

3rd November 2015**Agenda Item: 8****REPORT OF THE CORPORATE DIRECTOR, PLACE****EUROPEAN STRUCTURAL AND INVESTMENT FUND (ESIF) UPDATE****Purpose of the Report**

1. To update Committee on proposals for Nottinghamshire projects under the D2N2 ESIF Employ Local and Youth Employment funding streams.
2. For the Youth Employment funding stream (Nottinghamshire, Derby and Derbyshire only), to support further work with local authorities in the county to evaluate the merits of submitting a collaborative bid including an assessment of potential delivery partners.

Background

3. Committee will be aware that there are two additional reports for November Economic Development Committee which relate to ESIF funding. These reports are for the D2N2 Growth Hub and ESIF Technical Assistance.
4. ESIF funds are the European Commission's primary mechanism for reducing social and economic disparities across the European Union. European Funds are intended to be utilised as 'funds of last resort' and to add value to the local area. The D2N2 ESIF Strategy 2014 -20 sets out the ambitions for the use of £214.3m of European Structural and Investment Funds in the D2N2 Local Enterprise Partnership area during the 2014-2020 period.
5. The investments comprise of:
 - a. European Regional Development Fund (ERDF) £104.4m - supports research, innovation, business development and infrastructure investment.
 - b. European Social Fund (ESF) £104.4m - supports skills, enhancing access to employment and social inclusion.
 - c. European Agricultural Fund for Rural Development £5.5m - supports economic development in rural areas.
6. The D2N2 ESIF programme is constructed of a number of themes e.g. innovation, SME competitiveness. In order to bid for activity within each theme, D2N2 releases a 'programme call' and interested parties respond on this basis.

7. European Social Fund is largely being delivered through national 'opt-ins', where national bodies will provide the 50% match required at source. For the D2N2 area the opt-in organisations are the Skills Funding Agency, Department for Work and Pensions and The Big Lottery.

Employ Local

8. 'Employ Local' is a three year ESF project which is intended to support the following groups:
 - a. Individuals who have been unemployed for 6 months+
 - b. Young people aged 16 – 24 who are currently 'not in employment, education or training' (NEET)
 - c. Unemployed graduates who have not previously had a graduate level job
 - d. Individuals who originally had multiple barriers to accessing work (those assisted through other ESF projects such as 'Building Better Opportunities')
9. Nottingham City Council operates an Employer Hub model which delivers a co-ordinated, bespoke training and recruitment service. The availability of funds through the 'Employ Local' project has acted as a catalyst for Nottinghamshire partners to evaluate how such a model might be rolled out across the county to bring a high quality service to local employers and job seekers.
10. 'Employ Local' would enable the potential operation of a hub model and could bring a more collaborative, high quality recruitment and support service to local employers and job seekers which builds on best practice. The establishment of an N2 'Employment and Skills Hub' aligns with the wider vision of devolving skills funding and responsibility to the Combined Authority. Allen Graham (Chief Executive of Rushcliffe Borough Council) is leading on employment and skills activities on behalf of the Economic Prosperity Committee (EPC).
11. Allen Graham is the Chair of a working group which has been convened to prepare an N2 bid for 'Employ Local', the group is co-ordinated by Nottinghamshire County Council. The working group consists of representatives from the Department for Work and Pensions, Nottingham City Council, District and Borough Councils and Futures Advice Skills and Employment.
12. A report was taken to the EPC in July 2015 and the following recommendations were agreed:
 - a. To support in principle the creation of a bid which results in the development of a N2 collaborative 'Employment and Skills Hub'
 - b. N2 to prepare and submit a bid for the ESIF 'Employ Local' project for resources to deliver relevant services to employers and job seekers
 - c. Futures Advice, Skills and Employment to be the lead bidder on behalf of a combined N2 partnership approach
 - d. If successful with the Employ Local bid, agreement from N2 partners to align current similar Employment and Skills activity under the Employ Local initiative.

13. The working group meets regularly to plan and implement these recommendations. Employ Local has a total project budget of £6 million across the whole of the D2N2 area, this figure includes an amount (not pre-determined) for employer incentives. 'Employ Local' is an opt-in via the Skills Funding Agency and therefore match funding is not required from bidding organisations. However it is likely that the contract will be 'payment by results' which will have an impact on cash flow. An indicative allocation of £3.2m has been agreed for the N2 area for a 3 year period from 2016. It is not yet known how fluctuations in the exchange rate will impact on the final budget for 'Employ Local'.
14. It is anticipated that the call for 'Employ Local' will be released before Christmas. Partners are currently engaged in two key areas of work; these are designing the detail of the delivery model and considering how existing complementary activities might be aligned within the hub model.
15. To accompany the funding submission for 'Employ Local' it is likely that a Partnership Agreement or Memorandum of Understanding will need to be agreed and signed by all partners. Once the tender call is released, it is estimated that the timescale for submission will be a maximum of eight weeks. With this in mind, approval is sought for delegated powers for the Corporate Director, Place to sign the agreement on behalf of Nottinghamshire County Council.

Youth Employment

16. The ESF 'Youth Employment' project is for Derby, Derbyshire and Nottinghamshire (D2N1). A separate ESF project will be in place for Nottingham City.
17. The D2N1 'Youth Employment' project has a total value of £3.2m (including match funding). It will be procured via the Skills Funding Agency 'Opt-In' in early 2016 and will have two separate contracts, one for D2 and one for N1.
18. The total number of beneficiaries across the whole project is 1,100 young people aged 16 – 24 who are currently Not in Employment, Education or Training (NEET) including those who:
 - Have a disability or learning difficulty; and / or
 - Are care leavers or young people in Care; and / or
 - Are young parents and / or lone parents
19. The Skills Commission and ESIF Programme Board will be agreeing resource allocation for the D2 and the N1 contracts, this will be based on need.
20. Given the partnership approach to Employ Local, Local Authorities across the county have given an early indication that they may also wish to work together in a collaborative bid for the Nottinghamshire element of the Youth Employment project.
21. There are a number of options for delivery of the project, delivery organisations who might lead the project include the County Council's Community Learning and Skills Service (CLASS) and Futures Advice Skills and Employment. An

assessment of the relative merits of each delivery partner and their interest in the project would need to be undertaken, one aspect could be an approach which includes both CLASS and Futures.

Reason(s) for Recommendations

22. The 'Employ Local' project provides an opportunity to align resources within a hub model and meet the aspiration for increased collaborative working across N2.
23. In order to meet the bidding requirement and timescale for Employ Local, a signed Partnership Agreement or Memorandum of Understanding will need to accompany the bid. Once the bid is released, the timescales will be restricted and therefore approval is sought for the Corporate Director, Place to have delegated authority to sign this agreement.
24. The Youth Employment project provides an opportunity for additional collaborative working between local authority partners to support young people across the county. This approach fits strategically with the development of the Combined Authority and devolution. Depending on the outcome of local authority discussions, the development of a collaborative bid would align resources and increase the local influence over these resources.

Statutory and Policy Implications

This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Financial implications

None at this stage.

RECOMMENDATIONS

25. It is recommended that Economic Development Committee:
- a. Notes the update on the ESIF 'Employ Local' project;
 - b. Approves delegated powers for the Corporate Director, Place to sign the Partnership Agreement or Memorandum of Understanding on behalf of Nottinghamshire County Council for the Employ Local bid;
 - c. Notes the update on ESIF 'Youth Employment'
 - d. For the Nottinghamshire element of the Youth Employment funding, agrees that the County Council should lead discussions with local authority partners to evaluate the merits of submitting a collaborative bid including an assessment of the most appropriate lead delivery partner.

Tim Gregory
Corporate Director, Place

For any enquiries about this report please contact:

Fiona Anderson ext. 72688

Constitutional Comments [SLB 22/10/2015]

Economic Development Committee is the appropriate body to consider the content of this report.

Financial Comments [SES 22/10/15]

There are no specific financial implications arising directly from this report.

Background Papers

Electoral Division(s) and Member(s) Affected

All