

REPORT TO: Corporate Policy & Performance Board

DATE: 5th September 2017

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Resources

SUBJECT: External Funding Update

WARD(S) All

1.0 PURPOSE OF THE REPORT

1.1 To provide a further update to the Board on the work of the Regeneration Non Town Centres (RNTC) Team in securing external funding resources into Halton. The last update was presented to the Board in November 2016.

1.2 The Report covers the following issues:

- An update on the team's priorities/key activities
- Emerging issues in external funding
- Funding statistics for 2012 to end March 2017
- An update on the implications of Brexit on the ESIF programme
- A summary of a recent IDOX report on the External Funding function in local authorities

1.3 Key headlines from the Report include:

- Demonstrable increase in competition for external funding streams, underlined by the success rate of bids submitted having reduced in 2016-17.
- Evidence that local authorities that have a bespoke external funding function/team are more successful in accessing funding.
- An increase in availability of funding for visitor economy and cultural activity, including heritage and the arts.
- The development of a Training Programme by the External Funding Team for Council staff and partners.
- Evidence that the level of demand for funding support is increasing.

2.0 RECOMMENDATION: That

- 1. the report be noted; and**

2. the Board endorse the continued approach securing external funds.

3.0 SUPPORTING INFORMATION

3.1 The previous report focuses on the last five financial years (in this case between April 2012 and March 2017). The report focuses on the work of the External Funding Team; however, in relation to funding secured this incorporates the RNTC Team which comprises the Regeneration Team, External Funding Team and the Business Improvement and Growth (BIG) Team. Key work areas for each of the teams are listed below.

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).
- Sandymoor and Daresbury Urban Extension;
- Sci-Tech Daresbury Enterprise Zone;
- Castlefields 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.

The Team consists of the following posts:

- Lead Funding Officer - responsible for large-scale strategic bids recently ERDF, Regional Growth Fund, Growing Places Fund, One Public Estate; heritage, arts and culture lead; Connecting Cheshire lead; manages the Team; prioritisation of workloads; external liaison.
- Funding Officer – responsible for developing applications primarily with Halton’s Local Strategic Partners; leads on Lottery funding, Trusts and Foundations, Landfill funding and Training.
- Funding & Monitoring Officer – provides technical support in making claims for large-scale grants from Lottery, RGF, ERDF, GPF etc.; ensuring that claims are ‘eligible’ and grants meet the funders terms and conditions, once projects have been approved. (In addition to the funding advice service provided, the Team manages, on behalf of Halton BC, approximately £20m of regeneration grants.)
- Funding Development Officer - FIXED TERM TO MARCH 2020 – leads on the delivery of the European Programme 2014-20 for Halton – see Appendix 2
- Funding Support Officer – supports all the above; leads on dissemination of funding information; manages a small caseload of projects.
- The total cost of the Team is £154,476.

Emphasis has been placed more recently on support for colleagues within the Council. To this end, meetings with Divisional Management Teams have been taking place as part of a shift towards developing greater collaborative working with relevant Council Departments, as well as the development and delivery of masterclasses in bid-writing, and targeted information dissemination, in order to maximise external funding opportunities for Council-led projects and initiatives – further information on this is included in Section 6.

Key areas of work for the Team 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, mainly via the production of monthly Funding Bulletins on 10 themes;
- Lobbying funders, developing strong relationships with key funding bodies, 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.
- Develop a series of Masterclasses to be incorporated into an Annual Training Programme.

4.0 **FUNDING CONTEXT AND EMERGING ISSUES**

4.1 **Competition for Funding**

Competition for funding has been high for many years, but seems to be even more so in the current climate. The availability of funding remains strong, but the number of bids per funding stream appears to be on the increase. This has had an impact on the success of funding bids submitted/supported by the the Team, in particular in Quarter 3 2016-17.

Examples of competition for funding include:

- Association of Independent Museums (AIM)/Biffa History Makers Fund – the first round of this received £800k worth of applications, but only had £300k to give out in grants.
- The Big Lottery Fund Coastal Communities Fund Round 6 only supported 15% of applications through to Stage 2.
- Only 24% of bids to the latest round of Veolia Environment Trust were successful.
- The ESF Community Grants programme received £1.6m in applications, with only £270k in the pot.

Halton continues to compete with the larger conurbations of Liverpool and Manchester for some of the larger-scale funding streams.

This is the funding climate within which we are operating; it is therefore more important than ever that any bids that are submitted are of the highest quality if they are going to compete with others.

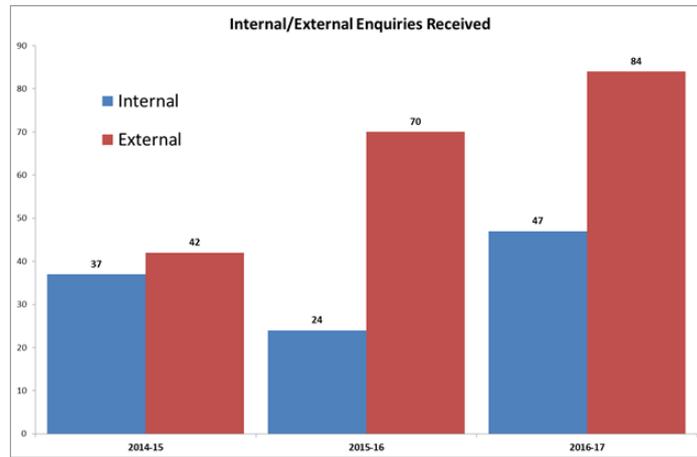
4.2 **Capacity and Demand**

Although the overall success rate of bids has been lower compared with previous quarters, demand for the services of the EFT has grown. In the year 2016-17 we received 131 requests for support with funding. This compares with a total for 2015-16 of 95 and 113 for 2014-15. Approximately one quarter of the 131 enquiries were referred on, for example to Community Development Team or

Business Improvement Team colleagues; 10 bids were submitted; and we continue to work actively on 22 of these enquiries; some of the 131 are awaiting further information.

It is possible that the increase in enquiries has meant that less resource is available to spend on each bid/project; it is therefore imperative that we are in a position to prioritise enquiries to ensure we are focusing on the most appropriate bids. Internally, this can be facilitated through our close working with departments.

This can be broken down into internal and external enquiries as follows:



This could be an indication that the marketing of our services to internal colleagues is working and also that there is an increased demand to look at grant funding to sustain and/or expand services.

An Idox Report in Summer 2016 explores how local authorities are having to adapt to Government funding cuts in an attempt to maintain the delivery of efficient and cost-effective services and highlights the importance of tapping into external funding sources and the role of the External Funding Officer in local authorities.

The report defines external funding as '*funding additional to local authorities annual allocation from central Government and extra to the funds that can be raised from local fees, taxes and charges. It is discretionary money not accounted for in the Formula Spending Share or equivalent, actively sought and applied for and secured through a competitive process, and awarded for specific proposals*'.

The function of the External Funding Officer within local authorities is captured in the following extract from the report:

In 2004, a CIPFA survey found 91% of local authorities had officers with dedicated responsibility for external funding, with an average six officers in full-time positions. It also found that local authorities with the lowest success in gaining external funding appeared to be

those with fewer staff dedicated to bidding for such resources.

As competitive bidding for external funds became increasingly important to local authorities, many continued to invest in their external funding team in order to get ahead in the field. A report in the International Journal of Public Sector Management found common traits and activities in seeking external funding. Pre 2010 many local authorities were:

- *Employing at least two teams of dedicated funding officers – one for Europe and one for SRB (single regeneration budget) funding, with varied responsibility for the Lottery – to seek additional funding from external sources.*
- *Increasing the size of external funding teams*
- *Employing project managers, required for successful bids, from within the council*

However, since austerity measures were introduced in 2010, cuts in staffing costs have meant that a growing number of authorities no longer have dedicated external funding teams or officers and their responsibilities have been absorbed by other roles. Between 2010 and 2013, local authorities reduced full-time equivalent posts by 16.6%.

This loss in dedicated resource and the external funding role being absorbed into other workloads could be viewed as a false economy. This is because core activity is either being side-lined for bidding activity or, most commonly, teams simply do not have the time and resource to engage in external funding over other priorities. Either way, this lack of dedicated resource places staff under pressure.

The full report is included at Appendix 1.

4.3 Arts, heritage, museums, culture, visitor economy/tourism

The Team has been undertaking more work in the area of visitor economy and culture (including heritage and the arts) in the last 12 months. There are some significant pots of funding, from, for example, Lottery and Government funding streams.

Examples of work being undertaken in this area include:

- LEP Visitor Economy Working Group
- Creative Conversations Group
- Halton Heritage Partnership
- Support for Halton Libraries in bidding for funding from Arts Council
- Pan Merseyside Arts Group

Resource for this area of work needs to be reviewed as part of the

ongoing workload of the Team; again, indications from relevant Council Departments as to the significance of this area of work, will help in the prioritisation process.

4.4 **ESIF Programme/Funding Development Officer post**

In addition to the above permanent posts, in July 2014 a Funding Development Officer (FDO) with a key responsibility for the promotion and delivery of the European Programme for Halton was appointed on a fixed term basis. The Programme was originally scheduled to run 2014-2020; despite the Brexit process, opportunities will remain over the next four years to access funding via the ESIF programme; the Autumn Statement in November 2016 confirmed the Government's commitment to honour the remaining period of the current programme:

- The Government has confirmed that it will guarantee funding for ESIF projects that continue after the UK has left the EU.
- Funding for new projects will only be honoured by the UK Government if they are good value for money and are in line with domestic strategic priorities
- The Combined Authority has begun to co-ordinate activity and a working group is being established with senior level input from the CA and Local Enterprise Partnership to identify the most pressing issues and coordinate action.

New calls continue to be released, the latest being a call to support SMEs; a bid is being developed for Halton based around managed workspace. It is also anticipated that further specialist input by the FDO will be required to support the ESF-funded apprenticeship hub scheme which is being led by HBC's Employment Learning and Skills Division.

Although funding was allocated to LCR under the ESIF Programme, this still needs to be applied for and managed through a rigorous application, assessment and monitoring process. Specialised resource is required to do this and to maintain Halton's excellent reputation in the draw down and delivery of European Structural funding.

This post has proven crucial to the delivery of the European Programme for the Borough and has resulted in additional investment into the Borough of around £4 million to date in the form of ERDF, ESF and matching funds.

The key achievements of the post are highlighted at Appendix 2.

4.5 Training

The Team has begun to develop a free Training Programme which consists of Masterclasses delivered by the Team and Meet the Funder style sessions. These are promoted to HBC colleagues and externally to the voluntary and other public sector partners.

Current planned activity includes:

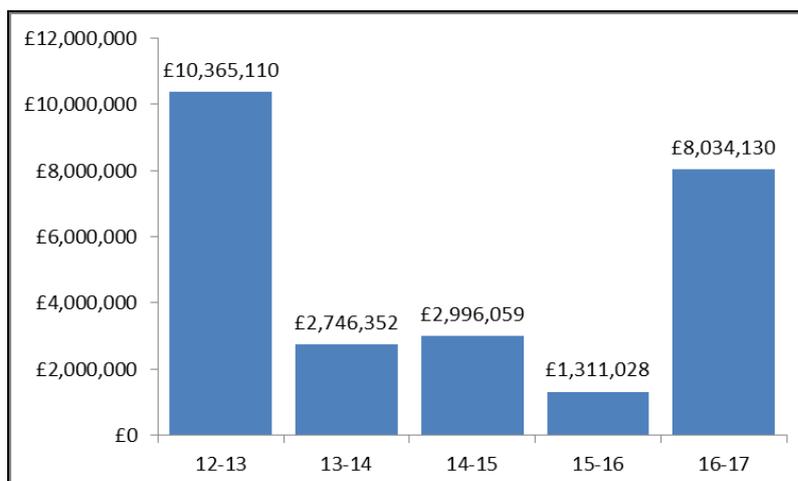
- Bid-Writing Masterclass – delivered quarterly and part of the Corporate Training Calendar
- Meet the Funder session – Big Lottery Fund’s Awards for All grants – planned for May 2017
- Faith Organisations – Funding Streams and Bid-Writing session – planned for June 2017
- How to evaluate your project effectively – planned for Autumn 2017

The training will improve bid-writing skill levels among both internal and external colleagues and also give a greater understanding of the context in which funding bids are submitted helping to ensure that bids are prioritised and of the highest possible quality.

5.0 FUNDING DATA

5.1 Funding Secured

The graph below shows details of the funding secured by the RNTC Team between April 2012 and March 2017; in 2016/17 the Team helped secure funding of just over £8m and is in the process of supporting pipeline projects worth around £34m. N.B In order to avoid double counting, as far as possible, these figures do not include funding secured by other Council departments.



The total funding secured by the RNTC Team in the five year period was **£25,452,679**. See Appendix 4 for a full breakdown of grants

secured in 2016-17.

5.2 Cost of the RNTC Team versus funding secured

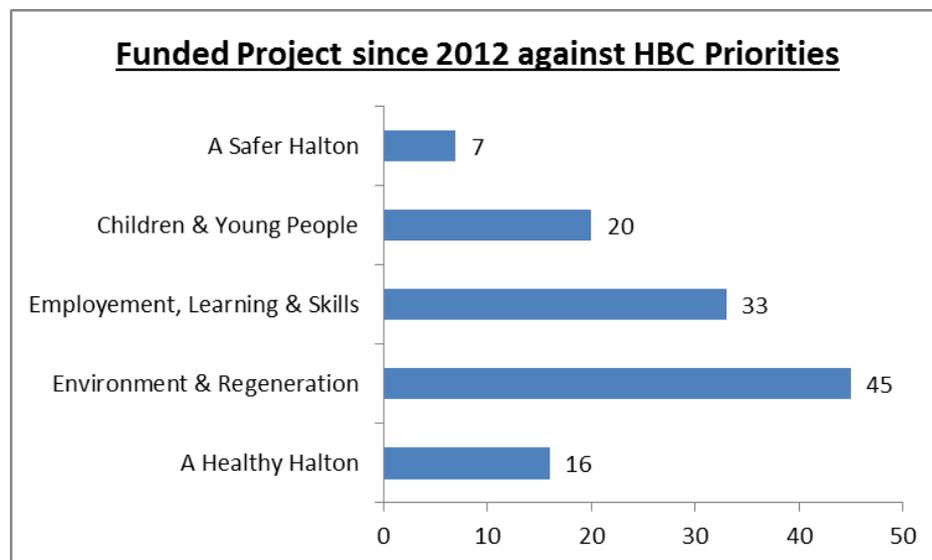
The table below shows the ratio between team costs and funding secured for the last five years.

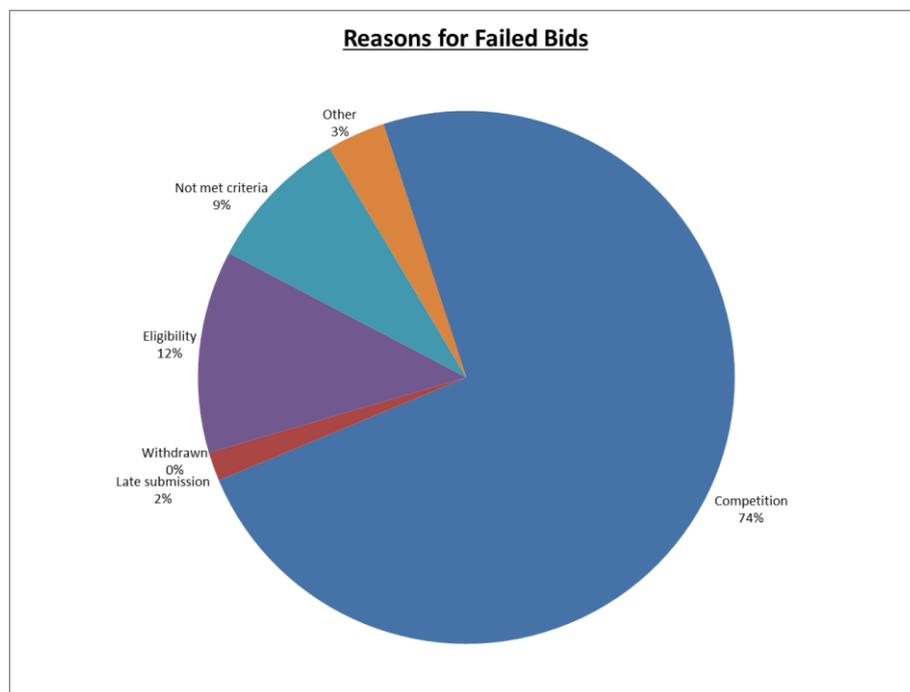
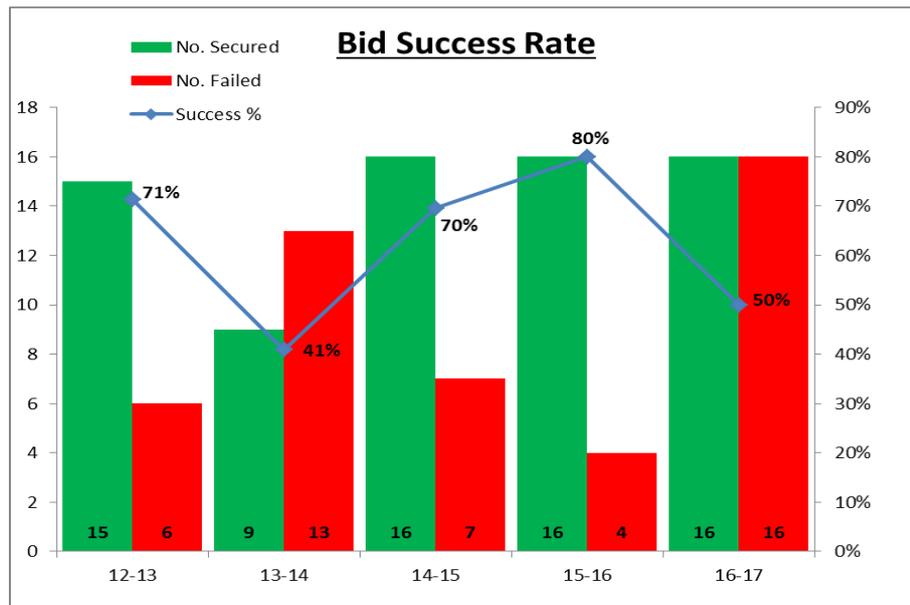
Year	Income Generation/Team Cost
2012-13	£34.10:£1
2013-14	£74.49:£1
2014-15	£63.04:£1
2015-16	£29.61:£1
2016-17	£52.01:£1

Taking a five year average, for every **£1** spent on the team, **£52.33** of grant was secured in funding for the Borough.

5.3 Bid Success Rate

The charts below show bid success rates for 2012-2017, as well as details of unsuccessful bid rates and the reasons for these. 61% of bids submitted in the period 2012-17 were successful.





6.0 CONCLUSION

6.1 The Team will continue to liaise with all Council Departments on the identification of priorities for funding support, looking at new ways to engage; also to develop support mechanisms for internal colleagues, through for example, the Training Programme.

6.2 Each Division or Department will undertake a similar exercise to record funding applied for and secured/failed for their own area; the External Funding Team would then collate this.

7.0 **POLICY IMPLICATIONS**

7.1 There are no specific policy implications associated with this report.

8.0 **OTHER/FINANCIAL IMPLICATIONS**

8.1 The report clearly demonstrates the importance for the Council and the Borough to continue to be able to attract external funding, particularly give the Council's ongoing financial constraints.

9.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

9.1 Failure to maximise the use of external funds will have a detrimental impact on all of the Council's priorities.

10.0 **RISK ANALYSIS**

10.1 There are no direct risks associated with the report, however, if the Council wants to maximise its external funding potential there will be lost opportunities to enhance the quality of life within the Borough.

11.0 **EQUALITY AND DIVERSITY ISSUES**

11.1 There are no equality and diversity issues associated with this report.

12.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.