

**PERTH AND KINROSS COUNCIL****Enterprise & Infrastructure Committee****1 June 2016****European Social Fund Employability Pipeline and  
Poverty & Social Inclusion Programmes – Update and Governance  
arrangements****Report by Director (Environment)**

The purpose of this report is to provide an update on the Employability Pipeline and Poverty & Social Inclusion Programmes (2014-2020) and recommends the continuation of the current governance arrangements.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 Through the European Social Fund operational programme (2014-2020), funding is available for the first time to all 32 local authorities to support the employability pipeline, as well as social inclusion and poverty activities. Perth & Kinross Council (PKC) as Lead Partner has been awarded grant funding of £1.8 million for an Employability Pipeline, and £0.4 million for Social Inclusion and Poverty, over a three year delivery period from 2015 to 2018. PKC and Partner organisations need to bring match funding of 60% of total eligible project costs as ESF will only provide 40%. ESF beneficiaries must have at least two barriers to employment. PKC acts as the Lead Partner on behalf of Perth and Kinross Community Planning Partnership (CPP).
- 1.2 Strategic interventions, for the period (2015-2018), had to be submitted by 2 July 2015 and were approved by the Scottish Government in February 2016. Subsequently, applications for three specific operations have been submitted under each Strategic Intervention with a decision expected by end of May 2016. These are:
- Programme Management Office
  - Employability Pipeline
  - Poverty & Social Inclusion Pipeline.
- 1.3 All activities either delivered directly by the Council or by third party organisations, also called delivery agents, are planned to start by 1 June 2016. Activities to be delivered by third party organisations have been selected through a Challenge Fund which was launched in April 2016.

**2. PROPOSAL**

- 2.1 Governance arrangements have been worked up during the development phase, The Perth & Kinross Employability Project Board forms the governance structure and processes to ensure the effective management of the Funds, and that activity to distribute and invest EU funding is in accordance with EU

law. The first Project Board meeting was held on 22 June 2015. The Project Board will meet on a quarterly basis and agree thematic objectives, priorities, target groups based on capacity & capability and approve ESF proposed allocations to form the basis of the 'Social Inclusion & Poverty', and 'Employability Pipeline' Operations. It is proposed to continue with the same arrangements for the delivery phase of the 2014-2020 programme from 1 October to 31 December 2018 and up to December 2020 should an extension for funding be awarded.

### **Project Board**

- 2.2 A Project Board has been formed to govern the Strategic Interventions being delivered through operations. This is to ensure that the benefits for both programmes are realised. The Board is responsible for the overall efficient and effective implementation. As such, it fulfils many of the functions relating to the Strategic Intervention management and monitoring, financial management and controls, as well as the selection of activities for funding.
- 2.3 The Project Board members have been drawn down from the 'Economy and Lifelong Learning' Outcome Delivery Group (ODG) and have an in-depth experience of employability activities from both a provider and a beneficiary point of view. For instance, from the provider side, Job Centre Plus, Perth College UHI, Skills Development Scotland and Perth & Kinross Council are represented and are the main public agencies delivering employability services in the area. In addition, Perth & Kinross Association of Voluntary Services is the umbrella organisation of voluntary sector organisations which also deliver a range of employability services. From the beneficiary side, NHS Tayside and Perth & Kinross Council (Education and Adult Care) are regularly referring beneficiaries to employability services and have developed a sound knowledge of their needs and barriers. The Project Board has also experience in project management and Governance. For example, The Head of Planning and Development (PKC Environment) chairs the Board and acts as Senior Responsible Owner. In addition, and with the Investment Manager (PKC Environment) will bring economic development experience including employability and skills in strategic and project management.
- 2.4 The Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) acts as the Executive Sponsor for both programmes.

### **Programme Management Office**

- 2.5 A small Project Team known as 'Programme Management Office' (PMO) has been created. This includes an ESF Programme Officer acting as Project Manager, along with an ESF Administrative Assistant and an ESF Finance/Claims Assistant as project support. In addition, the PMO will be able to access procurement, legal and financial advice through PKC specialist advisers.

- 2.6 The role of the PMO is to ensure that the Strategic Interventions and operations produce the required outputs within the specific tolerances of time, cost, quality, scope, risk, as well as achieving results agreed by the Project Board. It will be particularly important to ensure financial and legal compliance to meet Scottish Government's and EU requirements. All Member States in receipt of European Structural and Investment Funds (ESIF) must adhere to European Commission Regulations 1303/2013 (2014-2020 programmes) which set out the requirements for managing, distributing, monitoring and evaluating the Funds.
- 2.7 The Project Manager is responsible for the delivery of the ESF. This includes engaging with delivery agents on milestones and outputs, managing communication and liaising with the Scottish Government as Managing Authority and other agencies. The Project Manager also establishes and manages controls, supports the Project Board, is responsible for monitoring horizontal themes and for financial and compliance monitoring.
- 2.8 The Project Support's prime responsibility is to set-up and maintain project files, establish document control procedures, collect actual data and forecast, update plans, administer quality review process, administer Project Board meetings, assist in compilation of report, maintain records, assist in the financial and claiming monitoring and reporting, as well as ensuring compliance with agreed standards.
- 2.9 A Management Information System (MIS) has been commissioned to meet support reporting requirements. The system will meet UK Data protection guidelines, with appropriate security settings, have a simple, user-friendly interface including an easily accessible user help facility and user forum, back up data at regular intervals with an appropriate data recovery mechanism and interact with the European Structural Funds IT System (EUMIS) being developed by the Scottish Government. It will also allow the PMO staff to record, track and control all changes that occur during a beneficiary's journey through the pipeline, record and monitor financial assistance allocated to individual beneficiaries and generate standard/customised reports in accessible formats (Word, Excel etc). In addition, it will provide a contract management system to facilitate full and effective engagement with delivery agents (internal or external), enable accountability of financial assistance allocated to agents to monitor spend, report on shared outcomes across programmes. It will have a robust reporting mechanism that will allow users to produce a range of standard reports, and customise their own reports, provide a variety of different output formats and enable performance monitoring to be conducted.

### **Delivery Agents**

- 2.10 Activities or operations are undertaken by delivery agents either internal to PKC or external. Activities have been prioritised by the Project Board. Internal and external delivery agents have also been selected by the Project Board, either through direct applications for internal agents or through a Challenge Fund for external agents.

- 2.11 When an activity has been selected, an agreement has been signed between PMO and delivery agent including financial management, payments and audit regimes. The Project Manager and Project Support are responsible for monitoring the agreement and the delivery agent's financial compliance.

### **Performance Reporting**

- 2.12 The Project Manager reports to the Project Board at least on a quarterly basis.
- 2.13 The Project Board meets on a quarterly basis to assess performance and agree any corrective actions.
- 2.14 The Project Board has agreed priority target groups as follows:

### **Target Groups Employability Pipeline**

#### **Adult**

- People aged over 25 claiming ESA in the work related activity group for more than 1 year
- Long term unemployed (claimant count) and short-term unemployed people who face multiple barriers and are most at risk of becoming long-term unemployed, particularly those aged 50-64.
- Skills gaps in key growth industries for Perth and Kinross.
- Small areas of deprivation in Perth and Blairgowrie

#### **Young People**

- School leavers most at risk of failing to achieve a positive destination are:
  - a) those who are statutory summer or winter leavers and
  - b) those from schools outwith Perth.
- Skills gaps in key growth industries for Perth and Kinross
- Small areas of deprivation in Perth and Blairgowrie.

#### **Health**

- Intervention for those with severe barriers including mental health issues.

## **Target Group Social Inclusion/Poverty**

- Workless, lone parent or low income households in 5 Ward areas – Strathmore, Highland, Blairgowrie and the Glens, Perth City Centre and Perth City North.

2.15 The Project Board will report performance to the 'Economy and Lifelong Learning' Outcome Delivery Group (ODG) on a six monthly basis. This will be focused on the delivery of outcomes agreed as part of the Community Plan and Single Outcome Agreement, particularly the following two strategic objectives, local outcomes and performance indicators:

- Developing educated, responsible and informed citizens: - People are ready for life and work
- increase percentage of school leavers moving onto positive and sustained destinations
- increase proportion of adults 16-64 with qualifications above SCQF level 4
- Promoting a prosperous, inclusive and sustainable economy. Employment opportunities for all
  - reduce working age population unemployed
  - increase number of unemployed people participating in employability and skills programmes
  - increase number of unemployed people assisted into work annually as a result of Council funded employability and skills programmes
  - narrow the gap between unemployment levels in the best and worst data wards across Perth and Kinross

2.16 An annual report on performance and progress will be submitted to the Community Planning Partnership and Perth & Kinross Council. The programmes will be audited by PKC internal auditors on an annual basis.

2.17 A diagram detailing governance arrangements is attached in Appendix 1.

## **3. CONCLUSION AND RECOMMENDATIONS**

3.1 The ESF Employability Pipeline and Social Inclusion/Poverty Programmes aim to help people facing multiple barriers to access support, training and jobs. Specific governance arrangements have been developed to ensure that programmes are efficiently and effectively delivered.

3.2 It is recommended that the Enterprise and Infrastructure Committee:

- (i) agrees the continuation of the current governance arrangements as detailed in the report; and
- (ii) notes the progress of both Programmes.

**Author**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Lynn Webster	ESF Programme Officer	01738 477965 <a href="mailto:lynnwebster@pkc.gov.uk">lynnwebster@pkc.gov.uk</a>

**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Barbara Renton	Director (Environment)	2 May 2016

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>No</b>
Asset Management (land, property, IST)	<b>Yes</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>Yes</b>
Sustainability (community, economic, environmental)	<b>Yes</b>
Legal and Governance	<b>Yes</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>None</b>
<b>Communication</b>	
Communications Plan	<b>Yes</b>

### 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
  - (v) Creating a safe and sustainable place for future generations
- 1.2 This report relates to objective (ii) by helping people to be ready for life and work and objective (iii) by providing employment opportunities for all.

## Corporate Plan

- 1.3 The Council's Corporate Plan 2013 – 2018 lays out five outcome 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; and
  - (v) Creating a safe and sustainable place for future generations.
- 1.4 This report relates to objective (ii) by helping people to be ready for life and work and objective (iii) by providing employment opportunities for all.

## **2. Resource Implications**

### Financial

- 2.1 There are no direct financial implications at this point as a result of this report.

### Workforce

- 2.2 A new Project Team known as 'Programme Management Office' (PMO) has been created. This includes an ESF Programme Officer acting as Project Manager, along with an ESF Administrative Assistant and an ESF Finance/Claims Assistant as project support. In addition, the PMO will be able to access procurement, legal and financial advice through PKC specialist advisers.

### Asset Management (land, property, IT)

- 2.3 There is no implication 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) and has been assessed as relevant and the following positive outcomes expected following implementation: The main equality groups would be age and disability and the programmes will provide better access to services and employment for young people, older people and people with mental health issues. There will be an explicit need for delivery agents to commit to these positive outcomes and to ensure that the way that they design, present, market and locate employability services, and the day to day behaviour and approach of their staff, ensures equal access and support for all clients.

#### 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. No further action is required as it does not qualify as a PPS as defined by the Act and 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 activities in this report will contribute towards sustainable economic development and social inclusion in Perth and Kinross.

#### Legal and Governance

- 3.7 The Head of Legal and Governance has been consulted on these proposals. The consideration of the report is in line with the Council's Scheme of Administration and specifically the role of the Enterprise and Infrastructure Committee in developing measures to support and promote economic activity. Agreement between the Scottish Government as Managing Authority and the Council as Lead Partner and between the Council and Delivery Agents will constitute legal contracts which will be agreed with Legal Services.

## Risk

- 3.8 There are two key risks associated with the programmes.
- (i) Risks associated with not achieving agreed performance. This risk will be managed by PMO through contracts and pro-active engagement with delivery agents.
  - (ii) Risks associated with no financial and legal compliance. This risk will be managed by PMO through contracts, MIS and pro-active engagement with delivery agents.

## **4. Consultation**

### Internal

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

## **5. Communication**

- 5.1 The projects will be promoted as part of the Tay Eco-Valley Initiative through Invest in Perth and opportunities explored to highlight key stages through local and national media. A communication and engagement plan will be developed for beneficiaries, such as tenants.

## **2. BACKGROUND PAPERS**

- 2.1 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**

- 3.1 Perth and Kinross ESF Employability Pipeline and Social Inclusion/Poverty proposed governance arrangements diagram.