

Report to: Lead Member for Strategic Management and Economic Development
Date of meeting: 13 July 2021
By: Director of Communities, Economy and Transport
Title: UK Community Renewal Fund – Grant Agreements
Purpose: To seek approval for East Sussex County Council (ESCC) as the local lead authority and Accountable Body for UK Community Renewal Fund (UKCRF), to enter into a grant agreement with the Ministry of Housing, Communities and Local Government for the UKCRF and to enter into back to back grant agreements with successful UKCRF bid applicants in East Sussex to manage and transfer the UKCRF monies to individual projects.

RECOMMENDATIONS: The Lead Cabinet Member is recommended to:

- (1) Note the submission of the UK Community Renewal Fund bid from the County Council to the Ministry of Housing, Communities and Local Government (MHCLG) on 18 June 2021;
 - (2) Approve revenue grant funding of up to the total value of £5,080,568 to the following eleven ESCC shortlisted projects, subject to the outcome of the MHCLG project selection process:
 - (i) grant funding to the value of £705,000 to Lewes District Council to fund the delivery of the ‘Sustainable wine and cultural tourism’ project;
 - (ii) grant funding to the value of £547,627 to Sussex Community Development Association to fund the delivery of the ‘Minding the Gaps’ project;
 - (iii) grant funding to the value of £497,243 to Little Gate Farm Ltd to fund the delivery of the ‘Little Gate Supported Employment’ project;
 - (iv) grant funding to the value of £329,261 to Future Creators and Brighton Domes Festival to fund the delivery of the ‘East Sussex County of Learning’ project;
 - (v) grant funding to the value of £959,297 to White Rock Neighbourhood Ventures Ltd to fund the delivery of the ‘Hastings Commons’ project;
 - (vi) grant funding to the value of £636,173 to Napster Group Ltd to fund the delivery of the ‘Hastings 2066 – An Augmented Town and its Digital Twin’ project;
 - (vii) grant funding to the value of £100,100 to Hastings Voluntary Action to fund the delivery of the ‘VCSE Future Proofing Initiative (Building Community Connections)’ project;
 - (viii) grant funding to the value of £370,000 to Digital Islands Business Services Ltd to fund the delivery of the ‘Innovation, Learning & Collaboration Platform’ project;
 - (ix) grant funding to the value of £529,287 to Sussex Innovation to fund the delivery of the ‘The Innovation Masters Programme’ project;
 - (x) grant funding to the value of £150,000 to Seaford Community Partnership to fund the delivery of the ‘Seaford Sustainable Spaces’ project;
 - (xi) grant funding to the value of £256,580 to Hastings Music Festival Ltd to fund the delivery of the ‘Hastings International Piano’ project;
 - (3) Delegate authority to the Director of Communities, Economy and Transport (CET), as the Council’s appointed UKCRF Senior Responsible Owner (SRO), in consultation with the Section 151 Chief Finance Officer, to agree the terms of the UKCRF grant agreement between MHCLG and ESCC and the grant agreements between ESCC and the above project delivery bodies, and take all other necessary actions as required to implement Recommendation 2 above.
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1. Background Information

1.1 On 3 March 2021 Government published the UK Community Renewal Fund (UKCRF) prospectus.

1.2 The UKCRF will provide £220 million of funding over 2021/2022 to help the transition from EU structural funded programmes to the forthcoming UK Shared Prosperity Fund. UKCRF aims to support people and communities most in need across the UK to pilot programmes and new and innovative approaches and will invest in skills, community and place, local business, and supporting people into employment.

1.3 All places across the UK are eligible for pilot funding, but the Ministry of Housing, Communities and Local Government (MHCLG), who are administering the Fund, has designated 100 places (at district/borough level) as 'priority places' for investment. These priority places have been determined based on an index of economic resilience across Great Britain which measures productivity, household income, unemployment, skills, and population density. For East Sussex, Hastings Borough and Lewes District are designated 'priority places', while Eastbourne, Rother and Wealden are determined as 'other places' but projects delivered in these areas were equally entitled to bid.

1.4 This is a competitive bidding process and 90% of the UKCRF budget has been allocated for revenue expenditure, with only 10% for capital. A key MHCLG requirement is that all project expenditure must be complete by 31 March 2022.

1.5 East Sussex County Council is designated as a local 'Lead Authority' for administering UKCRF. The Lead Authority's responsibilities also include appraising and prioritising projects up to a maximum of £3m per place and submitting a shortlist to MHCLG who will select projects based on the published assessment criteria. The closing date for the County Council's submission to MHCLG was 18 June 2021.

2. Supporting Information

Bidding Process

2.1 As a local 'Lead Authority' for UKCRF, the County Council ran an open bidding process between 30 March and 30 April, publishing the invite on the Council's website and promoting the Fund to relevant stakeholders (weblink: [Introduction – UK Community Renewal Fund – East Sussex County Council](#)).

2.2 The bidding process incorporated the requirements of the UKCRF and was also tailored to reflect local priorities, ensuring alignment with local strategies including the recent East Sussex Economy Recovery Plan and its stated six missions. Project proposals were invited from a range of local applicants, as per the UKCRF prospectus, including local district and borough councils, business organisations, voluntary and community sector organisations and local education providers, including further education and universities.

2.3 In total, 32 full bid submissions in East Sussex were submitted by the deadline of Friday 30 April 2021.

Assessment process and prioritisation of proposals

2.4 MHCLG provided detailed guidance for the process they would use to assess projects. Therefore, this process was adopted by the County Council to determine which bids submitted locally would have the greatest chance of success if submitted to MHCLG. As UK Government reserves the right to check the bidding process followed by applicants, the County Council has utilised its Internal Audit function throughout the process to establish a record that our Lead Authority roles/responsibilities were administered correctly.

2.5 The County Council commissioned a consultant to act as an independent appraiser and to help manage the bid assessment and prioritisation process. This involved the five stages as set out in Annex 1. As part of this process, we consulted the Borough and District Councils on the proposed projects as well as informing and seeking the endorsement of Team East Sussex, our local federated growth board for East Sussex.

2.6 As a result of the outcome of the assessment process, the East Sussex projects have been ranked and prioritised for submission to MHCLG. In summary, East Sussex has prioritised 11

projects totalling £5.08m with asks in our two 'priority places' of £2.931m in Hastings and £1.394m in Lewes with £0.755m in the 'other places' of Eastbourne, Rother and Wealden. The full ranked and prioritised list can be seen under Annex 2.

2.7 The funding allocations stated in section 2.6 and the projects prioritised in Annex 2 will, if successful in being awarded UKCRF from MHCLG, provide a range of benefits to the East Sussex economy. The main cumulative benefits are summarised in Annex 3 which clearly aim to deliver on the County Council's core priorities across all directorates and delivers on the East Sussex Economy Recovery Plan and other local strategies and priorities identified.

Grant Funding Agreements

2.8 The County Council as a 'Lead Authority' for the UKCRF will act as the Accountable Body for the UKCRF programme in East Sussex. MHCLG have yet to release the Grant Determination letter or any Grant Agreement to Lead Authorities which will set out the terms and conditions of the Fund, however the Fund Prospectus includes the provision for clawback of any ineligible expenditure from projects to the Secretary of State (SoS). The County Council mitigates the repayment risk of grant awards back to SoS, should projects not proceed to full delivery, through grant agreements with those individual projects.

2.9 The grant agreements between the County Council and the relevant delivery bodies enables the issuing of funds on a project-by-project basis. The grant agreements with each delivery body will incorporate the terms and conditions set out in the Grant Determination letter and/or Grant Agreement between MHCLG and the County Council as lead authority for the CRF programme. As part of the due diligence process, the County Council will also include project specific conditions relating to cost profiles, delivery requirements, proposed outputs and timescales so as to provide financial assurance to the County Council on the delivery of the project. This information will then be incorporated into the schedules produced within each grant agreement.

2.10 To enable projects to enter into grant agreements and ensure delivery by 31 March 2022, officers are working with finance and legal teams to work up template agreements in anticipation of the Grant Determination letter and an announcement on the successful projects from Government.

3. Conclusion and Reasons for Recommendations

3.1 The UK Community Renewal Fund monies will support people and communities most in need to pilot programmes as well as new and innovative approaches that invest in skills, community and place, local business, and supporting people into employment. The outcomes and evaluation of these projects and programmes will help the County Council alongside scheme promoters to develop and refine their projects ahead of the UK Shared Prosperity Fund coming forward from 2022/23 onwards.

3.2 The final list of projects, as set out in Annex 2 was submitted to MHCLG for consideration on 18 June 2021 and these were identified following a thorough assessment and prioritisation process as those that stand the greatest chance of being awarded funding and having the greatest impact on the East Sussex economy. The Lead Member is recommended to note the content of the East Sussex UKCRF bid submission.

3.3 The Lead Member is also recommended to approve revenue grant funding up to the total value of £5,080,568 to the eleven county council prioritised and shortlisted projects, subject to the outcome of the selection process by MHCLG, as set out in the recommendations of the report.

3.4 The Lead Member is further recommended to delegate authority to the Director of Communities, Economy and Transport (CET), as the Council's appointed UKCRF Senior Responsible Owner (SRO), in consultation with the Chief Finance Officer, to agree the terms of the grant agreement between MHCLG and the County Council, and the grant agreements between ESCC and the above project delivery bodies, and take all other necessary actions as required to implement these recommendations.

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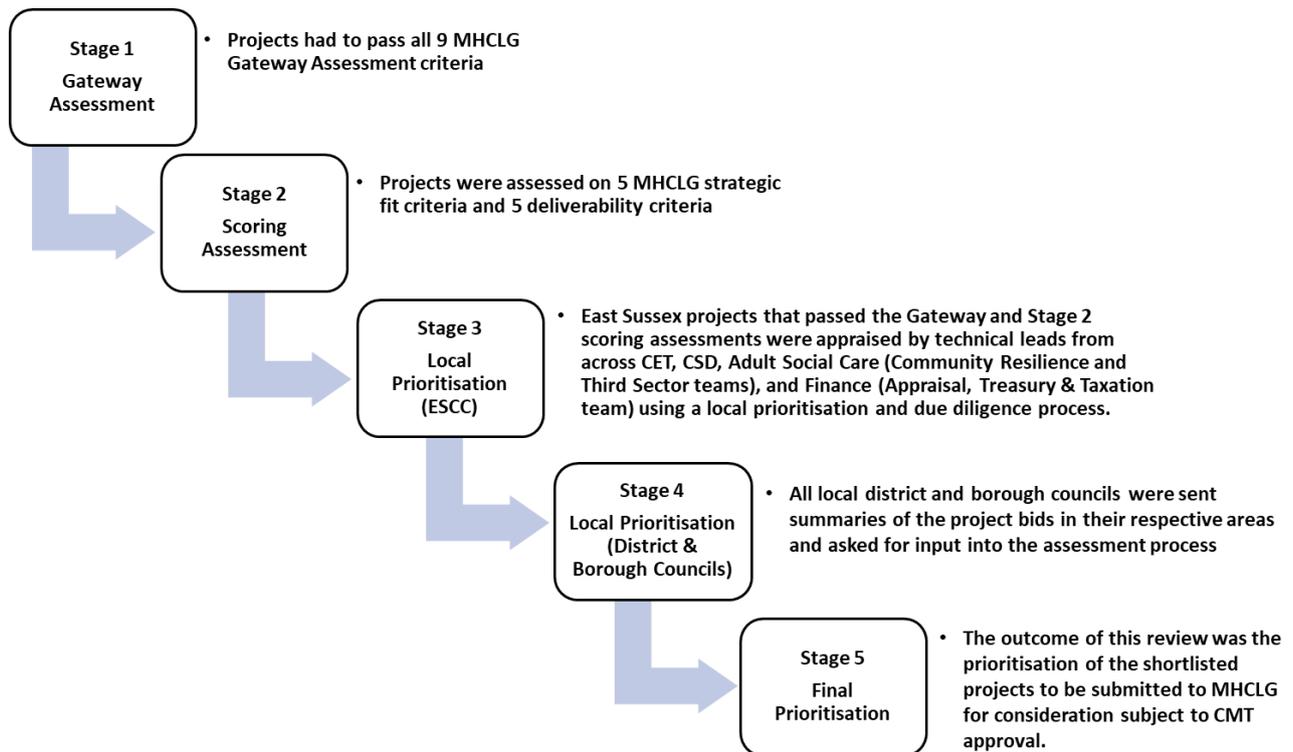
Local Members

All

BACKGROUND DOCUMENTS

East Sussex UKCRF bid submission to MHCLG

Annex 1 - UKCRF Assessment process



Annex 2 - East Sussex UKCRF prioritised and ranked list

Rank	Project name	Amount requested	Programme Management fee (2%)	Hastings %	Lewes %	Rother %	Wealden %	E'bourne %
1	Sustainable wine and cultural tourism	£705,000	£14,100		100%			
2	Minding the Gaps	£547,627	£10,952	42%	34%	12%	12%	
3	Little Gate Supported Employment	£497,243	£9,944	90%		10%		
4	East Sussex County of Learning	£329,261	£6,585	33.3%	33.3%	33.3%		
5	Hastings Commons	£959,297	£19,185	100%				
6	Hastings 2066– An Augmented Town and its Digital Twin	£636,173	£12,723	100%				
7	VCSE Future Proofing Initiative (Building Community Connections)	£100,100	£2,002	100%				
8	Innovation, Learning & Collaboration Platform	£370,000	£7,400	30%	30%	10%	20%	10%
9	The Innovation Masters Programme	£529,287	£10,585	25%	25%	15%	20%	15%
10	Seaford Sustainable Spaces	£150,000	£3,000		100%			
10	Hastings International Piano	£256,580	£5,131	80%		20%		
	TOTAL	£5,080,568	£101,607	£2,931,420	£1,394,258	£392,891	£245,573	£116,393

The 11 prioritised projects were selected as they passed the MHCLG Gateway criteria, scored highly in the MHCLG Stage 2 assessment and were the most highly rated applications from the Stage 3 local strategic fit and deliverability review undertaken by County Council and the local district and borough councils, with support from an external consultant.

Following this assessment it is our recommendation that these 11 projects will significantly support the growth of the East Sussex economy, all meet the objectives of the UK Community Renewal Fund and stand a strong chance of being awarded funds by MHCLG when they undertake their national assessment of project applications.

Our Lead Authority Bid Submission to MHCLG provides summary details of the outcome objectives for each of the 11 projects, together with how they contribute to local needs, align with other activities in the area and how they can be successfully delivered by March 2022.

Annex 3 – Main cumulative benefits of prioritised projects

People (Employment)	61 jobs created and 304 jobs safeguarded	390 people engaged in job-searching	100 economically inactive individuals engaging with benefits system
People (Skills)	603 people in education/ training	486 people engaged in life skills support	125 people gaining a qualification
Business	250 businesses introducing new products to the firm	19 businesses introducing new products to the market	22 innovation plans developed
Business	181 organisations engaged in knowledge transfer activity	12 new businesses created	6,400 square metres of buildings built or renovated
Place & Communities	300,000 increase in visitor numbers	347,000 increase in footfall	10 decarbonisation plans developed