



<b>Subject:</b>	<b>Update on Neighbourhood Regeneration Fund</b>
<b>Date:</b>	26th June, 2023
<b>Reporting Officer:</b>	Sinead Grimes, Director of Physical Programmes
<b>Contact Officer:</b>	Shauna Murtagh, Portfolio Manager

<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Sometime in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report/Summary of Main Issues</b>
1.1	This report provides the Committee with an update on the next steps in respect of the £10m Neighbourhood Regeneration Fund.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: <ul style="list-style-type: none"><li>• <b>Neighbourhood Regeneration Fund</b> - to note the background to this £10m fund and the update provided including the updated programme timeline for delivery.</li></ul>
<b>3.0</b>	<b>Main Report</b>
	<b><u>NEIGHBOURHOOD REGENERATION FUND</u></b>
3.1	The Neighbourhood Regeneration Fund (NRF) is a £10m capital fund to help groups deliver capital projects that will make a real, long-term difference in their communities. Members will recall that the fund was originally £8m and has been bolstered by an additional £2m via the

reallocation of year end surpluses. The fund attracted significant interest and a high volume of applications was received. The NRF Programme is currently at *Stage 2 – Development Stage*. The proposals presented in the applications showcase a wide variety of exciting new ideas for the city as well as enhancements to existing facilities. The NRF is an outcomes focused programme aligned to three key themes emerging from the City Recovery Framework: social economy, environmental sustainability and neighbourhood tourism. The fund is adopting an Outcomes Based Accountability (OBA) approach derived directly from these three themes and all proposals are being specifically developed in terms of their alignment to these outcomes.

3.2 **Allocation Model**

Members will recall that the £10m fund allocation model per area is based on 50% proportion of population per quadrant of the city and 50% proportion of the population that is in top 20% area of multiple deprivation giving the final amounts available per area as outlined below -

	Allocation
North	£2,434,979
South	£1,924,744
East	£2,287,501
West	£3,352,776

\* Proportional allocation to Shankill from overall West (**Shankill - £705,759**)

3.3 Members agreed a 3 Stage process for the NRF projects in November 2021 as outlined below

- **Stage 1-Application Stage (Emerging project)** - an open call application process via the completion of an application form. Once received it was agreed that officers from across the Council would then carry out an assessment of projects using an assessment matrix designed to test projects against 4 abilities (affordability, feasibility, deliverability and sustainability). Members agreed that projects had to score over 55 in order to be considered to proceed to the next stage (Stage 2 – Development).
- **Stage 2 – Development (Uncommitted project)** - Project development stage - at this stage a business case/economic appraisal (commensurate with the scale of the project) will be undertaken along with detailed designs and project costings. If an EA or similar has already been undertaken then the findings of this EA will be tested. Additional support (if required) will also be looked at (capacity building etc.). Due-diligence checks will be carried out in line with arrangements under LIF, BIF and SOF programmes. Proposed that this stage will be timebound to 6 months to allow decisions on projects to be taken at the same time

	<ul style="list-style-type: none"> <li>• <b>Stage 3 – Delivery (Committed project)</b> - Delivery stage – This is likely to be subject to a number of preconditions for particular projects including the return of a satisfactory tender. Due diligence checks will be carried out again in line with arrangements under LIF, BIF and SOF programmes. At this stage an indicative budget will be assigned to a project in line with the Council’s three stage approval process. Projects will not receive a final investment decision until tenders are returned.</li> <li>•</li> </ul>
3.4	<p><b>Outcome of Stage 1 – Application Stage</b></p> <p>Members will be aware that there was substantial interest in the NRF und with requests for over 100 application packs and 61 applications received in total. In November 2022, the AWGs recommended 21 projects to SP&amp;R to move to <i>Stage 2 - Development</i>. To inform their recommendation, the AWGs received the same information on each application which had reached the minimum threshold (above 55). In considering this Members were asked to note the delivery resource implications and also the overall budget envelope available for each area. It was also emphasised to Members <b>that they were not making any investment decisions in a particular project at this stage</b>. This will only be ‘in principle’ when projects are moved to <i>Stage 3 – Delivery</i>. It was also highlighted for Members that it was recognised that not every project which had reached threshold could be recommended to be progressed to <i>Stage 2 - Development</i>. Given this, applicants were advised of the outcome and in addition to being able to request feedback on their application, officers provided advice to applicants to help identify alternative potential sources of support. AWGs were also advised that projects which had reached threshold but that are not progressed are held at Stage 1 in case any of the projects which are moved forward do not progress beyond Stage 2. If this happens then projects will be presented again for Members’ consideration.</p>
3.5	<p><b>Stage 2 – Development Stage – Underway</b></p> <p>The 21 projects agreed as <i>Stage 2 – Development</i> projects have all been allocated a Client Manager who are working closely with the Groups. The exact requirements for Stage 2 are dependent on the individual status and needs of each project, for example it could be the development of a business case or economic appraisal, testing of a business case, capacity building and/or the development of detailed designs. Members agreed that the development phase will be timebound to six months with updates on all projects to be brought back to the AWGs at the same time. At the end of this stage, recommendations to Committee will include a detailed update on each project, seeking approval for funding. Projects that receive approval will be issued with a Letter of Offer in principle and will move to <i>Stage 3 - Delivery</i>. However, a final investment decision will not be taken until a tender has been returned.</p>

3.6	<p><b>Updated Programme Delivery Timeline</b></p> <p>Due to the high number of projects progressing to Stage 2 and subsequent pressure on resources and the wider market, the Stage 2 timeline has extended from the original target completion date of this month. Business cases are progressing well however some are still underway so the development phase is extended to allow for all proposals to be brought to Members at the same time as per the agreed process. The updated timeline is as follows:</p> <ul style="list-style-type: none"> <li>• <b>August</b> – completion of Stage 2 – Development stage</li> <li>• <b>September</b> – Member site visits to Stage 2 projects</li> <li>• <b>October to November</b> – Special AWG meetings and report to SP&amp;R</li> <li>• <b>Dec/Jan onwards</b> – Notification of Stage 2 decision. Stage 3 – Delivery initiated.</li> </ul> <p><b>The Committee is asked to note the background to this £10m fund and the update provided including the updated programme timeline for delivery.</b></p>
	<p><b><u>Financial and Resources Implications</u></b></p>
3.7	<p><b><i>Finance</i></b> – NRF Programme has been equality screened.</p> <p><b><i>Resources</i></b> – Officer time to deliver as required.</p>
3.8	<p><b><u>Equality or Good Relations Implications/ Rural Needs Assessment</u></b></p> <p>None.</p>
4.0	<p><b><u>Document Attached</u></b></p>
	<p>NRF – Project Pathway</p>