



<b>Subject:</b>	European Social Fund – Match Funding proposals
<b>Date:</b>	10 February 2016
<b>Reporting Officer:</b>	Donal Durkan, Director of Development
<b>Contact Officer:</b>	Lisa Toland, Head of Economic Initiatives and International Development

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	The purpose of the report is to update Members on progress of the European Social Fund (ESF) projects that Belfast City Council agreed to match fund in Year One and to propose the continuation of match funding for the projects for Year Two, in line with Year One commitments and subject to approval of expenditure by the Department for Employment and Learning (DEL).
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: <ul style="list-style-type: none"><li>- Agree to match funding provision for Year Two of the projects at the levels provided for Year One activity.</li><li>- Note and agree the proposals to engage with the ESF projects to identify opportunities for collaboration and added value.</li></ul>
<b>3.0</b>	<b>Main report</b>
3.1	<u>Background to Employability and Skills</u> Employability and Skills forms an integral part of the Belfast Agenda with key priorities around jobs, skills and addressing educational inequalities. Belfast City Council commissioned an Employability and Skills Framework, which identifies how the education

	<p>and skills challenges articulated through the Belfast Agenda might be addressed in a way that can support more inclusive economic growth in the City of Belfast.</p>
3.2	<p>The draft Employability and Skills Framework identifies several key challenges including high levels of economic inactivity, significant gaps in qualifications and skills, disparities in educational attainment and low levels of entrepreneurship. The ESF projects form a key contribution to developing the skills levels of those furthest from the labour market.</p>
3.3	<p>The Draft Employability and Skills Framework is being updated to incorporate amendments arising from the consultation process. In tandem with this, officers are preparing an implementation plan linking Employability and Skills with the Council's ambitions to support social value and address poverty. The plan will be developed with input from Corporate HR and Economic Development, taking into account the existing employability work of the Council. It will also identify how future resources could be best utilised to add value, whilst working in partnership with key stakeholders. An outline of this implementation plan and final Employability and Skills Framework document will be tabled to a future meeting of the Strategic Policy and Resources Committee for endorsement.</p>
3.4	<p><u>European Social Fund</u></p> <p>As Members will be aware, the European Social Fund (ESF), managed by the Department for Employment and Learning (DEL), aims to reduce economic inactivity and increase workforce skills primarily targeting those furthest removed from the labour market. Interventions supported through ESF are varied in terms of their target market and mechanisms of support. In practice, however, this includes job clinics, legal and debt advice as well as work placements, into work support and training up to Level One (equivalent to GCSE grades D-G). The outcomes of ESF projects are geared towards progression into employment, self-employment and/or further training.</p>
3.5	<p>At the 19 June 2015 meeting of the Strategic Policy and Resources Committee, Members agreed to provide match funding for six organisations delivering ESF projects and one non-ESF education and training programme (see table in 3.7). At that meeting, members also agreed in principle support for these projects in years 2 and 3, subject to available resources and satisfactory performance.</p>
3.6	<p>In addition to providing match funding for the ESF activity, the Council has included within our funding agreements with relevant projects a condition requiring organisations to</p>

provide a referral/brokerage system to help contractors to meet their social clause obligations under our contracts. This has improved communications between contractors and training providers. Corporate HR has also worked closely with the organisations to facilitate work placements and requests to participate in pre-recruitment programmes for business clerks and providing opportunities at the Belfast Waterfront and Ulster Hall. Corporate HR have also worked with Economic Development to provide information sessions, facilitate placement opportunities and provide site visits to Council facilities.

3.7

An overview of Year One costs and targets is set out below:

<b>Organisation</b>	<b>Total Project Costs Year One (as per letter of offer)</b>	<b>ESF/DEL/Other Match Funding</b>	<b>BCC Match Funding</b>	<b>Target Participant Numbers (Year 1)</b>	<b>Target into employment (Year 1)</b>
LEMIS Partnership	£2,684,736	£2,604,736	£80,000	2,000	400
Springboard	£251,639	£216,639	£35,000	131	30
Shankill Women's Centre	£237,570	£212,570	£25,000	150	30
Women's TEC	£220,572	£185,572	£35,000	140	8
Workforce	£185,463	£160,463	£25,000	105	16
Women in Business	£112,500	£97,500	£15,000	200	12
Lenadoon (Non-ESF)	£62,510	£37,510 (Non-ESF)	£25,000	250	25
<b>TOTAL</b>	<b>£3,754,990</b>	<b>£3,514,990</b>	<b>£240,000</b>	<b>2,976</b>	<b>521</b>

A full breakdown of the organisations' progress and spend can be found in Appendix 1.

3.8

By match-funding these projects, the Council is helping to support a projected 521 residents into employment, 54 into self-employment, 235 into Further Education and supporting the achievement of 1476 qualifications.

3.9

Progress on the projects has varied, with some forecast to exceed their targets for participants entering employment and further education. Other projects, however, are unlikely to meet their targets, or may be underspent by the end of Year One, as a result of a number of challenges affecting delivery. Many of these were beyond the control of the project promoters. They include:

- Delays to the commencement of projects due to inability of project promoters to tie down match funding required.
- Delays in production of Letters of Offer and operational guidelines by DEL meaning

	<p>that projects were unable to recruit staff and mobilise for delivery.</p> <ul style="list-style-type: none"> <li>- Introduction of a new referral system from Jobs and Benefits offices to ESF projects which took some time to resolve, impacting on the volume of clients.</li> </ul>
3.10	<p>One of the key outcomes for ESF is progression to Further Education (FE) training, whose traditional intake period for new students is September. Delays to the ESF projects have impacted on delivery of this target, as some participants have missed the intake deadline.</p>
3.11	<p>The projects are also restricted by DEL to providing Level 1 qualifications, which do not always meet client needs and are not sufficient in many cases for gaining employment. Both the Council and the project promoters are continuing to raise this issue with DEL.</p>
3.12	<p>The ESF Projects are currently awaiting confirmation from DEL of their funding for Year Two of their projects. Once DEL provide this detail, the projects also need to confirm if they have the necessary match funding in place. If projects do not secure all of the match funding needed they may have to scale back activity or, in the worst case scenario, they may not proceed at all. This may mean that the council allocation is not fully utilised.</p>
3.13	<p>While the Council is now committed to the ESF projects, it is still endeavouring to look at opportunities to secure added value from our investment, for example, by building upon the current mechanism in place for social clause referrals. If the Council agrees to the match funding amounts for the coming financial year, it is proposed that we should work across the projects to encourage greater collaboration and to share relevant information, for example, on emerging Council opportunities or on other development activity in the planning pipeline. Likewise, the economic intelligence information that we gather as part of the Belfast Agenda development and through our membership of the UU Economic Policy Centre should be shared with partners to identify opportunities for greater forward planning, in line with emerging growth sectors and new developments and opportunities.</p>
3.14	<p><u>Lenadoon Community Forum</u></p> <p>This non-ESF project was awarded £25,000 towards their 'Training for Employment' project with additional match funding from Ulster Bank's Skills and Opportunities Fund for one year only. To continue this project Lenadoon have requested match funding of £25,000 from the Council towards a total project cost of £107,000. This project provides a range of training up to and including Levels 2 and 3.</p>

3.15	<p><b>Financial and Resource Implications</b></p> <p>In agreeing to provide Council match funding for Year Two, the following caveats should be satisfied:</p> <ul style="list-style-type: none"> <li>- Performance in Year One should be deemed satisfactory to permit progression to Year Two, as determined by DEL.</li> <li>- Projects will be required to confirm to Council that all match funding has been secured and enter into a funding agreement with Council on this basis.</li> <li>- Council funding should be provided on a pro-rata basis, based on actual expenditure and achievement of targets, capped at the funding levels approved for each project. Variances to project activity may be permissible by prior agreement with the council but the funding available will not exceed the amount set out in 3.16 below.</li> </ul>																		
3.16	<p>The funding allocations recommended are as follows:</p> <table border="1" data-bbox="260 857 1043 1205"> <thead> <tr> <th><b>Organisation</b></th> <th><b>Proposed BCC Match Funding Year 2</b></th> </tr> </thead> <tbody> <tr> <td>LEMIS Partnership</td> <td>£80,000</td> </tr> <tr> <td>Springboard</td> <td>£35,000</td> </tr> <tr> <td>Shankill Women's Centre</td> <td>£25,000</td> </tr> <tr> <td>Women's TEC</td> <td>£35,000</td> </tr> <tr> <td>Workforce</td> <td>£25,000</td> </tr> <tr> <td>Women in Business</td> <td>£15,000</td> </tr> <tr> <td>Lenadoon (Non-ESF)</td> <td>£25,000</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>£240,000</b></td> </tr> </tbody> </table>	<b>Organisation</b>	<b>Proposed BCC Match Funding Year 2</b>	LEMIS Partnership	£80,000	Springboard	£35,000	Shankill Women's Centre	£25,000	Women's TEC	£35,000	Workforce	£25,000	Women in Business	£15,000	Lenadoon (Non-ESF)	£25,000	<b>TOTAL</b>	<b>£240,000</b>
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3.17	<p><u>Equality and Good relations implications</u></p> <p>None</p>																		
<b>4.0</b>	<b>Appendices – Documents Attached</b>																		
	<b>Appendix 1: Progress to date - breakdown of ESF Projects</b>																		