

REPORT TO: Executive Board
DATE: 19 September 2019
REPORTING OFFICER: Strategic Director – Enterprise, Community & Resources
PORTFOLIO: Economic Development
SUBJECT: External Funding Team – Cost Recovery
WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To report on the twelve month pilot Charging Policy for bid-writing and monitoring services, associated with the development and implementation of external grant funding applications.

2.0 RECOMMENDATION: That Executive Board

- 1) considers that the twelve month pilot has been successful; and**
- 2) agrees that the policy should be rolled out on a permanent basis.**

3.0 SUPPORTING INFORMATION

3.1 The Council's Economy, Enterprise and Property Department has been looking at ways of being more commercially focused, to help offset some of the budget constraints faced by the Council. The Team, through its External Funding Officers, provides bid-writing and monitoring services to the private sector, the voluntary sector and Council departments which helps lever investment into the Borough. This is a non-statutory function and the income generated from charging for bid-writing and monitoring would help to support the sustainability of a discretionary service.

3.2 In July 2018, Executive Board (EXB23) approved the roll out of a pilot charging policy for a 12 month period for bid-writing and grant monitoring support. A scale of charging was agreed – see Appendix 1. In April 2019, as part of an External Funding update a mid-term report was given on the Charging Policy, and a request to implement a lower scale of charging for grant requests of under £50,000, was approved by Executive Board (EXB116); these are also detailed in Appendix 1.

- 3.3 The target income agreed for the pilot was £10,000.

SUMMARY OF ACTIVITY SEPT 2018-AUGUST 2019

During the period, £12,000 was secured in fee charges from three contracts.

A further £3,000 worth of fees is currently committed; these are cases where bids are in progress for voluntary sector organisations and a fee will be due if the grants are secured.

The pilot policy was rolled out Council-wide; the Report covers fees secured and committed by the External Funding Team/Regeneration Team.

4.0 POLICY IMPLICATIONS

- 4.1 The Team has delivered a pilot fee charging policy over a twelve month period to determine how effective it might be; this model could now be rolled out on a permanent basis.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There is potential to further generate income. This income has the potential to offset some of the costs of the Team, and make the service more sustainable in the long term. It will, however, require some of its existing resource to manage and administer the process. The pilot has received positive reviews and most organisations value the service and are willing to pay.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

Access to the service is available to all organisations in the Borough; the existing service would continue, albeit with a fee, where applicable.

6.2 Employment, Learning and Skills in Halton

Access to the service is available to all organisations in the Borough; the existing service would continue, albeit with a fee, where applicable.

6.3 A Healthy Halton

Access to the service is available to all organisations in the Borough; the existing service would continue, albeit with a fee, where applicable.

6.4 A Safer Halton

Access to the service is available to all organisations in the Borough; the existing service would continue, albeit with a fee, where applicable.

6.5 Halton's Urban Renewal

Access to the service is available to all organisations in the Borough; the existing service would continue, albeit with a fee, where applicable.

7.0 RISK ANALYSIS

7.1 There has been no proven adverse impact on the number of enquiries received; generally a positive reaction to the policy.

7.2 No conflict experienced with agencies already providing a similar service.

7.3 Once contracted to deliver, the Council will have to ensure that the service is available irrespective of staffing level; this is constantly monitored.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 There are no Equality and Diversity implications arising as a result of the proposed.

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

None under the meaning of the Act.

APPENDIX 1: Scale of charges

There are two fee scales, the first for the private sector, which is based on 100% cost recovery of staff costs. In respect of the second fee scale for the voluntary sector, it was proposed to shield this sector from the full exposure to the charges and to cap fees based on the scale shown below:

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

For bids up to £50,000, charges were agreed as follows:

- No charge for all grants or loans secured up to £5,000
- £100 charge for all grants or loans secured between £5001-£10,000
- £200 charge for all grants or loans secured between £10,001-£20,000
- £300 charge for all grants or loans secured between £20,001-£30,000
- £400 charge for all grants or loans secured between £30,001-£40,000
- £500 charge for all grants or loans secured between £40,001-£50,000

Private sector bids are charged at full cost recovery whether a bid is successful or not.

Voluntary sector bids are charged at the scale listed above and the fee is only payable if the bid is successful and where the organisation has over £10,000 in free reserves.

With regards to support for **Council departments**, there is no charge unless a third party is involved, for example, another Council, or voluntary organisation, in which case the team would look to recover costs in line with the above principle.

With regards to the monitoring of schemes, charges would be applied on the same basis.