

Report To: Environment & Regeneration Committee
Date: 16th January 2014

Report By: Corporate Director – Environment, Regeneration & Resources
Report No: E+R/14/01/01/SJ/SL

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Subject: External Funding Strategy Report

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the approval of Committee for an External Funding Strategy for the period of 2014-2020.

2.0 SUMMARY

- 2.1 The external funding officer, based within the Regeneration and Planning Service, was recently appointed.
- 2.2 Since appointment, the officer has been assessing Inverclyde's performance relating to external funding bids, as well as reviewing Council funding processes and issues relating to bid quality. In addition, the officer has been supporting service areas develop their funding bids, and consulting with key services areas across the three Council directorates.
- 2.3 As a result of this research, review and consultation the proposed External Funding Strategy for Inverclyde, contained in Appendix 1 has been developed.
- 2.4 The proposed strategy includes four key recommendations to develop and strengthen Inverclyde's External Funding performance.

3.0 RECOMMENDATIONS

- 3.1 That Committee approve the proposed External Funding Strategy document (2014-2020).

4.0 BACKGROUND

- 4.1 Maximising external funding for the area is one of the Council's key objectives. Currently external funding performance across the Council is mixed. In some areas the Council is performing above the Scottish average and in other areas it is not. In recognition of this situation, funds were allocated to appoint an external funding officer (temporary until 23 June 2015), based within Economic Development.
- 4.2 This strategy presents a desire to see better opportunities for the people and communities of Inverclyde, and encourages activity which generates additional income and revenue for projects in our area. The strategy further presents an overview on Funders with a particular focus on the three major external funders to Inverclyde namely Scottish Government, Lottery Funders and European Strategic Funders.
- 4.3 In order to establish a definitive position relating to external funding the External Funding Officer has welcomed the vital input of several service areas, who have contributed considerably to Regeneration and Planning's development of the proposed external funding strategy.
- 4.4 This proposed strategy follows on from an earlier framework introduced by Corporate Policy; it develops the work of the External Funding Group and establishes a framework for submission of funding bids. Supportive service areas have added value to the development of this strategy including 'Inclusive Education, Culture & Corporate Policy', Community Health & Care Partnership's 'Planning, Health Improvement and Commissioning', and Finance with particular contribution from Accountancy and Procurement.
- 4.5 The proposed strategy highlights the advantages of bidding for external funding within a co-ordinated framework, as opposed to a haphazard approach to funding.
- 4.6 The proposed strategy will address any lack of knowledge and awareness of External Funding across the Council, and addresses the need for competitive bidding to add value in the future financial sustainability of service areas.
- 4.7 It is proposed that future reports on External Funding will be produced on a regular bi-annual basis to the Environment & Regeneration Committee.

5.0 FINANCE

Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From (If Applicable)	Other Comments
N/A					

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

6.0 CONSULTATIONS

- 6.1 Consultations have included:-
 Inclusive Education & Corporate Policy
 CHCP
 Finance
 Procurement
 Environmental Services
 Information Technology

7.0 REPOPULATION

- 7.1 Regarding the physical and social case for economic development and repopulation, External Funding should be used to maximise its effect over future years. Levering additional funding and resources into Inverclyde's communities makes the area better equipped and resourced; offering improved services and facilities, supporting community need and helping making the area a more attractive place for people to live, study and retire.

Inverclyde External Funding Strategy 2014 - 2020

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EXTERNAL FUNDING STRATEGY 2014 – 2020

1. INTRODUCTION

1.1 What is External Funding?

Defining external funding is important to understanding the role it plays. External funding encompasses a variety of activities and has been defined by the Chartered Institute of Public Finance and Accountancy as: *“discretionary money not accounted for within the Formula Spending Share or equivalent, distributed by various UK and EU agencies on a business case and/or competitive basis requiring an application”*

For the purpose of this strategy, external funding is funding that is:

- Over and above government allocations (i.e. not mainstream funding)
- Actively sought and applied for
- Secured through a competitive process
- Awarded for specific proposals

The external funding strategy will work alongside the SOA to ensure that each project is set out in context of meeting local need, and identifies and addresses some of the issues affecting Inverclyde. Outcomes resulting from being granted external funding, will help to improve the quality of life and wellbeing of our residents and local workforce, whilst helping to tackle some of the social inequalities which exist throughout the area.

1.2 Need for External Funding Strategy

While Inverclyde has a generally positive reputation for securing external funding, there has not previously been an agreed and co-ordinated strategic approach to leveraging funding into the area. Opportunities available to lever in external funding are changing rapidly based on a climate of austerity and reduced budgets, the need for local authorities to focus on supplementing their incomes by attracting additional revenue has never been more critical. There is significant support and enthusiasm across council service areas for a strategy to be implemented.

This document sets out the need for the strategy, its aims and objectives and the processes by which these will be achieved. It will also be used to enable the Council to work strategically in partnership with other organisations both locally, more widely at a Scottish regional level and also across Europe. One factor is to improve access to external funding across service areas. Another is to develop a coordinated approach when developing projects which reduces duplication of projects, and the time and to effort contributed by council officers spent on developing funding bids. It is expected that major bids will be factored into Corporate Directorate Improvement Plans. Finally there is a need to appreciate the risks and responsibilities occurred when taking on commitments with external funders.

1.3 Purpose of External Funding Strategy

The External Funding Strategy has been produced to complement the work of Inverclyde's Corporate Policy staff and the External Funding Group which are already in place. This strategy is also in line with the Inverclyde Alliance Single Outcome Agreement 2014-19. External Funding has a corporate remit and also the capacity to develop and add value to services across all directorates and numerous service areas.

The External Funding Strategy is to ensure that Inverclyde Council and its strategic partners maximise the external funding opportunities available to local organisations and communities, as well as supporting the delivery of the aims and objectives of the Inverclyde Single Outcome Agreement (SOA). This strategy also enables Inverclyde to raise its profile at a local, regional, and Scottish wide level. It is also committed to the actual improvement of outcomes under the SOA, as it supports Inverclyde's focus on outcomes important for the wellbeing and quality of life of Inverclyde's citizens.

1.4 Summary of Strategy's Key Recommendations

Key Recommendation 1

a) Services should provide outline ideas for key projects to enable the external funding group and external funding officer to assist with identifying suitable funding sources and speedy signposting when new opportunities arise.

b) It is recommended that all external funding projects be included within the external funding database, and perform within the Council's framework.

Key Recommendation 2

a) The external funding group is involved in deciding if major time-limited external funding opportunities, that meet key priorities, should be pursued.

b) It is recommended that the external funding officer is permitted to help develop any current funding bids within Inverclyde, and represents the external funding interests of Inverclyde with funders and within networks.

Key Recommendation 3

An authorisation process for all Council external funding bids is introduced to ensure only high quality applications, which meet Council priorities are submitted.

Key Recommendation 4

An external funding advice service and training opportunities for funding are established, supported by the external funding officer. This will share best practice and continue to build capacity within the Council, local third sector and other partners.

2. WHERE ARE WE NOW

2.1 External Funding Framework

The external funding group (EFG) has been developed through a corporate policy framework and has been operational for some years. All the processes associated with identifying and applying for competitive external funding to deliver priorities, as well as information and advice were previously delivered through this corporate vehicle.

The appointment of the external funding officer has created more capacity to co-ordinate best practice within the Council, and to strengthen Inverclyde's capacity to attract external funding over the period of this strategy.

With no previous strategy in place, some bids have previously bypassed the external funding framework, and this has resulted in:

- a) A lack of a co-ordinated approach.
- b) Duplication of bids and services.
- c) A poorer standard of application in the eyes of funders.
- d) Additional unforeseen work created for council services such as finance, procurement, legal and HR where funding has been granted when they were not previously informed.
- e) A lack of transparency across service areas.
- f) No clear knowledge of what proportion of the council's services and projects are funded from external funding sources.
- g) A deficit of understanding among council staff and the public about the value that external funding adds to council services.
- h) No single individual point of call for funders when they wish to engage with the council.

Implementation of this strategy will address these deficits, and create a more cohesive and positive approach which will facilitate better funding bids, and better support in place for council services and partners to deliver externally funded projects.

With an external funding strategy in place this could result in:

- i) A co-ordinated, strategic and informed approach.
- j) Bids and services are complementing each other, and create better value.
- k) Higher quality and standard of applications submitted to funders.
- l) Reduced unforeseen work created for council services such as finance, procurement, legal and HR; as they were already informed of the funding proposal in advance.
- m) Increased transparency and information sharing across service areas.
- n) Improved knowledge of which project and what proportion of the council's services come from external funding sources.

- o) An increased understanding among council staff and the public about the value that external funding contributes to council services.
- p) A single point of call for funders to engage with and communicate with when dealing with the council.

In order to measure performance, it's proposed that a corporate register of all competitive bids submitted in any one financial year will be introduced. Records showing numbers, amounts, funding source, links to priorities and success rates will be available on a database held by the external funding officer.

Our existing external funding group will be developed as a mechanism to improve and facilitate externally funded projects. This will be chaired by the external funding officer and will contain at least one or two representatives from each directorate as well as a senior officer from both finance and procurement. Its key focus and place is to drive this agenda and improve Inverclyde's corporate performance in this area.

The executive officer of CVS Inverclyde is also invited to attend this group in order to facilitate improved partnership working with the local voluntary and community sector.

2.2 Benefits

The major benefit of accessing external funding is that it allows for investment in activity that could not otherwise be undertaken. Although some organisations use external funding for non mainstream activities, others see it as an essential part of delivering their objectives and more specifically a way of achieving their service plan targets under financial constraint. The more successful Inverclyde becomes at accessing additional resources the more we are able to extend the range and quality of our services. The development of robust and trusted partnerships is also required in order not only to add value to a bid presented to a funder, but also to enhance the operational effectiveness of the service.

Bidding for external funding could:

- Enhance the reputation of Inverclyde externally.
- Provide a role for community leadership in developing and accessing funding opportunities.
- Encourage creativity and innovation and prompt organisations to try new ways of working.
- Build the capacity of staff and organisations.
- Encourage partnership working.
- Build networks of good practice across the Country and internationally.
- Deliver additional services to residents and local organisations.

2.3 Risks

The process of accessing and managing external funding demands different skills at different points in the process. These include building and maintaining partnerships, writing bids and applications, good time management to tight deadlines, project implementation and performance,

monitoring and evaluation, and having appropriate exit strategies. Implementing an effective strategy directed by an External Funding Group and External Funding Officer will help identify, mitigate and minimise such potential risks.

The list of pitfalls centres on a number of key risks:

- External funding can divert resources from the core business.
- The possibility of funding can affect the priorities of the organisation by diverting resources.
 - Can create unrealistic expectations
- Applications for funding can be driven by the local organisational interests rather than by identified priorities (especially where jobs depend on external funding).
- Opportunities for funding can tempt bids that are over ambitious or unrealistic.
- Non-compliance with EU regulations and guidance can lead to further work to rectify issues raised.
- Claiming and monitoring mechanisms can be bureaucratic particularly for those projects or programmes that rely on a number of different funding streams.
- Funding organisations sometimes insist on higher or more expensive standards that do not reflect local need or priorities.
- Time and resources are wasted on unsuccessful bids.
- Accessing external funding is demanding in terms of staff skills and resources.
- Significant financial risk can exist if projects fail. Funding can be clawed back if the project fails to achieve its objectives, particularly in relation to EU funding.
- It can be difficult to keep track of workforce issues and external funding can create complex employment matters with its emphasis on contracts and secondments.

2.4 Staff resources

The Council's external officer post is based within the regeneration and planning team in the environment regeneration and resources directorate.

2.5 Comparison with other Local Authorities

Research can be made to compare the performance of Inverclyde with other Scottish local authorities when bidding for European funding, lottery funding, trusts and foundations, and non formula income from the Scottish and UK governments. For the 2014-2020 period of this strategy Inverclyde will bid for additional European structural funding as compared to previous years.

- In terms of lottery funding performance across all sectors Inverclyde comes 11th of 32 local authorities which is a considerably good performance. Overall Inverclyde's £359 per head is slightly less than the Scottish average of £453.

- In terms of lottery funding performance where the council is the lead partner Inverclyde comes 9th of 32 local authorities overall. Inverclyde's £87 per head share is slightly higher than the Scottish average of £85.
- In terms of lottery funding performance where schools are the lead partner Inverclyde comes 31st of 32 local authorities overall. Inverclyde's £3.32 per head share is considerably lower than the Scottish average of £8.21.
- In terms of lottery funding performance where the charity third sector are the lead partner Inverclyde comes 13th of 32 local authorities overall which is. Inverclyde's £269 per head share is lower than the Scottish average of £360.

3. CURRENT EXTERNAL FUNDING PERFORMANCE

3.1 Inverclyde Council Overview

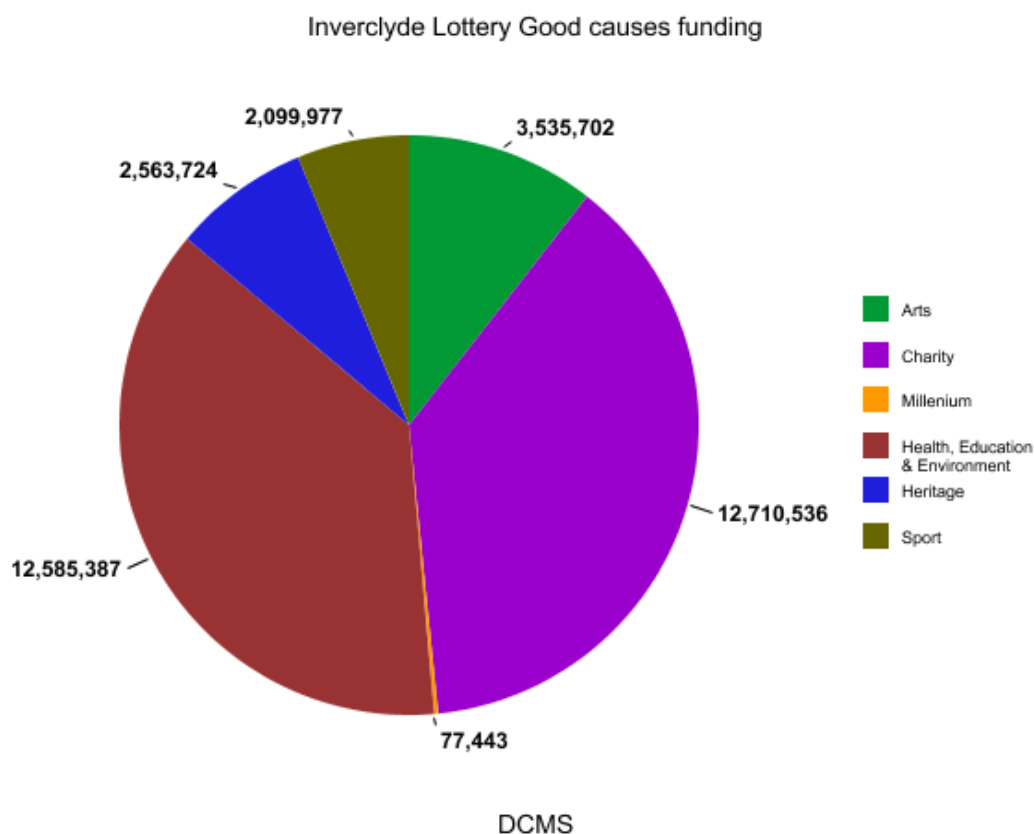
The Council has a moderately good track record in securing external funding from outside statutory sources, including additional non formula monies from the Scottish and UK governments. Inverclyde has worked hard to secure European Structural Funding such as the European Social Fund and European Regional Development Fund, and delivers these programmes successfully. Lottery funded sponsors the Big Lottery Fund, Awards for All and the Heritage Lottery Fund have sponsored a number of Inverclyde projects. Monies from Sport Scotland and Creative Scotland and NESTA have also been won though to a lesser extent.

External funding activity however has largely been concentrated in certain parts of the council and less so in other service areas. Although it should be acknowledged that funding opportunities are less likely to be available to certain areas than others.

3.2 UK National Lottery Funding in Inverclyde

	2010-11	2011-12	2012-13
Awards for All and Small Grants	£202,617	£127,231	£145,666
Big Lottery Fund	£790,292	£2,080,210	£2,238,711
Heritage Lottery Fund	£225,900	-	£165,300
Sport Scotland	£9,894	£5,850	£257,475
Creative Scotland	-	£41,701	£82,258
Total	£1,228,703	£2,254,992	£2,889,410

Fig 1.1- National Lottery Funding to Inverclyde by Cause.



3.3 European Structural Funding in Inverclyde

	2010-11	2011-12	2012-13
ESF (European Social Fund)	£633,788	£410,766	£410,766
ERDF (European Regional Development Fund)	£88,077	£114,751	£114,751
Total	£721,865	£525,517	£525,517

3.4 Non Formula Statutory Funding in Inverclyde

	2010-11	2011-12	2012-13
Future Jobs Fund (UK)	£1,500,000	-	-
MA (Modern Apprentice)/ GRfW (Get Ready for Work) Scotland	-	-	£150,000
Total	£1,500,000	-	£150,000

3.5 Third Sector partners in Inverclyde

Many external funding sources are designed with charitable aims in mind and as such are only open to third sector organisations or partnership applications involving such groups only. Our local third sector groups continue to use external funding to develop their services and to deliver more projects which match the needs of Inverclyde's communities, it is likely that this trend will continue over time. Our strategy would certainly encourage local partners to bid for external funding, and this may be seen as a potential catalyst by which our local groups will not only deliver services for residents, but also will help meet targets from within the SOA.

When including our key external third sector partners such as Inverclyde Community Development Trust, CVS Inverclyde, Inverclyde Leisure, ICOD, River Clyde Homes and Cloch Housing in our voluntary and community sector performance figures. Our local third sector partners show progress in their access to lottery funded grants over the past three financial years. Inverclyde's third sector has increased annually the amount of lottery funding secured from just over £1,191,213 in 2010/11, to £2,224,548 in 2011/12, and up to £2,464,196 in 2012/13.

As former statutory services such as housing, leisure, regeneration and care provision have become increasingly devolved to the third sector, the share of statutory external funding available to this sector has also increased. It is also possible for third sector organisations to bid for money from European funded programmes.

The External Funding Officer:

- Will continue to support key local voluntary sector groups with joint public-third sector applications when appropriate.
- Will work in conjunction with CVS Inverclyde and facilitate good partnerships with Inverclyde's voluntary and community sector.
- Will work with CVS Inverclyde to support and deliver better awareness and training across Inverclyde on attracting external funding.
- Will also work with ALEO to ensure Inverclyde maximises all opportunities for external funding.

3.5 Single Outcome Agreement

There may be scope to identify external funding to aid the delivery of in particular the stretched targets in the SOA and this will be explored further. Increasingly Inverclyde's SOA partners are becoming better skilled in seeking partnership funding for various projects. Potentially the Inverclyde Alliance could become more involved in this area.

4. BACKGROUND INFORMATION

4.1 National Context

Inverclyde as one of the 32 Local Authorities in Scotland has a need to engage fully in external funding programmes offered within Scotland. First priority should be to engage with Scottish Government on policy development and funding related to government funding programmes. Increasingly government is looking more to competition and a business case for the allocation of funding to authorities. Above and beyond the mainstream core budget allocation from Scottish Government enters the opportunity to bid competitively for external funding. Service areas should pay particular attention to developments offered by Scottish Government which affect their policy remits and areas of service. Any non submissions or failure to comply with a deadline could risk jeopardising resources, or causing reputational harm.

In terms of European funding Inverclyde's Economic Development team contains expert knowledge on European funding programmes and continues to operate and monitor the European Social Fund and European Regional Development Fund on behalf of Inverclyde Council. Economic Development maintains the capacity to develop future rounds of bids to Europe, especially with regard to both urban and rural economic development, employability, creation of jobs and apprenticeships, growing the local economy and developing local enterprise.

In reality the size of our authority in terms of fewer dedicated officers submitting bids for external funding presents a particular issue to staff time, and the burden of responsibility for external funding falls across fewer shoulders, this however can be overcome by better co-ordination and co-operation. Capacity to deliver a service is impacted by staff numbers, but better planning and co-ordination can also reduce duplication. Being a small size authority can also be advantageous in terms of better team working and mutual understanding across service areas. In fact the three Scottish Islands authorities are an example of this, all being small in terms of population, but also impressively successful in drawing in external funds.

Co operation within the Clyde Valley strategic Partnership and Greater Glasgow and the Clyde NHS board area, can also offer potential opportunities for bids. Either as a lead partner or a secondary joint partner, as long as the bid has strategic and financial benefit to the residents of Inverclyde. Where regional strategic co-operation and partnership with neighbouring local authorities' results in a better overall funding outcome for Inverclyde, this approach should also be largely encouraged and valued.

4.2 Local Context

The communities and settlements of Inverclyde have an estimated population of just under 82,000. Inverclyde is geographically situated at a strategic location on the Forth of Clyde, and covers 67 square miles or 173.6 square kilometres of land area. Urban Inverclyde accounts for

97.5% of our population living on only 15% of our land area. Most people in Inverclyde or 85.4% live in our towns, with 12.1% of people living in our Villages. Rural Inverclyde with 85% of the land area of our authority accounts for only 2.5% of our dispersed inhabitants. Inverclyde has a considerably varied population profile, with economic barriers playing a significant factor within some communities and localities. 25.5% of Inverclyde's population live in workless households where not one adult of working age is economically active. 40% of Inverclyde's population live in localities found in the 15% most deprived in Scotland. Inverclyde though relatively small when placed alongside other Scottish local authority areas, is known to funders as an area which faces considerable social need and economic deprivation. Funders can take this into account within their formula spend, and therefore Inverclyde is often eligible for a broader number of funding streams than other areas.

A considerable factor within Inverclyde is the geographical proximity of our three main towns, Greenock (pop 43450), Port Glasgow (pop 14730) and Gourock (pop 10690). Within most Scottish authorities towns and villages are more dispersed and less inter dependant, the local need of our towns and villages should not be neglected in all cases for the sake of an Inverclyde wide bid. Sometimes the call for a specific project means that one local settlement within Inverclyde is better placed to bid for a particular source of funding than another. Community funding of local area need within Inverclyde must be based on balanced evidence. The number and frequency of external funding bids from Inverclyde to lottery funders is affected by the proximity of our settlements, and results in fewer separate and distinctive bids submitted to lottery funders. While with some funders prefer a single Inverclyde wide bid, others would favour multiple bids from neighbouring communities.

Our villages are all closely accessible from our towns and consist of Kilmacolm (pop 3800), Inverkip (pop 2900), Wemyss Bay (pop 2520) and Quarrier's Village (pop 580). Strategically it is important that our villages and rural communities also play their part in bidding for external funding, as they have historically made very few applications.

4.3 Partnership Performance and Audit Assessment

The present decade with its emphasis on austerity and spending cuts, will have an implication on agencies and organisations seen to be duplicating services or working in isolation within an area. Inverclyde Council has already adopted a solid model of partnership delivery within the Inverclyde Alliance, and shared outcomes within the Single Outcome Agreement (SOA). Increasingly our key funders, the Scottish Government, the European Commission and Lottery Funders are all placing more emphasis on funding bids built around multi sector partnerships working. More strategic co-ordination will also be required within Inverclyde to deliver the outcomes identified through the SOA to prioritise areas of spend, and also in the development of bids where the SOA will increasingly become a feature of funding criteria.

As obtaining additional funding has been made progressively more competitive in a challenging funding climate both statutory and lottery

funders are paying more attention to the quality of bids. Many external funding streams require heavy amounts of monitoring and evaluation, and many financial outcomes are becoming target based. With tighter budgets has also come increased scrutiny of revenue & capital spending. Inverclyde's external funding projects and the delivery partnerships we create to deliver them adds potential competitiveness and value to the way we offer council services and SOA outcomes. In addition, the Audit Commission has made the following statement as part of its guidance on Value for Money:

“Evidence that external investment is used to support the Council's strategic plan and local priorities, rather than sought opportunistically and resulting in priorities being skewed towards available funding should be shown. Show how use of external funding is supported by clear objectives and that these are followed through and the impact evaluated. Explain how any continuing funding commitment after the external funding has finished is planned into the Council's medium – to long term financial planning from the outset or supported by a robust exit strategy” (Audit Commission 2005)

5. THE WAY FORWARD

Aims and Objectives The Strategy aims to identify what issues need to be addressed and how the Council will manage external funding to achieve its wider objectives.

The External Funding Strategy's aims are:

- 5.1) To ensure all external funding activity meets the Council's strategic aims and objectives as identified in the Single Outcome Agreement and Corporate Statement
- 5.2) To maximise the amount of external funding (in line with 5.i. above) brought into Inverclyde – directly to Council services and in partnership with other organisations, which follows the public pound.
- 5.3) To improve co-ordination and effective management of all external funding activity that takes place within the Council
- 5.4) To build capacity and competence amongst all service areas and Council partners

5.1) To ensure all external funding activity meets the Council's strategic aims and objectives as identified in the Single Outcome Agreement and Corporate Statement

Key areas / issues:

- There should be a proven business case for each funding bid to ensure all external funding meets the Council's strategic aims and objectives.
- Ideally, project ideas and the creation of project partnerships should be developed in the first instance so that suitable funding can then be sought to deliver the project outcomes and meet the identified need. Funding should not be sought opportunistically where this can lead to poor use of resources, inappropriate use of funds and increased financial risks to the Council.
- Applications for funding should be guided by clear objectives and should be aligned with agreed aims; they should only be pursued if they will help to deliver priorities. By having planned outline project ideas available it is often possible to mix and match different funding opportunities to achieve an appropriate funding package.
- New partnership arrangements to deliver Council programmes or services may present opportunities to create 'community funding partnerships' as part of the agreements.
- Making the best use of external funding and utilising appropriate opportunities should be considered a key competence of Directors, Heads of Service and Service Managers. The strategic approach to securing external funding should be 'embedded' in the core operational framework of the Council. The role of CMT to facilitate this process needs to be considered.

Objectives:

- To identify a priority list of schemes and projects requiring external funding to deliver agreed targets and priorities.
- To minimise spontaneous reactions to funding opportunities where projects are skewed to meet the funder's criteria or partner's priorities and rather than the strategic aims and objectives of the council
- To improve partnership working with the Inverclyde Alliance and third sector, and to increase the involvement of service areas in seeking external funding to deliver SOA priorities.
- To ensure Directors, Heads of Service and Service Managers give consideration to the potential and value external funding offers to support the priorities of the Council.
- To establish a new authorisation process for funding bids to ensure alignment of all external funding activity to the Council's strategic direction, (as indicated in Key Recommendation 3).

Key Recommendation 1

a) That departments provide outline ideas for key projects to enable the external funding group and external funding officer to assist with identifying suitable funding sources and speedy signposting when new opportunities arise.

b) It is recommended that all external funding projects be included within the external funding database, and perform within the Council's framework.

5.2) To maximise the amount of external funding (in line with 5.1. above) brought into Inverclyde– directly to Council services and in partnership with other organisations

Key areas / issues:

- Maximising external funding is a key strategic aim within the Councils financial obligations. However some departments have poor records in applying for and securing external funding. Members also have a role to play in raising the profile of external funding.
- Inverclyde has significant access to external funding opportunities, as we qualify for many programmes focusing on deprivation, we also need to follow the public pound.
- Funding sources are becoming increasingly competitive and the lead up time and the timeframes for submitting bids are reducing. Speedy distribution of funding information to Key officers responsible for bidding and other relevant partners is crucial.
- Historically Inverclyde has made successful bids for European Social funding and European Regional Development Fund. In future bids to other European streams should be encouraged and facilitated as a realistic option.
- Lack of staff resources and time to develop bids is a major barrier.
- Planning, resource identification and management support is required to avoid missed key opportunities.

- All funding applications should include costs for the administrative and managerial implications for delivering and monitoring the projects (full-cost recovery). Where the funding stream does not allow full revenue costs to be included in the application, the funds received should be sufficient to justify the time commitment from the Council.
- Exit strategies and project sustainability considerations of how to proceed with funding projects when shorter term funding comes to an end need to be considered at the application stage, including severance costs where appropriate.
- The roles of the external funding officer and external funding group need to be strengthened to maximise benefits from external funding.
- The Inverclyde Alliance and other partnerships should be utilised more effectively to enable opportunities for accessing funding.
- Representation at regional and national level at funding forums needs to be seen as a priority.

Objectives:

- To continue to improve the flow of internal and external communication and information on funding opportunities.
- To explore EU funding options.
- To make the external funding group more effective and more clearly define its role, in particular to extend the group's remit to make decisions if major time-limited opportunities should be pursued.
- To increase senior management involvement in decisions regarding suitability of key external funding opportunities.
- To improve partnership working and identify when it is best to compete against other organisations and local authorities for funding and when it is best to collaborate.
- To liaise and network with funders to influence their priorities and programmes in conjunction with regional partners, and to raise Inverclyde's profile by representation on funding forums and events.

Key Recommendation 2

- a) That the external funding group is involved in deciding if major time-limited external funding opportunities, that meet key priorities, should be pursued.
- b) It is recommended that the external funding officer is permitted to help develop any current funding bids within Inverclyde, and represents the external funding interests of Inverclyde with funders and within networks.

5.3) To improve co-ordination and effective management of all external funding activity that takes place within the Council

Key areas / issues:

- Good co-ordination and effective management of external funding can support value for money.
- The Council considers a risk management strategy should be followed for any major activity it undertakes. This should include all

applications for external funding and project delivery. In particular consideration must be given to the ability of the Council to meet matched funding requirements within current resources and/or through properly constituted partnership arrangements. (as appendix 1)

- Effective monitoring of project expenditure, and the continuation or closure of projects once external funding has been spent, is a key consideration within the Council's mid to long term financial planning.
(as appendix 2)
- Performance reporting is fundamental
- Sustainability strategies or exit strategies must be considered before submission of a bid. In event of a bid being approved by the funder sustainability and exit strategies should be shared with the external funding group. (as appendix 2)
- Currently there are no agreed quality controls or authorisation processes at officer level in place for external bids. (as appendix 1)
- There must be a fast track process available, by which the external funding group can facilitate a first stage expression of interest,
- Insufficient links exist between various current initiatives and strategies and potential external funding.

Objectives:

- To continue to develop the role of the external funding framework with the assistance of the external funding group and external funding officer and ensure compliance.
- To continue to register all competitive external funding bids with the external funding officer, to deal with compliance. (as appendix 1)
- To produce a corporate register and database of competitive external funding applications, including breakdowns by departments and performance related statistics. (as appendix 1)
- To ensure effective monitoring and evaluation of all external funding activity is in place and facilitate better joint working with Finance, Procurement, Legal and Human Resources. (as appendix 1)
- To provide quality control by introducing a new authorisation process where the officer signing the funding application is responsible: (see appendix) by expression of interest stage one to ensure that bids are aligned with priorities. By submission stage two that a business case is developed and potential risks are considered. After approval stage three that a sustainability and exit strategy are developed.

Key Recommendation 3

That an authorisation process for all Council external funding bids is introduced to ensure only high quality applications, which meet Council priorities are submitted.

5.4) To build capacity and competence amongst all service areas and Council partners

Key areas/ issues:

- Appropriate training and development should be provided to staff who have external funding responsibilities within their remit, and to staff who wish to undertake external funding activity. The external funding group and external funding officer will promote this.
- A number of officers and Members have their own expertise in undertaking external funding and it is important that the Council utilises this to the benefit of others.
- External Funding support and capacity building with the third sector will facilitate greater partnership working and increased opportunities for drawing in funding into Inverclyde. The Council works closely with CVS Inverclyde to deliver this agenda and offer a more comprehensive and joined up approach within Inverclyde.
- Collaborative projects and partnership bids are increasingly becoming a feature of many statutory funding programmes e.g. Lottery Funders, Scottish Government and EU bodies.
- Inverclyde Alliance members may also require training around this agenda, in order to maximise Inverclyde's progress in attracting funding.

Objectives

- To promote the external funding officer's support role and where relevant arrange one-to-one funding advice or workshop based bespoke training for small groups of officers.
- To identify other appropriate internal or external training to meet officers and Members needs. Explore if there is scope to offer training in partnership with CVS Inverclyde targeting both the third sector and the local authority.
- To share Best Practice examples.
- To harness expertise by creating a list of officers and Members who have external funding expertise to offer.
- To continue to build capacity within the Council, local third sector and Inverclyde Alliance partners.

Key Recommendation 4

That an external funding advice service and training opportunities for funding are established, supported by the external funding officer. This will share best practice and continue to build capacity within the Council, local third sector and other partners.

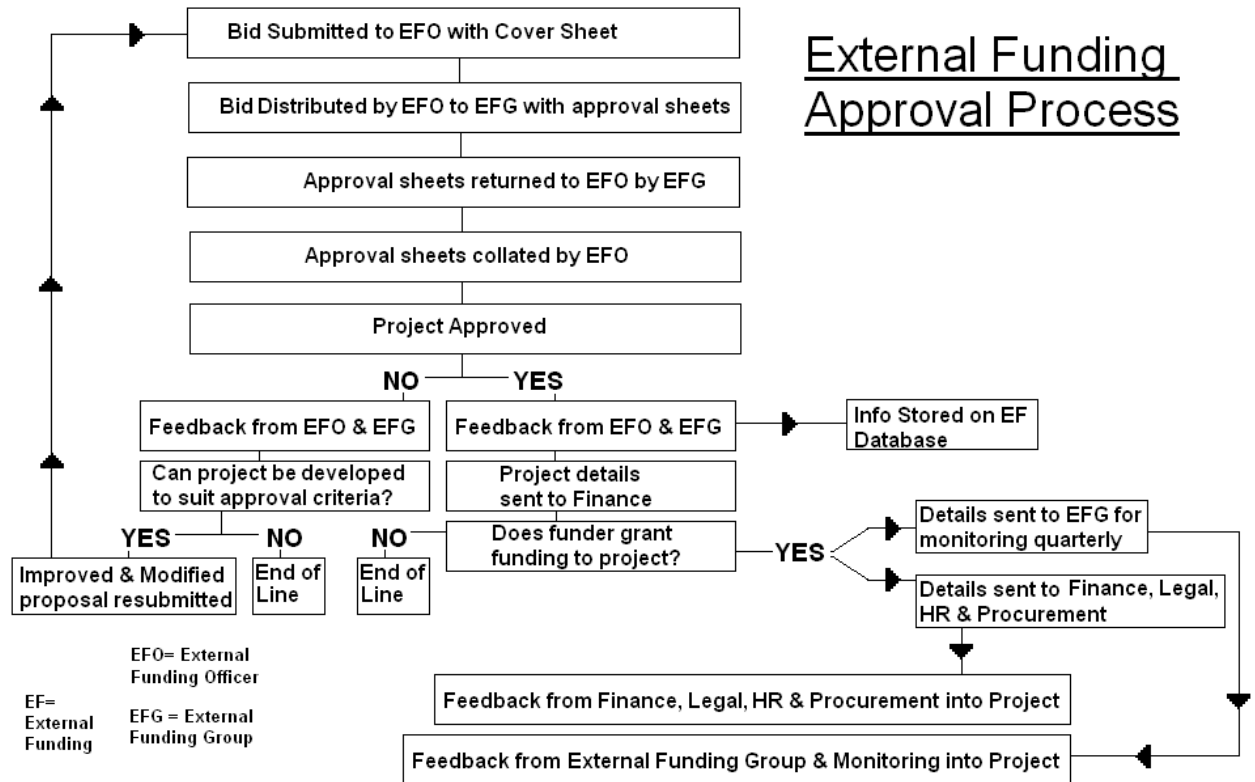
6. DELIVERY AND IMPLEMENTATION

The objectives of this strategy will be delivered over the next 6 years, following approval. The external funding officer and the external funding group will lead the delivery of this agenda and work with officers, local third sector partners and our Inverclyde Alliance partners.

The implementation of this strategy will be the responsibility of all Directors, Heads of Service and Service Managers throughout the Council supported by the external funding officer and the external funding group. Managers will be responsible for ensuring that all relevant staff within their teams adopt and embrace this strategy in all external funding activity. The external funding officer will provide training sessions, if required, to ensure that any staff who are undertaking funding applications are familiar with the process agreed by the Council.

Inverclyde Council EXTERNAL FUNDING STRATEGY 2013 – 2017 Appendices

APPENDIX 1 Proposed project submission process.



For any bids in excess of £100,000 or where the External Funding Group identify significant reputational risk for the Council, these bids must be presented to the appropriate Committee with the endorsement of the External Funding Group

APPENDIX 2- Proposed project sustainability and exit strategy.

Performance Evaluation Matrix

