

Report title	External Funding Update 2021/2022	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Charlotte Johns, Director of Strategy	
Originating service	External Funding and Digital Projects	
Accountable employee	Heather Clark	Head of External Funding
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Report to be/has been considered by	Regeneration Leadership Team	18 May 2021
	Strategic Executive Board	10 June 2021

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree that the Council to act as Lead Authority for the following Community Renewal Fund (CRF) bids to deliver key priorities for the city including:
 - a. iGNITE (innovate, Grow, Navigate, Ideas, Technology, Entrepreneurship) – to support our vital local entrepreneurs, business start-ups and small and mid-sized enterprises (SMEs) around e-commerce skills;
 - b. Working towards Improved Resource Efficiency and De-carbonisation (WIRED) – to support our city carbon reduction commitment and vital local businesses through a large-scale innovative resource efficiency and energy reduction programme;
 - c. Wolverhampton Employment and Skills Support for All (WESSA) – to generate more jobs and learning opportunities for local residents, through piloting innovative, targeted approaches to delivering support to get Wolverhampton residents back to work;

- d. West Midlands Youth Engagement – to ensure we create more opportunities for our children and young people, through a bid to commission critical research into youth engagement.
2. Agree that the Council to act as delivery partner in the West Midlands Cultural Renewal and Creative Skills bid to the Community Renewal Fund, to support the revitalisation of our high streets with key activity around cultural and creative industries.
 3. Agree that the Council will support other key bids to the Community Renewal Fund that benefit Wolverhampton, including bids led by the voluntary community sector to support enterprise and employability, and the Good Things Foundation to provide intensive support to get people online which is in line with our ambitions around a fully digitally inclusive city.
 4. Delegate authority to the Leader of the Council, in consultation with Director of Strategy and Director of Finance to:
 - a. Approve acceptance of the grant funding agreements if the projects referred to in recommendation 2 above are successful.
 - b. Enter into back-to-back agreements with delivery partners if the projects referred to in recommendation 2 above are successful.
 - c. Approve necessary revenue and if required capital budgets in line with the funding agreement if the projects referred to in recommendation 2 above are successful.
 - d. Approve the use of the indirect costs element of any CRF grant to cover any additional administrative costs associated with the above funded programmes
 - e. Approve reimbursement of CRF grant to delivery partners who are awarded CRF.
 - f. Approve the payment of grants to businesses who are awarded CRF grant for WIRED.
 5. Stressing importance of timely decisions from the Ministry of Housing Communities and Local Government and delegate authority to the Leader of the Council, in consultation with the Director of Strategy and Director of Finance to deal with project adjustments if required.

1.0 Purpose

1.1 To seek approvals relating to bids and project change requests for external funding to meet the Council's priorities following the recent submission of bids to the Community Renewal Fund.

2.0 Background

2.1 The securing of external grants is important to funding the delivery of the Council's key priorities as set out in Our Council Plan, the Five-Year Financial Strategy and Relighting the City recovery commitment.

2.2 The Community Renewal Fund in 2021-2022 will support local areas to pilot new approaches and programmes, in advance of the UK Shared Prosperity Fund when it launches in 2022. 90% of funding available through the UK Community Renewal Fund is revenue funding. Local applications submit project proposals to our lead authority, the West Midlands Combined Authority (WMCA) who will appraise and produce a shortlist of projects – maximum of £3 million per place. Projects may align with one, or deliver across several, of the following investment priorities:

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

2.3 Applicants were encouraged to maximise impact and deliverability through larger projects (£500,000+), therefore projects have been packaged up to include other delivery partners, including sub-regional and regional interventions. Funding is available from 1 September 2021 – 31 March 2022. The outcome of the regional appraisal is expected on 18 June 2021, with the final outcome on the funding expected to be announced by government in late July/early August 2021.

3.0 Community Renewal Fund (CRF) Bids

3.1 Community Renewal Fund bids have been submitted for the following projects amounting to a total ask of £1.7 million (£1.1 million will go to Wolverhampton) for the projects we are leading on and the two partner bids we have supported worth £2.5 million (£0.6 million to Wolverhampton).

Table 1: Community Renewal Fund submissions

Funder	Overview	Funding and Outcomes	Current Status and Approvals required
CRF	iGNITE (innovate, Grow, Navigate, Ideas,	£451,023.80 CRF revenue and capital.	Bid submitted 12 May 2021.

	<p>Technology, Entrepreneurship) is a six-month pilot project which will support entrepreneurs, business start-ups and established small and mid-sized enterprises (SMEs) utilise training materials and events both online and in the hub facility to develop their business, find new customers and integrate e-commerce into day-to-day business activity.</p> <p>This will be complemented by trialling a physical location in Wolverhampton using vacant shop premises in I10 including presence from project partners - the Chamber of Commerce, City Council and the University.</p>	<p>Match funding is £100,000 Council approved budgets & £11,000 other partners.</p> <p>Support 75 businesses develop their e-commerce skills; Support 200 businesses through the physical hub; Support 10 businesses through graduate placements; Support 20 entrepreneurs start a business; Engage with 400 local businesses to test materials and develop new ones creating pipeline for future.</p>	<p>Approval is sought to act as lead authority.</p> <p>If successful, delegated approval is sought to: Enter into Grant Funding Agreement; Enter into back to back Grant Funding Agreement with project partners; Create revenue & capital budgets.</p>
CRF	<p>Working towards Improved Resource Efficiency and Decarbonisation (WIRED) will be a pilot for a large-scale innovative business resource efficiency / energy reduction programme with an emphasis on establishing energy data flows from SMEs to enable efficient interventions and decarbonisation investments to take place.</p>	<p>CRF requested £493,665 towards total project cost of £642,540 with match provided by project partner and private sector match</p> <p>100 x Direct Support (1-2-1) for businesses of which: 90 x SMEs 10 Large Businesses</p> <p>40 x Financial support in the form</p>	<p>Bid submitted 12 May 2021.</p> <p>Approval is sought to act as lead authority.</p> <p>If successful, delegated approval is sought to: Enter into Grant Funding Agreement; Enter into back to back Grant Funding Agreement with project partners;</p>

		of a grant (60% CRF funding; 40% business contribution)	Create revenue budget; Payment of grants to businesses.
CRF	<p>Wolverhampton Employment and Skills Support for All (WESSA) will pilot innovative, targeted approaches to delivering support to get Wolverhampton residents back to work:</p> <ol style="list-style-type: none"> 1. The Youth Employment Hub pilot will pilot a holistic approach to engaging young people in a city centre location. 2. Wolves at Work Plus is the scaling up of an established, successful job brokerage service to plug identified gaps, and offer an enhanced service to customers and businesses including: Job Matching officers, in-work support and Growth sector employer engagement. 3. Life after Lockdown will deliver a series of Health and Wellbeing support packages to targeted cohorts with specific needs. 4. First Steps Learning and Skills Programme will tackle the low skills levels of furloughed and redundant employees, together with 	<p>CRF requested £476,705.45 towards a total project cost of £778,531 with match from existing staff time and Youth Hub funding, (subject to successful bid)</p> <ol style="list-style-type: none"> 1. Engage and support 150 young people through the Youth Hub 2. Support 700 unemployed people 3. Introduce delivery into community settings where residents feel more comfortable 	<p>Bid submitted 12 May 2021.</p> <p>Approval is sought to act as lead authority.</p> <p>If successful, delegated approval is sought to:</p> <p>Enter into Grant Funding Agreement; Enter into back to back Grant Funding Agreement with project partners; create revenue budget.</p>

	those furthest from the job market.		
CRF	<p>West Midlands Youth Engagement: The pilot will commission research into youth engagement – why are young people not engaging, how best to engage, who should lead that engagement and the best communication channels to use. Based on the insight and findings, the information will help design and develop an over-arching engagement and communications campaign, that reaches young people, has a clear call to action.</p>	<p>CRF requested £150,000</p> <p>Outcomes 45,500 young people engaged</p>	<p>Bid submitted 12 May 2021.</p> <p>Approval is sought to act as lead authority.</p> <p>If successful, delegated approval is sought to: Enter into Grant Funding Agreement; Enter into back to back Grant Funding Agreement with project partners; Create revenue budget.</p>
CRF	<p>The Comeback: West Midlands Cultural Renewal and Creative Skills Programme will fund activities within Cultural Action Zones (CAZ) including:</p> <ol style="list-style-type: none"> 1. Making the most of Meanwhile utilising empty shops, community and green spaces for creative skills hubs, arts and cultural activity and studio workspaces and new creative business models. 2. Covid Safe Events delivering a programme of Covid safe, cultural events to reanimate high streets and help kick-start the return of the hospitality and night-time economy. 	<p>Wolverhampton ask £484,800 (24%) out of total project cost of £2.02m covering the West Midlands region.</p> <p>Outcomes include increased footfall, increased visitor numbers and learning assists</p>	<p>Bid submitted 12 May 2021.</p> <p>If successful, delegated approval is sought to: enter into back-to-back Grant Funding Agreement with Culture Central as lead; CWC will act as a partner to this bid and create supplementary revenue budget.</p>

	<p>3. Creative Digital Skills - A three-tiered digital skills programme focussed on enabling creative digital innovation upskilling disadvantaged young people and NEET adults to progress into jobs in the digital/creative industries; supporting creative businesses to innovate with environmental and immersive technologies.</p> <p>4. Sector specific development Industry specific training and mentoring programmes.</p> <p>The bid will also fund a Wolverhampton feasibility study and economic impact assessment to inform future bids.</p>		
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3.2 The Council have also supported other bids that will benefit Wolverhampton including: Black Country Enterprise Support Together (BEST) led by the voluntary community sector to support enterprise including social enterprise and support micro businesses. Digital Future: A Community Digital Inclusion Pathway for the West Midlands led by the Good Things Foundation will providing funding for voluntary community sector organisations to provide intensive support to get people online complementing our 100% digitally included Wolverhampton ambition. In addition, other Black Country bids which Wolverhampton would benefit from includes a voluntary community sector led employability bid led by WVCS, over 50's project led by Sandwell and Impact in-work support led by Dudley MBC.

4.0 Risks and Mitigations

4.1 **Dedicated Project Management:** External funding is subject to the funders rules and regulations which are outlined in the Grant Fund Agreement that the Council as lead body would enter into with the Funder. To ensure that funding requirements are complied with, to minimise risk to the Council, dedicated project management is costed into funding bids.

4.2 **Grant Funding Agreements:** with delivery partners: a number of the bids are partnership bids with the Council leading on behalf of a range of delivery partners. Delivery partners must enter into in a back to back Grant Funding Agreement outlining

their contributions and agreement to comply with the funders rules and regulations transferring risk of compliance and associated clawback.

- 4.3 **Indirect Costs:** CRF funded projects allow inclusion of 15% indirect costs to cover additional council costs if not specifically costed into the project. To minimise pressure on internal resources before and during delivery, indirect costs can be used to fund additional pressures such as those arising from dedicated finance and procurement support, compliance requirements.

5.0 Evaluation of alternative options

- 5.1 **No bid** - projects would not proceed or would proceed at a lesser scale or over a longer timescale if external funding was not available.

- 5.2 **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:

- iGNITE: CRF funding will fund a package of e-commerce training to complement and fill a gap in the current business support landscape complementing the physical enterprise hub in I10.
- WIRED: will provide a package of support for businesses to decarbonise through a package of support and grants.
- WESSA: will complement the city's current employment support offer Wolves at Work and the Youth Hub filling gaps including job matching, in work support and growth sector employer engagement.
- Regional Youth Engagement: will develop an approach to engaging young people in the plethora of support available.
- West Midlands Cultural Renewal and Creative Skills programme will pilot activities within Cultural Action Zones including meanwhile uses and COVID safe events to generate footfall and increase visitors to high streets and develop creative skills.

6.0 Reasons for decision(s)

- 6.1 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.

7.0 Financial implications

- 7.1 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 requirements for the Council as the contributions are limited to existing approved revenue and capital budgets. It should be noted there may be amendments to the projects as detailed in this report, key project changes and any associated financial impact will be reported and approved through the Council's Individual Executive Decision Notice (IEDN) process in line with the delegation requested above.

- 7.2 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 project's delivery, the Council will enter into a back to back grant funding agreement with delivery partners setting out their responsibilities and ensuring compliance with the funder's rules and regulations to mitigate the risk of non-compliance and possible grant clawback.
- 7.3 Community Renewal Funding does not require match funding, although will be taken into account as part of the appraisal process in relation to value for money. For the majority of projects set out below, match funding is sourced from existing funded activity including staff time, however if funding is approved and match funding is not in place, the bids can be withdrawn or scaled back as appropriate.

iGNITE

- 7.4 Funding is sought to develop a package of e-commerce activities. The other delivery partners involved in this project are Black Country Chamber of Commerce and the University of Wolverhampton.
- 7.5 Revenue match (£11,000) is from Chamber staff time and the Council's match (£100,000) is from Relighting the City Fund. A dedicated project manager will be responsible for ensuring the project is delivered within budget and timescale. If the bid is approved, there would be no impact on the net position of the Council's capital programme or revenue budget.
- 7.6 It is anticipated that the profiled revenue and capital spend will be as per the table below

Funding breakdown	2021/2022 £000's
Revenue	
CRF requested	431
Public sector match	0
CWC match	100
Other match	11
Capital	
CRF requested	20
TOTAL	562

WIRED

- 7.7 Funding is sought to develop a package of decarbonisation measures aimed at businesses. The other delivery partners involved in this project are Pro Enviro (a specialist environmental consultancy in receipt of Innovate UK public funding). We will also deliver across the sub-region but without any need for match / time commitment from local authorities.

7.8 Revenue match is from Pro Enviro and the 40 x businesses (£52,500). A dedicated full-time project manager will be responsible for ensuring the project is delivered within budget and timescale. If the bid is approved, there would be no impact on the net position of Council's the capital programme or revenue budget.

7.9 It is anticipated that the profiled revenue and capital spend will be as per the table below

Funding breakdown	2021/2022 £000's
Revenue	
CRF requested	494
Public sector match from Pro Enviro	52.5
CWC match	0
Other match from businesses towards grants	96
TOTAL	642.5

WESSA

7.10 Funding is sought to pilot innovative target activities that support residents back to work. The other delivery partners involved in this project are the Department for Work and Pensions (DWP) and the voluntary community sector.

7.11 Council revenue match (£252,000) is funded through existing budgeted staff time and the DWP funding for the Youth Hub (£50,000, bid submitted, awaiting outcome). A dedicated project manager will be responsible for ensuring the project is delivered within budget and timescale. If the bid is approved, there would be no impact on the net position of the Council's revenue budget. If the DWP funding is not secured this project would need to be scaled back.

7.12 It is anticipated that the profiled revenue spend will be as per the table below

Funding breakdown	2021/2022 £000's
Revenue	
CRF requested	477
Public sector match	
CWC match	252
DWP match	50
TOTAL	779

West Midlands Youth Engagement

7.13 Funding is sought to design and develop an over-arching engagement and communications campaign, that reaches young people, has a clear call to action backed up by a guaranteed outcome.

- 7.14 There is no match funding. If the bid is approved, there would be no impact on the net position of the Council's revenue budget.
- 7.15 It is anticipated that the profiled revenue spend will be as per the table below

Funding breakdown	2021/2022 £000's
Revenue	
CRF requested	150

West Midlands Cultural Renewal and Creative Skills Programme

- 7.16 Funding is sought to develop a package of pilot activities that use culture to reinvigorate the high street including meanwhile uses, Covid safe events and creative skills programme. This bid is being led by Culture Central with the Council and other local cultural stakeholders named delivery partners.
- 7.17 Council revenue match (£30,000) is from existing approved budgets within the Events Programme. Other match (£121,000) is provided through the delivery partners including Arts Council funded activity. A dedicated project manager will be responsible for ensuring the project is delivered within budget and timescale. If the bid is approved, there would be no impact on the net position of the capital programme or revenue budget.
- 7.18 It is anticipated that the profiled revenue will be as per the table below

Funding breakdown (Wolverhampton only)	2021/2022 £000's
Revenue	
CRF requested (Wolverhampton specific)	484
Public sector match	
CWC match	30
Other match	121
TOTAL	635

[HM/10062021/T]

8.0 Legal implications

- 8.1 Where the City of Wolverhampton Council acts 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 project's delivery, the Council will enter into a back to back grant funding agreement with delivery partners setting out their responsibilities and ensuring compliance with the funder's rules and regulations. All agreements will be carefully checked by the legal team.

[DP/11062021/A]

9.0 Equalities implications

- 9.1 CRF bids had to demonstrate how they have considered the equalities impacts, the relevant affected groups based on protected characteristics, and any measures in response to these impacts. For example, WESSA is specifically targeting young people through the Youth Hub and 50+ through Wolves at Work Plus.

10.0 All other implications

- 10.1 CRF bids had to demonstrate how does the project support the Government's Net Zero ambitions or wider environmental considerations. WIRED is specifically aimed at supporting businesses to decarbonise.
- 10.2 Funding has been included for temporary Project Managers to deliver the project. Due to the short timescale for delivery of six months, a fast turnaround will be required.
- 10.3 iGNITE included the new enterprise hub at I10 in as match funding.
- 10.4 WESSA included an intervention Life after Lockdown will deliver a series of Health and Wellbeing support packages to targeted cohorts with specific needs
- 10.5 The design of the CRF bids reflect the Relighting the City priority and are responding to a need arising from the pandemic such as additional need to support residents especially young people into employment, the need for digital support for businesses.

11.0 Schedule of background papers

- 11.1 None.