

# Individual Executive Decision Notice

<b>Report title</b>	Black Country Blue Network 2	
<b>Decision designation</b>	GREEN	
<b>Cabinet member with lead responsibility</b>	Councillor Steve Evans Cabinet Member for City Environment	
<b>Wards affected</b>	(All Wards);	
<b>Accountable Director</b>	Ross Cook, Director of City Environment	
<b>Originating service</b>	Strategic Projects and Funding	
<b>Accountable employee</b>	Heather Clark Tel Email	Service Development Manager Tel: 01902 555614 heather.clark2@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Not applicable	

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## Summary

To approve acceptance of the Grant Funding Agreement for Black Country Blue Network 2 with the Managing Authority Ministry of Housing Communities and Local Government and approve subsequent entry into back to back legal agreements with all Delivery Partners.

## Recommendation for action:

That the Cabinet Member for City Environment and Cabinet Member for Resources, in consultation with the Director of City Environment and Director of Finance:

1. Approve acceptance of the funding from the Ministry of Housing Communities and Local Government.
2. Approve the Council accepting and entering into grant funding agreements with the Ministry of Housing communities and Local Government.
3. Approve the Council entering into legal grant funding agreements with delivery partners.

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## 1.0 Background

- 1.1 The securing of external monies is important to funding the delivery of the Council's key priorities as set out in the Council Plan and the Five-Year Financial Strategy document. Over the last three years, externally funded projects worth over £85 million have been delivered and secured across all Council priorities.
- 1.2 Cabinet Panel on 29 July 2020 delegated authority to the Cabinet Member for City Environment and the Cabinet Member for Resources, in consultation with the Director of City Environment and Director of Finance to approve acceptance of the grant funding agreements and the Council entering into all appropriate legal agreements.

## 2.0 Black Country Blue Network 2

- 2.1 Black Country Blue Network 2 will undertake habitat improvement works to improve the biodiversity and conservation status of 114.91 hectares of green space and rehabilitate 4.12 hectares across the Black Country linked by the canal and river network (blue network).
- 2.2 A European Regional Development Fund (ERDF) bid for £1.67 million towards total project costs of £3.5 million was submitted to the Ministry for Housing Communities and Local Government (MHCLG) as managing authority for ERDF in March 2020. This is the second phase of the Black Country Blue Network. Phase 1 improved the biodiversity and conservation of 18.8 hectares and rehabilitated 11.8 hectares between 1 January 2017 and 31 March 2019.
- 2.3 In Wolverhampton, Black Country Blue Network 2 will fund:
  - A. Fowlers Park: improve 8 hectares through woodland management: tree thinning, woodland planting, underplanting native species, wildflower meadow creation and pond improvements.
  - B. Ward Street: rehabilitate 4.12 hectares through creation of grassland, meadow areas, woodland creation, hedge and native species planting and access improvements.
  - C. Pendeford Park Open Spaces improve 5.42 hectares through creation of wildflower meadows, woodland management, tree planting, access path improvements and vegetation control

## 3.0 Evaluation of alternative options

- 3.1 **No bid** - projects would not proceed or would proceed at a lesser scale or over a longer timescale if external funding was not available.
- 3.2 **Bid** - external funding enables the Council to deliver priority projects at a faster pace with greater impact on regeneration activity and economic growth. **Black Country Blue Network 2**: S106 and developer's contribution had been identified for Ward Street

Cutting and Fowlers Park however bidding for ERDF has allowed us to double the resource available enabling additional work to be undertaken.

#### **4.0 Reasons for decision**

- 4.1 External funding enables priority projects to proceed, at a faster pace and with greater impact. External funders usually require the Council to enter into a Grant Funding Agreement outlining what the resource can be used for and rules and regulations relating to the funding source.
- 4.2 There are strict rules around European Regional Development Funding and consequently there is a risk of clawback of the grant if the rules and regulations are not correctly followed or at all. With this in mind, the roles of dedicated Project Managers are built into costings for larger external funded projects to minimise risk.

#### **5.0 Financial implications**

- 5.1 This report seeks approval to accept the grant funding and to enter into the necessary legal agreements for the Black Country Blue Network 2 project, for which the City of Wolverhampton Council act as lead body for the externally funded projects. Funding has been sought to improve the biodiversity and conservation status of 114.91 hectares of green space and rehabilitate 4.12 hectares linked by the canal and river network. This work will be delivered through various projects across the Black Country by all delivery partners. Approval relating to the creation of supplementary revenue and capital budgets will be subject to a future report, once match funding agreements are complete.
- 5.2 Named Delivery Partners include Dudley MBC, Walsall MBC, Canal and River Trust and Severn Rivers Trust. As lead authority Wolverhampton Council, has a dual role of administering the funds on behalf of the Ministry of Housing Communities and Local Government as well as being Delivery Partner in respect of delivery local projects. All Delivery Partners named in the bid have committed to providing further capital and revenue match funding through their sub-projects and to cover shared costs, this has enabled a larger grant to be secured. The details of the full funding for this project is stated in the table below. Evidence of match funding was included in the bid and back-to-back grant funding agreements will secure these contributions as part of the legal obligations of each Delivery Partner. The required budgets for these projects will be held by the respective Delivery Partners.
- 5.3 A dedicated project manager will be responsible for ensuring the project is delivered within budget in accordance with timescales, and in compliance with EU rules and regulations. It should be noted that grants are at risk of being clawback if expenditure is not carried out in line with the agreed expenditure profiles and the terms and conditions contained in the grant agreements will ensure compliance. It is anticipated that the profiled revenue and capital spend, which reflects the submitted bid, will be as per the table below:

## Black Country Blue Network 2 Funding and Phasing

	2020- 2021 £000	2021- 2022 £000	2022- 2023 £000	2023- 2024 £000	Total £000
<b>Revenue</b>					
ERDF	88	313	164	57	622
CWC Match Funding	4	21	15	10	50
Delivery Partner Match Funding	25	83	40	9	157
<b>Total Revenue</b>	<b>117</b>	<b>417</b>	<b>219</b>	<b>76</b>	<b>829</b>
<b>Capital</b>					
ERDF	36	642	303	68	1,049
CWC Match	0	631	275	92	998
Delivery Partner Match Funding	56	377	201	15	649
<b>Total Capital</b>	<b>92</b>	<b>1,650</b>	<b>779</b>	<b>175</b>	<b>2,696</b>
<b>Total Funding</b>	<b>209</b>	<b>2,067</b>	<b>998</b>	<b>251</b>	<b>3,525</b>

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### 6.0 Legal implications

- 6.1 Where the Wolverhampton City Council act as Lead Authority for externally funded projects, in order to secure the funding, it will be required to enter into a funding agreement with the Funder which, sets out the terms, conditions and obligations between the parties.
- 6.2 Where partners are involved in the project's delivery, the Council in its role as Lead Authority will enter into all appropriate legal agreements with the delivery partners to ensure proper discharge of its obligations to the Funder and also secures compliance from delivery partners to use the funding for the purpose for which it was given.
- 6.3 The Council must also ensure there is no conflict in discharge of its dual role as Lead Authority and Delivery Partner.

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### 7.0 Equalities implications

- 7.1 Equal opportunities are 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. The monitored equalities targets are set by the Funder as part of the cross-cutting themes.

## **8.0 Climate change and environmental implications**

8.1 Sustainability is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects. Black Country Blue Network 2 will have positive environmental implications due to improvement in biodiversity and conservation status of green space.

## **9.0 Human resources implications**

9.1 The role of a dedicated ERDF Project Manager is built into the project costs for all City of Wolverhampton Council projects. ERDF Project Managers are also responsible for submission of quarterly claims supported by defrayal evidence in relation to expenditure and ensuring project delivery is compliant with EU rules and regulations.

## **10.0 Corporate Landlord implications**

10.1 There are no corporate landlord implications arising from the recommendation in this report.

## **11.0 Health and Wellbeing Implications**

11.1 The Black Country Blue Network project will have positive health and wellbeing implications by improving access to green spaces encouraging walking and cycling.

## **12.0 Covid Implications**

12.1 Start dates of ERDF funded projects have been delayed due to the assessment teams at the Managing Authority, the Ministry of Housing, Communities and Local Government, being redeployed to support the COVID-19 response. For Black Country Blue Network 2, spend originally profiled in quarter two 2020/2021 will move into quarter three.

## **13.0 Schedule of background papers**

13.1 Cabinet – External Funding Update - 29 July 2020.