

Audit & Governance Committee

Dorset County Council



Date of Meeting	24 July 2017
Officer	Chief Executive
Subject of Report	External funding monitoring report 2017
Executive Summary	<p>This report provides an overview of external funding bidding activity in 2016-17. The report shows that, although the number of bids that were successful has increased when compared to 2015, the total value of projects has decreased.</p> <p>The report also highlights the use of the special projects fund 2016-17, detailing investments made and returns achieved. A number of capital projects have secured funding this year due to the support of the special projects budget.</p> <p>Finally the report provides a brief overview of European Union Funding pertinent to the county and a description of the DCLG Communities Fund.</p>
Impact Assessment:	<p><u>Equalities Impact Assessment:</u></p> <p>This report does not relate to a new policy or change in service.</p>

	<p><u>Use of Evidence:</u></p> <p>The External Funding Policy, available on SharePoint, details the approval and reporting process for all external funding activity undertaken by the County Council or where the County</p>
	<p>Council is a formal partner to a bid. Activity reported in accordance with the policy is recorded on an excel register, this data is used to compile this report.</p> <p>It is recognised that a very small proportion of external funding activity may go unreported due to non-compliance with the policy.</p>
	<p><u>Budget:</u></p> <p>There are no new budget implications. The value of externally funded projects goes beyond a financial receipt as the projects funded often mitigate the effects of reducing public sector budgets and help to bring about strategic change in the way services are delivered.</p>
	<p><u>Risk Assessment:</u></p> <p>The County Council's approach is to ensure it takes advantage of opportunities for funding whilst being alert to risks.</p> <p>The external funding policy (revised in 2015) provides risk management guidance for Heads of Service and those undertaking bidding activity.</p> <p>The current and residual risks are both low.</p>
	<p><u>Other Implications:</u></p> <p>The majority of external funding bids need to take place in partnership with other agencies, not least from the voluntary and community sector. Hence a partnership approach to external funding activity is required in most cases.</p>
<p>Recommendation</p>	<p>It is recommended that the committee:</p> <ol style="list-style-type: none"> 1. Notes external funding activity during 2016-17. 2. Comment on the external funding activity

Reason for Recommendation	Well managed and focussed external funding activity has the potential to help deliver the priorities and outcomes identified in the council's corporate objectives.
Appendices	Appendix 1: Bidding Activity 2016-17 Appendix 2: Special Projects Investments 2016-17
Background Papers	External Funding Policy available on SharePoint
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1 Background

- 1.1 External funding is defined as any monies that are discretionary, not accounted for under the Formula Spending Share, or equivalent, distributed by various UK and EU agencies on a business case and/or competitive basis requiring an application. It excludes statutory grants secured without a competitive application and/or assessment process.
- 1.2 This report provides an analysis and a commentary of external funding activity across the council in comparison to 2015. Information for a four-year period is given in recognition of the time it takes for bids to be developed and submitted and for the outcome to be made public.

2 External Funding Infrastructure and Policy

- 2.1 The majority of external funding activity is undertaken within directorates by service officers. The chief executive's office maintains a core function to ensure external funding activity is coordinated effectively between services and partner agencies, information is distributed and opportunities are considered. In addition, it provides management information and manages the council's external Special Projects budget. The chief executive's office budget also pays for the county council's Grantfinder licence, allowing officers across the authority to access a professional external funding grants information database.
- 2.2 All DCC external funding activity is subject to a policy that came in to effect in April 2007 and was revised in October 2015. The policy is available on SharePoint. [External Funding Policy](#)

3. External Funding Bidding Activity 2016-17

- 3.1 Table 1, below, quantifies external funding activity over the last four years. It includes bids where DCC acts as lead agency and bids where DCC is a formal partner to the project, or shares some risk with the project lead. Appendix A lists all bids developed during the last financial year.

- 3.2 As previously stated the figures collated for financial year 2016* are calculated estimates of activity, it is thought that more activity happened during this year than has been reported.

Table 1: Total bidding activity (2014-2017)								
Financial Year	Bids Made		Grants Secured		Rejected or Withdrawn Bids		Bids Pending Decision	
2014	20	£31.5m	14	£29.9m	5	£1.1m	0	£0
2015	25	£15.8m	18	£12.8m	5	£1.3m	2	£1.8m
2016*	25	£26.2m	14	£13.4m	3	£2.1m	10	£11.7m
2017	36	£20.7m	23	£8.4m	7	£512,933	5	£11.78m

- 3.3 Points to note from bidding activity in the last financial year (compared to 2015)

- The number of bids **increased** by 44% to 36.
- The total value of bidding activity **decreased** by 31% to £20.7m. This is a reasonable value of external funding activity.
- 64% of bids have been successful which has decreased since 2015, but is well above the national success rate.
- The trend will be monitored and reviewed to establish whether there is an underpinning for the reduction of successful bidding.

- 3.4 The 3 largest grants bid for and secured by DCC as lead organisations, were from central government and the EU:-

- Growth Deal 3 – Government BIS via LEP £3,450,000
- Reinvigorating Social Work, Department for Education - £1,970,000
- DCLG – Dorset Coastal Communities - £800,000

- 3.5 There are 4 significant bids pending outcomes during 2017:

- £7,500,000 from Coastal Communities Fund
- £3,000,000 from Heritage Lottery
- £960,000 and £242,000 from Big Lottery

- 3.6 The majority of external funding has been secured towards capital projects.

- 3.7 EU Technical Assistance programme has not been included as a financial figure in Table 1 above. because to date, no bids for support have accessed this assistance. The fund will remain available until 2019.

4 Special Projects Fund 2016-17

- 4.1 In addition to the external funding activity reported above, the county council also supports external funding activity by community organisations and partner organisations. This is done by using the special projects fund to provide grants for feasibility studies, expert advice in bidding, leverage and match funding. The approval process for special projects funding is as follows:

- Less than £20k = Head of Business Improvement
- Greater than £20k and less than £500k = Chief Executive and Leader of Council
- Greater than £500,000 or significant, county wide, contentious projects = Cabinet

- 4.2 This financial year has been less successful in leveraging funding from the Heritage Lottery Fund (HLF) than in previous years, the main reasons for this are: Several large match funded contributions committed from previous years have claimed their funding in this financial year therefore having less budget to allocate to new, usually smaller projects that do not require such a lengthy claim period. Due to dwindling lottery ticket sales, HLF have reprioritised awards to specific geographical areas, of which, only East Dorset is in that priority, and much of the past activity has taken place in the West of the County. The expectation of being at least one substantial bid from the East of the County for the next financial year.
- 4.3 There is a significant stage 1 pass that has been secured from HLF that will be awarded in the forthcoming financial year:-
- £3,000,000 Collections Innovation Centre project, Dorset History Centre
- 4.4 The revenue stream of the Special Projects budget was made up from previous years underspend and in line with the required budget savings the remaining £60,000 was reallocated to the county council budget deficit. The capital stream remains at £155,000 per annum which has remained the same since 1995 when the fund was created.
- 4.5 A small community budget of up to £30,000 has been created from 2017 for the use by the Leader or the Chief Executive for ad hoc partnership or match fund projects for community benefit.

5. DCLG – Communities Fund

- 5.1 In December 2015 DCLG launched a new Community Grants Fund of £3.8 million which aims to provide funding to local authorities working with community groups to deliver solutions to entrenched social issues relating to; Early Intervention and High Cost Individuals; Adult Social Care; Children’s Services; Employment Support.
- 5.2 The County Council submitted 5 partnership bids with community organisations, none were successful. Feedback was sought from DCLG, the explanation being they had 840 applications submitted therefore success rates were incredibly low.

6 European Union Funding

- 6.1 The Dorset LEP area has been allocated £40 million of 2014-2020 European Structural Investment Funds (ESIF). It is focussed partially on training for people facing the biggest challenges to join the job market and partially on the European Regional Development Fund which in turn focuses on research and innovation, Small Business Support and the Low Carbon Economy.
- 6.2 DCC is leading a low Carbon Project and is a partner in a project led by Bournemouth Borough Council aimed at Low Carbon transport.
- 6.3 Dorset County Council is managing the €4 million ESIF-funded Northern Dorset and Southern Dorset LEADER programmes.
- 6.4 DCC and Dorset organisations are eligible to apply for project funds from a variety of EU programmes with budgets totalling billions of Euros in the 2014-2020 period;

6.5 HM Treasury has committed to guarantee funding for projects after the UK leaves the EU subject to being aligned with domestic priorities and demonstrating value for money. There has been reduced interest in competing for EU funds due to the uncertainties surrounding Brexit, and the need to secure match funding. More information is available in the Dorset County Council European Strategy 2017-2020, approved in January 2017.

7 Looking forward

7.1 Nationally, as the government settles in to the new term in office, new programmes will emerge. It is likely that, despite central government budget cuts, external funding opportunities will occur, they are likely to have an emphasis on housing and will be closely aligned to the governments manifesto and will look to support communities that will be directly negatively affected with the withdrawal from the EU.

7.2 The DCLG, created in July 2016, within the Cabinet Office have indicated 4 aims:

- Driving up housing supply
- Increasing home ownership
- Devolving powers and budgets to boost local growth in England
- Supporting strong communities with excellent public services

7.3 Much of the work of the External Funding Budget falls under the last DCLG aim, however the housing aims may increase if the County becomes two unitary councils.

7.4 On the 4th July 2017, National Government launched a new Housing Infrastructure Grants Fund, which schools will be eligible for. The County Council area will be eligible to apply for the Marginal Viability stream of the fund, worth up to £10m

7.5 The effectiveness of the special projects budget, in supporting feasibility, bidding costs and match funding remains clear. It will continue to become an increasingly important tool to help us build the capacity of Dorset's civil society and lever significant sums of inward investment into the county.

7.6 The loss of the Special Projects Budget revenue stream from 2017 will most probably have a negative effect on project funding bids within the directorates. However the creation of the Leaders and Chief discretionary community fund may help to alleviate this.

7.7 Looking to the Local Government Reform (LGR) programme, it will be imperative there is still a driver for external funding.

8 Conclusion

8.1 Whilst external funding is still available in significant quantities, bidding activity by the Council has increased, turning on the trend set in 2012, however the bid totals are becoming less and with more expectation for match funding. Over the last six financial years the total value has dropped from £52m to £20m. The reasons for this are mixed but include the end of the old EU programmes, forthcoming Brexit, a change in government in 2015, HLF decreasing their awards in the county and reduced capacity to bid. Hence it is crucial that the external funding activity that capacity does support, is undertaken in light of the agreed outcomes within the corporate priorities and through effective partnership working with organisations and communities across Dorset.

9 Recommendations

9.1 It is recommended that the committee:

1. Notes external funding activity during 2016-17.
2. Comment on the external funding activity

Debbie Ward Chief Executive

July 2017

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Appendix 1: Bidding Activity 2016-17

Project	Dir	Source & Programme	Status	DCC Contribution	Grant Value
Growth Deal 3 -Transport infrastructure to unlock the development south of Gillingham of 2000 dwellings and 9ha of employment land	Env	Government BIS via LEP	Secured	£410,000	£3.45m
Providing and promoting access to outdoor, landscape-based activities for older people especially those living with dementia and their carers	Env	Big Lottery - Reaching Communities	Secured	£20,000 + £45,000 in-kind	£330K
Delivery of AONB functions	Env	DEFRA National Parks & AONBs	Secured	£25,380	£227,931
Women and Broadband Project	Env	DCMS and GEO	Secured	£0.00	£50,000
Support to organisations preparing bids for c.£20 million ESF allocated to Dorset LEP area	Env	EU via DWP - European Social Fund Technical Assistance	Secured	£22,162	C. £20m
Deliver improvement works at four locations along the Dorset coast path	Env.	Natural England – Community Grant	Secured	£25,991	£59,646
Improvement works on Coast path - Ferrybridge	Env.	South West Coast Path Association	Secured	£0.00	£16,100
Capital Improvement works / PRow network development	Env.	Central Government LTP for Dorset Coast and countryside	Secured	£15,335	£128,541
Providing grants to the fishing and aquaculture industries for social, economic, development, business and sustainability	Env.	DCLG – Dorset Coastal Communities	Secured	£0.00	£800.000
Community Offer for Living and Learning	Env.	Cabinet Office – One Public Estate	Secured	0.00	£175,000

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To develop a Region of Readers project	A&C	Arts Council England – opportunities for Everyone	Secured	£2000	£12,700
To carry out local inspection and sampling at animal feed producers to ensure the safety of the food chain	A&C	Foods Standards Agency – National Trading Standards Board	Secured	£0.00	£45,000
To carry out additional review of Food sampling	A&C	Foods Standards Agency	Secured	£0.00	£3,500
Reinvigorating Social Work	Chil	Department for Education	Secured	£0.00	£1,970,000
Woodruffe School	Chil	Government Priority Schools Building Project (PSBP2)	Secured	TBC	TBC
Local Family Offer	Chil	Department for Work and Pensions	Secured	£80,000	£9,000
			Secured		
Consortium of 5 LA's bid to aiming to give housebound people access to tablets and encouraging digital skills and reduce rural isolation	A&C	Arts Council Fund – Libraries Opportunities for Everyone	Rejected	£0.00	£171,685
Early intervention and High cost individuals Employment Support project - support those who are unemployed and least likely to be successful in gaining paid employment through the recognized channels to and to improve health & wellbeing outcomes for those who have low level mental health, social and disability issues preventing episodes of costly crisis intervention.	CEO	DCLG – Communities Fund	Rejected	£0.00 In kind DCC Support	£38,283
Count Me In: An inclusion scheme delivered by the Early Years & Childcare Service to support children aged 5 -12 years who are disabled, to attend Ofsted registered mainstream out of school settings in their local community during term time and/or school holidays	Chil	DCLG – Communities Fund	Rejected	£0.00 above normal directorate budget	£51,475

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Children's Service Redesign: this redesign project is committed to releasing community capacity and form alliances in each family zone so that service providers utilise the assets in particular areas, keeping children and young people safe and enabling them to reach their highest potential.	Chil	DCLG- Communities Fund	Rejected	£0.00 above normal directorate budget	£70,000
Home Coaching for Parents: to develop a parenting coaching programme for isolated rural parents utilising the voluntary sector partners and existing rural infrastructure.	Chil	DCLG – Communities Fund	Rejected	£0.00 above normal directorate budget	£56,510
The Imaginarium Project: A permanent dedicated space integrated within a Children's Centre as centre of excellence for Early Years children's development through arts and creativity, targeting vulnerable children and offering wide shared learning opportunities	Chil	DCLG – Communities Fund	Rejected	£0.00	£62,490
To carry out local inspection and sampling at animal feed producers to ensure the safety of the food chain	A&C	FSA – National Trading Standards Board	Pending	£0.00	£45,000 approx.
Communities Living Sustainability	Env.	Big Lottery	Pending	£26,354	£960,000
Improvements to Coastal access and information and public realm infrastructure	Env.	Coastal Communities Fund	Pending	£25,000	£7,536,581
Total Bid For				£	
Total Secured					£

Appendix 2: Special Projects Investments 2016-17.

Reference Number	Organisation	Project	Principle Funding Source	Grant Offered by DCC (£)	Minimum Financial Leverage Expected (£)	Leverage Status
<u>CAPITAL PROJECTS</u>						
EF-16-160	Tolpuddle Old Chapel Trust	Tolpuddle Old Chapel restoration	Heritage Lottery Fund	£20,000	£250,000	<u>Secured</u>

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EF-16-163	DCC EU Funding Office	ESIF Technical Assistance Project	European Social Innovation Fund	£9,400	£94,000	<u>Secured</u>
EF-16-164	Tolpuddle Village Hall	Tolpuddle Village Hall Modernisation	Heritage Lottery Fund	£9,500	£95,000	<u>Secured</u>
EF-16-167	Dorset History Centre	Collections Innovation Centre project	Heritage Lottery Fund	£75,000	£3,000,000	<u>Pending</u>
EF-17-172	Future Roots	Acquisition of Whitfield site	Big Lottery	£17,500	£242,000	<u>Pending</u>
<u>TOTALS</u>				<u>£131,400</u>	<u>£3,681,000</u>	
<u>REVENUE PROJECTS</u>						
EF-16-159	Dorset Youth Association	Fit4Life	Sport England - Innovation Fund	£5,000	£50,000	<u>Secured</u>
EF-16-162	Dorchester Rotary Club	The first Dorchester Marathon	Corporate Sponsorship and race entry income	£6,675	£81,450	<u>Secured</u>
EF-17-169	AONB with Dorset Arts Development Company	Stepping into Nature	Big Lottery	£20,000	£389,300	<u>Secured</u>
EF-17-170	Jurassic Coast Trust	Dippy on Tour: A Natural History Adventure	Arts Council England	£10,000	£170,000	<u>Secured</u>
EF-16-165	Dorset Arts Development Company	The Imagination Pilot	DCLG	£1,000	£62,490	<u>Rejected</u>
<u>TOTALS</u>				<u>£42,675</u>	<u>£690,750</u>	