



Cabinet (Resources) Panel

29 July 2014

Report title	External Funding Update		
Decision designation	AMBER		
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity		
Key decision	Yes		
In forward plan	Yes		
Wards affected	All		
Accountable director	Tim Johnson, Education and Enterprise		
Originating service	Economic Partnerships and Investment		
Accountable employee(s)	Heather Clark	Strategic Projects and Funding Manager	
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Report to be/has been considered by	Strategic Executive Board		1 May 2014 12 June 2014

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Note and endorse progress on three externally funded projects (Black Country Growth Opportunities; Local Delivery project (GOLD), Broadband Business Support, and Transformation Challenge Award) worth £3 million in total.
2. Agree to act as accountable body for the expanded Black Country GOLD project, should the bid extension be successful and to delegate authority to the Cabinet Member for Economic Regeneration and Prosperity, in consultation with the Strategic Director Education and Enterprise and Assistant Director, Finance, to sign the variation to the funding agreement and collaboration agreements.
3. Approve spending in relation to the three externally funded projects and approve the establishment of separate budget codes for project revenue

1. Purpose

- 1.1. The purpose of the report is to seek approval to submit proposals to the Regional Growth Fund, and to extend existing ERDF projects and the Transformation Challenge Award 2014.
- 1.2. The report also seeks delegated authority to enter into contract for an externally funded project Black Country Broadband Business Support project, to establish budget codes for the project and approve spending according to the project plan.

2. Background

- 2.1. Attracting external resources is becoming increasingly important in order to implement the Council's strategic priorities. Wolverhampton City Council has led on a number of successful bids for external funding supporting its corporate objectives.
- 2.2. The Department for Communities and Local Government (DCLG) will be issuing two calls for project extensions under the current ERDF programme 2007-2014. These calls are expected in June and December 2014. £35 million of funding is available for current projects that are performing well to apply for additional funding, as well as for new eligible projects that can be delivered by 31 December 2015.
- 2.3. The Department of Business Innovation and Skills (BIS) has launched a new call for the Regional Growth Fund round six on 19 June 2014 with a deadline of 30 September 2014, for private companies requesting over £1 million for growth investment in products, capital or job creation.
- 2.4. DCLG launched a Transformation Challenge Award and Capital Receipt Flexibility 2014-16 prospectus. The aim is to enable English local authorities to make savings by transforming their operations through resource efficiencies. The deadline for expressions of interest for funding in 2015/16 was 1 July 2014, which was a very short window which did not allow formal member consideration.

3. Projects submitted for funding

- 3.1. Black Country Growth Opportunities Local Delivery (GOLD) is a £1.96 million project partially funded by the European Regional Development Fund (ERDF) that is led by Wolverhampton City Council. It provides tailored one-to-one advice to businesses. This includes undertaking a business diagnostic which results in a development plan that is specific to the individual business. In addition the project provides workshops, business grant funding and follow up support for Small and Medium sized Enterprises (SMEs) who may be unable to exploit growth opportunities due to lack of capacity.

The project is currently funded until June 2015. It was approved by Cabinet (Resources) panel on 29 January 2013.

- 3.2. In response to the invitation to extend existing ERDF funded projects that are performing well, the Council has submitted a change request to:
- Extend the end date of the Black Country GOLD project from 31 June to 31 December 2015
 - Increase the project value by an additional £250,000 of ERDF
 - Increase the project outputs to assist a further 45 SMEs; lever an additional £233,308 private sector investment; create a further eight jobs and provide intensive support to seven businesses
- 3.3. The transformational fund aims to fund activities that re-engineer business processes through shared services, workforces, information systems and assets and encourages places to re-design the way services are delivered to provide better outcomes to citizens. Wolverhampton City Council is only able to submit one bid per year, therefore after consideration by SEB, the following bids have been submitted:
- 2015/16: Families r First project to support the reduction of Looked After Children by working in partnership to identify and work with families in stress to intervene early to avoid their children being taken into care.
 - 2014/15: Health Visitor/Children's Centre ICT project aimed at funding technology for health visitors to enable them to carry out mobile work, therefore freeing up time to support families more effectively.

4. Procurement

- 4.1. The Black Country Broadband Business Support project is a £500,000 project funded by £250,000 of ERDF and £250,000 of Growing Places fund. The project aims to support businesses to take up and use technologies enabled by superfast broadband in recognition of the positive correlation on growth for highly digitalised SMEs. Cabinet (Resources) Panel agreed for Wolverhampton City Council to act as the accountable body on 11 September 2013.
- 4.2. £427,990 was allocated to procure a business support organisation to deliver the business support element of the project as follows:
- Level 1 engagement events to reach 550 SMEs
 - Level 2 one-to-one advice to 180 SMEs
 - Level 3 seminars and group workshops 1,000 SMEs
 - Level 4 ICT diagnostic review to 180 SMEs
 - Level 5 ICT project support and mentoring
- 4.3. Wolverhampton City Council issued the OJEU notice on 20 May 2014 with a deadline for receipt of tenders 30 June 2014. A condition of the ERDF grant is to complete procurement of the business support element in order to achieve the profiled spend in 2014. The procurement report seeking approval to appoint Winning Moves based on this tender process is covered elsewhere on this agenda.

5. Financial implications

- 5.1. Cabinet (Resources) Panel has agreed that Wolverhampton City Council would act as accountable body and contribute match funding for Black Country GOLD. All these applications for external funding aim to boost the Council's resources in times of budgetary constraints. [TK/14072014/C]

6. Legal implications

- 6.1. There are no direct legal implications to this report. Previous reports have been approved by Cabinet (Resources) Panel seeking agreement to enter into collaboration agreements to share the risk across the Black Country partners. [RB/20062014/K]

7. Equalities implications

- 7.1. Externally funded projects must demonstrate how equality and diversity issues are taken into account. A condition of RGF funding is compliance with the Equalities Act 2010. All ERDF funded projects must demonstrate how equality and diversity issues are taken into account.

8. Environmental implications

- 8.1. All ERDF funded projects must demonstrate how sustainability issues and opportunities are taken into account. The BC GOLD project extension will offer this support to businesses in other sectors.

9. Human resources implications

- 9.1. Existing funding for BC GOLD funds a team of 2.5 FTE until the end of June 2015. The additional ERDF would extend these externally funded posts for another 6 months, until 31 December 2015 subject to funding.

10. Corporate landlord implications

- 10.1. There are no corporate landlord implications.

11. Schedule of background papers

- Cabinet (Resources) panel 29 January 2013: External Funding Update: ERDF and RGF Projects
- Cabinet (Resources) panel 26 November 2013: External Funding Update: Regional Growth Fund and European Regional Development Fund
- Cabinet (Resources) panel 11 September 2013: BC Broadband Business Support Project