

PERTH AND KINROSS COUNCIL

19 December 2018

EUROPEAN SOCIAL FUND EMPLOYABILITY PROGRAMMES

Report by Depute Chief Executive, Chief Operating Officer (Report No. 18/420)

PURPOSE OF REPORT

This report provides an update on the European Social Fund (ESF) Employability Programmes (2015-2019) and proposals for the period (2019-2023) as well as asking the Council to consider the grant offer from the Scottish Government.

1. BACKGROUND / MAIN ISSUES

- 1.1 On behalf of Perth and Kinross Community Planning, Perth and Kinross Council is managing the European Social Fund (ESF) Perth & Kinross Employability Pipeline Strategic interventions including the Programme Management Office (PMO) and the Employability Pipeline Perth & Kinross operation. It also managing the Poverty and Social Inclusion (PSI) strategic intervention "Positive Futures!" Operation.
- 1.2 The programmes are delivered under the strategic direction of the ESF Board which represents Perth and Kinross Community Planning Partners.
- 1.3 The ESF programmes aimed to partly contribute to the delivery of the Community Planning/Single Outcome Agreement which states that, by 2018/2019, 635 individuals would access tailored employability support per annum and 400 would move into work.
- 1.4 £1,711,483 of ESF has been awarded to support Employability Pipeline, £131,062 to support PMO and £407,000 to support Poverty and Social Inclusion programme.
- 1.5 All operations have a physical end date of 31 December 2018 and financial end date of 31 March 2019. This is to allow enough time to close the programmes. The PMO which includes 3 FTE has been operational since 1 October 2015 with current finishing date of 31 March 2019.
- 1.6 All programmes were supposed to start on 1 October 2015. Although PMO started on that date, the other Operations only started after the Grant Approval letter from the Scottish Government was received on 31 August 2016.
- 1.7 Current activities are delivered by 7 Delivery Agents within the Employability pipeline and 2 within the Poverty and Social Inclusion programme including 6 from the third sector.
- 1.8 At the beginning of November 2018, 365 beneficiaries have been supported under the Employability Pipeline and 378 under the Poverty and Social Inclusion programme.

- 1.9 Although the ESF programmes have positively contributed to the Community Planning/ Single Outcome Agreement, they have not performed as anticipated mainly due to the late start of the programme and under-delivery in certain areas, but the activities have had a beneficial impact.
- 1.10 The Council is asked to note the beneficial impact of the activities which is illustrated through a series of case studies attached in Appendix 1.
- 1.11 The current performance of delivery agents is good and it is anticipated that increased performance will be supported by the proposals detailed below.

2. PROPOSALS

- 2.1 Following the successful implementation of phase 1, the Scottish Government issued a call for activities for phase 2 (April 2019-June 2023). As invited, the Council made proposals by June 2018 and the Council is now asked to consider the grant offer from the Scottish Government.
- 2.2 For phase 2, some of the criteria are more favourable with an intervention rate of up to 50% instead of 40% and the possibility for staff to be employed partly on ESF activities (currently it has to be 100%).
- 2.3 In anticipation of the call, the ESF Board carried out a mapping exercise detailing a summary of each phase 1 Strategic Intervention justification, priorities and progress to date and initial thoughts on phase 2 development:
- Learn from what has been delivered so far
 - Review what the impact of Universal Credit roll out will potentially have on the focus of planned activities
 - Increased demand for digital inclusion activities re-focus on rural & outreach delivery
 - Expand activity due to increased demand
 - Link better Employability pipeline and Poverty and Social Inclusion programmes potential progression routes including Lone Parent provision
- 2.4 Based on the above, the ESF Board identified the following priorities:
- Increase existing provision under Poverty and Social Inclusion programme using existing delivery agents. The current activities are performing well with increased demand addressing outreach and lone parent support.
 - Consolidate existing provision under the Employability Pipeline programme using existing and new delivery agents focusing on the most vulnerable facing multiple barriers including mental health issues and outreaching to beneficiaries.
 - Create more linkages between Employability pipeline and PSI programmes
- 2.5 Since June 2018, the PMO has been in constant dialogue with the Scottish Government and provided more information to allow the Scottish Government to assess the proposals. Progress was regularly reported to the ESF Board.

2.6 On 6 December 2018, the Scottish Government approved an allocation of £1,534,885 to support our activities between April 2019 and March 2023 as follows:

- Employability Programme: £1,129,494
- PMO: £275,779
- Poverty and Inclusion: £129,612

2.7 These allocations do not take into account any underspend created since 2016. When underspend of £1,243,000 for phase 1 is taken into account the additional funding request to the Scottish Government for phase 2 will be £291,885.

2.8 The Scottish Government has indicated that grant offer will have to be signed off by the Minister and accepted and signed by February 2019. However, it would be beneficial to have a decision before end of December 2018 to allow a smooth transition particularly for third sector delivery agents.

2.9 It is recommended that, subject to budget process, the Council agree to accept the grant offer from the Scottish Government.

2.10 The proposal is detailed as follows:

PMO

2.11 It is proposed that the PMO will continue to operate as it is, including 3 FTE for the period 1 April 2019 to March 2023. The total estimated costs to 31 March 2023 are £551,558. Costs include staff costs and 15% of overheads as allowed by ESF regulations amounting to around £18,000 per annum. Overhead costs are usually covering costs such as marketing activities like events/websites, travel and subsistence or software licences. ESF data are currently recorded on the Hanlon system whose costs have been £33,800 (March - December 2018). The costs for the Hanlon System are estimated at £24,000 for the extension period up to 31 March 2023.

2.12 ESF will provide £275,779 and £275,779 matchfunding from the Council would have to be identified as follows:

- 2019/2020: £66,377 (Total costs: £132,754)
- 2020/2021: £68,246 (Total costs: £136,492)
- 2021/2022: £69,995 (Total costs: £139,989)
- 2022/2023: £71,161 (Total costs: £142,323)

2.13 In addition, as the financial end date should be after the physical end date (usually 3 months after) and that no ESF would be available beyond 31 March 2023, it is recommended to set the physical end date for activities at 31 December 2022 with a financial end date at 31 March 2023.

2.14 It is recommended that the request for match-funding be considered as part of the budget process. It is important to note this only refers to the match-funding for the PMO as match-funding for activities will have to be provided by Delivery Agents.

Employability

- 2.15 The Employability Pipeline proposal will focus on the most vulnerable facing multiple barriers including mental health issues and outreaching to beneficiaries.
- 2.16 The Employability Pipeline proposal will be delivered by 5 Delivery Agents including 2 from the Council as detailed below:
- The Hub (PKC): activities (e.g. outreach, skills academies) will focus on the most vulnerable young people and adults facing multiple barriers within rural and most deprived areas.
 - Westbank (PKC): activities will focus on the most excluded young people and adults (e.g. criminal justice) facing multiple barriers. Westbank is a unique collaboration between services and agencies to deliver occupation and employment for a broad range of people on a single site. Service Users will work together to benefit each other and their communities whilst they gain new practical and social skills and formal qualifications.
 - Push: activities will focus on young people and adults with disabilities facing multiple barriers.
 - Mindspace: activities will focus on young people and adults with mental health issues facing multiple barriers.
 - YMCA: activities will focus on young people facing multiple barriers.
- 2.17 We anticipate that 1155 beneficiaries would be supported during that phase.
- 2.18 It is important to note that third sector delivery agents have to source their matchfunding. The PMO has been pro-active in supporting them and the Gannochy Trust is currently considering possible financial support. The Gannochy Trust provided £142,410 in the phase 1.
- 2.19 The Council is asked to note the proposed activities for the third sector.

Poverty

- 2.20 The Poverty proposal will focus on increasing existing provision addressing outreach and lone parent support as well as the impact of Universal Credit roll out.
- 2.21 The Poverty proposal will be delivered by 1 Delivery Agent as detailed below:
- Perth Citizens Advice Bureau
The activities will focus on lifting people out of poverty by providing financial advice to workless, lone parent or low income households in 5 Ward areas – Strathmore, Highland, Blairgowrie and the Glens, Perth City Centre and Perth City North. The Council's Welfare Rights team which was a direct Delivery agent in phase 1 will continue to support beneficiaries, but will not access ESF funding to minimise the administrative burden and optimise its own resources. It may be possible to extend provision through other delivery agents through the Welfare Reform working group.

- 2.22 We anticipated that 280 beneficiaries would be supported during that phase.
- 2.23 It is important to note that third sector delivery agent has to source its matchfunding. The PMO has been pro-active in supporting them and the Gannochy Trust is currently considering possible financial support. The Gannochy Trust provided £32,300 in the phase 1.
- 2.24 The Council is asked to note the proposed activities for the third sector.

3. CONCLUSION AND RECOMMENDATION

- 3.1 Perth and Kinross Community Planning Partnership and Perth and Kinross Council are supporting people who face multiple barriers to access training and employment opportunities. The ESF Programmes are a support mechanism to achieve this aim with now the proposal to extend activities to March 2023. The Council manages the programmes on behalf of Perth and Kinross Community Planning Partnership.
- 3.2 It is recommended that the Council:
- (i) Note the beneficial impact of activities delivered since 2016.
 - (ii) Agree, subject to budget process, to accept the grant offer from the Scottish Government.
 - (iii) Agree setting the physical end date for activities at 31 December 2022 with a financial end date at 31 March 2023.
 - (iv) Agree that the request for match-funding for the PMO will be considered as part of the budget process.
 - (v) Note the proposed activities for the third sector under Employability and Poverty activities.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The Community Plan/Single Outcome Agreement 2013 – 2023 lays out five outcomes focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (vi) Creating a safe and sustainable place for future generations

- 1.2 This report relates to objective (iii) by offering tailored employability support and moving people into work.

2. Resource Implications

Financial

- 2.1 Capital – none
- 2.2 Revenue – The report highlights the need for macthfunding to support PMO costs and these are estimated at £275,779 over 4 financial years (2019/2020 to 2022/2023). This will be considered as part of the budget process.

Workforce

- 2.3 It is proposed to continue PMO function which includes 3 FTE.

Asset Management (land, property, IT)

- 2.4 There are no asset management issues arising from the report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) Assessed as relevant and the following positive outcomes expected following implementation: Activities will target support to specific age group, people with disability and people experiencing poverty. To be eligible, beneficiaries will need to meet specific criteria.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. Pre-screening has identified that the PPS will have no or minimal environmental effects, it is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The information contained within this report has been considered under the Act. The proposals will enhance socio economic and economic development opportunities to the benefit of businesses and local communities.

Legal and Governance

- 3.7 The Head of Legal and Governance has been consulted on these proposals and there are no legal implications arising from the report.

Risk

- 3.8 There are two key risks associated with the proposed programme.
- (i) Risks associated with the funding to delivery agents which would have to comply with ESF regulations. This risk will be managed by the PMO and the ESF Board. This risk will be mitigated through service level agreements including monitoring procedures and financial checks.
 - (ii) Risks associated with the timing of approval and possible delays which could have impact on continuity of delivery and performance. This risk will be managed by PMO and ESF Board. This risk will be mitigated through on-going communication with Scottish Government and Delivery Agents.

4. Consultation

Internal

- 4.1 The Head of Finance and the Head of Legal and Governance Services have been consulted in the preparation of this report.

External

- 4.2 The ESF Board which includes representatives for Community Planning Partners has been consulted in the preparation of this report.

5. Communication

- 5.1 The recommendations from the report will be communicated to stakeholders and the press through the Board and the media team.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

Appendix 1 – Case studies