

Enhanced Employability Pipeline Strategic Intervention – European Social Fund

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to provide the Environment, Development & Infrastructure (EDI) Committee with an overview of the proposed Enhanced Employability Pipeline strategic intervention application to the European Social Fund (ESF), 2014 to 2020. Argyll and Bute Council has an indicative allocation of £3.66 million of ESF monies from the Scottish Government to develop and deliver the intervention. ()Tj 7.1

In short, if £46,282 of

ARGYLL AND BUTE COUNCIL

**Environment, Development & Infrastructure
Committee**

**DEVELOPMENT AND
INFRASTRUCTURE SERVICES**

7th April 2016

Enhanced Employability Pipeline Strategic Intervention – European Social Fund

3.0 RECOMMENDATIONS

3.1 The recommendations for EDI Committee members are as follows:

To note the content of this report.

To review the detailed approach for the Argyll and Bute Enhanced Employability Pipeline and provide comments as appropriate.

To provide a decision on the two options presented in section 6 of this paper. If the second option is preferred, in order to lever in an initial total investment of circa £3 million to the area, a non-legally binding stage one application (Strategic Intervention) will be submitted to the Scottish Government. A second stage application (Operation Application) will need to provide the detail on pipeline delivery and associated match funding. A report will be submitted Policy and Resources Committee in May 2016 seeking approval of the match funding required from Argyll and Bute Council and the submission of the Operation Application (which will have legal implications) by end of June 2016 deadline.

4.0 BACKGROUND

4.1 The Scottish Government is responsible for the overall delivery of the 2014-2020 ESF programme within Scotland. As part of this, each Local Authority has been allocated an indicative sum of ESF funding to develop and deliver an Enhanced Employability Pipeline.

4.2 The pipeline must target vulnerable individuals across Argyll and Bute with multiple barriers including long term unemployed, lone parents, people with disabilities, young people, older

5.0 DETAILS

Eligibility

- 5.1 Eligibility requirements have been formulated by the Scottish Government based on the European Directorate's interpretation of the relevant European regulations. Participants have to be able to demonstrate that they have multiple employability barriers as detailed in ESF beneficiary guidance: <http://www.gov.scot/Resource/0048/00487276.pdf>.
- 5.2 The anticipated number of participants on the ESF pipeline (where a participant may access more than one intervention within the first three stages of the pipeline thus optimising the impact of that support) until the end of 2017/18 is just under 540 based on detailed analysis of JobCentre Plus claimants, economic inactivity levels, recipients of other benefits, evidence on customer volumes from other local authorities who have previously delivered pipeline activity and the Scottish Government's anticipated cost per participant ranging between £2,000 and £6,000; depending on the intensity of support required under each particular stage of the pipeline and individual needs. This is detailed in **Table B** below.

Pipeline Stages

- 5.3 The pipeline stages have been defined by the Scottish Government:

Stage 1: Referral Engagement Activity;
Stage 2: Barrier Removal;
Stage 3: Vocational Activity;
Stage 4: Employers Support, Engagement and Job Matching; and
Stage 5: In-work Support/Aftercare and Skills Development.

As detailed above, this strategic intervention will focus on stages one to three. This is outlined in more detail by anticipated participants in **Table B** below.

- 5.4 Participants will be referred through a

5.7 This paper concerns the Council's first stage application (Strategic Intervention). The second stage application (Operation Application) will provide further detail of how delivery will be structured. It should be noted that the first stage application is not legally binding. It is at the 'Operation Application' where we will enter into a formal delivery agreement with the Scottish Government.

5.8 From recent discussions with the Scottish Government

Case Worker: to provide evidence of eligibility, construct an agreed action plan and refer participants to appropriate pipeline stages and activity. The Case Worker will maintain systems for the storage and dissemination of participant achievement and progression across the pipeline. In addition, they will steer, support and monitor participants through the stages of the pipeline, including employer engagement.

Administrator: to assist the Pipeline Operations Officer and Case Workers by ensuring efficient and effective administration and financial control procedures are provided to support the pipeline's operation and compliance requirements.

In addition to the above, to ensure compliance with European funding requirements a member of the European Team will assist with claims and project monitoring.

- 5.13 For ease of reference a staff organisational summary chart is outlined in **Appendix 1**.

Match Funding

- 5.14 The total allocation of ESF for the Argyll and Bute Enhanced Employability Pipeline is £3.66 million covering the period 2014-2020. However, it has agreed with the Scottish Government that we can deliver over the first three stages of the pipeline only for an initial two-year period i.e. to the end of March 2018 when there will be a mid-term review of the pipeline activity. Match funding (including the required 40% flat rate) up until the end of 2017/18 is outlined in **Table A** below

- 5.15 Match funding (including a 40% flat rate²) of £1,499,699 is broken down as follows and detailed in **Table A** in the paper:

£142,884 of staffing costs required from Economic Development & Strategic Transportation (EDST) Service. At present £61,602 of the General Reserves money secured to support the contractual obligations of the Employability Team over the financial years 2016/17 and 2017/18 can be considered as matched funding for the pipeline. However, £81,282 of match funding is still required. £35,000 of this can come from discretionary EDST funding that would otherwise have been spent on other activities. The remaining **£46,282** (the total required for two years i.e. £23,141 per annum) may be able to be paid from the General Reserves funding approved by the Council, given that Employability Team redundancy costs are expected to be lower than anticipated. However, this is not certain at this time;

£78,222 will be match funded by Adult Learning and Literacy enabling that service to lever in an additional £78,222 to support ESF pipeline activity and delivery; and

£1,278,593 of match will come from partners who can bring their match as part of a competitive procurement process to delivery specific pipeline activity.

- 5.16 In short, if £46,282 of additional match funding can be secured by Argyll and Bute Council this would result in a total investment of just under £3 million for Argyll and Bute by the end of March 2018.

² Flat rate: costs incurred by Argyll and Bute Council for in-house delivery and project management only and comprises actual salary costs plus 40% to cover additional costs such as travel.

5.17 For

Table A: Indicative Project Delivery Costs and Match Funding Requirements 2016-2018*

Maximising Delivery of Internal and External Pipeline Activity							
Item £	2016** (2016/17 Q3)	2017 (2016/17 Q4 and 2017/18 Q1-3)	2018 (2017/18 Q4)	Total 2016- 2018	ESF	Council	External
Pipeline Operations Officer 1 x LGE11*** (job evaluation concluded)	20,533	61,607	15,556	97,696	48,848	48,848	
Administrator 1 x LGE7*** (subject to job evaluation)	12,191	36,589	9,239	58,019	29,010	29,010	
Caseworker 2 x LGE8*** (subject to job evaluation)	26,422	82,444					

Table B: Participants and Activity for Enhanced Employability Pipeline Stages 1, 2 and 3 (continued)

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6.0 CONCLUSIONS

6.1 The EDI Committee is presented with two options as outlined in **Table C** below.

Table C: Options for Consideration			
	Delivery	Risk	Mitigation of Risk
Option 1	Do nothing	<p>Lose indicative European investment of £1.5 million to Argyll and Bute for Stages 1, 2 and 3 of the Enhanced Employability Pipeline delivery out of a total indicative allocation of £3.66 million.</p> <p>A gap will be left in Argyll and Bute for provision and support to groups of disadvantaged people with multiple barriers.</p>	None.
Option 2	Submission of the stage one application (Strategic Intervention) which will be submitted to the		

7.0 IMPLICATIONS

- 7.1 Policy The strategic intervention fits and contributes to Outcome 3: *Education, skills and training maximises opportunities for all of the Argyll and Bute Community Planning Partnership's Single Outcome, with a particular focus on the short term outcome 3.2: to ensure education and skills training opportunities are aligned to economic development opportunities both within Argyll and Bute and nationally.* To maximise European funding investment is a key objective within the Argyll and Bute Economic Development Action Plan (EDAP), 2013-2018 and the four area-based EDAPs
- 7.2 Financial Argyll and Bute Council as Lead Partner for this ESF Argyll and Bute Enhanced Employability Pipeline strategic intervention will be responsible for administering the funds compliantly within European rules and regulations. To lever in the proposed £1.5 million of ESF over the next two financial years, £1.5 million is required in match funding from internal and external sources. A shortfall of £46,282 of match funding has been identified. Non-compliance of European funding rules may result in fines.
- 7.3 Legal All legal implications with regard to proposed Argyll and Bute Council actions will be taken into consideration.
- 7.4 HR A total of four additional full-time staff will be required to deliver the Argyll and Bute Enhanced Employability Pipeline strategic intervention.
- 7.5 Equalities The Argyll and Bute Enhanced Employability Pipeline activities will comply with all Equal Opportunities policies and obligations.
- 7.6 Risk Council officers will ensure that Argyll and Bute Council's risks with regard to this strategic intervention are proportionate and reasonable to its role as a Lead Partner organisation (as detailed in **Table C**), in close liaison with the Council's Legal Services and Internal Audit.
- 7.7 Customer Services None.

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Appendix 1: Argyll and Bute Enhanced Employability Pipeline Organisational Staffing Chart.

