

WIRRAL COUNCIL

CABINET – 4th November 2010

REPORT OF THE INTERIM DIRECTOR OF CORPORATE SERVICES

Liverpool City Region European Funding Proposal

1. EXECUTIVE SUMMARY

- 1.1 This report advises Members of three European Funding bidding opportunities available to the Council and recommends that bids are made for this funding because of the beneficial effects securing such funding will have on tackling worklessness, supporting apprenticeships and supporting businesses in key employment areas.
- 1.2 The ESF funding bids have to be submitted by 17th November 2010 because of the requirements of Government Office. If funding applications are not submitted by this date then the Council will not be able to access this funding for the benefit of Wirral resident.
- 1.3 Any bids for funding that are approved to the Council will be reported back in detail to Cabinet before the funding is accepted.

2. Funding Opportunities Available

- 2.1 There are three European funding opportunities available to the Council and these are detailed in the following sections.

3. European Social Fund: Worklessness

- 3.1 £6.3million of European Social Fund (ESF) is available to the Liverpool City Region (LCR) from Government Office North West (GONW) routed through Knowsley Council as lead accountable body for the City Employment Strategy (CES). This funding is to support activities to address worklessness delivered from December 2010 to June 2012. The deadline for submission of proposals for this element is 17th November 2010.
- 3.2 The modelling of expected participant volumes and outcomes by area is shown in the table below.

Table 2: Expected Participant Volumes and Outcomes by Local Authority Area

Area	Expected Participant Volumes			Job Outcomes	
	IB/ESA	JSA	Total	Total	Jobs Sustained at 6 months
Knowsley	392	240	631	254	159
Liverpool	1,155	833	1,988	791	494
Sefton	464	345	809	323	202
St. Helens	391	219	609	246	154
Wirral	599	364	962	386	241
Merseyside	3,000	2,000	5,000	2,000	1,250

- 3.3 Resources will support a range of activities that are consistent with the Employment and Skills Continuum that underpins the delivery of CES activities to date. In order to meet the outputs and outcomes detailed above, proposals are expected to focus on pre-employment support, transition into work and in-work assistance activities. The main priority group will be those in receipt of Incapacity Benefit/Employment Support Allowance, which will account for 60% of participant volumes. Proposals are also requested to highlight how they will support individuals to secure “green jobs” e.g. low carbon economy.
- 3.4 The participant outcomes for Wirral represent 19% of the Merseyside total. However, while this provides an indicative allocation for Wirral up to £1,197,000, this does not represent an automatic 19% share of the total allocation to Wirral Council. Firstly, the ESF specification clearly states that resources will not be awarded in strict local authority blocks. Proposals will be welcomed from non local authority CES partners wishing to deliver across the LCR. Examples could include Merseytravel, Greater Merseyside Connexions, Trade Union Congress Union Learn. Secondly, a small proportion of the total allocation will be required to resource performance and programme management at the level of the City Region. This amount is still to be determined.
- 3.5 It is important for Members to note that in parallel to this activity, local authorities across the Liverpool City Region have commenced discussion at Chief Executives and Regeneration Directors regarding the future direction of local employment programme delivery. This has centred on the option to establish joint working arrangements for employment delivery, potentially through a special purpose vehicle. Wirral Council’s response to this has been consistent, in that we would not object should other local authority areas wish to proceed with this model but that it does not correspond or provide added value to Wirral’s historical approach as a commissioner, rather than deliverer,

of services. In addition it was stressed that this should not exclude or reduce Wirral's opportunity to secure this additional ESF opportunity.

- 3.6 Knowsley Council envisages contracting with a small number of organisations and the assessment process will place emphasis on partnership and cross-boundary working. Members are asked to support an approach that maximises Wirral's opportunity to deliver activity relevant to local priorities and consistent with historic delivery where possible. Any proposal will require 50% match funding and Officers are working to ensure that the maximum grant amount is levered.

4. European Social Fund: Apprenticeships

- 4.1 £3.1million of ESF is available to the LCR from GONW routed through Knowsley Council as lead accountable body for the CES. This funding is to support the provision of apprenticeship places delivered from December 2010 to June 2012. The deadline for submission of proposals for this element is 17th November 2010.

- 4.2 The detail of this element is still to be agreed. Outline discussions at the Employment and Skills Board and the 14-19 Sub Regional Group have proposed the development of Liverpool City Region Apprenticeship Company. This model is directly contrary to Wirral's current apprentice programme in that it requires increased contributions from employers over and above apprentice wage costs and distracts from an employer commitment to employing apprentices by utilising a Community Interest Company as an intermediary.

- 4.3 Members are asked to support an approach which will enable Officers to challenge the intention to limit contracts to a single delivery organisation and subsequently submit a proposal to extend delivery of the current Wirral Apprentice programme, subject to satisfying ESF regulations regarding eligible expenditure and identifying the required 50% match funding. Should this approach be unsuccessful, officers will aim to maximise Wirral's opportunity to deliver appropriate activity via this element of ESF funding.

5. European Regional Development Fund: Business Support

- 5.1 Approximately £7.5million of European Regional Development Fund (ERDF) will be available to the Liverpool City Region via the North West Operational Programme. A revised framework has been released under ERDF measure 4.2 which offers funding to support linkages to key employment areas. This revised framework is focused on business support activity which has the potential to enable elements of the business support functions that operate out of Invest Wirral.

- 5.2 Officers are preparing a project proposal for Wirral which will be fed into the LCR development process. Members are asked to note that any proposal will require 50% match funding and Officers are working to ensure that the maximum grant amount is levered. An indicative figure for the match funding request is £480,000 over two years.
- 5.3 Further reports will be brought back to Members regarding the ERDF element as soon as greater detail is known. Activity is scheduled to commence from April 2011 for a two year period.

6. Additional Considerations

- 6.1 Members will be aware that this funding opportunity is presented prior to Cabinet consideration of the findings of *Wirral's Future. Be a part of it*. The closing date of 17th November 2010 for return of ESF proposals is based on the GONW requirement to commit the funds by December 2010 and there is because of these requirements no way in which this timescale can be changed. Current activity commissioned by Wirral Council within the Working Wirral programme is contracted to 31st March 2011. Therefore, subject to member approval and the identification of match funding, there is the opportunity to design, develop and submit a supplementary programme to fund additional delivery from 1st April 2011 to 30th June 2012.
- 6.2 The continuing drive within the specification for greater integration of services across organisational and geographic boundaries will also require consideration. This could be addressed by working with other local authority areas to develop minimum standards, share good practice, establish peer review processes etc. This would be similar to elements of the delivery model adopted for the Liverpool City Region Future Jobs Fund programme. This approach contracted individually with each local authority area, but developed minimum agreed standards.

7. FINANCIAL IMPLICATIONS

- 7.1 Knowsley Council, acting in its capacity as lead authority for Employment and Skills and as the Secretariat for the City Employment Strategy will be the accountable body for this ESF allocation. However liability will be passed to organisations who subsequently receive ESF funds. Successful proposals will have to ensure compliance with European financial and audit requirements. Outputs will be agreed with Knowsley Council and if not achieved, the Council may be subject to clawback. Full details of financial implications will be brought to members to consider prior to accepting an ESF grant offer letter.
- 7.2 Proposals for this additional ESF resource require the identification of clean match funding. While there are clear constraints on finding this level of match funding, Officers will explore options from the Working Wirral Programme in

order to assess the actual level of available budget and maximise the potential that this ESF opportunity provides.

7.3 Owing to the potential value of the worklessness element, Members should note that Wirral Council may be obliged to tender a competitive process via the Official Journal of the European Community (OJEU) in order for a third party provider to deliver the activity. With regard to the apprenticeship element of the activity, this will be dependant on the proposed delivery approach and will not be required should delivery of the activity be delivered "in-house".

7.4 As a requirement of the contract, Wirral Council and subsequent third party delivery organisations will be required to purchase the appropriate Management Information System. Costs for this will be included in the ESF proposal and members will be made aware of any potential future liability that this could present, prior to the acceptance of the grant offer letter from Knowsley Council.

8. STAFFING IMPLICATIONS

8.1 Where possible, Wirral Council staffing costs required to manage delivery of the proposed activity will be included in the proposal submitted to Knowsley Council.

9. EQUAL OPPORTUNITIES IMPLICATIONS

9.1 This activity will provide activity to support a range of priority customers group who are currently under-represented in the labour market to secure sustainable employment.

10. COMMUNITY SAFETY IMPLICATIONS

10.1 There are no direct community safety implications arising from this report.

11. LOCAL AGENDA 21 IMPLICATIONS

11.1 There are no implications arising directly from this report

12. PLANNING IMPLICATIONS

12.1 There are no direct planning implications arising from this report.

13. ANTI-POVERTY IMPLICATIONS

13.1 This activity will provide activity to support a range of priority customers group who are currently under-represented in the labour market to secure sustainable employment.

14. HUMAN RIGHTS IMPLICATIONS

14.1 There are no implications arising directly from this report.

15. SOCIAL INCLUSION IMPLICATIONS

15.1 This activity will provide activity to support a range of priority customers group who are currently under-represented in the labour market to secure sustainable employment.

16. LOCAL MEMBER SUPPORT IMPLICATIONS

16.1 There are no implications arising directly from this report.

17. BACKGROUND PAPERS

17.1 Working Wirral: European Social Fund Complementary Strand report to Wirral Council Cabinet 23rd July 2008

18. RECOMMENDATIONS

18.1 To maximise the funding resources available to the Council for the development of activity to tackle worklessness and to support apprenticeships, it is recommended that funding application(s) as set out in this report are submitted by the Interim Director of Corporate Services by the required date of 17th November 2010.

18.2 That a further report on the outcome of the ESF bid(s) is brought back in due course for approval of Cabinet prior to acceptance of funding.

18.3 That Officers develop an ERDF funding bid for measure 4.2 (supporting linkages to key employment areas) and report back to Cabinet in due course.

KEVIN ADDERLEY
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