

## CABINET MEETING – 7 DECEMBER 2021

### EXECUTIVE SUMMARY SHEET – PART I

**Title of Report:**

UK Community Renewal Fund – Sunderland Programme

**Author(s):**

Executive Director of Corporate Services

**Purpose of Report:**

The report seeks Cabinet approval to take forward the delivery, management and evaluation of Sunderland's successful bid submission ("the Programme") supported through the UK Community Renewal Fund ("UKCRF"). This follows the approval of the Programme from the Department for Levelling Up, Housing and Communities ("DLUHC").

**Description of Decision:**

Cabinet is requested to:

- I. Approve that the Council will act as the Accountable Body for the UKCRF programme in Sunderland and undertake the role of Lead authority during Programme implementation, delivery and monitoring from November 2021 until June 2022, and through to programme closure and final claims in mid-late 2022;
- II. Authorise the Executive Director of Corporate Services, in consultation with the Leader and Cabinet Secretary, to accept the terms of a Funding Agreement with associated conditions from the DLUHC and to enable delivery of the Programme;
- III. Authorise the Executive Director of Corporate Services, in consultation with the Leader and Cabinet Secretary, to agree the terms of Local Funding Agreements with the five projects approved by DLUHC within the Sunderland Programme as described in this report ("the Projects");
- IV. Authorise the Executive Director of Corporate Services and/or the Assistant Director of Law and Governance to execute all necessary legal agreements in order to give effect to (ii) and (iii) above; and
- V. Authorise the Executive Director of Corporate Services, in consultation with the Cabinet Secretary, to take all necessary action on behalf of the Council as the Accountable Body for the UKCRF based on the terms set out in this report (including entering into individual project funding agreements and the procurement and award of all necessary contracts).

**Is the decision consistent with the Budget/Policy Framework?**      **\*Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

The UKCRF programme requires the Council to perform the role of an accountable body, entering into local funding agreements for the Projects and overseeing monitoring, financial claims and other reporting requirements. When the UKCRF Programme was launched in March 2021, bids could only be submitted by local authorities acting as Lead Authorities.

The delivery of the Programme will lead to significant investment in business support, social enterprise development, community support and capacity-building for the voluntary and community sector, and employability support and work placements for residents. The Projects will be delivered as pilot activities during an 8 month period between November 2021 and June 2022. Final benefits and outcomes will be summarised in project evaluation reports at the end of the programme.

**Alternative options to be considered and recommended to be rejected:**

There is no alternative option recommended. A decision not to proceed would mean that investment in skills, business development, communities and place, and supporting people into employment, in Sunderland would be lost and the outcomes of the Projects would not be delivered.

**Impacts analysed;**

Equality  Privacy  Sustainability  Crime and Disorder

**Is the Decision consistent with the Council's co-operative values? Yes**

**Is this a "Key Decision" as defined in the Constitution? Yes**

**Is it included in the 28 day Notice of Decisions? Yes**

## **CABINET – 7 DECEMBER 2021**

### **UK COMMUNITY RENEWAL FUND – SUNDERLAND PROGRAMME**

#### **REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

#### **1. Purpose of the Report**

- 1.1 The report seeks Cabinet approval to take forward the delivery, management and evaluation of Sunderland's successful bid submission ("the Programme") supported through the UK Community Renewal Fund ("UKCRF"). This follows the approval of the Programme from the Department for Levelling Up, Housing and Communities ("DLUHC").

#### **2. Description of Decision (Recommendations)**

- 2.1 Cabinet is requested to:
- I. Approve that the Council will act as the Accountable Body for the UKCRF programme in Sunderland and undertake its role as Lead authority during Programme implementation, delivery and monitoring from November 2021 until June 2022, and through to programme closure and final claims in mid-late 2022;
  - II. Authorise the Executive Director of Corporate Services, in consultation with the Leader and Cabinet Secretary, to accept the terms of a Funding Agreement with associated conditions from the DLUHC and to enable delivery of the Programme;
  - III. Authorise the Executive Director of Corporate Services, in consultation with the Leader and Cabinet Secretary, to agree the terms of Local Funding Agreements with the five projects approved by DLUHC within the Sunderland Programme as described in this report ("the Projects");
  - IV. Authorise the Executive Director of Corporate Services and/or the Assistant Director of Law and Governance to execute all necessary legal agreements in order to give effect to (ii) and (iii) above; and
  - V. Authorise the Executive Director of Corporate Services, in consultation with Cabinet Secretary, to take all necessary action on behalf of the Council as the Accountable Body for the UKCRF based on the terms set out in this report (including entering into individual project funding agreements and the procurement and award of all necessary contracts).

#### **3. Introduction/Background**

- 3.1 The Government's budget on 3 March 2021 included a short-term funding programme called the Community Renewal Fund. The £220m 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 support, and supporting people into employment. Places, defined as local authority areas in the UK, could not bid for more than £3m. In addition, only local authorities, acting as lead authorities, were able to submit bids. Lead authorities had to submit their project shortlist to DLUHC (formerly the Ministry of Housing, Communities and Local Government) by 18 June 2021.

- 3.2 All places across the UK were eligible for pilot funding. However, 100 places in the UK were given 'priority place' status based on an index of economic resilience. Sunderland was not identified as a priority place for CRF. While Sunderland projects could still be shortlisted and submitted to Government for consideration, they were required to meet an 80% threshold against the assessment criteria, compared to a 50% threshold for priority places.
- 3.3 Following a report approved by the Council's Chief Officer Group on 30 March 2021, setting out the investment priorities and the role of lead authorities in the UKCRF programme, it was agreed that the Council would launch a local call for eligible projects.
- 3.4 The Sunderland call for projects was launched on 9 April with a deadline of 17 May 2021. Towards the start of the call period, 5 webinars were organised by the Finance Service (External Funding Team) and attended by over 50 organisations from across the public, voluntary and community, and private sectors. All presentation materials and guidance documents were made available via the Council's website. Because of the additional threshold that Sunderland bids needed to meet, a dedicated session on the application process and assessment criteria was also delivered to potential applicants.
- 3.5 In total, 17 applications were received by the Council seeking UKCRF grant support of £6,419,176. To prioritise and rank projects a thorough assessment process was undertaken, largely based on the Government's assessment criteria. Assessment involved initial gateway checks, due diligence and assessment against strategic fit, deliverability, effectiveness, and efficiency criteria. The process was coordinated by the Finance Service (External Funding Team), with valuable input from the City Development and Neighbourhoods Directorates.
- 3.6 A follow-up report to the Chief Officer Group on 8 June 2021 presented the results of the assessments and included a shortlist of 9 projects to be submitted to the Government in a Sunderland place bid for a total value of £2,869,937.28, inclusive of 2% towards programme management costs.

#### **4. Current Position**

- 4.1 Whilst the Government was expected to announce a decision on approvals under UKCRF in late July 2021, the outcome was only eventually announced on 3 November 2021. In total, 5 of the projects submitted within the Sunderland place bid received approval, with a total award of £1,594,967, including a 2% programme management fee.
- 4.2 A draft funding agreement template has been published by the Government along with a Letter to the Leader of the Council confirming the published decision to award funding to 5 projects in Sunderland. Due to the delay in the approvals being announced, Lead authorities have been asked to notify Government if any of the projects are no longer deliverable or if there any significant changes. If no issues or changes are reported the Government will proceed to draft and issue a funding agreement to the Council as the lead authority for the Sunderland project approvals. The agreement will include funding for programme management costs.

- 4.3 Following a series of follow-up sessions and 1-to-1 meetings held with each project, assurances that each project can be delivered in line with the original project application and to the revised delivery period of 3 November 2021 – 30 June 2022 have been received.
- 4.4 The 5 Projects selected and approved by Government and the funding allocations are as follows:

Community Renewal Grants	£504,275
Future Markets Acceleration Programme	£192,371
Innovate for Good	£523,399
REACT	£143,447
Strengthening the Sunderland Voluntary and Community Sector	£200,000
<b>Projects Total</b>	<b>£1,563,492</b>
Programme Management	£31,475
<b>Total UKCRF Funding</b>	<b>£1,594,967</b>

- 4.5 Subject to Cabinet approving the proposals in this report, the Council will then firstly enter into the master funding agreement with DLUHC and then enter into local funding agreements (incorporating the DLUHC funding terms) with the relevant delivery partners for each of the Projects. The Council will need to ensure appropriate systems and processes are established with each Project to enable the Council to meet its obligations for financial, output/outcome and other relevant reporting requirements contained within the funding agreement with DLUHC.

## 5. Reasons for the Decision

- 5.1 The UKCRF programme requires the Council to perform the role of an accountable body, entering into local funding agreements for the Projects and overseeing monitoring, financial claims and other reporting requirements. When the UKCRF Programme was launched in March 2021, bids could only be submitted by local authorities acting as Lead Authorities.
- 5.2 The delivery of the Programme will lead to significant investment in business support, social enterprise development, community support and capacity-building for the voluntary and community sector, and employability support and work placements for residents. The Projects will be delivered as pilot activities during an 8 month period between November 2021 and June 2022. Final benefits and outcomes will be summarised in project evaluation reports at the end of the programme.

## 6. Alternative Options

- 6.1 There is no alternative option recommended. A decision not to proceed would mean that investment in skills, business development, communities and place, and supporting people into employment, in Sunderland would be lost and the outcomes of the Projects would not be delivered.

## **7. Impact Analysis**

### **(a) Equalities**

The UKCRF Programme recognises that diversity is a positive attribute that brings many social and economic benefits. Within the project application form, as issued and assessed by Government, projects were required to describe how the equalities impact of the proposal had been considered, the relevant affected groups based on protected characteristics, and any measures proposed in response to these impacts. Project monitoring will seek to ensure any measures proposed are delivered.

### **(b) Privacy Impact Assessment (PIA)**

Privacy risks will be managed as part of the Council's approach to monitoring, data protection and document retention for UKCRF. Monitoring systems will be put in place to ensure that the privacy of the information of individual beneficiaries is protected in accordance with legal requirements and that personal information is securely stored throughout the duration of UKCRF.

### **(c) Sustainability**

There are no negative sustainability impacts as a result of the Programme. Each Project was asked to consider its sustainability impact and to ensure alignment with the Council's Low Carbon Framework where appropriate to its activities.

### **(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion**

The Sunderland Programme will have a positive impact on social inclusion and cohesion, with a number of the projects supporting disadvantaged groups or targeting voluntary and community organisations and businesses located across the city and in particularly deprived neighbourhoods.

## **8. Other Relevant Considerations / Consultations**

### **(a) Co-operative Values**

The Sunderland Programme seeks to create a positive impact on a number of beneficiary groups - those individuals seeking work and access to training and skills support, vulnerable individuals who require more intensive support, VCSE organisations delivering new projects for key target groups, the wider community in general, potential entrepreneurs and the existing business community.

It is also underpinned by a number of key principles consistent with those values of the "Co-operative Council":

- It will enable local communities to pilot innovative local solutions;
- It will lead to increased community resilience by investing in projects that tackle social inclusion through targeted employability and skills support, community enterprise activities and capacity-building.
- It will target those groups and communities that are most disadvantaged or deprived.

**(b) Other Considerations**

- (i) Financial Implications** – The Council's project management costs will be covered by grant funding of £31,475 which equates to c. 2% of the funding provided to the Projects and forms part of the total UKCRF award. This will be drawn down once the full Sunderland UKCRF programme is closed. Project applicants will be required to report on a quarterly basis (in January, April and July 2022), with all financial claims based on defrayed costs and paid in arrears.
- (ii) Risk Analysis** – Each Project has provided a risk register to the Accountable Body as part of the application process. Ongoing risk assessment will also form part of the monthly and quarterly claims and monitoring process that the Council as the Accountable Body will put in place. As is standard in grant funding agreements, provisions for clawback, default and termination are included. These conditions will be passed to each of the 5 Projects through back-to-back local funding agreements.
- (iii) Legal Implications** – As set out above, the Council will be required to enter into a master grant funding agreement with the DLUHC as the lead authority for the Programme. This will be in accordance with DLUHC's published funding terms. The Council will then subsequently enter into local grant agreements for the 5 specified Projects which will incorporate and flow down the funding conditions of DLUHC to each delivery partner.
- (iv) Implications for Other Services** – The Finance Service (External Funding Team), working with the Law and Governance Team, will establish the local grant funding agreements with the 5 Projects. The Council will be the Accountable Body for claims, monitoring and reporting purposes. Each Project will also have a designated contact within either the Business and Investment Team (for the business-focused projects) or the Community Resilience Team (for the projects working with residents, and the voluntary, community and social enterprise sector). This support will ensure that clear communication channels are in place to maximise engagement with businesses, residents and voluntary and community sector organisations.
- (v) Project Management Methodology** – Appropriate management and monitoring systems will be put in place to ensure Projects deliver in accordance with their approved applications and that accurate financial, outcome and monitoring information is provided in a timely fashion to enable the Council to meet its reporting and grant funding agreement obligations with DLUHC.
- (vi) Procurement** – Appropriate grant conditions for UKCRF procurement requirements will be included in local grant funding agreements with each Project.

**9. Background Papers**

None.

