

Report To:	Regeneration Committee	Date:	20th January 2011
Report By:	Corporate Director Regeneration & Environment	Report No:	RC/11/01/01/SJ/SJ
Contact Officer:	Head of Regeneration & Planning	Tel No:	01475 712401
Subject	European Funding – Employability		

1.0 PURPOSE

- 1.1 The purpose of this report is to update Members on our current European funding applications and the resultant impact on the future funding of employability services within Inverclyde.

2.0 SUMMARY

- 2.1 Since March 2008, Inverclyde has delivered a range of employability services through the former Fairer Scotland Fund, significantly augmented with European Structural Funds. The entire funding package is due to expire on March 31st 2011.
- 2.2 The amounts allocated in these financial years have been as follows:-
- 2008/09 FSF £602,064. ESF (6 months) £316,894.
2009/10 FSF £1,204,127 ESF (Full year) £633,788.
2010/11 FSF £1,156,296 ESF (Full year) £633,788.
- 2.3 In September 2010, following endorsement by the Alliance Board, Inverclyde Council prepared and submitted bids for extended ESF and ERDF to maintain the programme for three years. Match funding required for the bids was identified as £1,051,623 for ESF and £172,127 for ERDF per annum. These values were based on intervention rates of 45% and 40% respectively.
- 2.4 The Inverclyde Integrated Employability Partnership aspired to deliver a 3 year project to be delivered following a tendering process which will provide additional match-funding. The bids were made subject to appropriate match funding being available, which could not be identified at the time of bidding.
- 2.5 No Local Authority received the full amount of ESF requested due to oversubscription and the programme has been cut from three to two years. The Scottish Government have applied a formula to allocate the available ESF monies across 17 Community Planning Partnerships, based on comparative needs of the areas using best published statistical measurements – across the five stages of the employability pipeline.

2.6 On December 14th the Council received formal feedback that we have received less than the amounts requested, for the two year period 2011-2013. This represents an intervention rate of 28%.

2011-2013	Amount Requested	Amount Approved
ESF	£1,720,838	£821,532
ERDF	£229,502	TBC

2.7 There is no clear timescale set for notification of the outcome of the ERDF application, anecdotal feedback is that the bid is excellent but there is no indication as to whether 100% of the requested amount will be received.

2.8 At its meeting on the 20th December 2010 the Alliance Board was requested to:-

- accept the ESF Award of £410,766 per annum for the next two years recognising that this will require the commitment of £1,051,623 per annum for the next two years by the Council through its budget setting process from the £4.1m it is proposed to allocate to projects formerly funded through the Fairer Scotland Fund.
- recognise that if the ERDF bid is successful, the commitment required will rise by a further £172,127 per annum, subject to the Council allocating £4.1m to projects formerly funded through the Fairer Scotland Fund as part of its budget setting process.

3.0 RECOMMENDATIONS

3.1 The Committee is requested to delegate authority to the Corporate Director Regeneration and Environment to:-

- accept the ESF Award of £410,766 per annum for the next two years recognising that this will require the commitment of £1,051,623 per annum for the next two years by the Council, subject to the Council allocating £4.1m to projects formerly funded through the Fairer Scotland Fund as part of its budget setting process.
- recognise that if the ERDF bid is successful, the commitment required will rise by a further £172,127 per annum, subject to the Council allocating £4.1m to projects formerly funded through the Fairer Scotland Fund as part of its budget setting process.

Stuart Jamieson
Head of Regeneration and Planning

4.0 BACKGROUND

4.1 In the period 2008-2011, Inverclyde Council applied for and received European Funding, to augment Fairer Scotland Funding of employability services.

4.2 This additional funding allowed us to deliver a wide range of services across Inverclyde to a wide range of clients including long term unemployed, people in workless households, low paid/low skilled, people with disabilities, people experiencing mental health issues, ex-offenders, young people, lone parents and women returners.

4.3 The funds were used to enable service providers to work with clients who have multiple barriers to progression into employment or further education/training, and their expertise in the needs of their clients and the partnership working evident across the FSF network, has been demonstrated across all themes, with a high percentage of positive outcomes being recorded.

4.4 During this period the programme recorded the following headline outcomes:-

Total clients supported	7,330
Clients into employment	1,554
Clients into FE/HE	239
Clients gaining qualifications	850

4.5 The national Future Jobs Fund will terminate on 31st March 2011. This programme has been successful in Inverclyde, a total of 480 jobs will have been created on a contract value of £3,120,000. The termination of this programme will have a considerable impact on the Inverclyde economy and on opportunities for local unemployed people.

4.6 Unfortunately, this reduction in available resources has come at a time when the Inverclyde Labour Market has been outperforming other areas. Inverclyde has traditionally been one of the most severely deprived areas for employment and levels of unemployment, second only to Glasgow. In the last two years, Inverclyde has performed well with reduced numbers of people on claimant benefits, bucking the national trend.

4.7 At a national level, the UK Government have announced reforms to the benefits system and are planning to introduce a new Work Programme. Whilst the shape of this is not yet confirmed, it is evident that the impact will be more people actively looking for work, including clients that have been categorised as “hardest to help” and therefore will require significant support to participate in the labour market.

4.8 In previous funding rounds the Scottish Government had ring fenced European Structural Funds for thirteen Community Planning Partnerships based on need. In this round however it has been decided to open up the process to bids from a further four CPP’s along with national organisations such as SDS, Scottish Funding Council, SCVO and others. No Local Authority received the full amount of ESF requested due to significant oversubscription and the programme has been cut from three to two years. The Scottish Government have applied a formula to allocate the available ESF monies across 17 Community Planning Partnerships, based on comparative needs of the areas using best published statistical measurements – across the five stages of the employability pipeline.

5.0 FINANCIAL IMPLICATIONS

5.1 Financial Implications – Annually Recurring costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Former FSF programme		2011/13	£1,051,623 £172,127		ESF Match ERDF Match

6.0 CONSULTATIONS

- 6.1 A Commissioning workshop was held in October 2010 and identified priority employability services for delivery, participants included all relevant Local Authority Departments and external partners. The information obtained during this process will form the basis of performance specifications to issue with tender documentation.
- 6.2 An information day was held on Thursday 16th December for potential contractors, which incorporated details of the finance and performance associated with the employability package.