

## **EAST AYRSHIRE COUNCIL**

**CABINET 15 SEPTEMBER 2010**

### **COMMUNITY PLANNING PARTNERSHIP- ESF PRIORITY 5 FUNDING APPLICATION**

**Report By Depute Chief Executive/Executive Director of Neighbourhood Services**

#### **1. PURPOSE OF REPORT**

- 1.1 To provide the Cabinet with information relating to the East Ayrshire Community Planning (CPP) proposed new partnership arrangements for delivery of employability services across East Ayrshire from 1 July 2011.
- 1.2 To inform the Cabinet that it had been necessary within a very short timescale to prepare and submit a stage 1 application by 20 August 2010, providing basic outlines of the proposed CPP (Community Planning Partnership) application for ESF Priority 5 funding.
- 1.3 To inform Cabinet that following assessment, the Scottish Government has confirmed on 6 September 2010 that the East Ayrshire CPP application can now proceed to the second stage of the process which requires a complete application to be submitted by no later than 12:00 noon on Friday 24 September 2010.
- 1.4 To seek Cabinet approval to proceed with the detailed stage 2 application to the Scottish Government for ESF funding for the period 1 July 2011 to 30 June 2013 with potential for a third year should balances of funding remain unused.
- 1.5 To ask the Cabinet to confirm match funding from the Council at the level required to deliver the employability services proposed in the CPP ESF Priority 5 application.

#### **2. BACKGROUND**

- 2.1 The impact of the current global economic crisis on Lowlands and Uplands Scotland has been significant and has led to the addition of the new Priority to the European Social Fund programmes, ESF Priority 5. This priority makes a radical change to the current ESF programme to address critical issues around creating a strategic skills pipeline for future jobs and a reinvigorated economy for Scotland. The new priority will encompass all remaining balance funds from

the current ESF priorities 1, 2 and 3, offering an opportunity to concentrate on the creation of new access structures and plans for the future.

2.2 The overall aim of Priority 5 is:

To equip individuals with the core, transferable and vocational competencies and skills they require to enter and progress within the labour market and to prepare them for the job opportunities of the future through a demand led strategic skills led pipeline approach that is sensitive to the differing opportunities and needs within the various parts of the LUPS area.

2.3 This pipeline approach to delivery of employability services being proposed will require a full review of the Skills Development and Employability service and this will be submitted to Cabinet in early course.

2.4 The stage 1 application submitted was an outline proposal only and was not binding on the Council to continue to stage 2.

### **3. PROJECT MANAGEMENT**

3.1 As with the current CPP ESF/ ERDF Improving Opportunities project, the new East Ayrshire Works Priority 5 services will be managed by the Council's Skills Development and Employability Service and will include the following partners:

- Skills Development Scotland
- Jobcentre Plus
- Apex Scotland \*
- Yipworld \*
- Volunteers Centre \*
- Centrestage \*
- NHS Ayrshire and Arran \*
- The Princes Trust \*
- The Zone \*
- The Wise Group
- WEA
- EAC MCMC \*
- EAC Community Learning and Development \*
- EAC Early Years \*
- EAC Libraries \*
- East Ayrshire Woodlands
- East Ayrshire Carers Centre \*

( \* indicates new partner)

3.2 This is an extension of the partnership arrangements that currently exist and includes an extended role for the Third Sector.

- 3.3 Kilmarnock and Ayr College are delivery partners in the current approved ESF CPP Improving Opportunities Project which concludes on 30 June 2011. Following a review by the Scottish Government it has been agreed that all college activity will be funded within a bid led by the Scottish Funding Council under the new priority 5 funding model. Activity to be delivered by Colleges will be included within local strategic skills pipelines and Colleges will continue to be a key strategic partner and deliver opportunities for unemployed people and young people at risk of becoming Not in Education, Employment or Training (NEET) who live in East Ayrshire but the activity will be funded within the Scottish Funding Council bid.
- 3.4 The ESF grant will provide valuable financial support to all partners involved, helping them provide additional services within the proposed strategic skills pipeline.
- 3.5 The Strategic Skills Pipeline involves a five stage approach to delivering employability services:
1. Referral and Engagement
  2. Barrier removal
  3. Vocational Activity
  4. Employer Support, Engagement and Job Matching
  5. In Work Aftercare and Skills Development.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The estimated project costs for the two year period is: **£7,341,400** and the ESF grant sought is: **£3,303,630**.
- 4.2 To deliver employability services and secure ESF funding, the Skills Development and Employability Service will require match funding as detailed below:

	<b>2011/12</b> <b>£</b>	<b>2012/13</b> <b>£</b>	<b>2013/14</b> <b>£</b>
Council	120,000	120,000	120,000
FSF	630,000	598,500	568,575
<b>Total</b>	<b>750,000</b>	<b>718,500</b>	<b>688,575</b>

- 4.3 In 2010/11 the Councils Skills Development and Employability service received £700K from the Fairer Scotland Fund and £120,000 from EAC for match funding purposes therefore the amount required in 2013/14 represents efficiency savings of £131,425 over 3 three years.

- 4.4 The decision on FSF will be taken on 29 September but it should be noted that loss of FSF for match fund purpose would result in the inability to secure ESF support, loss of the CPP Employability partnership and ultimately the closure of the Skills Development and Employability service as it now stands.
- 4.5 Notwithstanding this, the Skills Development and Employability Service is currently carrying out a review to ensure efficiencies by way of changes to services delivered, aligning employees to demand and making better use of all resources including premises and transport.

## **5. POLICY IMPLICATIONS**

- 5.1 This service supports the delivery of the outcomes of the Community Plan theme of Delivering Community Regeneration.
- 5.2 The proposed project supports the aims of National and Local Outcomes including developing employability initiatives, including the social economy, and developing the skills capacity of the local workforce.

## **6. RECOMMENDATION**

### **6.1 It is recommended that Cabinet:**

- i) note the action already taken to lodge an interest in stage 1 of the Priority 5 bid;**
- ii) confirm approval for the SD&E service to proceed with the stage 2 detailed ESF application.**
- iii) confirm match funding for the application over the next three years (detailed in 3.2);**
- iv) recommend to the Community Planning Partnership that the level of financial support required in 3.2 be approved;**
- v) note the proposed partners included in the project;**
- vi) note to the proposed review of the Skills Development and Employability Service;**
- vii) due to the timescales involved, to authorise implementation of the recommendations in i – vi above, prior to any consideration by the Governance and Scrutiny Committee as to delay implementation would seriously prejudice the Council's position in relation to achieving the deadline set for submitting the Stage 2 bid; and**

**viii) otherwise note the contents of this report.**

**Elizabeth Morton  
Depute Chief Executive/  
Executive Director of Neighbourhood Services.**

**8 September 2010 (BG/)**

**BACKGROUND PAPERS**

**Nil**

**Any person wishing further information should contact Alan Neish, Head of  
Planning and Economic Development**