

APPENDIX A: Community Renewal Fund Update

The UK Community Renewal Fund (CRF), a pilot programme offering £220 million of revenue funding for 2021/22. It is intended to trial 'innovative programmes' as well as assess the bidding process in advance of the launch of the UKSPF. The CRF identified county councils, unitary councils and combined authorities as lead authorities to manage the bidding process.

Lead authorities ran bidding processes and submitted their priority bids to the Government worth up to £3 million in June 2021. Lead authorities will then enter a funding agreement with the successful programmes and will monitor and evaluate the programmes as they are being delivered.

Delay in the launch of the Community Renewal Fund

There was a delay of three months in the announcement of the successful programmes, leading to councils and combined authorities raising concerns about the deliverability of any CRF funded programmes. The LGA therefore lobbied the Government to announce the successful programmes and extend the delivery deadline, and undertook the following actions:

- Correspondence the Chair of the People & Places Board to then Minister Luke Hall
- Wider engagement with LGA members and the new Ministerial team
- Tabling parliamentary questions
- Press releases
- Contributions to the UKSPF Taskforce.

The Secretary of State announced the successful programmes on 3 November 2021. As part of the announcement, the Secretary of State [confirmed](#) that the deadline for the delivery of programmes will be extended by three months to the end of June 2022, which is a positive step. DLUHC will now engage directly with councils and combined authorities to manage any issues that may arise as a result of this change. The LGA will keep a watching brief.

England secured 225 projects worth £125,561,514. There are a range of programmes that have been successful, including the themes of:

- Achieving net zero in businesses
- Youth and disability inclusion in the securing employment
- Digital skills
- Culture, heritage and archaeology
- Exporting
- Business support and innovation.

There is currently limited detail on the individual projects. As more information becomes available, we will undertake further analysis of the types of projects to inform both our policy and improvement work.

The LGA will continue to engage with local government to identify any issues related to the CRF. We will continue to communicate key messages to government including shared learning and constructive feedback from the CRF process.

Community Renewal Fund improvement work

We will turn our attention to supporting the learning from the CRF improvement programme that the Board has previously agreed. This programme is expected to commence by the end of November. It will include a review of how successful bids were created with learning points shared through best practice case studies, as well as share learning across the wider

sector. This will include lead authorities who were not successful in the CRF bidding process, as well as local authorities, including district councils, who are running CRF funded programmes.

- Review of how successful bids were created to develop best practice case studies
- Run a webinar to share good practice
- Develop peer network, roundtables and other avenues of learning opportunities.

APPENDIX B: UKSPF Principles

The UK Shared Prosperity Fund (UKSPF) is the domestic replacement for the European Structural and Investment Fund Programme. It will be a key fund to support local communities and places in recovering from the pandemic as well as tackle the biggest entrenched inequalities that exist in our communities. It is also essential that our local communities have the chance to innovate and develop new opportunities as the UK's relationship with the EU and the rest of the world changes, helping achieve the Government's levelling up agenda.

Local government has shown it has the capability to lead local places and communities as demonstrated through the pandemic, bringing together a range of partners quickly and acting in a responsive manner.

Local government has already demonstrated they are the natural partner to central government in delivering the ambition of levelling up, tackling inequalities and building back better. We welcome the trust given to lead authorities in the pilot programme for the UKSPF, the Community Renewal Fund (CRF). It is therefore essential that the UKSPF be a localised, place-based fund that is driven by democratic and accountable local government to deliver locally determined outcomes.

Included below are the LGA's principles for the design of the UKSPF. Members agreed an earlier version of these principles, which have been updated to include learning points from the CRF.

1. Councils and combined authorities are the democratically accountable leaders of place

Local government can provide the long-term vision, leadership and transparent decision-making needed to support the government's levelling up agenda through the UKSPF. Devolving the UKSPF to the local level will provide the continuity and accountability that Ministers require. The UKSPF can only deliver our place ambitions through a multi-year settlement and greater flexibilities are needed to make the biggest impact and develop opportunities in local communities.

Local government's role in the CRF demonstrates the trust in local democratically accountable decision-making structures, as well as the strong partnership between local and national government. In a short space of time, lead authorities successfully utilised decision-making structures through conducting transparent bid assessments tested through democratically accountable governance arrangements.

2. A flexible and light touch national investment framework that supports local priorities

The design of the SPF is an opportunity to rethink the economic and social aspirations of local economies in the context of the COVID-19 pandemic. While the UKSPF should be driven by democratic, accountable local government on behalf of their communities, this will need to be enabled by light touch national investment framework.

All frameworks and processes must be developed in collaboration with local government to make them as effective as possible, creating processes that are streamlined, simplified and suitable for local decision making, but provide the assurance central government is seeking.

The framework needs to recognise and embrace the need for a tailored and flexible approach for each place. This will enable the fund to respond to local needs and deliver against locally agreed priorities while maximising national support. For example, the CRF assurance framework did not allow lead authorities to incorporate their own local equalities issues, making it more difficult to tackle locally specific inequalities.

We recognise there are national priorities for the UKSPF, such as achieving net zero carbon and tackling entrenched inequalities. The UKSPF should be led by locally developed strategies to support local economies and recovery, skills and employment, as well as climate change action plans, and transport and infrastructure investment plans that reflect local priorities and encourage greater links between interventions. This will support a focus on outcomes based model rather than the current emphasis of unit costs driving ESIF. National government should work with every local area and agree a set of relevant indicators and outcomes to deliver strategic local outcomes

3. Built-in support for innovation and learning

Building in the time and space to try new things and encouraging innovative approaches should be given careful consideration in the design of the UKSPF. At the same time, a learning approach should run through the programme, making sure good practice is captured and shared in a timely fashion to ensure maximum effectiveness across projects. This is in line with the LGA's successful sector-led improvement approach. The outcomes based model proposed above could also allow for greater comparison and evaluation across investment priorities and areas.

The UKSPF should also allow for investments in pilot and innovation without areas/places being penalised if this does not work. Evaluation plays a significant role in this and there should be a focus on sharing learning among all levels of delivery. Even more important will be the evaluation at a programme level and this needs to be shared among all partners so that learning and evidence drive continuous improvements.

The CRF has provided a limited opportunity for local government, national government and partners to learn how better to tackle inequalities and deliver the levelling up agenda. Lead authorities have brought together stakeholders through webinars and online events, demonstrating their role as place leaders and convening different partners.

In order to strengthen this partnership working, the UKSPF needs to build and develop consortia of stakeholders and collaborative projects, as well as providing the time needed to develop meaningful, creative and innovative programme proposals. This will also ensure that our third sector and civil society organisations can be fully engaged and add value to help deliver local services.

4. Simplified and flexible funding arrangements agreed for multiple years

A new UKSPF must be built on developing long term objectives under a clearly articulated and multi-year funding framework which is clearly understood by all.

It is essential that there is maximum integration across people, business and place interventions to deliver the right support for residents and businesses, to make the funding system easier to navigate. The fund will need to avoid recreating institutional and operational silos by removing or reducing the ring fencing of funding and providing projects the flexibility to integrate people-based and place-based interventions into the same project.

Numerous funding streams, both new and old, have been aligned with the Government's levelling up agenda, with some streams targeting very similar activity. Local government is

having to prioritise which funds they need to focus their limited resources on and have redeployed existing resources to maximise opportunities. The UKSPF should provide some funding from the outset covering the full period of the fund to support the development of local areas' capacity and expertise to deliver the changes from a long term, multi-year funding stream.

In addition, competitive bidding reduces the ability for adopting collaborative approaches to delivering joint solutions. Often the competitive bid process pits area against area, and becomes more about the quality of bid writing, rather than the implementation of schemes which truly benefit local communities. The UKSPF should move towards a process of allocation based on need rather than bidding, so local areas can focus on tackling inequalities and developing opportunities, rather than committing resources to chasing relatively small pots of money. This creates issues concerning longer term planning, ability for providers to deliver and repetition of provision.

The UKSPF is an opportunity to align funds together in a transparent and democratic manner that make a real impact to local communities driven by local need. This will support local government to maximise further capacity to deliver the change needed by simplifying funding allocation processes, limit the duplication and bureaucracy of multiple bidding processes and free up time and resources.

The UKSPF should also be designed in a way which is flexible enough to be used holistically for both capital and revenue purposes. Local areas should be able to determine the appropriate split between capital and revenue to deliver local priorities in their investment plans as well as flexibility to determine their investment strategies and the mix between grants, loans and equity investments.