

REPORT TO: Executive Board

DATE: 16 January 2020

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

SUBJECT: External Funding Team Update

PORTFOLIO: Economic Development

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To provide an update to Executive Board on the work of the External Funding Team in securing external funding resources into Halton.

The Report covers the following issues:

- An update on the team's priorities/key activities;
- Emerging issues in external funding;
- Funding statistics for 2018-19 and 2019-20 to date.

2.0 RECOMMENDATIONS: That Executive Board

- 1) **note the content of the report; and**
- 2) **approves the current pipeline project list at Appendix 2 .**

3.0 SUPPORTING INFORMATION

3.1 The Report focuses on the period April 2019-November 2019; however, statistics include a comparative period of the last five year financial period (between April 2015 and November 2019).

3.2 The External Funding Team's role is to help to maximize external funding into the Borough. The Team is responsible for preparing medium to large-scale funding bids (primarily over £50,000) on behalf of Council colleagues, public sector partners, the voluntary sector and the private sector, with the aim of maximising external funding opportunities for Halton.

The Team comprises five posts and costs the Council £165,418; however, the Funding Development Officer post is currently fully funded through the monitoring of ESIF projects. The Team has secured £6,065,787 in 2019-20 to date.

The Team focuses mainly on the following funding sources: Government, European, National Lottery, Landfill Funding, Trusts and Foundations.

Key functions of 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 a range of themes, including a targeted local authority one;
- 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 voluntary and private sectors where appropriate, to submit joint bids.
- Develop and deliver an Annual Training Programme for HBC colleagues and partner organisations to enable capacity building.

The Team held an away session in June as part of which we undertook an exercise to assess our values and motivations as a team; common values identified included – quality, integrity, resourcefulness and commitment. Motivations included: getting good results, sharing knowledge, and an opportunity to contribute to society. These values and motivations underpin the work of the Team.

Emphasis over the last couple of years has been on ensuring all HBC colleagues are aware of the service that the Team offers; this has resulted in a more collaborative approach to funding bids across the Council as we aim for the highest quality and most appropriate bids to be put forward.

In the year to date, specific support has been given to four large-scale LCR ESF bids to the value of £18m from ESF/YEI Funding, with another £2m scheme being written at present; the Team has continued to support colleagues in Development and Investment Services in bidding to the Strategic Investment Fund (SIF), the Town Centre Commission Fund, the Future High Street Fund and the Skills Capital Fund among others. Each member of the Team is allocated to support one or more of the Mersey Gateway Regeneration Plan Plus Impact Areas and the Team is also supporting the Boroughs of Culture programme, looking to secure additional funding for Halton's year in 2021.

We continue to look at how we can further support HBC colleagues to bid for funding for priority schemes in order that we do not miss out on any appropriate funding streams. The Team produces a monthly Local Authority Funding Update which highlights current funding streams available for local authorities.

We now have an understanding of some of the findings from the recent Peer Review, one of which was that we may not be making full strategic use of Halton's assets, such as the potential in the Voluntary Community and Faith and private sector partners. There may be potential for the External Funding Team to place more priority on supporting colleagues in other sectors to secure funding to take the pressure off Council resource/delivery.

4.0 FUNDING CONTEXT AND EMERGING ISSUES

4.1 External Funding Environment– Challenges and Opportunities

Most, if not all, 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 funders to quote a less than 20% pass rate. Nevertheless, continue to make available a wide range of funding opportunities for many eligible activities and project-types.

The External Funding Team, working in close collaboration with other Departments, needs to ensure well-planned, competitive, sustainable and, where possible, innovative projects are put forward for Halton's priorities.

The External Funding Team aims to respond to any changes in the current funding environment and maintain knowledge of new strands of funding; the Team maintains regular contact with some of the key funders, including landfill funders, Lottery funders and European and Government funding bodies.

The External Funding Team is able to provide the necessary expertise and experience regarding current bid-writing best-practice and key funder priorities and act as a liaison point with the funders. 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. Bids are increasingly being asked to submit using the Treasury's Green Book business case model and the Team has received training in this in order to better support such bids.

Case studies from the past 12-months in which the Team played a key role in securing important grant investment to the Borough.

St Paul's Church Hall, Widnes

The Church has a vision to reconfigure part of the interior of the main church building into an 'Amazing Space' community hub. This involves building improvements which are urgently needed (floor, heating, toilets and entrances) to make the space DDA compliant, safe, comfortable, attractive, accessible and useable for all. The hub will provide a community multi-use space with café/kitchen; in addition, a state-of-the-art performance space (capacity of 300) for creative arts and contemporary worship, with wow-factor Audio-Visual equipment will be installed. The External Funding Team has so far helped them to secure £75,000 and are awaiting decisions on grants of £136,000.

Open 360

Open 360's Community Learning Programme is a 12-week structured training and support programme aimed at equipping unemployed local people of all ages who are not in education or training (primarily, but not exclusively, from Runcorn) with improved motivation, self-confidence and basic skills to access the labour market in identified growth sectors, including male cosmetics, hair-dressing and personal grooming. The Team has so far helped them to secure funding of £34,795 with further projects in the pipeline.

Liverpool City Region Ways to Work 2.0

This is an extension of the LCR Ways to Work programme. The project will continue to support adults into employment and provide subsidised work placement opportunities providing individuals with the opportunity to develop their skills and experience in the work place. The External Funding Team led the employment and skills leads of each Local Authority in Liverpool City Region in drafting a European Social Fund bid as part of the ESIF programme. The Team led the application process to a successful award of £5.869 million to extend the project until September 2021.

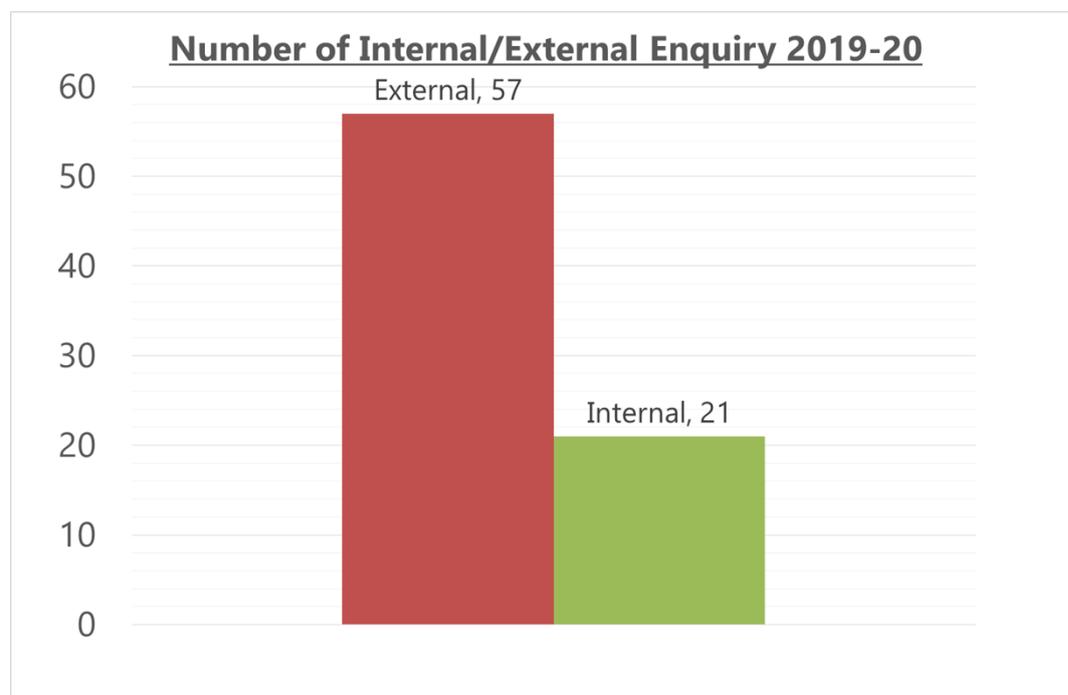
4.2 Capacity and Demand

Demand for the service remains high – the Team has already received 78 requests for funding support between April 2019 and October 2019, against a total number of enquiries for 2018-19 of 88. Of these:

36 remain active – i.e. scoping meetings, funding searches
17 were referred on to other colleagues/services
15 did not progress for a variety of reasons
7 bids were submitted worth £5.9m
3 bids are in progress

The Team works to full capacity which means decisions need to be made at times about where to allocate support, allowing the ability to respond to new enquiries and priorities, manage tight deadlines for bids, horizon scan to ensure opportunities are not missed etc.; Importantly, the Team does not drive projects, but specialists in sourcing funding and bid-writing; the Team does not 'own' bids, the 'owner' needs to drive the project as the specialist in that particular area.

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



We are currently monitoring projects worth £21.4 million, have submitted bids worth £21.6 million and have pipeline projects of £50.4 million. A breakdown can be found in Appendix 2. The pipeline list gives a current profile of the projects the Team will be supporting over the coming year; this pipeline is subject to new priorities being

identified – should this be the case, the new projects will be discussed with the Operational Director and relevant Portfolio Holder.

4.3 ESIF Programme

The Team manages the European Structural Investment Fund (ESIF) on behalf of HBC; this includes both project development and bid-writing. To date the Team has helped secure £9.1m in ESIF grants since Jan 2016.

There are a number of **projects** currently being supported as follows:

Ways to Work

The Employment, Learning and Skills Division and 14-19 Programme Teams are delivering the **Ways to Work Project** which totals £3.3m in project costs; this is made up of £1,255,492 in ESF and YEI Funding. The project has two elements - 1.1 and 1.3. The 1.3 element was due to finish in July 2018; however, a request for additional funding of £448,227 means the project can now be delivered until June 2020. The 1.1 element of the project was due to finish in July 2019, but following a thorough application process to request £960k in additional funding, approval was granted last quarter, therefore the 1.1 element will now be delivered until September 2021. 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 close liaison with the Combined Authority Compliance Team.

Business Growth Programme

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

Include IT

The Team's Funding and Monitoring Officer is now leading on the **Include IT Mersey Project** for Halton. This is a Digital Inclusion Project to improve IT skills and get online, for those who are unemployed and over 30. The project has received additional funding to deliver the project until September 2021.

Greening DUN Land Demonstrator Project

The Team is heavily involved in the **Greening DUN Land Demonstrator project**. The project will develop a solar farm on St Michaels Golf Course which provides renewable energy to HBC buildings as a demonstration site for the Liverpool City Region. The project is due to complete in April 2019 at a project cost of **£1.3m**. The main design and build contractor was appointed in July and is due to start on site this month.

New Markets 2

The ERDF funded New Markets 2 programme completed on 31st December 2018, and successfully achieved its target to support 41 SME's. The project created 25 new

jobs; 17 SME's developed products that were new to their companies; and 15 of these were products new to the market.

Pipeline Bids

Over the past 12 months the Team has also supported a number of LCR wide projects in applying for European Social Funding (ESF). The Positive Inclusion project, the Ways to Work 3.0 Extension and the LCR Skills and Apprenticeship Hub Project are currently being appraised by DWP and await approval, which should be confirmed in the next three months. These projects amount to £11.5m in ESF. The Team is currently supporting an ESIF bid for the Households into Work programme worth £2m.

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 Liverpool Enterprise Partnership (LEP) and the Combined Authority (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 but is likely to commence early 2020.

The Department for Work and Pensions (DWP) have confirmed a Reserve Fund, which will consist of ESF, at the starting value of just under £390.6m. This will be available from 2020 and each LEP area will be able to access this by drafting their own call proposals which will be considered under the Reserve Fund. Priority will be given to call proposals which address Programme underperformance against specific targets set out in the Operational Programme. Priority will also be given to local areas which were previously not able to fully commit their notional allocation. This reflects the policy objective of ESIF funding in addressing regional disparities, whilst not jeopardising commitment of the Programme overall.

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

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

The Team continues to undertake some key work with Liverpool City Region 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 a Destination Marketing toolkit for Halton's Visitor Economy going forward.
- The Lead Funding Officer provides support for the development of a programme of activity for Halton's Borough of Culture 2021, including securing match funding.

- The Team supports the development of the Halton Local Cultural Education Partnership (LCEP) which is looking to bid to deliver a quality arts and cultural programme for children/young people in Halton.

4.5 Training

The Team delivers a free Training Programme which is available to HBC colleagues and externally to the voluntary and other public sector partners. The courses are delivered from a range of community venues in Widnes and Runcorn with the aim of increasing the quality of bids and capacity building.

The Annual Programme consists of:

- 4 x half-day bid-Writing sessions
- 2 x half day Monitoring and Evaluation sessions
- 2 x half day Now You've Got Your Grant sessions – *new course*
- 2 x Developing a Fundraising Strategy – *new course*

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. The Team works increasingly with Halton and St Helens VCA to co-deliver and cross-promote.

5.0 CHARGING POLICY

Executive Board 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 agencies. The pilot was completed in August 2019 and it was agreed the policy should be rolled out on a permanent basis.

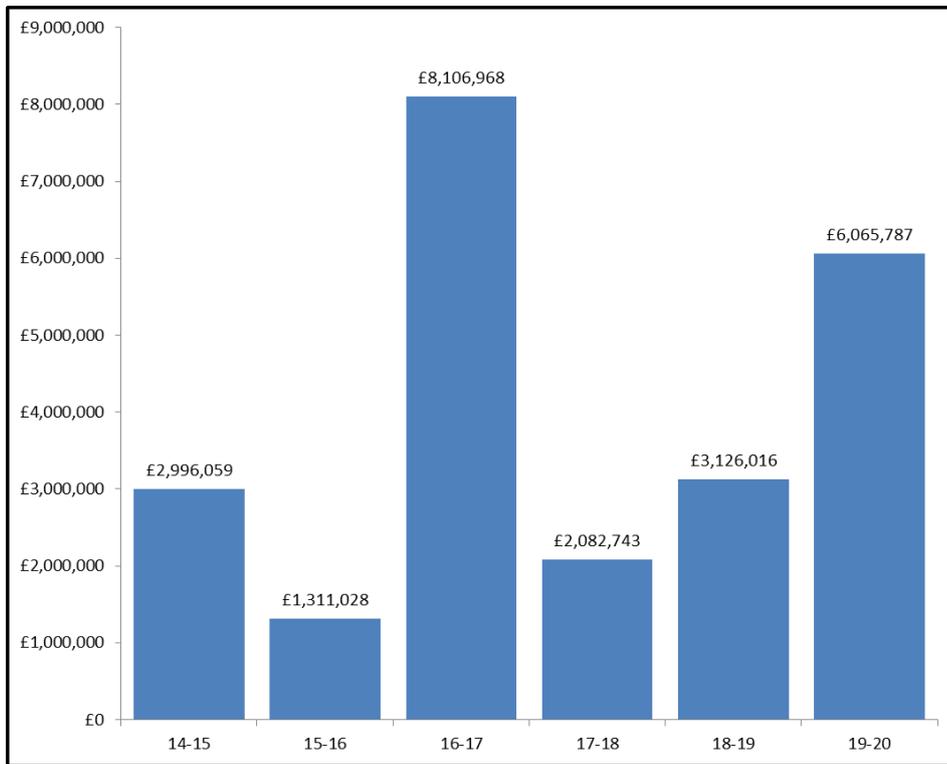
£17,000 in fees has been generated by the Team to date, with at least a further £5,000 in the pipeline.

It is vital that staff across the whole Council implement the Charging Policy where it applies and seeks the support of the External Funding Team to do this where needed.

6.0 FUNDING DATA

6.1 Funding Secured

The graph below shows details of the funding secured by the External Funding Team between April 2019 and October 2019. In 2019-20 to date the Team has helped to secure funding of £6,065,787; has bids awaiting decisions to the value of £21.6m, and is in the process of supporting pipeline projects worth around £50.4m.

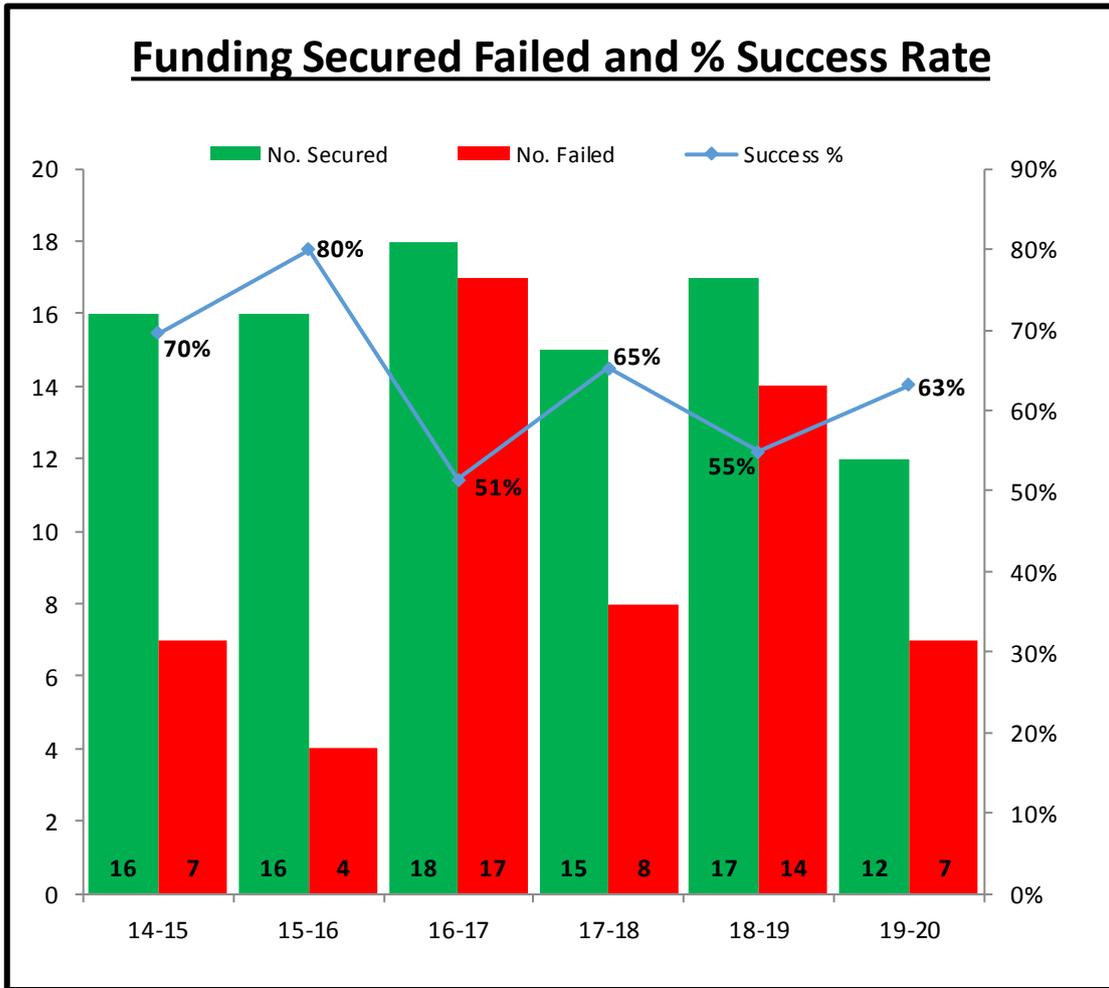


The total funding secured by the External Funding Team in the 5 year period was **£25.03m**. See **Appendix 1** for a full breakdown of grants secured in 2019-20 to date.

6.2 Bid Success Rate

The charts below show bid success rates between 2015-2019 (to date), as well as details of unsuccessful bid rates and the reasons for these. 61% of bids submitted in the period 2015-2019 were successful.

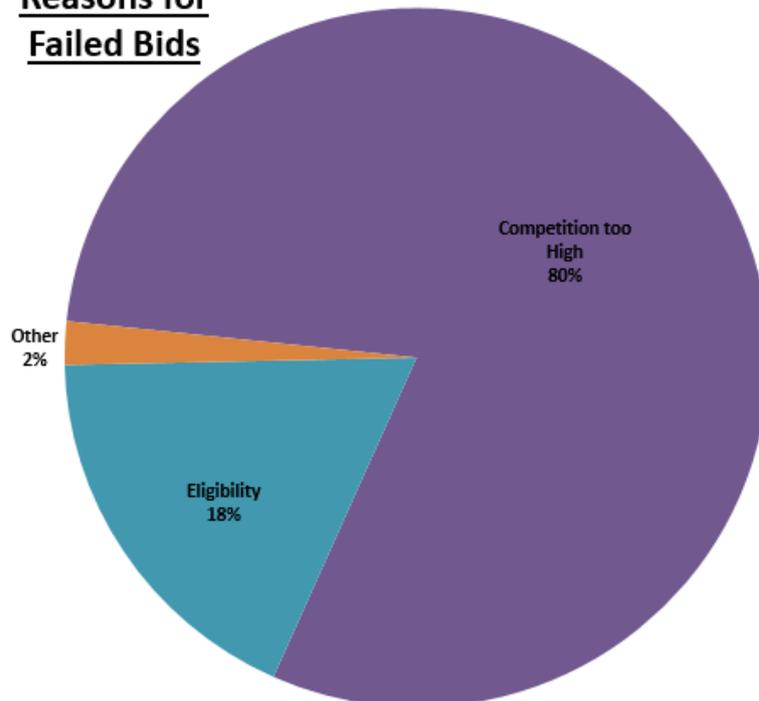
Success and failure rates 2015 and 2019 (to date).



N.B 2019-20 is the year to date only

Failure reasons for unsuccessful bids 2015-2019

Reasons for Failed Bids



7.0 CONCLUDING COMMENTS

It has been another very busy and varied year so far for the Team, including the piloting of the Charging Policy which proved to be successful and which has now been rolled out on a permanent basis. 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 to support the corporate vision and key strategic schemes going forward.

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

None.

14.0 APPENDIX 1

14.1 List of bids secured/failed in 2019-20 to date

	Group Name	Project	Failed/ Secured	Amount	Month	Source of Funding	Reason Failed
Q1	Hazlehurst Arts Studios	Runcorn Heroes in Libraries	Secured	£13,657	Jun-19	Arts Council	-
	Catalyst SDC	Running Costs	Secured	£14,709	Jun-19	Arts Council	-
	Beechwood School	Nature/Sensory Room	Secured	£10,000	Jun-19	Awards for All	-
	MGET	Interpretation Board	Secured	£2,500	Jun-19	Nineveh Trust	-
	Open 360	Women's Project	Failed	£15,000	Jun-19	Smallwood Trust	Competition
	LCEP/The Studio	Create 10:15	Failed	£15,000	Jun-19	Co-creating Change	Competition
Q2	Open 360	Running Costs	Secured	£14,795	Jul-19	ESF Community Grants	-
	St Pauls	Amazing Space	Secured	£25,000	Jul-19	All Churches - Growing Lives	-
	Open 360	Community Learning Project	Secured	£20,000	Aug-19	Riverside CC	-
	Liverpool City Region	1.1 Ways to Work Extension	Secured	£5,869,115	Sep-19	ESF	-
	St Pauls	Amazing Space	Secured	£50,000	Sep-19	Viridor	-
	Catalyst SDC	Running Costs	Failed	£20,000	Jul-19	BUPA	Oversubscribed
	Catalyst SDC	Running Costs	Failed	£104,000	Sep-19	Esmee Fairburn	Oversubscribed
	Catalyst SDC	Running Costs	Failed	£1,000,000	Sep-19	SIF	Needs more work
	Catalyst SDC	Running Costs	Failed	£30,000	Sep-19	Fore Trust	Oversubscribed
	LCEP	Heritage Action Zone	Failed	£250,000	Sep-19	Heritage Action Zone	Oversubscribed
Q3	MIND	Employment Programme	Secured	£12,000	Nov-19	ESF Community Grants	
	Hope Corner	Employment Programme	Secured	£19,991	Nov-19	ESF Community Grants	
	Nightstop CNW	Employment Programme	Secured	£14,020	Nov-19	ESF Community Grants	

Total Secured	12	£6,065,787
Total Failed	7	£1,434,000

Appendix 2 at 06.12.19

Bids Submitted		Total Bidding = £15,539,793			No. of Bids = 16		
Ref	Org/Group	Project	Amount	Funder	Project Lead	EF Lead	Notes
944	HBC	TCCF Bid	£1,000,000	Town Centre Commissioning Fund	Sara Munikwa	SD	Action Plan required end Jan 2020
529	HBC	Sankey Canal	£250,000	National Lottery Heritage Fund	Nick Martin	SD/SW	
956	HBC	Skills Capital x 2 EOIs	£669,000	Skills Capital	Siobhan Saunders	LO/SD	
964	HBC	Foundry Lane	£1,800,000	Homes England	Sally McDonald	-	Awarded in principle
933	Halton Play Council	Running Costs	£9,293	St James CH Fund	Joyce Reilly	SB	
933	Halton Play Council	Running Costs	£196,500	Reaching Communities	Joyce Reilly	SB	Reached Stage 2
954	Liverpool City Region	LCR Positive Inclusion Project	£2,250,000	ESIF (ESF)	LCR Skills & Employment Leads	LO	
953	Liverpool City Region	Apprenticeship Hub	£5,200,000	ESF	LCR Skills & Employment Leads	LO	
957	Liverpool City Region	Ways to Work 3.0	£3,800,000	ESF/YEI	LCR Skills & Employment Leads	LO	
659	Catalyst SDC	Match for ISF	£50,000	Viridor	Martin Pearson	SD	Reached St 2; decision due Dec
659	Catalyst SDC	New heritage gallery	£150,000	Scottish Power	Martin Pearson	SD	
857	St Luke's Farnworth	Toilets/Community space	£15,000	All Churches Trust	Barry Horabin	SD	
905	St Pauls	Amazing Space	£44,000	Cornerstone Grants	Richard Bennett	JP	
906	St Pauls	Amazing Space	£48,000	Trusthouse	Richard Bennett	JP	
907	St Pauls	Amazing Space	£30,000	Garfield Weston	Richard Bennett	JP	
949	Appleton Interpretation Panels	Interpretation panels	£28,000	Inovyn Energy from Waste fund	Eddie Jones	SD	

Pipeline projects		Total Pipeline = £48,482,810			No. of projects = 17					
Ref	Organisation	Project	Approx £	Source of Funding	Directorate	Involvement	Project Lead	E.F Lead	Theme	Notes
659	Catalyst SDC	Heritage Officer	£1,000,000	HLF, SIF, Esmee Fairburn	N/A	Lead Fund Plan, A,B,P	Martin Pearson	SD	ST	Bid writing
962	CHI CIC	Café + Community Centre	£100,000	Reaching Comms	N/A	A,B,P	Philip Thorton	SD	VC	Bid Writing, support
953	The Combined Authority	Apprenticeships Hub	£5,200,000	ESF	ECR	A,B,P	Siobhan Saunders	SD	-	Bid Writing, support
961	The Combined Authority	Households into work	£2,000,000	ESF	ECR	A,B,P	John White	LO		Bid Writing, support
886	Diverse Active	Mamafit Halton	£292,810	BLF RC	N/A	A,P	Rob Lunn	JP/SW	HS	Bid Writing, support
947	Halton LCEP	Various projects	£0	Various	N/A	A,B,P	Louise Hesketh	SD	ACH	Ongoing Support
933	Halton Play Council	Running costs & project costs	£150,000	Reaching Comms	N/A	A,B,P	Joyce Reilly	SB	H,Y	Bid Writing, Support
939	Halton Speaks Out	Development Manager	£80,000	Various	N/A	A,B,P	Mal Hampson	SB	Y	Ongoing Support
941	HBC	Future High Streets Fund	£25,000,000	Future High Street	ECR	A,B,P	Sara Munikwa	SD	-	Ongoing Support

				Fund						
956	HBC Employment & Skills	Skills Capital Fund	£500,000	Skills Capital	ECR	A,B,P	Siobhan Saunders	LO	-	Bid Writing, Support
957	HBC Employment & Skills	W2W 3.0 Extension	£3,000,000	ESF/YEI	ECR	A,B,P	Siobhan Saunders	LO	-	Bid Writing, Support
913	HBC/St Berts Church	Community Space, Windmill Hill	£4,000,000	Various	ECR	A,B,P	Nicki Goodwin	SD	VC	Ongoing Support
529	HBC Open Spaces	Sankey Canal Restoration	£6,000,000	HLF, Coastal Com	ECR	A, P	Nick Martin	SW/SD	E	Ongoing Support
958	HBC Open Spaces	Spike Island Playground Refurb	£50,000	FCC/Viridor	ECR	A,B,P	Paul Wright	SD	-	Bid Writing, Support
904	Open 360	Bridging the Gap	£35,000	Various	N/A	A,B,P	Peter Nunu	SB/JP	Y	Bid Writing, Support
856	St Lukes Church	Youth Work, Roof, Churchyard	£200,000	HLF, Anchor	N/A	A, P	Barry Horabin	SD	FR	Ongoing Support
905	St Pauls, Widnes	Buildings Project	£875,000	Various	N/A	A,B,P	Greg Sharples	LO/JP	FC	Bid Writing

Monitoring		Total Monitoring = £21,423,031					No. Monitoring = 7			
Ref	Org	Project	Secured	Funder	Date	Involvement	Project Lead	EF Lead	Monitoring Details	
849	HBC Library Services, Childrens Centres & EFT	Include IT - Mersey	£69,206	BLF BBO ESF	ECR	B, M	VOLA	SD/LV	ESIF passed stage 1, stage 2 in.	
890	HBC CX	Green Business Parks	£1,197,822	ERDF	ECR	A,B,M,P	Jim Yates	LO		
936	HBC Employ. & Skills	Ways to Work	£3,000,000	ESF/YEI	Jan-16	A,C,M	Siobhan Saunders	LO	Claims on quarterly basis, support with Audits, reprofiles and performance	
747	HBC Regeneration	3MG Infrastructure/Bus Dev	£5,400,000	RGF	Mar-12	C,M	Sally McDonald	SW/SM	Variation Request, Claim/monitor forms qrlly	
736	HBC Regeneration	Sci-Tech Daresbury Infrastructure & Business Development	£7,600,000	RGF	Jul-13	A,C,M	JV Board	SW/HR	Ongoing monitoring - y.e claim due re. jobs 31.1.19. Final match o/s	
736	HBC Regeneration	Sci-Tech Daresbury Infrastructure & Business Development	£3,580,000	EZ	Oct-12	C,M	JV Board	SW/HR	Still £90k left, HR to update	
880	HBC Regeneration	Sci-Tech New Markets 2	£576,003	ESF	Mar-16	A,C,M	Paul Treloar	SD/JP/SW	Project completed, final monitoring June 19	