

# Individual Executive Decision Notice

<b>Report title</b>	Bilston Urban Village – Signing of ERDF Funding Agreement	
<b>Decision designation</b>	GREEN	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds – City Economy	
<b>Wards affected</b>	Bilston East	
<b>Accountable director</b>	Dr Keren Jones Service Director City Economy	
<b>Originating service</b>	City Development	
<b>Accountable employee(s)</b>	Simon Lucas	Senior Regeneration Officer
	Tel	01902 555618
	Email	Simon.lucas@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	n/a	

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## Summary

Following a successful application for ERDF funding to support the improvement and enhancement of areas of open space within the Bilston Urban Village strategic regeneration site, authority is now required to enable the funding agreement to be signed.

## Recommendation(s) for action or decision:

That the Cabinet Member for City Economy, in consultation with the Service Director, City Economy, approve the signing of the ERDF funding agreement for the Bilston Urban Village Strategic Environmental Infrastructure Project.

## **1.0 Background**

- 1.1 The Black Country European Structural and Investment Fund (ESIF) Strategy, developed on behalf of the Local Enterprise Partnership (LEP), outlined the Black Country's priorities for allocating European funding between 2014 and 2020. The Black Country's allocation between 2014 and 2020 was €177 million split 50/50 between European Regional Development Fund (ERDF) and European Social Fund (ESF).
- 1.2 Bilston Urban Village is an important strategic regeneration site which has seen a significant level of investment over recent years in education, leisure, housing and commercial development.
- 1.3 Of equal importance to its overall success is the treatment of the areas which will remain undeveloped and which have an important place making, recreational and ecological role. The Council has made available resources to improve these areas and a successful ERDF bid under Priority 6d (Protecting and restoring biodiversity) was confirmed by way of a formal offer letter received on 29 March 2017.
- 1.4 Subsequent to this the Council has received the formal funding agreement which now needs to be signed.

## **2.0 Funding Agreement**

- 2.1 At its meeting of 7 February 2017 Cabinet (Resources) Panel delegated authority for the signing of the Funding Agreement. The Funding Agreement is in a form which is largely non-negotiable as it relates to all ERDF projects. The project specific information is wholly consistent with the Council's application and contained in schedules attached to the main document. These schedules set out the specific grant offer, milestones to be met, match funding requirements, identity of delivery partners and other specific requirements. Also included are the financial annexes from the application form.
- 2.2 Once signed, changes to these schedules have to be agreed through a change control process.

## **3.0 Financial implications**

- 3.1 Cabinet (Resources) Panel on 7 February 2017 approved:
  - Delegated authority to the Cabinet Member for City Economy, in consultation with the Service Director City Economy to sign a Funding Agreement for European Regional Development Funding for the provision and enhancement of public open space on the Bilston Urban Village site.
  - An increase in capital and revenue budgets of £506,000 and £175,000 respectively in accordance with the European Regional Development Funding (ERDF) application and amend these as appropriate upon signing of a Funding Agreement.

- The allocation of £156,000 section 106 monies held by the Council for the provision and enhancement of public open space on the Bilston Urban Village site and the adjacent canal towpath and the appropriate adjustment in the capital programme.

3.2 The ERDF funding agreement grant award is accordance with that requested with £506,000 available for capital and £175,000 for revenue. Due to the later than anticipated award of grant this incorporates revised profiles and requires less Council match resources. The funding agreement also assumes £206,000 of S106 contributions. This is based on £156,000 already secured and approved by Cabinet (Resources) Panel as part of the Bilston Urban Village capital budget. Over and above this current planning obligations are also expecting to secure a further £30,000 in the autumn of 2017 and further funds will be sought from the new residential developments. Once these have been secured approval will be sought to include them in the Bilston capital budget. In the interim there are sufficient Council resources in the wider Bilston Urban Village capital budget to fund the expected gross costs included in the grant agreement. Should there be a shortfall in anticipated S106 contributions this would reduce the budget available to fund further phases of the Public Open Space.

3.3 A detailed breakdown of the funding agreement budgets are captured in the following table:

	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
ERDF Capital	217	276	13	506
Public Match (CWC)	206	263	18	487
Private Match (S106)	91	115	0	206
Capital Total	514	654	31	1,199
ERDF Revenue	69	82	24	175
Revenue Total	69	82	24	175
Grand Total	583	736	55	1374

3.4 It should also be noted that European funded projects are subject to strict rules and regulations, including advertising, procurement and document retention and projects must spend and deliver outputs outlined in the funding agreements, otherwise there is a risk of clawback of the grant. To minimise this risk, Project Managers experienced in delivering European funded projects will be recruited and any partners will be expected to follow any funding requirements where they are applicable. The Bilston Urban Village wider scheme budget also provides some scope to adjust resources and reprofile to meet the funding requirements. ES/13092017/L

#### **4.0 Legal implications**

- 4.1 Obligations placed upon the Council upon acceptance of the grant are as set out in the Funding Agreement which are largely non negotiable. Appropriate legal advice on the terms of the Agreement has been provided. RB/05072017/S

#### **5.0 Equalities implications**

- 5.1 Equal opportunities is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects with equalities data monitored as part of delivery.

#### **6.0 Environmental implications**

- 6.1 Sustainability is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects.

#### **7.0 Human resources implications**

- 7.1 Costs for the project management of externally funded projects and, in the case of this project for a part time clerk of works, are built into project costs with staff recruited on fixed term contracts.

#### **8.0 Corporate landlord implications**

- 8.1 The Council will transfer the open space land to the Land Trust with an endowment to ensure its long term maintenance and improvement. There are therefore no adverse long term implications for the Council as Corporate Landlord.

#### **9.0 Schedule of background papers**

- 9.1 Report to Cabinet (Resources) Panel 7 February 2017: Agenda item 22 Bilston Urban Village