



CABINET - INFORMATION REPORT

Date Written	1 st June 2021 **
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Service Area	Council Regeneration
Exempt/Non Exempt	Non Exempt
Committee Date	16 th June 2021

To: *Chair, Ladies and Gentlemen*

Roll-out of the UK Community Renewal Fund

1.0 SUMMARY OF THE REPORT

- 1.1 The report below outlines the priorities which UK Government wishes to fund potential projects; under the new Community Renewal Fund in preparation for the forthcoming Shared Prosperity Fund which will be launched in early 2022.
- 1.2 The report outlines the Council's role in marketing the CRF to localised organisations and the role we played in assisting organisations in making funding applications before the 24th May submission deadline.
- 1.3 It covers the Council's role in developing a structured application shortlisting criteria and explains the process of analysing applications prior to submission to UK Government by Friday 18th June 2021.
- 1.4 The report also touches upon how the Council has been financially support to assist with the coordinating of applications as well as how we will be assisted if any of the Merthyr Tydfil applications are successful.

2.0 INTRODUCTION AND BACKGROUND

- 2.1 The UK Community Renewal Fund (CRF) was announced by UK Government back in April 2021 in order to provide an additional £220 million of funding to help local areas prepare for the launch of the UK Shared Prosperity Fund in 2022 which will consequently replace the EU structural funds.

- 2.2 The CRF Fund aims to support people and communities most in need across the UK to pilot programmes and new approaches and will invest in skills, community and place, local business, and supporting people into employment.
- 2.3 All places across the UK are eligible for pilot funding, however, UK Government has identified 100 places, based on an index of economic resilience, which will be prioritised as part of the overall finance available.
- 2.4 The UK Community Renewal Fund will support communities in piloting programmes and new approaches, unleashing new ideas to better support people and communities in need across the UK. The Fund will look to support innovative responses to local challenges and local need across the UK, spanning urban, rural and coastal areas.
- 2.5 UK Government set a maximum spend of £3m per priority area and sought applications that were circa £500,000, made-up of at least 90% revenue funding and need to be complete by the 31st March 2022.
- 2.6 In relation to the types of projects that UK Government wished to fund they developed the UK Community Renewal Fund Prospectus and asked potential applicants to ensure that their respective projects aligns itself with at least one of the investment priorities below:
- Investment in skills
 - Investment for local business
 - Investment in communities and place
 - Supporting people into employment
- 2.7 In terms of 'eligibility criteria' the following organisations were deemed to be eligible to apply for the Community Renewal Fund:
- Local district councils
 - Voluntary and community sector organisations
 - Local education providers such as universities and colleges.
 - Umbrella business groups.
- 2.8 From a coordination and resource perspective, the Council were tasked with leading on all CRF related marketing campaigns, working with partners to develop projects / bids and undertake the actual shortlisting of applications prior to submitting the UK Government by Friday 18th June 2021. Incidentally, each of the 100 prioritised areas across the UK will be given £20,000 to assist them with bid coordination and the actual assessment process.

3.0 LAUNCH AND INITIAL MANAGEMENT OF THE UK CRF IN MERTHYR TYDFIL:

- 3.1 The Council launched the CRF on Monday 26th April 2021 with a dedicated page on our www.merthyr.gov.uk website. The web page held information on the fund as well as all of the documentation needed to make a successful bid as well as a developing

a unique email address (CRF@merthyr.gov.uk) in order to engage with prospective applicants and answer any questions.

- 3.2 Furthermore, we engaged with our Corporate Communications Team in order to advertise the opportunity locally via our Council’s social media pages. In addition, the team also worked with specific departments across the Council to also market the Fund via their own respective networks.
- 3.3 As part of the advertising process the Council also met with our County Borough CVC – VAMT in order to share important information and to assist the organisation in marketing the opportunity to their 400+ members whilst acting as a reference point for questions.
- 3.4 The Council set a deadline date of Monday 24th May to receive all funding applications whilst also developing a specific timeline that applicants needed to be made aware of:

Date:	Milestone:
Midnight on Monday 24 th May 2021	Application submission deadline
Between 25 th May to 8 th June 2021	Merthyr Tydfil County Borough Council will assist project proposals including: <ul style="list-style-type: none"> ➤ Processing of eligible applications ➤ Appraisal, selection and prioritisation of projects ➤ Final priority project shortlist agreed
Friday 18 th June 2021	Portfolio of projects submitted to UK Government
Late July 2021	UK Government shortlists and approve project submissions
Early August 2021	Merthyr Tydfil County Borough Council contacts successful applicants
Early August 2021	Projects commence
Mid-December 2021	Merthyr Tydfil County Borough Council undertakes a mid-term review of projects
Mid February 2022	Merthyr Tydfil County Borough Council undertakes a mid-term review of projects
31 st March 2022	Official completion of all UK Community Renewal Fund projects

4.0 UPDATE ON SUBMITTED APPLICATIONS:

- 4.1 Subsequently after the 24th May deadline the team received x16 applications that ranged in size and scope. Of the x16 applications only six of the submissions were from Merthyr Tydfil based organisations with five coming from South East Wales and the remainder coming from England.
- 4.2 From the x16 applications submitted to the Council for assessment a vast majority were focussed on employability and training. In addition, other applications focussed primarily around enterprise development, community engagement, the creative sector and app development.

- 4.3 In terms of the finance requested applications ranged from requests from just £50,000 to £1,661,080. In totality, the collective amount of finance being requested by all x16 applicants amounted to £6,798,624 – more than double of Merthyr Tydfil's maximum allocation of £3,000,000.
- 4.4 UK Government stipulated that the bringing in additional match funding would not positively impact applicant's respective applications, however, from the £6,798,624 being requested only £582,965 of additional, leveraged matched funding would have potentially been used.

5.0 UK GOVERNMENT AND MTCBC SHORTLISTING PROCESSES:

- 5.1 As mentioned previous in Section 2.8 part of the Council's coordination role is to appraise all of applications received and produce a shortlist of projects for an eventual submission to UK Government by Friday 18th June 2021.
- 5.2 As part of the 'guidance' provided by UK Government there is a directive that the Council had to ensure that we follow an open bidding process in inviting bids. However, we have the autonomy to follow our own processes but needed to consider UK Government's 'Cabinet Office Grants Standards', drawing on them as examples of good practice and sources of information.
- 5.3 Considering the above, the team then designed a three phased assessment process. In 'Phase 1' the team used the UK Government's own 'Gateway Criteria' (see image below) which sifted out any potential ineligible application based on the priorities set-out in the 'prospectus' as well as considering project end dates and branding etc. This process was undertaken by the team.

Annex 2 – Assessment Template - Example

This template is an example of how Lead Authorities can appraise bids. It is intended as a tool that Lead Authorities can use, but is not mandatory.

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"/>

UK Government's Gateway Criteria

5.4 In 'Phase 2' a two-staged process was incorporated with 'Stage 1' considering the following:

- Is the application complete?
- Are the applicants eligible under the rules of the 'Prospectus'?
- Are there due diligence issues – (checks of Companies House, Charities Commission plus possible internal check with Revenues & Benefits for local organisations).

5.5 The second stage of 'Phase 2' a more thematic assessment took place where we brought in key officers that work in a specific field (employability, enterprise etc.) and

had them to analyse those applications that covered their service area before determining the following factors:

- Is the project proposal new, unique or needed in Merthyr Tydfil?
- Is the applicants request for finance considered to be 'value for money' set against each applications financial breakdown and proposed outputs.

5.6 If applications met all of the above two 'Phases' then they will go through to 'Phase 3' for a full assessment. The full assessment will be carried out by the following people:

- Leader of the Council
- Portfolio Member
- Leader of the Opposition
- Deputy Chief Executive
- Head of Regeneration & Housing
- Strategic Programmes Manager
- Chief Executive of VAMT (to act as an independent assessor)

5.7 To strategically analyse each application the team developed an assessment criteria that mirrored that of UK Government so that we as a Council could base our views, observations and scores set against those of UK Government thereafter.

5.8 The assessment of each application will be undertaken by considering two main criteria, which as mentioned above, UK Government will also be assessing against. These are:

Criteria 1: Strategic Fit

Criteria 2: Deliverability, Effectiveness and Efficiency

5.9 in addition, to assist with the scoring of each question set out in Appendix 1, the team also developed a CRF Scoring Rationale (Appendix 2) which will assist assessors in determining what score to give each response in the application set against statements ranging from 'Perfect Response – 5pts' to 'Very Poor Response – 1pt'.

5.10 The scores of each sub-criteria question are given a mark out of 5. These are summed with equal weighting. This will then be converted to a percentage score for the theme (e.g. a maximum mark of 25 would give a score of 100%).

5.11 Due to the tight timescales involved with the fund and to make the assessment process far easier and faster for assessors key officers from the department have agreed to score and give comments on each of the applications. These scores, comments and associated applications will be sent out to panel members so they have a baseline and rationale to form a view on each application with an opportunity to agree or change based on their views, before either sending in their respective scores to the team or possibly presenting these at a dedicated Panel Meeting in mid-June 2021.

5.12 The team will then collate all of the scores from the assessors and develop an overall table of scores. Based on the UK Government's Guidance document, applications that score over 50% are then eligible to be forwarded to UK Government by Friday 18th June. However, prior to full submission, the team will bring the 'table of scores' to Cabinet on Wednesday 16th June to obtain sign-off of applications prior to submission.

6.0 AFTER SUBMISSION TO UK GOVERNMENT:

6.1 For those successful applications that will be submitted by Friday 18th June UK Government will then undertake its own assessment process whilst also considering the scores, comments and overarching paperwork that the Council would have submitted.

6.2 It is anticipated that UK Government will announce successful projects in late July 2021.

6.3 With regards to those successful applications for Merthyr Tydfil the Council will then enter into a funding agreement with UK Government to deliver successful bids. Furthermore, the Council will also issue agreements to successful bidders once funding has been agreed by the UK Government, and then undertake monitoring and assurance activity across the lifespan of each successful project – all of which will end by the 31st March 2022.

7.0 FINANCIAL IMPLICATION(S)

7.1 As mentioned previously, the Council will receive £20,000 as a resource payment to help coordinate the full process outlined in this report.

7.2 UK Community Renewal Fund will be paid to Lead Authorities in two tranches – 50% on commencement, and the balance on completion. To ensure that funding is used solely for the purposes for which it was awarded and minimise the risk of fraud at all stages of the grant cycle the Council must also establish appropriate and proportionate systems and processes (including addressing any potential conflicts of interest) to:

- Manage payments to project deliverers
- Monitor performance of project deliverers
- Ensure that money has been spent in line with the funding agreement

7.3 Importantly, the Council has the decision on how we wish to make payments to project deliverers e.g. in advance, in arrears or to an agreed profile.

7.4 The Council must monitor the expenditure incurred under each UK Community Renewal Fund project and be able to report on each project as part of progress reports to the Secretary of State.

7.5 In addition, the Council will also establish a monitoring process to identify possible weaknesses or risks in the delivery of projects and provide for corrective action to be taken. This may include checking claims and progress reports, testing samples of expenditure, and or undertaking monitoring visits (on-site or remotely). These processes should be proportionate to the scale and complexity of and risk attached to projects.

7.6 To support the Council in managing the above process relating to successful Merthyr Tydfil Projects UK Government will incorporate a 'management cost calculation – between 2%-3%' based on the total grant awarded to Merthyr Tydfil e.g. if Merthyr Tydfil is awarded £2m of projects we will receive between £40,000 - £60,000 to manage those projects until 31st March 2022.

8.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Neutral/Not Applicable	
1. Merthyr Tydfil Well-being Objectives	3 of 4	0 of 4	1 of 4	
2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5	
3. Protected Characteristics (including Welsh Language)	2 of 10	0 of 10	8 of 10	
4. Socio-economic Disadvantage	0 of 6	0 of 6	6 of 6	
5. Consultation and Engagement	Undertaken	Due to be Undertaken	Not Required	
	0 of 1	1 of 1	0 of 1	
6. Data and Evidence to inform the proposal	Yes		No	
	0 of 1		1 of 1	
7. Biodiversity and the resilience of Ecosystems	Maintained	Enhanced	Reduced	Neutral/Not Applicable
	0 of 1	0 of 1	0 of 1	1 of 1
Summary				
The main positive impacts are:	The main positive impacts are the CRF will focus on the investment in revenue and small capital items in local infrastructure, having a visible, tangible impact on people and places, and supporting economic recovery.			
The main negative impacts are:	No negative impacts have been identified.			

**ALYN OWEN
DEPUTY CHIEF EXECUTIVE**

**COUNCILLOR GERAINT THOMAS
CABINET MEMBER FOR
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BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.