

Detailed Report - UK Government Funding

Preliminary Executive Board, 17th May 2021

Purpose:

The purpose of this report is to provide an update on recent UK Government announcements relating to future funding opportunities and to seek endorsement of the approach being undertaken in Carmarthenshire.

Background

As part of the UK Chancellor's Budget announcement on Wednesday 3rd of March 2021, the UK Government announced a number of new funding programmes and initiatives. This paper relates to two of these new programmes i.e. Levelling up fund and the Community Renewal Fund. Details of other programmes will follow in a separate report over the next few months

Levelling Up Fund

The Levelling Up Fund will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of local investment priorities including local transport schemes, regeneration projects and cultural assets.

£4.8bn will be made available of which £800m has been made available for Wales, Scotland and Northern Ireland over four years from 2021/2022 to 2024/2025.

The Levelling Up Fund is a **capital only fund**, jointly managed by HM Treasury (HMT), the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Transport (DfT) to ensure a holistic approach to the infrastructure needs of local areas.

Funding will be delivered through Local Authorities however Welsh Government will be consulted in the assessment of relevant bids. A flat £125,000 capacity funding will be allocated to all Local Authorities in Wales, to help build their relationship with the UK Government for the purposes of the Levelling Up Fund.

The Levelling Up Fund is a competitive fund, with funding distributed to places across the UK on the basis of successful project selection.

The UK Government has also published rankings for local areas, between 1 and 3, where those in category 1 are considered most in need of 'levelling up' and will be prioritised for investment from the Levelling Up Fund. Carmarthenshire sits within category 1.

Key areas for consideration:

- Approximately £30/£50m will be released for the first round of funding for Wales
- Bids for funding as part of the first round must be submitted to the Ministry of Housing, Communities and Local Government by **Friday 18 June 2021**.
- It is expected that investment decisions will be made by the UK Government for this funding round by Autumn 2021.

- Priority will be given to bids that can demonstrate significant investment and/or delivery on the ground in the coming financial year.
- The number of bids that a local authority in the first category can make will relate to the number of MPs in their area. Local authorities can submit one bid for every MP whose constituency lies wholly within their boundary. Every local authority can submit at least one bid. Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder. Members of Parliament, as democratically elected representatives of the area, will be expected to back one bid that they see as a priority.
- In addition to the above, Local Authorities can submit one transport bid. Transport-only bids are allocated independently of constituency boundaries and will be subject to a more detailed business case process.
- Bidding authorities should consult a range of local stakeholders across the full geography of a place in developing their proposed investments
- The first round of the Fund will focus on three themes: smaller transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. Annex 1 sets out the type of investments that may be included.
- Applicants are encouraged to include a local financial contribution representing at least 10% of total costs.
- Further detail on how the fund will operate from 2022/23 will be issued later in the year

Carmarthenshire projects for consideration under the Levelling Up Fund

With Carmarthenshire falling within 3 different parliamentary constituencies there is an opportunity to submit up to 3 applications covering the County (2 in respect of constituencies wholly within Carmarthenshire and 1 on a shared basis where the constituency is cross border). In respect of Carmarthen West, we are engaging with Pembrokeshire County Council on a joint submission given the joint constituency arrangement.

The Head of Regeneration has engaged with the Regeneration Delivery Team in identifying specific proposals to take forward. Early engagement with the respective Members of Parliament has also taken place to ensure that they are cited and fully supportive of the proposals. Consequently, it is proposed that the following approach be agreed:

Carmarthen West

It is proposed that an application is submitted by the 18th June deadline to include the acquisition of a town centre property in Carmarthen and its re-purposing as a multi-agency and multi-use development in order to create and sustain jobs; to stimulate economic growth and to increase footfall in the town centre. The Authority

has held progressive discussions with public sector partners on their physical presence within the building.

Meetings have also been held with Pembrokeshire County Council and agreement has been reached to submit a joint application. It has yet to be determined who the lead Authority is going to be.

Llanelli

The proposal for the Llanelli constituency is made up of three elements:

- Phase 2 development of the Llanelli Goods Shed project
- A placemaking scheme connecting Pentre Awel to Llanelli town centre, encompassing a range of public realm improvements, cycling and pedestrian infrastructure and environmental enhancements.
- Enhancements to Llanelli Train Station to improve accessibility and support sustainable transport

As the project needs further development to meet the requirements of the UK Government's application / business planning process and the ability to have a significant capital spend this financial year, further feasibility work is planned so that the proposal can be submitted at the earliest opportunity for future Levelling Up Funding rounds.

Carmarthen East and Dinefwr

It is proposed that an application is submitted by the 18th June deadline for the Tywi Valley Initiative, which will involve the creation of a 20km off road shared use path for pedestrians and cyclists stretching from Abergwili to Llandeilo. The proposal is well developed and has been subject to stakeholder engagement for the past 5 years.

Secondly, it is proposed that developments for Ammanford Town Centre, will involve the following 4 elements:

- The railway crossing connecting Foundry Road and Betws to the town centre.
- Quay Street & Market Square redevelopment
- Wind St Junction Improvements
- Margaret Street & College Street pathway

As is the case for the Llanelli area, it is proposed that further feasibility is undertaken to develop the proposal further.

Recommendations:

To ensure that the County maximises from the funding opportunities, it is recommended that the Authority proceeds with the development of the following applications for submission to the Levelling Up Fund by the 18th June:

- *Carmarthen West* – Joint application with Pembrokeshire County Council for acquisition of a town centre property in Carmarthen and its re-purposing as a multi-agency and multi-use development
- *Carmarthen East and Dinefwr* – Standalone application to support delivery and implementation of the Tywi Valley shared access route

The Authority pursues the earliest future opportunity under the Levelling Up Fund for the proposed Llanelli constituency project when the proposal is further developed.

UK Community Renewal Fund (UKCRF)

The UK Community Renewal Fund will support communities to pilot programmes and new approaches ahead of the UK Shared Prosperity Fund, due to launch in 2022.

The Fund will provide local areas across the UK with access to £220 million of additional funding for this financial year (2021-22).

The UKCRF is a competitive process with no pre-set eligibility. Interventions must be financially completed (i.e. all delivery activity concluded) by 31 March 2022.

90% of funding available via the UKCRF will be revenue funding, with 10% capital funding.

Projects must align with one or deliver across all of the following investment priorities:

- Investment in skills
- Investment for local businesses
- Investment in communities and place
- Supporting people into employment

Further detail is provided at Annex 2

To ensure the UK Community Renewal Fund funding reaches those areas most in need, the UK Government has identified 100 priority places for investment based on an index of economic resilience which measures productivity, household income, unemployment, skills and population density. Carmarthenshire has been identified within the top 100 places.

A lead authority has been assigned for each place. These include Local Authorities in Wales, meaning that Carmarthenshire is a lead authority.

Lead Authorities are expected to undertake the following roles:

- Inviting project proposals from a range of local applicants, including town and community councils, voluntary and community sector organisations and local education providers including universities.
- Appraising and prioritising a shortlist of projects up to a maximum of £3 million per place
- Submission of a shortlist of applications to UK government who will assess the proposals. Decisions will be made from late July 2021 onwards.
- Issuing grant agreements to successful bidders once funding has been agreed by UK government, as well as undertaking monitoring and assurance activity.

The Authority is eligible to apply for funding under the Community Renewal Fund. To ensure that an objective and transparent process is adhered to, the team that will be involved in the appraisal and prioritisation of projects have not been involved in providing advice and assistance to prospective applicants. This role has been carried out by the Bureau thus ensuring clear demarcation of roles.

As part of the assessment and prioritisation process, Lead Authorities may choose to involve other organisations to provide advice on alignment with local priorities and other planned or existing activity. In Carmarthenshire, an Advisory group of the Public Services Board has been established to provide advice during this process.

Unlike the Levelling Up Fund, lead authorities are not expected to consult with local Members of Parliament on the development of applications under the Community Renewal Fund.

The decision on which projects are submitted to the UK Government rests with the Lead Authority. It is proposed that all applications are assessed by an internal panel and recommendations put forward to the Senior Responsible Officer prior to formal submission to UK Government for decision. The Senior Responsible Officer for the CRF Programme for Carmarthenshire will be the Section 151 officer (Director of Corporate Services).

The shortlist of projects must be submitted to the Ministry of Housing, Communities and Local Government by **Friday 18 June 2021**. Only bids received through a lead authority will be considered.

Following conclusion of the selection process, the Ministry of Housing, Communities and Local Government will enter into agreements with Lead authorities for an agreed package of projects as well as bid coordination and appraisal support.

Carmarthenshire Process and timeframes

Date	Action
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March 2021	<p>UK government publishes the UK Community Renewal Fund prospectus.</p> <p>The list of priority places and lead authorities in Great Britain is published within the prospectus.</p>
1 st April 2021	<p>Invitations sent to local organisations via existing networks e.g. Public Service Board, Carmarthenshire Local Action Group; Town & Community Councils; Local Task forces, third sector etc</p> <p>Information included on CCC website</p>
5 th May 2021	<p>Deadline for submission of project ideas into Carmarthenshire County Council's Regeneration Division</p>
5 th May –26 th May 2021	<p>Assessment & prioritisation of proposals undertaken by CCC</p> <p>PSB Advisory group to review strategic fit</p>
26 th May – 10 th June 2021	<p>Lead authority undertakes due diligence checks on all shortlisted proposals</p>
10 th June 2021	<p>Recommendations of assessment group to be agreed by Senior Responsible Officer</p>
18 th June 2021	<p>Lead Authorities in Great Britain submit shortlists of projects to UK government for assessment.</p> <p>From 18 June and throughout July, UK government assesses bids.</p>
Late July 2021 onwards	<p>UK government announces successful projects for the UK Community Renewal Fund.</p>
November and December 2021	<p>Mid-point monitoring reviews of projects with lead authorities (Great Britain)</p>
31 st March 2022	<p>UK Community Renewal Fund finishes.</p>

	Second tranche of funding paid to lead authorities (Great Britain)
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***Actions to be undertaken by CCC as lead authority**

Implications for Carmarthenshire

- The role of lead authorities in coordinating the submission of applications from a variety of partner organisations will require additional resource. The lead authority of each of the 100 priority places will automatically receive £20k capacity funding to help them invite and appraise local bids. This funding can be incurred from April 2021 for staff or other resources needed to coordinate and appraise bids.
- In addition, a flat rate of 2% of the value of the UK Community Renewal Fund spent by each project may be used by Lead Authorities for the costs incurred in managing fund awards. In circumstances where there is expected to be a large volume of transactions, or complex project delivery, a flat rate of 3% may be permitted. This would provide up to £80k depending on the number of applications approved.

Recommendations:

It is proposed that:

- The Authority retrospectively endorses the process which has been established for the Community Renewal Fund in Carmarthenshire

Annex 1

Levelling Up Fund - Investment themes for the first round of funding in 2021/22

The first round of the fund will focus on three themes: smaller transport projects that will make a difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's leading portfolio of cultural and heritage assets

Transport

Projects submitted for appraisal under this investment theme may include, but are not limited to:

- Investments in new or existing cycling provision.
- Improved priority for local bus services (e.g. bus priority lanes or signal priority at junctions).
- Enhanced public transport facilities, such as bus stops and stations.
- Accessibility improvements to local transport networks for disabled people.
- Enhancements and upgrades to local road networks (e.g. by passes and junction improvements).
- Structural maintenance works to local roads, including bridges.
- Multi-modal proposals which combine two or more interventions to enhance transport across modes.

Regeneration

Projects submitted for appraisal under this investment theme may include, but are not limited to:

- Removing derelict buildings and other eyesores to make way for new developments
- Regenerating key leisure and retail sites and improving their security, in order to encourage new businesses and public services to locate there
- Site acquisition and remediation of abandoned or brownfield sites, for both commercial and new residential use.
- Improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour.
- Creating better connectivity between and within key retail and leisure sites.
- Putting forward 'Town Deals' for individual or groups of smaller towns

Culture and heritage

Projects submitted for appraisal under this investment theme may include:

- Upgrading and creating new cultural and creative spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens.
- New, upgraded or protected community hubs, spaces or assets (and associated green spaces).

- Acquiring and refurbishing key cultural and heritage sites including hotels and historic buildings.

Annex 2

Community Renewal Fund – Investment Priorities

Investment in skills

Bids may include, but are not limited to interventions that address:

- **Work-based training** – for example addressing specific local need from local employers for on-the-job training to support local growth, such as taking on trainee builders for a new infrastructure project.
- **Retraining, upskilling or reskilling members of the workforce** – for example helping organisations to identify and understand skills gaps or provide access to financial support for relevant training where the local workforce may require new skills to meet the needs of a local employer or sector and support local economic transitions.
- **Promoting the advancement of digital skills and inclusion** – for example supporting the development of digital skills for digitally excluded individuals, especially where digital exclusion presents a barrier to employment, building confidence in application of basic and advanced digital skills and promoting safety and awareness online.

Investment for local business

Bids may include, but are not limited to, interventions that address:

- **Supporting entrepreneurs and helping businesses with potential to create more job opportunities for current employees or take on new employees** – for example helping businesses to access the specialist support they need such as investor readiness schemes and private sector experts like experienced non-executives.
- **Encouraging businesses to develop their innovation potential** – for example facilitating small businesses grow and to develop new and improved products and services by promoting collaboration and knowledge sharing, including small-scale knowledge transfer activity. This may include nurturing further join up between higher education institutions and small businesses, capitalising on research outcomes and building innovation capacity through development of plans for local innovation facilities and opportunities such as innovation centres and incubation services.
- **Supporting decarbonisation measures** – for example encouraging local businesses and organisations to reduce greenhouse gases through investment in new technology or energy efficiency measures that can have bottom line benefits and improve business productivity.

Investment in communities and place

Bids may include, but are not limited to, interventions that address:

- **Feasibility studies for delivering net-zero and local energy projects** – for example assessing opportunity and viability of green projects that contribute towards our green agenda or net-zero objectives such as installing electric vehicle charging points and coastal investment projects. This may include investing in feasibility studies to assess, for example, scheduling considerations, legal, economic and technical factors for projects that could support local decarbonisation where this brings social or economic benefits to local people and promoting environmentally conscious or collaborative local solutions such as clean energy projects.
- **Exploring opportunity for promoting culture-led regeneration and community development** – for example investing in culture focused feasibility studies and community facilities to attract people to places, including city centres and rural and coastal towns. This may include research for projects that could generate footfall to support other private-sector businesses, opportunities to improve efficiency and collaboration by joining up local public services to produce better local outcomes or investing in the preservation or enhancement of cultural and sporting facilities such as museums, galleries, visitor attractions, pier restoration and heritage assets.
- **Improving green spaces and preserving important local assets** – for example enhancing natural assets, including green spaces in neighbourhoods and housing estates, to enhance quality of life to attract and retain talent, and attract tourism.
- **Promoting rural connectivity** – for example developing opportunities for digital functionality and physical connectivity to help realise the full potential of rural businesses. This may include exploring proposed innovative ideas for enhancing accessibility and social, economic and cultural opportunities for rural communities, including rural and green infrastructure.

Supporting people into employment

Bids may include, but are not limited to, interventions that address:

- **Supporting people to engage with local services which support them on their journey towards employment** – such as bringing together multi-agency teams to join up a variety of services around an individual to address the variety of barriers to employment they may face; or key-worker support to connect individuals with existing public or voluntary provision.
- **Identifying and addressing any potential barriers these individuals may face in gaining employment or moving closer to the labour market** – such as the use of key-worker support to work with beneficiaries to identify barriers to employment; working with and connecting individuals to the most appropriate services throughout the employment journey.
- **Raising aspirations, supporting individuals to access Plan for Jobs employment support, jobs and find sustainable employment** – such as providing holistic support to address the long-term barriers to employment including but not limited to: support for alcohol and drugs interventions, skills for life such as timekeeping, confidence building and, employability support, including work experience, CV writing or interview preparation.

- **Supporting people to gain the basic skills they need to develop their potential for sustainable work** – such as English, Maths, Digital and English for Speakers of Other Languages skills and training courses. Other suitable provision could include support intended to develop communication, interpersonal and presentation skills.
- **Testing what works in helping people move towards work** – such as testing new initiatives which support people along the employment journey to understand how different interventions, or targeting approaches, can maximise the effectiveness of employment programmes aimed at those furthest from the labour market.