

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 <sup>th</sup> March 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	UK Shared Prosperity Fund
<b>REPORT NUMBER</b>	COM/23/097
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Stuart Bews
<b>TERMS OF REFERENCE</b>	1.1.8, 1.1.11 & 3.4

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### 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 UK Shared Prosperity Fund (UKSPF) 2023/25.

### 2. RECOMMENDATION(S)

That the Committee:-

#### UKSPF Communities And Place

- 2.1 Defers decision on the application for up to £167,112 to Tillydrone Community Development Trust for the Benholms Tower Project to the meeting of Finance and Resources Committee on 5<sup>th</sup> July 2023;
- 2.2 Awards up to £79,506 to Greyhope Bay for the Phase 2 Feasibility Project;
- 2.3 Awards up to £124,800 to VisitAberdeenshire for a Make a Day of it in Aberdeen Campaign; and
- 2.4 Awards up to £82,468 to Home-Start Aberdeen to support additional vulnerable families.
- 2.5 Rejects the application for up to £300,000 to Aberdeen Performing Arts at this time for the Lemon Tree Redevelopment project due to lack of information on funding sources for proposed main capital works.

#### UKSPF People & Skills

- 2.6 Awards up to £275,000 to Aberdeen City Council for additional employability keyworker support for economically inactive people; and

- 2.7 Awards up to £355,000 to Aberdeen City Council to provide additional courses for economically inactive people, Green Skills courses and development of local projects.

### **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 and proposals for this will be taken to committee later in 2023.
- 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 There are three routes to allocate the funding: ‘Challenge Funds’, ‘Procurement’ or ‘in-house’ and all proposed expenditure will require Committee approval.
- 3.5 Applications are being sought under the Communities and Place priority through a ‘challenge fund route’. Officers promoted the challenge fund on the Council’s website including an application form and supporting guidance documents. Five 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.
- 3.6 Proposals are also being developed under the People and Skills priority through the ‘inhouse route’. Officers engaged with the Employability and Skills team which is seeking funding for projects which align with the interventions of the fund. Two applications are presented to Committee for consideration, outlined within Table 2 and summarised within Appendix 1.
- 3.7 It should be noted that funding can be allocated over more than just a single year, as outlined in the tables below.

**Table 1: Shared Prosperity Fund****Communities and Place - Applications for consideration**

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Request 2022/23</b>	<b>Grant Request 2023/24</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
Tillydrone Community Development Trust	Benholms Tower	£557,099	£0	£167,112	£0	To defer the request of up to £167,112 to the project. Phase 1 of the project has still to start and therefore it is not considered that support for phase 2 should be recommended at this time. Officers will also support TCDT to bid for the Community Ownership Fund Round 2
Greyhope Bay	Phase 2 Feasibility Project	£79,506	£0	£79,506	£0	To award up to £79,506 The Feasibility shows a strong fit to the relevant fund interventions and will ensure close engagement with the community in designing future plans for the area.
Visit Aberdeenshire	Make a day of it in Aberdeen Campaigns (Autumn 23/Spring 24/Autumn 24/Spring 25)	£124,800	£0	£62,400	£62,400	To award up to £124,800. The proposal shows a strong fit with the UKSPF intervention for the development and promotion of wider campaigns which encourage people to visit

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Request 2022/23</b>	<b>Grant Request 2023/24</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
						and explore the local area.
Home-Start	Supporting vulnerable families	£82,468	£0	£40,000	£42,468	To award up to £82,468. The proposal shows a strong fit with the UKSPF intervention cost of living, family resilience and poverty.
Aberdeen Performing Arts	Lemon Tree Redevelopment – Design Development	£300,000	£0	£200,000	£100,000	To reject the award of up to £300,000. There is insufficient evidence provided at this time of future capital sources of funding for the large-scale redevelopment. Officers will support APA to identify alternative sources of funding.
<b>Total</b>			<b>£0</b>	<b>£549,018</b>	<b>£204,868</b>	

**Table 2. People and Skills – Applications for consideration**

<b>Applicant</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Grant Request 2022/23</b>	<b>Grant Request 2023/24</b>	<b>Grant Request 2024/25</b>	<b>Officer Review Outcome and Proposed Award</b>
Aberdeen City Council	Additional Employability Keyworker Support	£275,000	£0	£75,000	£200,000	To award up to £275,000. This will be used to pay for the delivery of employability activity and associated activity costs of employability keyworkers; two in year one, and

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
						five (2 + 3) in year two.
Aberdeen City council	Additional courses for economically inactive people, Green Skills courses and development of grass-roots projects	£355,000	£0	£177,500	£177,500	To award up to £355,000. This will be used for additional basic courses for those economically inactive, green skills courses as well as support to development procure local employability projects across the city.
<b>Total</b>			<b>£0</b>	<b>£252,500</b>	<b>£377,500</b>	

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Council has been allocated £7,156,831 of UKSPF by UK Government over the next two and a half years. The Communities and Place allocation is £3,809,693. The People and Skills priority allocation is £855,000. The Local Business priority allocation is £1,256,220. The “Multiply” priority, to improve people’s numeracy skills allocation is £1,235,918. Appendix 2 provides an overview of the funds awarded to date.
- 4.2 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.
- 4.3 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.

#### 5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require 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

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	Officers will work with projects to ensure proposals and applications meet the conditions of grant	L	Yes

	the grant conditions			
<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>	Full impact assessment not required
<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
- 11.2 Appendix 2 –UK shared Prosperity Fund – Funds awarded to date

## 12. REPORT AUTHOR CONTACT DETAILS

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