

# Cabinet

8 October 2020

## Revenue Investment Funds 2020/21 Quarter 2 Report

### Recommendations

That Cabinet:

- 1) Support the progress made on the Economic Recovery Strategy with a new Digital Marketplace project approved by Corporate Board under the under the authorisation delegated to Chief Executive at a cost of £0.050m.
- 2) Approve the creation of an external Community Investment fund using £1m funds from the Revenue Investment Fund for Climate Change, to be managed by the Climate Change Delivery Group and allocated as per the process detailed in this report.

### 1. Purpose of the report and context

- 1.1. As part of the 2020/21 budget, Council approved the creation of four Revenue Investment Funds, with a total allocation of £20m, to provide opportunities to run initiatives to meet objectives of tackling climate change, investing in commercialism, sustaining prevention of demand within communities and investment in place shaping including scoping capital and development opportunities for better value service provision. The indicative allocation of the resources between the funds was then updated by Cabinet in June to reflect the increased need to invest in economic recovery post Covid-19. The breakdown of these funds is below:

Council Investment Funds	Total £000s
<b>Sustaining Prevention Fund</b> – A fund to pump-prime upfront investment in demand management and early intervention initiatives prior to the financial benefits accruing.	5,000
<b>Climate Change Fund</b> – A fund to invest in priorities flowing from the Climate Change Task and Finish Group and Council Plan 2025	4,000
<b>Commercial Fund</b> – A fund to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy.	3,500
<b>Place Shaping and Capital Investment Fund</b> – A fund to support capital feasibility work, investment in place and to improve delivery.	7,500
<b>Total MTFS Allocation</b>	<b>20,000</b>

1.2. The funds are outside of core budgets, and members approved a four-stage approval process for projects seeking funding:

- Stage 1: A project proposal document is developed and reviewed by Gateway Group/Corporate Board as to the strategic fit with the priorities in the Council Plan;
- Stage 2: The business case for the project is then prepared and an Investment Panel, made of representatives from Finance, Project Management Office and managers from services across the organisation, provides a technical evaluation and commentary on the proposal;
- Stage 3: Gateway Group use this technical evaluation alongside their own analysis of project governance and feasibility, to recommend the projects to Corporate Board if under £0.1m per project, or Cabinet if over this value for approval; and
- Stage 4: Cabinet approve/reject the allocations over £0.1m and note the projects under this value approved by Corporate Board. If the project is approved, funding is transferred to the service, and if savings have been identified flowing from the investment these are built into the medium-term financial strategy.

1.3. The scheme detailed in section 2 of this paper is part of the Economic Recovery Programme supported in principle by Cabinet in June 2020, on the basis that individual projects within the programme would go through the governance arrangements set out above. Subject to Cabinet's decision today a total of six projects will now be funded from the Place Shaping and Capital Feasibility fund, leaving £6.842m in this fund for further initiatives across the next five years.

1.4. Section 3 details the proposal to create a Climate Change Community Investment Fund (CC-CIF), to allow investment in initiatives proposed by community organisations to enhance local climate change agendas. The fund would be created by taking £1m from the Climate Change Revenue Investment Fund, leaving £3m in the internal fund for further initiatives across the next 5 years. A bid to the Capital Investment Fund for matching Capital grant capacity is being considered alongside this, and will come to Cabinet for decision separately.

## **2. Description of the Schemes**

### **Digital Marketplace**

- 2.1. Corporate Board have approved £50,000 from the Place Shaping and Capital Feasibility Fund for the Employee Assistance for Economic Recovery Project, with the project sponsor being the Assistant Director, Strategic Commissioning for Communities.
- 2.2. The project will support schools, training providers and businesses by providing much needed digital resources to help bridge the existing gap of face to face interaction left by the Covid-19 outbreak. It will use employers and experts to create film pieces and additional resources for careers sessions, where currently additional curriculum classes have taken precedence, meeting an urgent need to explore how we might support schools to deliver Careers support digitally.
- 2.3. During its evaluation, the panel has requested that emphasis during the design phase of the project is given to involvement of internal stakeholders such as Communications and Marketing Team, Education Services and ICT, and for the project to include engagement with vulnerable or disadvantaged young people. This feedback will be incorporated into the delivery of the project.

## **3. Climate Change Community Investment Fund**

### **Intended outcome of the Fund**

#### **3.1 Aims**

- To take action to progress the Council's objectives on climate change mitigation included in its adopted Council Plan 2025, in response to declaring a climate emergency in July 2019.
- To take action to progress the Climate Change priority set out in the Council's adopted COVID-19 Recovery Plan, namely the action "*For immediate impact on carbon reduction, create a grant funding scheme available to our communities to take action on local carbon reduction initiatives and projects*".
- Progressing the Council's climate change agenda by enabling and recognising the role of local action through the support of and in partnership with the voluntary and community sector, parish and town councils and climate change organisations to deliver local climate change mitigation projects.
- Supporting local action to deliver climate change mitigation and thereby promote creative funding approaches and embracing social value so that communities can deliver their own solutions.

- 3.2 An officer Climate Change Delivery Group, overseen by Strategic Directors for Resources and Communities, would be established to provide the appropriate governance to oversee the delivery of the Climate Change programme. This Group will seek to gain an understanding across our communities of the demand and interest in this proposal for a fund and will consider a further bid through the Capital Investment Fund for specific Capital funding for grants to community-based schemes dependant on feedback received.
- 3.3 The operation of the fund, including communication, approval and monitoring processes will be carried out by a Climate Change Community Investment Fund Panel, overseen by the Climate Change Delivery Group.
- 3.4 It is proposed that the Council's already established Climate Emergency Cross-Party Group Chaired by the Portfolio Holder for Climate Change is part of the bid evaluation process. This will be supported by officer representatives from key specialisms such as climate change, finance, localities, and any other expertise depending upon the nature of the bids. Cabinet will receive future reports on the awards of Fund and progress on the success and performance of the projects being delivered.
- 3.5 The fund will be open to local community groups/organisations, Parish, Town and District/Borough Councils. Bids to the Fund will be evaluated for their climate change and environmental benefit, value for money and community involvement and prioritised for funding according to pre-set criteria.

### **Bidding Process**

- 3.6 The bidding process will be developed once the Fund is approved and will follow similar process to the internal Investment Fund processes. Part of the setup of the Fund will be identifying Voluntary and Community Sector groups who are likely to be able to assist community groups in preparing bids.
- 3.7 The Council will publicise the Fund among relevant networks and signpost prospective bidders to where assistance with bids can be accessed through Community and Voluntary Sector groups and climate change organisations, many being in Warwickshire. Initial communications will include researching likely interest in this Fund to determine expected take up and type of bid likely to be received, at which the bidding process can be refined.
- 3.8 All bids will be expected to include an estimated cost of administration of the initiative, outputs to be funded and outcomes expected.

- 3.9 Preference will be given to those bids which include an element of secondary funding, through match funding, partnership initiatives or any other financial contribution. This will allow the Fund to cover a greater number of initiatives while showing the community engagement in the idea. Bids from profit making organisations will be considered, but weighted on the basis of demonstrating innovation, climate change impact and match funding.

### **Approval Process**

- 3.10 Following the evaluation process outlined in paragraph 3.4, it is proposed the Climate Change Delivery Group is given delegated authority to approve and process the transfer of the grant, along with a set of conditions of its spending and monitoring expected. Decisions will be based on the recommendations of the Climate Change Community Investment Fund Panel.
- 3.11 Where a successful project proposes the spend of grant over a period of time longer than 12 months, the payment of the grant will be phased according to achievement of milestones which will need to be set out in the bid.

### **Monitoring Process**

- 3.12 Approval of any bids will include the requirement for a short return from the bidder on the achievements of the completed project and its impacts on climate change. This will be set out in any grant conditions. The intention is to ensure that the grant has been spent on the objectives and outputs detailed in the bid, with any underspent or cancelled development returned to the Fund.

## **4. Financial Implications**

- 4.1 The cost of the project in section 2 is limited to the amounts detailed. The Investment Panel have highlighted the need for exit strategies to ensure further funding is not committed without prior approval being sought. The anticipated financial benefit from the investments is to mitigate the impact of Covid-19 on longer term business rate and council tax income through maintaining a vibrant economy.
- 4.2 The funding for the Community Fund is limited to the £1m detailed within this report. Allocation of this fund will be through capital or revenue grant to community organisations, with conditions given relating to unspent funds, responsibility of the receiving organisation to fund overspends against the project, and monitoring information on milestone achievements to be returned. There is no expectation for a financial return to the Council on the grants, and no intention for funding to be paid back, unless not spent or spent on outputs

not part of the initial bid approved. Administration of the Fund will be delegated to the Climate Change Delivery Group and overseen by Corporate Board and Finance Strategy Team. The costs of administration of the Fund which cannot be met through existing resource will be met by the Fund itself, reducing the amount available, but limiting the use of additional resource to only that necessary to communicate, administer and monitor the process, bids, transactions and initiatives.

## 5. Environmental Implications

- 5.1 The intention of the Community Climate Change Fund is to financially support external initiatives which have a positive impact on the environment in line with our climate change agenda. Individual bids will be assessed on their impact on the environment.

## 6. Background Papers

None

	<b>Name</b>	<b>Contact Information</b>
Report Authors	Andrew Healey Steve Smith	<a href="mailto:andrewhealey@warwickshire.gov.uk">andrewhealey@warwickshire.gov.uk</a> <a href="mailto:stevesmithps@warwickshire.gov.uk">stevesmithps@warwickshire.gov.uk</a>
Assistant Director	Andy Felton Steve Smith	<a href="mailto:andrewfelton@warwickshire.gov.uk">andrewfelton@warwickshire.gov.uk</a> <a href="mailto:Stevesmithps@warwickshire.gov.uk">Stevesmithps@warwickshire.gov.uk</a>
Strategic Director	Rob Powell	<a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Portfolio Holder	Councillor Peter Butlin	<a href="mailto:peterbutlin@warwickshire.gov.uk">peterbutlin@warwickshire.gov.uk</a>

This report was circulated to the following members prior to publication:

Cllr Peter Butlin, Cllr Heather Timms, Cllr Clare Golby, Cllr David Shilton, Cllr Adrian Warwick, Cllr Parminder Singh Birdi, Cllr Maggie O'Rourke, Cllr Sarah Boad, Cllr Judy Falp, Cllr Keith Kondakor, Cllr John Holland, Cllr Jenny Fradgley