

REPORT TO: Executive Board

DATE: 19 July 2018

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 seek approval to run a twelve month pilot to charge for bid-writing and monitoring services associated with the development and implementation of external funding applications.

2.0 RECOMMENDATION: That Executive Board

- 1) approve the twelve month pilot; and**
- 2) receives a further report on the outcomes, twelve months after the commencement of the pilot.**

3.0 SUPPORTING INFORMATION

3.1 The Regeneration Non Town Centres Team has been looking at ways of being more commercially minded, 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 in investment into the Borough. This is a non-statutory function of the Council and during times of budget constraints one that may need to stop. The alternative to stopping the service is to make it more self-sufficient.

3.2 In future, when a bid is successful, the Team will look to recover its full costs, or in the case of the voluntary sector, apply a nominal charge. With regards to support for Council departments there will be 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.

- 3.3 The income generated would help to support the sustainability of this vital service. The proposal is to run a twelve month pilot. The pilot would be reviewed on a quarterly basis and a report taken back to Members at the end of the twelve month period.
- 3.4 Whilst this is a new Charging Policy, the Team has, on previous occasions, applied charges to Council departments and the private sector for these services. This has been ad hoc, but the Team now wishes to formalise these arrangements. Charges to the voluntary sector would be entirely new. However, given that this sector is heavily relied upon to support and sustain our communities, it is important not to undermine the excellent work undertaken by the sector, and, therefore, safeguards have been built into the proposals. For example, any nominal charge would only be applied where a voluntary group holds free reserves of more than £10,000. Equally, no fee would be charged if a bid was unsuccessful.
- 3.5 Based on an analysis of activity levels for the last 5 years and if fees had been applied on all occasions, between £90,000 and £125,000 of income for the Council could have been generated.
- 3.6 There are two fee scales, the first for the private sector, which will be based on 100% cost recovery of staff costs. In respect of the second fee scale for the voluntary sector, it is proposed to shield this sector from the full exposure to the charges and to cap fees on the scale shown below:
- £500 fee for all grants or loans secured less than £50k
 - £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
- 3.7 In discussion with colleagues at the Greater Merseyside Funding Advisory Group; specifically Liverpool and Sefton Community and Voluntary Services, both have been applying charges for these services for a number of years, with no reported adverse impact. Knowsley Council has also begun to charge for bid-writing services.

4.0 POLICY IMPLICATIONS

- 4.1 The Team is seeking to pilot fee charging over a twelve month period to determine how effective it is and the impact on the number and size of

funding applications. If effective, this model could be rolled out to other services of the Team and other departments of the Council.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There is potential to generate income, if clients wish to buy the service. 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.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

The existing service would continue, albeit with a fee, where applicable.

6.2 Employment, Learning and Skills in Halton

The existing service would continue, albeit with a fee, where applicable.

6.3 A Healthy Halton

The existing service would continue, albeit with a fee, where applicable.

6.4 A Safer Halton

The existing service would continue, albeit with a fee, where applicable.

6.5 Halton's Urban Renewal

The existing service would continue, albeit with a fee, where applicable.

7.0 RISK ANALYSIS

- 7.1 Potential adverse impact on the number and quality of applications. There may be a consequential reduction of funding coming into the Borough.
- 7.2 Potential conflict with businesses already providing this service.
- 7.3 Once contracted to deliver, the Council will have to ensure that the service is available irrespective of staffing levels.
- 7.4 Criticism and adverse publicity/legal action from a paying client, if the service provided does not meet standards, an application fails, or clawback of money is instigated by the provider.
- 7.5 On balance, a pilot that allows the Council to test the opportunity is considered to be the correct approach.

8.0 EQUILTY AND DIVERSITY ISSUES

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

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

9.1 None under the meaning of the Act.