

# Blackpool Town Deal Board Meeting 19

## Agenda Item 5

Report to: Blackpool Town Deal Board

Subject: UK Community Renewal Fund Programme Update

Relevant Officer: Nick Gerrard, Growth and Prosperity Programme Director

Date of Meeting: 18 November 2022

### 1. Purpose of Report

To provide the Town Deal Board with an update on the UK Community Renewal Fund (CRF) Programme.

### 2. Recommendation

To note the progress with the four Blackpool CRF schemes.

### 3. Overarching Programme Position

- All required returns to the Department of Levelling Up, Housing and Communities (DLUHC) have been made and no issues are outstanding.
- All four schemes have completed activity as at the end of September 2022
- Programme spend: A total of £763,370 CRF is available to the programme to the end of September 2022. A total of £191,531.95 has been paid out to projects to date. Whilst this may seem a low figure, a programme delivery and RAG rating of 'Amber' is proposed as other than the Inspira-led 'Ready for Work' project, no 'high level' scheme underspend or failure to meet substantial outputs or outcomes is determined at this stage.
- Project activity summary is outlined in Annex A.

## 4. Programme management

### 4.1 Project Claim Process

All four projects have now completed as of the 30 September 2022. All have been ‘running’ since 3 November 2021 and all had opted to take advantage of a three month extension from the end of June 2022 to the end of September 2022. The extension has necessitated the production of an agreement side letter and increased the monitoring process from three to four claim periods.

The PMO operates quarterly claims to encourage tight project control and to avoid unexpected issues/surprises. Projects were required to provide quarterly claims as follows:

- Claim one covering the period three November 2021 to 31 December 2021 (deadline 21 January 2022)
- Claim two covering the period 1 January 2022 to 31 March 2022 (deadline 22 April 2022)
- Claim three covering the period 1 April 2022 to 30 June 2022 (deadline 22 July 2022)
- Claim four covering the period 1 July 2022 to 30 September 2022 (deadline 21 October 2022)

Each project team also has to provide an independent evaluation report to be submitted before the end of the year. The projects have stated the evaluation reports will be delivered in good time (the first expected on 31 October 2022; the last on 31 November 2022)

All four schemes have received claim one and claim two documents. All claim one and two are now fully approved by the PMO and a non-PMO Council staff member / the Council Finance staff member.

Three of the projects have received claim three documents. Two (The Youth Hub and Ready for Work) have submitted documents for review (in October – these have still to be approved by the PMO). The Innovation Catalysts project has yet to provide a re-profile to include the extension, so has neither received a side letter nor claim three documents. They have been contacted again about this outlining the urgency on the 26 October.

Claim four documentation cannot be issued until claim 3 documentation has been approved by the Council.

### 4.2 UK Community Renewal Fund Reporting

Blackpool Council is the designated accountable body for the delivery of the CRF programme with the oversight from the Town Deal Board. The Council must comply with DLUHC mandatory financial and monitoring and evaluation (M&E) requirements. Payment of grant is dependent upon the receipt of satisfactory interim reports.

Reporting requires the collecting of accurate data and using agreed metrics and methods as set out in the M&E guidance; however, monitoring returns do not require to be signed off by Blackpool Council’s Section 151 Officer.

We have, so far, made returns to DLUHC as follows.

- a) On or before 31 March 2022 for the period to 28 February 2022
  - Programme & projects progress (including financials & achievements).
    - DLUHC made no requests or comments.
- b) On or before 31 July 2022 for the period to 30 June 2022
  - Programme & projects progress (including financials & achievements).
    - DLUHC have made no requests or comments as yet.
- a) On or before 31 October 2022 for the period to 30 September 2022 (programme closure)
  - Programme & projects progress (including financials & achievements).
    - Submitted 25 October 2022.

The Council was informed on 30 September 2022 it had not been selected for an audit check at this time. A final claim form along with project closure checklist is yet to be provided by DLUHC. Completion is required by 31 January 2023. Section 151 sign-off of all the final claim paperwork is required.

### 4.3 Project Progress Issues

#### 4.3.1. Ready for Work (Inspira Cumbria Ltd.)

As reported at the last Town Deal Board meeting, the PMO team have approached DLUHC to understand its viewpoint regarding the low achievement levels from this pilot scheme before committing to further claim payments. The efforts of the project team are not being queried; however, a discussion with DLUHC/ BEIS must take place to ascertain what funding can be released without risking 'claw-back'.

DLUHC requested Inspira provide a paper outlining activity undertaken to address the issues encountered, the reasons why the outputs could still not be achieved, what lessons have been learned and what effect receiving less payment would have on the organisation. The paper was provided on the 30 September. It is understood a DLUHC Task Group will meet to discuss this and other projects around the UK that have not managed to achieve outputs / outcomes to determine what sanctions to apply. The Task Group decision on Ready for Work is awaited (and has been chased again on 26 October).

#### 4.3.2 Piloting Place-Based Innovation Catalysts (Lancaster University)

This project has expended its full £180,579.00 CRF allocation. The project has reported that it has achieved all but one target but this has been offset by exceeding on three others as outlined below. However, correspondence received on the 1 November has put into question the validity of this position and further discussion is now underway to confirm the below is still correct. If outputs have not been achieved, it is anticipated that the scheme

will be required to follow the approach of the Ready for Work scheme and review at the DLUHC Task Group.

Table One: Final Innovation Catalysts Project Outputs

Businesses/ organisations engaged with	Target	Outputs delivered	Outputs delivered
Businesses (Small)	7	3	43%
Businesses (Medium)	3	5	167%
Businesses (Large)	2	2	100%
Organisations (Public)	2	3	150%
Organisations (Voluntary Sector)	1	2	200%

#### 4.3.3 The Youth Hub / 'The Platform' (Blackpool Council)

In the October interim monitoring return DLUHC has been informed this project, whilst achieving (and exceeded) all its contracted results, has closed having underspent £13,634.29. The under spend was primarily due to receiving fewer suitable contract applications relating to innovation fund activity / novel support measures.

We await contact from DLUHC in regard to the under spend but it is understood these monies will simply not be released to the Council as part of the final Government payment.

#### 4.3.4 The Role of Digital Museums & Archives in Culture-led Regeneration (University of Central Lancashire)

In the October interim monitoring return, DLUHC has been informed this project, whilst expending its total £13,339.00 CRF allocation, it has not achieved outcome as follows:

Table 2. Final Digital Museums project outcome

Outcome	Target	Achieved
Innovation plans developed as a result of support	5	2

The project team has offered four more innovation plans (to total six); however, the PMO wishes to query the counting of these plans with DLUHC as they are not with organisations based in Blackpool (two are in Preston and two are in East Lancashire and we believe Blackpool activity is both important and proposed in the original bid. The University team has argued the scheme is a feasibility study, so the requirements of the contract are not binding. A decision is awaited from DLUHC as to what proportion of the remaining £6,376.51 should be paid to the University.

#### 4.4. CRF financial position

##### 4.4.1. Expenditure

The current profiled CRF expenditure position is set out in table three below:

Table 3. Current CRF funding position

Project	Approved total project funding	Claim 1 (3 November to 31 December 2021)	Claim 2 (1 January to 31 March 2022)	Claim 3 (1 April to 30 June 2022)	Claim 4 (1 July to 30 September 2022)	Total project claim
Ready for Work	£125,628.00	£22,921.19	£42,632.63	£42,100.51	£17,973.67	£125,628.00
The Youth Hub	£443,824.00	£25,056.42	£66,905.65	£103,523.87	£234,703.77	£430,189.71
Piloting Place-Based Innovation Catalysts	£180,579.00	£2,713.89	£24,339.68	£34,720.14	£118,805.29	£180,579.00
The role of Digital Museums & Archives in culture-led regeneration	£13,339.00	£2,566.48	£4,396.01	£3,958.86	£2,417.65	£13,339.00
<b>TOTALS</b>	<b>£763,370.00</b>	<b>£53,257.98</b>	<b>£138,273.97</b>	<b>£184,303.38</b>	<b>£373,900.38</b>	<b>£749,735.71</b>
Running totals:		£53,257.98	£191,531.95	£375,835.33	£749,735.71	

Thus far £191,531.95 has been paid out (to all project teams for claims 1 and 2). We await data to produce claim 3 documents for the Innovation Catalysts team (this has been chased at a level higher than the team) and are currently processing claim 3 documents for the Youth Hub and Ready for Work teams. We understand claim 3 documents will not be available for the Digital Museums team until 3 November 2022 or shortly thereafter. We await instruction from DLUHC before any more claims are settled for the Ready for Work and Digital Museums teams.

##### 5.2.2. Match funding financial position

The programme is funded by CRF with confirmed supporting match funding as set out in table four below. The public funds are provided by the Universities.

Table 4. Expenditure by year

Funding sources	2021 to 2022	2022 to 2023	Total
UKCRF total contributions	£372,681.85	£390,688.15	£763,370.00



Funding sources	2021 to 2022	2022 to 2023	Total
Public match total contributions	£12,051.10	£13,931.57	£25,982.67
Total	£384,732.95	£404,619.72	£789,352.67

5.2.3. Income

CRF receipts so far are set out in table five below. As these are ‘pilot’ projects, we expect the balance to be paid, barring other instructions from DLUHC relating to the performance of Inspira’s Ready for Work and UCLan’s Digital Museums projects (we expect the Youth Hub under spend to be withheld on final payment). If the Innovation Catalysts project has under delivered its outcomes, this may also affect the final funding release.

Table 5. CRF Receipts

Tranches received	Total received	Defrayed by PMO to date	‘Unspent’
Pre-development expenditure [November 2021]	£20,000.00	£20,000.00	£0.00
62.5% of revenue (& capital by mistake) [December 2021]	£486,649.00	£171,531.95	£315,117.05
62.5% of capital [December 2021]	£25,000.00	£0.00	£25,000.00
Total	£531,649.00	£191,531.95	£340,117.05

Income thus far exceeds the total for claims one, two and three should we be required to pay them out. If DLUHC decides all the projects have performed sufficiently to receive their contracted amounts (minus the Youth Hub underspend), we can withhold claim four payments until the balance of funding has been received.

The remaining CRF funding due (£218,086.71) will be paid by DLUHC in one lump sum after our final reports are all approved by DLUHC. (The £218,086.71 figure takes account of the Youth Hub underspend).

Annex A – Project Delivery Summary

Ready for Work (£125,628.00 UK CRF funding)

Ready for Work (delivered by Inspira Cumbria Ltd.) provides one-to-one and one-to-many support to 18 to 24 year-old economically inactive or unemployed persons through job searching and life skills support with the objectives of those supported gaining places in education, training or employment.

1. Progress

Project activity has been completed, though we await satisfactory completion of all claim documentation and receipt of the project evaluation in order to complete the final programme report/ submission.

2. Results (formally reported)

Result	Results achieved	Mitigating 'nearly' figures	Target to be achieved by project close	Delivery %
People engaged in job searching following support	0	34	84	0
People engaged in life skills support following interventions	0	41	10	0
People in education / training following support	17	0	45	38
Economically inactive people supported	0	0	45	0
Unemployed people supported	44	0	45	98

Unfortunately, no results have been fully achieved, including less than half for the main outcome. There are mitigating circumstances that will be considered by DLUHC before further CRF funding payments can be made.

The Youth Hub (t/a 'The Platform') (£443,824 UK CRF funding)

The Platform (delivered by Blackpool Council) is a physical space to support young people in the town to access jobs and training and to make the jump from school or unemployment into work smoother and easier - the project provides a 'one place base' providing quality advice for young jobseekers aged 16 to 24.

## 1. Progress

Project activity has been completed, though we await satisfactory completion of all claim documentation and receipt of the project evaluation in order to complete the final programme report / submission.

## 2. Results (formally reported)

Result	Results achieved	Total to be achieved by project close	Delivery %
People in education / training following support	127	75	169
Unemployed people supported	393	300	131

Both targets have been significantly exceeded.



Piloting Place-Based Innovation Catalysts (£180,579 UK CRF funding / £23,351 own match funding)

This project (delivered by Lancaster University) will improve economic growth & prosperity in Blackpool through high level & high impact innovation, talent & skills programmes - the scheme will work with business of all sizes, and public & voluntary sector organisations to provide 1-to-1 and 1-to-many support to local 'innovation driven businesses' resulting in the development of innovation plans and knowledge transfer activities.

## 1. Progress

Project activity has been completed, though we await satisfactory completion of all claim documentation and receipt of the project evaluation in order to complete the final programme report / submission.

## 2. Results (formally reported)

Result	Results achieved	Total to be achieved by project close	Delivery %
Innovation plans formed & enacted (commitment secured)	15	15	100
Organisations engaged in knowledge transfer activity following support	15	15	100
Small businesses engaged (0-49 employees)	3	7	43
Medium sized businesses engaged (50-249 employees)	5	3	167
Large businesses engaged (250+ employees)	2	2	100
Public organisations participating	3	2	150
Voluntary sector organisations participating	2	1	200

One output target is known not to be achieved, but confirmation of the final outturn is still being determined.

The role of Digital Museums and Archives in culture-led regeneration (£13,339 UK CRF funding / £2,631.67 own match funding)

This project (delivered by the University of Central Lancashire) will generate tangible insights into how digital museums and archives affect local pride, can be exploited by local communities, improve social cohesion and strengthen collaboration & the collective value of the ‘creative economy’ through the creation of clusters, networks and virtual communities resulting in the development of innovation plans and knowledge transfer activities.

## 1. Progress

Project activity has been completed, though we await satisfactory completion of all claim documentation and receipt of the project evaluation in order to complete the final programme report / submission.

## 2. Results (formally reported)

Result	Results achieved	Total to be achieved by project close	Delivery %
Innovation plans formed & enacted (commitment secured)	2	5	40
Organisations engaged in knowledge transfer activity following support	2	2	100
Small businesses engaged (0-49 employees)	5	5	100
Medium sized businesses engaged (50-249 employees)	3	3	100
Large businesses engaged (250+ employees)	2	2	100
Public organisations participating	5	5	100
Private organisations participating	3	3	100
Voluntary sector organisations participating	2	2	100
Permanent part-time jobs created in businesses as a result of support <sup>1</sup>	0	-	0

All bar one contracted result has been fully achieved. The team put forward other organisations with which they had developed innovation plans but these were with organisations outside Blackpool. We are discussing this with DLUHC to understand their position on what seems to be a failure to achieve a contracted result.

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<sup>1</sup> Voluntary result (not contracted)