

UK Shared Prosperity Fund Update 8th March, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR

Headlines - Community Renewal Fund

CRF Prospectus Launched during Budget

List of Places

18 June deadline for bids

Late July - successful projects announced, first tranche paid

31 March 2022 Projects end, final payments

1st April 2022 UK Shared Prosperity Fund starts

Background

The last two Manifestos referred to the UK-Shared Prosperity Fund, which would replace ESF and ERDF monies from Europe. Little detail was available, and there has been no open consultation. The Spending Review of 25th November (page 37) gave a one page Heads of Terms, which referred to a £220m Pilot Programme for 2021/22 in preparation for the full UK Shared Prosperity Fund in 2022.

More details of this and associated funds were then revealed in the Budget of 3rd March, with the launch of the prospectus for the UK Community Renewal Fund (previously called the Pilot Programme) and the list of areas (the “Places”).

Further information on the full UK Shared Prosperity Fund will be available later this year.

Although there was some consultation, with meetings of certain invited individuals a few years ago, there has been no open consultation, and despite requests, Partners have not been properly involved in these proposals. Consequently there will likely need to be some changes before the full Fund is rolled out.

www.gov.uk/government/publications/uk-community-renewal-fund-prospectus

Briefly

Money will be allocated to projects in **Places** (local authority areas) - there are 368, see list. A hundred of these are referred to as Priority Places.

Each Lead local authority will ask for project proposals from the voluntary and community organisations, from local district councils, and from local education providers and then decide on a list for each Place and send it to the UK Government by noon on 18th of June. Maximum value of projects will total £3m per Place irrespective of its size.

Guidance for the Lead Authorities is not yet ready, but should be available soon.

The money has to be spent by the end of March 2022, and is almost all revenue (90%).

Central Government will decide which, if any, of the individual projects to approve. The funding will then be sent to the Lead Authority to distribute (one payment in advance, the other at the end of March). The intention is to pilot programmes and new approaches and provide capacity funding as we prepare for the UK-SPF. Bids should build on local insight and knowledge, project proposals should align with long term strategic plans for local growth, target people most in need and support community renewal, and demonstrate how they complement other national and local provision.

Bids should consider working with the natural environment, and their contribution to a low carbon economy, as well as equalities impacts.

Our Government wishes to work directly with local Partners across the UK, putting people that know their places best front and centre in shaping decisions.

Places

The Lead Authority is the Mayoral Combined Authority, the Greater London Authority, County Councils or Unitary Authorities. A Combined Authority represents the individual Local Authority Places within it (so for Greater Manchester, each of the ten Local Authorities is a separate Place, with an allocation up to £3m each). Only the Lead Authority can submit bids to UK Government,

they will decide which bids to submit. The Lead Authority will receive £20k of capacity funding for each Priority Place, to help with bid co-ordination and appraisal.

This is a competitive process, Central Government will decide who gets funding.

The 100 Priority Places are said to be based on productivity, household income, unemployment, skills and population density, although the calculations have not yet been released. It seems an unusual list. It only includes St Helens in Liverpool City Region, Bolton, Manchester, Oldham and Rochdale in Greater Manchester, Burnley, Pendle and Rossendale in Lancashire CC and Barrow in Cumbria CC.

Bids

Innovative pilots and projects are encouraged. A few ideas are suggested.

Skills bids could capitalise on the needs of an increasingly green and digital world, they should be clearly distanced from other funding streams, and could include -

- Work based training

- Retraining, upskilling and reskilling

- Promoting digital skills and inclusion

Local Business bids could target under-represented groups and community-level interventions to increase opportunity for all, and could include-

- Supporting entrepreneurs and enterprises to create more job opportunities

- Encouraging enterprises with innovation

- Supporting decarbonisation

Communities/place bids may include, but are not limited to -

- Feasibility studies for delivering net-zero and local energy projects

- Exploring opportunity for promoting culture-led regeneration and community development

- Improving green spaces and preserving important local assets

- Promoting rural connectivity

People into employment bids should act to reduce barriers to employment, provide local, tailored, wrap-around support to those furthest from the labour market, draw upon and enhance multi-agency delivery teams including the community and voluntary sector

Project could include, but are not limited to -

- Supporting people to engage with local services

- Identifying barriers, using key-worker support

- Raising aspirations

- Support with basic skills

- Testing new initiatives

Bid Assessment

The 100 Priority Places will get priority, but all 368 places will be considered. This is a competitive process, not based on need. Central Government will decide who gets the money.

Projects will have to pass Gateway Criteria (see Prospectus), then Strategic Fit, Deliverability, Effectiveness and Efficiency (see pages 18-19 of the Prospectus - section 6). Government Ministers will then use their discretion to allocate the money to ensure a reasonable split between the four themes (skills, local business, place, employment support), ensuring due regard for Priority Places, and a balanced spread across Great Britain (presumably by geography, not need).

A Place could be allocated nothing, or up to £3m for the projects submitted.

Larger projects are preferred (£500k and upwards).

Fund Eligibility Rules and Guidance is not yet ready, and will be published soon.

Projects should fit with State Aid (soon to be called Subsidy Control) and procurement.

A project should have one lead applicant (grant recipient), but can have delivery partners.

Lead Authorities will set out their own requirements for bidding soon. There will be a common application form and appraisal process, but this is not ready yet. They will be published shortly.

Monitoring and Evaluation

All proposals have to set out their expected impact, and progress will be monitored against targets and milestones. Applicants should develop an evaluation plan costing 1%-2% of their award (min £10k). Projects to send evidence of achievements (qualitative and quantitative) to the lead authority, which will be responsible for monitoring. UK to set up Evaluation Networks, sharing good practice and developing indicators. Clearly evaluation will be important as we work together to plan the UK-SPF.

Some other Funds

Levelling Up Fund. Prospectus also launched with the 3rd March Budget. £4.8m for high value infrastructure. Delivered through local authorities, capital investment especially for ex-industrial areas, deprived towns and coastal communities, but open across the UK. Expect each local MP to support at least one local bid. Could be local investment in transport infrastructure, in regeneration and town centres, in cultural facilities. This first round of the fund is for projects that can start on the ground in 2021/22. Money allocated by the government based on competition for resources. Additionally, capacity funding for certain areas as in the list attached to the prospectus (calculations for the list to be revealed later). Further details of how this will operate from 2022/23 onwards to be set out later this year.

www.gov.uk/government/publications/levelling-up-fund-prospectus

www.gov.uk/government/collections/new-levelling-up-and-community-investments

UK Community Ownership Fund. £150m for the local community to take over ownership of vital local assets, such as sports clubs, sporting and leisure facilities, cinemas and theatres, music venues, museums, parks, pubs, post offices and shops, to support the social wellbeing of local communities. Half the money to be raised locally, the rest from the Fund. Only community and voluntary organisations can bid. Up to £250k per project to help them buy local assets to run as community owned businesses (could be more money for sports). Prospectus to be issued soon, bidding open by June 2021. Some funding may be available for feasibility studies and capability building, or for initial running costs.

www.gov.uk/government/publications/community-ownership-fund

City and Growth Deals. Existing programmes.

Towns Fund. £3.6bn to support deprived towns, and now a further 45 deals

Plan for Jobs. Various current programmes, including Kickstart, plus FE support through the recent Skills for Jobs white paper.

UK-Shared Prosperity Fund

This replaces ESF and ERDF funding (so will cover £1.5bn a year) and is scheduled to start April 2022. It will fund projects supporting people and places across the UK, growing local economies and breathing new life into local communities.

While the Heads of Terms in November said the SPF would support investment in people/communities and place/local business, the CRF Prospectus says the SPF will include a place based portion and a portion targeted at people most in need (pp 4-5). It is not clear if this represents a change. Later in the Prospectus (p8) it says CRF investment will be in in skills/local business/communities and place/supporting people into employment. This may just reflect the developing ideas of what the Funds could be.

The Prospectus says they now intend to engage local Partners as they develop the Fund - it is not clear what this will mean (or if it just refers to the Devolved Administrations).

The Community Renewal Fund will support local areas to pilot imaginative new approaches and programmes that unleash their potential, instil pride, and prepare them to take advantage of the UK-SPF. Later in the year, the CRF will provide up to £14m for capacity building for local Partners to prepare for UK-SPF.

Organisations should get involved now.

Comments

Compare with the ESF and ERDF Reserve Funds in England. While ESF hoped for project calls from the LEPs, ERDF directly allocated funds to all the Local Authorities and all the Growth Hubs, and are about to announce a further round for LAs. The Community Renewal Fund seems to build on what worked for the Reserve Fund. It will be run by MHCLG.

Match funding (partial funding from the UK) was needed for European money, but of course is not needed here. However, there is a reference to “leverage”. It might be that some of this could come from Lottery Funding, as it is otherwise absent from these proposals.

The LEPs (business - local authority partnerships led by the private sector) are not part of these proposals.

If the £220m was shared equally between the 100 Priority Places, they would get £2.2m each (below the maximum £3m), and if the money was split equally between the 368 there would only be £0.6m per Place. Consequently many applicants could be disappointed.

The fund operates across the four countries of the UK (with different rules for Northern Ireland) - our report is focussed on England, in particular North West England.

Clarification on the Prospectus is available by email for two weeks (to 17th March). A summary Q&A will then be published.

Action

This is funding primarily for local authorities and local community and voluntary organisations, and it has to be spent quickly. While there could be a range of random projects submitted, it would seem to make more sense for a co-production between the LA and Third Sector to create a coherent and strategic set of projects, that fit with other local activities. Successful projects will be informed late July, with spend within nine months (to end March), and should cover skills, support into employment, local business and communities/place.

So there could be a significant amount for Social Capital - Community Grants (small investments into local third sector organisations, which could also pump-prime for UK-SPF). Business support could include start-ups and social enterprise, especially for women and BAME, connecting with and enhancing existing provision. There could be support to develop local running of community assets (pubs, post offices, music venues) to tie in with the proposed Community Ownership Fund. Funding could fill in expected gaps (or provide more wrap-around support) for NEET Young People and those furthest from the Labour Market, as well as those faced with unemployment/the end of furlough and the need to consider other kinds of work. Moving towards a locally based low carbon economy, and creating green jobs could be investigated. There is a need to be innovative and creative, and to test out and prepare the ground for the Shared Prosperity Fund next April.

Network for Europe

info@networkforeurope.eu