

Title: Consultation on draft North West ESF Co-Finance Plan 2007-2010

1. Executive Summary

- 1.1 This report sets out Wirral's response to the latest development of the new North West European Social Fund (ESF) Programme for Skills and Employment. Members' views are requested on the issues raised below and in the attached response to the draft Programme proposals. Wirral's response is overwhelmingly in line with the Merseyside response – with the addition of a small number of comments.

2. Background and Context

- 2.1. As previously reported to members (Cabinet 24.01.07 and 20.06.07), there will be there will be a new European Operational Programme for the period 2007-2013. This includes a separate national ESF programmes for Skills and Employment co-ordinated in the UK by Department for Work & Pensions (DWP). The Programme is being delivered at regional level via Regional ESF Plans/Strategies.
- 2.2. At a national level, all ESF will be co-financed through DWP and the Learning & Skills Council (LSC). This means that the ESF resource will be pre-matched by these public sector organisations. However, there is also clear support for a complementary strand of ESF for Merseyside which will address those local employment and higher level skills activities which fall outside the remit of LSC or DWP.
- 2.3. The emerging City Employment & Skills Board will be mandated to act as the Board that will commission strategic activity (which will align ERDF/ESF spend from the Merseyside ring fenced allocation) – whether through co-financing activity or the complementary strand.

3. LSC North West Proposals

- 3.1. The LSC have now published the draft document which sets out intentions for Co-financing ESF with LSC match funding for Priority 1 and Priority 2 of the North West ESF Programme for the period January 2007 to December 2010. Project activity will commence from January 2008.
- 3.2. In line with the Regional Framework, the LSC have established three clear priorities which are to:
- Support individuals to secure sustained employment;
 - Reduce the number of young people who are not in education, employment or training (NEET); and

- Work with employers and individuals to meet skills gaps and shortages thereby improving competitiveness.
- 3.3. Responses to the draft document must be sent to the LSC by 17 August 2007. Wirral's proposed response to the consultation is attached.

4. **Implications for Wirral**

- 4.1. There will be significantly less ERDF & ESF available to Merseyside throughout the 2007-2013 programme. The spending profile within Merseyside also falls sharply year on year during 2007-2010 before remaining constant during the final 3 years of the programme. The rapid decline in funding is therefore of particular concern and the pressure is on for local partners to be ready to develop deliverable projects.
- 4.2. A significant amount of ESF is currently accessed by Community and Voluntary Sector organisations across Wirral. The impact of the new programme on those groups remains unclear, but there will undoubtedly be significant implications for continued access to current levels of ESF.
- 4.4. Wirral, alongside Merseyside partners, have argued for maximum sub-regional flexibility in management and governance of the ring-fenced allocation. There is substantial existing expertise in Merseyside gained during administration of the O1 Programme, and Merseyside partners wish this to be retained in the new programme period
- 4.4. In terms of the ESF complementary strand, details are still to be finalised, but proposals discussed by Merseyside partners include options of:
- An element of Merseyside-wide activity through the City Employment Strategy plus;
 - An option of whether one Local Authority manages the ESF complementary strand on behalf of the City Employment & Skills Board; and/or
 - Whether various commissioning bodies (such as Local Authorities and an HEI) contract directly with DWP to deliver specific local spatial aspects of the City Employment Strategy – such as higher level skill activity.

5. **Financial and Staffing Implications**

- 5.1. As stated above, there be significantly less ESF available to Merseyside throughout the 2007-2013 programme. Wirral wide programmes and interventions that are currently funded via ESF are likely to be affected by the reduced funds available.
- 5.2. As previously reported to Cabinet, following on from this consultation process, the Director of Regeneration will table a further report to Cabinet detailing future funding allocations and match funding implications for existing and future staffing and project delivery.

6. **Equal Opportunities Implications**

- 6.1. The Operational Programme contains mandatory cross-cutting themes relating to Equality and Diversity. The Programme aims to enable disadvantaged groups to access and maintain employment and learning opportunities. Finally, there are significant Gender Duty implications.

7. Human Rights Implications

7.1. There are no human rights implications arising from this report.

8. Local Agenda 21 Implications

8.1. The Operational Programme contains a cross-cutting theme relating to Environmental Sustainability which aims to secure economic growth within environmental limits

9. Community Safety Implications

9.1. There are no community safety implications arising directly from this report.

10. Local Member Support Implications

10.1. The new ESF Programme has potential implications for the whole of Wirral

11. Background Documents

The LSC Draft Co-financing Plan for the North West of England (January 2007 to December 2010) is available from the Economic Policy Team on 691 8037 or on the following website www.lsc.gov.uk/regions/NorthWest/ESFCFP

12. Recommendation

12.1. Members are requested to comment on any issues raised.

12.2. Members are also asked to agree that officers respond to the consultation process highlighting the issues outlined at Annexe 1 of this report. The proposed consultation response will be posted on the members' virtual committee network to enable members to add any further comments before the deadline of 17th August.

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