

## **EAST AYRSHIRE COUNCIL**

### **POLICY AND RESOURCES COMMITTEE – 27<sup>TH</sup> MARCH 2007**

#### **EXTERNAL FUNDING UPDATE 1<sup>st</sup> October – 31<sup>st</sup> December 2006**

#### **Report by the Depute Chief Executive/Executive Director of Corporate Support**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide the Policy & Resources Committee with:
- an update on progress in relation to external funding activity for the 3<sup>RD</sup> Quarter 06/07
  - an update on changes to European Funding Programmes 2007-2013.
- 1.2 This report has been considered and approved by the Corporate Management Team on 7 March 2007.

### **2. SUMMARY OF KEY ISSUES**

- 2.1 Activity levels continue to increase, with almost three times the level of support meetings carried out to date this year than the same period during 05/06. In order to better meet growing demand, the External Funding Network (EFN) have developed a draft protocol for handling external funding enquiries, in order to ensure that levels of support provided reflect current strategic and service plan priorities, which forms the subject of a separate report to this Committee
- 2.2 The External Funding team have supported colleagues and community groups with 68 funding submissions to end December 2006, a total of £2,974,643 grant funding. To date, 36 of these have been approved, a value of £523,125, with 3 rejected (value £181,817) and the remaining 29 awaiting decisions over the next 3 /4 months (value £2,269,701).
- 2.3 Since the launch of the new Big Lottery Fund grants in February 06, 23 Outline Proposal Forms had been submitted from organisations throughout East Ayrshire by end December 06, for total grant value of c. £10.8m. Of these, 23 full applications have been invited for a total of c. £7.5m. To date, East Ayrshire Council has submitted 8 OPFs (value c. £3.4m). Three projects have now made full application, CONDUIT, CATCH and the ACE Play Initiative (value £1.9m) and two are still under consideration; ICT in the Community and the DIVERT project. A full breakdown of applications is given in Appendix A.

- 2.4 A further two applications have been developed for the Young People's Fund for a value of £300,156. The Youth Access Project (£134,700) and the Amplify project (£165,456) are due to be submitted by end March 07.
- 2.5 As a result of this high level of activity BLF have asked for a meeting with the Council to discuss prioritisation, prior to any of these projects being submitted to the BLF Awards Panel, as the amount of eligible grant applications under consideration is well in excess of the notional allocation for the public sector within East Ayrshire.
- 2.6 Consultations on the European Structural Funds Programmes 2007-2013 and the Rural Development Regulation, have now all concluded. Given the Commission approvals process it is highly unlikely that initial calls for applications will be made before the end of 2007, resulting in no ERDF or ESF funding becoming available until the beginning of the next financial year.
- 2.7 In any event the amount of funds available will be around 40% of that in previous years and the geographical coverage is likely to be much wider. The Council are now seeking lobbying opportunities with Alan Wilson MP in order to add weight to previous consultation comments regarding the need for geographical targeting to those areas of greatest regeneration opportunity as identified within People and Place.
- 2.8 Administration arrangements under the new programme will also be very different. At a recent meeting (2<sup>nd</sup> March) of WOSEC with the new administration body, East of Scotland European Partnership (ESEP), there was a view that the previously discussed pilot for delivery of elements of ERDF and ESF funds through Community Planning Partnerships will go ahead. This is likely to be through larger CPPs and the Clyde Valley Community Planning Partnership were discussed as one likely candidate. It is therefore important that formal discussions are entered into as soon as possible to clarify the standing of the three Ayrshire Councils within such a structure.
- 2.8 The three Ayrshire Councils have also met with SEERAD, the administration body for the Rural Development Regulation and been invited to consider how they would wish to apply for LEADER monies under the new programme. The geographical population threshold for LEADER Action Groups (LAGs) has now been set at 150k. We are currently working on how this fits with overall rural populations across the three areas, prior to making recommendations as to the way forward.

### 3. EXTERNAL FUNDING ACTIVITY – 3rd QUARTER OF THE FINANCIAL YEAR 06/07

3.1 The External Funding and Sustainability Officer and Worker have provided advice and support to a number of internal and external clients and participated in a range of external groups in order to support this function. Levels of activity from 1<sup>st</sup> October to 31<sup>st</sup> December 2006 and a cumulative total of activity for the financial year, is given in the table below:

Activity	3 <sup>rd</sup> Quarter 06/07	Comparative Quarter (05/06)	Cumulative Total to Date 06/07	Comparative Period Year(05/06)
Support meetings with groups to provide advice and support on funding	65	34	206	108
Presentations given	0	3	2	5
Facilitation at Information Events	2	0	4	0
Internal meetings regarding funding support	29	26	76	64
Meetings with Funders	9	7	20	8
EFN Sub Group Meetings serviced	2	5	8	6
Support meetings with Community Planning Partners	5	8	12	8
Attendance at Seminars & launches	6	5	11	6
Scottish Funding Officer Group meetings	4	4	10	4

3.2 Advice and guidance has been provided in support of 6 external funding applications submitted during the period, with a total value of £2,561,249. The most significant of these being:

- CONDUIT, Big Lottery Fund, Life Transitions, £869,650 for 5 years, led by Economic Development
- Break the Silence, Big Lottery Fund, Life Transitions, £828,189 for 5 years
- The Holiday Project, Big Lottery Fund, 21<sup>st</sup> Century Life, £360,535 for 5 years
- Barony A Frame Trust, £35,000, Minerals Trust
- Kilmaurs Community Bus, £29,375

3.3 The Young People's Fund Sub-Group was established to further stimulate and develop applications to this fund, which requires to be fully committed by August 2007. The following project applications have resulted from this exercise, all of which are due to be submitted by end March 2007

- Youth Access Project. £161,623. This application is jointly led by the Library Section of Neighbourhood Services and Dialogue Youth, within Education Services. The application was submitted in January 07 and initial feedback has been received, which is currently be responded to with final submission due by end March 07.
- Netherthird Community Newsroom, led by Planning (Projects) Section of Development & Property Services.
- Yipworld, Dynamic Youthworker, £62,825
- The Amplify Project, £165,457, led by the Arts and Museums Service..

Discussions are also underway with the following external organisations in support of potential applications:

- North West Kilmarnock Environmental Improvements Group, £140,860, submitted January 07 with support from the Planning Service.
- Dalrymple M.U.G.A, £25,000, due to be submitted February 07.
- Youth Advocacy Service

- 3.4 The External Funding and Sustainability Officer and Worker attended an event hosted by YoungScot and Big Lottery Fund on 11<sup>th</sup> December intended to stimulate further applications to the Young People's Fund from across Ayrshire.

We circulated information regarding this event to all organisations on our Youth Organisations database, prior to the event and specifically alerted those organisations/projects which had been identified by the Sub-group as being in the process of developing applications.

Around 30 organisations attended, largely from East Ayrshire, and received feedback on their project ideas. Feedback was also obtained by the EFSO on how BLF are likely to view applications for follow up to the previously NOF funded PE and Sports projects. This information will now be developed with a new short life sub-group for NOPES to be chaired by Katie Kelly.

- 3.5 Big Lottery Fund (BLF) are now providing the External Funding Network (EFN) with quarterly reports of Outline Proposal Forms received from East Ayrshire for the Investing in Communities grant streams. This report also provides information on the responses to date from BLF on a project by project basis.

- 3.6 This reporting period a further 10 Outline Proposal Forms were submitted for projects within East Ayrshire, four of which have been invited to proceed to full application stage, for a value of c. £2.7m grant. This brings the total number of projects invited to proceed to full application to 23, a value of c. £8.9m grant. A full breakdown of projects is provided in Appendix A

- 3.7 Given that BLF only launched this programme in May, there is currently significant dialogue during the preparation of full applications and it cannot be assumed that all of these will result in successful approvals. At present conflicting views and information can be forthcoming depending upon the contacts made within BLF and it will take some time for both sides to gain experience of how to maximise the benefits of the new programme. Updates on progress will be provided regularly through this report.
- 3.8 BLF are currently quoting four months for the approval process from the date a full application is received, it is therefore unlikely that any approvals will be forthcoming before the beginning of 2007. Two projects submitted full applications during the period as indicated in item 2.2 above.
- 3.9 The External Funding and Sustainability Worker is currently funded through the Community Regeneration Fund Community Voices Programme and as such requires to report against ROA Output targets set at the time of application. Figures for the financial year 2006/7 to date are given below, against revised targets agreed at the end of last financial year.

3 Year ROA Output	Annual Target	Project Performance	% of Annual
		Total 1 April 2006 - 31 <sup>st</sup> December 2006	Target achieve
80 groups and voluntary organisations securing external funding	27	57	211%
£2,500,000 external funding secured	833,000	440,149	53%
220 applications submitted	73	63	86%
30 training/surgeries provided	10	15	150%

\*These figures represent only those applications where the EFSW has actively contributed to advising on/writing funding applications. Other applications which may have been generated as a result of advice on which funders to approach have not been included.

### External Funding Gains

- 3.10 A summary of other external funding awards during the period is given in the table below:

SOURCE	NO OF GRANTS 1.10.06- 31.12.06	AMOUNT £	Comparison with 1.10.05- 31.12.05	Comparison £
<b>Big Lottery Fund Awards for All</b>	22	160,167	675,975	-515,808
<b>Big Lottery Fund –</b>	2	10,000	n/a	n/a

<b>Investing in Ideas</b>				
<b>Heritage Lottery Fund</b>	1	25,000	3,008	+21,992
<b>Minerals Trust</b>	1	18,000	n/a	n/a
<b>Coalfield Regeneration Trust</b>	3	10,731	32,822	-22,091

The most significant of these for the Quarter being:

- Barony 'A' Frame Trust – Minerals Trust award of £35,000
- Craigengillan Community Project – AWA (BLF) £10,000
- EAC Neighbourhood Services – AWA(BLF) £10,000
- Catrine Community Trust, AWA (BLF) £10,000
- Kilmarnock YMCA – AWA (BLF) £10,000

### **Co-Ordination and Prioritisation of Activity**

3.11 The expanded External Funding Network met twice during the period to review activity for 2006/2007 and implement the recommendations approved by CMT in February 2006. The main topics under discussion being:

- Current and future external funding opportunities
- Young People's Fund – Seminar Support and applications
- Protocol for handling internal and external requests for external funding support
- Introduction of External Funding Surgeries
- Review of East Ayrshire 4 Funding

### **Key Projects**

3.12 The following key projects are under discussion with a view to progressing external funding applications during the next quarter:

Led by Roads and Transportation:

- Community Transport Forum
- Road Safety

Led by Economic Development:

- Auchinleck One Stop Shop

Led by Planning

- Kilmarnock Towncentre Regeneration
- Kilmarnock Townscape Heritage Initiative
- Catrine Voes
- Daldorch Bridge

Led by Community Learning & Development

- ICT in the Community
- Youth Access Project
- Community Facilities review
- Netherthird Community Facility

Led by Education Quality Improvement

- DIVERT

Led by Leisure Development

- C.A.T.C.H
- The ACE Play Initiative
- The Baird Institute

Led by other CPP Partners

- East Ayrshire Community Foodworkers Project
- Youth Advocacy Service
- Newmilns Snow & Sport Complex

## **Consultations**

3.13 Leisure Development co-ordinated a corporate response, on behalf of the External Funding Network, on the SportScotland consultation on their Lottery Funding Strategy for 2007 – 2011. This new strategy will outline two fundamental areas relating to lottery funding for the future:

- How sportscotland intend to distribute lottery funding; and
- What sportscotland intend to invest lottery funding in.

The deadline for responses to Sportscotland was 23<sup>rd</sup> February 2007.

## **4. EUROPEAN FUNDING PROGRAMMES 2007-2013**

### **European Structural Funds Programme 2007-1013**

4.1 On 24<sup>th</sup> October 2006 the Scottish Executive launched a public consultation exercise on the 2007-2013 programmes for Lowland Scotland with a deadline of 8<sup>th</sup> January 2007. The consultation document listed sixteen questions on which the views of stakeholders were sought. Dave Hewet co-ordinated a corporate response on behalf of East Ayrshire Council and Lesley Arnott contributed to the west of Scotland European consortium response, both consulting closely with each other to ensure complementarity of the key messages included.

4.2 In broad terms, the structure of the document follows and expands on the Scottish Chapter of the draft UK National Strategic Reference Framework previously consulted on earlier in 2006. The following budget breakdown is currently proposed:

## COMPETITIVENESS (ERDF) ALLOCATIONS 2007-2013

PRIORITY	% Budget	€m
Enterprise Growth	48%	160m
Community Regeneration	29%	97m
Rural Development	23%	77m
TOTAL	100%	334m

## EMPLOYMENT (ESF) ALLOCATIONS 2007-2013

PRIORITY	% Budget	€m
Progressing Into Employment	43%	103m
Progressing through Employment	35%	84m
Access to Lifelong Learning	22%	53m
TOTAL	100%	240m

- 4.3 In terms of delivery arrangements, the document signals the intention of the Executive to assign some of the funds under ERDF Priority One directly to the Scottish Enterprise network. There is also an intention to combine, on a pilot basis, part of the resources under ERDF Priority Two and ESF Priority One to a limited number of Community Planning Partnerships. However most of the funds would continue to be allocated through the “challenge fund” model. The secretariat function would be provided by “Intermediate Administration Bodies” (IAB) – the successor to the current Programme Management Executives (PME). The East of Scotland European Partnership has been awarded the contract as the IAB for Lowland and Upland Scotland (LUPS) with effect from 1<sup>st</sup> January 2007.
- 4.4 While there is probably little scope for significant change to the current draft, the following key messages have been included within both responses:
- b) There should be some element of spatial targeting under ERDF priority 1. Without this being in place there was a high risk that the greatest part of this money would be allocated to projects located in prosperous parts of Scotland outwith the West of Scotland. Based on past experience with this type of activity, no more than 40% of the budget should be allocated to this priority.
  - c) Focusing Priority Two ERDF solely on the 15% worst data zones (per the Scottish Index of Multiple Deprivation) was too inflexible since often these areas consisted small residential pockets, flexibility for CPPs to identify the most appropriate areas would be preferable.
  - d) Some clarification was required as to which areas are considered “urban” (Priority Two ERDF) and “rural” Priority Three ERDF. There is a danger that some disadvantaged areas, such as East Ayrshire,

may fall between the two. There was nevertheless a strong statistical case that the balance between these priorities was incorrect – the evidence pointing to a need for a greater percentage to be allocated to Priority Two.

- e) The need for a separate Lifelong Learning priority (Priority Three ESF) was not clear. If this priority were to be retained its budgetary allocation should be reduced.
  - f) There were serious reservations with the “commissioning” proposals in respect of Scottish Enterprise on the grounds of transparency and additionality.
  - g) The case for earmarking of funds specifically to the South of Scotland under priority three of the ERDF programme was not made. This approach should be tested on a time limited pilot basis and, if considered successful, should be made available to rural areas elsewhere in Scotland.
- 4.5 It is unlikely that the Scottish Programme will be approved by the Commission before the autumn of 2007, in which case it is likely to be the beginning of the financial year 2008/2009 before any spend of EU funds can start.
- 4.6 In the meantime a shadow call for ESF Priority 1 took place with application paperwork available on 22<sup>nd</sup> January 2007 for an application deadline of 16<sup>th</sup> February. While it is expected that the majority of approvals will be for those third sector organisations who exist primarily to delivery ESF funded training projects, the EFN is discussed the potential for any project applications at its meeting on 25<sup>th</sup> January.
- 4.7 Three projects were submitted for ESF funding by the deadline date:
- 4.7.1 An Employability Skills project to provide a wider range of training and work experience places for the NEET group throughout Ayrshire – contribution from East Ayrshire NEET monies of £20k.
  - 4.7.2 A NEET Training, work experience, work placement and aftercare project led by Kilmarnock College and incorporating the extension of the EASY project, for ESF grant of £338,733.
  - 4.7.3 A bid by Development & Property Services to extend the current WEA Jobrotation project, for ESF grant of £193,339.
- 4.8 There is also expected to be an early call in the programme for bids from Community Planning Partnership’s to distribute an allocation of Priority 2 ERDF and Priority 1 ESF, for a three year period. These awards will be made to two or three CPPs on a pilot basis. The EFSO has brought this to the attention of Gwen Barker, Community Planning and Partnerships Manager and will provide further information as it becomes available.

## **Rural Development Regulation**

- 4.9 Progress with the approval of the Scottish Rural Development Regulation is following much the same timescale as the EU Structural Funds programme above.
- 4.10 The Scottish Executive Environment and Rural Affairs Division (SEERAD), who will be administering this programme, have expressed the desire to see the LEADER element of the programme cover the whole of Scotland if the budget allows. A meeting took place with SEERAD and the three Ayrshire Authorities on 16<sup>th</sup> February to discuss how Ayrshire may wish to bid into this programme. Lesley Arnott and Dave Hewet will be representing East Ayrshire Council at this meeting and are now working on the development of recommendations as to how best to take such an application forward.

## **Scotland/Ireland Programme (Interreg)**

- 4.11 Under the new ERDF regulation for 2007-2013, a new cross-border territorial cooperation programme has been established covering much of Northern Ireland, the bordering counties of the Republic of Ireland and parts of Western and South-Western Scotland. The new programme will be managed by the Special EU Programmes Body (SEUPB), based in Belfast. The new programme will present several challenges, related to the expansion of the new cooperation area, cooperation with Scotland over a maritime border and a shift from a geographical to a thematic focus, with more strategic, thematic and multi-partner projects anticipated.
- 4.12 Scotland Europa commissioned a study on behalf of a group of Scottish partners. The rationale for the study is the need to assist the Scottish partners of the Ireland, Northern Ireland and Western Scotland Cross Border Territorial Cooperation Programme in considering their approach to the development and implementation of the programme. The study is intended to maximise Scotland's access to, and the economic impact of, the Cross Border programme, and to ensure that Scotland's interests are strongly represented and integrated into the new programme.
- 4.13 Lesley Arnott and Dave Hewet have been attending various meetings and workshops related to development of the programme, in order to try and ensure that those areas of eligible activity which are strategic priorities for East Ayrshire are reflected in the programme. Linda Kenny from Kilmarnock College has also been involved.
- 4.14 Formal consultation on the draft programme was expected in December 2006, but has so far not been launched. Further details of this programme and potential areas of interest will be reported on in due course. The main areas of interest emerging at present are likely to be tourism and small town regeneration.

## **5. RECOMMENDATIONS**

### **5.2 That Committee:**

- Note the progress on external funding activity and gains for Quarter 3 06/07
- Note the progress on European Structural Funds programme 2007-2013
- Note the progress on the Rural Development Regulation 2007-2013
- Note the progress of the Scotland/Ireland Cross Border programme 2007-2009
- Otherwise, note the content of the report

**Elizabeth Morton**

**Depute Chief Executive/Executive Director of Corporate Support**

**6th March 2007**

Applicant Name	Outcome	Date Completed	Requested Amount	Total Project Cost	Codes: Programme Outcomes	Project Name
<b>Quarter 2 2006/7</b>						
The Holiday Project	Unlikely	03/07/2006	£66,889	£151,000	Does not meet any programme outcomes	The Holiday Project
Girlguiding Ayrshire North	Unlikely	26/09/2006	£425,000	£500,000	Growing Community Assets	Blair Activity Centre
Business Excellence Ayrshire Limited	Unlikely	29/09/2006	£195,000	£255,000	Growing Community Assets	Business Excellence in the Community
Council of Voluntary Organisations (East Ayrshire)	Outside Funding Policy	26/06/2006	£701,300	£701,300	Dynamic Inclusive Communities	Council of Voluntary Organisations (East Ayrshire) Ltd
East Ayrshire Council	Outside Funding Policy	14/08/2006	£198,360	£264,480	Does not meet any programme outcomes	Workforce Training and Development
The Lighthouse Foundation	Maybe	21/06/2006	£1	£409,065	Life Transitions	The Lighthouse Foundation
S.I.S.G Enterprises Ltd	Maybe	23/08/2006	£405,500	£450,000	Supporting 21st Century Life	Hearing Impaired Health & Wellbeing Service for 50yrs +
Stuff for Kids and Youth Project	Maybe	24/08/2006	£499,225	£717,277	Life Transitions	The Sky Project (Stuff for Kids and Youth)
East Ayrshire Council	Maybe	24/08/2006	£650,000	£680,000	Life Transitions	C.A.T.C.H (Community Activity To Community Health)
East Ayrshire Council Development & Property Services	Maybe	28/08/2006	£520,000	£1,060,000	Life Transitions	CONDUIT Programme
Ayrshire Cancer Trust	Maybe	08/09/2006	£225,000	£450,000	Life Transitions	Ayrshire Cancer Support Centres
East Ayrshire Council	Maybe	11/09/2006	£475,000	£500,000	Supporting 21st Century Life	The ACE Play Initiative (Active, Creative, & Educational)
The Holiday Project	Maybe	20/09/2006	£397,374	£401,870	Supporting 21st Century Life	The Holiday Project
<b>Total Quarter 2</b>		<b>13</b>	<b>£4,758,649</b>	<b>£6,539,992</b>		
<b>Total Invited to Apply</b>		<b>8</b>	<b>£3,172,100</b>	<b>£4,668,212</b>		
<b>Value of Rejected</b>		<b>5</b>	<b>£1,586,549</b>	<b>£1,871,780</b>		
<b>Quarter 3 2006/7</b>						
NHS Ayrshire & Arran	Maybe	02/10/2006	£438,500	£538,500	Supporting 21st Century Life	East Ayrshire Community Food Workers Project
Headway Ayrshire	Maybe	18/10/2006	£1,389,177	£1,389,177	Life Transitions	Headway Ayrshire Community Rehabilitation Services Following Acquired Brain Inju
Break the Silence	Maybe	20/10/2006	£828,189	£828,189	Life Transitions	Break the Silence
Kilmaurs Community Association	Maybe	05/01/2007	£29,375	29375	Growing Community Assets	Community Transport for Kilmaurs
Council of Voluntary Organisations (East Ayrshire)	Unlikely	09/10/2006	£654,302	£654,302	Life Transitions	Community Workwise Project
29th Ayrshire (New Farm Loch) Scout Group	Outside Funding Policy	17/10/2006	£27,500	£27,500	Growing Community Assets	29th Ayrshire Scouts
Bellsbank Adventure Playground	Unlikely	06/11/2006	£14,015	£14,015	Does not meet any programme outcomes	Bellsbank Adventure Playground Ltd
Mauchline Community Council	Unlikely	10/11/2006	£32,860	£32,860	Growing Community Assets	Mauchline Cemetery Footpath project
Scottish Huntington's Association	Unlikely	28/11/2006	£656,020	£656,020	Does not meet any programme outcomes	Huntingdon's disease, Ayrshire
Drongan Health Initiative	Unlikely	15/12/2006	£80,000	80000	Does not meet any programme outcomes	Drongan Health Initiative
<b>Total Quarter 3 2006/7</b>		<b>10</b>	<b>£4,149,938</b>	<b>£4,249,938</b>		
<b>Total Invited to Apply</b>		<b>4</b>	<b>£2,685,241</b>	<b>£2,785,241</b>		
<b>Value of Rejected</b>		<b>6</b>	<b>£1,464,697</b>	<b>£1,464,697</b>		
<b>Total 006/07 to date</b>		<b>23</b>	<b>£8,908,587</b>	<b>£10,789,930</b>		
<b>Total Invited to Apply</b>		<b>12</b>	<b>£5,857,341</b>	<b>£7,453,453</b>		
<b>Value of Rejected</b>		<b>11</b>	<b>£3,051,246</b>	<b>£3,336,477</b>		
<b>East Ayrshire Council Applications</b>		<b>4</b>	<b>£2,712,741</b>	<b>£2,812,741</b>		
<b>Invited to Apply</b>		<b>3</b>	<b>£2,685,241</b>	<b>£2,785,241</b>		
<b>Value of Rejected</b>		<b>3</b>	<b>£27,500</b>	<b>£27,500</b>		