

Report of the Cabinet Leader

Delivery & Innovation Fund – Funding Decisions

Summary

1. This report sets out proposals for the funding of two projects through the Delivery & Innovation Fund (DIF) for Members to consider and approve.

Background

2. Members approved the creation of the Delivery & Innovation Fund in the February 2012 Budget Report. The aim of the fund is to support the delivery of council priorities, support areas requiring one off investment, support major project delivery and also to facilitate the development of new and innovative ways of working. A total of £1m was made available and to date, £262k has been allocated to projects.
3. Bids have been received from a wide range of sources, both inside and outside the council and interest in the fund is now increasing rapidly. So far, there have been over 70 specific enquiries about making bids to the DIF. 33 full bids have since been received.
4. Council departments still make up the majority of the bids so far (20 compared to 13 from external organisations), but there are ongoing discussions about an increasing number of potential bids from outside the council.
5. Decisions on funding for projects below £100k were delegated by cabinet to the Leader and Director of Customer & Business Support Services. Allocation of funding over £100k for any one project requires Cabinet approval. Two such projects are included in this paper for consideration and approval.

Delivery & Innovation Projects - for approval

6. Members are asked to approve two schemes: one for preparation activities for a second phase of the Access York programme; the other for an innovation programme in partnership with SCY. A summary of each of these is given below.

Access York Phase 2 preparations - Summary of scheme

7. *Overview:* The proposal is for funds to enable the preparation of the initial business case for Phase 2 of the Access York programme, a key element in the work to deliver the Council's priority to Get York Moving. Future funding streams for the second phase of the programme (e.g. through the Leeds City Region or West Yorkshire Transport Fund) are only available to projects which have strong business cases.
8. *Key deliverables and benefits:* This work will lead the preparation of technical business cases and provide capacity and expertise for engagement at the appropriate level in the relevant regional and national activities. This will provide the basis for phase 2 of Access York and unlock access to the £millions of funding required to deliver the longer term programme. It is anticipated that both in-house and external resources plus close cooperation with key partners will be required over an 18 month period to complete the work and deliver the required business cases.
9. *Funding sought:* £105k yr1; £70k yr2 = £175k total

CYC – SCY Innovation Catalyst Programme - Summary of scheme

10. *Overview:* The proposal is for a programme of work, building on current partnership projects between CYC and SCY, to develop a comprehensive package of development and support activities for innovation in the council and the city. This programme will draw on the core purpose of the DIF in creating long term capacity and capability for innovation specifically for council staff but also for the city as a whole. It will focus on delivering specific projects to pilot new themes or ideas plus more broad training/skills and mentoring activities.
11. The programme will provide the council with the required skills, networks and culture to sustain the activities in this field beyond the life of the programme. The funding will support a combination of additional staff, training, regional and national events plus business mentoring and development. The programme of work will be undertaken over the next

two years and a core objective is to equip the council and other key partners to continue the core activities of the programme after its completion.

12. *Key deliverables and benefits:* The scheme will deliver a rich and varied programme of activities, which will focus both on developing the council's skill base and networks and on supporting and developing the innovation business community and within the city. This in turn will support the city's ability to attract a greater variety of inward investment and increase the range of support for SMEs, through positioning the city as a hub for innovation and forward thinking. Where specific ideas are identified, support will be provided to seek funding for development or support for developing these into a commercial venture within the city. Projects that foster engagement with voluntary & community organisations to drive social innovation will be another key aspect to the programme.

13. The programme will include activities such as (not exhaustive):

- providing the capacity and expertise to seek out and secure suitable grant funding for innovation companies or other organisations, directly supporting business growth and inward investment;
- creating new Innovation Network in the city, building on SCY's strong existing sector networks, to support innovative businesses and organisations;
- horizon scanning to ensure the York innovation network stays up with the related sector leaders in this field;
- using these networks and skills developed to link the projects or problems with need for new thinking with innovative organisations (private, public or voluntary) who can work together;
- providing a new aspect to the support from existing SCY networks for the prominent business sectors such as biomed, food agriculture, creative & media etc.
- holding an international Innovation Conference on a specific theme (e.g. Health & Wellbeing) as pilot with a view to establishing an annual self-sustaining venture, complimenting the other creative festivals and conferences in the city;
- setting up an innovation think tank in the city and linking this to government and national initiatives on innovation, particularly around public sector services and community engagement.
- Developing on the initial steps to scope a 'York Nudge Unit', working with The Behavioural Insights Team in Whitehall about collaborating to develop something here in York

- Working with specialists to develop the 'SE index' pilot study, looking at better ways to measure the Social Impact of community innovation activities.
14. For the council, the programme is critical if CYC is to change the way in which it operates significantly enough to meet the challenges that will be presenting themselves over the next 3-5 years and to sustain the level and type of transformation thereafter. The ability and capacity to develop ideas and successfully change the way the council engages with residents and delivers services is crucial and will underpin how we move to fit into a new model for local government. The council already has some strong pockets of creative and innovative practice and this investment and support will harness this and enable it to be expanded across the council. The skills transferred as part of the programme will support the development of new, more cost effective ways of working and delivering services, thus helping to increase income and reduce expenditure for the council.
 15. For the city, this programme will compliment and supplement existing council and SCY initiatives around supporting business growth by adding an extra dimension to this work. Positioning York as a national and international centre for innovation and creative businesses will bring significant economic benefits, further capitalising on the key sectors already established within the city, such as bioscience, creative and digital media etc.
 16. *Funding sought:* £165k p.a. x 2 years = £330k total

Analysis

17. The fund has an approved budget of £1m p.a. Approval of the above two bids would bring the total allocated from the fund so far to £767k. This is broken down as follows:

	Total Amount (£)	Indicative spend profile		
		12/13 (£)	13/14 (£)	14/15 (£)
<i>Bids approved to date:</i>				
York 800	73,000	73,000	0	0
HM Queen visit	20,000	20,000	0	0
York Gold (incl. Olympic torch relay)	31,000	31,000	0	0
Guildhall RIBA competition	35,000	35,000	0	0
Warden Call - scope for Social Enterprise	5,000	5,000	0	0
Oliver House - Health & Social Care Hub	15,000	15,000	0	0

Bonding Warehouse - Digital Media Hub	25,000	25,000	0	0
Public Wi-Fi - Museum Gardens area	39,500	39,500	0	0
Rail Policy	24,000	8,000	8,000	8,000
Upper Floors Review	30,000	30,000	0	0
Total approved to date	262,500	246,500	8,000	8,000
<i>New recommendations:</i>				
Innovation catalyst programme	330,000	165,000	165,000	0
Access York phase 2	175,000	105,000	70,000	0
Total new recommendations	505,000	270,000	235,000	0
Total including new recommendations	767,500	516,500	243,000	8,000

18. Summary:

Approved Base budget:	£1,000,000
Current allocation in year:	£516,500
Balance remaining in year:	£483,500

Consultation

19. Relevant Chief Officers plus CYC and external staff supporting or submitting a bid have been consulted as part of the decision making process.

Corporate Priorities

20. The projects funded by the DIF are core to delivering the priorities outlined in the council plan.

Implications

21. The implications are:

- Financial - the financial implications are dealt with in the body of the report.
- Human Resources - there are no specific human resource implications to this report.
- Equalities - there are no specific equality implications to this report.
- Legal - the Innovation Catalyst Programme will need to be managed so as to ensure compliance with European state aid rules.
- Crime and Disorder - there are no specific crime and disorder implications to this report.
- Information Technology - there are no specific implications to this report.
- Property - there are no specific property implications to this report.
- Other - there are no other implications to this report.

Risk Management

22. The risk management processes embedded across the council continue to contribute to managing the risk associated with major projects and key areas of service delivery.

Recommendations

23. Members are asked to:
- a. Approve the following DIF bids that have a value of over £100k:
 - i. Access York Phase 2 preparations;
 - ii. CYC-SCY Innovation Catalyst Programme.

Reason: in order to support delivery of the council priorities and to facilitate the development of new and innovative ways of working.

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
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	Report Approved	√	Date 1.10.12
Wards Affected: All			
For further information please contact the authors of the report			

Annexes:

- Annex A – Further details on the two bids recommended for approval
Annex B – Summary for previously approved bids