

Report title: Lottery Funding Agreement for the Essex Local Delivery Pilot	
Report to: Tom Walker, Executive Director Economy Investment and Public Health	
Report author: Lucy Wightman, Director, Wellbeing, Public Health & Communities	
Date: March 2024	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex, our ambitious new plan for the county, has four main aims and, within those aims, 20 commitments. One of those strategic aims is health, wellbeing and independence for all, and it includes a commitment to support people to live healthy and active lifestyles.
- 1.2 The proposal in this paper is entirely consistent with this commitment, seeking agreement to accept further funding from Sport England, as part of an on-going programme of support, to continue helping people become more physically active. This has direct benefits, in helping improve health generally, including, crucially, mental health. But it also has more significant advantages: the healthier people are, the better quality of lives they can lead; the more able they are to maximise their potential, both at home and in their working life, supporting themselves and their families, as well as helping local communities; enabling a more competitive workforce, and therefore economy, to thrive for everyone's benefit.
- 1.3 By reaching more deprived areas of the county and supporting those who are currently inactive, this funding will support levelling up, both in terms of health outcomes, but also, though the many benefits of healthier lifestyles, economic outcomes as well.
- 1.4 By encouraging greater physical activity, it is anticipated that this decision will have a neutral, and potentially beneficial, impact on ECC's net zero ambitions.

2 Recommendations

- 2.1 To agree to accept the conversation of the final £1,580,000 in-principal funding to hard commitment.
- 2.2 To enter into a deed of variation of the original Lottery Funding Agreement dated 23rd July 2019 (LFA) to record the provision of the funding set out in paragraph.

3 Background and Proposal

- 3.1 In December 2018, Essex County Council (ECC) was chosen to be one of 12 local delivery pilots in England (LDPs) by Sport England. The Essex Local Delivery Pilot (LDP) is a way to secure funding to encourage the people of Essex to become more physically active. The proposals are about system change and new ways of working to encourage the 391,600 people in Essex who are inactive to enjoy the physical, social, and mental health benefits of an active lifestyle.

Funding Awarded

- 3.2 At the time of the award, Sport England confirmed that ECC would receive an initial award of funding up to a maximum of £5,902,500 to be paid straight away for phase one of the LDP. It was also agreed that an additional £3,937,500 would be available to ECC for phase two of the LDP, that was contingent on further internal approval at Sport England. The phase one and two funding provided a total of £9.84m for ECC. A decision was taken by Cabinet on 18th June 2019 to accept the funding and enter into the LFA with Sport England to set out the terms of the grant.
- 3.3 On 7th August 2020, a further award of £1,997,656 was given to ECC by Sport England. The award of the Additional Funding was made available until 2025, bringing the total sum awarded to ECC to £11,837,656. A decision was taken by Executive Director to accept that Additional Funding. The Additional Funding was recorded in a variation agreement dated 28th April 2021
- 3.4 On 15 December 2023, Sport England approved the conversion of the remaining £1,580,000 previously awarded as in-principle funding to hard commitment funding. Attached as Appendix 1.

4 Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision

- Enjoy life into old age
- Strengthen communities through participation

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

5 Options

Option 1 –Accept the funding and enter into the Deed of Variation to LDP terms – recommended

5.1 This will enable the conversion of in-principle funding to hard commitment from Sport England and allow the project to be delivered to meet ECC's aspirations of improving physical health and wellbeing, strengthening communities and tackling inequalities.

5.2 Option 1 is recommended as it will enable continued delivery of the project budgeted plans until March 2025. The risk of non-delivery and need for return of the funding will be mitigated by a robust governance and oversight from the Health and Wellbeing Board and line Management from Director of Public Health.

Option 2 – Do nothing

5.3 If the 'do nothing' option is selected the funding will not be released and the project will not continue as planned unless another organisation agrees to act as accountable body.

5.4 This would carry a reputational risk to ECC and damage to relationships with partner organisations and Sport England and would not deliver the hoped-for reduction in physical inactivity.

5.5 To do nothing would mean that the service forgoes the opportunity to deliver the change required by residents and communities to participate in an active lifestyle and for that reason, option 2 is not recommended.

6 Issues for consideration

6.1 Financial implications

6.1.1 In December 2018, Sport England confirmed a grant award of £9.8m for Local Delivery Pilots, £5.9m was confirmed as award for phase one, £3.9m agreed in-principle for phase two. On 7th August 2020, a further award of £2m was made to ECC by Sport England. This brought the total funding that ECC had access to in relation to the Local Delivery Pilot to £11.8m.

6.1.2 Of the total £11.8m, there is £1.58m remaining to be claimed. Sports England have confirmed their approval that ECC have met the necessary criteria required to draw upon this funding. This decision seeks approval to accept this funding – it should be noted that an amendment to the LFA is required to action this.

6.1.3 This is a final variation to the LFA as the project concludes on 30th March 2025.

6.1.4 The funding profile below covers the period 2022 to 2025 and expenditure against grant will be phased as per the following table:

	Prior Years (£)	2021/22 (£)	2022/23 (£)	2023/24 (£)	2024/25 (£)	TOTAL
Spend profile		£1,770,000	£1,770,000	£1,770,000	£1,624,538	£9,840,000
Core Staffing Capacity & Evaluation costs	£2,905,462	£499,414	£499,414	£499,414	£499,414	£1,997,656
TOTAL Expenditure	£2,905,462	£2,269,414	£2,269,414	£2,269,414	£2,123,952	£11,837,656
Funding						
Grant previously awarded	£7,900,156	£2,357,500				£10,257,656
Grant converted				£1,580,000		£1,580,000
Grant awarded in-principle						
TOTAL Funding	£7,900,156	£2,357,500		£1,580,000		£11,837,656

6.1.5 If ECC were unable to spend the necessary grant value by the end of financial year 2025, then Sports England are able to reclaim any under-utilised grant.

6.1.6 Grant payments to ECC will be conditional upon satisfactory receipt of detailed delivery plans every six 6 months which clearly set out planned activities in each partnership area and financial reconciliations of revenue and capital expenditure every 6 months of how we spent the grant funding, by providing cost centre evidence. The funding will be received by ECC, as the Accountable body for the LDP, pending distribution to partners (including Basildon Council; Colchester Borough Council; Tendring District Council) as per the investment guidance document that Cabinet has formally adopted in June 2019.

6.1.7 To do nothing would mean that the service forgoes the opportunity to deliver the change required by residents and communities to participate in an active lifestyle and for that reason, option 2 is not recommended.

Financial Risks

- 6.1.8 There is a risk that Sport England will require the return of all or part of the grant if any Local Delivery Pilot partners fail to meet the criteria set out in the Lottery Funding Agreement. Where funding is passed to a third party for delivery, a grant agreement will need to be put in place to minimise the risk of claw back for ECC. In addition, ECC will only passport funding once payment is received from Sport England and will not be topping up any reductions in grant value as a result of a third party failing to meet the criteria.

6.2 Legal implications

- 6.2.1 ECC must ensure that it complies with all conditions of the funding from Sport England or it will be liable to repay such amounts to Sport England. Where ECC pass the funds onto a delivery partner to deliver an LDP project, ECC must ensure that the delivery partner is also bound by the Funding Condition including any claw back provisions.

7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8 List of Appendices

- 8.1 Lottery Funding Agreement – Variation Agreement - Appendix 1
8.2 Equalities Comprehensive Impact Assessment (ECIA) - Appendix 2

<p>I approve the above recommendations set out above for the reasons set out in the report.</p>	<p>Date</p>
<p>Tom Walker, Executive Director Economy Investment and Public Health</p>	<p>14/3/24</p>
	