

Audit and Governance Committee

Dorset County Council



Date of Meeting	25 October 2018
Officer	Chief Executive
Subject of Report	External Funding Monitoring Report 2018
Executive Summary	<p>This report provides an overview of external funding bidding activity in 2017-18. The report shows that, although the total number and value of bids has decreased when compared to 2017, the success rate has increased.</p> <p>The report also highlights the use of the special projects fund 2017-18, 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 the changes to the two biggest national funders; The Big Lottery Fund and Heritage Lottery Fund.</p>
<p>Impact Assessment:</p> <p><i>Please refer to the protocol for writing reports.</i></p>	<p>Equalities Impact Assessment:</p> <p>This report does not relate to a new policy or change in service.</p>
	<p>Use of Evidence:</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 Council is a formal partner to a bid. Activity reported in accordance with the policy is recorded on an excel register, the data from which 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>Budget:</p> <p>There are no new budget implications in this financial year. The value of externally funded projects goes beyond a financial</p>

	<p>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>Risk Assessment: 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>Outcomes:</p>
	<p>Other Implications: 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>
Recommendation	<p>It is recommended that the committee:</p> <ol style="list-style-type: none"> 1. Notes external funding activity during 2017-18; 2. Comment on the external funding activity; 3. Consider whether there are available funds to maintain the Special Projects Fund at £155,000 for the financial year 2019/20.
Reason for Recommendation	<p>Well managed and focussed external funding activity has the potential to help deliver the priorities and outcomes identified in the council's corporate objectives.</p>
Appendices	<p>Appendix 1: Bidding Activity 2017-18 Appendix 2: Special Projects Investments 2017-18</p>
Background Papers	<p>External Funding Policy available on SharePoint</p>
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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 2017. 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.
- 2.2 The chief executive's office budget pays for the county council's IDOX – Open for Communities licence, allowing communities across the authority area to access a professional external funding grants information database. Due to decrease in budgets and under usage, the County Council no longer funds the internal version of this available to officers – IDOX – Grantfinder.
- 2.3 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 2017-18

- 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

Table 1: Total bidding activity (2015-2018)								
Financial Year	Bids Made		Grants Secured		Rejected or Withdrawn Bids		Bids Pending Decision	
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
2018	28	£16.86m	22	£9.64m	1	£291,000	5	£7,46m

3.3 Points to note from bidding activity in the last financial year

- The number of bids **decreased** by 9% to 28, though this does follow previous year's figures which were an anomaly in the wider trend.
- The total value of bidding activity **decreased** from 2017 by 12% to £16.86m. This is a reasonable value of external funding activity in the current climate.
- 78% of bids have been successful which has **increased** since 2017 and is the highest success rate in the last 4 years.
- The trend will be monitored and reviewed to establish whether there is an underpinning for the change to the trend of successful bidding.

3.4 The 3 largest grants bid for and secured by DCC as lead organisations, were not solely from central government and the EU which is a change in the trend of previous years: -

- Homes England - £6,500,000
- EU – European Social Investment Fund - £3,124,000
- Heritage Lottery Fund - £900,000

3.5 The outcomes of the 4 significant bids during 2017 were:

Fund	Programme	Grant Value	Outcome
Coastal Communities Fund	Improvements to Coastal access and information and public realm infrastructure	£7.5m	<u>Secured</u>
Heritage lottery	Dorset History Centre - Collections Innovation Centre project	£3m	<u>Reject - Resubmitting</u>
Big Lottery	Communities Living Sustainability	£960,000	<u>Secured</u>
Big Lottery	Future Roots - Acquisition of Whitfield site	£242,000	<u>Reject</u>

3.6 There are 4 significant bids pending outcomes for 2018

- £6.5m – Homes England – Housing Infrastructure Fund
- £1.9m and £658,000 – Heritage Lottery Fund
- £318,000 – Department of Work and Pensions – Reducing parental Conflict Fund

3.7 None of the pending bids are from EU funding streams, though two are from Government departments

3.8 The External Funding & Grants Manager worked in partnership to secure funding from the MOD for a 2-year programme to the Local Delivery Support for the Armed Forces Communities in Dorset. DCC as the lead organisation are working with partners including; Dorset Healthcare, CCG, Office of Police and Crime Commissioner, Bournemouth Borough Council, Borough of Poole Council, Dorset Council's Partnership, and the 4 Dorset Military bases, to create 13 Veterans Hubs in Libraries across the county and raise the profile of the Armed Forces Covenant within the public sector and in the community.

3.9 DCC contributed a total of £324,780 to bid for £16.86m of external funding to support the Dorset economy.

4. Special Projects Fund 2017-18

- 4.1 As part of the external funding policy, the County Council also supports external funding activity with community and partner organisations. This is done by using the special projects fund of £155,000 per annum to provide grants for feasibility studies, expert advice in bidding, leverage and match funding. This fund has remained the same since it was created in 1995.
- 4.2 This budget, pending a final decision by the Shadow Cabinet Budget Group, is likely to receive 11.7% reduction as part of the desegregation to Bournemouth Christchurch and Poole Council. This would result in a new budget figure of £136,865. However, this budget does have significant financial commitments against it until 2021 due to the nature of the applications for large projects with other funders, which are subject to a successful application.
- 4.3 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
- 4.4 This financial year has been less successful in levering 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 from the Special Projects Budget 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.
 - 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 of £1.9m with a DCC contribution of £30,000.
- 4.5 The Collections Innovation Centre project at the Dorset History Centre has been a victim of the reduced allocation of funds from the HLF. Their project totalling £3m, which received a stage 1 past last financial year has been rejected at stage 2. They have been advised to amend their project and resubmit in 2018/19.
- 4.6 2017 saw the removal of the annual revenue funding stream from the Special Projects budget which has had a notable effect on the County Council's ability to lever in capital projects to the county. However, some of this has been alleviated by the Leader's and Chief Executive's small community budget of £30,000 which is efficiently utilised to support ad hoc partnership or match funded projects for community benefit.

5. Big Lottery Fund and Heritage Lottery Fund

- 5.1 Dorset's communities rely heavily on both Big Lottery and Heritage Lottery Fund to draw funding into Dorset. Both funders are undergoing significant internal changes.
- 5.2 Big Lottery are restructuring their staffing and delivery model from a national to a regional structure. Dorset will fall within the South West region. Many of the grant funds are closed for applications whilst the organisation makes this major restructure. They are also using this time to review the application process. It is expected that new funding schemes will become available in the next financial year.

- 5.3 Heritage Lottery Fund have amended their 'priority areas' for applications, from which in Dorset only East Dorset (and Poole) is now a priority funding area. West Dorset has been incredibly successful in drawing funding from HLF in the past. However, Dorset currently have a major application for East Dorset pending.

6. European Union Funding

- 6.1 The Dorset LEP area has been allocated £40 million of 2014-2020 European Structural Investment Funds (ESIF). The main areas of focus are;
- training for people facing the biggest challenges to join the job market
 - the European Regional Development Fund which in turn focuses on:
 - research and innovation
 - small business support
 - low carbon economy

A significant funding bid from the Memo Project (in partnership with the Eden Project) and supported by the DCC Special Projects Fund in 2018, has benefitted greatly from this LEP funding, levering in £1m of match funding to complete a feasibility study and business plan on an estimated £30m project

- 6.2 DCC is leading a low Carbon Project and is a partner in a project with Bournemouth Borough Council aimed at Low Carbon transport.
- 6.3 DCC is managing the €4 million ESIF-funded Northern Dorset and Southern Dorset LEADER programmes due for completion in 2019.
- 6.4 HM Treasury has committed to guarantee funding for projects after the UK leaves the EU subject to be 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 During the course of the last financial year, national government has created new programmes to support communities that will be directly negatively affected with the withdrawal from the EU, particularly around housing, renewable energy, older people and family themes. DCC is making affective applications to with a reasonable success rate in an extremely competitive field.
- 7.2 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.
- 7.3 The external funding policy will need to be reviewed in line with the new Dorset Council aims and priorities as they are published during 2019.

8. Conclusion

- 8.1 Whilst external funding is still available in significant quantities, bidding activity by the Council has decreased. It does however appear to be more targeted resulting in improved success rates. The application amounts are becoming slightly lower, with more expectation for match funding in line with funders changing priorities.
- 8.2 The reasons for this 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
 - Big Lottery restricting its funds offered, creating smaller and more targeted programmes that require larger amounts of match funding.
- 8.3 It is crucial that the capacity of future external funding activity, 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 2017-18.
 2. Comment on the external funding activity
 3. Consider whether there are available funds to maintain the Special Projects Fund at £155,000 for the financial year 2019/20

Debbie Ward Chief Executive

October 2018

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Appendix 1: Bidding Activity 2017-18

Project	Directorate	Source & Programme	Status	DCC Contribution	Grant Value
3-year programme to develop of Gillingham & West Parley streets	E&E	Homes England - Housing Infrastructure Fund	<u>Pending</u>	0.00	£6,500,000
Durlston Pleasure Gardens project where volunteers will work with rangers, artists, landscape specialists and countryside management experts to create a landscape which is inspiring, accessible, educational, playable and sustainable aiming to restore the park's intended features which have been lost or hidden over the years. 3-year programme	E&E	Heritage lottery Fund – People & Parks fund	<u>Secured</u>	4,500	£900,000
Low Carbon Dorset - To support growth in Dorset's low carbon economy by providing technical and grant support to Dorset organisations for energy efficiency and Renewable energy projects. A 3-year programme	E&E	ESIF (ERDF)	<u>Secured</u>	94,000	3,124,000
To deliver landscape-based activities for improved Health & Wellbeing for 65+ including carers & people living with dementia 3-year programme	E&E	Big Lottery Fund – reaching Communities	<u>Secured</u>	20,000	65,000
Development of Living and learning hubs – 2-year programme	E&E	Cabinet Office – One Public Estate	<u>Secured</u>	0.00	60,000
Central Heating in homes of disadvantaged population – 3-year programme	E&E	Warm Homes Fund - Urban	<u>Rejected</u>	98,500	291,000
Central Heating in homes of disadvantaged population – 3-year programme	E&E	Warm Homes Fund – Rural	<u>Secured</u>	60,000	414,000
GP Health partnership with healthy homes Dorset – 3-year programme	E&E	Warm Homes Fund - Innovation	<u>Secured</u>	21,000	45,000
Landscape enhancements in Marshwood Vale – 3-year programme	E&E	National Grid – Landscape Enhancement Fund	<u>Secured</u>	0.00	199,000
Landscape enhancements in South Dorset Ridgeway – 3-year programme	E&E	National Grid – Landscape Enhancement Fund	<u>Pending</u>	0.00	194,000
Community-based water quality survey & enhancements on River Asker – 1-year programme	E&E	Dorset Catchment Partnership – Catchment Fund	<u>Secured</u>	0.00	6,500

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Core grant to Dorset AONB.	E&E	Defra – Protected Landscapes Core Grant	Secured	25,380	235,840
To deliver community led local development in the fisheries and aquaculture sector within Dorset and East Devon – 3-year programme	E&E	European Maritime and fisheries Fund	Secured	0.00	800,000
Litter Free Coast and Sea - community campaign to promote behaviour change and reduce litter and improve bathing water quality - 5-year programme, financial commitment TBC each year, minimum contribution from Wessex water £35k	E&E	Wessex Water	Secured	0.00	100,800
Food Standards Agency - animal feed work	Adults	Foods Standards Agency	Secured	0.00	46,165
South West – A region of Readers – programme to develop reading app shared reading programme with partners (with 5 other LA’s)	Adults	Arts Council England/ DCMS – Libraries for everyone Innovation Fund	Secured	1,000	150,446
Syrian resettlement programme	Children’s	Home Office – Syrian Refugee Programme	Secured	0.00	187,494
Develop a referral hub for the programme which is aimed at testing the efficacy of interventions with parents aimed at reducing parental conflict. – 4-year programme	Children’s	DWP – Reducing Parental Conflict	Pending	0.00	318,609
A 2-year programme to improve the Local authority offer for Armed Forces Communities and to open 13 hubs in libraries across Bournemouth, Dorset & Poole.	Chief executives	MOD – Support for Local Authority delivery of the Armed Forces Covenant	Secured	0.00	284,000
Total DCC contribution				£239,780	
Total Secured					£13,771,408

Reference Number	Organisation	Project	Principle Funding Source	Grant Offered by DCC (£)	Minimum Financial Leverage Expected (£)	Leverage Status
<u>CAPITAL PROJECTS</u>						
	MEMO in partnership with the Eden project	Mine – Dorset Historical Attraction feasibility	Crown Estate £1.3m Dorset LEP - £1m	£80,000	£2,750,000	<u>Secured</u>
EF-17-173	Priests House Museum Wimborne	To refurbish the main Museum building to improve conservation of the historic fabric and to increase understanding of the development of the building; increase the exhibition and display space; to provide more stories concerning the lives of people from East Dorset; provide improved engagement opportunities with communities across East Dorset and to ensure the future sustainability of the Museum.	Heritage Lottery Fund	30,000	1,900,000	<u>Pending</u>
EF-17-174	Shaftesbury Abbey: a voyage of Exploration and discovery	To make the first ever comprehensive survey of the remains of Shaftesbury Abbey church and cloister and their relationship to the Saxon burh and medieval town; improve visitor services to make it inclusive and develop a volunteer programme.	Heritage lottery Fund	15,000	86,000	<u>Secured</u>
EF-17-175	Hinton Martell Village Hall - Feasibility	To develop the 3 proposed development options in conjunction with the village residents to ensure the redevelopment of the hall future proofs this inclusive community through proposed facilities.	Architectural Heritage Fund	5,000	13,000	<u>Secured</u>
EF-17-171	Dorchester Maltings - Feasibility	The purpose of the architectural feasibility study and business plan revision was to establish what was required in terms of operational facilities (arts provision, catering provision and commercial space) to make The Maltings financially sustainable and avoid the need for substantial public subsidy, the design costs and a detailed, financially sustainable business plan.	Architectural Heritage Fund	6,000	31,000	<u>Secured</u>
EF-18-176	Hinton Martell Village Hall – Development	To match fund the preferred option following the completion of the feasibility.	Heritage lottery Fund	20,000	658,000	<u>Pending</u>

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				<u>TOTALS</u>	<u>56,000</u>	<u>2,688,000</u>	
<u>REVENUE PROJECTS</u>							
EFD-17-03	Christchurch Open Awards Centre	Pantry project – the development of a social shop in Somerford Estate		15,000	30,900		<u>Secured</u>
EFD-17-05	Arts development Company	Development of footfall into libraries for rurally deprived areas by the creation of activities through means of arts and culture.	Arts Council Coastal and Market Towns communities fund.	4,000	60,000		<u>Secured</u>
				<u>TOTALS</u>	<u>29,000</u>	<u>90,900</u>	