




 Report of: **Strategy and Review Business Manager**

 **Executive Board**

 Date: **3 April 2006**  Report No:

 Title of Report : **External funding**

Summary and Recommendations

 Purpose of report: To improve Council performance in terms of external funding

 Key decision: **No**


 Portfolio Holder: **Councillor Hollingsworth**

 Deputy Responsibility: **Finance**

 Ward(s) affected: **ALL**

 Report Approved by: **Lindsay Cane and Andy Collett**

 Policy Framework: **NA**

 Recommendation(s): To approve arrangements designed to improve the Council's performance in external funding.

Summary

1. Although more than £1M is raised annually through charitable, lottery and other sources, a review of external funding has made recommendations to improve the City Council's performance. Areas for improvement identified were:

- Policies lacking clarity and thus leading to lack of focus for some projects and problems related to exit strategies
- Patchy performance across the Council but there are examples of good practice linked to particular individuals with expertise especially within Neighbourhood Renewal
- Low levels of information exchange between and within business units
- Problems with matching ambitions and resources where significant levels of matched funding are required

Overall it is desirable to:

- Establish clear policy and protocols
- Improve systems and build capacity to significantly improve performance in gaining external funds
- As a follow on to effect skill transference to local groups and organisations to increase their success at bringing funds into the city.

Introduction

2. By way of definition the annual “external funding” received from central government (Revenue support grant and share of NNDR; £14.5M in 2004) is beyond the scope of this report. External funding, as defined for the purposes of this paper, takes the form of charitable and lottery sources (Oxford has so far received £77.2M lottery funds in 632 awards), or from central/regional government to support initiatives of the moment. Accurate figures are hard to find but I estimate that the City Council received £1.2M in 2004/05. There are often strong links between external funding and partnership working; funding can often only be achieved from applications where delivery partnerships are in place. Funding criteria are often used to encourage partnership working.

3. External funds hardly ever replace existing Council funding and almost always provide an opportunity to invest to grow rather than invest to save.

4. Looking to the medium term it is likely that alongside the growth of collaborative forms of working, pressure for Council’s to diversify their sources of revenue will increase. The Audit Commission, in its Comprehensive Performance Assessment, identified the lack of a strategy for external funding as a weakness that may result in missed opportunities. The Council’s Improvement Plan states 2.10.5 Implement a more ambitious and integrated external funding approach... to increase income to match our resources.

Current position

5. The City Council has had many successes with external funding: Barton Pool, Horspath Track, Active Sports and Active Communities, Blackbird Leys LC, Healthy Living Initiative, Regional Housing Board funding of social housing, capacity building and IEG grants from ODPM, GOSE/Home Office funds to the Crime and Disorder Reduction Programme. European Social Fund and other grants have been received from the EU. However, there have been a number of missed opportunities.

6. There are six areas for improvement:

1. **Policy** There is no clear policy or agreed protocol for applications for external funding. Issues such as whether bids should be resource led or needs led must be covered before bids are made, along with issues relating to exit strategies and bid approval mechanisms. However, once a grant is received procedures ensure Council approval via a minor or major Project Appraisal report where demand, needs, costs and exit strategies are covered.

2. **Skills development/capacity building** is desirable for staff submitting bids and in project management.
3. **Information transfer/best practice exchange** Tracking of bids through preparation, submission, award, implementation and monitoring phases would be valuable, along with skill transfers at all stages between City Council staff. Consideration should be given to the transference of skills to local community groups.
4. **Identification** of funding opportunities and dissemination of information could be extended.
5. **Resources** More flexible staffing arrangements and match funding budgets should be considered. Detailed terms under which monies are given can be significant regarding, for example, claw-back provisions if terms are not met.
6. **Exit strategy** Difficulty with foreseeing an effective exit strategy might preclude an application in some situations.

Conclusion

7. The CPA report and the Council's Improvement Plan both highlight the need for action. An outline Action Plan is identified below. When SMB considered this report they indicated that progress be made as quickly as possible. To this end the Strategy and Review Business Manager has agreed to allocate 400 hours of staff time over 2 years to allow the Action Plan to be implemented. Involvement of staff from several business units will ensure an optimal outcome.

Action Plan

8.

What	How	Outputs/ timing
1. Establish agreed policy and protocol		
	Draft policy and protocol Gain SMB support Consult internally Formal approval (SMB/Scrutiny/EB)	Draft policy and protocol Endorsed policy and protocol
2. Skills development for bid writers and project managers		
	Audit of existing skill bank Audit "issues" identified by BUs Possible internal course External training?	List of people, skills and experience 12 better equipped bid writers 2 much better equipped bid writers Fewer unsuccessful bids More clarity and prominence in business planning cycle
	Investigate possibility/desirability of setting up a short course for community groups – maybe on a self help basis	Better equipped community groups Better quality Awards for All applications More successful bids
3. Information transfer/best practice exchange		
	Establish a forum for tracking bid progress Consider a bulletin board where requests for information and assistance can be posted Staff seminars Celebrate successful projects Strengthen links to other best practice organisations Agresso improvements	Improved capacity within the Council to make successful bids
4. Identification of external funding opportunities		
	Lottery themes, opportunities	Make existing information more widely known
	Charitable trusts	
	Regional quangos	
	EU	
5. Better deployment of existing resources		
	Pool of experts Match funding pot	Joined up working Smarter use of existing resources
6. Exit strategy		
	Some consideration at early stages Careful consideration re employment of staff	Fewer problems at exit strategy stage.



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 Background papers: none