

1. EXECUTIVE SUMMARY

1.1. Terms of Reference

The Terms of Reference document (February 2011) set out the following requirements:

Part 1: Evaluating the impact of the EU Unit over the last three years

The objectives of the evaluation are to:

- *Show the nature and extent of the benefits and impact of the EU Unit;*
- *Examine how the presence of the EU Unit has created added value beyond what would have happened in any case;*
- *Assess the EU Unit's effectiveness in terms of service delivery to stakeholders, both as originally envisaged and as they have evolved, identifying obstacles and deficiencies and providing advice – based upon evidence – on ways in which delivery could be improved; and*
- *Measure the overall resourcing that underpins the EU Unit and provide an objective and well-argued conclusion as to its value for money, effectiveness and suitability.*

1.2. Our Methodology

Our methodology involved 4 key stages, as follows:

Stage 1: Project Planning:

This stage involved project planning and meeting with the BCC Steering Group to agree our approach.

Stage 2: Desk Research:

This stage involved reviewing all the EU Unit performance information, plans and structures.

Stage 3: Consultations:

This stage involved interviewing the EU Unit team, BCC departmental representatives and external stakeholders such as Comet partners, Government Departments, SEUPB and NILGA.

Stage 4: Analysis and Reporting:

This stage involved analysing all the data and consultation findings and preparing the report.

1.3. Findings

The EU Unit's objectives are to:

- **participate in networks of European cities to exchange best practice and showcase Belfast;**
- **promote and raise awareness of European issues in Belfast;**
- **maximise European funding opportunities; and**
- **interpret, disseminate and contribute to EU policy.**

It also has a regional role to service five other councils of the Belfast Metropolitan Area Plan 2005/15 (Carrickfergus, Castlereagh, North Down and Newtownabbey, and Lisburn City Council) through a partnership – COMET. According to the Multi-annual Plan (2007/13) for the Comet Region submitted to SEUPB for Interreg IV funding, the European Unit “is the only dedicated EU resource within local government on the island of Ireland”.

The EU Unit’s objectives are wide ranging and are recognised by the Unit as not giving a clear view as to how they will contribute to the overall BCC strategic themes or the Development Objectives and Targets. To this end the Unit has been working on developing a Logical Framework, which will detail the activities, outputs and outcomes, they need to deliver in the future. This work will be key to shaping the future focus and to providing the Unit with the performance framework needed to help them monitor their own performance.

1.3.1. Need For EU Unit

The Review of EU supports across Northern Ireland demonstrates that there are a number of organisations involved in this area. If the BCC EU Unit hadn’t existed, it is clear that there is no other organisation which would have stepped in to support BCC with EU policy, contacts/ information and or funding. Indeed, no other such organisation exists focused on NI Local Authorities in the province.

As there is no other organisation focused on supporting Councils in NI with the EU, there is at present a significant opportunity for further action in this area. The opportunity is to:

- **Access Funding, by:**
 - Identifying the right opportunities to move ahead with;
 - Identifying the most appropriate partners to work with;
 - Developing submissions for funding; and
 - Submitting quality responses with a strong hit rate of wins.
- **Shape future Policies/ Programmes of relevance to Belfast/ NI either through LGA or others.**
- **To be aware of planned developments regarding relevant policies/ programmes in order to plan for local service delivery, which impact on Local Authority Services.**

1.3.2. Performance of the EU Unit

Performance - Quantitative Impacts

The main quantitative measure for the Unit is the amount of funding accessed from the EU. The Unit delivered an excellent performance on this area in 2009 with over 1M euros in funding for a Urban Sports Park, and then was successful with the Interreg NEW success project 2.7M Euro¹ project in 2010.

The Unit has worked also on shaping EU funding and has been successful in getting changes through to the Buildings Directive and in getting 100% funding agreed through Interreg. However, these results are not sufficient for the amount of time and resource that can get spent on this area.

The Unit has received positive feedback from stakeholders regarding providing them with best practice information. However, there has been insufficient focus on ensuring that time on this area was focused in on those areas of greatest need and where the information would be used to generate the greatest impact for the Council.

Performance - Qualitative Assessment

The feedback from stakeholders regarding the performance of the EU Unit from a qualitative perspective has been hugely positive. In particular, the stakeholders have all highlighted the professionalism of the team, their commitment and passion for results and their ability to deliver on the ground. Stakeholders often specifically highlighted Laura Leonard's performance regarding her willingness to help, her ability to make contacts across Northern Ireland and the EU and the level of hard work she invests in what she does. However, other members of the team were also highlighted and the team stands out as a Unit that receives hugely positive feedback from internal and external stakeholders, who have worked with them.

Costs

The costs for the EU Unit are as follows;

Budget Heading	2008/9	2009/10	2010/11
Employee Costs and Agency costs	181,811	267,409	298,615
Other costs	201,010 ²	129,523 ³	172,811

¹ Note this project did not go ahead as one of the partners pulled out.

² Other costs for 2008/9 cover: equipment; utilities; prof services (£67k); printing and stationary; advertising; conf travel (£18k) and subsistence for staff (£30k); hospitality; subscriptions and grants.

³ Other costs for 2009/10 cover: equipment; utilities; prof services £27k; printing and stationary; advertising; conf travel (£27k) and subsistence for staff (£12.7K); hospitality; subscriptions and grants.

Table 1: Costs per Year (2009 to 1011)			
Budget Heading	2008/9	2009/10	2010/11
Total Costs before Grants/ Fees	382,821	396,932	471,426
Grants/ Income	(67,892)	(153,244)	(221,835)
Total Cost to BCC after Grants/ incomes	314,929	243,688	249,591
<i>Source BCC- EU Unit April 2011</i>			

The employee costs have increased significantly over the last 3 years, with an increase in costs of over 60% from the base cost of £181k in 2008/9. This increase in costs is due to the resources brought in to manage stand alone projects and they are not involved in generating income. However it should be noted, that three of the staff salaries are 100% funded by Interreg and therefore they incur no cost to BCC.

Other costs have also risen proportionately. Grants/ Income to BCC has also increased significantly from £67k in 2008/9 to over treble this to £221k. The cost of the Unit to the BCC tax payer has however decreased over the period from £314k in 2008/9 to approx £250k at present.

VFM Assessment

VFM is assessed by comparing the costs against the impacts achieved. The team costs £250k approximately to operate, with the cost to the Council having reduced over the last 3 years.

The funding secured by the EU Unit has varied over the last 4 years. The most successful year was 2008/9, when the EU Unit helped secure EU funding for the Urban Sports Park. The Unit also was successful in 2010 in securing the Interreg NEW success project with 2.79M euros however this project did not go ahead due to one of the partners pulling out. Overall, over the last 4 years the Unit has been successful in winning over 5m Euros of funds, which is a highly successful outcome.

There have been difficulties in accessing Interreg funding, due to changes on the processes over the last few years and these difficulties have been documented in reports to the NI Assembly Committees concerned with European funding. However at present, the Comet partnership has 5 opportunities being pursued through Interreg at present.

There is a huge variation in the % of project costs supported, with the % varying from 3% to 100%. Clearly 100% EU funded projects bring full additionality to the Council as there is no other funding provided apart from the EU monies. Other projects require part funding and in particular one project actually needed to find 93% of its funding from other sources outside of the EU monies. Projects with such low % of EU funding may be high risk projects as finding the other funding sources can be time consuming and will stand a greater chance of not proceeding if the balance of funding cannot be found. We feel that projects with low EU funding contributions should only be considered for strategic level projects, where other funders can easily be identified and brought into the process at an early stage.

In summary, the Unit is to be congratulated for achieving over 5m euros in funding against costs of £1m over the 4 years, therefore an excellent return. However the Unit

needs to refocus its work on strategic projects which are needed by BCC to make a difference to local rate payers and it needs to increase the risk assessment on partners prior to investing too much time, so that the Interreg NEW success project is not repeated. Similarly the Council needs to ensure that the Unit is working on projects that can be supported corporately through the implementation process, so that the benefits of its wins can be felt on the ground.

1.4. Recommendations

1.4.1. *Need for the EU Unit*

We recommend that BCC continue to fund and support the EU Unit based on the evidence contained in this Report of the Need and Benefits of having such a Unit. We also recommend however that the actions set out below regarding the focus for the Unit, the Structure and Systems are implemented.

Recommendation: We recommend that BCC continue to support and develop the Unit in line with the opportunities identified.

1.4.2. *Focus of the Unit*

■ Funding vis a vis Policy/ Networking

The feedback from internal and external stakeholders is clear that the EU Unit needs to put accessing funding as its number one priority. A number of stakeholders are unclear of the benefits of shaping policy, networking and there is some concern that that this work could be seen as an opportunity for meetings/ travel across Europe. However, it needs to be noted, that the majority of those involved in working closely with the Unit, see the importance of this work and in particular stress that Belfast needs to be involved in it, in order to get sight of what is happening in other areas and what is planned for the future, so that they can use this information to inform their own areas of future work. Despite this, all stakeholders would see that given the age of austerity and the constraints on local government funding, that accessing funds from other sources outside of the local rate payers is essential. Therefore we conclude that accessing funding should be become the clear number one priority for the Unit.

Recommendation: We recommend that the Unit makes accessing funding its top priority objective, at least in the short term to support any gaps in funding within the Council. Other objectives should also be included such as influencing policy across Europe and promoting Europe in Belfast, but these should be secondary objectives.

■ Implementing a Focus on Funding

Having a focus on accessing funding for priority objectives will lead to a change in focus, work plans and systems within the Unit. For example:

Business Strategy

In section 4 we set out the opportunities within the EU and these provide an excellent potential source of funding for Northern Ireland. To date the Unit has been providing a service across the Council to all Departments; however this does not link to the priority needs of the Council and/ or the NI area. There is a need/ opportunity for BCC Members and Corporate Management Team to provide the EU Unit with clarity on the priority needs for the City and in turn for the Unit to provide feedback on the best opportunities for funding. The process needs to work both as a top down and bottom up approach to matching local needs and EU funding opportunities.

The areas emerging from our consultation exercise include (and mirror the EU areas for focus): raising employment rates, tackling poverty, improving access to education, investing more money in research and technology, promoting energy efficiency and renewable energy sources, and reducing carbon dioxide emissions). It should be noted that the European Commission recommends that only 2 to 3 of these should be focused on. It also stresses that there should be an increased focus on impacts, which are felt to be not only accessing funding, but on making an impact on these areas i.e. reducing unemployment; increased energy efficiency etc.

To deliver impacts on the ground such as these will require partnership working between the EU Unit and the relevant Departments within BCC or external stakeholders.

Recommendation: It is a decision for the Political Leadership and the Corporate Management Team within the Council to take regarding the areas of work that any part of the Council should focus on, we would recommend that consideration is given to the Environment, Development and the Interreg Monies which are all real opportunities for the Council up to 2013 and which have the potential of offering an impact on the quality of lives of those living in BCC.

Policy Development

The Unit's role in this area needs to be more clearly defined and the work on this area more focused than it is at present. All time invested in this area needs to be linked to agreed outcomes and these need to be sufficiently important to have an impact on the lives of people living/ working/ playing in BCC for them to be worth investing time in them.

Recommendation: The 'policy' areas to be worked on need to be clearly defined by BCC and the outcomes agreed at a political level and the Corporate Management Team within the Council.

■ Processes

The Unit has a number of systems in place at present which are appropriate to their current work. However with the focus moving to putting accessing funding as the top priority for the Unit, there will be a need for the operational systems to be developed slightly further. These systems will only be effective if the previous recommendation is implemented first. Operationally, the Unit needs to have a pipeline approach to measuring the progress being made regarding sourcing EU funding against BCC needs. This will need time invested in it, but should involve for example:

- The Department Director/ Manager setting out the priority areas for which funding is needed – ideally the bulk of these should be set out at the start of the financial year. Only projects that are strategic in nature and which have the potential of delivering a benefit/ impact to the lives of people working/ living or playing in BCC should be selected at this stage.
- These should be recorded in an excel spreadsheet- with the date received/ detail of the need; Officer allocated to etc.
- The Officer should then complete an initial search to determine what opportunities for funding exist to support the need. A brief paper should be completed setting out the opportunities; the timescales; the conditions for funding and the actions required. For those where no funding exists, the department needs to be advised accordingly. It is expected that a high percentage of opportunities may be deselected at this stage. The team should be measured on their responsiveness and the completeness of their work at this stage.
- For those opportunities making it through, they then need to be prioritised for resourcing based on the need within the Council/ the projected impact it could have on people's lives living in BCC; the potential of success and timescales available for completion. The priority list of opportunities should then be allocated resources from within the team in line with the findings. In addition the source department will be required to provide a named project contact for the opportunity, and any need for support from the department clearly defined and agreed before going to the next stage.
- Opportunities moving to this stage should stand a strong chance of being successful and this is best assessed by the Unit Manager. Any risks with the application/ bid need to be identified and minimised. A risk management plan needs to be devised for each project opportunity at this stage and reviewed by the Unit/ department Manager on a regular basis. The risks could include the identification of partners; availability of funding etc. and these will change as the project moves through its development stages.

■ Allocation of Resource

At present, the Unit allocates resource on the basis of wishing to ensure that all departments within BCC are provided with access to some resource. This approach was appropriate at the time and was needed to ensure that everyone was given an opportunity to understand what the EU Unit could deliver and to check out whether opportunities existed within Europe for their areas. However this approach needs to change as it is not making best use of the resource within the Unit or across the Council. In future the EU Unit should only utilise resource in those areas where they feel they can generate a positive impact on the lives of the people working/ living / playing in BCC. This is likely to mean that departments such as HR/ Finance/ Legal etc. – will have no need for EU Unit services and this time / resource should be realigned to those departments that need it. We feel the business partner model is a good one, as it clearly has ensured that strong relationships have built up between the respective EU Unit staff and the

department staff in most cases. However, in future, we expect the Manager of the EU Unit to be held accountable for ensuring that the Unit's resources are utilised to max effect with respect to accessing funding needed to support priority projects for the Council and to this end the Manager will need to have the flexibility to move resources onto projects that need them regardless of which department they have been allocated to as a Business Partner.

We recommend that:

- **The staff within the Unit should be reorganised to focus only on those departments with priority projects⁴**
- **That the Manager retains the right to move staff onto short term projects in pursuit of specific funding applications should it be needed to ensure that the Council max their chances of winning the bid.**
- **That the Unit moves away from having two of the Officers' salaries paid partially for by Departments and instead has all Unit salaries paid for corporately, so that resources can be utilized against the best opportunities, regardless of the Department.**

■ **Review Work Areas**

With an increased focus on accessing funding, the Unit will need to review its total work areas and decide what work stays and what work needs to be stopped. We have already discussed the need to stop providing support to departments where there are limited opportunities. The Unit will need to review the other areas it is involved in such as: providing information to Departments; supporting Belfast in Europe; running EU awareness sessions/ events etc. and decide whether the results being achieved are sufficiently important to the Council to warrant their continuation and what impact would be expected from them as a result.

■ **Roles/ Responsibilities and Performance Management**

The change in focus for the Unit will mean a change in emphasis regarding the work areas for the Officers and the team. For example it is expected that they will spend approx 65-75% of their time in pursuit of funding, with the balance of time being invested in other agreed areas such as policy and/ or PR/ marketing activities, in line with the changes planned for these areas set out above.

Once the areas of focus have been set, then objectives and targets can be agreed for the Unit. We recommend that there should be an emphasis on setting SMART objectives regarding the generation of fee income. These objectives and targets should then be cascaded to staff in the team. It will need to be recognised however that there are a range of variables which are outside the control of staff in delivering these targets, however at a team level these should be identified and minimised were possible.

⁴ This links to recommendations under 8.6.2.

Recommendation:

- **The Objectives and targets set through the Council Performance Management Process should reflect a focus on accessing funding, with SMART objectives being set where ever possible. These should be set in line with the Logical Framework which the Unit is in the process of developing.**
- **To support the strategy of focusing on bringing in funding, staff should be asked to ensure that 65% of their time or more is spent on accessing funding.**

- **Team Systems**

To support a culture which is primarily focused on winning EU funding for NI projects, will require the development of new systems. For example it will be similar to a consulting environment, which monitors activity in this area through a pipeline management approach in order to ensure that the most effective use is being made of resources. There are a number of stages needed in this process, they include:

1. Opportunity Identification
2. Opportunity - Stage 1 Assessment (against the Team Priorities/ Corporate Priorities)
3. Identification of Partners
4. Confirmed Commitment of Partners/ Identification of Roles/ Responsibilities/ Confirmed Commitment from BCC (After consideration of Likely Success Rate; Resources Required to Complete and Expected Benefits and Returns)
5. Preparing Submission (the detail of this stage of the process will be dependent on the EU requirements)
6. Submission QA and approval
7. Submitted
8. Feedback on the Decision

The purpose of the pipeline is to ensure that enough activities are being generated with the appropriate expected success rates to deliver on the ultimate objective and target. So for example if the objective was to win £5M of funding to support Long Term Unemployment Initiatives in the Wider Belfast area, then the pipeline would need to show sufficient opportunities being pursued to achieve this. So if the win rate for BCC on unemployment supports was 10% and the normal programme £2.5M, then the pipeline would need to show 20 opportunities/ submissions being developed to reasonably assume this objective could be achieved. Over time, it would be expected that win rates would improve, once the team focus on specific areas.

Recommendation:

- **We recommend that the team sets up a process that all opportunities need to go through in order to ensure that only those likely to have the best chance of winning and that fit with corporate priorities are provided with resource. We also recommend that a monitoring system is set up, to monitor the opportunities as they move through the different stages.**