

Date: 22nd January 2016

Subject: **EU LIFE INTEGRATED PROJECT (LIFE IP) IN GREATER MANCHESTER**

Report of: Mark Atherton, GM Director of Environment

PURPOSE OF REPORT

To update the Board on AGMA's involvement in a successful £14m LIFE Integrated Project bid by the Environment Agency which aims to trial new delivery mechanisms for delivering the Water Framework Directive across the NW River Basin and the Irwell Catchment in particular.

RECOMMENDATIONS:

The Board is asked to:

- Note the success of the Environment Agency's (EA) £14m LIFE IP funding bid; a formal offer of funding has been received naming AGMA as a significant beneficiary;
- Note the benefits to Greater Manchester (GM), opportunities and responsibilities plus the key actions and deadlines of the sign up process for those Districts formally involved in project delivery; and
- Note the next steps required to initiate delivery of the project.

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BACKGROUND PAPERS:

TRACKING/PROCESS		
Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		No
AGMA Commission	TfGMC	Scrutiny Pool
Low Carbon Hub 22/01/16		

1.0 BACKGROUND

Following in principle agreement by SCC to become lead signatory on behalf of AGMA, a full LIFE Integrated Project (IP) bid was submitted to the European Commission in April of this year aimed at addressing Water Framework Directive issues across the NW River Basin District in general and the river Irwell catchment in particular. At the beginning of July, the Commission wrote to the EA indicating that our proposal had passed the Commission's eligibility, admissibility and initial award phases. Following a detailed response to the Commission on outstanding issues, a formal offer has now been received which necessitates moving towards formal contracting by the end of this calendar year.

This paper summarises the project, set within the context of the benefits/responsibilities and costs which arise from AGMA's participation and outlines the remaining issues to be resolved prior to contracting.

2.0 BID SUMMARY

The bid will fund a £14m programme over 10 years aimed at developing and delivering integrated solutions to tackle water quality and wider related flood and water management capacity issues. This will help GM deliver water quality, flood risk management and water utilities infrastructure capacity improvements which will directly support GM's ability to better accommodate the levels of sustainable economic growth and development being planned for within the GMSF. The project is delivered over 10 years; split into 4 equal phases. Partner commitments and benefits are set and committed to at the start of each individual phase, not for the full 10 years.

This project represents a significant uplift in resources available to AGMA and its project partners (EA, GM, United Utilities and Catchment Management Host Bodies) in the area of integrated water management. This resource will be for capacity building, developing integrated working between the project partners and wider interests as well as other awareness raising and innovative work to accelerate improvements in the water environment. Whilst this does not include significant water management capital spend in its own right, it will bring together and better focus the significant capital programs and spending of the project partners and others in this area. It will also help to address other GM priorities around well being, health and quality of life by addressing wider visual amenity and local environmental quality issues through the improvements to GM's key green and blue infrastructure. GM, as a formal project beneficiary, will therefore see a particular focus (and new resource) spent on these issues with direct economic and wider public sector reform benefits to the conurbation.

The River Irwell catchment is the primary focus area within the first phase (2.5 yrs) of this project, ensuring support is focussed on the two economically critical inner areas of Salford and Manchester. GM's proposed contribution is in the form of matched time from existing technical staff and support staff involved in GM's administration and involvement in the bid. There is no requirement for any other financial contribution from AGMA authorities.

3.0 BID BENEFITS/COSTS /RESPONSIBILITIES

AGMA’s involvement for the first 2.5 year phase includes the following direct and wider benefits and costs of participation.

3.1 Direct and Indirect Benefits over Phase 1

AGMA’s profiled match of existing staff roles has a maximum value of £321.5k for Phase 1, detailed in section 3.2 below. We are actively exploring ways of working with partners to reduce down these existing staff cost commitments still further. From this, GM will leverage £582k of newly funded posts and associated budget over that period. There will also be an £80k ‘in kind’ overheads contribution.

In summary, the co-financing drawn down from the project will deliver 3 new fully funded posts for the duration of the first 2.5 years of the project as summarised below:

Additional value (inc. Financial) & benefits flowing from 3 new LIFE IP funded posts over phase 1			
New fully funded role – could utilise existing GM staff	GM Integrated team Coordinator (SCC to receive £125k to employ / Host plus circa £20k for travel/subsistence/basic consumables)	Natural Capital Coordinator (OMBC to receive £98k to employ/host plus hold / disburse circa £200k to Natural Capital activities)	Grey to Green River Corridor survey lead officer (Tameside to receive £83k to employ/host plus circa £45k for travel/subsistence/basic consumables/training etc)
Role description / benefit	A high level coordinator role of both staff in GM (planning, FWM, GEMU) and other partners with the integrated water team (UU, EA). Key focus - linking work of the LIFE IP with GMSF and planning for growth more locally within Salford and GM. The post holder will be the bridge between GM and other beneficiary activity to join up day job, spot issues, opportunities for integration, investment benefits (i.e. influence UU/EA capital spend etc).	An officer level coordination post of the Natural Capital Group and wider natural capital community around water management. Key focus - coordinate and transfer practice within and between members of Natural Capital community within and outside GM. Plus coordinate disbursement of a significant programme of water focussed natural capital innovation funding to stimulate and accelerate action.	Develop and role out GM’s existing successful Grey to Green biodiversity recording platform, expanding the tool to focus on rivers and WFD. Key focus - work with EA on understanding and embedding this third party community generated data into wider data and evidence process and getting wider social benefits out of process.

There will also be wider value to GM beyond the new posts and budgets. The wider purpose of the LIFE IP project is to understand and develop new ways of working needed to facilitate much more integrated programmes of investment and delivery by the project participants and their wider partners around this agenda. This will mobilise additional funds both from within the project beneficiaries and wider partners and align these in ways which deliver additional and greater benefits than would have occurred without integration. This is fully in line with GM’s public sector

reform aspirations that we need to delivery greater efficiency and benefit for every pound of public money spent. Across the entire NW River Basin District, the extent of the complimentary funding that the project is expected to leverage has been estimated to be a further £160,000,000.

In addition to the focus on the Irwell, GM will accrue wider benefit as a result of the focus and remit of two of the newly funded posts. Both the Integrated Team and Natural Capital Coordinator posts, outlined above, have benefits beyond the initial geographic focus of the project on the Irwell catchment. The Integrated Team coordinator post has a direct role in engaging with and supporting the spatial planning process in GM, particularly around water and flood infrastructure issues. This maps and supports the vital process of producing the GMSF which is being undertaken during LIFE IP phase 1. The natural Capital Coordinator post and its budget also provides direct support for GM’s Local nature Partnership (LNP) “the Natural Capital Group” and supports an agenda which AGMA districts are increasingly struggling to resource.

It is anticipated that the integrated working and understanding between partners developed and steered by GM involvement in the project has significant wider GM benefits through it’s ability to understand and drive the relationships, financial models, capital/maintenance proposals needed to help deliver water and flood management outcomes at a time of significant budgetary constraints in the public sector. This could include the ability to coordinate and increase efficiency of the significant environmental operational maintenance programmes delivered by EA/UU and Districts and better coordination and steer of flood defence capital spend. This project’s outcomes will also indirectly reduce the potential for water management or capacity issues to hinder proposed economic growth levels either across the city region, or within districts, as they progress local plans.

3.2 Direct and indirect costs:

Direct costs of GM participation are in the form of matched staff time from eligible activities already being undertaken within existing roles for the duration of first 2.5 year phase.

Note – the named posts are indicative of the types of activity which is both eligible and illustrates the sorts of focus and outcomes the project would deliver:

GM existing staff match contribution value over phase 1 (2.5 yrs)										
Roles	River Irk / Medlock project officer	Strategic Env/Green Infra Lead	GMEU Bio officer	Nat Capital Lead Officer	Spatial Planning GM lead officer	Floods & Water Management Lead	Planning & Housing Env Lead	GM Dir of Env	LIFE Claims coordination	Project admin
District	MCC	MCC	Tameside	SCC	SCC	Rochdale	SCC	OMBC	SCC	TBC
Fte / person	1fte	0.5fte	0.5 fte	0.2fte	0.05 fte	0.25 fte	0.2 fte	0.05fte	0.05 fte	0.05 fte

Indicative activity areas	Water course regen, diffuse pollution/flood risk projects	Green and blue infrastructure improvements, local greening	Stat Bio duties around SBI's in river corridors	All time spent supporting the NCG	Project SRO at Salford, linking project into spatial planning groups	Sustainable Drainage interventions, reducing FR and ensuring this has wider benefit	Developing the Environmental Capacity evidence for GMSF, water and flood issues in strategy and Integrated assessment	High level project sponsorship, steering and communication up to Combined Authority	General external funding project control/assurance	Claims, admin etc
Cost / annum salary +on costs	£106k	£55.5k	£43.5k	£27.5k	£11.5k	£28.5k	£24.5k	£13k	£5.5k	£5k
Total costs	Total cost of match = £340k over first 2.5yr phase Assumed lead district admin – max £15k/annum (£37.5 over first 2.5 yr phase)									
Flat 7% Overhead income payment on staff	Estimated GM (SCC) would receive overheads income payment of £80k over first 2.5 year phase									

There are also wider administrative costs and responsibilities to consider, including:

- As lead district, SCC will have specific costs and responsibilities to progress claims, reporting, plus legal and finance and other administrative duties. These need to be clarified before any contracting occurs but at present there is expected to be a £10-15k cost for finance, admin support, legal and other back room costs / annum as a result of this. However, these will be minimised as much as possible and look to recharge to project. Currently, it is hoped that efficiencies can be achieved via direct disbursement of funds from EA to GM Districts for some activities plus also using the resources within the 'newly' funded posts to minimise the administrative burden of claims etc.
- All Districts providing match need to ensure time is recorded and any Districts receiving direct monies for new activities will be responsible for their administrative, organisational and reporting costs.

4.0 NEXT STEPS TO FORMAL GM SIGN UP

The first six months of the project (1st October to 31st March 2016) are dedicated to finalising the design of the project, contracting and getting the resources in place to begin delivery.

Other issues to address before contracting include:

- Finalising the final costs and liabilities (including administration) of SCC (and AGMA's) participation. We are working with the EA to minimise and cover these as far as possible;
- Finalise discussions with each District to agree 'in principle' match contributions and new activity to avoid later liabilities and legal paperwork to underpin this;
- SCC contract with EA and the relevant Districts contract with SCC; and

- Development of appropriate Job Descriptions and appointment of staff to the new posts.

Appendix 1 – LIFE IP proposed complimentary/mobilised funding

LIFE Integrated Projects 2014 – FP
Financial Plan

Sources of financing	Actions/ measures to be financed	Potential funding EUR	Status/ date of Funding granted/ to be granted/ to be requested	Authority/ entity managing the fund	Direct co-financing of the LIFE project itself
LIFE PROJECT:					
LIFE	NA	€ 11,988,811	NA	NA	Yes
Own co-financing to LIFE	NA	€ 7,992,541	NA	NA	Yes
Sub-TOTAL		€ 19,981,352			
EU funds:					
ERDF ESIF		€ 21,000,000	to apply	CLG	
INTERREG SEUPB		€ 1,000,000	to be adopted	Belfast	
INTERREG NWE		€ 500,000	to be adopted	Lille	
INTERREG NSR		€ 500,000	to be adopted	Viborg	
INTERREG Atlantic		€ 500,000	to be adopted	Lisbon	
Sub Total ERDF		€ 23,500,000			NA
EAFRD ESIF		€ 50,000	to be adopted	DEFRA	
NELMS	C5	€ 10,000,000	to be adopted	DEFRA	
LEADER		€ 200,000	to be adopted	DEFRA	
FFP		€ 200,000	to be adopted	DEFRA	
Sub Total EAFRD		€ 10,450,000			NA
EMFF	C1	€ 600,000	to be adopted	DEFRA/ MMO	
ESF		€ 1,000,000	to be adopted	DWP	
H2020	A2, A3	€ 750,000	to apply	EC	
LIFE		€ 750,000	to apply	DG ENV	
Sub Total EU Other		€ 3,100,000			
Subtotal EU:		€ 37,050,000			NA
Other funds					
Growth Deals	C1, C3	€ 25,000,000	to apply	BIS	no
Local Strategies	C1, C3	€ 60,000,000	to apply	Local Authorities	part
EA Flood Risk Mgmt	C4	€ 50,000,000	at application	EA	part
Lottery		€ 4,500,000	to apply	Lottery	no
Subtotal public:		€ 139,500,000			
Water company	C2,	€ 45,000,000	to be adopted	Company office	part
Developers		€ 5,500,000	to apply	Company office	no
Industry	C8	€ 2,000,000	to apply	Company office	no
Subtotal private:		€ 52,500,000			
Total LIFE IP:		€ 19,981,352			
Total complementary:		€ 229,050,000			