



---

**To**            **Audit and Procurement Committee**

**Date** 26th October 2015

---

**Subject**    **European Funding**

---

**1 Background and Purpose of the Note**

This note provides an update on the Council's European Funding, including how much the Council has received and how it is managed.

**2 European Funding Allocated**

2.1 Since 2010 the Council has received £45.2m of European funding covering both capital and revenue schemes, and will continue to finalise the European Programme until December 2015 when the programme ends.

2.2 Table 1 shows the projects that the City Council has developed and invested into, covering: investments in historic projects £0.5m; investment in Job creation and business grants £8.8m; and one-off major schemes £35.8m. Table 2 presents the new potential allocation from the European Structural and Investment Fund (ESIF). The City Council has been provisionally allocated £15.9m from 2015 to 2019.

**3 Governance**

3.1 There is a rigorous process in the application/bid stage for European Funding required from the Department for Communities and Local Government (DCLG), which administers the grant on behalf of Central Government.

3.2 The Resources and New Projects Team within the Place Directorate co-ordinate the European funding regimes on behalf of the City Council. In addition a dedicated Project Manager and Team are appointed to manage each individual project delivery.

3.3 Depending on the complexity of each project and complexity with other funding partners, Project Boards and Teams are set up to manage each strand of the programme and ensure the effective control and distribution of funds. Examples include the analysis of Private Sector Accounts in particular where grants are issues towards the creation of new business and job creation and the delivery of major schemes. These Boards include a selection of designated officers from within the local authority including support from Procurement, Legal and Finance and external specialists.

3.4 Cabinet and Cabinet Member approval is therefore sort in advance of bidding application and project delivery in order to seek approval in line with the Council's delegated financial limits. Further reports are provided by the Project Lead and through quarterly budgetary control reporting.

#### 4. Funding and Claiming

4.1 European Funding is issued to the City Council based on the bidding round, but is not generally issued on a 100% basis. Match funding (contributions from another source) is often required to fully match and fund the total costs of the project. This split can depend on the number of outcomes/outputs delivered by each project and can be provided by a number of sources either funded locally from City Council funds, other grants or from Private Sector contributions, or mixture of all. It becomes a complex management of grant conditions and project delivery.

4.2 Each month or quarter, grant claims are submitted to the Department for Communities and Local Government (DCLG) for review. DCLG then select 10% audit checks from each claim, for which the City Council is required to provide evidence. Upon successful completion of the 10% check, the claim is paid to the City Council. All claims have to be evidenced from the ledger for actual payment (defrayal) with supporting invoices and bank statements. In addition DCLG carry out periodic audits, which are more in-depth review of claims and procurement processes. At the end of each Programme a final audit is conducted to validate all outputs and sign-off projects.

	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	Total Revenue £000s	Total Capital £000s	Grand Total £000s
<b>Projects</b>									
C&W Enterprise & Business Growth Package	0	91	677	1,520	1,515	1,644	1,552	3,895	5,447
Small Business Loans	0	0	0	0	336	182		518	518
Economy & Jobs various projects	289	386	840	943	407	0	2,864	0	2,864
<b>Job Creation and Business Support Grant</b>	<b>289</b>	<b>477</b>	<b>1,517</b>	<b>2,463</b>	<b>2,258</b>	<b>1,826</b>	<b>4,416</b>	<b>4,413</b>	<b>8,829</b>
Nuckle	0	0	355	365	415	2,390	0	3,524	3,524
Far Gosford Street	159	708	263	362	2,093	2,172	291	5,467	5,758
Public Realm	0	2,636	734	741	1,660	7,485	0	13,256	13,256
International Transport Museum	0	0	0	100	1,555	1,446	22	3,078	3,100
Friargate Bridgedeck	0	0	0	592	5,574	4,069	0	10,234	10,234
<b>Major Capital Schemes</b>	<b>159</b>	<b>3,344</b>	<b>1,352</b>	<b>2,160</b>	<b>11,297</b>	<b>17,562</b>	<b>313</b>	<b>35,559</b>	<b>35,872</b>
Nursery Milk	0	0	16	0	0	0	16	0	16
14-16 Alternative Curriculum	0	0	250	0	0	0	250	0	250
Herbert Art Gallery	173	0	0	0	0	0	0	173	173
New Deal	0	67	0	0	0	0	67	0	67
<b>Historic Grants</b>	<b>173</b>	<b>67</b>	<b>266</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>333</b>	<b>173</b>	<b>506</b>
<b>Grand Total</b>	<b>621</b>	<b>3,888</b>	<b>3,135</b>	<b>4,623</b>	<b>13,555</b>	<b>19,388</b>	<b>5,062</b>	<b>40,145</b>	<b>45,207</b>

<b>ERDF/ESF Funding (ESIF) Allocation</b>									
Projects not yet approved									
2015 grant will be retrospective									
	2015 £000s	2016 £000s	2017 £000s	2018 £000s	2019 £000s	Total Revenue £000s	Total Capital £000s	Grand Total £000s	
SME Growth		1,300	1,604	1,600	0	3,003	1,500	4,503	
Low Carbon		1,337	2,184	2,184	0	1,820	3,885	5,705	
Research & Innovation			585	588	589	962	800	1,762	
Yout Employment Initiative (ESF)	411	1,234	1,234	719	0	3,598	0	3,598	
Technical Assistance (ERDF)	13	54	55	56	0	178	0	178	
Technical Assistance (ESF)	13	55	56	57	0	181	0	181	
<b>Grand Total</b>	<b>437</b>	<b>3,980</b>	<b>5,718</b>	<b>5,204</b>	<b>589</b>	<b>9,742</b>	<b>6,185</b>	<b>15,927</b>	