

Report of the Assistant Director Governance and ICT

Interim Report – External Funding Scrutiny Review

Summary

1. This report summarises the work undertaken to date by the Task Group working on the External Funding Scrutiny Review. The Committee are asked to note and comment upon the report and progress made to date on this review. More specifically they are asked to agree to the spend of £1000 (this Committee's allocation from the scrutiny budget) on the Regional Econometric Model (REM) referenced in the body of this report below and in its associated annexes.

Background

2. At a meeting of Economic and City Development Overview and Scrutiny Committee held on 29th January 2013 the Committee agreed the following remit for the Task Group to work to in relation to this review:

Aim

To be more effective and systematic in securing external funding and investment for York

Key Objectives

- (i). To assess how Leeds City Region are articulating investment priorities, specifically looking at the case of the LEP European Regional Development Funding Programme being developed and broader European funding
- (ii). To assess what resources are available to City of York Council (CYC) to effectively identify and successfully secure funding

(resources in this instance, including CYC staff, additional or temporary staff, ability to provide match funding, up skilling and training

- (iii). To develop a plan for presenting a strong case to Leeds City Region LEP for funding York's top investment priorities

Work undertaken on the review to date

3. The Task Group met on 22nd January 2013 to discuss, amongst other things, a potential way of spending the £1000 allocated to them from the scrutiny budget. At the last meeting of the full Committee it had been agreed that suggestions for these monies be collated by the Task Group and these be formally reported back to the Committee at today's meeting.
4. The Task Group were presented with some information on the Regional Econometric Model (REM. In brief the REM would allow City of York Council to easily calculate the level of Gross Added Value (GVA) created by a wide range of proposed projects to the City and also enable the Task Group to gather evidence about the economic viability of a vast range of projects and initiatives. Further information is at **Annex A** to this report.
5. The cost of the REM licence is £4000 per annum, with the model being updated every 6 months. The cost includes training and on-going support for the duration of the subscription as well as 5 licences.
6. The Task Group discussed the benefits of the REM for both this Scrutiny Review and for the Council as a whole. They understood that currently CYC commissioned work externally from other authorities who had subscribed to the REM; however this was £700 a time so costs very quickly mounted up. To continue commissioning externally was not, therefore, felt to be a sustainable option by the Task Group.
7. The Task Group asked whether Leeds City Region had access to the REM and officers said that they too commissioned this externally. The North Yorkshire and York Local Enterprise Partnership did have access but we were only able to use this on an ad hoc basis.

8. If CYC were to hold a licence (or licences) for the REM itself then it could quite quickly make savings by not having to commission this service externally.
9. The Task Group asked whether the cost of the REM could be funded via a bid to the Economic Infrastructure Fund and were told this was not available for 'tools'.
10. The Task Group then explored further how the REM could help support the External Funding Scrutiny Review. They understood that there was a case for purchasing the REM to assist them in identifying and developing a plan for presenting a strong case to Leeds City Region LEP for funding York's top investment priorities. This was essentially the aim of key objective (iii) of this review as set out in the remit above and were advised that it would be very difficult, both time wise and financially to achieve an outcome for key objective (iii) without greater access to the REM.
11. It was acknowledged that the Task Group could commission the work externally instead and spend £700 doing so; however the Task Group did not believe this to be cost effective. It would also rely on the Task Group only needing to access the REM on one occasion. Alongside this the Task Group felt that there would be a clear case of return on investment if the REM was purchased.
12. In addition to this key objective (ii) of this review was based around identifying which resources were required to effectively identify and successfully secure external funding. On hearing about the REM the Task Group believed that there was a gap in the resources the Council had for undertaking this work and for that reason as well as those stated above gave their support to using the £1000 allocation from the scrutiny budget to put towards the cost of this.
13. Officers reiterated that having constant access to the REM would deliver more effectiveness across the Council in general as well as financial savings. The REM has already been used to enable CYC to get the best value for the city and wider regional economy from the Hungate site. There is also a case for using it to identify the different economic sectors that would bring the highest value back to the local and regional economy; potentially when looking at uses for the York Central site.
14. They also noted that the REM would be able to generate GVA outputs which the Economic and City Development Overview and

Scrutiny Committee could monitor on a regular basis at their meetings; thus allowing them to exercise their overview role in a wider way than they had been able to before.

15. The Task Group then asked a question on where the remaining £3000 would come from to purchase the REM. They were advised that this would need to be found from the Economic Development unit's budget for this municipal year and again it was reiterated that commissioning this service externally was not a sustainable option.
16. Thinking towards the future the Task Group asked how the REM might be used by other Scrutiny Committees in their work. Officers suggested that there were many ways this may happen including undertaking work around health outcomes (especially now that Public Health was the responsibility of the Council). Officers also suggested that the REM may also be a useful tool for partnership organisations such as Yorkshire Museums Trust and Science City York. Officers felt that it could be a useful tool for multiple Scrutiny Committees to measure economic outcomes from projects and programmes undertaken.
17. In addition to this, at the last meeting of ECDOSC, the Chair had suggested posting a question to the GeniUS website around this review. This is now live and can be accessed via the following link:

<http://geniusyork.com/forum/topics/external-funding-scrutiny-review#comments>

Next Steps

18. The Task Group agreed to meet again on 27th March 2013 and would be considering information on:
 - To receive information on the top two/three priorities that the authority will be putting forward to Leeds City Region (LCR)
 - To plan which key partners the Task Group will need to invite to a future meeting and what they wish to ask them
 - To review any responses that have been posted to the GeniUS website

Consultation

19. To date consultation has taken place with officers at the Local Authority as well as via the GeniUS website. In addition to this the

Task Group, at their next meeting, will be looking at which key partners they want to talk to and why.

Options

20. Members are asked to note the report and the progress made to date on this review. They also have the following specific options:

Option 1 Agree to use their £1000 allocation of the scrutiny budget to help fund the purchase of the REM

Option 2 Do not agree to spend the above at this stage

Analysis

21. At the last formal meeting of this Committee in January 2013 the Committee asked the Task Group to consider ways, if any, that their £1000 allocation of the scrutiny budget be spent; with the distinct proviso that the monies should only be spent if it could be proven that they were required to support this review.
22. The Task Group took the above into consideration and after discussion with officers felt that there was a gap in the resources available to them that the REM would fill. In addition to this it was understood by the Task Group that in order to provide the information required for key objective (iii) of this review officers would need access to the REM.

Council Plan 2011-15

23. This review is linked to the *'create jobs and grow the economy'* element of the Council Plan 2011-15.

Implications

24. **Financial** – The cost of the REM is £4000, with the proposal that £1000 be provided from the Economic and City Development Overview and Scrutiny Committee's allocation of the scrutiny budget. The remaining £3000 will be found from the Economic and City Development Unit's current budget.
25. There are no other known implications associated with the recommendations within this report. However, implications may arise as the review progresses and these will be addressed accordingly.

Risk Management

26. There may be a risk that key objective (iii) of this review cannot be fulfilled without the aid of the REM tool.

Recommendations

27. Members are asked to note and comment upon this report and more specifically decide whether they wish to confirm the use of their allocation of the scrutiny budget to part fund the purchase of the REM.

Reason: To progress this scrutiny review.

Contact Details

Author:

Tracy Wallis
Scrutiny Officer
Scrutiny Services
Tel: 01904 551714

Chief Officer Responsible for the report:

Andrew Docherty
Assistant Director Governance and ICT
Tel: 01904 551004

Report
Approved



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Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annexes

Annex A potential uses for the Economic and City Development Overview and Scrutiny Committee's scrutiny Budget Allocation