

TITLE OF REPORT: **Community Renewal Fund**

REPORT OF: **Peter Udall, Strategic Director, Economy Innovation and Growth**

Purpose of the Report

1. To seek approval from Cabinet for the Council, as 'lead authority', to invite, appraise and submit bids to the Ministry of Housing, Communities and Local Government (MHCLG) for the UK Community Renewal Fund (UKCRF) and seek the following delegations:
 - a. to agree the selection and submission of bids to MHCLG and
 - b. to agree the terms of contracts with the Secretary of State and pass down contracts with the ultimate recipients of the funding.
 - c. To agree Council bids for inclusion in the submission to MHCLG

Background

2. The Chancellor Exchequer Budget Statement 2021 announced a range of measures to support recovery following Covid-19, including a £220m Community Renewal Fund that will act as a bridge to the Shared Prosperity Fund and the Levelling Up Fund.
3. Successful Community Renewal Fund bids will be for 2021-22 only i.e. they must be financially complete by March 2022.
4. The Government has identified 100 priority places and Gateshead is one of the 100 priority areas and the Council is awarded 'lead authority' status.
5. The Fund will primarily meet revenue costs and will focus on the following priorities:
 - o Investment in skills
 - o Investment for local business
 - o Investment in communities and place
 - o Supporting people into employment
6. Lead authorities are to invite project proposals from a range of local organisations which are encouraged to maximise impact and deliverability through larger projects (£500k+). The Council will appraise these projects and produce a shortlist of projects up to a maximum of £3 million per place for submission for UKCRF monies from MHCLG
7. Each of the 100 lead bodies will receive £20k capacity funding for staff or other resources needed to coordinate and appraise bids.

Proposal

8. The Council as part of its invitation for project proposals will seek to ensure that applicants demonstrate how they will align to the themes of the Fund, as well as with our local priorities such as:
 - Making Gateshead a Place Where Everyone Thrives
 - Gateshead Health & Wellbeing Strategy
 - Climate Emergency Action Plan
9. The Council as the lead authority is also permitted to submit bids for consideration for shortlisting and submission to MHCLG.
10. The timeline to respond to this opportunity is as follows:
 - April 21- Launch of UK Community Renewal Fund – UKCRF Gateshead
 - 14 May 21- Deadline for bids to be received by Council
 - 18 June 21- submit shortlists of projects to MHCLG for assessment
 - July 21- Successful bids announced & 1st tranche of funding paid to lead authorities
 - 31st March 22- CRF finishes & 2nd tranche of funding paid to lead authorities

Recommendations

11. It is recommended that Cabinet approves:
 - i. the Strategic Director, Economy Innovation & Growth, following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance and relevant portfolio holder(s) review and approve submission of a shortlist of bids to the value of no more than £3 million to MHCLG;
 - ii. a delegation to the Strategic Director, Economy Innovation & Growth, following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance to agree the terms of a resulting contract with MHCLG and 'pass down' contracts with successful bidders to the Community Renewal Fund and provide an update to Cabinet on the outcome.
 - iii. a delegation to Strategic Director, Housing, Environment & Healthy Communities following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance, and the Leader or relevant portfolio holder(s) to approve Council bids for inclusion in the shortlist of bids to MHCLG.

For the following reasons:

- (i) To pursue opportunities to access monies from the Community Renewal Fund to benefit local residents and businesses.
- (ii) To pursue opportunities to influence the Shared Prosperity Fund to deliver Council priorities.
- (iii) To ensure that the Council is able to meet the requirements of the timetable set out by Government.

APPENDIX 1

Policy Context

1. The proposal to put forward bids to the Community Renewal Fund is consistent with the Council's strategic approach 'Making Gateshead a Place Where Everyone Thrives' and supports the pledges to:
 - Put people and families at the heart of everything we do
 - Tackle inequality so people have a fair chance
 - Support our communities to support themselves and each other
 - Invest in our economy to provide opportunities for employment, innovation and growth
 - Work together and fight for a better future for Gateshead
2. Successful bids may also contribute to the Council's approach to Gateshead Health & Wellbeing Strategy and the actions in the following themes:
 - Create the conditions for fair employment and good work for all
 - Ensure a healthy standard of living for all
 - Create and develop sustainable places and communities
3. There is an opportunity for successful bids to support the Council's Climate Emergency Action Plan, by helping to:
 - Ensure communities are resilient to changing environment
 - Ensure our communities realise the benefits from a changing economy
 - Make Gateshead a more attractive place to live, work, and invest
 - Support our natural environment and biodiversity, which in turn has a strong positive contribution to health and wellbeing
 - Improve and create more equitable transport infrastructure which will make services and facilities more accessible for all.

Background

4. The Chancellor of the Exchequer's Budget Statement 2021 announced a range of measures to support recovery following Covid-19, including a Community Renewal Fund that will act as a bridge to the Shared Prosperity Fund and the Levelling Up Fund.
5. The £220m Community Renewal Fund will help inform the design of the £1.5bn Shared Prosperity Fund through funding of one-year pilots. Successful Community Renewal Fund bids will be for 2021-22 only i.e. they must be financially complete by March 2022.
6. The UK Shared Prosperity Fund will be a flagship policy in delivering on the Government's commitment to level up the country. The Fund will target people and places most in need across the UK. It will be focused on domestic priorities and seize the opportunities that come from the departure from the EU and the 'bureaucracy' of EU structural funds.

7. The UK Community Renewal Fund is aimed at supporting people, businesses and communities most in need across the UK, creating opportunities to trial new approaches and innovative ideas at the local level.
8. The Government has identified 100 priority places based on an index of economic resilience which measures productivity, household income, unemployment, skills and population density. Gateshead is one of the 100 priority areas and the Council is awarded 'lead body status'.
9. Bids are open to all areas across the UK and allocations will be on a competitive basis. However, 51% or more of the funding will be in the priority areas.
10. How the Fund will work:
 - 90% of funding available is revenue.
 - Investment aims to nurture innovative thinking and offer flexibility. This includes removing barriers that people face in accessing skills and local labour market opportunities, building the evidence base for future interventions and exploring the viability of new ideas. Projects may align with one, or deliver across several, of the following priorities:
 - o Investment in skills
 - o Investment for local business
 - o Investment in communities and place
 - o Supporting people into employment
11. It is anticipated that a range of projects will be supported across the themes and size, but applicants are encouraged to maximise impact and deliverability through larger projects (£500k+) where possible.
12. Lead authorities are to invite project proposals from a range of local organisations, appraise these projects and produce a shortlist of projects up to a maximum of £3 million per place for submission to UK government
13. Each of the 100 lead bodies will receive £20k capacity funding for staff or other resources needed to coordinate and appraise bids. It will be paid to lead authorities in the summer and will be paid regardless of whether bids are successful.
14. Lead authorities will also be able to claim a further 2 to 3% equivalent to the value of the costs of successful projects within their area, to support the undertaking as set out below.
15. Lead Authorities are requested to undertake the following roles:
 - Invite bids from a range of Project Applicants, including but not limited to universities, voluntary and community sector organisations, and umbrella business groups.
 - Publish an invitation on the Lead Authority's website.

- Undertake constructive engagement with local partners, including but not limited to lower tier local authorities and elected representatives, and other public, private and third sector organisations.
- Collaborate with other Lead Authorities or partners across the UK where relevant – for example to promote cross-border project opportunities that address needs in common or achieve efficient delivery scale.
- Appraise and prioritise a shortlist of projects up to a maximum of £3m per place.
- Submit a shortlist to UK Government who will assess the proposals and select projects based on the criteria set out in the UK Community Fund Prospectus.
- Enter into a funding agreement with UK Government to deliver successful bids.
- Issue agreements to successful bidders once funding has been agreed by the UK Government, and then undertake monitoring and assurance activity.

Proposal

16. As lead authority for this fund, the Council is requested to submit a shortlist of projects for consideration for UKCRF monies from MHCLG. The projects shortlisted must meet the eligibility criteria and be aligned to the funds priorities areas, as above.
17. Lead authorities will also have the flexibility to set local priorities, whereupon potential projects will need to demonstrate their alignment to and deliver against in their applications.
18. The Council as part of its invitation for project proposals will seek to ensure that applicants demonstrate how they will align to the themes of the Fund, as well as with our local priorities such as:
 - Making Gateshead a Place Where Everyone Thrives
 - Gateshead Health & Wellbeing Strategy
 - Climate Emergency Action Plan
19. The Government gives no guarantee of funding and bids will be judged solely on the criteria set out in the guidance, with the final decision resting with Ministers.
20. An officer led 'virtual' Project Team will be tasked to publicise, promote, assess and put forward bids that have the best possible chance of success to be funded.
21. The Council as the lead authority is also permitted to submit bids for consideration for shortlisting and submission to MHCLG.

22. Officers across the Council are preparing bids, which will need to go through the assessment process and if selected these will be included in the shortlist for consideration by Ministers.
23. The timeline to respond to this opportunity is as follows:
- 1st April 2021- Bid assessment and coordination capacity funding can be incurred by lead authorities.
 - April 21- Launch of UK Community Renewal Fund – UKCRF Gateshead
 - 14th May 21- Deadline for bids for UKCRF Gateshead
 - 18th June 21- Officers submit shortlists of projects to MHCLG for assessment
 - July 21- Successful bids announced & 1st tranche of funding paid to lead authorities
 - 31st March 22- CRF finishes & 2nd tranche of funding paid to lead authorities

Consultation

24. The Leader and Deputy Leader and Cabinet members for Economy have been consulted on this report.

Alternative Options

25. The Council does not invite bids to deliver the Community Renewal Fund in the borough and is unable to directly influence delivery of the fund in Gateshead.

Implications of Recommended Option

26. **Resources:**

- a) **Financial Implications** – The Strategic Director, Resources and Digital, confirms that there are no additional financial implications resulting from the appraisal process and any costs relating to the delegation will be met from the £20,000 Capacity Funding.
- b) **Human Resources Implications** – There are no direct human resources implications arising from this report.
- c) **Property Implications** - There are no direct property implications arising from this report.

27. **Risk Management Implication** – There are no direct risk management implications arising from this report.

28. **Equality and Diversity Implications** – Delivery of Community Renewal Fund will potentially help address inequalities in employment and income.

- 29. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.
- 30. **Health Implications** – Delivery of Community Renewal Fund will potentially have a beneficial impact on health and wellbeing of residents.
- 31. **Climate Emergency and Sustainability Implications** – Delivery of Community Renewal Fund will potentially have a positive impact on tackling climate change.
- 32. **Human Rights Implications** - There are no human rights implications arising from this report.
- 33. **Ward Implications** - All

Background Information

- 34. None