

Greater Manchester Combined Authority

Date: 30 July 2021

Subject: UK Community Renewal Fund – grant funding

Report of: Councillor David Molyneux, Portfolio Lead for Resources and Investment and Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT:

The UK Community Renewal Fund was announced as part of the Government's 2020 Spending Review. It is a £220m, one-year, predominantly revenue pilot fund acting as a bridge to the UK Shared Prosperity Fund (UKSPF). It only available in this financial year and delivery timescales are short with projects having to be completed by end-March 2022.

Government has identified GMCA as the 'lead authority' in Greater Manchester. The Lead Authority is responsible for running an open and competitive 'Call for Bids', appraisal and producing a shortlist totalling no more than £3m per local authority area to submit to Government. Government will independently assess each project submitted by Lead Authorities and take the final decision about which shortlisted projects are funded.

GMCA will also be responsible for contracting with and managing each successful project in Greater Manchester.

RECOMMENDATIONS:

The GMCA is requested to:

- Delegate to the GM Treasurer, in consultation with the Portfolio Leader for Resources and Investment, the decision to enter into grant agreements to allocate CRF funding to applicants selected by Government, subject to confirmed Government CRF grant funding to GMCA.
- Approve an increase to the GMCA revenue programme of up to £18M, which is the maximum value of the GMCA CRF shortlisted projects.

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

CONTACT OFFICERS:

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire				
Impact Indicator	Result	Justification/Mitigation		
Equality and Inclusion	G	<p>If approved, some of the CRF projects aim to target and work with cohorts from protected characteristics e.g BAME communities.</p> <p>If approved, some of the CRF projects aim to offer employment and skills support to those who are economically inactive.</p> <p>If approved, some of the CRF projects will deliver from local community venues supporting access to wider services and reducing isolation.</p> <p>If approved, some of the CRF projects aim to target groups from 'hard to reach groups' to promote access to services and in turn may impact community cohesion.</p>		
Health	G	<p>If approved, some of the projects will have a positive impacts mental health via participation and access to support to reduce social isolation.</p> <p>As above. See Answer 2</p>		
Resilience and Adaptation				
Housing				
Economy	G	<p>By supporting people to increase their skills levels and gain employment CRF projects will contribute to local economic growth</p> <p>If approved, some of the projects aim to increase or create new employment opportunities, self-employment opportunities and training to develop and progress in work.</p> <p>If approved, some of the projects aim to support local businesses to develop and grow in order to sustain and maximise their potential.</p> <p>There are a number of feasibility studies projects submitted as part of the bids, and alongside the stipulation for each project to carry out a robust evaluation on process and outcomes will result in a enhanced evidence base for R&D and innovation.</p> <p>As part of the CRF submissions, a number directly support access to and achievement of skills and training. It is one of the 4 priority investment areas.</p>		
Mobility and Connectivity				
Carbon, Nature and Environment	G	As part of the bids submitted a number have offered to support organisations with developing plans to increase and deliver on becoming carbon neutral		
Consumption and Production				
Contribution to achieving the GM Carbon Neutral 2038 target		As part of the appraisal process the UKG were interested in bids which are particularly strong on demonstrating a contribution to national net zero and carbon reduction ambitions and this forms a key part of the UKG's assessment criteria.		
Further Assessment(s):		Equalities Impact Assessment		
				
	Positive impacts overall, whether long or short term.	Mix of positive and negative impacts. Trade-offs to consider.	Mostly negative, with at least one positive aspect. Trade-offs to consider.	Negative impacts overall.

Risk Management:

The GMCA project team has a robust risk management plan in place.

Legal Considerations:

GMCA legal support is in place to manage the drafting of grant funding agreements.

Financial Consequences – Revenue:

Proposals in this report will be fully funded from Government grant, with a potential increase of GMCA revenue spending of up to £18m which is the maximum total value of CRF shortlisted projects submitted to Government by GMCA.

Financial Consequences – Capital:

None

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee**BACKGROUND PAPERS:**

None

TRACKING/PROCESS		[All sections to be completed]
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes / No [Delete as appropriate]
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		
GM Transport Committee	Overview & Scrutiny Committee	

1. INTRODUCTION/BACKGROUND

- 1.1 The UK Community Renewal Fund (CRF) was announced in the 2021 Budget. It is a £220m, one-year, predominantly revenue national pilot fund acting as a bridge to the UK Shared Prosperity Fund which will replace EU Structural Funds. It is a single year fund for 2021/2 and all projects must complete by the end of March 2022.

- 1.2 The UKCRF has four investment priorities: skills, local business, communities and place, and supporting people into employment.

2. THE COMMUNITY RENEWAL PROCESS IN GM

- 2.1 GMCA was designated by Government as the 'lead authority' in Greater Manchester alongside other Mayoral Combined Authorities, the Greater London Authority, counties and freestanding Unitary Authorities across the country.
- 2.2 GMCA as the Lead Authority was responsible for running an open and competitive 'Call for Bids', appraising these bids and producing a shortlist totalling no more than £3m per local authority area to submit to Government. Government then makes the final decision about which shortlisted projects to fund in GM.
- 2.3 The UKG identified 100 'priority places' nationally for the CRF. There are four GM local authority areas identified as such: Bolton, Manchester, Oldham and Rochdale. Bids that will deliver in these priority places will receive higher priority from Government during the final national assessment but did not receive any differential treatment in the GM appraisal process.
- 2.4 GMCA as the lead authority for GM, will receive the CRF grant funding from Government for those projects that have been successful with the Government's final assessment. GMCA will then distribute that grant funding to successful applicants via individual grant funding agreements between GMCA and the applicant which will include GMCA monitoring and managing project performance and reporting such to Government. GMCA will only be able to enter grant funding agreements with those CRF projects selected by Government, at the grant amount determined by Government.
- 2.5 The timescale for CRF has been very short with Government guidance on the CRF process issued in March, GMCA issuing the call for applications in April, GMCA appraisals in May and June and submission of the shortlisted projects to Government on 18th June.
- 2.6 Although the timescale has been short, GMCA has submitted a strong shortlist of projects with significant appraisal support from officers across GM's local authorities.
- 2.7 Government departments will now assess the shortlisted bids, making the final decision on which projects will be funded. It is anticipated that GMCA and applicants will hear the outcome from the end of July onwards.
- 2.8 Timescales for delivery are very short as all CRF project delivery must be complete by the end of March 2022. Work is now underway, as lead authorities wait for further Government guidance on CRF monitoring requirements, on the early drafting of grant funding agreement templates and the finance systems that need to be in place to reduce the time from Government decision to when an applicant can begin activity.

- 2.9 Government has received a significant number of CRF shortlisted applications and it is likely that decisions from Government on which projects are successful may be subject to some slippage into August, putting at risk the limited delivery time available to applicants and potentially the viability of projects themselves.
- 2.10 To mitigate this risk of delay, GMCA is asked to agree to delegate the finalising and entering into grant funding agreements between:
- Government and GMCA for the totality of the CRF grants awarded to GM applicants. This will include a 2% management fee for GMCA to manage all projects, this 2% management fee is in addition to the funding requested by applicants; and
 - GMCA and each applicant where government has identified their selection for CRF funding.
- 2.11 GMCA is also asked to approve an increase to the GMCA revenue programme of up to £18M, which is the maximum value of the GMCA CRF shortlisted projects.

3. RECOMMENDATIONS

- 3.1** The recommendations can be found at the front of this report.