

Valley Road Park Blue Green Infrastructure Project - Financial comments

This decision requests the use of £0.300m funding to support the continuation of the flood defence work, secure the grants already received and finalise the project work the grant supports.

Ring fenced grants have specific criteria with any non-compliance putting the grants at risk of clawback. The project needs to be completed by December 2020.

Table 1 below shows the original Delegated Decision (DDM 3476) in relation to this scheme with approved spend of £3.061m with an indicative split of funding.

Since this DDM was approved the secured funding has now been confirmed at £2.954m which is an overall reduction of £0.107m, made up of £0.167m reduced FDGiA grant received and an additional £0.060m ERDF grant.

The costs have increased by £0.193m, an overall impact of £0.300m and funding held by NCC will need to be released to fund this. The use of this fund will not impact the Medium Term Financial Plan and will mitigate a potential risk of grant clawback.

There is currently a claim with a contractor, the success of this claim would offset the use of the NCC fund and would be captured as one off financial benefit in the year it arises.

TABLE 1: FUNDING & SPEND				
	DDM 3476	Actual Funding Available	Current Decision	Total
Source of Funding	£m	£m	£m	£m
Flood Defence Grant in Aid (FDGiA)	1.168	1.001	-	1.001
Environment Agency Local Levy Grant	0.255	0.255	-	0.255
ERDF Grant (claimed quarterly in arrears)	1.256	1.316	-	1.316
Homes England Grant	0.050	0.050	-	0.050
Flood Risk Funding- City Council Contribution	0.332	0.332	0.300	0.632
Total Funding	3.061	2.954	0.300	3.254
Expenditure	£m	£m	£m	£m
17/18- 19/20 Financial Year costs incurred		2.728	-	2.728
Q1 20/21 actual expenditure costs		0.071	-	0.071
Q2 and Q3 20/21 Estimated expenditure to complete the project by Dec 20		0.155	0.300	0.455
Total Expenditure	3.061	2.954	0.300	3.254

Should the total project costs exceed £3.254m a further decision will need to be approved however there is no further funding available to support any increased costs. It is the responsibility of the project manager to contain the total project costs within £3.254m and reduce the costs down where ever possible.

The project manager will also need to ensure that appropriate evidence of expenditure is submitted to ERDF in time, to standard, through the ERDF co-ordinator in order to maximise the ERDF grant available for this scheme.

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26 August 2020

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26 August 2020