

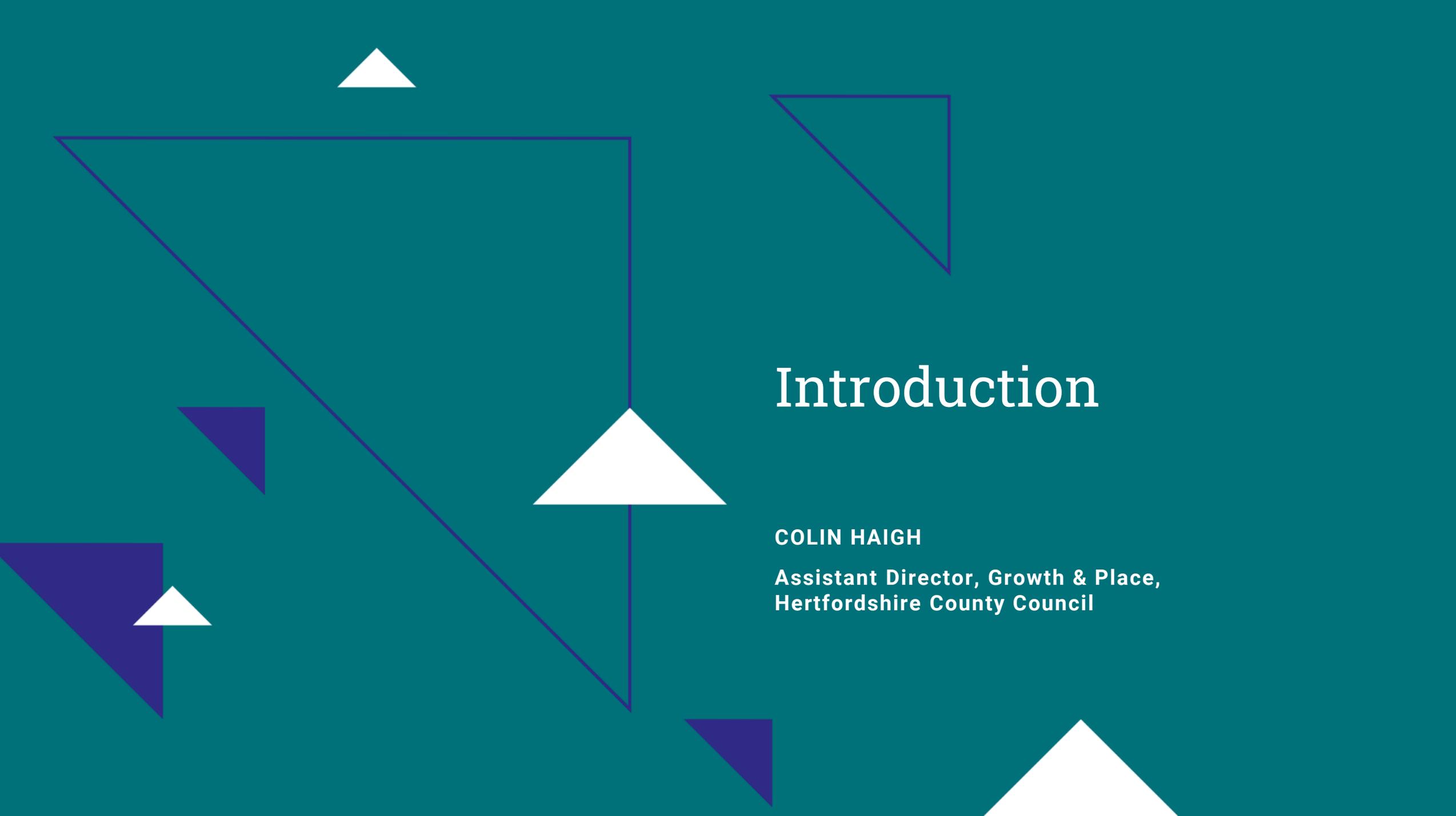


UK Community Renewal Fund: information for Hertfordshire applicants

10 MAY 2021

Agenda

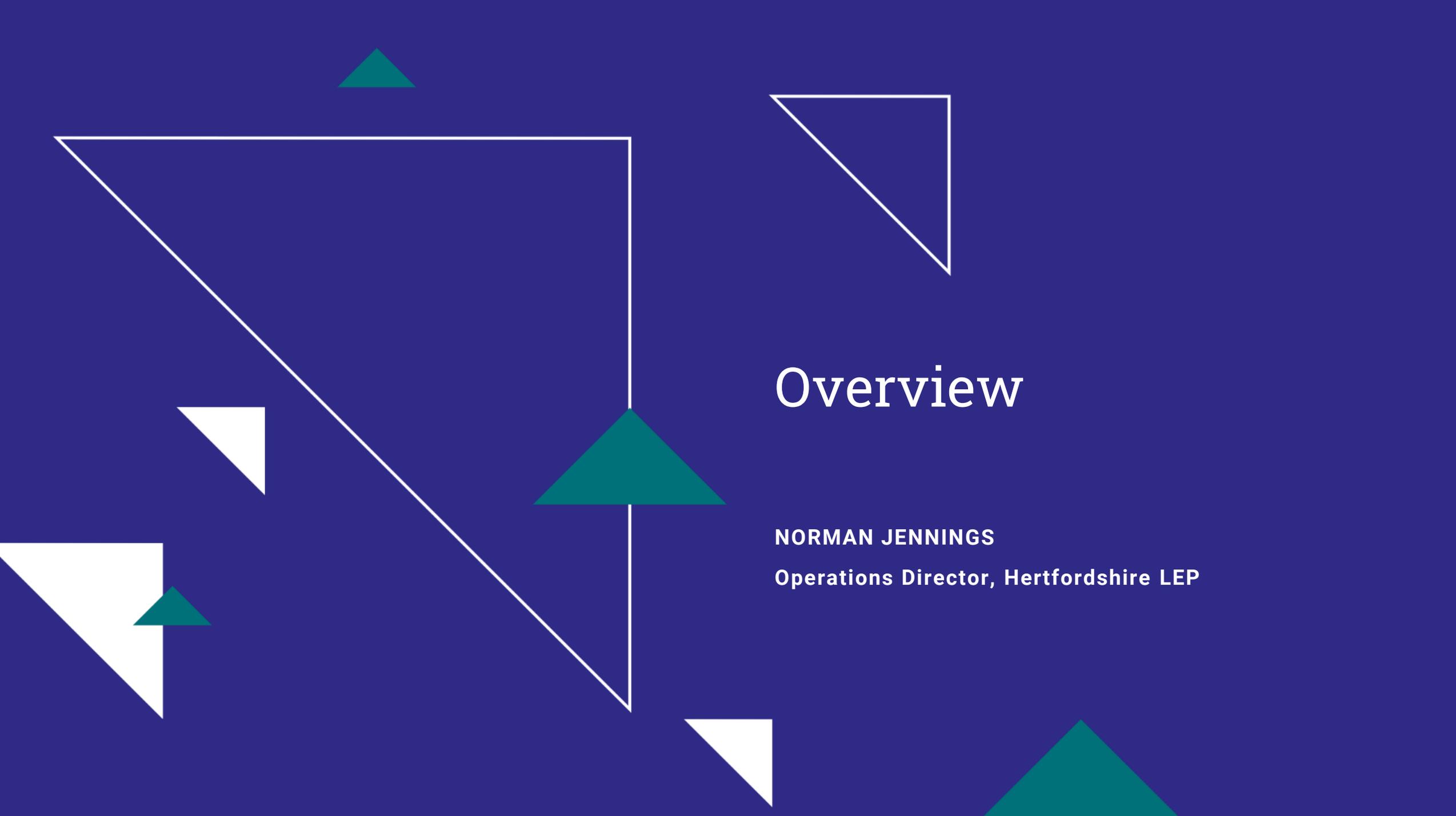
- Welcome and introduction
- Overview
Questions
- Process
Questions
- Evidence base and summary
Questions



Introduction

COLIN HAIGH

**Assistant Director, Growth & Place,
Hertfordshire County Council**

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Overview

NORMAN JENNINGS

Operations Director, Hertfordshire LEP

The economy in numbers

Hertfordshire's claimant count was **38,200** in March 2021 (compared to 14,370 in March 2020).

Within Hertfordshire the highest claimant counts were recorded in Watford (7.1%), followed by Broxbourne (6.8%) – (the UK average is 6.5%).

Biggest year-on-year change (226.3%) seen in East Herts.

(ONS claimant count data, March 2021)

147,500 claims made under the Self Employment Income Support Scheme – a take-up rate of **71%** across all 3 grants.

SEISS 3 take up rate: 70% in Broxbourne, 60% in St Albans.

(HMRC SEISS Statistics, February 2021)

85,400 employments furloughed – a take-up rate of 15%. 18% in Hertsmere, 13% in North Hertfordshire and Stevenage.

(HMRC CJRS Statistics, February 2021)

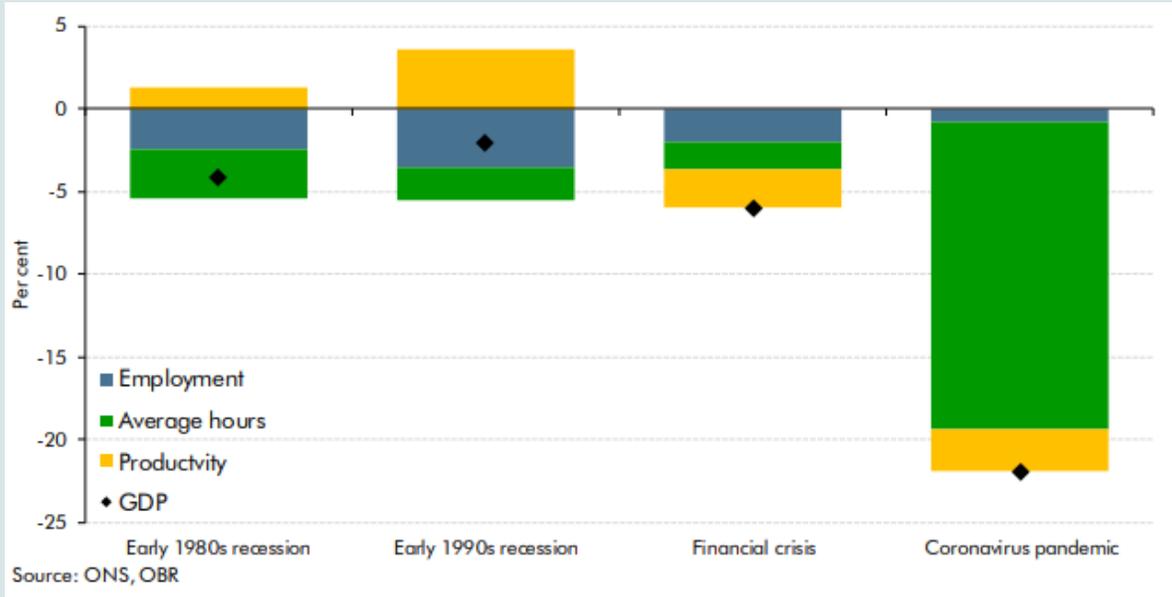
33,180 loans offered (with a value of **£1.45bn**) under either Coronavirus Business Interruption Loan Scheme (CBILS) or Bounce Back Loan Scheme (BBLs) to firms in Hertfordshire.

(British Business Bank, January 2021)

£198.3m grants paid through local authority Small Business Grants Fund scheme or Retail, Hospitality and Leisure Business Grants Fund.

(Data from BEIS, Coronavirus grant funding - local authority payments to SMEs, February 2021)

COVID-19 impact on output, hours and productivity



Labour market impact

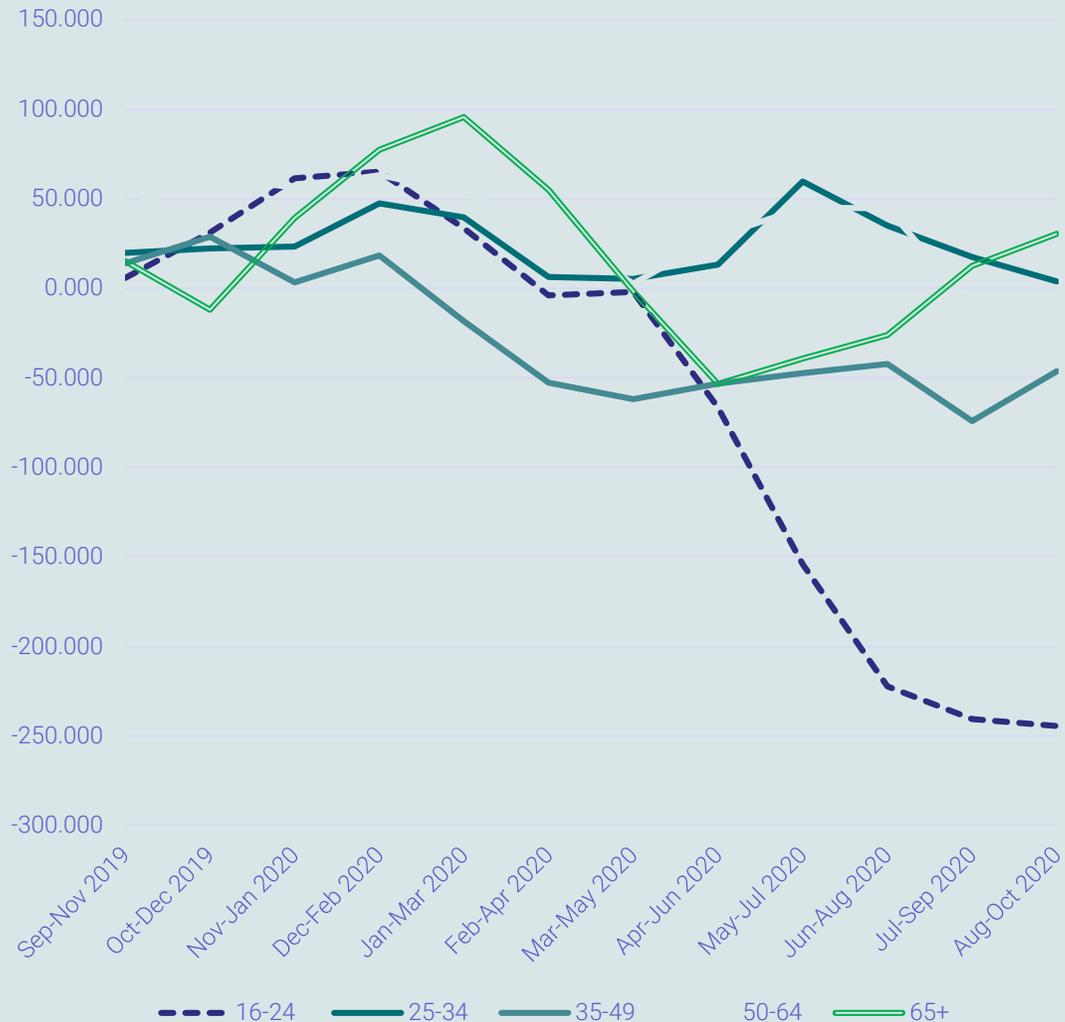
The effect of the pandemic on the labour market has been dramatic.

Government intervention (e.g. CJRS, SEISS, LA discretionary grants) means that the collapse in output has been markedly different from that seen in previous recessions.

The fall in total hours worked was split roughly equally between numbers of people employed and average hours worked, prior to the pandemic.

Firms have furloughed employees rather than cut jobs; average hours have slumped instead. The potential to bounce back quickly is greater than in previous recessions but is contingent on the normalisation of economic conditions.

UK employment level by age (16+), cumulative growth from Q3 2019 to Q3 2020



Labour market impact

The largest decrease in employment over the year has been among young people (16 to 24 years).

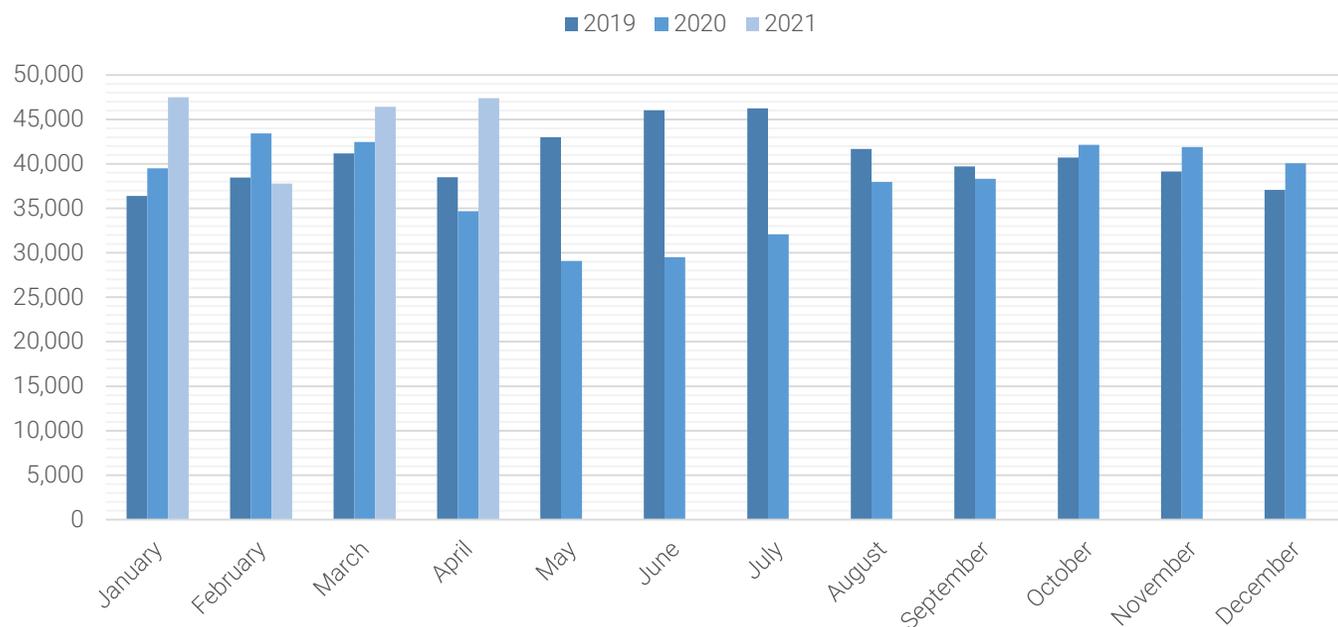
The change in employment over the quarter by age group decreased for those aged 16 to 24 years by 90,000, to a record low of 3.51 million.

There was also a combined decrease of 123,000 on the quarter for those aged 25 to 64 years, to 27.67 million.

Meanwhile, the number of people in employment aged 65 years and over has increased by 70,000 on the quarter to 1.34 million, recovering from the large falls seen in the early stages of the pandemic between January to March 2020 and April to June 2020.

Unique job postings

Count of Unique Job Postings by Month - Hertfordshire



Hertfordshire					
Month	Count of Unique Job Postings			Variance 2019-20	Variance 2020-21
	2019	2020	2021		
January	36,391	39,510	47,499	9%	20%
February	38,471	43,402	37,790	13%	-13%
March	41,186	42,450	46,414	3%	9%
April	38,480	34,661	47,381	-10%	37%
May	42,985	29,087		-32%	
June	46,040	29,505		-36%	
July	46,240	32,057		-31%	
August	41,685	37,963		-9%	
September	39,721	38,334		-3%	
October	40,716	42,122		3%	
November	39,133	41,896		7%	
December	37,079	40,081		8%	

Apprenticeship starts in Hertfordshire

2018/19 (Q2) to 2020/21 (Q2)

Source: LEP Operational Data Suite Q2 Learner Cube, April 2021. Age band at start.

Year	Age Group	Level				Grand Total
		Intermediate	Advanced	Higher	Advanced + Higher	
2019/20	Under 16				0	0
	16-18	433	411	128	539	972
	19-24	228	507	414	921	1,149
	25+	234	576	606	1,182	1,416
	Q2 Total	895	1,494	1,148	2,642	3,537
	Change 2018/19 to 2019/20	-25%	-15%	28%	0%	-8%
	Level as % of Total	25.3%	42.2%	32.5%	74.7%	
2020/21	Under 16		1		1	1
	16-18	215	268	88	356	571
	19-24	178	375	347	722	900
	25+	211	513	718	1,231	1,442
	Q2 Total	604	1,157	1,153	2,310	2,914
	Change 2019/20 to 2020/21	-33%	-23%	0%	-13%	-18%
	Level as % of Total	20.7%	39.7%	39.6%	79.3%	

Aims and objectives

The UK Community Renewal Fund is a Government programme for 2021/22. It aims to support people and communities most in need across the UK to pilot programmes and new approaches to prepare for the UK Shared Prosperity Fund. It invests in skills, community and place, local business, and supporting people into employment.

OBJECTIVES



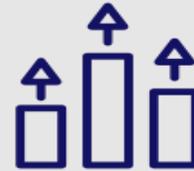
Supporting a smooth transition



Enabling innovation through pilots



A new way of working between UK Government and places



Levelling up and creating opportunity



Building capacity

Key features

- Mainly revenue (90% revenue/10% capital)
- Larger bids of £500,000+ are encouraged
- Match funding is not required, but applicants are encouraged to maximise the leverage of other funding
- A focus on place and innovation/piloting
- National focus on Priority Areas

£220m for spend in 2021/22 only (less £14m for UKSPF capacity funding).

The project must be delivered, and spent, by 31st March 2022.



National investment priorities



Investment in skills



Investment for local businesses



Investment in communities and place



Supporting people into employment

Projects may align with one or deliver across several priorities and holistic bids are encouraged. There will be no ring-fences/thresholds applied across these themes.

Local investment priorities



Skills

Reskilling those in hardest hit sectors; retail, leisure, hospitality

Digital skills

Supporting young people into training/employment



Business

Access to advice

Access to professional services

Strategic direction/growth



Community

Net zero carbon

Community learning

Inclusive growth



Employment

Support for those recently made redundant

Support for those furthest from labour market

Support for YP/NEETs

A focus on place

- Place is defined as lower tier district in this context.
- A maximum of £3m is available per place – no guarantees.
- Government has identified 100 priority places. None are within Hertfordshire.

Priority places are not guaranteed funding, but projects which predominantly focus (>51%) on priority areas have a lower scoring threshold in the shortlisting process.

Applications CAN:

- Target priority or non priority places
- Cover more than one place

Applications MUST:

- Set out which places will benefit
- Set out the percentage of activity/expenditure in each place

Hertfordshire-wide bids are welcome!



Who can apply and benefit?

APPLICANTS:

- Any legally constituted organisation (this may include local authorities, public sector organisations, higher and further education institutions, private sector companies and registered charities).
- Private sector organisations and registered charities can be project deliverers where they are providing a service to benefit other organisations or individuals.
- BUT they cannot receive support if the intention of the project is to further their own business e.g. through the purchase of equipment or offsetting additional staffing or other costs.
- Individuals cannot apply.

BENEFICIARIES:

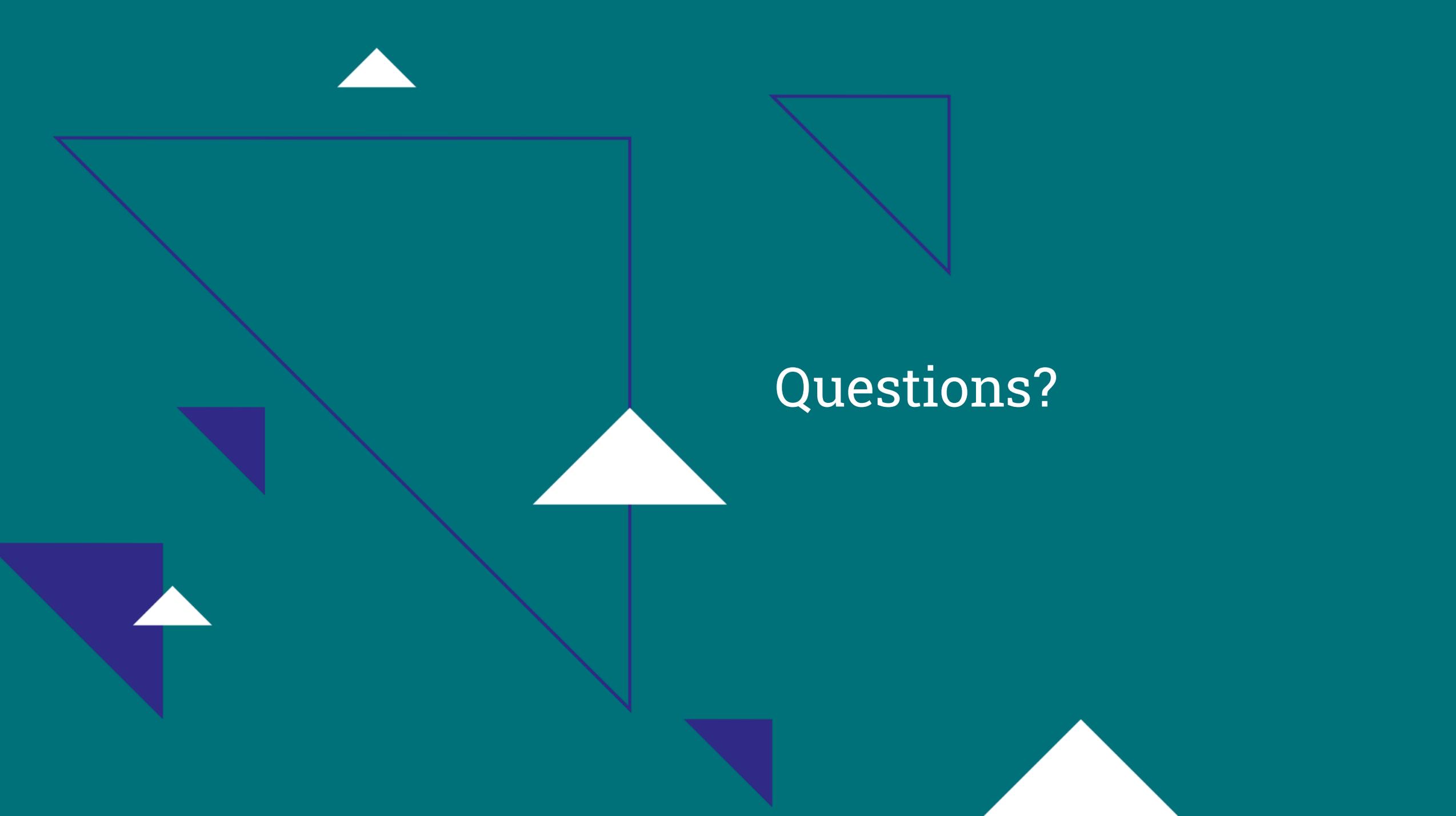
People who are -

- Economically active
- Unemployed
- Employed

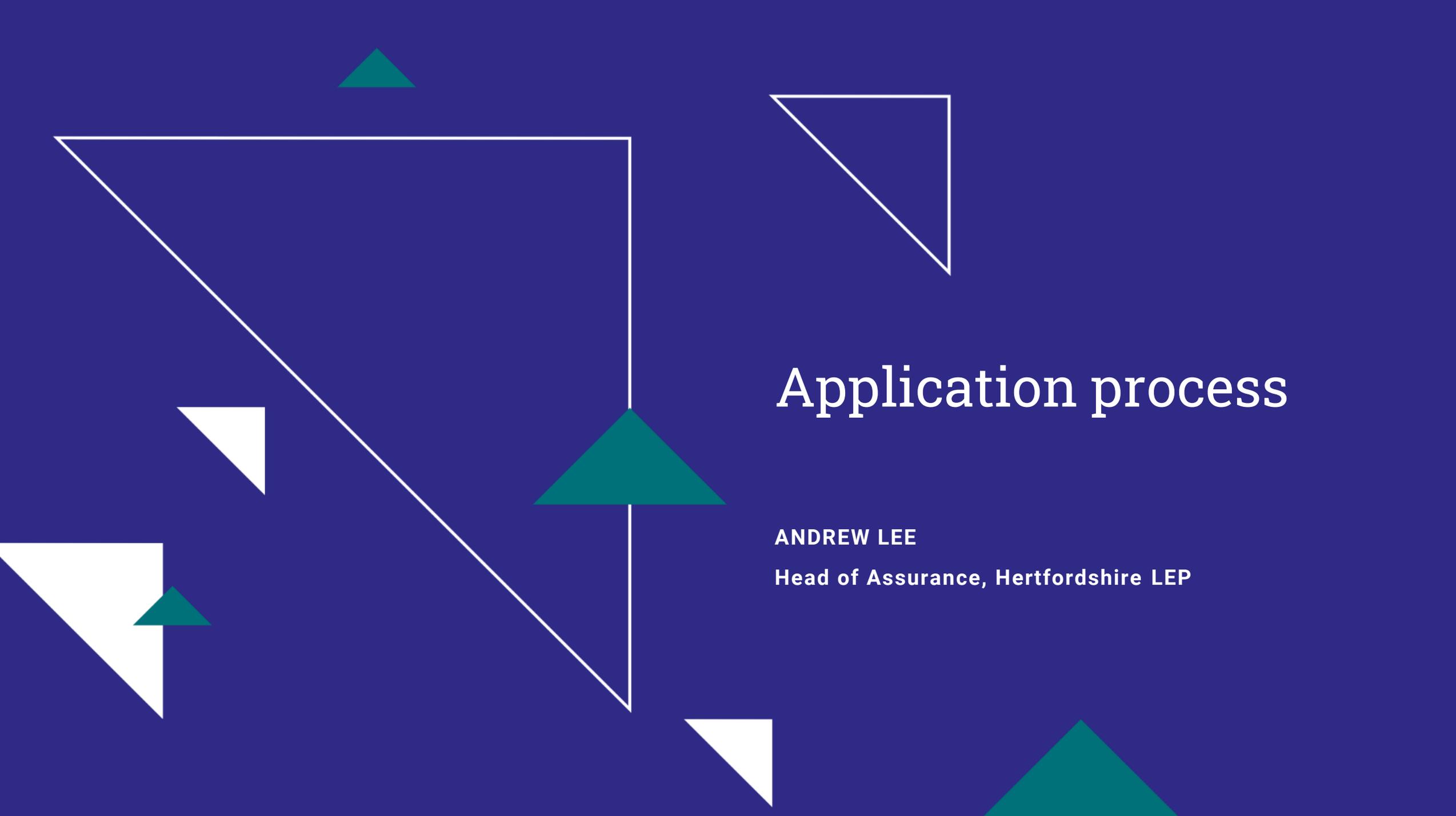
Businesses of all sizes

Organisations -

- Public
- Private
- Voluntary sector



Questions?

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Application process

ANDREW LEE

Head of Assurance, Hertfordshire LEP

How to apply

Bids must be submitted using the UK Community Renewal Fund Application Form, which is [available here](#) and on the [Hertfordshire LEP website](#).

- Hertfordshire specific information can also be found on the LEP website.
- The LEP website will be updated as soon as further details are available.
- MHCLG information is [available here](#).
- Bids submitted in any other format will not be accepted.
- Bids must be submitted to Hertfordshire County Council via Hertfordshire LEP, using this email address: info@hertfordshirelep.co.uk
- Bids must be submitted by 12 noon on 21st May 2021.

The UK Community Renewal Fund is a competitive process and Hertfordshire County Council and the UK Government will not enter into discussions with bidders.

How will projects be appraised?

Assessment criteria set out in Governance guidance

Main headings:

1. Gateway criteria (pass/fail) – including factors such as eligibility, deliverability, compliance (UK Subsidy Control principles), policy fit etc.
2. Fit against national CRF priorities
3. Contribution to local priorities
4. Contribution to net zero objectives
5. Ability to inform UK Shared Prosperity Fund
6. Demonstration of innovative approaches

Other assessment criteria:

1. Deliverability by March 2022 & realistic milestones
2. Adequate consideration of risk and mitigation
3. Efficient mode of delivery
4. Funding need – demonstration that CRF is required
5. Links to local priorities
6. Monitoring and evaluation



Appraisal – other factors

Other factors that will be considered include:

- Clear rationale for the project
- Clear articulation of project costs
- Clear description of activities and dependencies
- Clear description of who is responsible for the project
- Clear logic in estimates of project outputs/impact
- Consideration of sustainability after CRF funding completes
- Value for money
- Due diligence on lead organisation
- Compliance with UK Subsidy Control principles (State Aid replacement)

Deliverability will be a key consideration given the timescales.



Appraisal – banding

Appointable projects will be grouped into three bands:

- **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.

View the [list of priority places](#). Note: there are no priority places in Hertfordshire, therefore no Hertfordshire-based project can reach Band A.

Summary of the process and timescales

DATE	TIME	ACTIVITY
26 April	9:00	Open call for projects
10 May	9:30 – 11:00	Hertfordshire information session (webinar)
21 May	12:00	Applicant submission deadline
27/28 May	-	Initial sift by Hertfordshire LEP officers
3/4 June	-	Full sift by Hertfordshire LEP and Hertfordshire County Council officers
11 June	-	Prioritisation of projects
w/c 14 June	-	Hertfordshire County Council Approval Panel
18 June	9:00	Submission to MHCLG by Hertfordshire County Council
Post 18 June	-	Applicants to be notified if their project has been submitted to MHCLG
Late July onwards	-	MHCLG to inform Hertfordshire County Council of their decision

How will you be informed of the outcome?

Of the local shortlisting process:

- HCC will inform applicants if their bid has been shortlisted after 18th June.
- Decisions will be in the public domain.

Of the national process:

- Government will announce the outcome of the process from late July onwards.

How will successful projects be managed?

Contracts

- Hertfordshire County Council will establish a funding agreement with each project deliverer.
- Details to follow when Government shares its template.

Payments and monitoring

- Payments are likely to be in arrears following the submission of a claim form. Likely to be some flexibility, but exact process is subject to confirmation.
- Project costs must be based on actual expenditure incurred and evidenced through invoices or other transactions.

Monitoring and evaluation

- Detailed guidance on CRF monitoring and evaluation requirements will be provided later in spring 2021.
- A key objective of CRF is to try new ways of delivering activity to businesses and people. **Evaluating impact will determine what works.**
- All bidders must set out the intended impacts of the project, using **output and outcome indicators** listed in the technical note for applicants and deliverers (section 10). Bids will be assessed on the credibility of their M&E plans.
- If successful, they must submit evidence to the Lead Authority demonstrating progress towards achievement of project targets, and also develop an evaluation plan **using 1-2% of their award** and a **minimum threshold of £10,000**.
- Bidders also need to include Programme Management and Monitoring costs of **2%**

Monitoring and evaluation

Lead Authorities must ensure that all project deliverers undertake the evaluations as set out in their application in a timely manner, and collaborate with Government in respect of the national evaluation.

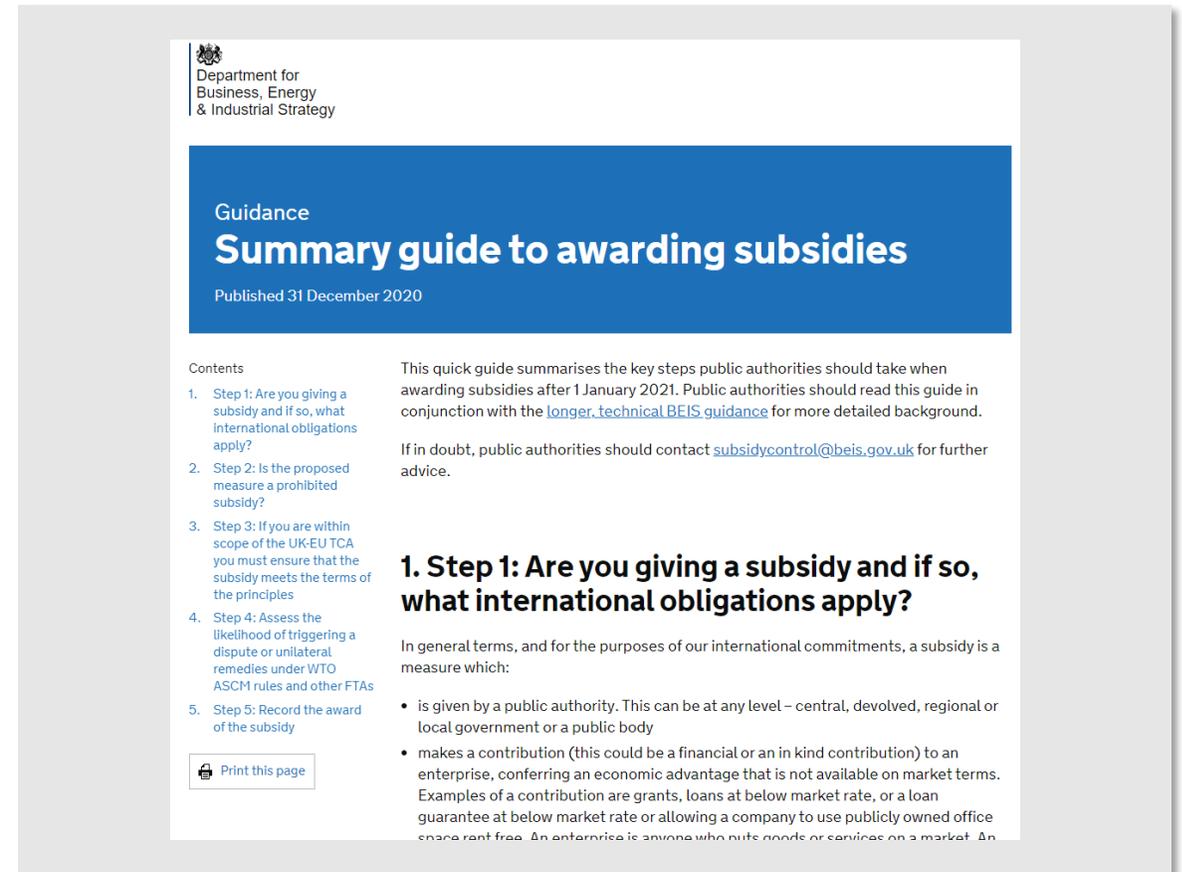
- [UK Community Renewal Fund: Technical Note for Project Applicants and Deliverers](#)
- [UK Community Renewal Fund: Technical Note for Lead Authorities](#)
- [UK Community Renewal Fund: Assessment Process \(publishing.service.gov.uk\)](#)

Subsidy guidance

In general terms, a subsidy is a measure which:

- is given by a public authority;
- makes a contribution to an enterprise, conferring an economic advantage that is not available on market terms (e.g. grants, loans at below market rate, a loan guarantee at below market rate, or allowing a company to use publicly owned office space rent free);
- affects international trade.

Further information can be found on the [Government website](#).



The screenshot shows the cover and first page of a guidance document from the Department for Business, Energy & Industrial Strategy. The title is 'Guidance: Summary guide to awarding subsidies', published on 31 December 2020. The document is structured into sections: 'Contents' with five numbered steps, an introductory paragraph, a '1. Step 1: Are you giving a subsidy and if so, what international obligations apply?' section, and a definition of a subsidy. A 'Print this page' button is visible at the bottom left of the page content.

Department for Business, Energy & Industrial Strategy

Guidance
Summary guide to awarding subsidies
Published 31 December 2020

Contents

1. Step 1: Are you giving a subsidy and if so, what international obligations apply?
2. Step 2: Is the proposed measure a prohibited subsidy?
3. Step 3: If you are within scope of the UK-EU TCA you must ensure that the subsidy meets the terms of the principles
4. Step 4: Assess the likelihood of triggering a dispute or unilateral remedies under WTO ASCM rules and other FTAs
5. Step 5: Record the award of the subsidy

This quick guide summarises the key steps public authorities should take when awarding subsidies after 1 January 2021. Public authorities should read this guide in conjunction with the [longer, technical BEIS guidance](#) for more detailed background.

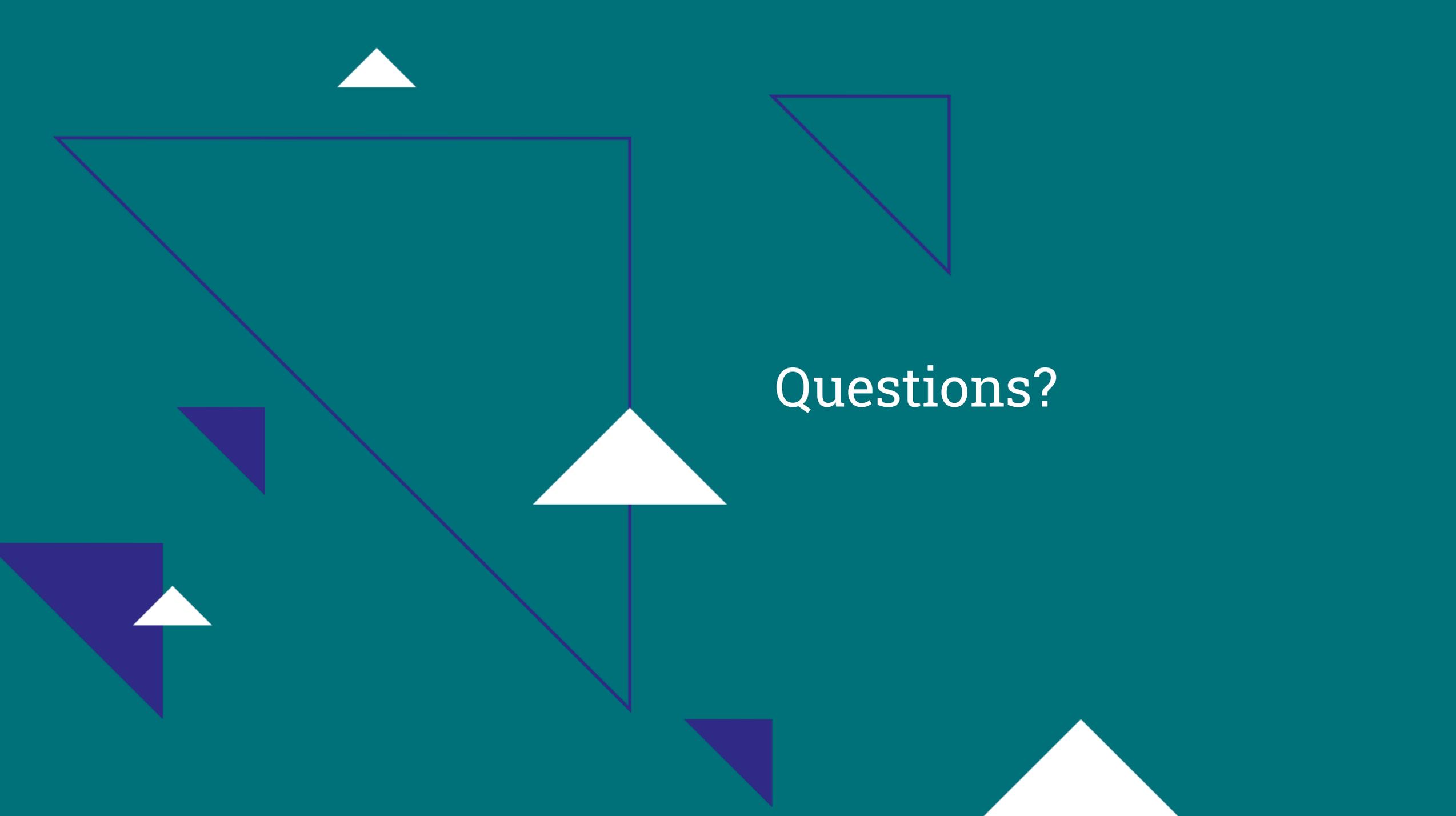
If in doubt, public authorities should contact subsidycontrol@beis.gov.uk for further advice.

1. Step 1: Are you giving a subsidy and if so, what international obligations apply?

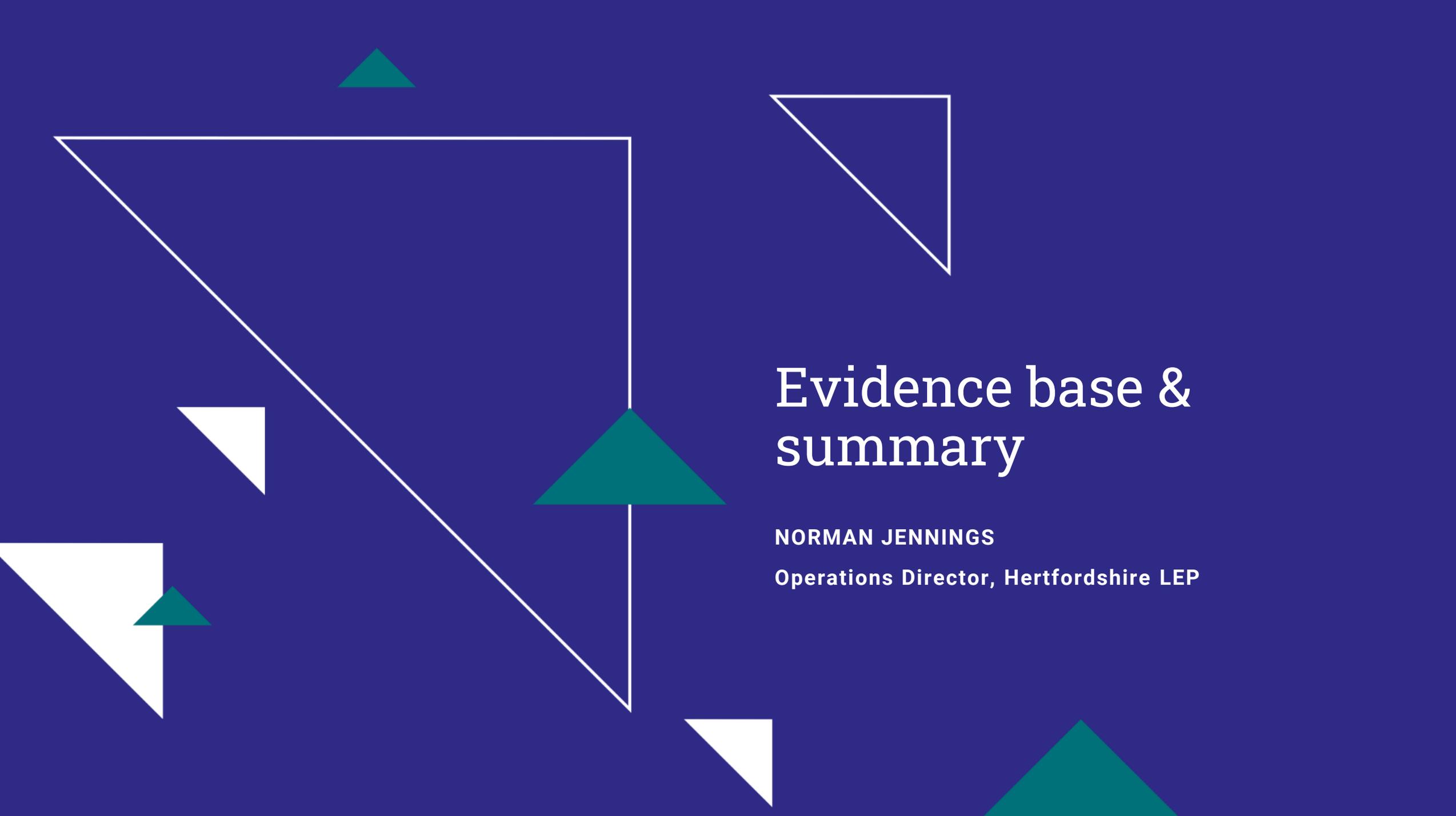
In general terms, and for the purposes of our international commitments, a subsidy is a measure which:

- is given by a public authority. This can be at any level – central, devolved, regional or local government or a public body
- makes a contribution (this could be a financial or an in kind contribution) to an enterprise, conferring an economic advantage that is not available on market terms. Examples of a contribution are grants, loans at below market rate, or a loan guarantee at below market rate or allowing a company to use publicly owned office space rent free. An enterprise is anyone who puts goods or services on a market. An

Print this page

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Questions?

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Evidence base & summary

NORMAN JENNINGS

Operations Director, Hertfordshire LEP

Evidence base

[Hertfordshire's Recovery Plan 2020](#)

[Hertfordshire LEP Strategic Economic Plan](#)

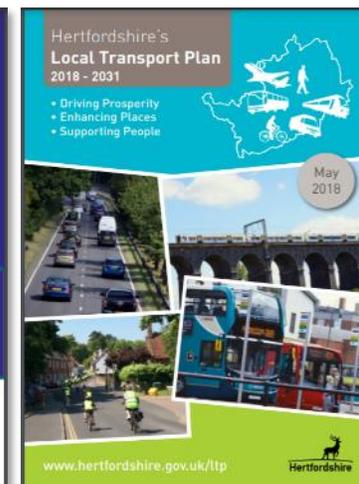
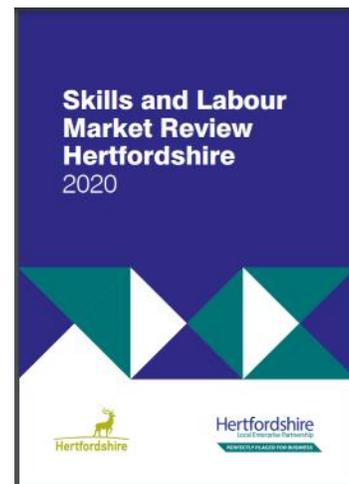
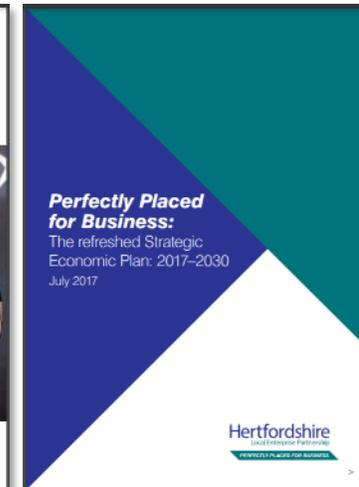
[Hertfordshire Local Skills Report 2021](#)

[Hertfordshire Skills & Labour Market Review 2020](#)

[Hertfordshire Skills and Employment Dashboard](#)

[Hertfordshire Local Transport Plan 2018 - 2031](#)

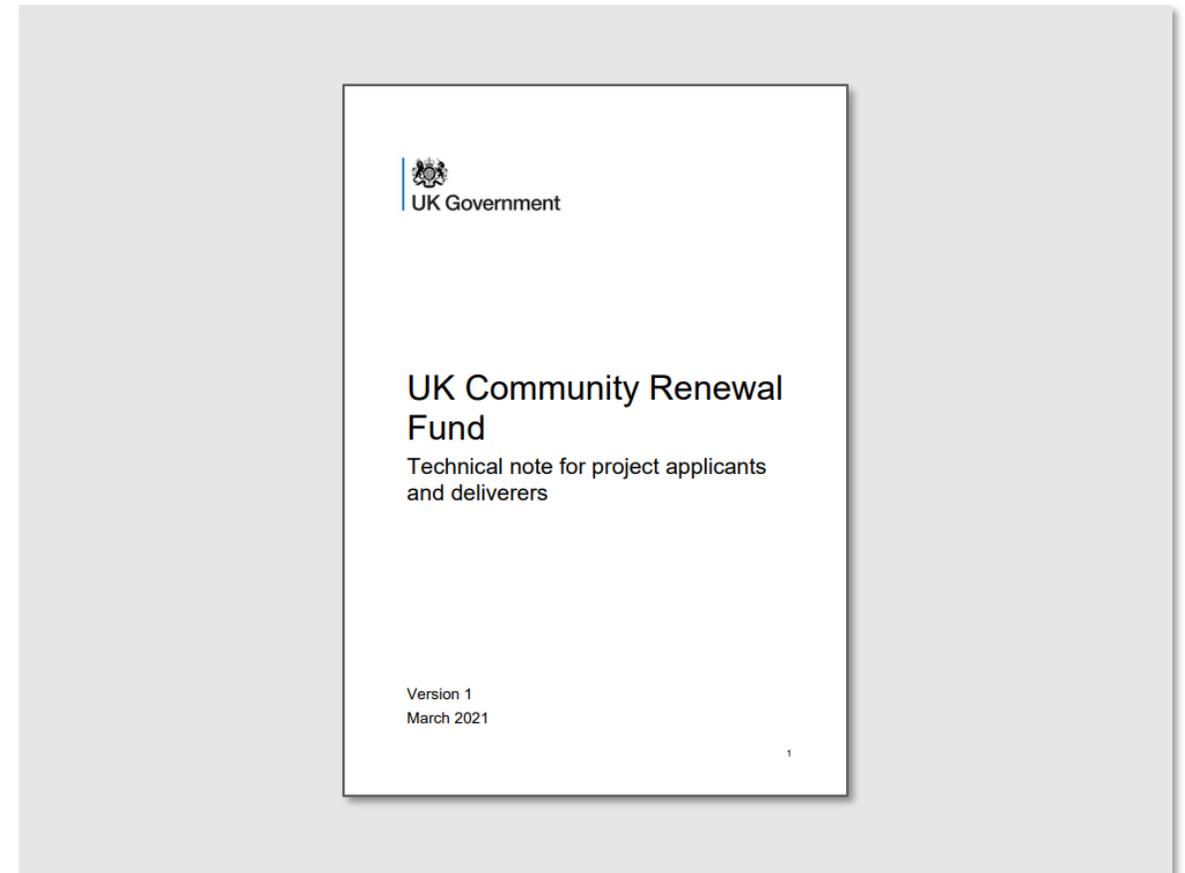
[Sustainable Hertfordshire 2020](#)



Where to find detailed technical information

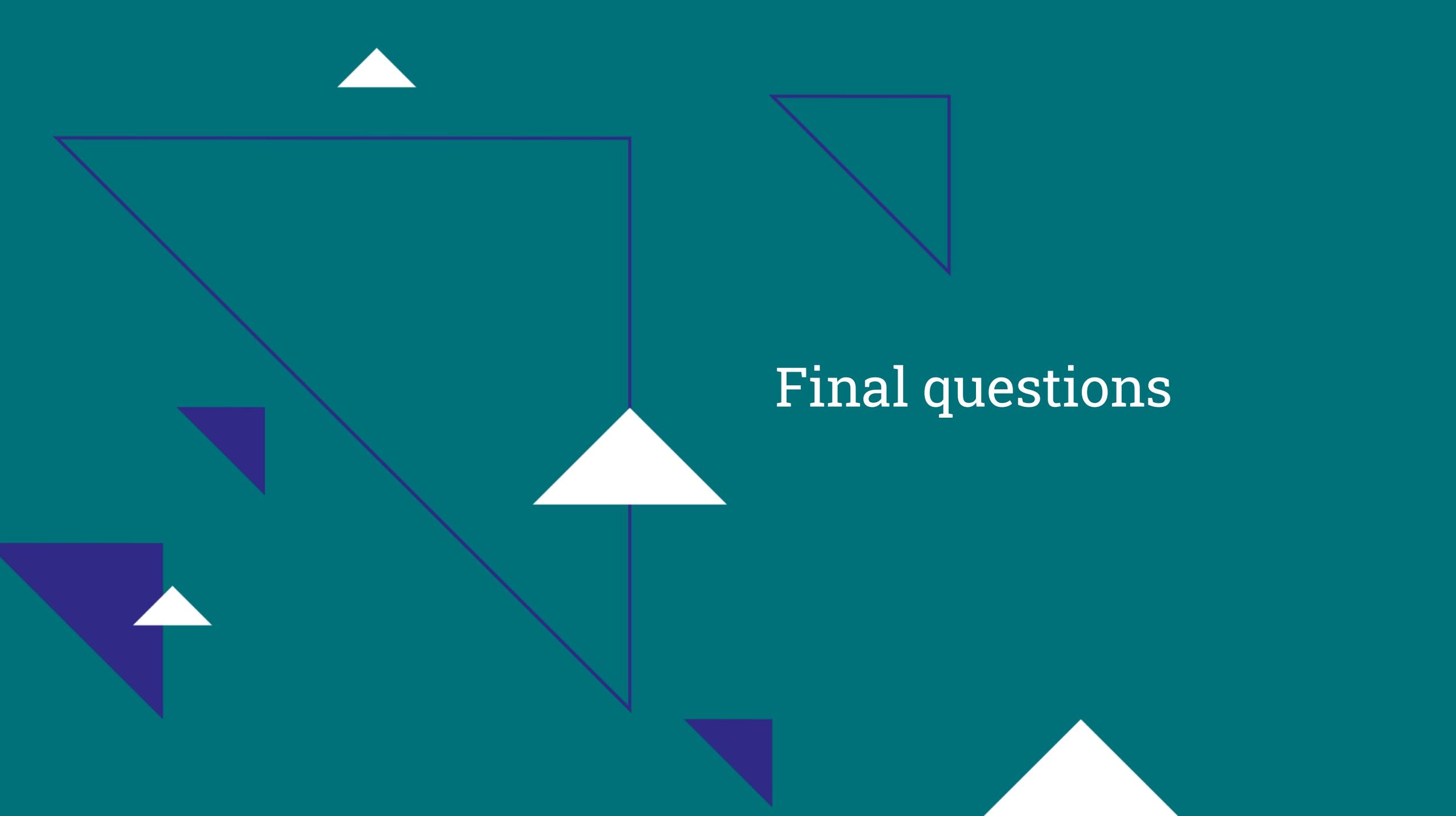
[Technical guidance](#) provides more information on:

- Eligible expenditure
- Overheads
- Income generation
- Excluded costs and activities
- Eligibility criteria for participants
- Subsidy control and state aid
- Branding and publicity
- Monitoring and evaluation
- Monitoring data and indicators

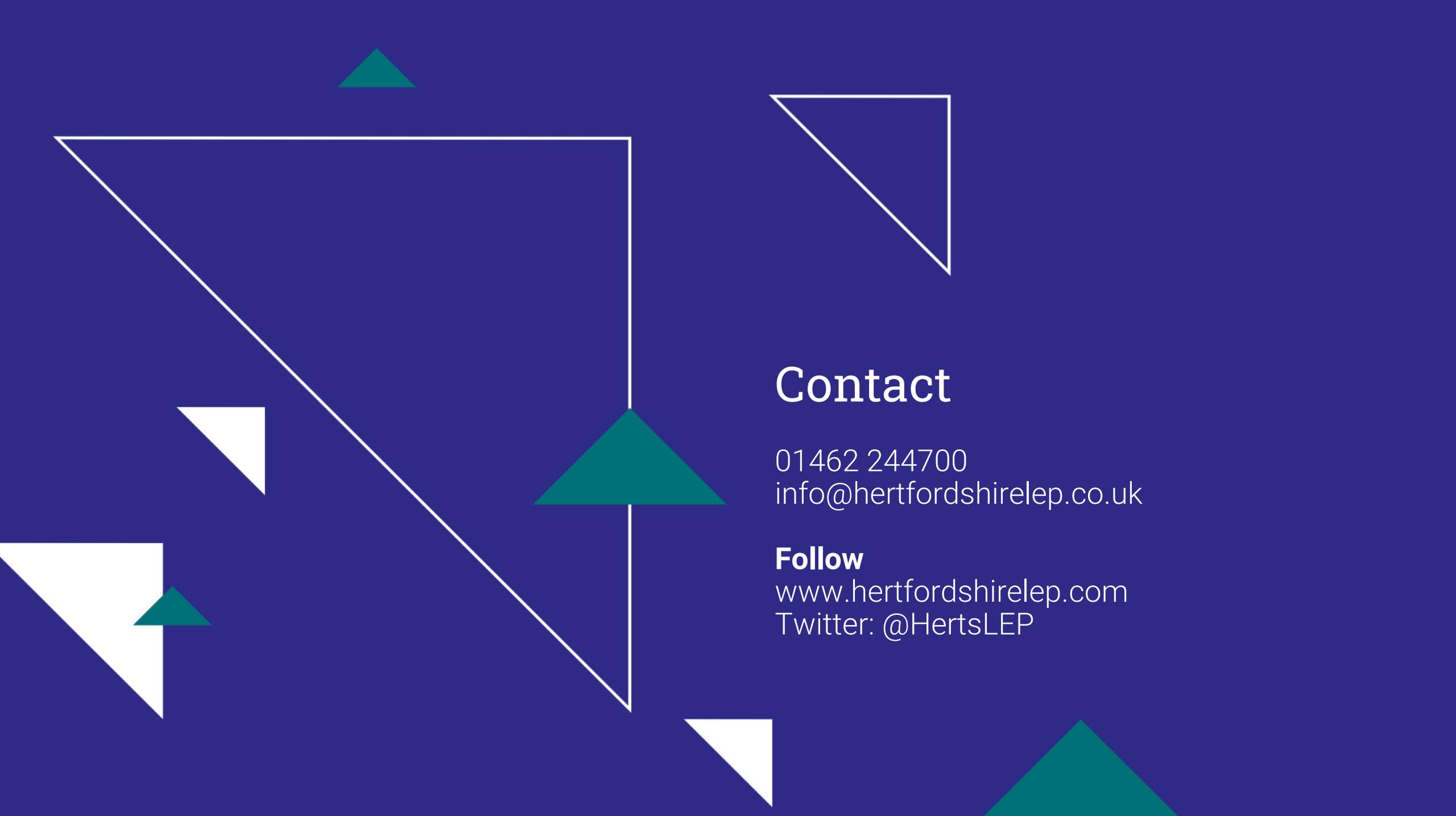


Summary and our thoughts

- Deliverability re timeframes
- Track record of delivering projects, spend and outputs
- Size of funding request v MHCLG expectations i.e. min £10k evaluation costs
- Potential collaborations
- Match funding or not!
- Band B i.e.80% against key criteria
- Bidders also need to include Programme Management and Monitoring costs of 2%
- Deadlines and further questions

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Final questions



Contact

01462 244700
info@hertfordshirelep.co.uk

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