

UK COMMUNITY RENEWAL FUND (CRF) MATCH FUNDING

Summary: This report seeks authorisation from Cabinet to confirm and allocate the match funding requirements for the recently submitted Community Renewal Fund (CRF) bids for both Fakenham and North Walsham.

The total funding being requested for the Fakenham bid is £800k, with £600k being requested from the CFR and £200k (25%) being sought from the Council's own resources, giving a total budget allocation of £800k.

As with Fakenham, the total funding being requested for the North Walsham bid is also £800k, with £600k being requested from the CFR and £200k (25%) being sought from the Council's own resources, giving a total budget allocation of £800k.

This means that the combined match funding requirement from NNDC is £400k, with funding requests from the CRF totalling £1.2m, which combined would see an overall funding package of £1.6m.

Options considered: It is recommended that the match funding element is provided from the Delivery Plan Reserve.

The Council could have taken the decision not to submit any bids for the recently announced Community Renewal Fund (CRF). However, having been identified by central government as one of the 100 'priority areas', with potential access districtwide to a funding pot of £3m, it was considered opportune to submit 2 applications, one focussed around Fakenham and the other around North Walsham, to try to secure some of this funding for the area.

While there was no specific requirement to provide match funding the bid scoring guidance was clear that projects with match funding in place would be viewed more favourably, hence the request that is before Members within this report.

Conclusions: Having been recently identified by central government as being one of the 100 'priority areas', the Council has taken the decision to submit 2 bids to the Community Renewal Fund (CRF). The match funding being sought to support these bids will strengthen the potential for them to be approved and allocated funding when the bid submissions are assessed by central government.

Recommendations: That Cabinet resolve the following;

- 1. To release match funding of £200k for the Fakenham CRF bid and £200k for the North Walsham bid subject to the bids being approved by central government.**
- 2. The match funding element to be released from the Delivery Plan Reserve.**

Reasons for Recommendations: To support and strengthen the CRF bids for both Fakenham and North Walsham which in turn will help to realise opportunities to secure UK Government funding into North Norfolk to support investment in projects which meet priorities outlined in the Council's Corporate Plan as they relate to provision of housing, economic growth, environment and climate change and quality of life.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s)	Ward(s) affected
Cllr S Bütikofer – Leader of the Council	Lancaster North, Lancaster South, North Walsham East, North Walsham Market Cross and North Walsham West

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1. Introduction

1.1 This report follows on from the report presented to Cabinet in April 2021 by the Chief Executive which outlined the opportunities presented by the newly announced Community Renewal Fund (CRF) and sought agreement to the following recommendations;

- To note the opportunities presented to North Norfolk by the new UK Community Renewal and Levelling Up programmes;
- To endorse the proposals made that a programme of complementary projects be developed in respect of the future planned growth of North Walsham and Fakenham as sustainable locations for future housing and business development at scale supported by provision of key transport, health, education community and green infrastructure and submitted to the County Council as lead body for endorsement and onward submission to the Government; and
- To agree that in developing any proposals the Council establishes a Strategic Stakeholder Board and Steering Groups for North Walsham and Fakenham to support project development and oversee programme delivery.

1.2 The headline issues of the CRF programme are as follows;

- £220 million programme in 2021, aiming to support community renewal, including skills development, economic renewal, infrastructure deficits etc
 - 100 priority areas (including North Norfolk, Norwich, Great Yarmouth and Kings Lynn and West Norfolk)
 - Projects with a value of up to £3million could be supported per area, with 90% of the funding for revenue spend
 - Locally in Norfolk, the programme will be led by the County Council, endorsed by local Members of Parliament
 - Bids for project funding to be submitted by lead authorities by 18th June 2021
- 1.3 The fund focusses on 4 key project themes covering the following broad areas;
- Investment in skills
 - Investment for local businesses
 - Investment in communities and place
 - Supporting people into employments
- 1.4 The bids submitted focus on the third of these themes, namely ‘Investment in communities and place’. There was also a strong focus within the CRF prospectus around supporting central government’s aspirations in relation to achieving ‘Net Zero’, innovation and delivery by March 2022.
- 1.5 The priority focus within Investment in communities and place theme covers the following areas;
- Feasibility studies for delivering net-zero and local energy projects
 - Exploring opportunity for promoting culture-led regeneration and community development
 - Improving green spaces and preserving important local assets
 - Promoting rural connectivity
- 1.6 This report seeks to update Members regarding the progress made with the bids since the last report and includes a request for an element of match funding for both projects to further strengthen and support the bid submissions.

2. Update on progress

- 2.1 Following the initial report in April 2021 the recommendations detailed within section 1.1 of this report have all been delivered. Bids have been submitted in line with government requirements for both Fakenham and North Walsham and the Strategic Board has been established along with Steering Groups for both Fakenham and North Walsham, resented by a wide range of stakeholders.
- 2.2 The timelines for drafting the bids were incredibly tight, in line with the following timetable;

- Applications submitted to Norfolk County Council (NCC) by Friday 14 May at 5pm
- Projects appraised by NCC by Friday 4 June
- Submission by NCC to Government by Friday 18 June
- Government decision late July 2021 onwards

2.3 To facilitate submissions by the required deadlines the following meetings were held with the various stakeholder groups;

- Fakenham Steering Group 29 April 2021
- North Walsham Steering Group 30 April 2021
- Initial Strategic Board meeting 12 May 2021
- Second Strategic Board meeting 11 June 2021

2.4 Following the initial submissions feedback was provided by NCC officers and the bids were updated and shared with the Steering Groups and Strategic Board for information and further comment.

2.5 Bids were successfully submitted to NCC on time covering both Fakenham and North Walsham.

3. Fakenham CRF bid – Fakenham Improvement and Regeneration Scheme for Tomorrow (FIRST)

3.1 The FIRST bid requested CRF funds totalling £600k with a proposed match funding element to be provided by NNDC of £200k giving a total overall project budget of £800k.

3.2 The FIRST project initiative includes various project elements that will develop Fakenham as a destination where people choose to live, work, do business and visit. This will be achieved through a range of improvements, kick-started through a series of interlinked feasibility projects, addressing known constraints/challenges which the town faces in response to changing consumer trends, service delivery by national companies (retail and financial services), recovery from the COVID pandemic and UK and local objectives towards Net-Zero carbon impact/promoting carbon literacy.

3.3 The aims of the FIRST initiative recognise Fakenham's existing potential and builds upon the current economic strengths and natural assets within the town centre and local area to create a unique sense of place which will, in turn, boost confidence in the town, attract visitors and maximise the opportunities for physical activity, health and wellbeing.

3.4 FIRST will see collaborative working between a number of partners who have not previously worked together in such a wide ranging or coordinated manner to deliver the activities, outputs and outcomes.

3.5 The projects proposed as part of the FIRST programme are:

TO DELIVER A FOUNDATION FOR FUTURE GROWTH THROUGH;

1. The creation of a '**Fakenham Cycling and Walking Infrastructure Plan**' (including delivery of some elements) promoting low-to-no, carbon commuting, greater access to greenspace, healthier lifestyle

options and overall enhanced connectivity within the local area. The plan will specifically address;

- Opportunities to promote active travel schemes between the urban extension and town centre.
 - The feasibility of developing a network of cycling and walking routes which connect the town centre to local tourism and green infrastructure assets ie Pensthorpe, the Racecourse and the Hawk and Owl Trust.
 - 'Accessibility for All' walking infrastructure along the existing network around the River Wensum opening up opportunities for residents and visitors to explore nature.
2. Working alongside Fakenham Town Council, develop an action plan to implement and promote a '**Healthy Fakenham**' scheme which aims to improve healthy eating, active lifestyles; including holding a variety of events that support local businesses and promote sustainable lifestyle choices.
3. The creation of **Feasibility Studies** covering;
- a) the creation and extension of the existing sports facilities in order to extend participation in underrepresented groups;
 - b) the provision of Lido or other swimming pool facility in Fakenham and;
 - c) design proposals for flood management for Sculthorpe Moor to alleviate winter inundation of the upper reaches of the Wensum and to provide an attractive visitor environment linked to the wider footpath and cycle way network.
4. The creation of a '**Climate Change Action Plan**' for Fakenham which will;
- assess opportunities for climate change adaption and mitigation within the town centre;
 - understand how residents, community groups and businesses can be supported to decarbonise their own activities and improve carbon literacy and;
 - feed into NNDC's Environmental Charter which will help communities to address the climate change crisis at a local level whilst contributing towards central governments net-zero carbon emission 2050 target.
- 3.6 These projects link directly with the CFR prospectus and in particular support 3.4 Communities and Place priority area.

4. North Walsham CRF bid – Seeding Sustainable Growth in North Walsham

- 4.1 The North Walsham bid also requested CRF funds totalling £600k with a proposed match funding element to be provided by NNDC of £200k giving a total overall project budget of £800k.
- 4.2 This project is based on the growing market town of North Walsham and nearby significant employment sites. It aims to enable development of a practical plan to deliver community renewal and growth in a manner that is consistent with the principles set out in the March 2021 *Build Back Better*

Treasury policy statement. It will do so by helping to identify ways to attract growth, skills and investment into the region that will overcome significant existing infrastructure constraints and also support timely delivery of Net Zero.

- 4.3 It will be delivered by a lead consultant with experience and expertise in land-use planning, development and sustainability as well as project management. Specialist studies will be procured from subcontractors as part of the overall contract.
- 4.4 This initiative will set the growth trajectory for North Norfolk's largest, and potentially most sustainable market town, North Walsham. It will pave the way for securing significant housing and employment development, with community engagement and sustainability as guiding principles. The consultant will be expected to:
 - Evaluate the opportunities for delivering large-scale (net-zero) housing and employment development, in a sustainable manner;
 - Quantify known energy and transport infrastructure constraints on future expansion, and demonstrate how to sustainably overcome such challenges;
 - Show how renewed (post-pandemic) investment interest in the town centre and the changed patterns of work and commuting can benefit market towns;
 - Identify opportunities to extend services and community infrastructure to meet the needs of an expanded population;
 - Show how new development can effectively integrate with the town's existing built form;
 - Provide a methodology for 'nature based solutions' to environmental constraints and the provision of green infrastructure which will benefit new development and facilitate biodiversity net gain;
 - Identify the means by which the existing and new residential areas of the town might be better integrated by sustainable modes of transport (including active travel);
 - Link the investment potential and new renewable energy development opportunities of the nearby Bacton Energy Hub, major offshore wind energy schemes and Scottow Enterprise Park to facilitate North Walsham's sustainable expansion and growth;
 - Showcase a new approach to urban expansion in a rural context and illustrate the practical sustainable development principles that can reconcile the conflict between development and conservation and improvement of the natural environment, which could be replicated locally and nationally;
 - Evaluate the outcomes against the baseline position.
- 4.5 This will be achieved through undertaking feasibility studies, based on technical analysis and widespread stakeholder engagement, thereby developing an outline business case for sustainable growth. We intend to demonstrate a sustainable method by which the existing and future needs of the area can be met.
- 4.6 The project will involve the preparation of feasibility studies and modelling options that will become an innovative methodological framework for North Walsham's sustainable growth; reconciling development and conservation objectives. It will sow the seeds for the establishment of green infrastructure,

sustainable water management, renewable energy supply, social infrastructure, active travel and low carbon transportation. The project will build in monitoring and evaluation that will yield valuable lessons for application locally and nationally.

5. Corporate Plan Objectives

- 5.1 This CRF is a predominantly revenue focussed funding stream with an expectation that at least 90% of the funding is allocated to revenue activities as opposed to capital. The funding is very much seen as 'pump priming' ahead of both the Shared Prosperity Fund and Levelling Up Fund, which will be very much focussed around capital delivery and will build upon the work completed as part of the CRF projects, should they be successful.
- 5.2 The UK Community Renewal Fund and Levelling Up Fund would present new opportunities to secure external funding into North Norfolk to deliver a number of priorities identified in the Council's adopted Corporate Plan and should therefore be seen to align well with the Council's established priorities.

6. Medium Term Financial Strategy

- 6.1 As noted at paragraph 5 above, these new Government funding programmes would support the ambitions of the Council's Corporate Plan and therefore contribute to investment in the District and the Council's Medium Term Financial Strategy through adding value and capacity to the Council's priority objectives.

7. Financial and Resource Implications

- 7.1 As outlined above the total funding being requested for the Fakenham bid is £800k, with £600k being requested from the CFR and £200k (25%) being sought from the Council's own resources, giving a total budget allocation of £800k.
- 7.2 As with Fakenham, the total funding being requested for the North Walsham bid is also £800k, with £600k being requested from the CFR and £200k (25%) being sought from the Council's own resources, giving a total budget allocation of £800k.
- 7.3 This means that the combined match funding requirement from NNDC is £400k, with funding requests from the CRF totalling £1.2m, which combined would see an overall funding package of £1.6m.
- 7.4 It should be noted that the focus of the CRF is very much around revenue spend with an expectation that 90% of funding requests will be revenue, with a maximum of 10% to be allocated towards capital spend.
- 7.5 It is anticipated that a number of these work streams will be undertaken by consultants due to the nature of the feasibility work being undertaken. This work will however be supported by a range of staff internally including but not limited to Planning Policy, Sustainable/Economic Growth team, Finance, Legal, CDU, Climate Change and Environment Team, Procurement, admin support etc. There are also elements of the bids which request additional

funding support for project lead roles and further procurement support due to the high level of procurement required.

- 7.6 It is recommended that the match funding requirements are met from the Council's Delivery Plan Reserve.

8. Legal Implications

- 8.1 Any projects developed for submission under either programme will consider the legal issues / implications as part of development and appraisal through the Council's recently adopted Corporate Governance and Project Management Framework.

9. Risks

- 9.1 Each of the bid submissions contains a detailed summary of the perceived risks of the project over the following core areas;

- **Contractors/consultants** – failure to deliver on time/to desired quality, failure to secure suitably qualified/experienced consultants, feasibility not delivered
- **Financial** – risk of cost overruns/monitoring of spend
- **Procurement** – inability to produce tender documentation/specifications in a timely fashion
- **Operational/technical** – COVID lockdowns/further illness occurs, capacity and capability to deliver
- **Strategic** - projects don't achieve desired outcomes/outputs
- **Partnership governance** – Steering Group can't agree priorities, failure to manage expectations of partners/public, reputational damage from failure to deliver, changes in circumstances, loss of key personnel/providers, competing priorities

- 9.2 As part of the bid process roles and responsibilities are clearly defined and identified and while the various Boards and teams will have an overarching responsibility to consider and manage risk there will be a dedicated officer identified as part of the project team with specific responsibility for monitoring and updating the project risk register.

- 9.3 The Council has strong project management/reporting systems in place at officer/Member level, with oversight provided by the Corporate Delivery Unit (CDU) covering project management, performance and governance. The Project Group will include finance representatives who will review/mitigate and cover risk on a monthly basis as a standing item on each meeting agenda. The CDU will provide additional risk analysis.

- 9.4 Risks will be identified through frequent communication with the Board, Project Team, larger Steering Group and key partners/providers. Key risks will be escalated to the Board as appropriate based on any risks scoring 15 or more. The register will be continually monitored and updated as risks are removed, changed and new risks identified as the project progresses.

- 9.5 Individual risk registers will be developed for each of the work strands along with an overarching risk register for the projects as a whole. The Council's performance management system (InPhase) has a risk module contained within it which will enable the close monitoring and reporting of risk to the Project Team/Board.
- 9.6 These projects will be managed in line with the Risk Management Framework and Policy, adhering to the same internal processes currently used throughout the organisation to monitor and mitigate risk.

10. Sustainability

- 10.1 Both project bids have a focus around the sustainability and development of local communities and these aspects are considered within more detail in sections 3 (Fakenham) and 4 (North Walsham) above.

11. Climate / Carbon impact

- 11.1 As with sustainability, both project bids have a focus around the climate change and the contribution of projects to the government's Net Zero aspirations, and these aspects are considered within more detail in sections 3 (Fakenham) and 4 (North Walsham) above.

12. Equality and Diversity

- 12.1 Again as with sustainability and climate change, both project bids have a focus around equality and diversity, particularly around things such as accessibility and improvements to some of the walks and cycle ways as part of the Fakenham scheme. These aspects are considered within more detail in sections 3 (Fakenham) and 4 (North Walsham) above.

13. Section 17 Crime and Disorder considerations

- 13.1 None as a direct result of this report.

14. Conclusion and Recommendations

- 14.1 Having been recently identified by central government as being one of the 100 'priority areas', the Council has taken the decision to submit 2 bids to the Community Renewal Fund (CRF).
- 14.2 The match funding being sought to support these bids will strengthen the potential for them to be approved and allocated funding when the bid submissions are assessed by central government.
- 14.3 Cabinet is therefore asked to resolve the following;

1. To release match funding of £200k for the Fakenham CRF bid and £200k for the North Walsham bid subject to the bids being approved by central government.
2. The match funding element to be released from the Delivery Plan Reserve.