North Yorkshire County Council

Chief Executive Officer in consultation with Executive Members

8 June 2021

North Yorkshire Community Renewal Fund, application to the Ministry of Housing, Communities and Local Government

Appendix A to this report contains information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended).

Report of the Corporate Director – Business and Environmental Services

1.0 Purpose of report

- 1.1 To update the Executive Members on the Community Renewal Fund.
- 1.2 To recommend to the Chief Executive Officer, under his emergency delegated powers, that NYCC act as accountable body for the community renewal grant and that delegations be made to officers regarding the submission and administration of applications to the Ministry of Housing, Communities and Local Government for the Community Renewal Funding in North Yorkshire.

2.0 Background

- 2.1 Following on from the expiry of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the 2020 Regulations"), which allowed for committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, Committee business should be continued via the Chief Executive Officer making urgent decisions that would previously have been made by the Council's committees, under his emergency decision making powers in the Officers' Delegation Scheme, in consultation with other Officers and Members as appropriate. The Committee's views and recommendations will be reported to the Chief Executive Officer for him to take into account when taking the formal decisions.
- 2.2 On the 3 March 2021, the Ministry for Housing Communities and Local Government (MHCLG) announced the launches of the Community Renewal Fund (CRF) and the Levelling Up Fund in the UK. These funding programmes represent the first steps in the transition from European Union Strategic Investment Funds to the UK's own Shared Prosperity Fund, announced by the Chancellor Rishi Sunak in the budget in November 2020.
- 2.3 North Yorkshire County Council (NYCC) has been identified as the lead authority for the delivery of the CRF in North Yorkshire and as such is required to invite project proposals from local partners and organisations and to prioritise and shortlist project bids for submission to MHCLG against a set criteria. As lead authority, NYCC is the accountable body for the fund in North Yorkshire and will be required to receive funds from MHCLG for distribution to successful applicants. Also undertaking monitoring and evaluation to assess project delivery and compliance with the regulations of the fund contained in funding agreements between the Government and NYCC, and NYCC and the grant recipients.

- 2.4 A briefing session for Members of NYCC was held in April.
- 2.5 Key aspects of the Community Renewal Fund are as follows:

2.6 Funding scope

The UK Community Renewal Fund (CRF) is a one-off, standalone national funding programme that focusses on removing barriers that people face in accessing skills and local labour market opportunities, building the evidence base for future interventions and exploring the viability of new ideas. The key objective of the programme is to enable innovation through pilot programmes and new approaches ahead of the UK Shared Prosperity Fund.

- 2.7 Innovation is described as trailing new approaches and ideas at a local level in order to deliver one, or deliver across several, of the following national investment priorities:
 - **Investment in skills** projects that address current and emerging local skills needs and are complementary to broader place-based investment.
 - **Investment for local businesses** finding new ways to promote green and tech adoption, commercialisation or helping create a pathway for upskilling local businesses via collaborations between higher education and small businesses.
 - **Investment in communities and place** proposals for innovative pilots and projects that address community needs and support local places.
 - Supporting people into employment delivering bespoke programmes, utilising a needs-based approach to support individuals to overcome multiple or complex barriers which inhibit their ability to gain employment.
- 2.8 In order to support the development of applications to the fund and to ensure a good strategic fit with local priorities including the Local Industrial Strategy and the Council's own Plan for Economic Growth, a themed approach was adopted by the Council. Applications were sought under the following headings, each with a theme lead tasked with providing guidance and ensuring communications between potential applicants;
 - Town Centres
 - Community Investment
 - Smart Places
 - Tourism Heritage and Culture
 - Business and Employment
 - Skills
 - Green Futures

2.9 Funding limits

The Community Renewal Fund is primarily a revenue fund although applications may include a maximum of 10% of their costs as capital funding.

- 2.10 The fund prioritises projects that target investment at communities in need with a list of 100 priority places identified. Places are defined as the lowest tier of local government (excluding parish and town councils). In North Yorkshire, the Districts of Scarborough and Richmondshire are considered priority places according to Government criteria. All local authority areas are eligible to apply to the fund. Being identified as a priority place does not guarantee funding but the assessment criteria does prioritise bids which are primarily delivered in priority places, alongside a good contribution to strategic fit and delivery/effectiveness.
- 2.11 The Community Renewal Fund has a total national allocation of £220 million. In its submission to MHCLG NYCC can include bids up to a total value of £3 million per district and therefore up to a total of £21 million for the whole County.

2.12 **Key points to note:**

- Closing date for applications to NYCC was by midnight on Thursday 13 May 2021.
- All project activities must be completed and all monies expended by 31st March 2022.
- A higher priority will be given to projects that deliver predominantly in the Priority 1 areas defined as 51% or more of the total project spend benefitting Scarborough or Richmondshire districts.
- All applications must include the cost of between 1-2% of their award to be dedicated project evaluation with a minimum threshold of £10,000.
- NYCC, acting as the lead authority will appraise and prioritise projects up to a maximum of £3m per place and submit a shortlist on or before 18 June 2021 to MHCLG.
- NYCC, acting as the lead authority, will be responsible for appraising all submitted applications against the Government's assessment methodology – the UK Gateway criteria and assessment criteria based on the themes of strategic fit, and deliverability, efficiency and effectiveness.
- The Ministry of Housing, Communities and Local Government will have the final say as to which projects or programmes are awarded funding
- Government will announce successful bids late July/early August 2021.
- 2.13 The guidance is clear that all organisations eligible to receive government funds are able to apply and that Lead Authorities should undertake an open and transparent process in encouraging and appraising bids. The Government guidance is clear that there is no lower limit or value that applications should meet, however it is stated that to maximise impact and deliverability larger projects of £500,000 or more are considered most effective.
- 2.14 North Yorkshire County Council has undertaken a comprehensive engagement programme to promote the fund and give information and guidance to prospective applicants.
- 2.15 Appraisal of applications has been undertaken by a group of NYCC officers and one external assessor. The appraisal process followed prescribed scoring and ranking criteria found in the Government's prospectus documents.

3.0 Performance

3.1 In total NYCC, in its role as lead authority received 66 applications requesting £27.4m of funding. It is recommended that the highest scoring eligible applications which fall within the limits of the available funding in each district are submitted. This is a total of 28 projects with a total request for CRF funding of £8.4m. Appendix A outlines those applications which will be submitted to MHCLG. The table below summarised the value and number of projects by District.

District	Total value of	No of shortlisted	Total Value of
	applications received	applications with spend	applications submitted
	£m	in the district	to MHCLG
Craven	2.07	15	£817,249
Hambleton	2.24	15	£818,090
Harrogate	1.8	13	£432,009
Richmondshire	6.9	19	£1,904,097
Ryedale	2.43	16	£981,180
Scarborough	9.9	22	£2,981,341
Selby	2.03	11	£469,150
Total	27.4		£8.4m

3.2 Of the 66 applications received the majority (56) included Scarborough Borough alongside other districts in the County. Once Scarborough's £3m application limit is reached no further projects which include Scarborough Borough can be submitted and this has a limiting effect on the total value of bids in other districts. It is notable however that the proportions of bids submitted by district is almost identical to that shortlisted.

4.0 Financial Implications

- 4.1 As set out above the total bid is for £8.4m which covers 28 projects.
- 4.2 The Community Renewal Fund is funded entirely by the Government with no requirement on behalf of applicants or NYCC for match funding, although this is considered a benefit in terms of value for money. Some shortlisted bids do include match funding, usually in terms of staffing time.
- 4.3 The Government has indicated that when projects are approved 50% of the CRF funds will be paid to lead authorities immediately with the remaining 50% paid on project completion. It has been proposed that funds will not be paid to grant recipients until they have demonstrated successful delivery of the project including evidence of any defrayed funds, and until such funds have been received by the County Council from the Government. Funding agreements with successful applicants will mirror the Government's funding agreement with NYCC so that all such obligations are passed on to the applicant where possible. Successful projects will be subject to ongoing monitoring by NYCC staff.
- 4.4 Applications have been assessed as far as possible for financial robustness of the organisation by evaluating sources of evidence such as statutory accounts, management accounts and reports from credit reference agencies. Although this decreases the probability of awarding funding to organisations that may fail during the delivery period, this risk cannot be totally mitigated.
- 4.5 A review has also been undertaken to assess the financial viability of the successful bids, as far as possible, based on the financial information provided. For some of the bids, additional information is being requested in order to provide assurance and / or more detail on the financial deliverability of the bids. This additional information will be assessed prior to the final submission of the bid.
- 4.6 The CRF is primarily a revenue fund with an allowance for up to 10% capital spend per project. Projects in which capital expenditure exceeds 10% will not be submitted to MCHLG.

5.0 Legal Implications

- 5.1 Payment of the Community Renewal Fund to NYCC will be subject to a contract or funding agreement with MHCLG. Lead Authorities (including NYCC) will then enter into funding agreements / contracts with grant recipients. To minimise risk to NYCC, any contract entered into with a grant recipient will mirror the detail of the funding agreement with Government and flow down any obligations accordingly.
- 5.2 As part of the grant process, applicants must undertake a subsidy control assessment, and certify that their application is compliant with the subsidy control regime.

6.0 Consultation Undertaken and Responses

6.1 NYCC officers have undertaken extensive engagement with potential applicants including hosting a number of online webinars and live events as well as proving support for individual queries. This has resulted in a total of 66 applications being submitted from a wide range of organisations including businesses, universities and the voluntary sector. Briefing sessions were also held with Directors of Development from North Yorkshire and neighbouring authorities including West Yorkshire Combined Authority, City of York Council and East Riding of Yorkshire.

7.0 Impact on Other Services/Organisations

- 7.1 NYCC services are eligible to bid for funding from the CRF. Government Guidance states that officers involved in the assessment of bids should not participate in project development and bidding process. A number of bids have been submitted by the LEP and by NYCC services. Should these bids prove successful services will be required to deliver the entirety of their project by the end of March 2022.
- 7.2 Support from legal service, financial services and procurement services has been essential to the delivery of the programme.

8.0 Risk Management Implications

- 8.1 Key risks relate to finance and reputation. From a financial perspective the management of the fund is being undertaken so as to minimise the risks to the authority. Key to this is undertaking thorough due diligence on applicants, monthly monitoring of successful projects and ensuring that payments are made according to the Government's own payment schedule, largely in arrears, and that no payments are made to applicants before Government funds have been received by NYCC.
- 8.2 Reputational risks exists on the basis that the final decision on project approval rests with MHCLG and there is no lower level of guaranteed funding. Therefore not being successful in achieving any (or a very low level of) funding may result in reputational damage for the authority. Also misadministration of the fund, for example not submitting the programme to MHCLG before the deadline of noon on the 18 June 2021 would be likely to result in reputational damage. Management safeguards are in place to minimise the likelihood of events such as these.

9.0 Human Resources Implications

9.1 Delivery and administration of CRF has been labour intensive due to the short timescales of the fund, however this has been met largely utilising existing staff from services including finance, legal, procurement and economic growth. To deliver the programme up to the point of application submission, the Government has awarded each lead authority £20,000 per priority place, (£40,000 in North Yorkshire), regardless of outcomes of the application. This funding has been used to employ external support for the appraisal process.

10.0 Equalities Implications

10.1 Applications submitted to the CRF are required to meet the Government criteria, including considering equalities implications asking applicants to describe how they have considered the equalities impacts of their proposal, the relevant affected groups based on protected characteristics, and any measures proposed in response to these impacts. See Appendix B.

10.2 NYCC officers have undertaken to encourage applications from a wide range of organisations. Due regard has been paid to advance equality, eliminate discrimination and victimisation for those who have a protected characteristic.

11.0 Environmental Impacts/Benefits

11.1 The CRF prospectus highlights the transition to zero carbon as a key criteria of successful projects. The application form asks applicants how their project supports the Government's Net Zero ambitions or wider environmental considerations. This is not a requirement of employment support proposals. See Appendix C.

12.0 Recommendation

- 12.1 That the Executive recommend to the Chief Executive Officer under his emergency delegated powers that:
 - NYCC act as accountable body for the Community Renewal Fund in North Yorkshire:
 - ii. delegated approval be given to the Corporate Director of Business and Environmental Services in consultation with the Corporate Director Strategic Resources and Assistant Chief Executive (Legal and Democratic Services) and the Executive Member for Open for Business to select, finalise and submit applications with a value of £8.4m as contained in Appendix A of this report, to the Ministry of Housing, Communities and Local Government for Community Renewal Funding in North Yorkshire; and
 - iii. If funding is granted to all or part of the submitted projects the further administration and delivery of the Community Renewal Fund as Lead Authority be delegated to the Corporate Director of Business and Environmental Services (BES) in consultation with the Corporate Director, Strategic resources and Executive Members to oversee the implementation of the fund.

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Corporate Director – Business and Environmental Services

Author of report – Mark Kibblewhite

Presenter of report – Matt O'Neill, Assistant Director for Growth, Planning and Trading Standards.

Background Documents - None

Initial equality impact assessment screening form

This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.

appropriate or proportionate.			
Directorate	Business and Environmental Services		
Service area	Growth, Planning and Trading Standards		
Proposal being screened	Community Renewal Fund Submission		
Officer(s) carrying out screening	Louisa Carolan		
What are you proposing to do?	North Yorkshire County Council are proposing to administer the Government's (MHCLG) Community Renewal Fund in North Yorkshire as the lead authority. This new fund was announced in the March 2021 budget and NYCC have been asked to administer this in accordance with MHCLG guidelines.		
	A call for North Yorkshire based projects was made between 1 st April – 13 th May 2021 and the Council proposes to submit a short list of the top scored projects to Government for consideration for funding and then NYCC propose to administer the funding for any successful projects. These projects were under four key themes:		
	 Investment in skills Investment for local business Investment in communities and place Supporting people into employment 		
	An open and informative process was put in place to invite bids for the fund from all legally constituted organisations across the region. Seven workstreams were established to invite bids from a range of local priority areas and four open webinars were conducted to present the fund in detail and to answer questions. A specific e-mail account was also established with dedicated resource to deal with specific application queries.		
	The window for submissions is now closed and the applications have been reviewed by a panel of three individuals from across the council and one external consultant. The gender-balanced panel has produced a list of twenty-eight applications from the original sixty-six submitted.		
	This paper seeks agreement to submit the shortlisted applications to MHCLG for their review.		

Why are you proposing this? What are the desired outcomes?

NYCC has a statutory role in the administration of this fund. The work has been undertaken to deliver an open and inclusive application process and to produce a shortlist of applications for MHCLG to review and approve.

The desired outcome is approval to submit the twenty-eight applications and to then gain agreement from government to proceed with some or all of our shortlisted applications. This will then lead to the delivery of the successful projects by the applicants across the county before 31st March 2022.

Does the proposal involve a significant commitment or removal of resources? Please give details.

Resource requirements have been met and will continue to be met from across the council. Some external expert assistance for assessment of the applications has been commissioned funded by a £40,000 Government payment for administering the Community Renewal Fund in two fund priority areas (Richmondshire District and Scarborough Borough). Any additional need for external resource will be paid for from this Government payment. Resource from within Growth, Planning and Trading Standards within BES will continue administer the fund by completing the submission to MHCLG, monitoring progress of the successful bids and providing all necessary project management and reporting for the fund. Colleagues from legal will support the creation of contractual agreements for successful bids. In addition, there will be continuing internal support from finance, procurement, communications and project management from T&C. Any successful bids submitted by NYCC themselves will be resourced as proposed within their submissions.

Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics

- As part of this assessment, please consider the following questions:
- To what extent is this service used by particular groups of people with protected characteristics?
- Does the proposal relate to functions that previous consultation has identified as important?
- Do different groups have different needs or experiences in the area the proposal relates to?

If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your <u>Equality rep</u> for advice if you are in any doubt.

Protected characteristic	Potential for a impact	dverse		on't know/No fo available
	Yes	No		
Age		Х		
Disability		Х		
Sex		Χ		
Race		Χ		
Sexual orientation		Х		
Gender reassignment		Χ		
Religion or belief		Х		
Pregnancy or maternity		Х		
Marriage or civil partnership		X		
NYCC additional characteristics	T	1,,	т	
People in rural areas		X		
People on a low income		X		
Carer (unpaid family or friend) Does the proposal relate to an area	Vac The see	X	t do alere etl	
where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	Yes. The government designated Richmondshire District and Scarborough Borough as priority areas for this fund. This was determined by indexing places based on the following factors Productivity Skills Unemployment Rate Population density Household Income Therefore a higher proportion of the submitted and shortlisted applications came from these areas (Proposed proportion of spend from the shortlisted bids is 58% for Richmondshire and Scarborough with 42% spread across the other 5 districts) Applications are included which focus on supporting communities and place and these cover a range of activities to support specific community areas and groups			
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	successful app	licants neir pro	ectly impact the by funding their posals. This w oort protected	activities
Decision (Please tick one option)	EIA not relevant or proportionate:	х	Continue to full EIA:	

Reason for decision	Each applicant was required to consider the equalities impact of their bid and any affected groups based on protested characteristics as part of their submission. Therefore no additional assessment is required for the bids submitted.
Signed (Assistant Director or equivalent)	Matt O'Neill
Date	25/05/2021



Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email climatechange@northyorks.gov.uk

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:

Planning Permission

Environmental Impact Assessment

Strategic Environmental Assessment

However, you will still need to summarise your findings in in the summary section of the form below.

Please contact <u>climatechange@northyorks.gov.uk</u> for advice.

Title of proposal	Community Renewal Fund – Submission to MHCLG
Brief description of proposal	This report identifies a programme of projects to be submitted to the Ministry of Housing Communities and Local Government for Community Renewal Funding
Directorate	Cross Directorate. The Lead Officer is based in BES.
Service area	Growth Planning and Trading Standards
Lead officer	Matt O'Neill, Assistant Director, Growth Planning and Trading Standards
Names and roles of other people involved in carrying out the impact assessment	Liz Small, Growth and Heritage Manager Mark Kibblewhite, Senior Policy Officer (Growth)
Date impact assessment started	25/05/2021

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

The Community Renewal Fund is a Government Funding Programme which can potentially award up to £3m per district in North Yorkshire. Scarborough Borough and Richmondshire Districts have been identified as 'priority places' within the programme. North Yorkshire County Council has been identified by Government, as a Lead Authority for the fund. The County Council would have the option to not undertake this role or not to submit a bid for funding however these options were not considered in depth in light of the opportunity to bring additional Government Funding to the County.

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result, detailing estimated savings or costs where this is possible.

The community renewal fund is fully funded by the Government and does not require match funding. Having two priority places in the County means that on submission of the funding proposals NYCC will receive £40,000 from Government to cover costs of promoting and administrating the bidding process. Should grant funding be awarded to projects in North Yorkshire the Government will provide NYCC with half of the funds at commencement of the programme and half on completion.

To minimise risks to the Council those projects which receive final approval will be subject to back to back contracts which mirror the Government's funding agreement with the Council. Any successful bids from NYCC will receive monthly monitoring and engagement in order to ensure that delivery risks are minimised.

APPENDIX C

How will this proposal in the environment? N.B. There may be short negative impact and lon positive impact. Please potential impacts over tof a project and provide explanation.	t term iger term include all he lifetime	Positive impact (Place a X in the box below where	No impact (Place a X in the box below where	box below where	what timescale?	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.		X X			The Government's prospectus for the Community Renewal Fund includes the following guidance: Investment made under this Fund should be able to demonstrate the extent of contribution to net zero objectives or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible. As a		Each project that is successful in being awarded funding by MHCLG is required to undertake a detailed evaluation of outcomes and findings. Following completion of the programme overall NYCC will undertake a programme wide appraisal including an
Minimise waste: Reduce, recycle and compost e.g. use of single use plastic Reduce water consumption Minimise pollution (includand, water, light and nois	reducing on ding air,	X X X			minimum, investment under this fund should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050. Bids are required to undertake an EIA and have been appraised on this basis.		assessment of the positive environmental impacts delivered by the projects.

APPENDIX C

How will this proposal impact on the environment? N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.	Positive impact (Place a X in the box below where	No impact (Place a X in the box below where	Negative impact (Place a X in the box below where	Explain why will it have this effect and over what timescale? Where possible/relevant please include: Changes over and above business as usual Evidence or measurement of effect Figures for CO ₂ e Links to relevant documents	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers Enhance conservation and wildlife	X			Overall up to 28 proposals will be submitted to MHCLG for appraisal. The largest proportion of these are specifically environmental projects which include work towards habitat conservation and decarbonisation measures in the form of pilot programmes and feasibility studies. These		
Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape	X			safeguard the distinctive qualities of North Yorkshire's landscapes and reducing or mitigating the impacts and causes of climate change are at the heart of this programme.		
Other (please state below)	Х					

Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.

Projects submitted as part of the Community renewal Scheme are required to meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050. A number of projects submitted seek to develop innovative approaches to conservation and decarbonisation.

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The assessment reflects the fact that the Government requires projects submitted as part of the Community Renewal Fund to demonstrate the extent of contribution to net zero objectives or wider environmental considerations. Projects have been assessed on this basis and any projects with a negative environmental impact are excluded. Every application to the fund is required to undertake it's own environmental impact assessment as well as undertake detailed evaluation following completion of the project. Proposals submitted have demonstrated a widespread commitment to environmental good practice and the challenges of moving towards a net zero economy. Following completion of the programme in March 2022 a wider appraisal of the environmental impacts of the programme as a whole can be undertaken.

Sign off section

This climate change impact assessment was completed by:

Name	Mark Kibblewhite
Job title	Senior Policy Officer (Economic Growth)
Service area	Growth Planning and Trading Standards
Directorate	BES
Signature	Mark Kibblewhite
Completion date	25/05/2021

Authorised by relevant Assistant Director (signature): Matt O'Neill, Assistant Director, Growth, Planning and Trading Standards

Date: