

UK COMMUNITY RENEWAL FUND

Acceptance of funding offer from Government

Part I Briefing Report**1.0 SCHEME SUMMARY**

In March 2021, Government launched the Community Renewal Fund (CRF) as part of the Levelling Up and Community investments. Government identified 100 priority places – Plymouth is not one of them – and invited Lead Authorities to invite, appraise and submit bids on behalf of their “place”. Plymouth City Council has been designated as Lead Authority for CRF. As Lead Authority, PCC has to oversee and manage the funding on behalf of Government.

In June 2021, PCC submitted a shortlist of 5 bids worth £2.9m to UK Government for consideration for the CRF. On the 3rd November 2021, successful bids were announced and two Plymouth bids were successful – Plymouth Sound National Marine Park, and Stonehouse Union, with the overall award being £1,198,766. Projects can start spending from the date of the announcement letter (03 November 2021). The end date for project delivery has been extended from March 2022 to 30 June 2022, by which the projects will need to have finished delivery.

2.0 BUDGET SUMMARY AND BUSINESS CASE

The overall award from Government is £1,198,766. Of this, PCC receives £27,978 to cover management costs.

The successful projects are:

Project Name	Lead Applicant	Short Description	Project Value
Plymouth Sound National Marine Park	Plymouth City Council	<p>This project further enhances Plymouth’s trailblazer National Marine Park designation by delivering a programme of five key elements for the park:</p> <ul style="list-style-type: none"> - Access through gateway Hubs - SME business and skills support - New “blue” businesses/products - Net Zero: Innovative waterfront decarbonisation - Public engagement and community development 	£643,260
Stonehouse Union	Nudge Community Builders and Street Factory CIC	<p>This project brings together different but complementary organisations working in a deprived area in Plymouth.</p> <p>It will provide:</p> <ul style="list-style-type: none"> - Unique life-skills support and training for unemployed and far from the labour market beneficiaries - Work-skills training - Start-Up mentoring and support - Business support and workspace 	£527,528

The Role of PCC as Lead Authority and Project Deliverer

PCC has been designated as a Lead Authority (accountable body) by the UK Government. As a Lead Authority PCC must:

- Be a conduit between Government and the applicants.
- Enter into a funding agreement with the Government to deliver successful bids.
- Issue a funding agreement to Nudge, and enter into an SLA with the NMP delivery team and contract manage the delivery of these projects, including checking and authorizing claims & payments to applicants. Ensure project activities comply with funding agreements, in particular rules on Subsidy Control, procurement and eligible spend. Support applicants with technical guidance as part of the contract management function.
- Monitor the projects' activities and outputs, prepare interim and final reports to Government. Whilst project delivery will end by 30 June 2022, project evaluations, reporting and claims are likely to continue until December 2022.
- Maintain a separation of responsibilities between project delivery team and lead authority team. PCC is one of the successful applicants whose project was also selected by Government. As such, PCC will also be directly responsible for delivering this project. It is important to keep these two roles distinct from each other.
- The Lead Authority is responsible for paying the funding to project deliverers. An initial payment of 50% of project costs will be made to PCC upon execution of the Funding Agreement. The second payment will be paid from July 22, once the Lead Authority has paid the funding for the projects' activities in full. Payments to project deliverers will be quarterly or monthly in arrears. As such, PCC will have to cash flow grant payments to project deliverers.

Milestones

It was originally anticipated that government would announce successful bidders in July for an anticipated start date of August and an end date for all projects of March 2022. This has been delayed and Government have announced the successful projects on 03 November. The delivery window has been extended until 30 June 2022.

1 st April 21	Call for bids published on Invest Plymouth website UK Community Renewal Fund - Invest Plymouth (visitplymouth.co.uk)
28 th April 21	Q&A session with potential bidders
14 th May 21	Deadline for bids to be submitted to PCC
17 th May – 17 th June 21	Assess bids, prioritise & prepare Government submission
18 th June 21	Project shortlist to be submitted to UK Government
03 November 21	Decision on successful projects
Nov 21 – June 22	Programme delivery – develop grant funding agreement, mobilisation, delivery, payments and monitoring
30 June 22	Completion of projects and CRF programme
Dec 22	Monitoring and Reporting finishes

3.0 REVENUE IMPLICATIONS

£1,198,766 of ring-fenced revenue grant has been awarded to PCC. Of this, PCC receives a lump sum to cover management costs of £27,978. The remaining funding is to be further distributed to the applicants to meet 100% of the cost of achieving the revenue grant objectives up to the maximum for each applicant stated above.

As Lead Authority, PCC will oversee that the projects are delivered within the grant terms and conditions. There are no expected revenue pressures arising as a result of accepting this grant award.

4.0 RISKS

Key Risk	Nature of Risk	Mitigation
Generic		
Strategic / Operational		
Projects are not delivering as planned	Projects might have based forecasting on assumptions that are not fully deliverable.	Deliverability and outputs were assessed as part of the appraisal process. We will maintain robust programme management protocols through regular monitoring and review. Remedial action will be taken where necessary.
Reputational		
PCC performance as Lead Authority perceived as weak	Government and other stakeholders could perceive any failure as a result of weak performance of Lead Authority	Team has substantial experience with (successfully) overseeing LEP business theme pipeline on behalf of HotSW LEP. Robust programme management will be employed and regular meetings with project deliverers will be established.
Financial		
PCC unable to claim back all administered grant funding	Government might not reimburse all funding that was granted to applicants due to ineligibility of costs	Close monitoring of claims and expenditure will be undertaken. Any questions about eligibility of costs will be confirmed by experts.
Costs are going over budget	Budgets are based on some assumptions. Applicants have not budgeted sufficiently.	Lead Authority is not responsible to cover any increase of budget. Close monitoring of budget will be undertaken.

4.0 RECOMMENDATION

It is recommended that the Leader of the Council:

- Accepts the funding offer of up to £1,198,766 from Government