

Item: 7

Policy and Resources Committee: 19 May 2021.

UK Government – Community Renewal Fund.

Joint Report by Executive Director of Development and Infrastructure and Head of Finance.

1. Purpose of Report

To consider delegation to enable the submission of a bid for funding from the UK Government's Community Renewal Fund.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 3 March 2021, the UK Government announced the launch of three new funds, including the Community Renewal Fund.

2.2.

That Scottish local authorities have been invited to seek, collate, assess and submit a project bid to the UK Government's Community Renewal Fund by 18 June 2021.

2.3.

That local authorities are required to appraise and shortlist project applications up to a maximum of £3 million per local authority area and submit a summary of shortlisted projects, together with the project application forms, to the UK Government, who will select the projects to receive funding based on published assessment criteria.

2.4.

That the UK Government will announce successful projects from late July 2021 onwards, with successful projects requiring to be completed, including all expenditure incurred, by 31 March 2022.

2.5.

That local authorities are required to enter into a funding agreement with the UK Government to deliver successful projects, to issue agreements to successful bidders once funding has been agreed, and thereafter undertake monitoring and assurance activity.

2.6.

That, on 16 April 2021, the Council published an open invitation for a range of organisations to submit Community Renewal Fund project applications to the Council by 16 May 2021, for initial assessment.

2.7.

The requirement to identify a Senior Responsible Officer to be responsible for ensuring that funding is used in line with the grant agreement and that appropriate management controls are in place.

It is recommended:

2.8.

That powers be delegated to the Executive Director of Development and Infrastructure, in consultation with the Leader and Depute Leader, the Chair of the Development and Infrastructure Committee, the Chair of the Education, Leisure and Housing Committee and the Head of Finance, to appraise applications for submission to the UK Government for consideration for funding from the Community Renewal Fund.

2.9.

That the Head of Finance be confirmed as the Senior Responsible Officer to oversee delivery of any projects funded from the UK Government's Community Renewal Fund.

2.10.

That, in the event of funding being awarded to any or all of the projects submitted to the UK Government, the Executive Director of Development and Infrastructure, in consultation with the Solicitor to the Council and the Head of Finance, should enter into a funding agreement with the UK Government and, subsequently, enter into agreements with each of the successful project bidders.

3. Background

3.1.

The Community Renewal Fund (the CRF) is one of three new funds announced on 3 March 2021 by the UK Government. The stated purpose of this one-year pilot (f/y 2021-22) is to help the UK Government move smoothly away from the EU structural fund programme by enabling pilot projects and new approaches to community development that will help inform the design of a future support programme funded from 2022-23 onwards via the UK Shared Prosperity Fund.

3.2.

Key features of the fund are as follows:

- A £220 million fund across the UK, with £20 million allocated for Scottish projects.
- Awards will primarily comprise revenue funding (90%).
- The UK Government has identified '100 Priority Places' based on an index of economic resilience across Great Britain, of which 13 are in Scotland, including the local authority areas of Argyll and Bute and the Outer Hebrides. Orkney is not listed as one of these. This does not preclude bids from outwith the 100 priority places but these must be of a "high quality and demonstrate strong alignment with the strategic fit and good delivery and effectiveness".
- A place's index score is based on the following criteria:
 - Productivity – 30%.
 - Skills – 20%.
 - Unemployment Rate – 20%.
 - Population Density – 20%.
 - Household Income – 10%.
- The fund's priorities are investment in skills, investment for local businesses, investment in communities and place, and supporting people into employment.
- 'Lead Authorities' which, in Scotland, are local authorities, are requested to seek, collate and submit bids and will be responsible for selecting the bids to be sent to the UK Government for consideration, paying grants to successful projects, and managing their performance.
- The lead authorities of the 100 'priority places' will each receive capacity funding of £20,000 to help them invite and appraise bids, although lead authorities elsewhere will not be provided with any capacity funding.
- Key dates are:
 - Submission deadline of 18 June 2021.
 - Successful projects announced from late July 2021.
 - Delivery completed by 31 March 2022.
- Two staged payments will be made in respect of each successful project, one on commencement and one upon completion.
- Match funding is encouraged and value for money of the package of projects will be a consideration.
- Lead Authorities are required to enter into a funding agreement with the UK Government to deliver successful projects, to issue agreements to successful bidders once funding has been agreed, and then to undertake monitoring and assurance activity.

3.3.

The fact that Orkney has not been identified as a priority area is concerning and dialogue has been established at a political level with UK Government Ministers, and officer level with senior Scotland Office civil servants in order to make the case that a future Shared Prosperity Fund (which is to replace the long term funding streams which were previously available through Europe) accounts for specific challenges faced by Orkney, for example distance to markets, fuel poverty and cost of personal travel. These matters are shared with other Highlands and Islands Authorities and work will be done over the next six months to pursue these matters with the UK Government further.

3.4.

Within the formal bid to be submitted to the UK Government, there is a requirement to identify a Senior Responsible Officer (SRO) who should be the senior officer within the Lead Authority who is responsible for ensuring that funding is used in line with the grant agreement and that appropriate management controls are in place.

3.5.

At the end of the UK Community Renewal Fund programme, UK Government will require the SRO to report on expenditure and performance and confirm that management controls have been applied.

4. Applications

4.1.

Following publication of further guidance by the UK Government, on 16 April 2021 the Council published an open invitation for bids, with website links to further information, applicant guidance, and an application form. Bids require to be submitted to the Council by 16 May 2021.

4.2.

Given the very tight timescales, it is proposed that powers be delegated to the Executive Director of Development and Infrastructure, in consultation with the Leader and Depute Leader, the Chair of the Development and Infrastructure Committee, the Chair of the Education, Leisure and Housing Committee and the Head of Finance, to appraise applications received against the UK Government's Gateway criteria and local priorities as set out in the Local Outcomes Improvement Plan 2019 to 2022. The assessment criteria are set out at Appendix 1.

5. Human Resource Implications

In the event of a successful bid being submitted, there will be a requirement for the Council to make resources available to undertake monitoring and assurance activity associated with the successful project(s).

6. Links to Council Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Enterprising Communities.

7. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Strong Communities.

8. Financial Implications

The full financial implications will not be known until, or unless, a bid for funding is successful and an offer of grant received from the UK Government.

9. Legal Aspects

In the event of a successful bid for funding, the Council will be required to enter into a funding agreement with the UK Government setting out the terms on which the funding is being provided. The Council will also require to enter into funding agreements with each of the successful project bidders.

10. Contact Officers

Gavin Barr, Executive Director of Development and Infrastructure, Email gavin.barr@orkney.gov.uk

Gareth Waterson, Head of Finance, Email gareth.waterson@orkney.gov.uk

Roddy MacKay, Heading of Planning, Development and Regulatory Services, extension 2530, Email rodny.mackay@orkney.gov.uk.

Jackie Thomson, Development and Regeneration Manager, Email jackie.thomson@orkney.gov.uk.

11. Appendix

Appendix 1: Assessment criteria to be employed.

Assessment Template – Community Renewal Fund

Project	
Place:	
Project Name:	
Gateway Criteria	
1. Is the application from an organisation eligible to receive UK Community Renewal Fund support?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Will the project be complete by 31 st March 2022?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Does the project address a need identified in the Prospectus?	Yes <input type="checkbox"/> No <input type="checkbox"/> Partial <input type="checkbox"/>
4. Does the project address a need identified in the local invite to submit bids?	Yes <input type="checkbox"/> No <input type="checkbox"/> Partial <input type="checkbox"/>
5. Is the proposed activity permissible within subsidy rules or State Aid where relevant?	Yes <input type="checkbox"/> No <input type="checkbox"/> Partial <input type="checkbox"/>
6. Would the project duplicate other national or local provision?	Yes <input type="checkbox"/> No <input type="checkbox"/> Partial <input type="checkbox"/>
7. Would the project conflict with national policy?	Yes <input type="checkbox"/> No <input type="checkbox"/> Partial <input type="checkbox"/>
8. Will the project be delivered in accordance with branding requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If the answer to 3-7 is partial, if ineligible activity is removed is there still a viable project?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> • If no, project does not meet the eligibility criteria. go straight to Part 4. • If yes, proceed with the assessment and clarify the elements that should be removed from the project. 	
Does the project meet the gateway criteria?	Yes <input type="checkbox"/> No <input type="checkbox"/>

Selection Criteria

<p>Section 1 - Strategic fit</p> <p>1. <i>Please consider the proposal's overall contribution to the strategic objectives of the UK Community Renewal Fund?</i></p>
<ul style="list-style-type: none"> • What is the level of contribution to an articulated investment priority identified in the Prospectus? • To what extent can the project inform UKSPF through transferable learning or opportunity to scale up for local partners and UK Government? • What is the extent to which the project demonstrates innovation in service delivery?
<p>Comment:</p>
<p>2. <i>How well does the proposal contribute to local needs set out in the Orkney Community Plan. What evidence is there of local support?</i></p>
<p>Comment:</p>
<p>Section 2 - Deliverability, effectiveness and efficiency</p>
<p><i>Deliverability</i> <i>Please consider the overall deliverability of the proposal including project risks, and financial due diligence where required.</i></p>
<ul style="list-style-type: none"> • Does the applicant (and delivery partner(s) where relevant) have relevant experience in delivering projects of this type? • Does the applicant have in place the resources necessary to deliver the project, including any match funding? • Are the milestones realistic and is the project deliverable within the stated timescale?
<p>a) What is the risk that the project will not proceed in line with the stated timescales?</p>
<p>b) What is the risk that the project will not proceed in line with the stated budget?</p>
<p>c) What is the risk that the project will not achieve the stated outputs and results?</p>
<p>Has Due Diligence been undertaken? Yes <input type="checkbox"/> No <input type="checkbox"/></p>

If Yes, is the applicant able to manage the project as described?
Yes <input type="checkbox"/> Yes, subject to conditions <input type="checkbox"/> No <input type="checkbox"/>
Comment:
<i>Effectiveness</i> <i>Please consider the overall effectiveness of the proposal including monitoring and evaluation plans, the project budget and proposed outputs.</i>
<ul style="list-style-type: none"> • Has an effective monitoring and evaluation strategy been identified? • Does the project budget reflect the stated activities? Is the budget reasonable in the light of the activities? • Do the stated outputs reflect the project activities and are they achievable?
Comment:
<i>Efficiency</i> <i>Please consider the overall efficiency of the proposal, including Value for Money.</i>
<ul style="list-style-type: none"> • Does the project represent an efficient mode of delivery, taking account of the level of innovation proposed? • Will it operate at an appropriate scale, providing good value for money taking account of project costs, match funding (excluding employment interventions), proposed outputs delivered and potential impact? • Is it clear that the project would not proceed, or could only be delivered on a smaller scale without UK Community Renewal Fund support?
Comment:

Section 3 Equalities Impacts (For UKG information – does not form part of assessment criteria)
What equalities impacts have been considered? Who are the relevant affected groups based on protected characteristics, and what if any are the measures identified in response to these impacts?

Section 4 - Assessor's Recommendation:

Comment:

Progress
Progress with conditions
Reject

Completed by:

Date:

Reviewed by

Date:

Proposed Conditions

1

2

3

Section 5 - Lead Authority assessment decisionSubmit to UK Government Submit with conditions Reject

Comment:

Conditions, if different to section 3.

1

2

3

Name

Date: