

## **Appendix 1 - UK Shared Prosperity Fund – Application Summary**

\*These are extracts from the applications to provide additional information to Committee.

### **Local Business Support**

#### **Aberdeen City Council – Energy Pilot**

The Energy Pilot is an initiative supporting the Net Zero Aberdeen Routemap and the Local Outcome Improvement Plan, aiming to transition Aberdeen to a net-zero carbon city by 2045 and enabling businesses to reduce greenhouse gas emissions. This aligns with the city's broader strategy to cut emissions across all sectors and promote a culture of sustainability within the companies.

The scheme is designed for small and medium-sized enterprises (SMEs) to co-finance energy and carbon-saving upgrades and support their efforts to achieve Net Zero targets. By supporting energy efficiency projects, this scheme helps to reduce energy consumption, directly lowering carbon emissions. This includes upgrading energy-efficient equipment, installing insulation, and adopting renewable energy sources.

The program would also address ongoing cost-of-living and energy price crises. A non-repayable grant of up to £10,000 will cover up to 50% of the project's total cost. This financial support is crucial for small businesses that might otherwise lack the resources to make significant energy efficiency upgrades.

Projects can include anything that helps businesses reduce their energy bills and make progress toward achieving net zero carbon emissions. Proposed eligible activities including improvements to building fabric and equipment such as:

- Upgrading the efficiency of heating, ventilation, and air condition
- Improving insulation, draught-proofing, or installing new doors, or double/triple glazing windows
- Installing LED lighting
- Improving the energy efficiency of business equipment or machinery
- Renewable heat technologies such as installing an air source heat pump, ground source heat pump or biomass boiler

After consulting with the ACC Energy Manager, it was determined that the best approach to promoting energy efficiency would be to focus on smaller, more affordable improvements. This strategy would allow us to reach a larger number of businesses. More significant investments, such as solar panels, would require various permissions and could be more time-consuming to complete.

The ACC officers will collaborate closely with SCARF to ensure the successful implementation of the scheme. SCARF is a charity/social enterprise delivering a range of services to householders, communities, and businesses throughout the North-East.

For over 35 years they have been offering free and impartial energy-saving advice to help people lower their fuel bills and carbon emissions. They work in close partnership with local and national governments and other third-sector organisations to help reach those in need of our services. They have extensive experience in delivering similar schemes.

## **Learning Journey Support for SMEs in Tourism, Digital Tech and Food and Drink**

This proposal is for UK Shared Prosperity Funding for one-off grant awards to SMEs from targeted sectors, to enable them to begin or progress their 'learning journey' to support business resilience, business growth and export readiness, through attending relevant trade fairs, exhibitions or conferences.

In line with the Regional Economic Strategy, grant awards would be available to SMEs representing Digital Tech, Food and Drink and Tourism sectors. One-off awards of £500 to support attendance at UK events, or £1,000 to support attendance at overseas events, would be available. The funding can be used to support travel, accommodation or ticket costs, or as a contribution to exhibiting costs.

Working with regional partners including VisitAberdeenshire, ONETech Hub and ONE Food and Drink, a list of eligible industry events taking place between September 2024 – April 2025 will be compiled to ensure the award is going towards attending a worthwhile, relevant engagement. Example engagements include the International Food and Drink Event; Bread and Jam Festival; Scottish Golf Tourism Week. The same partners will also support promoting, engaging and actively targeting SMEs who would benefit from attendance. Where partner organisations are organising representation (for example at a 'Scotland' pavilion or similar), or wider trade missions or learning journey activity for cohorts, SMEs may apply for the grant award to support participating costs, as this will enable them to benefit from the increased networking, collaboration and visible presence of attending within a cohort.

The Regional Economic Strategy outlines the necessity of diversifying the region's economy away from oil and gas in order to ensure long-term success. Food and drink and tourism are key sectors performing well, with both having sizeable employment levels within the region (14.6% and 8.6% respectively) and a high GVA contribution (£65k and £12.5k per head). Support to grow the businesses from these sectors, enabling them to scale up, increase employment opportunities and realise ambitions to increase trade nationally and internationally should have a positive impact on these figures.

Within Food and Drink, approximately two thirds of North East businesses are not selling outside of the region. The market opportunity for many lies in London and the South of England, and therefore attending events and shows across the UK offers the opportunity to not only raise awareness and profile of their brands and product offerings, but to also better understand consumer demand and routes to market. Supporting attendance is therefore key in increasing ambition, knowledge and export opportunities for this sector.

2023 was a record year for tourism and hospitality businesses in the city, with over 1.85m overnight visitors (up 27% from the previous year) and an estimated economic impact from visitors of £700m. With increasing visitor numbers, both business and leisure, as well as regular cruise ship calls, there is capacity to grow the tourism sector further. To support this, city tourism and hospitality firms can engage with VisitAberdeenshire who offer advice, insights and training programmes including "Travel Trade Ready" – support to attend relevant trade fairs and exhibitions would be a valuable addition to this programme.

Digital Tech meanwhile is predicted to be one of the fastest growing sectors in Scotland by 2029. This is a significant opportunity for the NE economy, as well as the potential for digital to underpin growth in many other sectors. The number of digital tech companies in Aberdeen, based on 2023 figures, is 206. While this number isn't segmented, the majority are known to be small or medium sized enterprises. Many are working with partners including ONE TechHub, CodeBase, TechScaler, Scottish Enterprise and Baclays Eagle Labs who could support take-up of the grant awards. Some of these partners arrange overseas 'learning

journeys' to advanced digital cities and countries ie. Silicon Valley, Middle East, Singapore – the travel costs to which can be prohibitive for some SMEs so financial support is needed to ensure inclusive participation.

Subject to the finalised list of eligible engagements, the funding could support an estimated number of grant awards as below:

10 - 15 awards at £1000 = £10,000 - £15,000

50 - 60 awards at £500 = £25,000 - £30,000

### **AI Upskilling for SMEs**

Supporting small and medium enterprises to develop the necessary digital skills, assets and processes is important to enable them to be competitive, innovate and address opportunities for growth. This proposal is for UK Shared Prosperity Funding to secure a training provider of AI Upskilling content for SMEs in Aberdeen city. The project would build on the offering of the UKSPF-funded Digital Support for Business project, fulfilling a skills gap in readiness for AI opportunities.

This project application proposes procurement of a training provider of online training modules covering related AI topics for SMEs, plus facilitation of an in-person networking event for participants to enable them to start to build a local community of interested SMEs to collaborate, share knowledge and mentor each other.

Similar to the Digital Support for Business programme, the objectives of the project would be to upskill SME owners and employees in AI topics, enabling them to grow competitively by benefitting from associated productivity and efficiency gains; enter new markets; and potentially increase staff employed. It could also raise ambition of local SMEs, providing free online AI training to satisfy curiosity and support the inclusion of AI technologies and opportunities in business forward-planning and strategy.

Aligning with Scottish Government policies, the 2021 strategy “A Changing Nation: How Scotland will Thrive in a Digital World” established the digital and data infrastructure foundations for an AI ecosystem – while the 2021 progress report on the 2017 strategy emphasised how crucial interventions targeting SMEs are due to these being “vital to Scotland’s business base, accounting for roughly 41% of turnover and employing 55% of Scottish private sector employees.” The Scottish Government also published its AI strategy in 2022 proposing action to “create the foundations for success” - raising awareness of AI and engaging a skilled and diverse workforce and innovative organisations.

Free-to-access online training will support take-up, by enabling business owners and employees of small and medium enterprises to undertake the training from their place of work, with no associated travel costs, at a time that suits themselves and their business. This will support bridging of the skills gap. The training should be sector-agnostic, recognising the opportunity for AI and digital expertise to underpin growth across all industries, and enabling upskilling which will support the local workforce across industries.

If successful in securing funding, the training will be offered by an external provider following procurement in line with Council regulations. The Procurement scope will outline expectation of a programme of 4-6 themed online modules, plus an in-person event for participants, to be facilitated within the project timeline.

Regional stakeholders and public sector partners including Business Gateway, Opportunity North East and CodeBase will support with promotion and engagement in the training offering.

### **Tall Ships Creative Makers Programme**

This proposal will enable the creation of Tall Ships Aberdeen 2025 Makers Programme, supporting 10 small businesses/young entrepreneurs to develop new products centred on the themes of the Tall Ships Races, including local maritime history and heritage, environmental awareness of the issues facing our waters, marine biodiversity and Aberdeen's ongoing relationship with the sea. This work could be ceramics, jewellery, woodcraft, prints or other objects for sale.

#### Methodology:

- Tall Ships thematic brief developed
- Open call for makers using local channels and networks
- 10 Makers to receive grant funding will be selected by a judging panel. This will comprise industry experts from Gray's School of Art (RGU), Tea Green Markets and Aberdeen Art Gallery
- Makers will be awarded a £1500 grant to work on an object or collection that meets the brief in the open call
- Makers work will be assessed at the end of the project by the judging panel alongside two guest judges will decide the best product or collection. That maker will receive a £5000 prize toward costs of future product development e.g. studio, materials, equipment, etc They will also have their work stocked at Aberdeen Art Gallery until at least October 2025.

#### Maker Benefits:

- Two feedback events from the judging panel, the first during product development and prototype stages, and the second nearing completion of the new work – this will ensure that the work is fit for the commercial market
- Coverage of the programme and selected makers in Aberdeen Art Gallery and Museums social media channels
- Media releases about the project and makers and inclusion in the DC Thomson comms plan as part of the Tall Ships partnership
- A minimum of one dedicated Aberdeen Art Gallery podcast about the project and the makers
- All aspects of the project will be included in the relevant Aberdeen Archives, Gallery and Museums What's On guides and in-venue advertising
- A retail shop on the top floor of Aberdeen Art Gallery for the makers to present and sell their final pieces alongside their wider range in March 2025
- A Meet the Makers event at Aberdeen Art Gallery in which makers can talk about their work with the public and bring along items that show the development of their work e.g. prototypes, inspirational objects/images, raw materials – this will include the option to sell work and seek commissions
- A website which will showcase the programme alongside each of the selected makers and their work including: regular product development and work in progress blogs, video as appropriate, links to their social media or sales outlets e.g. Instagram, Etsy, etc

- An online shop for makers to sell their work directly to the public via collection from ACC venues – the makers will not pay any commission for this service
- The online shop will also support the wider retail aims for the Tall Ships project with the shop remaining live for the remainder of 2025 – this will drive additional traffic to the makers programme and maximise opportunities for makers to increase revenue until after Christmas 2025
- There will also be a retail stand at Tall Ships Races Aberdeen 2025 allowing makers time to hone their offer and present their work and business to a wider market

### **Vibrant & Sustainable City Centre Pilot**

The Vibrant and Sustainable City Centre Pilot aims to strengthen the resilience of local businesses in the city centre through the creation of an autumn events programme and development of a business toolkit.

City centre activity is changing. Local businesses are having to adapt to evolving consumer habits and new national policy directives. The Vibrant & Sustainable City Centre Pilot intends to test interventions which increase footfall to the city centre and spend within local businesses. A support package to increase businesses resilience to an evolving city centre will be developed alongside the events programme which will support businesses to expand their offer and maximise their ability to benefit from City Centre transformation.

The Vibrant and Sustainable City Centre Pilot will deliver:

- BrickLive – This two week event in October will see Lego creations located in strategic locations throughout the city centre, encouraging increased footfall to the city centre during the school holiday period. A trail and event programme will be developed and engagement with local businesses will take place to ensure that these businesses can capitalise on the increased footfall to the area;
- Business Toolkit – This Toolkit will develop resources and deliver training to local businesses with the intention of creating a more resilient High Street. These resources intend to develop the skills and create materials to enable local businesses to maximise the impact of local events programmes and adapt to an evolving city centre landscape;
- Marketing & Communications – This campaign will actively target residents on the periphery of the City and in Aberdeenshire to highlight the vibrant events programme and diverse local business environment in the city centre through a variety of channels, including social media;
- Accessibility Campaign - Working with public transport operators, this intervention will maximise engagement opportunities with the local events programmes, including walking trails and creative art programmes, and will be supplemented by the Council offering free car parking at weekends in targeted city centre locations (Frederick Street and Denburn Multi Storey car parks) over a four week period;
- Improved City Centre Analytics – The procurement of a new system in the city centre will provide a more efficient and accurate method for recording footfall in the city centre by using mobile trace data and retail spend estimates, instead of cameras. This will enhance the resilience of local businesses by providing a more detailed and accurate study of footfall and consumer habits in the city centre, highlighting challenges and opportunities for local businesses.

Aberdeen City Centre has been a focal point for the local and neighbouring communities for generations. This project will deliver interventions to support a resilient Local Business Community and increase consumer confidence in visiting the city centre during a period of transition for high streets across the country.