

# Audit and Governance

**Dorset County Council**



Date of Meeting	21 January 2019
Officer	Corporate Policy and Performance Officer
<b>Subject of Report</b>	<b>External Funding Update Report</b>
Executive Summary	Following the 2017/18 External Funding report presented at the October 2018 committee, several questions were asked regarding funds received to the Dorset Area compared to the Conurbation and also of how Brexit will affect the Council's ability to lever in funding. This report does its utmost to answer these questions, although not all the answers, particularly in relation to Brexit can be certain at this time.
Impact Assessment:	<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>Budget:</p> <p>There are no new budget implications in this financial year.</p>
	<p>Risk Assessment:</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>Other Implications:</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.</p>

## External Funding Monitoring Report

	Hence a partnership approach to external funding activity is required in most cases.
Recommendation	The Members review the presented report and comment where appropriate.
Appendices	No Appendices included
Background Papers	Dorset Gateway Project Dashboard
Officer Contact	Name: Laura Cornette & Jon Bird Tel: 01305 224306 Email: <a href="mailto:l.cornette@dorsetcc.gov.uk">l.cornette@dorsetcc.gov.uk</a> & <a href="mailto:j.bird@dorsetcc.gov.uk">j.bird@dorsetcc.gov.uk</a>

## External Funding Monitoring Report

### 1 Funds received to Dorset via the Local Enterprise partnership (LEP) compared to the Conurbation.

1.1 The Dorset LEP was created in 2013 and has received 3 grant funded rounds of £70,000,000 to date under the Growth Deal Fund.

1.2 To date there has been a total of 11 projects funded under the Growth Deal Fund in Dorset compared to 9 projects in the Conurbation and 3 Pan Dorset. This investment totals at **£82,480,580**.

1.3 The investment has been distributed across the county as follows:

Dorset	£8,075,000
Conurbation	£90,360,150
<b>Total difference</b>	<b>£82,285,150</b>
<i>Pan Dorset</i>	<i>£195,430</i>

1.4 The projects funded throughout the duration of the funding, are as follows:

Project Name	Project Delivery Partner	Total Growth Deal Funding (£)	Dorset / Conurbation
Agri-Tech Centre	Kingston Maurwood College	900,000	Dorset
Dorset Innovation Park – strategic delivery	DCC & PDC	1,000,000	Dorset
Gillingham Access to Growth	DCC	3,450,000	Dorset
Jurassica	Jurrassica	300,000	Dorset
Literary and Scientific Institute	Bridport Area Development Trust	56,250	Dorset
Mary Anning Wing	Lyme Regis Museum	56,250	Dorset
Mine – The Journey	MEMO, Albion Stone & Eden Project	1,000,000	Dorset
Quadrant – Dorset Innovation Park	PBC	600,000	Dorset
Shire Hall	WDDC	56,250	Dorset
Swanage Pier	Swanage Pier Trust	56,250	Dorset
Western Growth Corridor	W&PBC	600,000	Dorset
Bournemouth International Growth Programme	BBC & DCC	452,000,00	Conurbation
Engineering & Manufacturing Project & Finance and Business Project	Bournemouth & Poole College	£2,565,150	Conurbation
Holes Bay	BOP	5,000,000	Conurbation
Innovation Studio	Arts University Bournemouth	1,400,000	Conurbation
Institute for Medical Imaging and Visualisation	Bournemouth University	1,400,000	Conurbation
Lansdowne Business District	BBC	8,500,000	Conurbation
Orthopaedic Research Project	Bournemouth University	1,650,000	Conurbation
Port of Poole Infrastructure programme	BOP	23,310,000	Conurbation
Wallisdown Road	BBC	1,335,000	Conurbation
Custom Brokerage Service	Dorset Chamber of Commerce & Industry	138,930	Pan-Dorset
Bid writing Support Service	Brooks Kebbey Ltd.	37,000	Pan-Dorset
Customer Relationship Management System	Tractivity Ltd.	19,500	Pan-Dorset

## External Funding Monitoring Report

1.5 Dorset has also benefitted by **£13,328,394** from the LEP Growing Places Fund which is a business loan facility to enhance economic development.

1.6 The investment has been distributed across the county as follows:

Dorset	£3,050,000
Conurbation	£8,278,394
<b>Total difference</b>	<b>£5,228,394</b>
<i>Pan Dorset</i>	<i>£2,000,000</i>

1.7 The projects funded under the Growing Places Loan Fund are as follows:

Project Name	Project Delivery Partner	Total Growth Deal Funding (£)	Dorset / Conurbation
Castle Court, Osprey Quay	W&PBC	500,00	Dorset
Cobham Gate	Glenleigh Developments Ltd.	1,500,000	Dorset
North Dorset Business Park	DCC	800,000	Dorset
Committed Project #1	West Dorset	250,000	Dorset
Alder Hills	Bournemouth Churches Housing association	775,000	Conurbation
Bionanovate	Bionanovate Ltd.	1,700,000	Conurbation
Boscombe Regeneration Community Land Trust	BBC	1,194,394	Conurbation
Field International	Field International	2,315,000	Conurbation
Hamworthy	BOP	660,000	Conurbation
Committed Project #2	South East Dorset	1,634,000	Conurbation
Ultrafast Broadband	DCC	2,000,000	Pan Dorset

1.8 There will be no more funding allocation to the LEP from the EU as a result of Brexit.

1.9 The Dorset LEP members are meeting in January 2019 to review projects that have been allocated funding. They may well take the decision to re-allocate some of the pre-committed funds to other projects to ensure the funds are spent by the 2021 deadline.

1.10 The UK Shared Prosperity Fund (UKSPF) has been designed to replace EU structural funding, including the Growth Deal and Growing places Funds however, it is still unclear how much funding will be made available, how it will be allocated, and who will take decisions over how the funding is spent. It is likely to be closely tied to UK Industrial and Clean Growth Strategies. Early indications suggest that LEPs or Combined Authorities may have a key role in the allocation of funding. Dorset is communicating both directly and through regional and national groups so the needs of Dorset and areas with similar economic development needs are taken into consideration in the development of the fund and its allocation procedures.

## 2 How Brexit may affect the Council's funding opportunities – Background

2.1 The Dorset County Council European Strategy 2017-2020 (January 2017) states that DCC will use EU funding and work to influence EU policy to further DCC's corporate aims.

2.2 The DCC Implications of Brexit for DCC report (October 2017) confirmed DCC will continue to seek EU funding and influence future UK policy to benefit Dorset's residents and businesses.

2.3 Current EU funding

2.3.1 The Government has agreed to underwrite the full 2014-20 EU programme period and allocation of funds, even if there is a 'no deal' scenario. This means that Whitehall will continue to sign new projects after the EU exit, during 2019 and 2020, up to the value of programme allocations, including structural investment funds and payments to the agricultural sector.

## External Funding Monitoring Report

2.3.2 European Structural and Investment Funds (worth €16bn to the UK and £40 million to Dorset), are designed to reduce regional disparities.

They include:

- European Regional Development Fund (ERDF), focused on business support and innovation, which is funding business support programmes such as the Dorset Growth Hub, and the DCC-managed Low Carbon Dorset Programme. It also funds the INTERREG programmes, several of which have funded a variety of projects with DCC as a partner.
- European Social Fund (ESF), which concentrates on social inclusion, and funds a series of education and training projects targeted at those Not in Education, Employment or Training.
- European and the European Agricultural Fund for Rural Development (EAFRD), which has supported the development of rural areas and reforms within the agricultural sector and funded the DCC-managed Northern Dorset and Southern Dorset LEADER programmes.

2.4 Future EU funding: The short term

2.4.1 LEPs are continuing to issue call windows for ERDF and ESF. Provided projects are contracted by 31st December 2020, the funding will be guaranteed to enable projects to run up to 31st December 2023. Dorset LEP is currently on track to allocate the remaining sums of ERDF and ESF, Calls for Interreg projects will continue and DCC will continue to bid for suitable opportunities.

2.5 Longer term future funding: Replacement for EU funds

2.5.1 In addition to the UK Shared Prosperity Fund (para 1.10). Agricultural policy has contributed significantly to Dorset's rural communities and is of direct relevance to County farms. The Government has pledged to continue to commit the same cash total in funds for farm support across the UK until the end of this Parliament. The Agricultural Bill makes provision for the Government to provide financial assistance to those managing the land and delivering public benefits, such as air and water quality and public access. It proposes to phase out direct payments over a seven-year agricultural transition period from 2021, bringing an end to direct payments in 2027.

2.5.2 The UK may decide to buy into EU funding programmes. At present it is considered likely the UK will look to cooperate with academic and research projects, where the UK has historically been a net recipient of EU funding. Although there is some support for continued participation in INTERREG programmes, it appears there is less interest in buying into these programmes.

**Mike Harries**  
**Chief Executive**  
**January 2019**