

PERTH AND KINROSS COUNCIL**Enterprise and Infrastructure Committee****8 March 2017****EUROPEAN SOCIAL FUND EMPLOYABILITY PIPELINE AND POVERTY & SOCIAL INCLUSION PROGRAMMES UPDATE****Report by Director (Environment)****PURPOSE OF REPORT**

The purpose of this report is to provide an update on the Employability Pipeline and Poverty & Social Inclusion Programmes (2014-2020) funded by the European Social Fund.

1. BACKGROUND / MAIN ISSUES

- 1.1 Through the European Social Fund (ESF) operational programme (2014-2020), funding is available to support the employability pipeline, as well as social inclusion and poverty activities. The programmes aim to help people facing multiple barriers to accessing support, training and jobs.
- 1.2 PKC acts as the Lead Partner on behalf of Perth and Kinross Community Planning Partnership (CPP). As Lead Partner, the Council has been awarded grant funding of £1.8 million for an Employability Pipeline programme and £0.4 million for Social Inclusion and Poverty programme, 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.

2. UPDATE**Governance and Programme Management Office**

- 2.1 Governance arrangements were agreed by this Committee at its meeting on 1 June 2016 (Report No.16/243 refers). These are now in place to ensure that programmes are efficiently and effectively delivered.
- 2.2 The Project Board, whose members are drawn from the Community Planning Partnership, is supported by a Programme Management Office (PMO). The PMO consists of 1 FTE European Social Fund Programme Officer, 1 FTE Administrative Assistant and 1 FTE Finance/Claims Assistant. In addition, the PMO is able to access procurement, legal and financial advice through PKC officers.

- 2.3 The role of the PMO is to ensure that the programmes produce the required outputs within time, cost, quality, scope, risk constraints as well as achieving results agreed by the Project Board. The PMO will ensure that the Scottish Government and EU financial and legal compliance requirements are met.
- 2.4 The programmes for the period (2015-2018) were submitted by the PMO on 6 July 2015 and were approved by the Scottish Government in February 2016. Subsequently, applications for three specific operations were submitted by the PMO under each area and were approved by the Managing Authority Approval Panel (MAAP) on 31 August 2016. These are:
- Programme Management Office (PMO)
 - Employability Pipeline
 - Poverty & Social Inclusion “Positive Futures!”.
- 2.5 Following receipt of grant offer letters, the Scottish Government carried out pre-claim systems checks for the three operations on 2 November 2016. The PMO and Employability verification were signed off on 29 November and Positive Futures verification was signed off on 19 December 2016.
- 2.6 A robust Management Information System (EUMIS) has been developed to collate and report performance milestones and outcomes to ESF and the Scottish Government. EUMIS Claims training has also commenced and organisations which have commenced delivery are now inputting data. All operation milestones have been completed and issued to Scottish Government for approval. Once milestones have been set and agreed, they will be input into the system to allow claims to commence in 2017. There is a risk that any delays in data input or milestones approval would delay claiming. The PMO is managing that risk by liaising closely with the Scottish Government and by providing detailed information to delivery organisations.
- 2.7 The development of these systems and processes was successfully led by the PMO. This was an important step to ensure that our systems meet Perth & Kinross, Scottish and Auditing Authority requirements.
- 2.8 Activities have been prioritised by the Project Board and are undertaken by delivery agents either internally within PKC or externally. Delivery agents are organisations which are delivering activities on the ground with direct contact with participants. Internal and external delivery agents have been selected by the Project Board, either through direct applications for internal agents or through a Challenge Fund for external agents. The Challenge Fund administered by the PMO was launched in April 2016 and remains open for potential additional delivery agents.

- 2.9 When an activity has been selected, and all conditions have been met, an agreement is signed between the PMO and delivery agent including financial management, payments and audit regimes. The PMO is responsible for monitoring the agreement and the delivery agent's financial compliance. There is a risk that agreements may be difficult to manage if ESF guidance changes and it may be difficult to keep or attract new delivery agents. The PMO is managing that risk by tracking changes and liaising closely with the Scottish Government and delivery agents.
- 2.10 As a result of all this activity, all key elements are now in place with the programme reaching an essential milestone to allow them to move to delivery stage.

PROGRESS UPDATE

Employability Pipeline and Poverty/social inclusion

Target groups

- 2.11 The target groups for the employability pipeline are as follows:

Adult – Target numbers to be supported - 900

- People aged over 25 claiming Employment & Support Allowance (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 – Target numbers to be supported - 200

- 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 – Target numbers to be supported - 100

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

2.12 The target groups for the Poverty/social inclusion operation are as follows:

Target number to be supported – 420

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

Delivery Agents and activities

2.13 The following delivery agents and activities have been approved by the Project Board on 9 May 2016:

- Realise Support and Learning - Care Centre of Excellence – ESF grant: £17,956 (Adult) supporting 20 participants
- Rathbone - Perth and Kinross enhanced Employability Training - ESF grant: £141,062 (Youth) supporting 330 participants
- The Hub PKC - Outreach – ESF grant: £37,855 (Adult, Youth) supporting 205 participants
- The Hub PKC – Skills academies – ESF grant: £124,701 (Adult, Youth) supporting 72 participants
- The Hub PKC – Wage incentives – ESF grant: £168,349 (Adult) supporting 60 participants
- Welfare rights PKC – Positive Futures! - ESF grant: £166,367(Poverty) supporting 258 participants

2.14 The Hub Outreach and The Hub Wage Incentive commenced delivery in August 2016. The Hub has carried out a procurement exercise for skills academies provision. This process awarded funding to deliver a Horticulture Skills Academy in January 2017 and a Hospitality Skills Academy in February 2017. The Hub is currently in the process of procuring a Construction Skills Academy.

2.15 Further marketing publicity and awareness raising has been organised including PR, Twitter page and the PKC website. Direct mailing was also sent to organisations (in particular 3rd sector, not for profit, voluntary and charitable) who deliver provision to those with severe barriers including mental health issues within the health strand. The PMO attended events such as the PKAVS forum or the Housing and Community Services Employability Network. One-to-one meetings were also organised.

- 2.16 The requirement of match funding of 60% was highlighted as an issue for many potential delivery agents and organisations who had expressed a genuine interest previously and were now reluctant to apply. This was particularly the case for those who could potentially deliver the health strand. To address this issue, the PMO contacted the Gannochy Trust to discuss partnership opportunities. Early negotiations commenced in June 2016. A briefing paper detailing potential projects was submitted to the Gannochy Trustees on 10 September 2016. The Gannochy Trustees agreed to allocate £200k over a 2 year period to provide match funding to 5 organisations (2 Health, 2 Youth and 1 Poverty).
- 2.17 The following delivery agents and activities were approved by the Project Board on 15 November 2016, subject to conditions:
- Perth Citizens Advice Bureau Positive Choices Project - ESF grant: £46,968 (Poverty & Social Inclusion “Positive Futures!”) supporting 248 participants
 - Mindspace - Peer Support Hub - ESF grant: £36,055 (Health) supporting 20 participants
 - PUSH – the 4r’s project (Health) – ESF Grant £79,982 supporting 30 participants
 - Strathmore Centre for Youth Development (SCYD) - Education and Employability Hub - ESF grant: £29,586 (Youth) supporting 36 participants
 - YMCA - Positive Futures - ESF grant: £33,557 (Adult, Youth) supporting 60 participants
 - Perth UHI - Changing perceptions: getting men into care work - ESF grant: £38,517 (Adult) supporting 16 participants (*still to be considered by the Board*).
- 2.18 All activities commenced delivery from January 2017. Appendix 1 provides an overview of employability and poverty/social inclusion pipeline. Although not fully developed, it is the first time in Perth and Kinross that such a pipeline is in place to cover all stages of employability, helping people facing multiple barriers to access support, training and jobs.

2.19 From the activities now approved, it is anticipated that 856 participants will be supported and achieve the following outcomes:

- Unemployed and inactive participants with multiple barriers entering education or training: 200 based on 25% of 800 Participants
- Unemployed and inactive participants with multiple barriers gaining a qualification: 140 based on 70% of those entering education or training.
- Unemployed and inactive participants with multiple barriers in employment, including self-employment, upon leaving: 260
- Unemployed and inactive with multiple barriers in employment, including self-employment, six months after leaving: 182 based on 70% of participants employed
- Employed participants with multiple barriers gaining a qualification upon leaving – 28 based on 50% of 56 participants
- Employed participants with multiple barriers with an improved labour market situation six months after leaving: 42 based on 75% of 56 participants

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 and are in place to ensure that programmes are efficiently and effectively delivered. A pipeline covering all stages of employability is in place and will offer support until December 2018.

3.2 It is recommended that the Committee:

- (i) Notes the progress and successful implementation of the Perth & Kinross European Social Fund Employability Pipeline and Poverty & Social Inclusion Programmes as detailed in the report; and
- (ii) Requests the Director (Environment) to submit an annual report to this Committee detailing progress and outcomes at the beginning of 2018.

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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	No
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	Yes

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 as a result of this report. The programme activities and outcomes detailed in this report are funded from ESF grants, existing budgets within Perth & Kinross Council and Partner organisations.

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 officers.

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 have been agreed with Legal Services.

Risk

- 3.8 There are a series of risks associated with the programmes.
- (i) Risks associated with not achieving agreed performance. This risk will be managed by the PMO through contracts and pro-active engagement with the Scottish Government and delivery agents.
 - (ii) Risks of delays due to lack of guidance or lack of delivery agents. This risk will be managed by the PMO through tracking change in guidance and pro-active engagement with the Scottish Government and delivery agents.
 - (iii) Risks associated with no financial and legal compliance. This risk will be managed by the PMO through contracts, Management Information System and pro-active engagement with the Scottish Government and delivery agents.

4. Consultation

Internal

- 4.1 The Director (Education & Children's Services), the Acting Executive Director (Housing and Community Safety) 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 programme is promoted through Council's and external media in line with Scottish Government's and EU guidance.

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 Appendix 1 - Perth and Kinross ESF Employability Pipeline and Social Inclusion/Poverty delivery agents diagram.