

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	26 th March 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	UK Shared Prosperity Fund 2025-26
REPORT NUMBER	CR&E/25/064
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 from the UK Shared Prosperity Fund for the Local Business Support and People and Skills priorities.

2. RECOMMENDATIONS

That the Committee:

UK Shared Prosperity Fund 2025-26: Local Business Support

- 2.1 Approve an allocation to Aberdeen City Council of up to £359,000 for the Business Support Grant Schemes;
- 2.2 Approve an allocation to Aberdeen City Council in partnership with Business Gateway of up to £49,000 for the Digital Skills Programme;
- 2.3 Approve an allocation to Aberdeen City Council of up to £100,000 for the Tall Ships Event Site Business Opportunities;

UK Shared Prosperity Fund 2025/26: People and Skills

- 2.4 Approve an allocation to Aberdeen City Council of up to £11,000 for the Healthy Minds Project;
- 2.5 Approve an allocation to Aberdeen City Council of up to £30,000 for the Aberdeen Creative Industries Skills Development Initiative;
- 2.6 Approve an allocation to Aberdeen City Council of up to £10,000 for the Tall Ships – Young Person Development and Employability Project;

- 2.7 Approve an allocation to Aberdeen City Council of up to £73,315 for the Paid Work Placement Initiative;
- 2.8 Approve an allocation to Aberdeen City Council of up to £30,000 for the HMP Grampian Project;
- 2.9 Approve an allocation to Aberdeen City Council of up to £85,740 for the Green Skills Project;
- 2.10 Approve an allocation to Aberdeen City Council of up to £120,000 for the People in Recovery Project;
- 2.11 Approve an allocation to Aberdeen City Council of up to £161,325 for the Life Skills Project.

3. CURRENT SITUATION

- 3.1 The UK Government announced a one year extension to the UK Shared Prosperity Fund in October 2024, with a further £900 million of funding for local investment to be allocated in Financial Year 25-26. Aberdeen City Council received notification of a funding allocation of £2,346,857 in December 2024.
- 3.2 The core UKSPF element can be used across three priority areas: Community and Place; Local Business Support; and People and Skills. There are three routes to allocate the funding: 'Challenge Funds'; 'Procurement'; or 'In-house'. The proposed expenditure requires Committee approval. An original Investment Plan was approved by committee in 2022 and there is no requirement to resubmit a revised Investment Plan for the 25-26 extension.
- 3.3 The Communities and Place priority is delivered using a Challenge Fund route, as previously agreed by committee. This fund opened for applications on 3 February 2025 with a deadline of 3 March 2025. It is intended that recommendations for this funding will be presented to Finance and Resources Committee on 7 May 2025, and subsequent Finance and Resource Committees should funds still be available.
- 3.4 Applications were sought internally under the Local Business Support and People and Skills priorities through 'Procurement' and 'In-house' routes, as previously agreed by committee.
- 3.5 Three Local Business Support applications are subsequently presented for consideration, outlined in Table 1 and summarised within Appendix 1.
- 3.6 Eight People and Skills applications are presented for consideration, outlined in Table 2 and summarised within Appendix 1.

Table 1. Local Business Support – Applications for consideration

Project	Beneficiary	Total Project Cost	Grant Request 2025/26	Officer Review Outcome and Proposed Award
Business Support Grant Schemes	SMEs, sole traders	£359,000	£359,000	Award up to £359,000. The project aligns with UKSPF priorities, by supporting new and existing businesses and start-ups, aligned with local, regional and Scottish policy.
Business Gateway Digital Skills Programme	SMEs, sole traders	£49,000	£49,000	Award up to £49,000. The project aligns with UKSPF priorities, by strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development.
Tall Ships Event Site Business Opportunities	Tall Ships vendors	£100,000	£100,000	Award up to £100,000. The project aligns with UKSPF priorities, by supporting businesses to sustain, grow and innovate.
TOTAL		£508,000	£508,000	

Table 2. People and Skills – Applications for consideration

Project	Beneficiary	Total Project Cost	Grant Request 2025/26	Officer Review Outcome and Proposed Award
Healthy Minds - Skills Development - Blair Unit	Patients within the Blair Unit Facility	£28,000	£11,000	Award up to £11,000. The project aligns with UKSPF priorities, by supporting those at need with basic skills whilst gaining a qualification.
The Aberdeen Creative Industries Skills Development Initiative	Creative Industries	£30,000	£30,000	Award up to £30,000. The project aligns with UKSPF priorities, by supporting young people progress towards and into employment.
Tall Ships – Young Person Development and Employability	Young People	£210,000	£10,000	Award up to £10,000. The project aligns with UKSPF priorities, by supporting young people progress towards and into employment.
Employability-Paid Work Placements	Economically inactive adults (age 25+)	£293,260	£73,315	Award up to £73,315. The project aligns

				with UKSPF priorities by supporting people progress towards and into employment.
Employability – HMP Grampian	Prisoners who will be released to Aberdeen	£30,000	£30,000	Award up to £30,000. The project aligns with UKSPF priorities by supporting people progress towards and into employment.
Employability – Green Skills	Trainees	£85,740	£85,740	Award up to £85,740. The project aligns with UKSPF priorities by supporting employment related skills.
Employability – People in Recovery	People in recovery from substance abuse	£120,000	£120,000	Award up to £120,000. The project aligns with UKSPF priorities by supporting people with essential skills
Skills for Life	Asylum Seekers and Gypsy/ Travellers	£184,563	£161,325	Award up to £161,325. Projects aligns with UKSPF priorities by Supporting

				vulnerable and disadvantaged people, families and groups.
TOTAL			£521,380	

4. FINANCIAL IMPLICATIONS

UKSPF: 2025-26

- 4.1 The UK Government announced that Aberdeen City Council would receive £2,346,857 for activity in Financial Year 25-26, which includes a minimum capital allocation of £665,441.
- 4.2 The funds are available to support activity which starts on 1 April 2025 and are delivered by 31 March 2026.
- 4.3 The total amount recommended for allocation in this paper is £1,029,380. If approved, there is £1,223,603 to be allocated at future committees.

Table 3: Spend allocated to date

Description	Amount
Original allocation	£2,346,857
Previously approved at Committee (13.2.25)	£93,874
Recommended for approval at this Committee (26.03.25)	£1,029,380
Remaining funds to be allocated if above approved	£1,223,603

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 subject to 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 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 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
Local Outcome Improvement Plan	

	<p>Proposals within this report align with the following LOIP outcomes:</p> <ul style="list-style-type: none"> - Aberdeen City's vision of being a city of learning - opportunities, resources, and potential for enabling people to learn and develop themselves in ways that meet their needs, interests and ambitions. In this way they can participate more fully in their own lives and in the life of the City to help their families and communities prosper. - Stretch Outcome 11 by supporting vulnerable and disadvantaged people, families and groups. - Stretch Outcome 2 - 74% employment rate for Aberdeen City by 2026. Key drivers supporting labour market to recover from impact of Covid-19 on employment, increasing the number of people in Aberdeen in sustained, fair work and fewer employers reporting skills gaps. - Stretch Outcome 9 – Key driver is those who are convicted are supported to engage with relevant services and reduce re-offending.
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, encouraging entrepreneurship and creating strong communities and Culture Identity.
Community Learning and Development Plan	The proposals within this report support priority 2 of the CLD Plan that adult learning is essential to enable and encourage adults in Aberdeen to acquire the knowledge, skills and confidence necessary to play an active and productive role, both personally and societally.

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

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