

## ABERDEEN CITY COUNCIL

---

<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	30 <sup>th</sup> January 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	UK Shared Prosperity Fund
<b>REPORT NUMBER</b>	COM/24/030
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Julie Richards-Wood
<b>REPORT AUTHOR</b>	Laura Paterson
<b>TERMS OF REFERENCE</b>	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 of the UK Shared Prosperity Fund (UKSPF).

### 2. RECOMMENDATION(S)

That the Committee:-

#### UKSPF Communities & Place

- 2.1 Notes that Committee have previously approved a Challenge Fund approach to delivering the Communities & Place strand which enables external organisations and Aberdeen City Council services to apply for funds which meet the criteria of the programme;
- 2.2 Notes that £3.8m was made available for the Communities & Place strand – £1.9m of which has been allocated in previous rounds and approximately 70% of the £0.9m funding recommended for approval in this round is to be awarded to external organisations;
- 2.3 Notes that if the below recommendations are approved there is £1m to be allocated within the Communities and Place strand by March 31<sup>st</sup> 2025;
- 2.4 Instructs officers to report back to Finance & Resources Committee March 13<sup>th</sup> 2024 with recommendations on prioritising allocation of remaining funds;
- 2.5 Awards up to £250,976 to Camphill School Aberdeen for a Fully Inclusive Outdoor Sensory Adventure Playground for children and young people with complex support needs;
- 2.6 Awards up to £14,988.22 to Citymoves Dance Agency for the Strive project;

- 2.7 Awards up to £129,259 to Flexible Childcare Services Scotland for the Flexible Childcare & Family Support hubs in Tillydrone and Cummings Park;
- 2.8 Awards up to £67,080 to Visit Aberdeenshire for a Cruise Volunteer Programme;
- 2.9 Awards up to £106,110 to Greyhope Bay for co-creating sustainable solution for energy transition at Greyhope Bay;
- 2.10 Awards up to £15,000 to Aberdeen Inspired for the Aberdeen Union Street Upper Floors Feasibility Study;
- 2.11 Awards up to £30,000 to Oldmachar Church of Scotland for an upgraded heating system to enable net zero aspirations; and
- 2.12 Awards up to £275,000 to Aberdeen City Council to deliver a programme of events for Spectra, Scotland's Festival of Light 2025.

### **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.
- 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 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 Communities and Place priority through a 'challenge fund route'. ten 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.

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

<b>Project</b>	<b>Beneficiary</b>	<b>Total Project Cost</b>	<b>Total UKSPF ask for Round 7</b>	<b>Officer Review Outcome and Proposed Award</b>
First fully inclusive outdoor sensory adventure playground (Camphill School Aberdeen)	Children and young people with complex needs	£644,593.00	£250,976.00	Approve £250,976. Detailed application. Strong links to LOIP and UKSPF objectives.
Strive (Citymoves Dance Agency)	Young people in priority localities	£14,988.22	£14,988.22	Approve £14,988.22. Strong application. High benefit realisation compared to costs.
Flexible Childcare & Family Support Hubs (Flexible Childcare Services Scotland)	Families and those seeking to return to work in priority localities	£240,459.00	£129,259.00	Approve £129,259. Beneficial services to local families in priority locality areas.
Cruise Volunteer Programme (Visit Aberdeenshire)	City businesses, tourism destinations and local people	£67,080.00	£67,080.00	Approve £67,080. Promotes increased footfall to city centre and increases volunteer capacity
Co-creating sustainable solutions for energy transition (Greyhope Bay)	Capacity building and net zero solutions for local charity	£106,110.00	£106,110.00	Approve £106,110. Project strongly aligns with enhancing physical, cultural and societal ties.
Aberdeen Union Street Upper Floors Feasibility Study (Aberdeen Inspired)	City centre communities and economy	£15,000.00	£15,000.00	Approve £15,000. Potential for significant impact to City Centre Regeneration
Heating system upgrade to Net Zero (Oldmachar Church of Scotland)	Net zero solution for local charity	£110,000.00	£30,000.00	Approve £30,000. Accelerates net zero transition for community facility.
Spectra, Scotland's Festival of Light 2025 (Aberdeen City Council)	City centre businesses, local artists and people	£495,000	£275,000	Approve £275,000. Supports cultural events and increased footfall to city centre.
<b>TOTAL</b>		<b>£1,693,230.22</b>	<b>£888,413.22</b>	

#### 4. FINANCIAL IMPLICATIONS

4.1 The UK Government allocated £7,156,831 to the Council to support projects until 31<sup>st</sup> March 2025 through UKSPF. A full list of approved applications to date are summarised in Appendix 2 and available to view on the Aberdeen City Council webpage.

4.2 The total amount of funding allocated for this round is £888,413.22 Of this funding: £613,413.22 is being awarded to external organisations; and £275,000 is awarded to Aberdeen City Council to support a free public arts festival in the city centre.

4.3 Table 3: Allocated spend to date

Priority	Allocated Budget	Project spend allocated to date	Total recommended in this report	Total remaining – pending report approval
Communities & Place	£3,809,693.00	£1,898,822.60	£888,413.22	£1,022,457.18

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. 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.

4.5 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. As it currently stands, the Council have an underspend of 46.8% over the whole programme. Under this threshold-based approach, the Council can access all of the Year 3 allocation. An initial payment for Year 3 will be determined by previous spend over the first two years of the Fund. Subsequently, the Council will be paid 50% of Year 3 allocation at the beginning of financial year 24/25 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 31<sup>st</sup> 2025.

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

<b>Name</b>	Laura Paterson
<b>Title</b>	Interim Team Leader – External Funding
<b>Email Address</b>	<a href="mailto:LaPaterson@aberdeencity.gov.uk">LaPaterson@aberdeencity.gov.uk</a>
<b>Tel</b>	+44 1224 067082