

SKILLS & EMPLOYMENT BOARD

27th AUGUST 2019

European Social Fund Programme (ESF)

Purpose of Report

To provide Board Members with an overview of current European Social Fund (ESF) within Sheffield City Region, noting this is a nationally run programme managed centrally by government.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be made available under the Combined Authority Publication Scheme.

Recommendations

That the Board reviews the schemes within the SCR ESF Programme and considers any further information on scheme delivery or management information it would like.

1. Introduction

- 1.1** The SCR ESIF Programme (2014 – 2020), is largely split into European Regional Development Fund (ERDF) and European Social Fund (ESF) and covers Business Growth, Skills & Labour Mobility and Infrastructure.
The SCR Local Authorities of Barnsley, Doncaster, Rotherham and Sheffield represent the Programme's "Transition" area and are allocated the greatest proportion of funding. The remaining East Midlands Districts are categorised as "More Developed". The allocation for the More Developed areas is split on a 50/50 basis with the D2N2 area.
- 1.2** The European Social Fund (ESF) is designed to provide additional support to individuals or businesses who don't always benefit from mainstream support. The current funding round runs between 2014 and 2020 but funds allocated to projects before 2020 can be spent until 2023.
- 1.3** ESF works on a principle of additionality with the expectation investment is made alongside other sources of "match" funding. Match funds for ESF are generally drawn from national government funds, through co-financing arrangements. The Department of Work & Pensions (DWP), Education, Skills Funding Agency (ESFA) and Big Lottery operate as co-financing agencies. The level of match required to generate ESF investment through the programme is linked to the classification of the area. In SCR a 50% match funding is required for our 'Developed' area and 40% match for the 'Transition' area.

- 1.4** At the onset of the programme LEPs were asked to assist in the development of the strategy for the deployment of ESIF in their local areas and National government established local ESIF Sub-Committees.
- 1.5** The SCR ESF programme is now in its latter stages. In their February 2019 meeting the Skills, Employment and Education Board endorsed the remaining calls utilising the remaining allocation with a view to those starting to deliver in the summer of 2020 concluding in 2023.
This paper provides an overview of the current programme, a funding breakdown is presented in appendix 1

2. Proposal and justification

2.1 2019-2023 Programmes in delivery

Building Better Opportunities

- Appendix 2a is a programme glossary
- Appendix 2b is the National Lottery quarterly performance report
- Appendix 2c is the National Lottery performance dashboard

Delivered via the National Lottery, this programme provides intensive support to residents who are out of work and face significant barriers in getting a job. The SCR ESIF Committee have agreed to progress an extension of the existing programme which was due to conclude this year with the National Lottery, which is now being contracted with the providers, South Yorkshire Housing Association and Sheffield Futures.

2.2 Skills Support for the Unemployed

- Appendix 3a is a programme glossary
- Appendix 3b is the ESFA quarterly performance report
- Appendix 3c is the ESFA performance dashboard

Delivered with the ESFA, launched this year and is being delivered by the Growth Company across the whole of the SCR working with JobCentre Plus and other partners, offering skills training to unemployed residents on a voluntary basis.

2.3 Skills Support for the Workforce

- Appendix 4a is a programme glossary
- Performance for this project is contained in the composite report in Appendix 3b
- The Performance Dashboard for this project is contained in the composite report Appendix 3c

Delivered with the ESFA, also launched this year and is being delivered by the Growth Company across the whole of the SCR. This programme compliments Skills Bank offering funded skills training to employed residents up to level 4.

2.4 2019-2023 Programmes in the pipeline

Pathways to Success (P2S)

Imminently due to launch this programme is aimed at adult claimants (19+) within 1 year of any benefit claim and who have one or more obstacle to work. Participants will get access to personalised support from a Work Coach who will then work through the Integration Boards (led by the Local Authorities with a breadth of delivery partners) to ensure the surround system of support works effectively to help that person find and keep paid work.

2.5 Pathways to Progression (P2P)

Imminently due to launch this is a similar programme to Pathways to Success but open to younger participants (15+) along with adults. Success measures are progression into work/education and then continual development.

2.6 Business Education Alliance [SCR]

Imminently due to launch, this programme enhances the Enterprise Advisor Network and will provide intensive support to enable SME and micro businesses across the City Region to provide voluntary assistance to schools strengthening their careers provision and preparing our young people for the world of work.

2.7 The current position of the SCR Programme

The latest performance reports from the Opt-in agencies are presented in the appendices.

- 2.8** Members are asked to note that nationally the programme has struggled with its ability to attract the match funding required to secure the ESF investment and faced significant delays in the appraisal of bids by the Managing Authority (DWP). This has had the impact that programmes are facing delays in DWP undertaking due diligence and contracting of up to 20 months.

Consequently, several programmes which have been in the pipeline for delivery across SCR will commence delivery in this year with a reduced delivery window.

3. Consideration of alternative approaches

- 3.1** Don't utilise the remaining allocation, due to concerns around the availability of match and historical delays to commissioning by the managing agent- it was felt this wasn't a viable option because of the high levels of obvious need within the region
- 3.2** Focus on calls targeted at specific geographic areas which tackled multiple challenges – however there were concerns around this excluding groups that didn't fall into the specific geographical areas.

4. Implications

4.1 Financial

There are no financial implications for the SCR MCA, as funds are managed and procured by the DWP/ESFA/Big Lottery

4.2 Legal

There are no legal implications for the SCR MCA, as funds are managed and procured by the DWP/ESFA/Big Lottery

4.3 Risk Management

That stakeholders will not be able to source the necessary match investment required to draw down the remaining EU funding. This will result in those funds being returned to the central Government Programme. This will be reduced as the Executive will undertake

market development activities as part of the course of the development of the programme if approved.

That the appraisal process for the last round is overly lengthy resulting in programmes having a much-reduced delivery window. This will be reduced through regular involvement and contact with the DWP team.

That partners are unable to progress the remaining programme resulting in the return of the funding to central Government.

4.4 Equality, Diversity and Social Inclusion

Fighting poverty and inequality is the central theme of the ESF programme

5. Communications

- 5.1** All calls are advertised via the national ESIF website with a link available on the SCR website. Local Authorities who receive support through Technical Assistance (Doncaster and Sheffield) can provide additional support to potential bidders.

Extensive work has taken place with stakeholders to understand where ESF can add value, where need exists within SCR and potential sources of match. This has included work with officers from the Local Authorities and a stakeholder engagement event attended by the third sector, colleges, local authorities, universities and discussions with national stakeholders such as the Princes Trust and the National Lottery.

6. Appendices/Annexes

- 6.1** Appendix 1 – A Summary of the SCR ESF Allocation 2014-2020 as at January 2019
Appendix 2a - Programme Glossary, Building Better Opportunities (BBO)
Appendix 2b – The National Lottery quarterly performance report BBO
Appendix 2c - The National Lottery performance dashboard BBO
Appendix 3a - Programme glossary, Skills Support for the Unemployed
Appendix 3b - DWP quarterly performance report, for Skills Support for the Unemployed & Skills Support for the Workforce
Appendix 3c - DWP performance dashboard, for Skills Support for the Unemployed & Skills Support for the Workforce
Appendix 4 - Programme Glossary, Skills Support for the Workforce

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

<http://ec.europa.eu/esf>

<https://www.gov.uk/european-structural-investment-funds>

<https://www.gov.uk/government/publications/european-social-fund-operational-programme-2014-to-2020>

<https://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/SCR-ESIF-REFRESH-Feb-2016-Final-v3-1.pdf>