

Stronger City Economy Scrutiny Panel

28 July 2015

Time 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny
Venue Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr Jacqueline Sweetman (Lab)
Vice-chair

Labour	Conservative	Liberal Democrat
Cllr Harman Banger	Cllr Paul Singh	
Cllr Philip Bateman	Cllr Jonathan Yardley	
Cllr Payal Bedi		
Cllr Val Evans		
Cllr Welcome Koussoukama		
Cllr John Rowley		
Cllr Tersaim Singh		
Cllr Martin Waite		
Cllr Daniel Warren		

Quorum for this meeting is three Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Deb Breedon
Tel/Email 01902 551250 or deborah.breedon@wolverhampton.gov.uk
Address Democratic Support, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

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Tel 01902 555043

Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

[NOT PROTECTIVELY MARKED]

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Agenda

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies**

2 **Work Programme**

3 **Declarations of Interest**

4 **Nominations for Vice-Chair**

5 **Chairs introduction**

[Cllr Jacqueline Sweetman, Chair Stronger City Economy Scrutiny Panel]

DISCUSSION ITEM

6 **Overview of external funding (Pages 1 - 10)**

[To provide background information and a presentation to give an overview of external funding available and secured in order to deliver our corporate priorities with a focus on City economy activity.]

INFORMATION ITEM

7 **Corporate Priorities relating to the Stronger City Economy Scrutiny Panel remit (Pages 11 - 12)**

[The two objectives for the Place Directorate this fall within this panel remit are:

- Supporting Business, Encouraging Enterprise and Investment
- Improving our critical Skills and Employability Approach

The papers provides information about performance indicators and monitoring performance]

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Stronger City Economy Scrutiny Panel

28 July 2015

Report title	Background information to presentation - Overview of External Funding	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Wards affected	All	
Accountable director	Keren Jones, City Economy	
Originating service	City Economy	
Accountable employee(s)	Heather Clark	Service Development Manager
	Tel	01902 555614
	Email	Heather.Clark2@wolverhampton.gov.uk
Report to be/has been considered by	Cabinet (Resources) Panel 28 July 2015	

Recommendation(s) for action or decision:

The Scrutiny Board is recommended to:

1. Consider external funding opportunities available and the role of the city of Wolverhampton Council in securing funding to enable the delivery of corporate priorities.

1.0 Purpose

- 1.1 The purpose of this report is to provide background information to a presentation providing an overview on external funding.

2.0 Background

- 2.1 Cabinet (Resources) Panel receive quarterly funding updates giving updates on bidding activity and progress on externally funded projects. The quarterly update reports are organised around the themes in the Council's new Corporate Plan Framework. The latest report is attached as background information.

3.0 External Funding overview

- 3.1 The City of Wolverhampton Council is working both internally and with external partners to support the development of a strong project pipeline to maximise resources secured from external funding. The presentation will provide an overview of external funding including opportunities, current bidding opportunity and funding secured towards the delivery of corporate priorities.

4.0 Financial implications

- 4.1 Bidding for external funding enables the Council to attract additional resources to deliver the corporate priorities. Financial implications for externally funded projects are outlined in detail in the quarterly External Funding Update reports to Cabinet Resources and necessary approvals sought.

5.0 Legal implications

- 5.1 External funding opportunities are subject to grant agreements and necessary approvals to enter into the grant agreements are outlined in the quarterly External Funding Update reports.

6.0 Equalities implications

- 6.1 External funded projects must evidence positive equalities implications as part of the bidding process.

7.0 Environmental implications

- 7.1 External funded projects must evidence positive sustainability implications.

8.0 Human resources implications

- 8.1 The cost of project management and additional staffing resources are built into bids.

10.0 Corporate landlord implications

10.1 There are no corporate landlord implications to this report.

10.0 Schedule of background papers

- Cabinet (Resources) Panel External Funding Update 28 July 2015



Cabinet (Resources) Panel

28 July 2015

Report title	External Funding Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Keren Jones	
Originating service	City Economy	
Accountable employee(s)	Heather Clark Tel Email	Service Development Manager 01902 555614 Heather.clark2@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree for Wolverhampton City Council to act as accountable body for and submit full bids for European Regional Development funding should our outline bids be successful.
2. Permission to establish budget for Local Development Order Incentive Fund.

1.0 Purpose

- 1.1 The purpose of the report is to provide an update on external funding opportunities, including an update on bids submitted and the project pipeline for European Structural funding, and seek necessary approvals to enable the delivery of externally funded projects.

2.0 Background

- 2.1 Cabinet (Resources) Panel received a report on 14 April 2015 giving an update on bidding activity and progress on externally funded projects. The intention is to provide on-going quarterly funding updates, rather than reporting separately on each individual external funding opportunity. This report provides an update for the first quarter of the 2015/16 financial year. The report is organised around the themes in the Council's new Corporate Plan Framework.

3.0 Update on other External Funding Sources

- 3.1 Wolverhampton City Council is working both internally and with external partners to support the development of a strong project pipeline to maximise resources secured from external funding. The last report focused on bidding opportunities offered through European Union Structural and Investment Funds (ESIF) outlining strategically important projects and seeking approval for Wolverhampton City Council to lead on behalf of the Black Country. We have set out below projects submitted in response to that round. A further call for proposals is expected mid-July.

3.2 Place – Stronger Economy

- 3.3 The following external funding bids have been supported by the City Council under the "Place" corporate priority. Bids to the European Regional Development Fund (ERDF), which contributes to the corporate priority an environment where new and existing businesses thrive, amount to a total project value of over £10 million. The bid to the European Social Fund (ESF), which contributes to the corporate priority people develop the skills to get and keep work, amount to a total project value of over £34 million across the Black Country.

City Assets: delivering effective core services that people want

Funding source	Description of Project(s) to be funded	Funding	Status and approvals required	Outcomes
DCLG	Local Development Order (LDO) Incentive Fund to support work to put in place local development orders for housing on brownfield sites which can accommodate upwards of 100 homes	£50,500	Funding secured	LDO's grant outline planning permission to encourage earlier development of our allocated housing sites

City Economy: an environment where new and existing businesses thrive

Funding source	Description of Project(s) to be funded	Funding	Status and approvals required	Outcomes
ERDF: Priority 3 SME competitiveness	Advice, Investment and Markets AIM for the Black Country: Specialist support for SMEs pooling business support across four local authorities, the University and Chamber of Commerce, enhanced with specialist consultancy and delivered via the Growth Hub	£2,141,395 ERDF +50% partner match Total: £4,282,790	Outline application submitted May. Permission to submit full bid as Accountable body in September 2015	Increased growth for 720 SMEs; 6000 more SMEs engaged via Growth Hub; 60 more inward investments; 150 new products and markets; 1800 new jobs
ERDF: Priority 3 SME competitiveness	Black Country Transformational GOLD Growth Opportunities Local Delivery Continuation of existing successful GOLD grant funding scheme for SMEs. Offering grants of up to £25,000 and/or loans for SME growth projects	£1,905,356 ERDF + 70% match from SMEs and partners. Total £5,969,282	Outline application submitted May. Permission to submit full bid as Accountable body in September 2015	Increased growth rates (10%) for 180 SMEs over 3 years
Contemporary Arts Society	Funding to support collections development: 1. Collections Fund to acquire work by a young black artist to complement the HLF Black Art project. 2. Film/installation piece to show in the newly refurbished contemporary gallery	£20,000 £40,000	Permission to bid. No match required other than staff time	Increase visitor numbers and footfall by improving cultural offer
URBACT III	URBACT Action Planning Network Get into the swing of the City! Development of approaches, strategies and activities to support creative enterprises as a solution to unemployment. Consortium led by Poznan City in	€100,000 total budget (Phase 1) and €200,000 (Phase 2) Match £2,000 and staff time	Permission to join consortium as a partner in Expression of Interest Host expert workshop	Enable draw down of up to £4m European resources allocated to local Growth Clusters as evidence base to support bids and creative industry projects.

	Poland submitting Expression of Interest.			
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3.4 For the ERDF bids Wolverhampton is seeking to act as Accountable body. We have established systems and processes embedded in the authority to ensure robust project management and financial control. These systems are detailed in appendix 1.

City Economy: people develop the skills to get and keep work

Funding source	Description of Project(s) to be funded	Funding	Status and approvals required	Outcomes
ESF Youth Employment Initiative	Impact is a Black Country programme that addresses the barriers faced by unemployed individuals aged 16-29 years, supporting them to secure positive outcomes including employment, apprenticeships, training and further education	£34 million (ESF £17m YEI £17m) Local match – WCC mainstream Connexions budget and Talent Match	Expression of Interest submitted May 2015. Full bid submitted September 2015. Dudley MBC accountable body	<ol style="list-style-type: none"> 1. Traineeship/ apprenticeship opportunities. 2. Re-engage marginalised 15-18 years 3. Address basic skills needs of NEETS 4. Additional work experience and pre-employment training opportunities to 18-24 yr olds 5. Support young lone parents

3.5 Further ESF bidding opportunities will include programmes match funded by the Skills Funding Agency and Big Lottery. These programmes support the Place priority ‘people - developing the skills to get and keep work’ as part of stronger economy. In addition, they will contribute to the aim of the Skills and Employment Commission to ensure that Wolverhampton has the appropriately skilled workforce required to support the City’s economic growth and that Wolverhampton residents and young people have access to the right skills provision to give them the best chance of securing employment

3.6 The call for first stage applications for the Black Country’s Promoting Social Inclusion and Combatting Poverty has been launched by the Big Lottery as Building Better

Opportunities. The opportunity amounts to the equivalent of £38 million of investment over the next six years across the Black Country providing employment support for over 25's, tackling family poverty, targeted communities and financial and digital inclusion. The competition is open, therefore Wolverhampton Inclusion Board has produced a Wolverhampton offer in order to maximise benefit for Wolverhampton.

4.0 Financial implications

- 4.1 All outline bids submitted are allocated on a competitive basis and Councillors will be updated with progress should these be developed further.
- 4.2 Specifically this report seeks approval for the ERDF: AIM for Black Country and Transformational GOLD projects both representing continuation of existing project arrangements. Approval is also sought to establish revenue budgets for the Local Development Order Incentive Fund project which has successfully secured funding. Match funding for AIM for the Black Country is being identified from existing Growth Hub funding, existing staffing and the Enterprise and Skills budget. Match funding for Black Country Transformational GOLD has been identified from within Enterprise and Skills staffing and private sector match. Match funding for Urbact II is from existing Enterprise and Skills budget. WCC match for Impact project is from the Connexions revenue budget within Enterprise and Skills. [ES/02072015/F]

5.0 Legal implications

- 5.1 External funding opportunities are subject to grant agreements. Depending on the outcome of the bidding process, further reports will be bought seeking the necessary approvals to enter into the grant agreements. RB/01072015/I

6.0 Equalities implications

- 6.1 External funded projects must evidence positive equalities implications as part of the bidding process. Equalities and diversity are a standard question in all European funded bids.

7.0 Environmental implications

- 7.1 External funded projects must evidence positive sustainability implications.

8.0 Human resources implications

- 8.1 The cost of project management and additional staffing resources will be built into bids.

10.0 Corporate landlord implications

- 10.1 There are no corporate landlord implications to this report.

11.0 Schedule of background papers

- Cabinet (Resources) Panel 20 January 2015 update on external funding
- Cabinet (Resources) Panel 14 April 2015 update on external funding

Appendix 1: Project Management systems and processes for ERDF funded projects

This project will sit within City Economy Service Group of the Place Directorate of Wolverhampton City Council as accountable body and be subject to Wolverhampton City Council's internal **project management** process using the online project management system Verto. The Central Project and Programme team will retain an overview of the project to ensure robust management and control systems.

The project will appoint an experienced ERDF project manager to provide overall project management support the Project Group to deliver the agreed outputs across the Black Country. The role will be responsible for contract managing delivery partners, line management of team members and assume overall responsibility for adherence to contract delivery requirements and producing claims in accordance with ERDF regulations. The role will also monitor actual spend and outputs against profile escalating any variations, risks and issues to the Senior Responsible Officer together with proposed actions to address.

Governance: a Project Board would continue to include representatives from all Black Country local authorities and key stakeholders, as part of the revised structures of the Black Country LEP, and the new emerging governance arrangements for the Growth Hub. This includes reporting mechanisms into the Heads of Regeneration meetings and the Black Country LEP sub group for Business Competitiveness.

Partner requirements are outlined in the Service Level Agreement (SLA). A legally binding "collaboration agreement" to ensure compliance with regulations outlined within the funding agreement, and set out the mechanism for shared risks.

Outputs and results are stated as part of the bid. The Project Manager would produce an outputs (benefits) realisation plan as part of the project management process including a profile of outputs/results that can be monitored against at quarterly intervals via the profile reports.

Evidence of outputs and results, in line with ERDF definitions and requirements, will be checked at regular contract meetings and prior to submission of claims. Reports will be submitted to the steering group showing spend and delivery of outputs against targets. Monitoring performance against profile allows us to identify an underperformance at an early stage and put in place actions to address. Any delivery partners/contractors will be required to retain evidence of outputs and results as part of their SLA/contract and retain this information in line with document retention.

To underpin these reporting mechanisms, an established management information system is well established for all ERDF projects, including monitoring spreadsheets and template reports, enabling the project manager and partner officers to capture evidence relating to not just output delivery, but also wider results and progress towards cross cutting themes.

Relevant and existing ERDF experienced project staff currently exists within the authority however there is recognition of the need to recruit externally in line with EU rules and regulations should additional capacity be required. We will fast-track this process to ensure the project can start as soon as possible following approval, note our timetable includes 2-3 months pre-start preparations following offer letter and before the official launch of the programme to beneficiaries.

Objective: Supporting Businesses, Encouraging Enterprise and Investment

Accountable Officer: Service Director for City Economy

Why is this important to Wolverhampton?

As the public sector shrinks, the city is increasingly dependent on private sector investment and business rates. We need to do all we can to create new job opportunities and address the low wage economy, which significantly contributes to poverty and ill health. This means attracting new businesses who will bring new jobs, and support existing businesses to survive, adapt and grow.

What are our key policies and strategies?

There are a number of documents which will help us support businesses, encourage enterprise and investment, including:

- Black Country Strategic Economic Plan
- Wolverhampton City Strategy
- Black Country Core Strategy

Please visit our [Policy Portal](#) for more information.

What will we do to achieve this?

Action Description

- | | | |
|--|-------------------------------|---------------------|
| • Maximise EU and UK external funding to deliver business, enterprise and inward investment support | Service Development Manager | Lead Officer |
| • Develop a targeted programme of activity to enhance the profile of the city to potential investors | Head of Enterprise and Skills | |
| • Improve the Black Country Growth Hub to provide a one-stop-shop for targeted effective business support | Head of Enterprise and Skills | |
| • Introduce a City Procurement Charter to enhance opportunities for local businesses to supply public bodies | Head of Enterprise and Skills | |
| • Increase the number of successful social and community enterprises across the city | Head of Economic Inclusion | |



How will we monitor our progress?

Measured by	2014/15 Baseline Data	2015/16 Target
• Number of business start-ups supported	New measure	Baseline to be established
• Number of businesses surviving after first five years	34.6%	36.9%
• Number of small and medium (SME) businesses supported	Small: 1 420 Medium: 305	Small: 1 450 Medium: 315

Objective: Improving our Critical Skills and Employability Approach

Accountable Officer: Service Director for City Economy

Why is this important to Wolverhampton?

With a global shift towards a knowledge economy, it is critical for the city to meet the needs of existing and future employers, and equip local people to successfully compete for and progress in work. Although it is improving, the city still has one of the worst unemployment levels in the country. Too many people face barriers that mean they are likely to remain workless or trapped in a low wage economy. We therefore need to strengthen all stages of the journey - from taking the first steps in obtaining advice to securing employment.

What are our key policies and strategies?

There are a number of documents which support improving our critical skills and employability approach, including:

- Black Country Strategic Economic Plan
- Black Country Core Strategy
- Wolverhampton City Strategy

Please visit our [Policy Portal](#) for more information.

What will we do to achieve this?

Action Description	Lead Officer
<ul style="list-style-type: none"> • Implement a City Skills and Employability Programme with all providers following the completion of the independent Wolverhampton Skills and Employment Commission 	Service Director City Economy
<ul style="list-style-type: none"> • Build on the 'outstanding' Adult Education Service to focus on supporting people to obtain the skills needed for the world of work 	Head of Adult and Cultural Learning
<ul style="list-style-type: none"> • Develop the role of the council as a leading employer in the city by maximising apprenticeships, traineeships and work experience opportunities 	Head of Enterprise and Skills

<ul style="list-style-type: none"> • Further develop an innovative recruitment approach with new and existing employers to maximise employment opportunities for people in the city 	Head of Enterprise and Skills
<ul style="list-style-type: none"> • Provide co-ordination and facilitation across the city's leading organisations that prepare people for the world of work, particularly in the city's most deprived areas 	Head of Economic Inclusion
<ul style="list-style-type: none"> • Introduce an improved approach to make it easier for people in the city to access a range of critical employability support 	Head of Economic Inclusion

How will we monitor our progress?

Measured by	2014/15 Baseline Data	2015/16 Target
<ul style="list-style-type: none"> • Number of people accessing the creative economy, learning, training or volunteering opportunities 	New measure	Baseline to be established
<ul style="list-style-type: none"> • Number of residents supported through education, training, employment or enterprise 	New measure	Baseline to be established
<ul style="list-style-type: none"> • Number of residents in key deprived areas supported through education, training, employment or enterprise 	New measure	Baseline to be established