

## Annex 3

### UK Community Renewal Fund – see [prospectus](#)

#### Background

This £220m fund is a one year pilot for new UK Shared Prosperity Fund, which will replace EU structural funds and is expected to be a £1.5bn per annum fund available from 2023 onwards. The pilot explores the themes for projects, with a focus on innovation in delivery, and the process for application, which is through Mayoral Combined Authorities, or Local Authorities where they don't exist. A maximum of £3m per area is available, and this is expected to be spent by 31 March 2022, with final funding decisions being made by Government from July onwards.

The fund is open to every area, but 100 have been given priority status with £20,000 of capacity building money to support the local process of calls for projects. Should all 100 priority areas submit lists of £3m of projects, the fund would be oversubscribed by £80m. The 268 non-priority places, such as York, that are also eligible to bid are expected to deliver this process without the additional funding. It is not an option to simply submit Local Authority bids – the process demands a call for projects, appraisal of the responses to calls, and then the development and agreement of a priority list for submission.

The themes for projects will be familiar to anyone with experience in European Structural Investment Funds such as ERDF and ESF. The prospectus is clear that Government is looking, however, for innovation in delivery. The themes are:

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

For each theme, the prospectus explores a wide range of possible project themes, stressing the desire for the pilot to explore innovative approaches to delivery. 90% of the funding is for revenue projects, and it is important to note once again that all funding received must be spent by the end of March 2022.

#### Process

The prospectus provides a clear timeline for delivery of local calls for projects through Mayoral Combined Authorities, or Local Authorities where they don't exist. In brief, this timeline is:

- March 2021: Lead authorities invite project proposals from a range of local applicants, including voluntary and community sector organisations and local education providers including universities
- June 2021: Lead authorities should then appraise these projects and produce a shortlist of projects up to a maximum of £3 million per place for submission to UK government.

- July onwards: The UK government will select projects in line with the selection criteria
- all funding to be spent by 31 March 2022

As discussed above, Priority areas have been provided with £20,000 of capacity building funding. This is to support the bidding process and then local contracting with approved projects and monitoring and evaluation. The full scope of the Lead Authority role is as follows:

- Invite bids from a range of project applicants, including but not limited to universities, voluntary and community sector organisations, and umbrella business groups. Any legally constituted organisation delivering an appropriate service should feel able to prepare a proposal.
- 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 £3 million per place, from which the UK government will select projects.
- Submit shortlist to UK government who will assess the proposals and select projects based on the published criteria.
- Issue grant agreements to successful bidders once funding has been agreed by UK government, and then undertake monitoring and assurance activity.

There is no additional resource provided to support this process, so delivery will have to be balanced against other existing workloads within the Economic Growth team. It will be necessary to create a small project team, launch a call for projects, receive and appraise bids, develop into a priority list, get sign-off for that list, and submit to government, which will require some staff to be moved from their current activities. It is proposed that the Head of Economic Growth leads a small team to run this process.

Agreement of a priority list for submission would be through a specially convened Executive Member decision session in early June.

The timeline for a York UKCRF process would be as follows:

22 Apr	Executive to agree details for call for proposals (as set out in this paper): <ul style="list-style-type: none"><li>▪ Minimum project value</li><li>▪ Priority themes</li><li>▪ Strategic priorities</li><li>▪ Deadlines</li></ul>
23 Apr	Launch call for proposals through CYC website
16 May	End of call for proposals
17-31 May	Appraise projects & develop York priority list

w/c 8 June Priority list considered at specially convened Executive Member Decision Session (Cllr Waller with Cllr Smalley)

18 June Deadline for submission to Government

### **Selection Criteria**

For proposals from non-priority areas such as York, the key gateway issue will be that projects would need to be appraised at a minimum of 80% against strategic fit and deliverability. Government will only consider projects in York that are appraised at 80% or above, and will be monitoring local scoring to ensure that scores are realistic.

There is a clear need to ensure that any projects which are submitted as a result of the call for proposals are sufficiently developed to ensure that they have both strong strategic fit and are also clearly deliverable in the 6 month window towards the end of 2021/22.

**Strategic Fit** will be scored against the following:

1. Level of contribution to local needs articulated in relevant local plans and with evidence of local support. Projects will be appraised against:
  - York and North Yorkshire Devolution Proposal
  - York and North Yorkshire Local Industrial Strategy
  - York Recovery Plan – Business Support and Skills & Employment 1 year plans (latter as developed by Skills & Employment Board and approved by Cllr Waller at March 2021 Decision Session)
2. Level of contribution to a national investment priority
  - Investment in skills
  - Investment for business
  - Investment in communities and place
  - Supporting people into employment
3. The extent of contribution to net zero objectives, as set out at section 3.1.1 of the prospectus, or wider environmental considerations (not applicable to employment support interventions)
4. The extent to which the project can inform the UK Shared Prosperity Fund through transferable learning or opportunity to scale up for local partners and UK government.
5. The extent to which the project demonstrates innovation in service delivery.

**Deliverability** will be scored against:

1. That it can be delivered as proposed by March 2022 with realistic milestones identified.
2. Project risks have been identified and are adequately mitigated, including project-level management controls.
3. The applicant sets out an efficient mode of delivery, taking account of the level of innovation proposed and will operate at an appropriate scale. This shall include an assessment of value for money taking account of:
  - a. the level of contribution to programme outputs for funding sought
  - b. the amount of match funding or leverage proposed to maximise impact (not applicable to employment interventions).
4. That the project would not proceed without funding or could only be delivered on a smaller scale.
5. An effective monitoring and evaluation strategy has been identified for the project.

### **Project size:**

While there is no published minimum project size, Government have indicated that they are expecting **bids of at least £100k**, and we will treat this as the minimum size for York projects, given our low priority status. Applicants could put forward several linked projects as a single programme, but that will need to be submitted on a single form with consolidated finances, outputs and outcomes, and will be appraised as a single entity. Regional bids would be possible, but would need to be appraised locally against York priorities. A regional bid above the £100k threshold could include York elements below that level and be considered as part of the York priority list.

### **Investment Themes**

- **Investment in skills** Bids may include, but are not limited to interventions that address:
  - *Work-based training* – for example addressing specific local need from local employers for on-the-job training to support local growth, such as taking on trainee builders for a new infrastructure project.
  - *Retraining, upskilling or reskilling members of the workforce* – for example helping organisations to identify and understand skills gaps or provide access to financial support for relevant training where the local workforce may require new skills to meet the needs of a local employer or sector and support local economic transitions.
  - *Promoting the advancement of digital skills and inclusion* – for example supporting the development of digital skills for digitally excluded individuals, especially where digital exclusion presents a barrier to employment, building confidence in application of basic and advanced digital skills and promoting safety and awareness online.

For York, skills projects would naturally flow from the 1 year skills plan prepared by the Skills Board and to be considered by Cllr Waller at his March 2021 Decision Session. There is much overlap with YNY priorities.

- **Investment for local business** Bids may include, but are not limited to, interventions that address:
  - *Supporting entrepreneurs and helping businesses with potential to create more job opportunities for current employees or take on new employees* – for example helping businesses to access the specialist support they need such as investor readiness schemes and private sector experts like experienced non-executives.
  - *Encouraging businesses to develop their innovation potential* – for example facilitating small businesses grow and to develop new and improved products and services by promoting collaboration and knowledge sharing, including small-scale knowledge transfer activity. This may include nurturing further join up between higher education institutions and small businesses, capitalising on research outcomes and building innovation capacity through development of plans for local innovation facilities and opportunities such as innovation centres and incubation services.
  - *Supporting decarbonisation measures* – for example encouraging local businesses and organisations to reduce greenhouse gases through investment in new technology or energy efficiency measures that can have bottom line benefits and improve business productivity.

For York, business support priorities in the current year were set out in the 1 year business support plan developed as part of our Covid response.

- **Investment in communities and place**
  - *Feasibility studies for delivering net-zero and local energy projects* – for example assessing opportunity and viability of green projects that contribute towards our green agenda or net-zero objectives such as installing electric vehicle charging points and coastal investment projects. This may include investing in feasibility studies to assess, for example, scheduling considerations, legal, economic and technical factors for projects that could support local decarbonisation where this brings social or economic benefits to local people and promoting environmentally conscious or collaborative local solutions such as clean energy projects.
  - *Exploring opportunity for promoting culture-led regeneration and community development* – for example investing in culture focused feasibility studies and community facilities to attract people to places, including city centres and rural and coastal towns. This may include research for projects that could generate footfall to support other private-sector businesses, opportunities to improve efficiency and collaboration by joining up local public services to produce better local outcomes or investing in the preservation or enhancement of cultural and sporting

facilities such as museums, galleries, visitor attractions, pier restoration and heritage assets.

- *Improving green spaces and preserving important local assets* – for example enhancing natural assets, including green spaces in neighbourhoods and housing estates, to enhance quality of life to attract and retain talent, and attract tourism.
  - *Promoting rural connectivity* – for example developing opportunities for digital functionality and physical connectivity to help realise the full potential of rural businesses. This may include exploring proposed innovative ideas for enhancing accessibility and social, economic and cultural opportunities for rural communities, including rural and green infrastructure
- **Supporting people into employment**
    - *Supporting people to engage with local services which support them on their journey towards employment* – such as bringing together multi-agency teams to join up a variety of services around an individual to address the variety of barriers to employment they may face; or key-worker support to connect individuals with existing public or voluntary provision.
    - *Identifying and addressing any potential barriers these individuals may face in gaining employment or moving closer to the labour market* – such as the use of key-worker support to work with beneficiaries to identify barriers to employment; working with and connecting individuals to the most appropriate services throughout the employment journey.
    - *Raising aspirations, supporting individuals to access Plan for Jobs employment support, jobs and find sustainable employment* – such as providing holistic support to address the long-term barriers to employment including but not limited to: support for alcohol and drugs interventions, skills for life such as timekeeping, confidence building and, employability support, including work experience, CV writing or interview preparation.
    - *Supporting people to gain the basic skills they need to develop their potential for sustainable work* – such as English, Maths, Digital and English for Speakers of Other Languages skills and training courses. Other suitable provision could include support intended to develop communication, interpersonal and presentation skills.
    - *Testing what works in helping people move towards work* – such as testing new initiatives which support people along the employment journey to understand how different interventions, or targeting approaches, can maximise the effectiveness of employment programmes aimed at those furthest from the labour market

Again, the York 1 year skills and employment plan covers this theme, with a clear strategic framework in place to provide priorities, and there is overlap with broader YNY priorities.