

**Report of Head of Funding Programmes & Business Support****Report to Chief Officer Economy & Regeneration****Date: 13 June 2017****Subject: European Structural Funds Superfast West Yorkshire & York (SFWYY)  
Phase 2 Project**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes    x    No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes    x    No
Is the decision eligible for call-in?	<input type="checkbox"/> Yes    x    No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes    x    No

**Summary of main issues**

- 1.1 The main issue for the Council is the associated risks and liabilities associated with being a delivery partner as part of a European Structural Funds (ESIF) business support project.

**Recommendations**

1. To approve the role of LCC as delivery partner in the SFWYY project.
2. To authorise the signing of the associated partnership agreement with the West Yorkshire Combined Authority (WYCA).
3. To instruct officers in the Economic Development team to carry out the duties /responsibilities as specified in the partnership agreement.
4. To authorise the establishment of a revenue budget of £577,080 (funded through external funding) over the period 2016-19 as a contribution towards associated LCC staff costs.

## **1. Purpose of this report**

- 1.2 To inform the Chief Officer Economy & Regeneration of proposals to deliver Superfast West Yorkshire & York (SFWYY) support to Small/Medium sized enterprises (SMEs) based across West Yorkshire & York through the provision of Superfast Broadband.
- 1.3 To seek approval from the Chief Officer Economy & Regeneration for the Council to enter into a partnership agreement with West Yorkshire Combined Authority (WYCA) to deliver Superfast West Yorkshire & York (SFWYY) support to Small/Medium sized enterprises (SMEs) based across West Yorkshire & York through the provision of Superfast Broadband.

## **2. Background information**

- 2.1 The Council acted as Contracting Authority and played the lead LA role in successfully delivering the Phase 1 West Yorkshire Local Broadband programme.
- 2.2 With the first phase of the programme now complete, over 65,000 properties can now experience significant improvements to their broadband speeds. More than £21m of funding was allocated for the programme which has seen high-speed, fibre broadband installed across West Yorkshire.
- 2.3 The second phase of the SFWYY programme will extend coverage of fibre broadband throughout the existing intervention area as well as Kirklees and York. The current £19.5m broadband programme will see a further 27,000 businesses and homes having access to high-speed, fibre broadband installed across West Yorkshire and York.
- 2.4 As requested by WYCA and agreed by the Project Board both Contracts (Phase 1 & 2) with the Supplier (BT Group) were Novated to WYCA on 14 December 2015.
- 2.5 Prior to the Novation the Council was approached by WYCA to continue to provide a team to assist the WYCA Programme manager with Deployment assurance, Communications & marketing and Secretariat service. This was outlined in the West Yorkshire and York Local Broadband Partnership (Phase 2) agreement with was signed by all parties on 2 April 2015 (see 7.1).

## **3. Main issues**

- 3.1 The main issue for the Council in entering into the partnership agreement as a formal delivery partner is the potential liabilities associated with any European Structural Funds (ESIF) agreement.
- 3.2 It is proposed that the Council provides the service described in 2.5 on a direct cost basis. It is not proposed that indirect overheads are recovered.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Council's approach to ESIF was discussed on the 28<sup>th</sup> February 2017 with the Corporate Leadership team (CLT). CLT indicated that it was fully supportive of the Council playing an active role in delivering ESIF projects across the City Region. This project forms part of a much wider picture of the Council actively engaging with

ESIF and partners across the City Region to deliver a range of economic development projects to support businesses and invest in essential infrastructure to fuel future economic growth.

#### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The proposed project will be available to established SMEs across the City Region. Certain sectors are excluded due to ESIF funding rules e.g. primary agriculture, banking /financial services and businesses who primarily trade with consumers.

#### **4.3 Council policies and best council plan**

- 4.3.1 In improving business competitiveness and digital inclusion the SFWYY project is consistent with a number of themes in the Best Council Plan 2015-20.

#### **4.4 Resources and value for money**

- 4.4.1 The agreement with WYCA provides an income to LCC of £577,080 over the period 2016 to 2019 as a contribution towards LCC staff costs.

#### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 Signing this agreement is a significant operational decision (not subject to call-in), as the average spend per Council financial year is forecast to be less than £250,000 per annum.

#### **4.6 Risk management**

- 4.6.1 Risks associated with the ESIF agreement have been mitigated by clearly defining LCC roles/responsibilities and ensuring that WYCA is responsible for final assurance as Contracting Authority & Accountable Body to grant funding partners for this project.
- 4.6.2 Both parties are able to terminate this agreement by giving a 90 day notice period. This protects the Council in the event that the Council is unable to continue to provide services.

### **5. Conclusions**

- 5.1 The SFWYY project improves business competitiveness and helps the city region to become more resilient by reducing the business carbon footprint.
- 5.2 As previously demonstrated through the successful deliver of Phase 1 of the Superfast Project the Economic Development Service has the expertise to provide an effective assurance service and has extensive experience of dealing with ESIF compliance related issues. The project complements other business grants and ESIF business support activities run by LCC.

### **6. Recommendations**

- 6.1 To approve the role of LCC as delivery partner in the SFWYY project.

- 6.2 To authorise the signing of the associated partnership agreement with the West Yorkshire Combined Authority (WYCA).
- 6.3 To instruct officers in the Economic Development team to carry out the duties /responsibilities as specified in the partnership agreement.
- 6.4 To authorise the establishment of a revenue budget of £577,080 (funded through external funding) over the period 2016-19 as a contribution towards associated LCC staff costs.

## **7. Background documents<sup>1</sup>**

- 7.1 West Yorkshire and York Local Broadband Partnership (Phase 2) agreement.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.



**Superfast West Yorkshire and York**

Contract Management Costs Workings			Cost category	2016															
				Jan-16	Feb-16	Mar-16	Q1 2016	Apr-16	May-16	Jun-16	Q2 2016	Jul-16	Aug-16	Sep-16	Q3 2016	Oct-16	Nov-16	Dec-16	
Project Support Officer	PO4	1 FTE	Salary	3200	3200	3200	9,601	3,233	3,233	3,233	9,698	3,233	3,233	3,233	9,698	3,233	3,233	3,233	
			NI	258	258	258	775	355	355	355	1,064	355	355	355	1,064	355	355	355	
			Superann	465	465	465	1,395	469	469	469	1,406	469	469	469	1,406	469	469	469	
Project Assistant	C1	1 FTE	Salary				-				-				-	1,870	1,870	1,870	
			NI				-				-				-	167	167	167	
			Superann				-				-				-	271	271	271	
Marketing and Comms Officer	PO3	1 FTE	Salary				-				-				2,759	2,759	2,759	2,759	
			NI				-				-				287	287	287	287	
			Superann				-				-				404	404	404	404	
Sub-totals	ALL	ALL	Total Salary	3200	3200	3200	9,601	3233	3233	3233	9,698	3233	3233	5992	12,457	7861	7861	7861	
			Total NI	258	258	258	775	355	355	355	1,064	355	355	642	1,351	808	808	808	
			Total Superann	465	465	465	1,395	469	469	469	1,406	469	469	873	1,810	1144	1144	1144	
				3,923.67	3,923.67	3,923.67	11,771.00	4,055.83	4,055.83	4,055.83	12,167.50	4,055.83	4,055.83	7,505.83	15,617.50	9,813.00	9,813.00	9,813.00	
Marketing (rev)							-	5,500	5,500	5,500	16,500	5,500	5,500	5,500	16,500	6,000	6,000	6,000	
ALL COSTS				3,924	3,924	3,924	11,771	9,556	9,556	9,556	28,668	9,556	9,556	13,006	32,118	15,813	15,813	15,813	
Project Director	Dir-52.5%	0.2 FTE	Salary	1030	1030	1030	3,091	1,041	1,041	1,041	3,122	1,041	1,041	1,041	3,122	1,041	1,041	1,041	
			NI	104	104	104	313	125	125	125	376	125	125	125	376	125	125	125	
			Superann	149	149	149	448	151	151	151	453	151	151	151	453	151	151	151	
Finance Officer/Manager	PO3/4	0.2 FTE	Salary	640	640	640	1,920	647	647	647	1,940	647	647	647	1,940	647	647	647	
			NI	52	52	52	155	71	71	71	213	71	71	71	213	71	71	71	
			Superann	93	93	93	279	94	94	94	281	94	94	94	281	94	94	94	
Accommodation Cost							2,500				2,500				2,500				
Website							300				300				300				
Travel & Subsistence							100				100				100				
NON ELIGIBLE COSTS				2069	2069	2069	9,107	2,128	2,128	2,128	9,284	2,128	2,128	2,128	9,284	2,128	2,128	2,128	

**TOTAL POTENTIAL COMMITMENT**



Q4 2016	2016 TOTAL	2017															Q4 2017	2017 TOTAL			
		Jan-17	Feb-17	Mar-17	Q1 2017	Apr-17	May-17	Jun-17	Q2 2017	Jul-17	Aug-17	Sep-17	Q3 2017	Oct-17	Nov-17	Dec-17			Jan-18	Feb-18	Mar-18
9,698	38,694	3,233	3,233	3,233	9,698	3,265	3,265	3,265	9,795	3,265	3,265	3,265	9,795	3,265	3,265	3,265	9,795	39,081	3,265	3,265	3,265
1,064	3,966	355	355	355	1,064	359	359	359	1,077	359	359	359	1,077	359	359	359	1,077	4,296	359	359	359
1,406	5,614	469	469	469	1,406	473	473	473	1,420	473	473	473	1,420	473	473	473	1,420	5,667	473	473	473
5,609	5,609	1,870	1,870	1,870	5,609	1,888	1,888	1,888	5,665	1,888	1,888	1,888	5,665	1,888	1,888	1,888	5,665	22,604	1,888	1,888	1,888
500	500	167	167	167	500	169	169	169	507	169	169	169	507	169	169	169	507	2,021	169	169	169
813	813	271	271	271	813	274	274	274	822	274	274	274	822	274	274	274	822	3,278	274	274	274
8,277	11,036	2,759	2,759	2,759	8,277	2,786	2,786	2,786	8,358	2,786	2,786	2,786	8,358	2,786	2,786	2,786	8,358	33,351	2,786	2,786	2,786
861	1,148	287	287	287	861	291	291	291	873	291	291	291	873	291	291	291	873	3,480	291	291	291
1,212	1,616	404	404	404	1,212	408	408	408	1,224	408	408	408	1,224	408	408	408	1,224	4,884	408	408	408
-	-				-				-				-				-	-			
23,583	55,339	7861	7861	7861	23,583	7939	7939	7939	23,818	7939	7939	7939	23,818	7939	7939	7939	23,818	95,036	7939	7939	7939
2,424	5,614	808	808	808	2,424	819	819	819	2,458	819	819	819	2,458	819	819	819	2,458	9,797	819	819	819
3,432	8,043	1144	1144	1144	3,432	1155	1155	1155	3,466	1155	1155	1155	3,466	1155	1155	1155	3,466	13,829	1155	1155	1155
29,439.00	68,995.00	9,813.00	9,813.00	9,813.00	29,439.00	9,913.58	9,913.58	9,913.58	29,740.75	9,913.58	9,913.58	9,913.58	29,740.75	9,913.58	9,913.58	9,913.58	29,740.75	118,661.25	9,913.58	9,913.58	9,913.58
18,000	51,000	6,000	6,000	6,000	18,000	5,500	5,500	5,500	16,500	5,500	5,500	5,500	16,500	4,500	4,500	4,500	13,500	64,500	1,000	1,000	1,000
47,439	119,995	15,813	15,813	15,813	47,439	15,414	15,414	15,414	46,241	15,414	15,414	15,414	46,241	14,414	14,414	14,414	43,241	183,161	10,914	10,914	10,914
3,122	12,458	1,041	1,041	1,041	3,122	1,041	1,041	1,041	3,122	1,041	1,041	1,041	3,122	1,041	1,041	1,041	3,122	12,489	1,041	1,041	1,041
376	1,441	125	125	125	376	125	125	125	376	125	125	125	376	125	125	125	376	1,504	125	125	125
453	1,806	151	151	151	453	151	151	151	453	151	151	151	453	151	151	151	453	1,811	151	151	151
1,940	7,739	647	647	647	1,940	653	653	653	1,959	653	653	653	1,959	653	653	653	1,959	7,816	653	653	653
213	793	71	71	71	213	72	72	72	215	72	72	72	215	72	72	72	215	859	72	72	72
281	1,123	94	94	94	281	95	95	95	284	95	95	95	284	95	95	95	284	1,133	95	95	95
2,500	10,000				2,500				2,500				2,500				2,500	10,000			
300	1,200				300				300				300				300	1,200			
100	400				100				100				100				100	400			
9,284	36,960	2,128	2,128	2,128	9,284	2,136	2,136	2,136	9,309	2,136	2,136	2,136	9,309	2,136	2,136	2,136	9,309	37,213	2,136	2,136	2,136

2018						Q1 2019	2019 TOTAL	Project Lifetime
Q1 2018	Apr-18	May-18	Jun-18	Q2 2018	Mar-19			
9,795	3,265	3,265	3,265	9,795	3,264.83	9,794	9,794	126,747
1,077	359	359	359	1,077	359	1,077	1,077	13,648
1,420	473	473	473	1,420	473	1,420	1,420	18,382
5,665	1,888	1,888	1,888	5,665	1,888	5,665	5,665	56,537
507	169	169	169	507	169	507	507	5,057
822	274	274	274	822	274	821	821	8,198
8,358	2,786	2,786	2,786	8,358	2,786	8,358	8,358	86,177
873	291	291	291	873	291	873	873	8,993
1,224	408	408	408	1,224	408	1,224	1,224	12,620
-	-	-	-	-	-	-	-	-
23,818	7939	7939	7939	23,818	7939	23,817	23,817	269,462
2,458	819	819	819	2,458	819	2,457	2,457	27,698
3,466	1155	1155	1155	3,466	1155	3,466	3,466	39,200
<b>29,740.75</b>	<b>9,913.58</b>	<b>9,913.58</b>	<b>9,913.58</b>	<b>29,740.75</b>	<b>9,913.58</b>	<b>29,740.73</b>	<b>29,740.73</b>	<b>336,360</b>
3000	500	500	500	1500	-	-	-	120,000
<b>32,741</b>	<b>10,414</b>	<b>10,414</b>	<b>10,414</b>	<b>31,241</b>	<b>9,914</b>	<b>29,741</b>	<b>29,741</b>	<b>456,360</b>
3,122	1,041	1,041	1,041	3,122	1,041	3,122	3,122	40,558
376	125	125	125	376	125	376	376	4,825
453	151	151	151	453	151	453	453	5,881
1,959	653	653	653	1,959	653	1,959	1,959	25,349
215	72	72	72	215	72	215	215	2,730
284	95	95	95	284	95	284	284	3,676
2,500				2,500		2,500	2,500	32,500
300				300		300	300	3,900
100				100		100	100	1,300
<b>9,309</b>	<b>2,136</b>	<b>2,136</b>	<b>2,136</b>	<b>9,309</b>	<b>2136</b>	<b>9,309</b>	<b>9,309</b>	<b>120,720</b>

**577,080**

