



# WNDC Board Report

## Report by Director of Regeneration & Development

Paper Reference: 2010-05-06-02

Agenda Item: 6

6 July 2010

**Subject:** Horizon Project Update

**Advice:** That the Board:

1. **Note** the progress made by the project in its first year of operation

**Summary:**

- The Horizon Project was set up last year to support WNDC in bidding for external funding.
- To date the project has prepared ten full bids and secured £5.3m.
- A further £4.5m has been bid for and is under consideration by funding bodies.
- WNDC's partners in these bids include Northamptonshire County Council, the University of Northampton, Northampton Borough Council, River Nene Regional Park and Northamptonshire Enterprise Ltd (NEL).

## 1. Background

- 1.1 In July 2009 WNDC procured a specialist funding advisor (PACEC) to work to identify external funding opportunities, draft bids and manage the submission process on our behalf. The intention was to build upon our track record of successful external funding applications (which at that point had drawn in an additional £9m for regeneration projects in West Northamptonshire).
- 1.2 In many instances WNDC has been able to use Growth Area Fund (GAF) budgets as match funding, helping expand the total funding available for infrastructure and targeting key strategic development sites (e.g. Northampton Waterside, Castle Station, etc.).
- 1.3 The resultant Horizon Project adopted an innovative approach based on risk sharing between PACEC and WNDC, where the advisor is incentivised to maximise the income for WNDC and its partners. A core budget of £45,000 was agreed, with further payment dependent upon securing external funding up to a maximum of £40,000 in return for £6m or more.

## 2. Progress to Date

- 2.1 These first eleven months of the project's life has seen WNDC and its partners (including Northampton Borough Council, the University of Northampton, Northamptonshire Enterprise Ltd., River Nene Regional Park and Northamptonshire County Council) develop and submit several applications and proposals, detailed below:
  - Over the eleven months 10 full bids have been submitted or are currently under consideration
  - The combined total bid for was £9.92m
  - Some £5.3m has been secured to date
  - Applications for a further £4.5m are currently under active consideration
- 2.2 Successful applications included:
  - £2.3m from the European Regional Development Fund (ERDF) for the extension of the iNet project and the Construction Futures project
  - £2.9m from the Single EMDA Programme for these same projects

- £25,000 from Marks and Spencers' Groundworks Fund to enhance Becketts Park and the Marina Development

### 2.3 The pending applications include:

- A proposal for circa £4m from the East Midlands Urban Development Fund for a new Innovation Centre in Northampton (discussions are currently underway with Fund managers and our partners in Northampton on the business case, potential sites, etc.)
- A bid for £250,000 to the Natural England-managed Access to Nature fund (submitted with partners River Nene Regional Park and the Wildlife Trust) and designed to link with the Brampton Valley Way and open up access from planned urban extensions on the North East of Northampton to the town centre

## 3. Lessons Learnt

- 3.1 With the project approaching the end of its first year of operation, this is an appropriate juncture at which to review the success or otherwise of the approach.
- 3.2 One of the more disappointing aspects of the project has been our limited ability to target funding on our key strategic projects, at least in the time available to the project to date. Whilst PACEC and WNDC officers have made use of the Horizon Project as a resource to open discussions with potential funding bodies (e.g. emda, Europe, etc. ) the reality is that it will be some time before such discussions will result in significant investment, such is the complexity and sums involved in these sites.
- 3.3 The exception is the East Midlands Urban Development Fund, through which we are hopeful of leveraging significant funding targeted on either the Waterside or St. Johns sites.
- 3.4 Secondly, even with PACEC's input, it is clear that external funding processes still require significant WNDC time and resources. Rather than free up WNDC officers' time, the project has allowed us and our partners to bid for more complex, challenging projects with the result that, whilst we have levered in significant funds, these bidding processes are still resource hungry.

#### 4. Conclusions

- 4.1 The financial climate has changed considerably in the time Horizon has existed, with reduced opportunities for funding from within U.K. institutions. Nevertheless the scale and nature of development underway in West Northamptonshire, and particularly Northampton itself, in many ways lends itself to continued bidding. In the current climate, the need to identify new ways of funding these projects is crucial.
- 4.2 The recent Board Workshop presentation on emerging European Policy confirmed that the work of WNDC and its partners on innovation (e.g. the iNet and iCon), enhancing skills (e.g. the Portfolio Centre, Construction Futures) and sustainability (e.g. Sustainability Best Practice for Smaller Sites guidelines and seminars) fits well with Europe's economic forward strategies. Any extension of the Horizon project, therefore, could focus on supporting the work already underway to develop a more strategic, cross-sectoral response to European funding opportunities and the repositioning of Northampton's economy going forward.
- 4.3 WNDC will review the options for taking the Horizon project forward in discussion with partners. In what is likely to be a more competitive environment for securing external funding it will be increasingly important that the funding strategy is understood and supported by all partners.