

Report to: West Yorkshire Combined Authority

Date: 22 April 2021

Subject: **UK Community Renewal Fund**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: Heather Waddington, Head of ESIF and Future Funding Policy

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1. To summarise the purpose and scope of the UK Community Renewal Fund (UKCRF), and the responsibilities of the Combined Authority as the designated Lead Authority as defined by Government.
- 1.2. To authorise the Managing Director to finalise and submit the shortlists to be submitted to Government, on behalf of the Combined Authority.

2. Information

- 2.1. The £220 million UKCRF 2021-22, was announced in the Budget on 3 March and aims to support people and communities most in need across the UK, creating opportunities to trial new approaches and innovative ideas ahead of the introduction of the UK Shared Prosperity Fund in 2022.
- 2.2. The UKCRF is administered by the Ministry of Housing, Communities and Local Government (MHCLG) with a Lead Authority for each place. In West Yorkshire this is the Combined Authority.

2.3. The Fund is being administered as a competitive process with no pre-set eligibility. The Government has identified 100 priority places based on an index of economic resilience. In West Yorkshire, the designations are:

- **Priority Areas:** Bradford, Calderdale and Wakefield
- **Other Areas:** Kirklees and Leeds

2.4. While all places may be successful in receiving funding, the UKCRF will prioritise applications that target priority places and make a good contribution to strategic fit, delivery and impact in the areas. Being a priority place does not guarantee funding.

2.5. The vast majority of the process is laid out in rules set down by Government.

Implications for West Yorkshire Combined Authority

2.6. In line with Government rules, as the Lead Authority the Combined Authority is required 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; and undertake constructive engagement with local partners, including but not limited to local authorities and elected representatives, and other public, private and third sector organisations.
- appraise and prioritise a shortlist of projects up to a maximum of £3 million per place (max £15 million for West Yorkshire), to be submitted to Government who will assess the proposals and select projects based on the UKCRF criteria.
- enter into a funding agreement with Government to deliver successful bids and issue agreements to successful bidders.
- undertake monitoring and assurance activity.

2.7. To enable a broad range of ideas to come forward the Combined Authority is operating an open and transparent bidding process (as required by Government), inviting bids from any organisation that can deliver an eligible project. An [invitation to bid](#)¹ prospectus is now live, which sets out the national priorities for funding, eligibility requirements, assessment criteria and the local investment priorities that the Combined Authority will use in prioritising submissions. These investment priorities are based on the draft priorities for the West Yorkshire Investment Strategy² agreed by the Combined Authority on 9 March 2021 and focus on supporting economic recovery and growth. The invitation to bid has been promoted to relevant stakeholders, including a stakeholder briefing on the process. Those interested in bidding are being encouraged to contact officers within Local Authorities to assist with the shaping of bids and advise on how they fit with local priorities.

¹ <https://www.westyorks-ca.gov.uk/growing-the-economy/uk-community-renewal-fund/>

² <https://westyorkshire.moderngov.co.uk/documents/s18964/Item%206%20-%20Appendix%202.pdf>

- 2.8. A panel of Combined Authority and Local Authority officers will assess and prioritise all bids submitted, selected on the basis of their expertise and experience and recommend a shortlist for each priority/non-priority place. Clear ethical walls are in place to prevent any undue influence being exerted that distorts the bidding process in favour of any applicant or in a way that prejudices any applicant taking account of any conflicts of interests. Bids will be assessed against:
- the UKCRF gateway and assessment criteria.
 - the extent to which they meet the objectives of UKCRF.
 - the extent to which bids would support the delivery of local growth and employment priorities as set out in the Invitation to Bid.
- 2.9. Following assessment, the Combined Authority will submit the shortlists up to a maximum of £3 million per place to Government by **18 June 2021**. This timeline does not enable a further public meeting of the Combined Authority to take place prior to the deadline. Therefore, authorisation is being sought for the Managing Director to finalise and submit the shortlists on behalf of the Combined Authority. Shortlists will be shared with members of the Combined Authority.
- 2.10. The Government will then assess all bids submitted and announce the outcome of the assessment process from late July 2021 onwards.
- 2.11. As a key objective of the UKCRF is to pilot new ways of delivering activity to businesses and people, all projects are to be robustly evaluated and the learning is to be shared with others. All projects are required to have a minimum of £10,000 allocated for evaluation. The Combined Authority will ensure that all project deliverers undertake the evaluations as set out in their application, in a timely manner and collaborate with national evaluation activity.

3. Tackling the Climate Emergency Implications

- 3.1. As a minimum, investment under this fund should meet the Government's clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.
- 3.2. The West Yorkshire invitation to bid prioritises projects supporting clean growth and those working with the natural environment to achieve project objectives.

4. Inclusive Growth Implications

- 4.1. The impact of inclusive growth has been considered and written into the invitation to bid. Projects will play an important role in supporting inclusive growth by ensuring that opportunities are open to all and that disadvantaged groups and places are targeted and delivery models are tested to ensure they are flexible and responsive to meet local need.

5. Equality and Diversity Implications

- 5.1. The Combined Authority is ensuring that the bidding process takes account of its legal obligations, including the Public Sector Equality Duty. The application form that bidders need to complete requires information about the impact on equalities to assist in this regard. The UKCRF aims to offer funding to develop creative solutions to address a range of local place-based issues as well as addressing particular areas of need which aim to address equality of opportunity for all.

6. Financial Implications

- 6.1. The Lead Authority, as outlined above, will submit shortlists to Government for up to £3 million per place. The Combined Authority will enter into a funding agreement for the amount confirmed with Government and will be responsible for managing these funds accordingly. The Combined Authority will be liable for any expenditure the Secretary of State determines to be ineligible and any ineligible expenditure will be recovered from the Combined Authority. The Combined Authority will consequently need to enter into funding agreements with any successful local bidders and will pass on any government contractual obligations to the delivery partner to manage risk, as set out in the Government prospectus.
- 6.2. Funding will be paid to the Combined Authority in two tranches – 50% on commencement (estimated August-Sept 2021), and the balance on completion (estimated April 2022). The Combined Authority will need to consider how delivery partners are to be paid to manage any risk to the authority, although it is expected this will be based on quarterly claims submitted.
- 6.3. As Lead Authority the Combined Authority will receive capacity funding of £20,000 per priority place (£60,000 total) to carry out its role of coordinating and appraising bids. It will be paid in the summer regardless of whether bids are successful.
- 6.4. In the Combined Authority will receive funding towards the costs incurred in managing the Fund once awarded to March 2022. A flat rate of 2% of the value of funding awarded will be used to cover any costs incurred by the Combined Authority as set out in the Government guidance. If delivery is more complex a flat rate of 3% may be permitted. The Combined Authority is required to set out the fees in its submission to Government, alongside the shortlists, in June.

7. Legal Implications

- 7.1. The Combined Authority will enter into a legal funding agreement with Government for the funding awarded. Government will share the draft funding agreement with partners in due course but as yet it is not clear what the legal requirements and risks are. As the accountable body the Combined Authority will put in place a funding agreement with each local delivery partner. To manage risks any contractual obligations will be passed down accordingly.

- 7.2. As part of the assessment process the Combined Authority is also required to undertake proportionate due diligence on private sector, charitable and voluntary organisation applicants and be satisfied that the applicant is genuine and has the financial standing and sufficient capacity to deliver the proposed activity. This has been built into the assessment process.

8. Staffing Implications

- 8.1. Whilst some resources are in place, given the timeline in which to carry out the work, officers will need to be diverted from other areas of work to complete the task. Resources are in the process of being identified to carry out all the functions required to March 2022.
- 8.2. The Combined Authority has established a roles and responsibilities document to ensure ethical walls are established within the Combined Authority and are in a position to demonstrate to Government the demarcation between the bidding and assessment process.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1. That the Combined Authority notes the purpose and scope of the UKCRF, and the responsibilities of the Combined Authority as the designated Lead Authority as defined by Government.
- 10.2. To authorise the Managing Director to finalise and submit the shortlists to be submitted to Government, on behalf of the Combined Authority.

11. Background Documents

The Invitation to Bid is available [here](#).

12. Appendices

None.