

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	12 February 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	UK Shared Prosperity Fund
REPORT NUMBER	CR&E/25/027
EXECUTIVE 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 approval for the proposed allocation of grant funding for the Local Business Support priority of the UK Shared Prosperity Fund and provide an update on the 2025/26 extension to the programme.

2. RECOMMENDATIONS

That the Committee:-

UK Shared Prosperity Fund 2022-25: Local Business Support

- 2.1 Note that an underspend of £135,700 has been recorded from previously approved projects within the Local Business Support priority;
- 2.2 Approve an amendment to the Investment Plan submitted in 2022 with the inclusion of an additional intervention "S14: Funding for the development of the visitor economy";
- 2.3 Approve an allocation to Aberdeen City Council of up to £115,000 for the Freebie Fortnight project;
- 2.4 Approve an allocation to Aberdeen City Council in partnership with Aberdeen Inspired of up to £10,000 to support the development of online resources and marketing of the Love Local Card;
- 2.5 Approve an allocation to Aberdeen City Council of up to £10,700 for the development of the travel trade tours offered by the Countryside Ranger Service;

UK Shared Prosperity Fund 2022-25

- 2.7 Note that the £7.1m received from the UK Shared Prosperity Fund has again been fully allocated for delivery by March 31st 2025;

- 2.8 Authorise the Chief Officer – City Development and Regeneration – to reallocate any future declared underspend to new projects up to a maximum of £30,000 per project, following consultation with the Convener and Vice Convener of this Committee, to ensure that the maximum UKSPF investment is retained within Aberdeen;

UK Shared Prosperity Fund 2025/26

- 2.9 Note that UK Government have announced a one year extension to the programme with an allocation of £2,346,857 to the Council; and
- 2.10 Approve the allocation of £93,874 to contribute towards management costs of the scheme, as per UKSPF regulations which details that 4% of funds can be retained by Local Authorities to ensure robust delivery and monitoring of the UKSPF Programme.

3. CURRENT SITUATION

UKSPF: 2022-25

- 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 of August 7th 2024, all of the above UKSPF award was fully allocated to projects. Since then, there has been a reported underspend of £135,700 within the Local Business Support priority. Officers subsequently engaged with services to identify whether any new projects could be developed and delivered by March 31st 2025 to ensure that the maximum amount of investment from UK Government is retained within the city.
- 3.5 A review of planned projects and priorities highlighted the need for an update of the Investment Plan to ensure alignment with current delivery objectives. It is proposed that intervention S14 be added to the Investment Plan to better reflect current priorities.

- 3.6 Intervention S14 focuses on funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism. The inclusion of this intervention capitalises on current opportunities, including contributing to attracting footfall to the city centre and boosting local economy.
- 3.7 Three applications are subsequently presented for consideration, outlined in Table 1 and summarised within Appendix 1.

Table 1. Local Business Support – Applications for consideration

Project	Beneficiary	Total Project Cost	Grant Request 2024/25	Officer Review Outcome and Proposed Award
Freebie Fortnight	Small and Medium Enterprises	£115,000	£115,000	Award up to £115,000. The project aligns with UKSPF priorities, by strengthening local entrepreneurial ecosystems and supporting the development of SMEs
Love Local Card online development and promotion	Local businesses	£10,000	£10,000	Award up to £10,000. This contributes to the Community Wealth Building delivery plan.
The Travel Trade Tours – Countryside Ranger Service	Local businesses – increased visitor spending	£10,700	£10,700	Award up to £10,700. This contributes to development of the visitor economy.
TOTAL			£135,700	

UKSPF: 2025-26

- 3.8 The UK Government's announced a further £900 million of funding for local investment by March 2026. Aberdeen City Council received an allocation of

£2,346,857 in December 2024. There is no requirement to resubmit a revised Investment Plan.

- 3.9 A more detailed brief is attached as Appendix 2.
- 3.10 The UK Government recognises the resource required from local authorities to deliver the UK Shared Prosperity Fund and has enabled local authorities to retain 4% of the total allocation to undertake the necessary Fund administration, including project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. This funding has previously been utilised for staff requirements and stakeholder engagement, including a recent funding event with over 250 registered attendees.

4. FINANCIAL IMPLICATIONS

UKSPF: 2022-25

- 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 An underspend of £135,700 has been identified from previously approved projects within the Local Business Support priority. This funding will be reallocated to support the proposed new projects, pending committee approval.
- 4.4 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.
- 4.5 The Council will be expected to repay any underspend to the UK Government as of March 31st 2025.

UKSPF: 2025-26

- 4.6 The UK Government announced that Aberdeen City Council would receive £2,346,857, which includes a minimum capital allocation of £665,441.
- 4.7 The funds are available to support activity which commences from 1 April 2025 and delivered by 31 March 2026.
- 4.8 As per UK Government guidance, the External Funding Team seek to retain 4% of the 2025-26 allocation up to £93,874 to continue robust delivery of the programme. This would result in £2,252,983 remaining to support city-wide projects.

5. LEGAL IMPLICATIONS

5.1 Direct awards from these approvals are delivered through an In-House or Procured route, as previously approved by Committee. 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	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*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	Officers will work with projects to ensure proposals and applications meet the conditions of grant.	L	Yes

	the grant conditions			
Environment / Climate	No risks identified	None	L	Yes

8. OUTCOMES

Council Delivery Plan 2024	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals within this report support the delivery of the following: Supporting Local Businesses – focusing on local SMEs, ensuring that the benefit of increased footfall and spending are targeted towards local businesses, rather than national chains
Regional & City Strategies	
Regional Economic Strategy	The proposals within this report conform with the objectives of the Regional Economic Strategy, by supporting local SMEs, creating a more inclusive economy, and encouraging entrepreneurship.
Community Wealth Building Delivery Plan	Delivers Action 3 of the ‘Enabling Activities to facilitate CWB’

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

11. APPENDICES

- 11.1 Appendix 1 – UK Shared Prosperity Fund – Summary of applications received
- 11.2 Appendix 2 – UK Shared Prosperity Fund 2025-26 Update

12. REPORT AUTHOR CONTACT DETAILS

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