

Preserving & Protecting the Environment : Derby & Nottingham Metro Biodiversity Project
Finance Comments

This decision seeks approval for the Council to submit a bid for a programme of expenditure totalling **£7.823m**. The programme of works totalling £5.389m will be undertaken by Nottingham City Council, with the balance of £2.434m to be undertaken by Nottinghamshire County Council, Derby City Council and Nottingham Wildlife Trust. The level of grant funding available will be 50% of eligible expenditure in relation to the European Regional Development Fund (ERDF) grant conditions. Details of the programme of works to be undertaken by Nottingham City Council is as follows:

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	£'m	£'m
Nottingham City Council : Capital works Including fees		
Colwick Park		0.140
Daybrook Park		2.350
Highfield Embankment		0.200
Leen Park		2.699
	Total expenditure	<u>5.389</u>
Funded by :		
ERDF grant		-2.695
Flood Defence grant (subject to approval) for Highfield		-0.100
Wren funding (subject to bid approval) Colwick		-0.050
Direct revenue financing for Colwick		-0.020
Flood Defence grant (subject to approval) for Daybrook		-1.175
Flood Defence grant (subject to approval) for Leen Park		-1.350
	Total resources	<u>-5.389</u>

The bid is subject to review by DCLG and if approved, the Council will be the Accountable Body for the whole programme. In order to maximise grant drawdown and reduce the risk of non compliance to ERDF grant conditions, the Head of Parks, Open Spaces & Investment Funding will need to put in place the necessary control measures because all of the programme expenditure will be subject to the ERDF grant conditions. These will include:

- Meeting financial and performance reporting to the required standards and deadlines;
- Adherence to grant conditions including procurement, financial management and control, timely submission of grant claims, record keeping etc;
- As the Council will be the accountable body for whole programme including the works to be undertaken by other organisations, any clawback in ERDF funding will fall on the Council. To mitigate against this risk, there will need to be Partnership Agreements outlining recovery of funds as a result of non-compliance.

Of the match funding, £2.675m is subject to approval from the relevant funding sponsors as outlined above. The Head of Parks, Open Spaces and Investment Funding must not proceed with any of the projects until the funding has been secured by the Council, to avoid an unfunded cost.

The expenditure to be undertaken will be capital investment. Any subsequent revenue costs as a result of this investment will need to be contained with the approved resources in the Medium Term Financial Plan.

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 19 September 2016.