



UK Government

UK Community Renewal Fund

Technical note for project applicants
and deliverers

Version 1

March 2021

1. Introduction

- This document sets out the technical rules and guidance for spending under the UK Community Renewal Fund. It should be read alongside the [Prospectus](#) which sets out the objectives of the Fund and how it will be delivered and the Application Form – available [here](#).
- The UK Community Renewal Fund is administered by the Ministry of Housing, Communities and Local Government (MHCLG). References to the Secretary of State are to the Secretary of State for MHCLG.
- The financial assistance power in the UK Internal Market Act 2020 allows the UK Government to invest across the whole of the UK for the purpose of economic development and will therefore be used to deliver the UK Community Renewal Fund UK-wide.
- Proposals submitted for the UK Community Renewal Fund must therefore fall under the scope of the power, in that they support economic development. Details of the Act can be found on [legislation.gov.uk](#). Other vires such as the Industrial Development Act (1982) may also be used where relevant.
- Projects supported by the UK Community Renewal Fund must comply with all relevant UK legislation. Failure to comply with UK legislation will result in a reduction in the amount of funding awarded.

Summary Information

This should be used by project applicants preparing bids, by project deliverers, and by Lead Authorities. It includes information on:

- Who can apply and how to submit a bid
- Who and what a funded project can support (including overheads and project income)
- Excluded activities
- Branding and publicity requirements
- Monitoring and evaluation requirements, including fund indicators.

We may update or amend the technical note and all users must ensure they are using the most up to date versions of all documents which will be available on the fund [website](#).

We will publish further guidance later in the Spring. This will include information on assurance, monitoring and data requirements, the national evaluation approach and the funding agreement template.

Note - Shortlisted bids must be submitted by Lead Authorities (GB) and directly by applicants (NI) by noon on 18 June 2021. UK Government will announce successful projects from Late July 2021 onwards.

2. Who can apply?

- 2.1 Any legally constituted organisation¹ can receive funding from the UK Community Renewal Fund to deliver an approved project, subject to section 2.2 below. An approved project is a project governed by a funding agreement between the relevant Lead Authority and the project deliverer; or in the case of projects located in Northern Ireland between MHCLG and the project deliverer.

The UK Community Renewal Fund will not provide funding to individuals to deliver projects.

- 2.2 Private sector organisations and registered charities can be project deliverers where they are providing a service to benefit other organisations or individuals. They cannot receive support if the intention of the project is to further their own business/organisation e.g. through the purchase of equipment or offsetting additional staffing or other costs. Private sector organisations and registered charities may also be beneficiaries of UK Community Renewal Fund support provided by project deliverers in line with section 4.
- 2.3 Project deliverers need not be located in the UK but must be capable of delivering activity in the UK to UK beneficiaries.
- 2.4 UK Community Renewal Fund projects may be delivered by a consortium of eligible project deliverers. If there is more than one organisation applying to deliver a project, a lead organisation must be selected to become the lead applicant with the remaining organisation(s) acting as delivery partner(s). In this situation the applicant would be responsible and liable for the delivery partner(s) and ensuring the project is operating as planned.

3 How can I submit a bid for funding?

- 3.1 In Great Britain, UK Community Renewal Fund bids must be submitted via Lead Authorities. Direct bids will not be accepted. Lead Authorities are eligible to submit a shortlist of projects up to a maximum of £3 million per place (as set out in the [list of places](#)). **Projects in excess of £3m per place will not be considered.**
- 3.2 A different approach will be taken for Northern Ireland, where UK government will run a national competition against a fixed national allocation. All areas in Northern Ireland are eligible for funding and applicants will be able to apply directly to UK government. Bidders are able to submit projects up to a value of the total Northern Ireland allocation of £11m.

4 Who can a project support?

¹ This may include local authorities, public sector organisations, higher and further education institutions, private sector companies and registered charities.

- 4.1 Beneficiaries are the end organisations and individuals that are supported by projects delivered by project deliverers. Individuals, including sole-traders may benefit from UK Community Renewal Fund projects but may not deliver them.
- 4.2 Beneficiaries of UK Community Renewal Fund projects must be located in the UK.
- 4.3 Non UK citizens must be within one of the following groups to be eligible for UK Community Renewal Fund support:
- 4.3.1 EEA nationals already in the UK must meet one of the following conditions:
 - hold settled status granted under the EU Settlement Scheme (EUSS)
 - hold pre-settled status granted under the EUSS
 - 4.3.2 EEA nationals arriving in the UK from the 1st January must hold leave to remain with permission to work granted under the new Points Based Immigration system to be eligible for UK Community Renewal Fund support.
 - 4.3.3 EEA nationals and their family members who were lawfully resident in the UK by 31 December 2020 (the end of the transition period) but have yet to apply for status under the EUSS, and have their rights protected during the grace period which ends on 30 June 2021 (and until the final determination of any EUSS application made by that date).
 - 4.3.4 Non-EEA nationals who hold leave to enter or leave to remain with a permission to work (including status under the EUSS where they are an eligible family member of an EEA national) whilst in the UK.
 - 4.3.5 Asylum seekers with permission to work
 - 4.3.6 Asylum seekers who do not have permission to work may be supported through pre-vocational provision which might take the form of:
 - initial English for speakers of other languages, other basic skills (literacy, numeracy and IT) where they are not part of provision that is designed to lead to employment
 - orientation provision to raise awareness of UK labour market needs asylum seekers' rights and responsibilities
 - provision of information about further education and voluntary work they can take part in
 - general advice about life in Britain for those given leave to remain (information about law, culture, housing, welfare, health, educating and employment
 - involvement in voluntary activity

- 4.3.7 Those individuals whose asylum claim is deemed to be unfounded and have not obtained permission to work may only be supported where they have signed up to return home as soon as they can and are taking all reasonable steps to leave the UK and that they meet one of the following criteria
- they are unable to leave due to physical impediment to travel or other medical reason
 - if in the opinion of the Secretary of State, there is no safe route of return for them
 - if permission has been granted for a Judicial Review
 - if support is necessary to avoid a breach of ECHR examples.

4.3.8 People in custody:

- people sentenced to less than three years can access UK Community Renewal Fund support at any point during their sentence
- people sentenced to more than three years can only access UK Community Renewal Fund support during the last three years of their sentence
- people sentenced to an indeterminate tariff (including life prison sentence and Imprisonment for Public Protection - IPP) must have regular reviews to determine eligibility status based on the likely length of sentence to be served during the lifetime of the UK Community Renewal Fund
- individuals who are on remand are eligible for UK Community Renewal Fund support, when their status changes their eligibility will be reviewed in the context of the bullet points above

4.4 As an exception to 4.2, projects may work with enterprises currently located outside the UK if the objective of that support is to facilitate investment into the UK. Costs associated with such activity are eligible regardless of whether or not the beneficiary ultimately invests in the UK.

4.5 Businesses of any size and in any sector of the economy may be beneficiaries of the UK Community Renewal Fund support, subject to need and considerations set out at section 6.

4.6 There is no minimum age that individuals must have reached to be eligible as end beneficiaries, providing activity clearly contributes to the themes of the UK Community Renewal Fund.

5 What can the fund support?

5.1 The UK Community Renewal Fund Prospectus sets out the scope of the fund. Projects supported by the Fund must contribute to achieving one or more of the investment priorities of the fund. Project applicants must set out in their proposal how they will deliver their project which will be considered by the

Lead Authority and/or the Secretary of State as part of the bid appraisal and assessment.

- 5.2 The UK Community Renewal Fund may fund up to 100% of the costs incurred in delivering activity. The UK Government encourages applicants to maximise the leverage of other funding, where appropriate. This includes other government funding where relevant.
- 5.3 Costs incurred on the delivery of UK Community Renewal Fund activity up to the 31st March 2022 are eligible for support. The date from which costs become eligible for UK Community Renewal Fund support will be set out in the agreement between MHCLG and the relevant Lead Authority or project deliverer (Northern Ireland).
- 5.4 The UK Community Renewal Fund is predominantly revenue funding. However, in limited circumstances, it will support both revenue and capital² costs. The following are sample definitions of revenue or capital costs:

5.4.1 Revenue costs include:

- staff costs- salaries and contractual benefits, National Insurance and superannuation contributions
- costs of business travel, subsistence and accommodation
- contractors and consultants procured to
 - deliver project activity
 - undertake evaluation work
 - undertake audit work if requested by the Secretary of State
 - undertake feasibility studies and/or market research to inform potential future projects
- costs of materials
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependant care costs of training participants
- small items of equipment

5.4.2 Capital costs include:

- acquisition of land and or buildings
- building and construction

² Funding available through the UK Community Renewal Fund is predominantly revenue funding. Funding is limited to the 2021-2022 financial year. Therefore, large scale capital projects will be impractical to deliver using UK Community Renewal Fund investment.

- professional fees associated with building and construction
- plant and machinery
- any larger value item of equipment, assessed in accordance with the project deliverer's capitalisation policy.

5.5 Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Where Lead Authorities or project deliverers procure activity, contractors may be paid using unit costs or other approaches agreed within the contract; claims for UK Community Renewal Fund funding must be based on the costs incurred in paying contractor invoices.

5.6 Where staff are engaged in UK Community Renewal Fund project activity for part of their working hours, staff costs should be charged to the UK Community Renewal Fund project on a percentage basis. If a member of staff spends X hours of a total of Y working hours in a period working on a UK Community Renewal Fund project, the hours worked (X) should be calculated as a percentage of the working hours for that period (Y) and that percentage should be applied to the staff costs in that period.

*For example 80 hours worked on a UK Community Renewal Fund project out of 148 hours worked in a period, with total staff costs of £3,000; 54.05% of time ($80/148*100$) has been spent on the project and the amount that may be charged to the UK Community Renewal Fund projects is £1,621.62 ($£3,000*54.05%$).*

Hours worked should be recorded to provide evidence to support grant claims.

5.7 Overheads can be incurred based on 15% of staff costs only. MHCLG will not accept any other methodologies for calculating overheads. This covers those costs incurred in the delivery of a project but not easily attributed to it through invoices or other transactions e.g.

- support staff/functions not directly related to the implementation and management of the project
- shared premises costs or use of equipment

5.8 The UK Community Renewal Fund cannot be used to establish loan or investment funds.

5.9 Project deliverers may generate income through the delivery of a UK Community Renewal Fund project, but this will be taken into account in awarding Fund investment.

For example a pilot service can be offered at a reduced rate with UK Community Renewal Fund meeting the gap between the costs incurred and income generated from end beneficiaries; if the service costs £250,000 to deliver and users contribute £100,000 the maximum UK Community Renewal Fund contribution is £150,000 – costs minus income.

6 Subsidy Control and State Aid

- 6.1 If UK Community Renewal Fund is used to provide a subsidy, expenditure must be compliant with the UK's obligations on subsidy control.
- 6.2 All bids that may be considered subsidy must consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the Northern Ireland Protocol) as per UK Government guidance - which can be found here: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7 Excluded costs and activities

- 7.1 The following costs cannot be included in a UK Community Renewal Fund project:
- paid for lobbying, which means using grant funds to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, Government or political activity; or attempting to influence legislative or regulatory action
 - using grant funds to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant
 - using grant funding to petition for additional funding
 - expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy
 - VAT reclaimable from HMRC; VAT that cannot be recovered from HMRC is an eligible cost under the UK Community Renewal Fund.
 - payments for activities of a party political or exclusively religious nature
 - interest payments or service charge payments for finance leases
 - gifts, or payments for gifts or donations
 - statutory fines, criminal fines or penalties
 - payments for works or activities which the Lead Authority, project deliverer, end beneficiary, or any member of their partnership has a statutory duty to undertake, or that are fully funded by other sources
 - bad debts to related parties
 - payments for unfair dismissal or other compensation
 - depreciation or amortisation costs
 - contingencies and contingent liabilities
 - dividends
 - costs resulting from the deferral of payments to creditors

- costs involved in winding up a company
- legal expenses in respect of litigation
- costs incurred by individuals in setting up and contributing towards private pension schemes
- payments that breach or are contrary to the funding agreement or UK legislation

8 Branding and Publicity

- 8.1 All project deliverers must ensure that the UK Government logo is used prominently in all communications materials and public facing documents relating to project activity - including print and publications, through to digital and electronic materials. The logo is displayed below. There is a Welsh language version available for use where required.



UK Government

- 8.2 Alongside use of the UK Government logo, project deliverers must also ensure that websites and printed materials include a clear and prominent reference to the funding from UK Community Renewal Fund. This should include the following text:

'This project is [funded/part-funded] by the UK Government through the UK Community Renewal Fund.'

Where practical, project deliverers should also include a link to the UK Community Renewal Fund webpage, and the following text (which must also be used for notes to editors):

The UK Community Renewal Fund is a UK Government programme for 2021/22. This 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. For more information, visit <https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

- 8.3 Lead Authorities must also include the UK Government logo and a clear and prominent reference to UK Community Renewal Fund in all website and printed materials produced as part of carrying out their Lead Authority role, including inviting bids.

- 8.4 Media and PR activities should be considered for the launch of any projects, and subsequently to announce key milestones and achievements. Press releases must include a clear and prominent reference to the UK Community Renewal Fund, in the main body of the press release.

'[This project/Name of project] has received £[INSERT AMOUNT] from the UK Government through the UK Community Renewal Fund.'

Notes to editors must also be used, as set out at section 8.2 above.

Social Media - when describing or promoting the Fund or projects supported, the following hashtag must be used - #UKCOMMUNITY RENEWALFUND. This will be re-tweetable by UK Government.

Please note that the funding must be approved for the project before any media or PR activities to publicise the project starts.

- 8.5 All project deliverers must also install a plaque of significant size at a location readily visible to the public, bearing the UK Government logo, project name and the text *'This project is [funded/part-funded] by the UK Government.'*
- 8.6 Co-branding is only permitted with Lead Authorities or match funders.

9 Monitoring and Evaluation

- 9.1 All bidders are required to set out the intended impact of the project, using indicators set out in Section 10 below.
- 9.2 All projects will be required to submit evidence to the Lead Authority (in the case of Great Britain) or the UK Government (for Northern Ireland) demonstrating progress towards achievement of project targets and investment profiles at regular intervals. This includes both quantitative and qualitative data.
- 9.3 Applicants, if successful, must also develop an evaluation plan with between 1-2% of their award to be dedicated to that evaluation with a minimum threshold of £10,000.
- 9.4 *Further detailed guidance will be provided on the UK Community Renewal Fund monitoring and evaluation requirements later in Spring.*

10 Monitoring Data and Indicators

- 10.1 For UK Community Renewal Fund, **Outputs** are directly linked to who has been supported and the support they have received.
- 10.2 When it comes to forecasting and reporting who has been supported, project deliverers should focus on who will be the final beneficiaries of funding. The

final beneficiary may in some cases be the recipient of the award itself but in the case of revenue projects it is likely that the award will be used to support people or other organisations, such as businesses or those from the education, training and third sectors; these would be the final beneficiaries in those circumstances.

10.3 The following final beneficiary descriptors and subsets should be used by bidders:

Main Indicator	Indicator Subset
People	Economically Inactive
	Unemployed
	Employed
Businesses	Small ³
	Medium ⁴
	Large
Organisations	Public
	Private
	Voluntary Sector

10.4 In the application form bidders should set out the number of final beneficiaries they aim to support from each indicator subset.

10.5 When it comes to forecasting and reporting what has been supported, we are looking for projects to identify on the type of support provided. The following descriptors and subsets should be used:

Main Indicator	Indicator Subset
Direct support	1 to 1
	1 to many
Financial Support	Grant
	Voucher

10.6 In the application form bidders should set out the number of final beneficiaries they aim to support using each indicator subset.

10.7 The support to the final beneficiary will have been provided with the intention of delivering something specific. We are looking for projects to report on the short-term **outcomes** anticipated as the consequence of support. Bidders should set out what they will deliver from at least one of the core descriptors set out in Annex A.

10.8 *Further detailed guidance will be provided on the UK Community Renewal Fund monitoring and evaluation requirements later in Spring.*

³ 0-49 employees

⁴ 50-249 employees

Annex A – Core Outcome Indicators

Outcome Indicator	Definitions	Unit of Measurement
People in education/training following support ⁵	<p>People who have received support and who are newly engaged in education (lifelong learning, formal education) or training activities (off-the-job/in-the-job training, vocational training, etc.) immediately upon leaving the operation.</p> <p>Education or training is defined as a structured and agreed programme of:</p> <ul style="list-style-type: none"> • lifelong learning; • formal education; and • educational and/or vocational training activities (this may include on the job and/or off the job vocational training or a combination of the approaches listed). <p>‘Mandatory’ training (e.g. job-search related / CV writing) and other non-vocational / non-educational support such as confidence building, life-skills and personal effectiveness support cannot be considered as ‘education’ or ‘vocational training’ (even though such activities may , of course, be useful and important support measures).</p>	Number of people
People gaining a qualification following support	<p>People who have received support and who gained a qualification following that support.</p> <p>Qualifications should be recognised by Ofqual’s Regulated Qualification Framework (RQF) https://www.gov.uk/find-a-regulated-qualification</p>	Number of people
People engaged in job-searching following support	<p>Economically inactive people who have received support and who are newly engaged in job searching activities following that support.</p> <p>Economically inactive is defined in Annex B. "Engaged in job searching" is to be understood as persons usually without work, available for work and actively seeking work i.e. unemployed as defined in Annex B.</p>	Number of people

⁵ Throughout these definition "following support" is to be understood as up to four weeks after the support ended.

Outcome Indicator	Definitions	Unit of Measurement
People engaged in life skills support following interventions	<p>Economically inactive people or people who have been unemployed for over 18 months who have received support and who are newly engaged in life skills activities following that support.</p> <p>Life skills support is defined as additional support which improves confidence, resilience or motivation around the process of job searching and may include communication skills, presentation skills, activities which reduce social isolation or encourage appropriate employment related behaviours.</p>	Number of people
Economically inactive individuals engaging with benefits system following support.	Economically inactive people not previously on benefits who have received support and are now in receipt of Job Seekers Allowance (JSA) or are in the Intensive Work Search Regime within Universal Credit (UC) or those within specific conditionality regimes in UC following that support.	Number of people
Businesses introducing new products to the market as a result of support ⁶	<p>A product is new to the market if there is no other product available on a market that offers the same functionality, or the design or technology that the new product uses is fundamentally different from the design or technology of already existing products. Products can be tangible or intangible (incl. services and processes).</p> <p>Support must be for a business to introduce one of the following:</p> <ul style="list-style-type: none"> • Product - when it is either at pre-launch or launched to the market • Process - when it has been introduced into the business • Service - when it has been introduced to the market 	Number of Businesses
Businesses introducing new products to the firm as a result of support	<p>A product is new to the firm if the enterprise did not produce a product with the same functionality or the production technology is fundamentally different from the technology of already produced products. Products can be tangible or intangible (including services).</p> <p>The indicator measures if an enterprise is successfully supported to develop a “new to the firm” product. It includes process innovation as long as the process contributes to the development of the product.</p> <p>In case of cooperation operations, the indicator measures all participating enterprises to which the product is new.</p>	Number of Businesses

⁶ Throughout these definition "as a result of support" is to be understood as being able to illustrate a direct correlation between the support and the outcome.

Outcome Indicator	Definitions	Unit of Measurement
Employment increase in supported businesses as a result of support	<p>A new, permanent, paid, full-time equivalent (FTE) job created following support. This includes both part-time and full-time jobs, which should be recorded relative to full-time equivalent (FTE). FTE should be based on the standard full-time hours of the employer.</p> <p>New means it should not have existed with that employer before the intervention.</p> <p>Permanent means it should have an intended life expectancy of at least 12 months from the point at which it is created.</p>	Number of FTEs
Jobs safeguarded as a result of support	<p>A permanent and paid job at risk prior to when support was provided, and which the support will help the business to retain. This includes sole traders and business owners.</p> <p>This includes both part-time and full-time jobs, which should be recorded relative to full-time equivalent (FTE). FTE should be based on the standard full-time hours of the employer.</p> <p>At risk is defined as being forecast to be lost within 6 months.</p>	Number of FTEs
Number of new businesses created as a result of support	A new business is one which has been registered at Companies House or HMRC as a result of the support provided.	Number of Businesses
Premises with improved digital connectivity as a result of support	The broadband speed accessible in the supported premises is increased.	Number of Premises
Organisations engaged in knowledge transfer activity following support	<p>This focuses on collaborations which are about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed and includes but is not exclusively limited to:</p> <ul style="list-style-type: none"> • Research collaborations and free dissemination of research. • Joint and long-term development of new business or services. • Formation of joint ventures and spin-out companies. 	Number of Organisations

Outcome Indicator	Definitions	Unit of Measurement
Estimated Carbon dioxide equivalent reductions as a result of support	<p>Carbon dioxide equivalent (CO₂e) covers a wide range of greenhouse gases (GHG) that have an impact on climate change. Tonnes of carbon saved should be measured using BEIS Conversion Factors for calculating resulting primary energy savings.</p> <p>The estimate is based on the amount of CO₂e saved in a given year, i.e. a projection of estimated savings of either one year following project completion or the calendar year after project completion through a methodology agreed by project appraisers.</p>	Tonnes
Investment attracted as a result of support	The gross amount of direct tangible investment attracted as a result of support	Pounds (£)
Innovation plans developed as a result of support	An organisation as a result of support produces or enhances an existing innovation plan.	Number of Plans
Decarbonisation plans developed as a result of support	An organisation as a result of support produces or enhances an existing decarbonisation plan.	Number of Plans
Total surface area of green/ blue infrastructure added or improved as a result of support	Any green/ blue infrastructure added or improved for economic, biodiversity or community activities as a result of support.	Square metres (M ²)
Increase in footfall as a result of support	The increase in footfall in the area covered by the support. Requires a baseline to be established in advance of support.	Number of people
Increase in visitor numbers as a result of support	The increase in visitors in the area covered by the support. Requires a baseline to be established in advance of support.	Number of people
Buildings built or renovated as a result of support	Any building built or renovated for productive use as a result of support.	Square metres (M ²)

Annex B – Employment Status Definitions

Employment Status	Definitions
Unemployed	<p>As defined by the International Labour Organisation (ILO), unemployed persons are those:</p> <ul style="list-style-type: none"> • Without a job, have been actively seeking work in the past four weeks and are available to start in the next two weeks. • Out of work, have found a job and are waiting to start it in the next two weeks. • Not all unemployed persons claim unemployment-related benefits. This is due to either not being entitled to claim unemployment-related benefits or choosing not to do so. Here, unemployment-related benefits is defined as those in receipt of Job Seekers Allowance (JSA) or are in the Intensive Work Search Regime within Universal Credit (UC).
Economically Inactive	<ul style="list-style-type: none"> • Economically inactive individuals are those not in work and not actively seeking work (unlike unemployed individuals who are actively seeking work). • Not all economically inactive individuals claim benefits. • For those that do, this would include those claiming either “legacy” benefits or those within specific conditionality regimes in UC <ul style="list-style-type: none"> ○ The former here includes Employment Support Allowance (ESA), Incapacity Benefit (IB) and Income Support (IS). ○ The latter here includes claimants within the Preparation Requirement or Work Focused Interview Requirement conditionality regimes.
Employed	<p>People aged 16 and over who did one hour or more of paid work per week, or were temporarily away from work (e.g. because they were temporarily sick or on holiday). This includes:</p> <ul style="list-style-type: none"> • Employees (permanent and temporary workers, the latter including those on fixed period contracts, agency temping etc.). • Self-employed. • Family workers (unpaid). • People on government-supported training programmes, engaging in any form of work, work experience or work-related training. • Persons on maternity or paternity leave