

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2851

Title: UK Community Renewal Fund award for London

Executive summary:

This Mayoral Decision seeks approval for the commitment of up to £3,788,211.79 from the UK government's UK Community Renewal Fund (UKCRF) to the applicants set out in Appendix 2 of this Decision Form. It also seeks approval for the set of financial delegation limits set in Appendix 1.

Following an open call for applications launched by the Greater London Authority (GLA), in June 2021 the GLA submitted a shortlist of 20 applications to the government for its consideration. The government has determined that six applications have been approved for UKCRF funding and are thereby included in Appendix 2 of this Mayoral Decision.

Decision:

The Mayor approves:

- i. the commitment and award of up to £3,788,211.79 from the UK government's UKCRF to the applicants set out in Appendix 2
- ii. the revised delegations to GLA officers and roles set out in Appendix 1, to ensure the effective and efficient implementation of the UKCRF programme in London.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

25/4/24

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The UKCRF is a single-year, £220m UK-wide grant fund launched by the UK government following the budget in March 2021. It seeks to bridge the gap between the ending of the European Structural and Investment Fund (ESIF) programmes by 2023-24 and the launch of the replacement UK Shared Prosperity Fund, expected in Spring 2022. Projects funded by the UKCRF will need to be completed by 30 June 2022. The Department for Levelling Up, Housing and Communities (DLUHC) is leading on the UKCRF for the government.
- 1.2. The UKCRF has four ‘investment priorities’, which are investment in: skills; local business; communities and place; and supporting people into employment.
- 1.3. The government identified 100 priority places across the UK based on an index of economic resilience (productivity; household income; unemployment; skills; and population density). The government’s UKCRF prospectus stated it will prioritise projects that target investment in communities in need, especially those located within the 100 priority places. No London borough was listed as one of the 100 priority places. The government imposed a cap of £3m per place (that is, per London borough) meaning the combined applications in any borough could not total more than this amount.
- 1.4. The GLA was designated a ‘lead authority’ for the UKCRF by the government, with administrative responsibility being held by the European Programmes Management Unit. The lead authority role includes inviting bids from organisations wishing to deliver activity set out within the UKCRF prospectus, managing projects from start to end and ensuring appropriate monitoring and evaluation of successful projects. Alongside the UKCRF prospectus, a London Invitation to Submit Project Bids document was published on the GLA website (a requirement of the government). This document set out London’s priorities for the UKCRF and aligned with the GLA and London Councils’ London Recovery Programme. The government issued a deadline of 18 June 2021 for the receipt of shortlisted applications from all lead authorities. The government retained the final decision for which applications were approved; the GLA did not have this role. The GLA is responsible for entering into funding agreements with the successful applicants.
- 1.5. The GLA launched the UKCRF call on 7 May 2021 and the deadline for applications was 24 May 2021. In total, 56 applications were submitted to the GLA, for a combined total of £43.1m.
- 1.6. The GLA assessed the applications against the government’s gateway criteria, and if they passed, undertook a full assessment, again against government’s selection criteria (of strategic fit, deliverability, effectiveness, and efficiency). Financial due diligence checks for non-public sector organisations were undertaken by GLA’s finance team.
- 1.7. Applications were then presented to an appraisal panel, specifically set up for the UKCRF to help ensure transparency in the shortlisting process and to provide an independent view. The panel comprised six external stakeholders, including an external chair (who was selected from the London Economic Action Partnership, and also serves as chair of the London ESIF committee). Conflict of interest declarations were sought, and terms of reference set out the panel’s responsibilities. Panel members were invited to provide feedback on applications’ strengths and contribution to the investment priorities. Following the meeting, the advice given by members was considered by GLA officers.
- 1.8. The GLA shortlisted 20 applications. All these applications and assessments were submitted to the government on 17 June 2021, with the combined requests totalling £12,677,138.10. They covered all London boroughs and a mix of the UKCRF investment priorities. The government is making a 2 per cent management fee for each project available to lead authorities (including the GLA), at a

value of £253,542.76 for London. Therefore, the total UKCRF funding requested, including the management fee, was £12,930,068.86.

- 1.9. In addition to submitting the shortlisted applications, a lead authority bid submission summary was required by the government. This document outlined the applications received per place; the outcomes sought by applicants; how each bid contributes to local needs; and details of the management fees, and the proposed systems and processes that the GLA will adopt in carrying out its role.
- 1.10. Government officials reviewed the GLA's shortlisted applications, alongside the applications from other lead authorities. Although an announcement was supposed to be made by the end of July, the government did not inform lead authorities which applications had been successful until 3 November 2021. The Government have awarded 6 projects to London at a total of £3,788,211.79 (including 2% management fee).
- 1.11. This Mayoral Decision now seeks approval for the commitment of UKCRF funding to the applicants that have been successful following the government's announcement. The GLA will be required to enter into a funding agreement with the government that sets out the terms and conditions under which the GLA will pay and monitor the successful projects. The GLA will receive a management fee of up to £74,278.66. We await further details from the government regarding the 2% management fee.
- 1.12. The GLA will also enter into a funding agreement with the applicants setting out the terms, conditions, and monitoring requirements against which the UKCRF grant is awarded.
- 1.13. The agreement to be concluded between the DLUHC and the GLA will set out the rights and obligations for each party, including the obligation to pay project deliverers in London. The GLA grant funding agreement template sets out the mechanism to claim the funding in arrears, based on milestones, outcomes, and outputs. Claims will be submitted to the European Programmes Management Unit for checks and authorisation and payment will be made using the TfL SAP payment system.
- 1.14. The selected projects have a UKCRF Grant between £500,000.00 and £899,069.00, whereas the Mayor's scheme of delegation limits are as follows: £10,000 for Managers, £50,000 for Assistant Directors and £150,000 for Executive Directors. This could mean that claims would need to be reviewed and authorised by an Executive Director each quarter. To simplify internal processes it is therefore proposed to amend the financial delegation limits to allow the Assistant Director, Economic Development and European Programmes, financial delegation of UKCRF up to £500,000, Senior Programme Managers up to £300,000 and Programme Managers up to £200,000. This is in line with the current financial delegation arrangements agreed for European Regional Development Fund projects. This would expand the range of financial delegations within the team and expedite the claim authorisation process; without reducing levels of scrutiny. The proposed revised delegations are set out in Table 1 of Appendix 1.

2. Objectives and expected outcomes

- 2.1. The objective of the government's UKCRF is to support communities across the UK to pilot programmes and new approaches ahead of the launch of the UK Shared Prosperity Fund, anticipated in 2022. The government wants the UKCRF to support innovative responses to local challenges and local need spanning urban, rural, and coastal areas. It wants to test a greater integration of types of interventions, and greater flexibility between investment priorities, than currently exists under the current European Structural and Investment Funds system.
- 2.2. The applications shortlisted by the GLA and approved by the UK government (in Appendix 2 of this form) support the above rationale; support London's needs; and are expected to achieve the outcomes specified by the government in its UKCRF prospectus. The outcomes differ from project to project, but the types of outcome include putting more people in education/training; businesses

introducing new products to the market; jobs being safeguarded; an increase in employment among businesses; and more people in employment, including self-employment.

3. Equality comments

- 3.1. As a public sector body, the GLA is required to: comply with the Public Sector Equality Duty, as set out in section 149 of the Equality Act 2010; and have 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation, as well as to advance equality of opportunity between people who have a protected characteristic and those who do not.
- 3.2. London's Invitation to Submit Project Bids document explained that the UKCRF provided an opportunity to fund new business support, and learning and employment support, that complements the London Recovery Programme's ambitions. The GLA was particularly keen to receive bids that supported groups of Londoners whose prospects have been disproportionately affected by the COVID-19 pandemic. This included (but was not restricted to):
 - 16 to 24-year olds
 - 50+ year olds
 - Londoners qualified at Level 2 or below
 - Londoners employed in the retail, food, and aviation sectors
 - ethnic minorities (particularly Black, Pakistani and Bangladeshi Londoners)
 - disabled Londoners
 - women
 - parents and carers
 - Londoners earning below the London Living Wage
 - refugees and asylum seekers.
- 3.3. As required by the government, applicants set out the how they had considered the equalities impacts of their proposals in London; the relevant affected groups according to their protected characteristics; and any measures to mitigate these impacts. These details were considered by GLA officers as part of the assessment process.
- 3.4. The shortlist of projects that the GLA submitted to the government represented proposals that sought to address barriers faced by diverse and under-represented groups in London.

4. Other considerations

Key risks and issues

- 4.1. It is possible that one or more applicants may withdraw from the process at the negotiation stage of awarding the funding agreement. Likewise, officers may withdraw applications if information comes to light (e.g. the applicant doesn't have the staffing structure in place or no longer can deliver the project to an appropriate scale) that constitutes a breach of the terms of the funding agreement. This would be discussed with the applicants in advance of withdrawal.
- 4.2. The amount of UKCRF funding awarded to each applicant may be revised during the funding agreement process (for example, applicants may seek alternative amounts for their own organisational budgetary reasons). Any requests will be considered by officers; collectively, the requests are not expected to exceed the amount stated on the cover page of this Mayoral Decision.

Any increases would be approved in line with the 'Mayoral Decision-Making in the Greater London Authority' document.

- 4.3. There is a tight delivery timescale for the successful projects. Funding agreements between the GLA and UK government are not expected to be issued until December 2021 at the earliest, with funding agreements between the GLA and applicants to follow. The government has stated that projects may only run until 30 June 2022. If there is a delay in contracting and issuing funding agreements, it will have a knock-on effect on delivery. Officers will manage this with applicants and, if necessary, agree appropriate changes to projects.

Links to Mayoral strategies and priorities

- 4.4. All applications submitted were assessed on their alignment to the strategic objectives of the UKCRF and to local needs as set out in the London Invitation to Submit Project Bids document. This latter reflects the London Recovery Programme, the Mayor's Economic Development Strategy, the Skills for Londoners Strategy and the London Environment Strategy.

Declarations of interest

- 4.5. The individuals involved in drafting and clearing this document do not have interests to declare.

5. Financial comments

- 5.1. Approval is being sought for the award and commitment of UKCRF grants up to a total of £3,788,211.79, for entities that were successful under the call for proposals launched in May 2021.
- 5.2. It should be noted that the GLA is designated a 'lead authority' by the UK government for the management and administration of the UKCRF, on behalf of the DLUHC. This means that the GLA will uphold its financial responsibility by appraising applications; managing performance; monitoring applicants; and carrying out expenditure checks on applicants.
- 5.3. The UK government will transfer UKCRF funding to the GLA in two payments (50/50) – the first within 30 days following execution of the Funding Agreement, the second within 30 days of the Secretary of State approving the Lead Authority's grant claim for the second grant payment. The GLA will award the grant to the grant recipients directly. In addition, the UK Government will provide lead authorities with a flat rate of 2 per cent of the value of the UKCRF grant spent by each project. This will equate to £74,278.66, to fund management and administration of the programme.

6. Legal comments

- 6.1. Sections 1 to 4 of this report indicate that the decision requested of the Mayor concerns the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment, all in Greater London. In formulating the proposals in respect of which a decision is sought, officers have complied with the GLA's statutory duties to:
 - pay due regard to the principle that there should be equality of opportunity for all people
 - consult with appropriate bodies.
- 6.2. In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) and persons who do not share it, and to foster good relations

between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 (above) of this report.

- 6.3. Sections 1 to 5, above, indicate that the contribution of up to £3,713,933.13 (not including the management fee of up to £74,278.66, which makes up the balance of the maximum allocation of £3,788,211.79) to applicants amounts to the provision of grant funding and does not constitute payment for services. Officers must ensure that the UKCRF funding is distributed transparently and in accordance with UK government requirements. Officers shall ensure funding agreements are put in place with the government and the grant recipients, as set out in Appendix 2, before any commitment to fund is made.

7. Planned delivery approach and next steps

- 7.1. The plan is dependent on the timing of the government’s announcement of the successful applicants.

Activity	Timeline
Announcement by the UK government of the successful applicants	3 November 2021
The UK government and the GLA establish a funding agreement	From late November 2021
The UK government invites the GLA to enter contract negotiations with successful applicants	From late November 2021
Funding agreements issued to successful applicants	From December 2021
Project activity completed and final date for expenditure	30th June 2022

Appendices and supporting papers:

- Appendix 1 – Financial Delegations for UKCRF
- Appendix 2 – Successful Applicants

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Lee Harvey has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 15 November 2021

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

D. Gane

19 November 2021

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature

Date

D. Bellamy

16 November 2021

