

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4337

Author:

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Department:

Growth and City Development

Contact:

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Subject:

Community Renewal Fund

Key Decision (decision valued at more than £1million):

Yes

Total Value:

Up to £3,020,000 (Type: Capital and Revenue)

Decision Being Taken:

1. To approve Nottingham City Council acting as the Accountable Body for UK Community Renewal fund (CRF) Monies from August 2021 to May 2022.2. To accept up to £3,020,000 to deliver the CRF and authorise the allocation of budget from this funding for Nottingham City Council project roles3. To delegate authority to the Director for Growth & City Development to sign a funding agreement with the Ministry for Housing, Communities , and Local Government (MHCLG), and to allocate funding to, and sign contracts with, delivery partners4. To delegate authority to the Director of Economic Development and Property to second appropriate internal colleagues to manage the project.

Reasons for the Decision(s)

The UK government (MHCLG) have launched the Community Renewal Fund (CRF). This is a pilot replacement fund for the European Regional Development Fund and the European Social Fund, running until 31 March 2022 and will inform how government roll out the much larger UK Shared Prosperity Fund (UK SPF). For the UK CRF, local authorities can bid for up to £3 Million in their area to deliver Skills, Employment, Business Growth and Community/Place activities. It is important that Nottingham participates in the CRF as this will give the City an opportunity to demonstrate it can run an efficient commissioning process, positioning the City well for the future UK SPF. MHCLG gave Nottingham City Council two roles in delivery.

1. To attract, through an open competition, high quality bids to the fund for delivery in Nottingham. These are then appraised, and the best (up to £3 Million) are submitted to MHCLG for final selection. This has been completed with four bids submitted.
2. Once any are approved, to work with deliverers to ensure they are compliantly delivered and claims are submitted accurately and on time. The Council is paid 2% of the overall CRF contract value to manage and oversee successfully delivery of UK CRF projects.

Nottingham is one of 100 priority areas in the country (most disadvantaged) and in addition will received £20,000 capacity funding to manage the above. Recruitment being conditional upon successful bids. The four projects will deliver a range of outcomes including-

- Bespoke business support for disadvantaged businesses including; retail, hospitality, BAME and female owned businesses-
- New Businesses started-
- Kickstart placements sustained-
- Green grants for businesses to adopt carbon reduction practices-
- Advancing policy and strategy for housing retrofits
- Community buildings restored

The project will directly contribute to the following Council Plan targets to:-

- Support delivery of the Nottingham Economic Recovery and Renewal Plan-
- Support 1,000 Nottingham residents including disadvantaged groups into employment, education and training-
- Successfully deliver the Nottingham Kickstart programme supporting 400 young people into employment-
- Guarantee a job, training or further education place for every 18-24 year old-
- Help 500 people who are over 50 into work or training-
- Continue to deliver the Nottingham Jobs Hub service-
- Work with businesses to deliver 500 new apprenticeships-
- Work with mass job sectors such as construction to connect local people to job opportunities and encourage them to pay at least the real living wage-
- Work with businesses to pool corporate social responsibility money to invest strategically in Nottingham's communities alongside the voluntary sector-
- Develop Nottingham's Creative Quarter and creative and digital industries into a regionally significant economic sector

To minimise risk, officers will develop risk management plans, regularly monitor performance, income, expenditure and risk, implement put in place clear escalation procedures to ensure all funding is received and any potential risks are identified and mitigated early. CRF partners are paid project costs once income received from the MHCLG.

Other Options Considered:

To not bid for the available CRF funding. This option was rejected because Nottingham would lose the opportunity to secure 33 million of CRF investments to support the most disadvantaged unemployed residents, businesses and community organisations at this vital time and would fail to demonstrate credibility as a local commissioner, putting at risk the Council's ability to secure larger future funds through the UK SPF

Background Papers:

None

Published Works:

1. The Community Renewal Fund prospectus
2. UK CRF Technical Note for Lead Authorities

Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	The CRF may positively impact on crime and disorder. It will support individuals from disadvantaged backgrounds into work and training and help businesses to improve and recruit more staff.
Equality:	Please login to the system to view the EIA document: UK Community Renewal Fund Delivery Equality-Impact-Assessment_July 2021 Final.docx
Relates to staffing:	Yes
Decision Type:	Leader's Key Decision
Subject to Call In:	Yes
Call In Expiry date:	24/08/2021
Advice Sought:	Legal, Finance, Procurement, Human Resources, Equality and Diversity

Legal Advice:

The City Council is to act as Accountable Body for the CRF. This report seeks authority for the Council in its role as Accountable Body to accept funding from MHCLG and to delegate the use of that funding. The City Council must ensure it complies with any terms and conditions specified by MHCLG in the funding agreement otherwise it will be at risk of MHCLG invoking clawback.

It is understood that the City Council has ran a competition to identify delivery partners for the distribution of the grant funding to recipients in conjunction with MHCLG, who will have the ultimate decision on grant allocations. The City Council must ensure the rules of the competition do not discriminate between parties and ensure all parties are treated equally, this will mitigate against the risk of any challenge from those who may be unsuccessful.

As Accountable Body, the City Council must ensure it passes through to any recipients of grant funding all obligations for which the City Council remains primarily liable under its grant agreement with MHCLG. The City Council has the power to undertake this role in accordance with the Localism Act 2011 pursuant to the general power of competence.

All contracts including grants must be awarded in accordance with the City Council's Financial Regulations and should include provisions which flow down any relevant provisions from MHCLG, such as monitoring and reporting outputs. Grants are not governed by the Public Contracts Regulations 2015 (PCR) and so a tender process is not required. Appropriate grant agreement terms should be put in place between the parties in order to reflect the funding arrangements.

The grant recipients will be required to undertake their own assessment of the grant in terms of compliance with the new Subsidy Control Regime, as the City Council will be passing the funding from MHCLG directly through to them.

Advice provided by Dionne Claire Screatton (Solicitor) on 28/07/2021.

The decision seeks approval for the following:

1 - To receive and allocate funding of up to £3.02 million from MHCLG. This bid is for a pilot Community Renewal Fund which is replacing the original European Regional Development Fund (EDRF) and European Social Fund (ESF).

2 - To be appointed as the Accountable Body between August 2021 to May 2022 for the above fund.

3 - To delegate authority to the Corporate Director of Growth and City Development as described by the author in the 'decision to be taken'.

The amount of £3 million is the maximum the authority can apply for and will be wholly dependant on whether MHCLG approve the bids that have already been selected and put forward by NCC. In this instance there are 4. Any that are declined will result in a lesser award. There is an additional £20k added to this as a result of this City being one of 100 priority areas. This will not be reduced in any event. The value of the decision is yet unknown at the time of writing these comments and will not be known until later this month.

As NCC are allowed to retain 2% of the allocation, the maximum totals £60.4k which would of course be affected if the award was less. Funding for an Accountable Body Manager is guaranteed as part of the grant.

A separate staffing decision will cover the recruitment of this post.

It has been established that this bid will operate as a grant function whereby applicants will receive a payment according to their bid. It is usual for NCC to pay this in arrears and based on the following factors:

- Full allocation has been receipted into NCC from MHCLG
- Outputs and outcomes have been delivered successfully within the timeframe and funding envelope. This to be monitored throughout by the Accountable Body Manager (ABM)

However, due to the small window that this is to operate in (August 2021 to May 2022) MHCLG have agreed to pay an initial sum immediately as they recognise the need to recruit an ABM as soon as possible. In order to help the successful applicants kickstart the projects, NCC will also plan to pay part of the grant up front once funding has been received into NCC's bank account. The final balance will be paid in arrears based on the criteria mentioned above.

As the initial funding will not be paid out until funding has been received by MHCLG, there is no cash risk to the authority.

As the accountable body, the funding will be under NCC's financial regulations, contract procedure rules and governance arrangements.

The Corporate Director as having delegated authority will be required to ensure that all grant conditions are met and all records kept in line within the Accountable Body responsibility.

All costs for these projects are to be funded by the grant allocation including the recruitment of the ABM. The successful candidate may have longer term employment with NCC and so possible exit costs will be factored in to the grant allocation to avoid any financial loss to the authority.

Equality and Diversity Advice:

There are no impacts to any of the protected characteristics and therefore happy to sign off.

Advice provided by Rosey Donovan (Equality and Employability Consultant) on 21/07/2021.

Procurement Advice:

This decision relates to the receipt and allocation of UK Community Renewal Fund monies to deliver skills, employment, business growth and community/place activities for the period August 2021 to May 2022. It is understood that this funding is awarded as a grant by MHCLG and that the role of the Council is to facilitate the allocation of this grant to local delivery partners. As such there are no procurement implications. A competitive bidding process has been undertaken to seek proposals and selected proposals have been submitted to MHCLG. For those proposals approved by MHCLG for funding, appropriate agreements should be established and delivery should be monitored to ensure full compliance with the MHCLG conditions of funding. Funding should also be used in compliance with the Council's Financial Regulations where applicable.

Advice provided by Jo Pettifor (Procurement Team Manager) on 22/07/2021.

HR Advice:

The proposals would require the service to make appointments if approved. Consideration should be given to any funding required to support with exit costs, such as redundancy payments, though the service has indicated that monies are set aside as a contingency for this. Any role to be recruited will need an appropriate job profile/description creating and a job evaluated grade confirming. discussions with the service indicate that the Accountable Body appointment does not entail any direct employment liabilities, such as a transferring in from a previous Body under TUPE. The proposals are therefore supported.

Advice provided by Paul Slater (HR Business Lead) on 20/07/2021.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 16/08/2021
Michael Wayne Bexton (Interim CD for Growth & City Development)
SIGNED and Dated: 04/08/2021