

# Cabinet (Resources) Panel

## 28 July 2015

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

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### 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

- 3.1 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 ongoing 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.

## 4.0 Update on other External Funding Sources

- 4.1 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.

### 4.2 Place – Stronger Economy

- 4.3 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	<b>Local Development Order (LDO) Incentive Fund</b> 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 <b>AIM for the Black Country:</b> 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	<b>Black Country Transformational GOLD</b> 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	<b>URBACT Action Planning Network Get into the swing of the City!</b>  Development of approaches, strategies and activities to support creative enterprises as a solution to unemployment.  Consortium led by Poznan City in Poland submitting Expression of	€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.

	Interest.			
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- 4.4 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**

<b>Funding source</b>	<b>Description of Project(s) to be funded</b>	<b>Funding</b>	<b>Status and approvals required</b>	<b>Outcomes</b>
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"> <li>1. Traineeship/ apprenticeship opportunities.</li> <li>2. Re-engage marginalised 15-18 years</li> <li>3. Address basic skills needs of NEETS</li> <li>4. Additional work experience and pre-employment training opportunities to 18-24 yr olds</li> <li>5. Support young lone parents</li> </ol>

- 4.5 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
- 4.6 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.