
Report To:	Environment & Regeneration Committee	Date:	25 October 2012
Report By:	Corporate Director – Environment, Regeneration & Resources	Report No:	RC/12/10/04/SJ/JH
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Subject:	EU Funded Programmes		

1.0 PURPOSE

- 1.1 The purpose of this report is to update Members on the funding position in relation to the ESF Inverclyde Employability Programme and ERDF Employer Engagement and Job Brokerage initiative.

2.0 SUMMARY

- 2.1 Inverclyde Council has secured European funding since 2010 for employability activities and employer engagement/job brokerage activities which form the Inverclyde Employability Pipeline. A contract has been awarded to The Trust to deliver these activities. The current funding package, which includes Council match funding, is due to expire on 31 March 2013.
- 2.2 A new European Structural Funds Programme 2014 – 2020 is currently being prepared. What is clear is that there will be fewer funds available and there will be increased competition for these funds. Further, previous experience has shown that it is unlikely that the new programme will be in place to commence on 1 January 2014.
- 2.3 The Scottish Government have indicated that it is their aim to achieve a common end date for all current projects however, this can only be achieved if these projects declare sufficient underspends. These funds will then be used to extend projects until 31 December 2013. However, if these underspends are insufficient to meet demand, Scottish Government have indicated they will need to put in place “a more robust process”.
- 2.4 This situation could potentially leave Inverclyde with a 9 month funding gap from 31 March 2013, if there are insufficient underspends elsewhere and the new programme is not ready to start on 1 January 2014. Without transitional arrangements in place, employability services will be significantly affected and will be far reaching. Further, it is important to note that any extension granted by Scottish Government to the programme will require further match-funding contributions by Inverclyde Council.

3.0 RECOMMENDATIONS

- 3.1 It is recommended:
- That committee make representation to the Scottish Government on the need to ensure that resources are identified to enable the continued operation of local employability pipelines until at least the end of 2013.

- That committee approve a further match-funding contribution, should Scottish Government provide funding to extend the Employability Pipeline until at least the end of 2013.

Stuart Jamieson

Head of Regeneration and Planning

4.0 BACKGROUND

- 4.1 In 2011, Inverclyde Council applied for and received European funding to deliver an ESF Integrated Employability Service and a linked ERDF Employer Engagement and Job Brokerage Service.
- 4.2 This Integrated Employability Programme is driven by the objectives and outcomes within Inverclyde's Community Plan and Single Outcome Agreement and includes the delivery of a range of programmes to meet the needs of target groups; to address barriers and promote equality of opportunity; support people into education, training and employment; to promote ongoing workforce development and to diversify the business base.
- 4.3 The Regeneration Fund is the match-funding that has enabled the contractor, The Trust, to provide an end-to-end service and work with 1,246 local residents to date who have multiple barriers and help them into employment or further education/training.
- 4.4 Inextricably linked to the Employability activities is the Employer Engagement Service. It provides a single point of contact for employers and partner agencies committed to moving unemployed individuals into employment whilst at the same time providing a co-ordinated and cohesive support service to employers. Strong working relationships have been built and are maintained with a large number of businesses able to provide work experience, work trials and employment to local people.
- 4.5 Although the full picture is not yet available, initial indications are that the declared underspends within the CPP Employability projects may not be sufficient to fund time extensions across all CPP's. This situation raises some concerns, bearing in mind the Scottish Government's preference for continuing to use the CPP model in the forthcoming programming period. To be fully effective, additional youth employment initiatives need to integrate with local employability structures and complement existing provision. Enabling the continuation of these projects, until at least the end of 2013, should therefore be a priority for the allocation of any remaining ERDF and ESF monies under the current programme.
- 4.6 The costs of delivering existing ESF and ERDF activities are outlined in Section 4.7.
- 4.7 European Structural Funds 2011 – 2013

ESF (Employability Services) 1 April 2011 - 31 March 2013 Expenditure

Year	Total Eligible Costs	ESF Award	Match Funding
2011 - 2012	£1,462,389	£410,766	£1,051,623
2012 - 2013	£1,462,389	£410,766	£1,051,623
TOTALS	£2,924,778	£821,532 (at 28%)	£2,103,246

ERDF (Job Brokerage) 1 April 2011 - 31 March 2013 Expenditure

Year	Total Eligible Costs	ERDF Award	Match Funding
2011 - 2012	£286,878	£114,751	£172,127
2012 - 2013	£286,878	£114,751	£172,127
TOTALS	£573,756	£229,502 (at 40%)	£344,254

COMBINED EUROPEAN ACTIVITY 1 April 2011 - 31 March 2013

Year	Total Eligible Costs	European Monies	Match Funding
2011 - 2012	£1,749,267	£525,517	£1,223,750
2012 - 2013	£1,749,267	£525,517	£1,223,750
TOTALS	£3,498,534	£1,051,034	£2,447,500

- 4.8 Based on the potential 9 month gap between 31 March 2013 and 31 December 2013, Inverclyde Council would require a match-funding contribution of £918,785 as indicated below:

	Total Eligible Costs	European Monies	Match Funding
ESF	£1,096,792	£397,102	£789,690
ERDF	£215,158	£86,063	£129,095
Total	£1,311,950	£483,165	£918,785

5.0 FINANCE

5.1 Financial Implications – One off Costs

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
02177	Regeneration Fund	1 April 2013	£918,785		

6.0 CONSULTATIONS

- 6.1 Consultations have included all appropriate partners.
Finance and HR