

Individual Executive Decision Notice

Report title	Black Country Blue Network 2 Revenue and Capital Budget	
Decision designation	GREEN	
Cabinet member with lead responsibility	Councillor Steve Evans Cabinet Member for City Environment	
Wards affected	(All Wards);	
Accountable Director	Ross Cook, Director of City Environment	
Originating service	Strategic Projects and Funding	
Accountable employee	Heather Clark Tel Email	Strategic Projects and Funding Manager 01902 555614 Heather.Clark2@wolverhampton.gov.uk
Report to be/has been considered by	Not applicable.	

Summary

Create the necessary supplementary revenue and capital budgets for the European Regional Development Fund (ERDF) funded Black Country Blue Network 2 in line with the Grant Funding Agreement.

Recommendation for decision:

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. Agree to create the necessary supplementary revenue and capital budgets for the Black Country Blue Network 2 project.

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

Signature

Date:

Signature

Date:

Signature

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Signature

Date:

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 create the necessary supplementary revenue budgets in line with the Grant Funding Agreement for the Black Country Blue Network and approve capital budget of £976,000 for the Black Country Blue Network 2 project which will be fully funded through Section 106 agreements received by the Council.

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 set up supplementary revenue and capital budgets for the Black Country Blue Network 2 project in line with the Grant Funding Agreement, 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.

5.2 Approval is required for the creation of a capital budget totalling £976,000 funded through Section 106 contributions, this is CWC's capital match budget for the project. CWC's revenue match funding will be resourced through Environmental services staff time contribution, the budget to fund the staffing resource is from existing approved revenue budgets already in the Council's Medium Term Financial Strategy (MTFS).

5.3 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.

5.4 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
Revenue					
ERDF	88	313	164	57	622
CWC Match Funding	4	21	15	10	50
Delivery Partner Match Funding	25	83	40	9	157
Total Revenue	117	417	219	76	829
Capital					
ERDF	36	642	303	68	1,049
CWC Match	0	631	275	92	998
Delivery Partner Match Funding	56	377	201	15	649
Total Capital	92	1,650	779	175	2,696
Total Funding	209	2,067	998	251	3,525

[SB/08012021/L]

6.0 Legal implications

6.1 Revenue and capital budgets have been set up in line with the Grant Funding Agreement signed with the managing authority, the Ministry of Housing, Communities and Local Government, which was approved through a separate report. Back to back Grant Funding Agreements will be put in place with delivery partners.

[Legal Code: TS/11012021/Q]

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.