

Cabinet (Resources) Panel

15 January 2019

Report title	External Funding Update 2018	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Richard Lawrence, Director of Regeneration	
Originating service	Local Economies	
Accountable employee	Heather Clark	Service Development Manager
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Report to be/has been considered by	Regeneration Management Team	9 October 2018
	Strategic Executive Board	18 December 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for City Environment and the Cabinet Member for Resources, in consultation with the Service Director of City Environment and Director of Finance, to approve the grant funding agreements relating to the Smart Intelligent Infrastructure Investment bid and to approve the necessary budgets if the bid is successful.
2. Delegate authority to the Cabinet Member of City Economy, Cabinet Member of Resources, in consultation with the Director Regeneration and Director of Finance to approve the grant funding agreements relating to the Cultural Development Fund bid and to approve the necessary budgets if the bid is successful.
3. Approve an increase of £14,717 to the capital programme for the Black Country Blue Network project, which is fully funded through section 106 monies, to maximise the use of existing European Regional Development Fund (ERDF) grant.

4. Approve a revenue budget based on the Rough Sleeper Cold Weather fund allocation to the value of £20,000 which is fully funded.

Recommendations to note:

The Cabinet (Resources) Panel is asked to note:

1. That the ERDF bid for Smart Intelligent Infrastructure Investment has been submitted to the Ministry of Housing, Communities and Local Government as managing authority for ERDF and the outcome is awaited.
2. That the bid for Cultural Development Fund monies has been submitted to the Department for Digital, Culture, Media and Sport and the outcome is awaited.
3. That the bid for Controlling Migration Fund monies has been submitted to the Ministry of Housing, Communities and Local Government, and the outcome is awaited.

1.0 Purpose

1.1 To seek necessary approvals relating to a number of bids for external funding.

2.0 Background

2.1 The securing of external monies is important to funding the delivery of the Council's key priorities. Resources include a dedicated external funding team who provide support to bid for external funding ranging from advice and guidance to bid leadership. The selection of externally funded projects contained in this report will help to deliver culturally driven economic growth including an Events City and creative workspace through Animate Wolves, digital infrastructure to support growth and innovation through Smart Intelligent Infrastructure Investment, improved green space and English as a second language provision.

2.2 Cabinet (Resources) Panel on 20 March 2018 agreed to the development of a full application for European Regional Development Fund (ERDF) funding for a Smart Intelligent Infrastructure Investment project should the outline application be successful.

3.0 External Funding Update

3.1 An overview of the grant bids and their current status is shown in the table below.

Table 1 – Overview of Grant Bids

Funder	Project Overview	Funding and Outcomes	Current Status and Approvals Required
European Regional Development Fund (ERDF)	<p>Smart Intelligent Infrastructure Investment will invest in Smart infrastructure:</p> <ul style="list-style-type: none"> • Embed smart technology within low carbon lighting. • Investment in alternative transport infrastructure and digital data capture. • Integration of datasets into an intelligent information platform. 	<p>Total project cost £5.8 million attracting ERDF grant of £2.4 million ERDF</p> <p>Council grant recipient Capital match in place. Revenue match staff time.</p> <p>Outcomes: Reduction in CO² emissions and Smart enable 18,570 street lamp columns.</p>	<p>Full bid submitted.</p> <p>Delegated authority is sought to enter into Grant Funding. Agreement and approve the budget.</p>

<p>Department for Digital, Culture, Media and Sport (DCMS), Cultural Development Fund (CDF)</p>	<p>Animate Wolves! uses culture to maximise economic impact:</p> <ul style="list-style-type: none"> • Reimagine the city centre as Events City installing sustainable infrastructure in four new events spaces and a programme of additional events. • Green Room Pop Up theatre • Stimulate creative businesses and retain talent through creation of Creative Tech Workspace and creative skills programme . • Increased cultural participation through co-creation of 40 community arts projects working with communities across the Black Country matched by crowdfunding 	<p>£6.2 million CDF towards total project costs of £12.8 million (incl. c.£0.3 million 'in kind' match funding).</p> <p>Match funding from cash and in kind contributions from the private sector funding.</p> <p>Outcomes: (gross value added (GVA) gain, visitor numbers, new creative tech floorspace, business and learner assists.</p>	<p>Full bid submitted</p> <p>Decision anticipated 1 February 2019.</p> <p>Delegated authority is sought to enter into Grant Funding Agreement and approve the budget.</p>
<p>ERDF</p>	<p>Black Country Blue Network aims to improve biodiversity and rehabilitated land across the Black Country including Wyrley and Essington Local Nature Reserve (LNR) and Smestow LNR</p>	<p>Wyrley and Essington Canal Scheme within the Black Country Blue Network has project costs of £29,434. £14,717 is funded through ERDF, already included in the capital programme, to be matched by £14,717 section 106 monies.</p>	<p>Approved project.</p> <p>Approval is sought to increase the budget by £14,717, funded by section 106 monies.</p>

Controlling Migration Fund	English for Speakers of Other Languages (ESOL) Pathways Programme: in partnership with Wolverhampton Learning Platform CIC, the Programme will deliver English as a Second Language (ESOL) training at entry level, sector specific and basic and functional skills including working with ESOL costs	£306,000 total of which £236,000 grant January 2019 – January 2020 Outcome: 700 people assisted to improve language skills.	Full bid submitted.
Ministry of Housing, Communities and Local Government	Rough Sleeping Cold Weather Fund: additional funding to support as many people off the streets as possible for the upcoming winter - until March 2019.	Resources capped at £20,000, fully grant funded.	Approval is sought for a revenue budget based on the Rough Sleeper Cold Weather fund allocation for £20,000, which is fully grant funded.

4.0 Evaluation of alternative options

- 4.1 **No bid** - projects would not proceed or would proceed at a lesser scale or over a longer timescale if external funding was not available. For example, Smart Intelligent Infrastructure Investment: although the LED lighting would proceed without the bid, it would not have the capacity to run Smart technology without an expensive retrofit so would be unable to fulfil smart functions such as capture footfall data, air quality data etc.
- 4.2 **Bid** - external funding enables the Council to deliver priority projects at a faster pace with greater impact with positive impact on regeneration activity and economic growth including gross value added (GVA) gain, learner assists. For example, Smart Intelligent Infrastructure Investment: with ERDF resources, we can enable LED street lighting with Smart technology and achieve wider low carbon benefits including solar lighting along the canal.

5.0 Reasons for decision(s)

- 5.1 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. There is a risk of clawback of grant if rules and regulations are not followed, therefore dedicated Project Managers are built into costings for larger external funded projects to minimise risk.

6.0 Financial implications

6.1 The financial implications of each bid are outlined in the tables and narrative below. Should the bids be successful, there would be no additional net budget requirement for the Council as its financial commitments are limited to existing approved revenue and capital budgets. There is however, where applicable, a commitment to utilise certain budgets for future match funding purposes.

Smart Intelligent Infrastructure Investment

- 6.2. Funding is sought for project management costs and to install Smart Infrastructure such as light emitting diode (LED) light bulbs, sockets to enable future 5G, temperature and light sensors and network nodes to enable information updates on services.
- 6.3. Revenue match is from existing staff time and capital match for LED lighting which is currently approved expenditure within the capital programme. A dedicated project manager will be responsible for ensuring the project is delivered within budget and timescale.
- 6.4 If the bid is successful and the grant offer is accepted, there would be no impact on the net position of the capital programme or general fund budget.
- 6.5 It is anticipated that the profiled revenue and capital spend, which reflects the submitted bid, will be as per the table below.

Table 2 - Smart Intelligent Infrastructure Investment Funding and Phasing

	2019-2020 £000	2020-2021 £000	2021-2022 £000	Total £000	Comments
Revenue					
ERDF	94	105	106	305	One full time equivalent (FTE) project manager, evaluation costs indirect on costs
CWC Match Funding	170	189	191	550	Staff time within existing City Environment budgets
Total Revenue	264	294	297	855	
Capital					
ERDF	824	930	360	2,114	Sockets to enable future 5G, temperature & light sensors, network nodes
CWC Match Funding	1,138	1,284	497	2,919	LED lighting funded by existing approved street lighting capital programme
Total Capital	1,962	2,214	857	5,033	
Total Revenue and Capital	2,226	2,508	1,154	5,888	

Cultural Development Fund

- 6.6 The table below summarises the phasing of the project. Match funding has been identified through cash and in kind private sector funding, crowdfunding to draw down a pot of resource to fund community cultural activities and capital funding for the Westside Link scheme subject to full business case. Grant resources would only be drawn down if the crowdfunding target is reached.
- 6.7 A dedicated programme manager will be responsible for ensuring the project is delivered within budget and timescale, however there is scope in the budget to move funding around should any sub-projects cost more than anticipated. If the bid is successful and the grant offer is accepted, there would be no impact on the net position of the capital programme or general fund budget.
- 6.8 Should the bid be successful, further approvals will be sought to award any grant allocations to delivery partners and community organisations.

Table 3 - Cultural Development Fund Funding and Phasing

	2019- 2020 £000	2020- 2021 £000	2021- 2022 £000	Total £000	Comments
Revenue					
CDF	680	842	671	2,193	
Match Funding	150	150	150	450	Crowdfunding
Total Revenue	830	992	821	2,643	
Capital					
CDF	734	2,500	779	4,013	
Match Funding	2,438	2,750	687	5,875	Grand Theatre match and Westside Link public realms work
Total Capital	3,172	5,250	1,466	9,888	
Total Revenue and Capital	4,002	6,242	2,287	12,531	

Controlling Migration Fund ESOL Pathways

- 6.9 The bid has requested £236,000 towards total project costs of £306,000 with match funding made up of staff time. If the bid is successful and the grant offer is accepted, there would be no impact on the net position of the capital programme or general fund budget.

Table 4 - Controlling Migration Fund ESOL Pathways Funding and Phasing

Revenue	2018 - 2019 £000	2019- 2020 £000	Total £000
Controlling Migration Fund	59	177	236
Match funding	18	52	70
Total Revenue	77	229	306

Black Country Blue Network (Wyrley and Essington Canal Scheme)

- 6.10 This ERDF funded project is currently in delivery and due to end 31 March 2019. Extra ERDF grant funding has become available due to an underspend in one of the partner capital budgets. There is the opportunity for CWC to utilise £14,717 of ERDF capital grant funding on the Wyrley and Essington canalside habitat improvements scheme by increasing the CWC match. Subject to approval of this report, the match would come from Section 106 funds received from Taylor Wimpey for the Jennie Lee residential development.

Rough Sleeping Cold Weather Fund

- 6.11 This is additional funding to help support rough sleepers in securing accommodation for the upcoming winter until March 2019. Permission is sought to set supplementary income and expenditure budgets up to a maximum of £20,000 to spot purchase additional beds.
[RT/12122018/R]

7.0 Legal implications

- 7.1 Where the City of Wolverhampton Council act as lead body for externally funded projects, the Council will be required to enter into a funding agreement with the Funder which outlines the project and also sets out rules and regulations that must be complied with. Where partners are involved in the projects delivery, the Council will enter into grant funding agreement with delivery partners setting out their responsibilities and ensuring compliance with the funders rules and regulations
[TS/13122018/R]

8.0 Equalities implications

- 8.1 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.

9.0 Environmental implications

9.1 Sustainability is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects.

10.0 Health and Wellbeing Implications

10.1 The Smart Infrastructure bid includes data capture to encourage changes in behaviour encouraging more walking and cycling.

11.0 Human resources implications

11.1 There are no human resource implications.

12.0 Corporate landlord implications

12.1 There are no corporate landlord implications.

13.0 Schedule of background papers

13.1 None