

REPORT TO: Corporate Policy and Performance Board

DATE: 1 November 2016

REPORTING OFFICER/S: Strategic Director – Enterprise, Community and Resources

SUBJECT: External Funding Update

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To provide an update to Corporate PPB on the work of the Regeneration Non Town Centres (RNTC) Team in securing external funding resources into Halton. This report covers the following issues:

- Success rate of applications and reasons for unsuccessful bids;
- An overview of major funding streams, including an update on the European Structural and Investment Fund (ESIF) (see Appendix 1);
- The cost of the Team against the level of funding secured;
- Effect on the Council's core budget, if any, of securing external funding; and
- A preliminary assessment of the likely implications for the borough of the recent EU referendum decision.

2.0 RECOMMENDATIONS: That Members note the content of the report.

3.0 BACKGROUND INFORMATION

3.1 The focus of the report is on the last five year financial period (in this case between April 2011 and March 2016) and on the work of the RNTC team. It concentrates on the three sections within RNTC Team: the Regeneration Team, External Funding Team and the Business Improvement and Growth (BIG) Team.

3.2 The Regeneration Team is responsible for the delivery of two Core Strategy Key Areas of Change: East Runcorn and Mersey Multimodal Gateway (3MG). Key projects for each workstream are listed below. *NB. New areas of work are in bold.*

- Sandymoor and Daresbury Urban Extension;
- Sci-Tech Daresbury Enterprise Zone;
- Castlefields Regeneration Programme;
- Windmill Hill and Murdishaw Neighbourhood Improvements;
- HBC Field at 3MG;
- **Mersey Gateway Regeneration Plan.**

3.3 The BIG Team is responsible for:

- The management of all local company expansion and inward investment projects;
- Proactive engagement with the most significant 50 companies in Halton;
- The management of the Council's relationships with external providers of business support services;
- **The maintenance of the Evolutive CRM system;**
- The management of a comprehensive database of all land and commercial property currently available in the Borough and the delivery of a free commercial property finding service;
- **The delivery of the Government's Growth Hub initiative locally;**
- **The delivery of the ERDF Priority 3 Liverpool City Region Intensive Business Support programme;**
- **The development, and potentially delivery, of new EU funded business support programmes;**
- The dissemination of information concerning business support initiatives to the business community;
- **Supporting Halton Chamber of Commerce and Enterprise to deliver and manage of two Business Improvement Districts at Astmoor and Halebank.**

3.4 The External Funding Team is responsible for preparing medium to large scale funding bids (primarily but not exclusively over £50,000) both for the Council and the voluntary and private sectors across the Borough, and aims to maximise external funding opportunities for Halton.

A key development was **a greater emphasis on support for colleagues within HBC**. To this end, meetings with Divisional SMTs have begun as part of a shift towards developing greater collaborative working with relevant Council Departments, in order to maximise external funding opportunities for Council-led projects and initiatives - see section 6. Key areas of work include:

- Maintaining a strategic approach to funding to ensure the most appropriate bids from Halton are submitted and internal competition is averted;
- Undertaking funding searches for specific projects; bid writing and development of supporting documents, e.g. policies and business plans etc.;
- Dissemination of funding information to target audiences through the production of monthly Funding Bulletins on 10 themes;
- Lobbying funders, and participating in key forums to ensure Halton gets its fair share of funding;
- Developing strong partnerships with Council colleagues and the third and private sectors where appropriate, to submit joint bids.

Key points to note:

- Workloads remain pressured and resources are stretched, so the External Funding Team needs to work in a smart and strategic way in relation to the projects we pick up in our caseload. Projects usually need to be over £50,000 in scale (unless they are part of a bigger project/vision); they need to have

been identified as a priority by the team/organisation making the request; have reached a particular level in relation to feasibility/evidence of need – see sample Enquiry Sheet at Appendix 2. We have produced a Bid Writing Reference Manual to encourage organisations to consider key aspects of their project before seeking further support. If projects are not at a stage where they are 'bid ready' we may not be in a position to support them.

- Several attempts have been made in the course of the last ten years to capture all external funding secured across the whole Council. This has proven unsuccessful for various reasons, including lack of resource to gather and process the information, lack of response to requests made for funding information. What may have more success is for each Division or Department to undertake a similar exercise in their own right and the External Funding Team could collate.
- We have periodically undertaken an Impact Assessment to ascertain the longer-term impact of the funding we have helped to secure, looking at number of jobs created, sustained etc.; this will be picked up again in 2016-17.

4.0 FUNDING CONTEXT

- 4.1 In recent years the Council has targeted several key funding streams (see Appendix 3) whose main aims and objectives best fit the priorities of local projects and initiatives. By regularly monitoring significant policy trends and new funding developments, the Regeneration NTC Team is able to plan and develop bidding opportunities to secure the necessary investment to deliver socio-economic projects that benefit the people of the Borough.
- 4.2 Every major stream is subject to severe pressure due to increasing competition and some reductions in fund values. This places greater emphasis on the importance of good quality, well-planned bids that can demonstrate (as a minimum requirement) strong evidence of local need, gaps in provision and genuine partnership working.
- 4.3 A number of recent trends could have a bearing on the Council's future performance in securing funding. For example, the Big Lottery's Reaching Communities Fund is steadily reducing the proportion of approved Stage One applications, in order to achieve higher standards of application (and, consequently, an improved pass rate) at Stage Two. Furthermore, indications suggest it is likely to approve fewer applications from previously-funded projects for a second tranche of 'continuation' funding in future years. There are several approved community projects in Halton that fit this category and are potentially at risk unless alternative resource plans (including alternative grant sources) are put in place.
- 4.4 In addition, a lobbying campaign took place to persuade UK Government to reimburse to the Big Lottery Fund £425million that was top-sliced for the 2012 Olympic Games. According to the Industrial Communities Alliance, Lottery grants are not fairly or evenly distributed between areas and, in the last five years, communities in industrial Britain received only around 60 per cent of the national average award per head. The UK Cabinet Office is currently

consulting major stakeholders on the future policy direction of the Big Lottery Fund following publication of the Fund's new strategic priorities in 2015.

- 4.5 The Landfill Communities Fund, of which Halton-based projects have benefitted in recent years (see WREN grants table at Appendix 4 as an example), is steadily contracting due to the gradual closure of landfill sites and net reduction in fund value by UK Treasury. These funds have proven a valuable investment in local community amenities and infrastructure. Again, the RNTC Team will collaborate with internal and external partners to explore relevant alternative funding opportunities as they arise to help deliver local projects and initiatives.
- 4.6 It is unlikely that committed EU funds will be affected by the outcome of the EU-Referendum for the duration of their funding cycle. See Appendix 1 for an ESIF update. However, the likely long-term impact on wider external funding opportunities as a direct consequence of the Brexit decision will depend, in part, on how the UK economy responds to the withdrawal from the Union. To this extent it is too early to judge, but recent developments such as the downgrading of the UK's credit rating and temporary freezing of major corporate investment decisions, may inevitably have a knock-on effect on national and local economies. This, in turn, leads to less public money in circulation and a greater demand on external funding providers to support projects and activities that deliver socio-economic benefits.

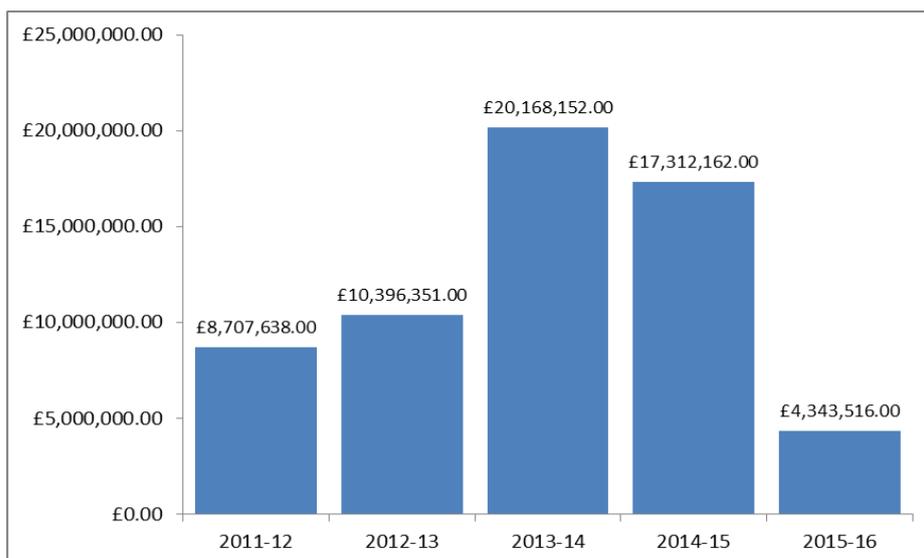
The RNTC Team will continue to monitor developments in close collaboration with regional partners and colleagues to respond early to any significant impact on future funding plans and aspirations for the Borough. At the present time there is no indication that key funding bodies have altered their grant priorities or cash available as a direct result of Brexit.

- 4.7 The funding environment remains vibrant with many opportunities from over 9000 UK-based funding bodies for the right projects to secure grant support. The RNTC Team will continue to collaborate with internal and external partners to explore relevant alternative funding opportunities as they arise to help deliver local projects and initiatives.

5.0 FUNDING DATA

5.1 Funding Secured

The graph below shows details of the funding secured by the RNTC Team between 2011 and 2016; in 2016/17 the Team has already secured funding of £5m and is in the process of supporting pipeline projects worth around £29m. N.B In order to avoid double counting, as far as possible, these figures do not include funding secured by other Council Divisions.



The total funding secured by the RNTC Team in the five year period was **£58,610,893**.

The amount secured was lower in 2015-16 than in previous years as funding from large-scale regeneration schemes did not come in in this year. There can be peaks and troughs in securing funding as schemes take time to come to fruition and application processes can be drawn out.

5.2 Cost of the RNTC Team versus funding secured

The table below shows the ratio between team costs and funding secured for the last five years.

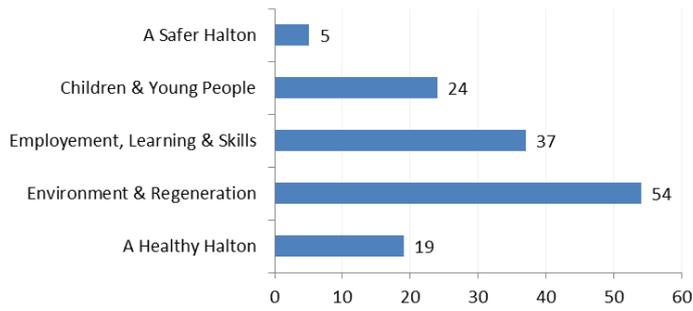
Year	Income Generation/Team Cost
2011-12	£23.58:£1
2012-13	£34.10:£1
2013-14	£74.49:£1
2014-15	£63.04:£1
2015-16	£29.61:£1

Taking a five year average, for every **£1** spent on the team, **£44.59** of grant was secured in funding for the Borough.

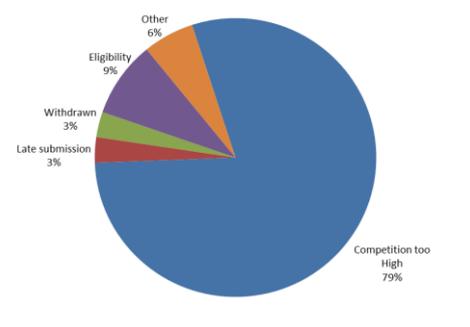
5.3 Bid Success Rate

The charts below show bid success rates for 2011-2016, as well as details of unsuccessful bid rates and the reasons for these. 72% of bids submitted in the period 2011-16 were successful.

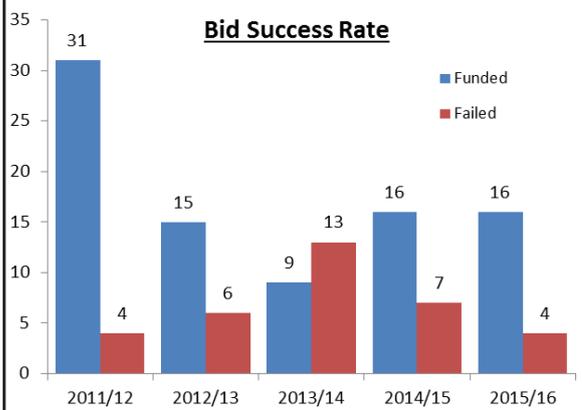
Funded Projects against HBC Priorities



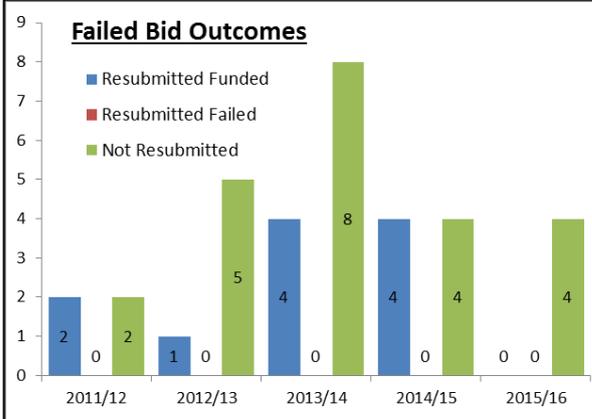
Reasons for Failed Bids



Bid Success Rate



Failed Bid Outcomes



6.0 INFLUENCE OF EXTERNAL FUNDING ON THE COUNCIL BUDGET

Section 3.19 of the Council's 2016/17 Budget Report states 'The budget strategy is predicated on the Government continuing to withdraw considerable amounts of grant from the Council. To help offset this loss, support will be given to our partners and the voluntary sector to lever-in monies into the Borough'. There are a number of ways in which the securing of external funding can alleviate pressure on Halton Borough Council budgets, and in some cases directly substitute Council expenditure.

However, as shown in the last report, this is difficult to quantify comprehensively. A range of funded projects and activities combine to generate continuing external income into the Borough. Some recent examples of these were provided in the last report.

Furthermore, in recent weeks the External Funding Team has begun meeting with Senior Management Teams across the Council to explore new and improved ways for collaborative working to maximise the take-up of external funds. This includes a full understanding by all parties of the funds available, the corporate role and services provided by the Team and each Division's priority objectives and delivery areas where external funding could make a difference.

The Team is actively supporting a number of key organisations in the Borough, some of which deliver core services to residents, and this in turn means less pressure on Council budgets to fund these services. Examples of organisations currently being supported include: Nightstop Communities NW, Halton Disability Partnership, Halton Community Transport and Catalyst Science Discovery Centre.

We have, to date, met with Departmental Management Teams and had some productive conversations and started to identify and log team priorities so that these can be matched with potential funding streams; follow up meetings with either full Teams or individual colleagues have been booked in.

In addition, support in securing funding for large-scale regeneration schemes in conjunction with private sector partners, again alleviates the need to allocate Council funds (staff resources are sometimes allocated in lieu of cash) and allows HBC to be part of some high profile and exciting developments.

7.0 CONCLUSION

- The majority of the available external funds accessible to Halton are regularly monitored and procedures are in place within the External Funding Team to maximise knowledge and access to the most relevant funding streams. The Team regularly improve these procedures following liaison with colleagues and partners.

- Whilst it is acknowledged that there are many teams within the Council that bid for funding, having a dedicated External Funding Team, allows Halton to have a source of specialist knowledge that can be drawn on across the whole Council, as well as by external partners, for the greater good of the Borough.
- We should continue to liaise with Chief Officers and SMTs on the identification of priorities for funding support.

8.0 APPENDICES

1. European Structural and Investment Funds 2014-2020 Programme Update
2. Internal Enquiry Form
3. WREN funding table Halton
4. Key External Funding Streams

9.0 GLOSSARY

3MG	Mersey Multimodal Gateway
BIG	Business Improvement and Growth Team
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Fund
LCR	Liverpool City Region
LEP	Local Enterprise Partnership
RGF	Regional Growth Fund
RNTC	Regeneration Non Town Centres Team
Third Sector	Part of an economy or society comprising non-governmental and non-profit-making organisations or associations, including charities, voluntary/community groups, etc.

10.0 APPENDICES

Appendix 1 - European Structural and Investment Funds 2014-2020 Programme Update

PURPOSE OF THE UPDATE

The purpose of this report is to provide an update on the European Structural and Investment Funds (ESIF) Programme 2014 to 2020.

The report sets out the context at a Liverpool City Region (LCR) level and also gives details on the funding bids Halton has been developing. Reference is made to future funding 'calls for bids'.

The ESIF Programme primarily covers the European Regional Development Fund (ERDF) and European Social Fund (ESF) grant schemes. The funds have been allocated notionally, with Liverpool City Region (LCR) receiving €221.9m (circa £185m). Halton as a 'More Developed' area will receive a notional allocation of £16.9m. LCR will also receive £22.2m from the Youth Employment Initiative Fund which aims to help young people aged 16 to 29 years find work and will be matched by an equal amount from the European Social Fund.

The LEP areas were originally identified as being the managing agents of the funds but due to the European Commission not recognising the LEPs status ESIF became a national programme with the Department for Communities and Local Government (DCLG) and the Department for Work and Pensions (DWP) now the Managing Authorities. The priorities for the England programme include:

- innovation and research and development;
- support for small and medium-sized businesses;
- low carbon;
- skills;
- employment and social inclusion.

March 2015 Calls:

A number of calls were published in March 2016 to which Halton responded to with City Region colleagues and were successful.

Under Priority Axis 3c 'SME Support' HBC are part of project along with a consortia of LCR Partners for an 'LCR Integrated Business Support' Project that will provide SME's with bespoke, intensive and specialist support and will link with the LCR Growth Hub. The Consortia made up of the LCR Local Authorities, Liverpool Vision, the LEP and St Helens and Liverpool Chambers of Commerce.

The total project is for £6m with a view of drawing down nearly £3m of ERDF. HBC are providing over £230k in match funding to deliver a three year project costing over £450k in total. Project delivery has commenced in Halton after a recruitment and procurement process was completed in March.

The project has already received enquiries from 33 businesses with 13 of those continuing to the 2nd stage of support for specialist advice.

Under Priority Axis 1 'Inclusive Labour Markets' of the European Social Fund HBC are part of a consortia made up of all six Local Authorities and Merseytravel. The 'Ways to Work' Project is an integrated careers information, advice and guidance service for young people & adults to progress to sustainable employment and develop skills. The project will also incorporate elements of the Youth Employment Gateway (YEG) project. Young people will also have access to intensive mentoring and be provided with paid employment placements.

The total project cost is £42m, with a view of drawing down nearly £30m of ESF and Youth Employment Initiative (YEI). HBC are providing £1.3m in match to deliver a three year project costing £3.3m in total. Project delivery commenced in Halton in January this year through the extension of the 'Youth Employment Gateway Project' which has now registered up to 57 local young people. Recruitment is currently being undertaken following a divisional restructure therefore the other elements of the project are due to commence in July.

August Calls:

DCLG also published further calls under Priority Axis 3 for the following:

- Place Marketing for Investment;
- Gap Funding Projects for new commercial facilities.

For the 'Place Marketing for Investment' call a full application was submitted in March. HBC are part of a consortium project with the LCR LEP as the lead applicant and the Combined Authority as the Accountable Body. The project will be to develop a modest supply chain\sector development initiative focused upon the AEM and pharma' sector. The Council will provide cash match up to the value of £25k each year, for a three year period. DCLG will let feedback the outcome of the 2nd stage bid sometime in June.

October Calls:

The Council are also part of a LCR wide consortium bid with VOLA who are the lead applicant for a Digital Inclusion Project through the Big Lottery Fund Building Better Opportunities call. BLF are an 'Opt In' provider of the European Social Fund who have recently released two calls; 'Digital Inclusion' and 'Financial Inclusion'. The total amount of funding available is £1.6m for Digital and £2.5m for Financial. The 1st stage application submitted by VOLA has been successful and we have been invited to submit a 2nd stage application by September. The Council will be working with VOLA and other partners over the next couple of months to put a quality bid together. If successful the project commencement would be January 2017.

The ESIF Committee:

- The LCR ESIF Committee meetings continue to take place, with Cllr Cargill attending as a representative of the Combined Authority.
- One of the roles of the ESIF Committee is to assess applications for Strategic fit. The respective Government Departments responsible for managing the programmes i.e., DCLG for ERDF and DWP for ESF, will provide a summary of the applications to the ESIF Committee, who will then have 5 days to provide feedback. This is significantly less input, time and information than had been originally envisaged and committed to by Government and is a real concern to partners.
- The ESIF Committee has been supported by relevant officers including Halton's OD for Economy, Enterprise & Property across the City Region to provide technical input and a perspective on strategic fit.

- This is due to the level and volume of the bids being received. Strategic fit must be based on the ESIF Strategy written by the LEP, which has been developed with strong references to the Strategic Growth Plan and a number of LCR wide Strategies, including the Innovation Plan, the Low Carbon Plan, the Super Port Plan, the emerging Enterprise Strategy, the Annual Employment and Skills Statement and associated Skills for Growth Agreements.

Appendix 2 - Internal Enquiry Form

Internal Project Enquiry Form		
Please ensure for each HBC project that requires support from the External Funding Team, that the points below have been given consideration. Complete each section as fully as possible and forward to the Team or email funding@halton.gov.uk		
1. Officer Name		
2. Job Title		
3. Department/Directorate		
4a. Telephone number		
4b. Email address		
5a. Project Name		
5b. What is the project or service for which funding is required?		
6a. Has the project been presented to senior management and been approved?		
6b. Please provide the date and meeting the project was/will be presented to.		
7. How much will it cost (if known)?		
8. What level of support is required from the External Funding Team? (Please mark yes or tick applicable boxes)	Identifying funding sources	
	Liaison with funding bodies	
	Identifying/facilitating a partnership	
	Drafting a bid	
	Proof-reading a bid	
9a. Is the activity already being delivered and if so, what is the added value of the potential funds?		
9b. How is it currently being funded?		
10a. Has funding been identified for this project? If so, please state the funding streams and if the eligibility criteria have been checked and the project is eligible?		
10b. Or, do you require a funding search to be undertaken?		
11a. If match funding is required has		

this been identified and applied for?		
11b. Please state if match funding has been confirmed or not?		
12a. Are the resources in place to deliver the project and to manage the external funding?		
12b. Have you considered the capacity of the Dept. or partner organisation to deliver the outputs required by the funding body?		
13. How does the project contribute to the objectives of the Corporate Plan and Sustainable Community Strategy?		
14. Which of the Halton's Strategic Priorities does the project meet and how? (Please mark yes or tick applicable boxes)	1. A Healthy Halton	
	2. Halton's Urban Renewal	
	3. Employment Learning & Skills in Halton	
	4. Children & Young People in Halton	
	5. A Safer Halton	
15. Have you considered links to other council/partner initiatives and whether this activity could be linked to existing activity, and any partnerships developed?		
16. Which ward(s) will the project be delivered in?		
17. What is the timeframe for funding?		
If you have any queries about this form or wish to discuss a project, please contact the External Funding Team		

Appendix 3 – Key External Funding Streams include:

Regional Growth Fund	https://www.gov.uk/government/policies/regional-growth-fund
European Structural and Investment Funds 2014-2020 Programme (European Regional Development Fund & European Social Fund)	https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds
Big Lottery Fund	https://www.biglotteryfund.org.uk/
Heritage Lottery Fund	https://www.hlf.org.uk/

Landfill Communities Funds include:

BIFFA	http://www.biffa-award.org/
WREN	http://www.wren.org.uk/

Viridor	http://www.viridor-credits.co.uk/
Veolia	http://www.veoliatrust.org/

Appendix 4 - WREN Table

Year	Project Title	Commitment
12/08/2015	Catalyst SDC - Boiler replacement	£47,400
12/08/2015	Mersey Gateway Environmental Trust - Beyond our Bridges	£190,110
29/07/2015	Widnes-Outdoor Gym Spike Island	£14,782
23/04/2015	Halton Norton Priory Museum	£3,300
23/04/2015	St Mary's Comm Centre Asbestos Removal	£50,000
08/12/2014	Victoria Park Glasshouses Project	£15,000
08/12/2014	Widnes RUFC Access For All Project	£25,000
11/08/2014	Widnes - Spike Island Lock Restoration	£50,000
15/04/2014	Hale - The Oglet Project	£50,000
15/04/2014	Halton Brook Holy Spirit Heating Upgrade	£22,407
15/04/2014	Runcorn - Palace Fields Community Park	£46,268
14/08/2013	Runcorn - Sanders Hey Playground	£46,613
14/08/2013	Runcorn Memorial Project	£21,104
27/02/2013	Preston Brook Village Hall Refurbishment	£49,996
27/02/2013	Widnes - Birchfield Community Gardens	£6,000
05/12/2012	Widnes Baptist Church Comm Rm Upgrade	£8,220
09/08/2012	Preston On The Hill - Methodist Church Refurbishment	£8,072
09/08/2012	Runcorn-Scout Hut Renovation	£25,409
01/03/2012	Runcorn-Trinity Church Kitchen Upgrade	£43,000
01/03/2012	Widnes-Catalyst SDC Upgrade	£50,000
01/03/2012	Widnes-St Marys Community Centre Heating Project	£9,152
24/11/2011	Runcorn Boys Club Building Improvement	£47,532
24/11/2011	Runcorn Grangeway Muga Floodlights	£27,928
24/11/2011	Runcorn Holy Trinity Church Keep Warm	£50,000
24/11/2011	Widnes-St Luke's Scout & Guide Hall Upgrade	£28,392
11/08/2011	Halebank Youth Club Improvements	£50,000
11/08/2011	Widnes The Hornets' Nest	£35,350
24/02/2011	Hale Youth Centre Upgrading	£49,731
16/12/2010	Widnes - Upton Green Playground	£3,000
16/12/2010	Widnes Cricket Club Disabled Facilities	£75,000
14/10/2010	Runcorn Hill Imaginative Play	£32,250
24/06/2010	Moore - 1st Moore Scout Hall Rewiring	£22,242
24/06/2010	Runcorn - Churchill Hall Refurbishment	£44,570
24/06/2010	Runcorn Halton Lodge Community Centre	£45,000
24/06/2010	Widnes Warth Nr - Saltmarsh Conservation	£34,478
18/03/2010	Halton Millennium Green Refurbishment	£19,106
Total		£1,346,412