



UK Government

# UK Community Renewal Fund





- As the Budget made clear, the **UK Government is committed to levelling up across the whole of the United Kingdom** to ensure that no community is left behind, particularly as we recover from the Covid-19 pandemic.
- **That is why we are now making the biggest changes to the way we support local economic growth in a decade**, in order to regenerate our town centres and high streets, improve local transport links and invest in local culture, while giving communities a stronger voice to take over cherished local assets that might otherwise be lost.
- **This will involve the UK Government working more directly with local partners and communities across England, Wales, Scotland and Northern Ireland**, who are best placed to understand the needs of their local areas and more closely aligned to the local economic geographies to deliver quickly on the ground.
- To support these objectives, **the UK Government has launched three new investment programmes** to support communities right across the country: **today our focus is on the UK Community Renewal Fund**.



- **The UK Community Renewal Fund will provide £220 million of additional funding over 2021-2022** to help us move smoothly away from the EU structural fund programme and prepare for the UK Shared Prosperity Fund.
- **It will support our communities to pilot programmes and new approaches** ahead of the UK Shared Prosperity Fund, to better support people and communities in need across the UK.
- **The UK Community Renewal Fund will support innovative responses to local challenges and local need** in urban, rural and coastal areas across the UK.
- **The Fund also offers us an opportunity to establish a new way of working between UK Government and places.** We want to work directly with local partners in each nation across the UK, putting local leaders in the driving seat and giving communities a stronger voice in their future.
- **We are reserving up to £14m of the Fund as capacity funding to support local places to prepare for the UK Shared Prosperity Fund.** This will be made available later in 2021 when we will publish further details including on eligibility for capacity funding.
- The UK Community Renewal Fund will help inform the design of the UK Shared Prosperity Fund through funding of one year pilots, but **the Funds are distinct** in regard to design, eligibility and duration.
- The **UK Shared Prosperity Fund** will be a flagship policy in delivering this Government's commitment to level up the country. It will launch in 2022 and will target the people and places most in need across the UK. It will be focused on our domestic priorities and seize the opportunities that come from our departure from the EU and our transition out of EU structural funds.



## UK Community Renewal Fund: Investment priorities

- We want to use the UK Community Renewal Fund to **test greater integration of types of interventions and greater flexibility between investment themes** than places could have under EU funding arrangements.
- To nurture innovative thinking and offer flexibility, projects may align with one, or deliver across several, of the following investment priorities:
  - **Investment in skills**
  - **Investment for local business**
  - **Investment in communities and place**
  - **Supporting people into employment**
- There will be **no ringfences** applied across these themes.
- 90% of funding available through the UK Community Renewal Fund is **revenue funding**.
- Successful **UK Community Renewal Fund bids will be for 2021/22 only** and should be scaled accordingly. Interventions must be financially completed (i.e. all delivery activity concluded) by 31 March 2022.



## UK Community Renewal Fund: Delivery and Distribution of Pilot Funding

- **All places across the UK are eligible for pilot funding.** For the purposes of the UK Community Renewal Fund, place is defined at the lower tier, borough and unitary geography.
- In **England, Scotland and Wales**, the UK Government will run a competitive process with no pre-set eligibility. We have assigned a lead authority for each place, comprising Mayoral Combined Authorities, county councils, and unitary authorities. We have published a list of lead authorities with the Prospectus.
- Lead authorities are responsible **for inviting project proposals from a range of local applicants**, including local district councils, voluntary and community sector organisations and local education providers such as universities.
- Lead Authorities should **appraise bids received and produce a shortlist of projects** for each place (up to a maximum of £3m per place) for submission to UK Government for assessment and approval, by noon 18 June 2021.
- In **Northern Ireland**, we are taking a different approach which reflects the different local government landscape in Northern Ireland compared to Great Britain. Project applicants in Northern Ireland should submit bids directly to the UK Government by noon 18 June 2021 for assessment and approval.
- The UK Government will announce all funding decisions from late July 2021 onwards.



## UK Community Renewal Fund: Delivery & Distribution UK-wide

### Scotland, Wales and Northern Ireland

- Through the **UK Internal Market Act 2020**, the UK Government can invest in supporting communities throughout the United Kingdom. Other vires such as the Industrial Development Act (1982) can also be used where relevant.
- **The UK Government has a responsibility to support people, jobs, and communities across the whole of the UK**, particularly in the context of our recovery from the Covid-19 pandemic.
- **The UK Government intends to work with the Devolved Administrations** to ensure that the funding is used to best effect and supports citizens across the UK.
- For the UK Community Renewal Fund, where appropriate, the **UK Government will seek advice from the Devolved Administrations** on shortlisted projects including on deliverability and alignment with existing provision.
- Final decisions to approve or reject a bid will be made by the Ministry of Housing, Communities and Local Government.



## UK Community Renewal Fund: Priority Places in Great Britain

- Although open to all places, **to ensure the UK Community Renewal Fund reaches the most in need, we have identified 100 priority places based on an index of economic resilience across Great Britain.** This index measures productivity, household income, unemployment, skills and population density and has been developed based on a consistent approach to identifying need across Great Britain.
- We are committed to transparency and have published a **methodological note** explaining how the index of economic resilience was developed.
- The UK Community Renewal Fund will also **prioritise applications** that target these 100 priority places, as well as having a good contribution to strategic fit and delivery/effectiveness. This is set out in the published Assessment Criteria and strong bids that focus on these places will be preferred over bids from other places.
- **The lead authority of each of the 100 priority places will receive capacity funding** to help them with the required bid coordination and appraisal for that place. This will total up to £2m across Great Britain and represent £20,000 per place. This is additional to the £14m reserved capacity funding which will support local places to prepare for the UK Shared Prosperity Fund.
- **This does not mean that other places should not apply.** Applications from other places that demonstrate a strong alignment with strategic fit and good delivery/effectiveness may also receive funding.
- Being listed as a priority place does not guarantee funding.



We have assigned a **lead authority for each place across Great Britain** and published this list within the prospectus. The **role of a lead authority** is as follows:

- **Invite bids via an open bidding process and using a standard application form** from a range of project applicants, including but not limited to universities, voluntary and community sector organisations, and umbrella business groups.
- An **open bidding process is a gateway criteria** - UK Government reserves the right to check the process followed and **failure to follow an open process means submitted bids will be rejected**.
- Lead authorities can submit their own bids, but they must be assessed fairly and without conflicts of interest.
- Undertake **constructive engagement** with local partners, including but not limited to lower tier authorities and elected representatives, and other public, private and third sector organisations.
- **Appraise and prioritise a shortlist** of projects, and submit this shortlist to UK Government for consideration. A **maximum of £3m of bids** can be submitted per place.
- Bids must be **submitted by noon on 18 June 2021**, and lead authorities should take account of any pre-election period when planning their bid and assessment timeline.

Lead authorities should also consider:

- **Collaboration with other Lead Authorities or partners** across the UK where relevant – for example to promote cross-border project opportunities that address needs in common or achieve efficient delivery scale.
- **Their legal obligations** - including the Public Sector Equality Duty and data protection – eg. each LA needs to publish an appropriate privacy notice prior to starting the bidding process, recognising MHCLG's role as joint data controller for bids submitted to us.





Following the bidding process:

- UK Government will enter into a **funding agreement with successful lead authorities** to deliver approved bids.
- **Lead authorities will then issue agreements** to successful bidders once funding has been agreed by UK Government, and then **undertake monitoring and assurance activity**.

**A Technical Note for Lead Authorities in Great Britain is available online.** The Note sets out these requirements in more detail, including:

- The format for submitting shortlisted bids (see Annex 1 of Technical Note), including:
  - Summary of total bids received
  - Summary of bids submitted (supported by the Application Forms for these bids *only*)
  - Local strategic fit and deliverability considerations for shortlisted bids
  - Management costs for administering each project (limited to 2% or 3% for complex projects)
  - Statements setting out how the lead authority has/will manage projects (e.g. open process, due diligence, monitoring and evaluation).
- Examples of good practice and sources of information when running the process – including [Cabinet Office Grants Standards](#).
- Tools such as a **bidding template** and **assessment template** to help you launch your bidding process locally, should you want to use them (non-mandatory).



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## UK Community Renewal Fund: Delivery and Distribution in Northern Ireland

- In **Northern Ireland**, we are taking a different approach to delivering the UK Community Renewal Fund, to take account of the different local government landscape in Northern Ireland compared to Great Britain.
- There will be a **pre-determined national allocation for Northern Ireland**, set at £11m.
- We will treat Northern Ireland **as one geographical area** rather than identify priority places to ensure that all communities have equal access to apply for the Fund.
- **The UK Government will accept bids directly from a range of local applicants**, including but not limited to universities, voluntary and community sector organisations, and umbrella business groups.
- Each bid must be submitted on the standard Application Form by noon on 18 June 2021.



## UK Community Renewal Fund: Project Applicants

- All bids should be made on the **UK Community Renewal Fund Application Form** which can be found online. The Application Form includes guidance on how to complete the form.
- A **Technical Note for Project Applicants and Deliverers** is also available online which sets out: who can apply, how to apply, who can receive support what the Fund will support, branding and publicity requirements, and monitoring and evaluation requirements.
- **Branding:** all project deliverers and lead authorities must ensure that the appropriate UK Government logo is used prominently in all communications materials and public facing documents relating to project activity for the UK Community Renewal Fund. Co-branding is only permitted with Lead Authorities or match funders.
- **State Aid & Subsidy Control:** if the UK Community Renewal Fund is used to provide a subsidy, expenditure must be compliant with the UK's obligations on subsidy control. Guidance on delivering in line with subsidy control can be found on GOV.UK.
- **Monitoring and Evaluation:** All bidders should consider the indicators set out in the Technical Note for Project Applicants and Deliverers online. Successful projects will need to submit evidence to the Lead Authority (in Great Britain) or the UK Government (for Northern Ireland) demonstrating progress towards achievement of project targets and investment profiles at regular intervals.
- **Excluded Activities:** a list of activities which are excluded from funding via the UK Community Renewal Fund is included in the Technical Note for Project Applicants and Deliverers online.
- **Match Funding** is encouraged but not mandatory.



## UK Community Renewal Fund: Assessment of Bids

- For projects in Great Britain, the UK Government will **only assess shortlisted applications which have been put forward by Lead Authorities** by noon 18 June 2021. For projects in Northern Ireland, the UK Government will **only assess applications which have been submitted** by noon 18 June 2021. Projects submitted after this deadline will be rejected.
- The **Fund's assessment criteria is available online**. Assessment comprises a three-stage process:
  1. **Gateway Criteria**: Projects must pass all nine gateway criteria (including with amendments).
  2. **Selection Criteria**: Projects are scored from 1-5 to form an overall percentage score against -
    - Five equally weighted sub-criteria relating to strategic fit
    - Five equally weighted sub-criteria relating to deliverability, effectiveness, and efficiency.
    - The two scores will be added together to form a combined percentage.

### **[Great Britain only]**

- If a project is for a priority place, they must score a minimum of 50% against each of strategic fit and deliverability, effectiveness and efficiency to be shortlisted.
- If a project is for another place, they must score a minimum of 80% against each of strategic fit and deliverability, effectiveness and efficiency to be shortlisted.
- Project applicants have been asked to set out the amount of spend in each place on the application form. We will use this to assess the predominant focus of the project – i.e. whether the majority of spend (51% or over) is in priority places. This will also be used to assess the amount of funding allocated to each place up to a **£3m cap per place**.



### 3. Selection: Projects in Great Britain

- Appointable projects will be grouped into three bands and selected in sequence:
  - **Band A:** Projects that have scored 80% or above on both 'strategic fit' and 'deliverability, effectiveness and efficiency' and predominantly focus on priority places.
  - **Band B:** Projects that have scored 80% or above on both 'strategic fit' and 'deliverability, effectiveness and efficiency' and do not predominantly focus on priority places
  - **Band C:** Projects that have scored 50% or above on both 'strategic fit' and 'deliverability, effectiveness and efficiency' and predominantly focus on priority places
- Within these bands, projects will be selected in order of a combined percentage score (i.e. out of 100) across the two themes with equal weighting. For example, a project that scored 70% on strategic fit and 60% on deliverability, effectiveness and efficiency would receive a combined score of 65%.
- In the event where two or more projects have the same combined score but cannot all be funded, funding will be awarded to the project which will be delivered in a place highest on the index.
- As set out in the Assessment Criteria, **Ministers can also exercise discretion** to ensure a balance of type and spread of project across Great Britain.
- Where no distinction can be made between two or more projects (i.e. where projects score the same and e.g. cover the same geography), Ministers can make decisions between projects based on which they consider the best value for money in delivering the objectives of the programme.



## UK Community Renewal Fund: Assessment of Bids (3)

### 3. **Selection: Projects in Northern Ireland**

- **Projects can be of any value up to the total allocation of £11m** for Northern Ireland. This is a competitive process and there is no minimum amount available per place.
  - However, applicants should note that this is a competitive process, and the UK government will be looking to select a portfolio of different size projects, covering a range of themes and geographies, subject to the volume and quality of proposals received.
  - Where bids do not meet minimum standards, they will not be supported.
  - As set out in the Assessment Criteria, **Ministers can exercise discretion** to ensure a balance of type and spread of project across Northern Ireland.
  - Where no distinction can be made between two or more projects on the basis of the combined score, Ministers can make decisions between projects based on which they consider the best value for money in delivering the objectives of the programme.
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- UK Government departments will work together to assess bids, but **final decisions to approve or reject a bid** will be made by the Ministry of Housing, Communities and Local Government.



## UK Community Renewal Fund: Relationship with UKSPF

- The UK Community Renewal Fund is not the UK Shared Prosperity Fund. It is an **additional £220m fund from UK Government over 2021/22** to help places prepare for the UK Shared Prosperity Fund.
- The UK Community Renewal Fund will help inform the design of the UK Shared Prosperity through funding of one year pilots, but **the Funds are distinct in regard to design, eligibility and duration.**
- The November 2020 Spending Review set out the **main strategic elements of the UK Shared Prosperity Fund** in the Heads of Terms.
- The UK Shared Prosperity Fund funding profile will be set out at the next Spending Review, and **we will publish further details in a UK-wide Investment Framework** later in 2021.
- **We are reserving up to £14m of the Fund as capacity funding to support local places to prepare for the UK Shared Prosperity Fund.** This will be made available later in 2021 when we will publish further details including on eligibility for capacity funding.



## UK Community Renewal Fund: Funding Delivery Timeline

### **3 March 2021**

- UK Government publishes the UK Community Renewal Fund prospectus, alongside list of priority places and Lead Authorities in Great Britain.
- During March, in Great Britain Lead Authorities invite bids for each of their places. UK Government launches a project competition in Northern Ireland.

### **1 April 2021**

- Bid assessment and coordination capacity funding can be incurred by Lead Authorities of the 100 priority places in Great Britain.

### **18 June 2021**

- Lead Authorities in Great Britain submit a shortlist of project bids to UK Government for assessment.
- Applicants in Northern Ireland submit their bids to UK Government for appraisal and assessment.

### **Late July 2021 onwards**

- UK Government announces successful projects for the UK Community Renewal Fund.
- First tranche of funding flows to Lead Authorities (Great Britain) and project deliverers (Northern Ireland).
- Capacity funding for UK Community Renewal Fund is paid.

### **November / December 2021**

- Mid-point monitoring reviews of projects by Lead Authorities (Great Britain) and UK Government (Northern Ireland).

### **31 March 2022**

- UK Community Renewal Fund finishes.

### **Q1 2022**

- Second tranche of funding paid to Lead Authorities (Great Britain) and project deliverers (Northern Ireland).





## UK Community Renewal Fund: Published Documents

Document	Description
Prospectus	Provides an overview of the fund, its investment priorities and delivery arrangements.
Places and Lead Authorities List (Great Britain)	Lists each place (district or unitary council area) in Great Britain and the relevant Lead Authority. Identifies 100 priority places.
Methodology Note	Sets out the methodology used to develop an index of priority places for the UK Community Renewal Fund.
Application Form	A standard form to be used by all applicants to the fund, across the UK. Includes guidance to bidders on answering the questions.
Technical Note for Project Applicants and Deliverers	Provides information on who can apply, what the fund can support, excluded activities, branding, monitoring and fund indicators.
Technical Note for Lead Authorities (Great Britain)	Provides information to Lead Authorities in Great Britain on their role. Includes a mandatory submission template and optional tools for Lead Authorities to use.
Assessment Criteria	Describes the assessment process that will be used by UK Government to assess shortlisted applications put forward by lead authorities in Great Britain, and all project applications in Northern Ireland.

All documents are available on gov.uk:

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

We will publish further guidance on assurance, monitoring and data requirements, evaluation and the funding agreement template later in the Spring.