

REPORT TO: Executive Board

DATE: 11 April 2019

REPORTING OFFICER: Strategic Director, Enterprise, Community and Resources

PORTFOLIO: Economic Development

SUBJECT: External Funding Update

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide an update on external funding secured for Halton during the last year, as well as an update on the Charging Policy Pilot.

2.0 RECOMMENDATION: That Members

1) note the level of funding secured to date; and

2) agree the revised fee charges for bid services up to £50,000 set out in section 5.

3.0 SUPPORTING INFORMATION

3.1 The report focuses on the period April 2018-March 2019. However, statistics have been included for the last five years (April 2014 and March 2019) to provide a fuller picture.

3.2 The External Funding Team comprises five posts and cost the Council £165,418 in 2018/19. However, the team has a direct responsibility for the programme monitoring and management of large projects, for which the team receives a project management fee. During the period the Team secured £2.4m for Halton projects.

3.3 The Team's primary role is to maximize external funding into the Borough. It is responsible for preparing medium to large-scale funding bids (primarily, but not exclusively over £50,000) on behalf of Council colleagues and on behalf of the public, voluntary and private sector. The Team focuses on Government, European, National Lottery, Landfill Funding, Trusts and Foundations with the aim of maximizing external funding opportunities for Halton.

3.4 Emphasis over recent years has been on ensuring all colleagues are aware of the service that the Team offers. In the last financial year,

specific support has been given to education colleagues, for Early Years and SEND projects, to Liverpool City Region (LCR) wide schemes, specifically Ways to Work 2 and Lost Castles. Also, for bids to the Strategic Investment Fund (SIF), the Industrial Strategy Challenge Funds, Town Centre Commission and Future High Street Fund schemes. Each member of the Team is allocated to one or more of the Mersey Gateway Regeneration Plan Plus Impact Areas to support with funding requirements. The Team also produces a monthly Local Authority Funding Update which highlights current funding streams available for local authorities to apply to. This is circulated on a monthly basis via a link in News in Brief to ensure that opportunities are not missed.

4.0 FUNDING CONTEXT AND EMERGING ISSUES

4.1 Environment, Challenges and Opportunities

- 4.1.1 External funding bodies continue to receive large volumes of grant applications and regularly reject a high proportion of good quality bids, often for no other reason than they have insufficient funds to support every project (it is not uncommon for a funder to receive '100 applications per week' or another funder to quote a 'less than 20%' pass rate). Nevertheless, funders also recognise the financial and operational pressures faced by many organisations, particularly small community groups, and continue to make available a wide range of funding opportunities for many eligible activities and project-types.
- 4.1.2 This places considerable responsibility on both Halton-based organisations and the Council's External Funding Team (working in close collaboration with other Departments) to support the development of well-planned, competitive, sustainable and, where possible, innovative projects to mount consistently strong bids that attract the required external funding.
- 4.1.3 In addition, the External Funding Team continues to respond to changes in the current funding environment and new strands of funding, such as the new Strategic Frameworks, the recently introduced by the National Lottery Community Fund and the National Lottery Heritage Fund and the introduction of the Industrial Strategy Challenge Funds. These can potentially impact on current and future project activity and development across the Borough. Through close and regular engagement with both funders and local applicants, the Team seeks to ensure that Halton's needs and priorities are reflected in all external grant proposals, and the capacity of local groups in particular to respond to a highly-competitive funding environment is essential to their own long-term sustainability. The Team has regular update meetings with the local National Lottery Community Fund Team and has recently hosted a tour of the Borough for Arts Council England who have recognised that they have not invested as much funding as they could have in the Borough and would like to look at addressing this.

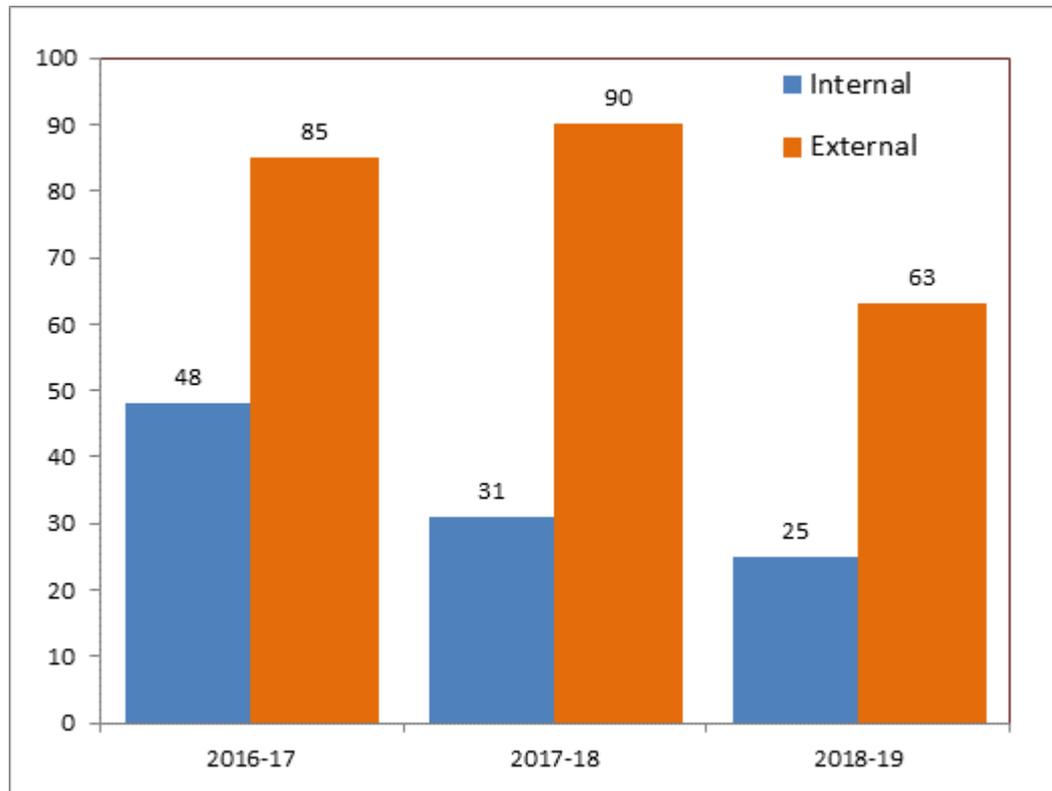
- 4.1.4 The Team is able to provide the necessary expertise regarding current bid-writing best-practice and key funder priorities. In a highly competitive field, the Team provides a critical yet objective eye to highlight both the threats and opportunities within each organisational plan, project proposal and chosen funding body. This may be illustrated in particular by a range of case studies from the past 12-months in which the Team played a key role in securing important grant investment to the Borough:
- a. Catalyst Science Discovery Centre and Museum - £754,000 secured from Wellcome Trust/BEIS Inspiring Science Fund in June 2018, to significantly improve the science offer at a key visitor and education attraction. The Team has also been instrumental in seeking the required £300,000 match-funding for the project, of which a Garfield Weston grant of £50,000 and a Foyle Foundation grant of £40,000 were both secured in July 2018.
 - b. SEND-IASS Service (HBC) - £45,900 secured from the DfE's Information, Advice and Support Programme (IASP), spread across five interrelated bids to support core services (1.5 posts) and innovative solutions to existing IASS support to local children and families.
 - c. Unlock Runcorn - £49,475 secured from the Coastal Revival Fund of for feasibility work on a proposal to create a show lock.
 - d. Halton Carers Centre - £120,000 secured from the Henry Smith Charity over three years to support three Carer Support Worker posts to enhance the range and delivery of services to carers of all ages across the Borough.
 - e. The Studio - LOOSE - £300,000 secured from the National Lottery Reaching Communities Fund to enable the project to continue the delivery and planning of its range of arts and music-based activities to disadvantaged young people across the Borough.
 - f. HBC – Early Years Team - £650,000 secured from the Government's Early Outcomes Fund for a project to improve reading for 0-5 year olds.

4.2 Capacity and Demand

- 4.2.1 Demand for the service remains high. The Team has received 88 requests for funding support to date in 2018-19. Of these:
- £2.4m secured to date
 - A further 10 bids submitted worth £9.2m
 - 4 bids are in progress
 - 42 remain active – i.e. scoping meetings, funding searches
 - 24 were referred on to other colleagues/services
 - 8 did not progress for a variety of reasons

4.2.2 The Team works to full capacity and needs the flexibility to respond to new enquiries, manage tight deadlines for bids and to horizon scan. Importantly, the Team are specialists in sourcing funding and bid-writing; the Team does not 'own' bids, the 'owner' is responsible for delivery and driving the project.

Enquiries can be broken down into internal and external as follows:



4.3 **European Structural Investment Fund (ESIF) Programme**

4.3.1 The Team manages the programme on behalf of the Council; this includes both project development and bid-writing. There are a number of projects currently being supported as follows:

4.3.2 **Ways to Work**

The Employment, Learning and Skills Division and 14-19 Programme Teams are delivering the Ways to Work Project which is a £3,300,000 project. A further application has recently been submitted to DWP by the Team on behalf of the Combined Authority (CA) and all Local Authorities to extend this project until September 2021. The Halton element of the extension would secure £619,115. The outcome of this application will be known by July 2019. The project will continue to provide subsidised work placement opportunities for local unemployed residents, providing individuals with the opportunity to develop their skills and experience in the work place. The Team has been providing intensive continued support in checking and monitoring ILM spend, making quarterly claims to the Combined Authority, carrying out

procurement exercise for specialist mentors/coaches, preparation for external audits, change controls submitted to DWP and recruitment of staff for the project.

4.3.3 **LCR Business Growth Programme**

The Team provides continued support for the Programme. The project, which was due to finish in December 2018, has received an additional £160,000 to continue the project until December 2021 to provide an integrated business support package to SMEs. The Team has continued to support the project, advising on EU procurement rules and regulations for the contracting of specialist consultants, financial claims and external MHCLG audits.

4.3.4 **Include IT Mersey Project**

The Team leads on the project for Halton. The Digital Inclusion Project received an additional £15,000, as well as the original budget of £64,000, to deliver until March 2019. The project is due to receive an additional pot to deliver the project until September 2021. This is due to excellent performance results and the high quality delivery of project.

4.3.5 **Greening DUN Land Demonstrator Project**

The Team is heavily involved in the Demonstrator project. Which is developing a solar farm on St Michaels Golf Course, providing renewable energy to Council buildings as a demonstration site for the LCR. The project is due to complete in December 2019 at a project cost of £1.2m.

4.3.6 **New Markets 2 (NM2)**

Is an ERDF funded programme that targets high growth businesses and innovative SME's that can introduce high value products or services. Sci-Tech Daresbury has been delivering the NM2 project focusing on SME's located on the Sci-Tech Daresbury campus. The Team has supported delivery of the NM2 project by providing assistance with collating evidence and making claims. The SMEs received a 45% refund against the cost of their project. 41 companies have been supported and the project created 25 new jobs.

4.3.7 **ESIF Update**

The majority of the LCR indicative allocation for ERDF (European Regional Development Fund) is now almost fully committed on current projects, proposed extensions or possible new projects. The LEP and CA have confirmed that any remaining funding may be used for an Urban Development Fund, which is a loan fund; details of this are still to be published.

There is a significant amount of unallocated ESF (European Social Fund) (circa £27m). A call for 1.1 Access to Employment for Jobseekers and Inactive People was published in January and closed early March which the Ways to Work 2 was submitted under. Further

calls are due to be published in Spring 2019 for supported internships, active inclusion, entrepreneurship, responsive skills fund and Community Grants.

Once the ESIF programme finishes a new fund will commence called 'Shared Prosperity Fund'. The exact details of the fund are unknown as yet; a consultation was due to commence in Autumn 2018, but this has been delayed due to the current unknowns regarding the Brexit deal. This fund is likely to be similar to that of ESF and ERDF and will be heavily scrutinised by Government to ensure value for money and no duplication; it is envisaged, therefore, that resources will be required to support with bidding and ensuring the Borough gets its fair share.

4.4 **Visitor Economy and Borough of Culture**

- 4.4.1 The Team continues to undertake key work with the LCR and Halton partners in relation to Visitor Economy and Culture:
- The Lead Funding Officer sits on the LEP's Visitor Economy Officers Group and on the Liverpool City Region Heritage Officers Group;
 - Undertaking a joint piece of work with Halton Chamber of Commerce to secure private sector support for Halton's Visitor Economy going forward;
 - Support is provided for the development of a programme of activity for Halton's Borough of Culture 2021, including securing of match funding;
 - The Team supports the development of the Halton Local Cultural Education Partnership which is looking to bid for substantial funding from the Arts Council and which aligns with Halton's priorities for Borough of Culture.

4.5 **Training**

- 4.5.1 The Team continues to deliver a free Training Programme which consists of masterclasses and Meet-the-Funder style sessions. These are promoted to Council colleagues and externally to the voluntary and other public sector partners. During the past 12-months the decision was taken to deliver the courses at a series of community venues in Widnes and Runcorn, which has proven very popular with continuing strong levels of demand. The Annual Programme 2018-19 consisted of:
- 4 x half-day Basic Bid-Writing sessions delivered at Castlefields (x2) , Murdishaw and Upton Community Centres respectively; and
 - 3 x Monitoring and Evaluation sessions - delivered at Murdishaw, Upton and Hough Green Community Centres respectively
- 4.5.2 Future sessions are planned on 'Developing a Funding Strategy', 'Effective Consultation' and 'Non-Grant Income'. The training sessions are continually updated to 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 CHARGING POLICY PILOT

5.1 Executive Board (EXB23) agreed in July 2018 that the Council should pilot a Charging Policy for a period of 12 months, specifically for bid-writing support for external sectors. The pilot commenced in September 2018 and the External Funding Team was given an income target of £10,000.

5.2 Charging is operated on a sliding scale and does not apply to organisations with less than £10,000 in unrestricted funding.

- Up to £1,000 for all grants or loans secured between £50k- £100k
- Up to £2,000 for all grants or loans secured between £100k - £200k
- Up to £3,000 for all grants or loans secured between £200k - £300k
- Up to £4,000 for all grants or loans secured between £300k - £400k
- Up to £5,000 for all grants or loans secured between £400k - £500k
- Up to £6,000 for grants or loans secured above £500k

5.3 To date, two contracts are in place and if the bids are successful this would generate £7,000 of income. Two further contracts are in the pipeline.

5.4 Experience through the pilot has identified for a lower fee scale for smaller bids would make operational sense and the suggested revised fee scale is set out as follows:

- Bids up to £5,000 No charge
- £5,001 - £10,000 £100
- £10,001- £20,000 £200
- £20,001 - £30,000 £300
- £30,001 - £40,000 £400
- £40,001 - £50,000 £500

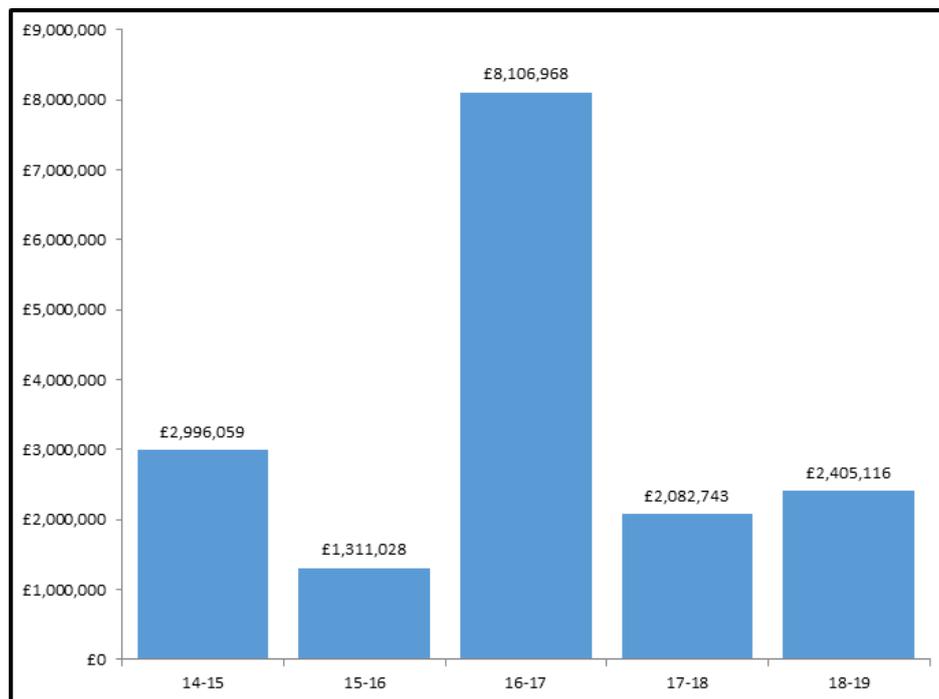
5.5 Executive Board is asked to formally approve this fee scale.

5.6 A log of comments is being maintained and feedback is also sought from colleagues at the VCA and in Community and Sports Development; overall, the Charging Policy has been well received and importantly customers seem happy to be able to purchase the service.

6.0 Funding Data

6.1 Funding Secured

The graph below shows details of the funding secured by the External Funding Team between April 2014 and March 2019. In 2018/19 the Team helped secure funding of £2.4m, has bids awaiting decisions to the value of £9.2m, and is in the process of supporting pipeline projects worth around £28m.

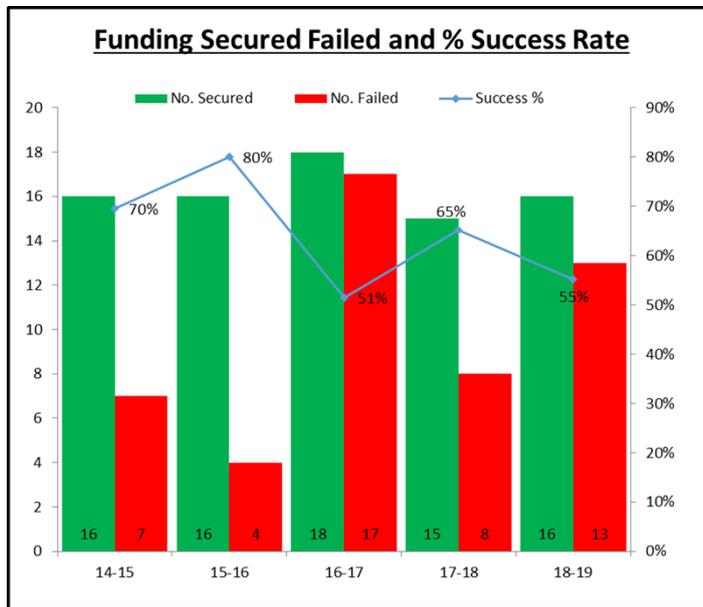


The total funding secured by the External Funding Team in the five year period was **£16,881,914**. See **Appendix 1** for a full breakdown of grants secured in 2018-19.

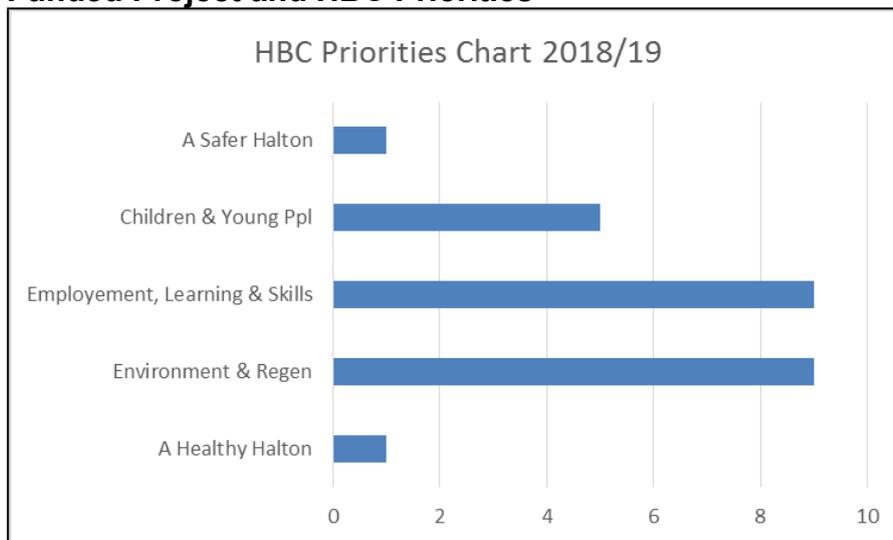
6.2 Bid Success Rate

The charts below show bid success rates for 2014-2019, as well as details of unsuccessful bid rates and the reasons for these. 62% of bids submitted in the period 2014-19 were successful. The % for 2018/19 reflects the increasing pressure on funding streams who are receiving substantially more bids than they can fund.

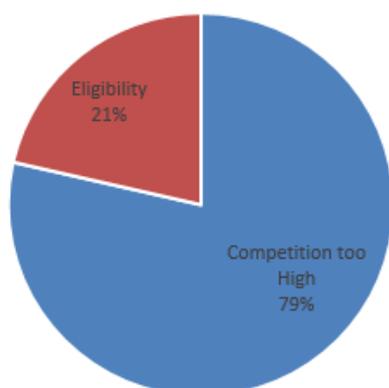
Success and failure rates 2014-19



Funded Project and HBC Priorities



Failure reasons for unsuccessful bids



7.0 **POLICY IMPLICATIONS**

The Charging Policy covers all relevant Council services; therefore, we need to ensure that the policy is applied consistently.

8.0 **FINANCIAL IMPLICATIONS**

There is a potential to raise income in the longer-term through the application of charges for this service.

9.0 **IMPLICATIONS FOR THE COUNCIL PRIORITIES**

The External Funding Team are fully committed to support funding opportunities internally and externally which accord with the Council's priorities.

10.0 **RISK ANALYSIS**

There was a risk that organisations would be deterred by the introduction of the Charging policy and as a consequence the number of successful bids submitted in Halton would reduce. This has not been the case in the initial six month period, feedback has been positive. However, we will continue to monitor the situation.

11.0 **EQUALITY AND DIVERSITY ISSUES**

It is important that smaller organisations are not disadvantaged by the Charging policy, hence the proposal to introduce the lower fee scale for smaller bids.

12.0 **BACKGROUND PAPERS**

None

13.0 **CONCLUDING COMMENTS**

It has been another very busy and exciting year for the Team, including the pilot of the Charging Policy. We continue to deal with high demand for

our services, and recognise the need to prioritise support where necessary.

The external funding environment remains vibrant and we look forward to securing further investment into the Borough in the year ahead and to supporting the corporate vision and key strategic schemes going forward.

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

None.

