

TITLE OF REPORT: European Structural and Investment Fund
2014-20 Project Proposal

REPORT OF: Paul Dowling, Strategic Director, Communities
& Environment

Purpose of the Report

1. To seek Cabinet approval to develop and submit a full application for European Social Fund (ESF) funding and provide match funding of £199,000 to deliver an employment support project for Gateshead residents with protected characteristics and workless Gateshead Housing Company tenants.

Background

2. The North East LEP area was allocated £437m through the 2014-2020 European Structural Investment Funds (ESIF) programme. The programme includes European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD) to support the key growth priorities of employment, social inclusion, skills innovation, research and development low carbon and support for Small and Medium Sized Enterprises (SMEs).
3. In September 2017 the Department for Work & Pensions (DWP) issued a call for proposals for ESF funded projects to support Priority Axis 1 of the Operational Programme: Inclusive Labour Markets and Investment Priority: 1.4. Active Inclusion. This aims to increase participation in the labour market and thereby improve social inclusion and mobility. The Council submitted an Outline Application in December 2017.
4. DWP expects to allocate approximately £8m of ESF across the North East LEP area through this call for projects to deliver specialist support for those furthest away from the labour market. Following a review of the Outline Application DWP have now invited the Council to develop and submit a full application by 2 August 2018.

Proposal

5. It is proposed that the Council submits a full application to The Department for Work and Pensions call under the European Structural and Investment Fund 2014-2020 to provide employment support for workless housing tenants and Gateshead residents with protected characteristics as detailed in the attached appendix.

Recommendations

6. It is recommended that Cabinet agrees to:
- (i) Proceed with the submission of a full application by the Strategic Director Communities and Environment following consultation with the Strategic Director, Corporate Resources and Strategic Director, Corporate Services and Governance.
 - (ii) The allocation of up to £199,000 match funding as set out above.
 - (iii) If the bid is successful, delegating acceptance of the bid to Strategic Director, Corporate Services and Governance following consultation with the Strategic Director, Corporate Resources, subject to a review of the DWP terms and conditions.

For the following reasons:

- (i) To maximise external funding available to the Council to support the deliver of key priorities.
- (ii) The proposal will provide the following benefits for unemployed residents:
 - Delivery of targeted and specialist provision to improve well-being, confidence and skills.
 - Support to access vocational and accredited training and skills emphasising digital and IT access.
 - Money management support and advice.
 - Integrated employment support / housing management.
 - Volunteering to re-engage furthest from labour market.
 - A peer support programme to allow residents to support and encourage one another on a day-to-day basis.
 - A place-based approach targeted to estates and neighbourhoods with support delivered on-site.
 - Assistance for those unable to access mainstream DWP support because they do not claim eligible benefits.

CONTACT: Julie Killick, Tel (0191) 490 9481

Policy Context

1. European Social Funding (ESF) can assist the Council to meet many of the objectives of the Sustainable Community Strategy (Vision 2030) and THRIVE agenda as it seeks to promote activities that directly support economic growth and job creation, directly benefitting residents, particularly those furthest from the labour market.
2. This will also help deliver the North East Local Enterprise Partnership's Strategic Economic Plan.

Background

3. Projects of this type are required to deliver one or more of three strands of activities to address the multiple factors that contribute to social exclusion and deprivation, impacting economic growth:
 - Employment support for those with protected characteristics
 - Employment support for workless housing tenants
 - Employment support for offenders and ex-offenders
4. The Outline Application submitted in December 2017 proposed a two-year employment support project to help unemployed and economically inactive residents specifically those with protected characteristics and workless housing tenants.
5. Match funding of 50% is required for this ESF call and within the Outline Application it was proposed that the Council contributes £149,000 over the two-year period with an additional £50,000 from The Gateshead Housing Company (TGHC) as a delivery partner. The Council would act as lead accountable body.
6. The project is expected to run from January 2019 until financial close in June 2021.
7. It is expected the project will provide a fully funded programme of employment support activities for 260 residents with a minimum of 24% unemployed residents starting work and 50% of economically inactive residents starting work or engaging with the labour market. The project will include a focus on:
 - Women who are disadvantaged in the labour market
 - Lone parents and those with caring responsibilities
 - Those experiencing domestic violence
 - Members of workless households
 - Workless tenants in areas with high levels of deprivation
 - Former looked after children
8. Acceptance of the outline application does not constitute approval of the full application and the submission of this is subject to several

conditions being met in full. This includes potentially bringing forward the start date.

9. There are no state aid implications in respect to the project as the assistance will be provided to individuals. If the Council or TGHC are to provide funding to organisations engaged in commercial activity to support this delivery, these services will be procured in compliance with the Council's or TGHC's Contract Procedure Rules and ESF Funding rules.

Consultation

10. In preparing this report consultation has taken place with the Cabinet Members for Economy.

Alternative Options

11. The Council could decide not to pursue the opportunity. This would result in non-take up / loss of potential match funding and opportunities to assist workless tenants and residents with protected characteristics.
12. The Council could provide the entire amount of funding outlined above negating the need for ESF match and thus removing funding conditions. This again would result in a loss /non-take up of £199,000 potential match funding and require the funding of the full £398,000.

Implications of Recommended Option

13. Resources

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms match funding of 50% is required for this ESF call and within the Outline Application it was proposed that the Council contributes £149,000 over a two-year period with an additional £50,000 from the Gateshead Housing Company (TGHC) as a delivery partner.

Council match funding of £144,000 has been identified from a previously obtained reward grant which is ring-fenced specifically for employability work. A further £5,000 will be met from existing budgets within the Economic Development Service.

TGHC have confirmed their commitment to matched funding of £25,000 in each year of the project. They will be seeking to align roles that link housing management services to the aims of the project to maximise the impact for tenants requiring employment support.

- b) **Human Resources Implications** – All activities will be delivered by a team of five Gateshead Council Employment Advisers or ‘Change Coaches’.
- c) **Property Implications** – There are no property implications arising from this report.
14. **Risk Management Implications** – As this is a Council project and the Council would be acting as Lead Accountable Body there would be the standard risks in this type of project. A comprehensive funding agreement will be signed which will define the extent of the risk and will be subject to the agreement of the Strategic Director, Corporate Resources and the Strategic Director, Corporate Services and Governance.
15. **Equality and Diversity Implications** – This project is expected to deliver employment support for Gateshead residents with protected characteristics and workless housing tenants. It will include a focus on:
- Women who are disadvantaged in the labour market
 - Lone parents and those with caring responsibilities
 - Those experiencing domestic violence
 - Members of workless households
 - Workless tenants in areas with high levels of deprivation
 - Former looked after children
16. **Crime and Disorder Implications** – There are no implications arising from this report.
17. **Health Implications** – There are no direct health implications arising from this report.
18. **Sustainability Implications** - Developing and submitting an ESF Full Application will increase:
- The Council’s ability to provide employment support for disadvantaged residents.
 - The Council’s ability to support members of workless households.
 - The Council’s ability to help economically inactive residents participate in the labour market.
19. **Human Rights Implications** – There are no implications arising from this report.
20. **Area and Ward Implications** – Prospective participants of the project could be from all neighbourhood management areas and wards.