
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	15th MARCH 2018	CATEGORY:
REPORT FROM:	CHIEF EXECUTIVE	OPEN
MEMBERS' CONTACT POINT:	MIKE ROYLANCE (01283 595725) mike.roylance@south-derbys.gov.uk	DOC: U/KS/BUDGETS/BUDGET 2018 19/ESF APP FINAL
SUBJECT:	APPLICATION FOR EUROPEAN STRUCTURAL & INVESTMENT FUNDS	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That an application for a two and half year European Structural & Investment Fund Project that will enable voluntary and community sector organisations to apply for the proposed South Derbyshire Employability Grants Fund to deliver 'back to work' projects and programmes across the District is approved.
- 1.2 That a post of Grants and Monitoring Officer, fully funded through the Investment Fund, is added to the Council's Establishment and is employed on a fixed-term contract to co-ordinate the delivery of the Grants Fund.
- 1.3 That the Council becomes the Accountable Body for the Project and the Project is delivered in accordance with the relevant policies and procedures of the Council.
- 1.4 To note that the Council will utilise current resources in Finance, Economic Development and Housing as match funding to discharge its accountabilities as the Accountable Body and to support the Project.
- 1.5 That any opportunities for the Council to utilise the Grants Fund directly with matched funding from within existing budgets is kept under review, to support Council Tenants and other residents with the implementation of Universal Credit.

2.0 Purpose of Report

- 2.1 To inform Members of the European Social Fund (ESF) application for funding as part of the Priority Axis1: Inclusive Labour Markets, Investment 1.4 Active Inclusion, following the success of an Expression of Interest that the Council put forward in partnership with South Derbyshire CVS.
- 2.2 The application will be for a two and half year South Derbyshire Grants Fund worth a total value of £522k, including on-costs. The South Derbyshire Grants Fund will enable voluntary and community organisations to apply for projects and programmes to work with Council tenants and residents with multiple and complex barriers, promoting equal opportunities and active participation together with improving employability locally by breaking down barriers and getting people back into work.

- 2.3 The main outcome of the funding will be to lessen the reliability on the welfare system, raise aspirations, improve the local economy and mitigate the impact on current business relating to administering the housing benefit provision as a result of the introduction of Universal Credit.

3.0 Detail

- 3.1 The 2014 to 2020 European Structural and Investment Funds (ESIF) bring the European Regional Development Fund (ERDF), European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD) together into a single European Union (EU) Structural Investment Fund (ESIF) Growth Programme for England.
- 3.2 The fund is aimed at supporting the key growth priorities of innovation, research and development, support for Small and Medium Enterprises (SME), low carbon, skills, employment, and social inclusion. European Structural and Investment Funds are managed by the Department for Communities and Government (ERDF), and Department for Work and Pensions (ESF).
- 3.3 Over the past few months, officers have been working on a number of employability projects and exploring the impacts of changes in the welfare system along with how ESIF can be maximised. In particular to mitigate potential rent arrears from Council stock as a result of the roll out of Universal Credits later on in 2018, and gearing up to generally support those residents directly affected.
- 3.4 South Derbyshire is a District where there is low unemployment and high inactivity, especially in relation to mental health. As with many places nationally, there is a reliance on specialist voluntary and community services to support this demographic towards independence and employment. However, over the last 12 months, these services have lost funding reducing provision in the local area.
- 3.5 The Council have identified a clear need to fund specialist local provision to support dis-advantaged and vulnerable groups into work, to reduce the reliance on welfare benefits and support individuals with the transition to Universal Credit. The proposed South Derbyshire Grants Fund will enable voluntary and community organisations to apply for grants from £5 up to £50k that will support up to 253 tenants and local residents back into work or training and ensure they are not left financially or socially excluded. The ESIF money will match fund contributions from these organisations as shown in Section 4.
- 3.6 Apart from the Grants Fund, it is proposed that the Council will be the managing agent (Accountable Body) for the South Derbyshire Grants Fund with the support of South Derbyshire CVS who will be a delivery partner. As the managing agent, the Council will be required to administer and monitor grant applications. As part of the application, it is proposed that this will be undertaken by a part time Grants & Monitoring Officer that will be employed by the Council and fully funded through the Project. This would be supported by existing staff resources to support the Project and associated processes. This can be claimed as matched funding.
- 3.7 As part of the Project, South Derbyshire CVS will have a part time Development Officer funded through the Project matched by their own staff time in-kind. This will help to build capacity within the community to enable voluntary and community organisations in particular, small grass roots organisations, who have excellent reach into our communities, to develop their ability to apply and deliver funded provision through the South Derbyshire Grants Fund; this will:

- Support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.
- Engage marginalised individuals and support them to re-engage with education, training, or in employment.

3.8 As part of the grant application criteria, applicants will be expected to demonstrate project costs including 50% match funding contributions, clear outputs, that they have the relevant Equality and Diversity policies in place, in addition to how they would work with other organisations to engage participants, as well as complement and add value to existing services and activities provided by the Council, DWP at Swadlincote Job Centre such as:

- Support around housing issues that may arise
- Support for claimants to get on-line and stay on line e.g. PC/public internet sites across the district
- Processing for Local Council Tax Support Scheme
- Support for claimants with complex needs and in particular those who require personal budgeting support
- Referring claimants to the relevant service / Department who may need an alternative payment arrangement e.g. because of rent arrears or vulnerability
- Work with Universal Credit Programme in preparing landlords

3.9 Match funding for individual projects put forward to the South Derbyshire Grants Fund will be assisted by South Derbyshire CVS who will support groups to identify other sources of match available to them, including:

- South Derbyshire CVS small grants pot
- SDDC Community Partnership Fund
- South Derbyshire Partnership themed group funds
- Derbyshire County Council grants, such as the County Councillors Community Fund
- Private sector contributions i.e. local business sponsorship

3.10 Applications for the South Derbyshire Grants Fund will be submitted to the Grants & Monitoring Officer who will appraise each of the projects and then put these forward to a Grants Panel for approval. The Grants Panel will be made up of representatives from the Council CVS, Swadlincote Job Centre Plus, Derbyshire County Council and a third-party provider (likely to be the YMCA who delivers under all three streams of BBO in South Derbyshire).

3.11 As the Accountable Body, the Council would be responsible for ensuring all financial management and control procedures are in place, including the process for compiling, authorising and ensuring only eligible and defrayed expenditure is included in the ESIF claims for payment. ESIF is paid quarterly in arrears so any grant payments made to individual groups within this period would be incurred by the Council.

3.12 The Council will need to issue each successful applicant with a grant offer letter outlining the necessary process and procedures, including amount awarded,

expected outputs which will then be monitored by the Grants & Monitoring Officer to enable them to report back to the Department for Work and Pensions and claim ESIF Funds.

3.13 Individual projects will not receive payment until the necessary evidence and financial documentation has been provided and signed off by the Council's Finance Unit.

3.14 The Grants & Monitoring Officer will keep a record of all documentation They will also be required as part of their role to follow all processes and procedures in line with Council's policies including Equalities & Diversity, Procurement, Environmental Policy, as well as ensuring voluntary and community organisations applying for grants also follow good practices.

4.0 Financial Implications

4.1 The estimated costs of the Project are summarised in the following table.

Estimated Costs of the Project (Lifetime)					
	Total	Council	CVS	Community	ESF
Staff Costs and Overheads	£	£	£	Bids	£
CVS Development Officer	54,500		27,250		27,250
Grants and Monitoring Officer	33,500				33,500
Manager	10,400	10,400			
Finance and Central Costs	23,400	23,400			
Total Staff Costs and Overheads	121,800	33,800	27,250	0	60,750
Grants Fund	400,000			200,000	200,000
Total Cost of Project	521,800	33,800	27,250	200,000	260,750

4.2 The Council's contribution as managing agent can be accommodated within existing budgets. The Council will have responsibilities as the Accountable Body and will be responsible for cash flow due to ESF Funds being paid quarterly in arrears. The Council will need to ensure that all monies are spent in accordance with grant conditions to claim the ESF funding.

4.3 The cost of recruitment of the Grants & Monitoring Officer will need to be funded by the Council.

5.0 Corporate Implications

5.1 This project is aimed at firstly increasing employment in the area and employability for our residents, meaning a stronger local economy and less reliance on the welfare system. This in turn will establish South Derbyshire as a better place to live, work and visit.

5.2 Communication of the Project will be through the usual channels including social media and in the local press. Successful grant applicants will be responsible for advertising their own projects in order to meet agreed output targets.

6.0 Community Implications

6.1 As previously explained, the aim of this Project is to enable residents to access employment and education. The output targets included in the application highlight

that up to 250 residents will have access to sustainable education or employment over a two year Project.

7.0 Conclusions

7.1 The Project will promote South Derbyshire to become a better place to live, work and visit. Successful projects funded through the Grants Fund will enable more residents to access work and education raising the district's income overall and increasing wellbeing among residents. This in turn will improve the district's economy and reputation.

8.0 Background Papers

8.1 None