Following the Public Pound procedures, including subsidy control assessment.

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

<u>COUNCIL DELIVERY PLAN</u>	
	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
- 11.2 Appendix 2 – UK Shared Prosperity Fund – Update on all approved projects.

12. REPORT AUTHOR CONTACT DETAILS

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