

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

28 FEBRUARY 2017

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

BRIDGES INTO WORK 2 EXTENSION

1. Purpose of Report

- 1.1 To seek Cabinet approval to apply for and accept an extension of the Bridges Into Work 2 (BIW2) Project to 31st March 2020.

2. Connection to Corporate Improvement Objectives/Other Corporate Policies

- 2.1 This report links to the following corporate priorities:-

- Supporting a successful local economy
- Smarter use of resources

- 2.2 One of the outcomes of the Bridgend County Borough Council 2016-20 Corporate Plan is that Bridgend County Borough is a “good place for people to live, work, study and visit.” BIW2 is contributing towards this outcome by supporting individuals and families who are unemployed or economically inactive, as well as individuals who face barriers to work or face poverty, by providing employment mentoring, training and other support to help improve their job prospects.

3. Background

- 3.1 Cabinet agreed in December 2013, to the submission of funding proposals which included BIW2 under the new round of European funding. BIW2 is a European Social Fund (ESF) project under Priority One – Tackling Poverty through Sustainable Employment and Theme 1B – Inclusion and Engagement in the Labour Market. The current Project runs to the end of December 2018.
- 3.2 BIW2 is a project collaborating with 5 other local authorities across South East Wales. The lead authority is Torfaen, which led the successful Bridges into Work 1 project in a previous round of European funding. The Project is supported by both South East Wales Directors of Environment and Regeneration (SEWDER) and Learning Skills and Innovation Partnership (LSKIP). The Bridgend Project team consists of the Skills and Sustainable Development Manager, Project Coordinator,

Compliance Finance and Performance Officer, 3 Employment Liaison Officers, 3 Mentors, 2 Skills Trainers and an Administrative Officer.

3.3 The Project targets economically inactive and long-term unemployed people living outside Communities First areas over the age of 25. There are other projects that target other age ranges and Communities First areas, thus providing a service to people aged 16 years or over in the County.

3.4 BIW2 Progress to 31st December 2016

3.4.1 The Project has had a challenging start for a variety of reasons:

3.4.2 The Project started 4 months late due to delays in approval. Staff came into post on 1st September 2015 but the full team was not in place until January 2016.

3.4.3 To be eligible for support, participants have to be the furthest away from being able to access the labour market. However, it can often take time for them to provide the documents required by Wales European Funding Office (WEFO) to prove eligibility, such as birth certificates and National Insurance numbers. This causes a time delay in formally registering participants. For example, although the number of individuals on the project in December 2016 was 250, 48 of them were not yet registered and could not be counted against the target due to the aforementioned reasons.

3.4.4 The UK government's welfare reform programme resulted in increasing numbers of people moving from Employment Support Allowance to Job Seekers Allowance, rendering them ineligible for the Project, despite the fact that they had been claiming benefits for many years. This issue has since been addressed.

3.4.5 Month-on-month the shortfall between the actual and target outputs caused by these issues is reducing and there is confidence that targets will be met by the end of the delivery phase of the current project - 31st December 2017. Were unsatisfactory progress to be made, then there is a minimal risk that WEFO could suspend, cease or require full/part repayment of the financial support.

The following table displays our progress up to 31st December 2016.

Table 1: Target outputs and actuals, to December 2016

	Participant	Qualification	Volunteering	Employment	Job Search
Economically Inactive	135	73	21	21	0
Long-term Unemployed	67	24	26	7	n/a
Actual Total	202	97	47	28	0
Target	277	97	118	40	39

4. Current Situation

- 4.1 Despite the challenges, BIW2 has completed its first 18 months of operation and was the best performing ESF project in Wales as of December 2016. Within the BIW2 family, Bridgend is the top performing authority for job outcomes and qualification outcomes, demonstrating that the Project is both needed and relevant in the context of our community and, for some individuals participation in the project has been a life-changing experience
- 4.2 It is proposed that an extension is sought from WEFO to extend the project to the end of March 2020 in a potentially final round of European funding before “Brexit”. All the BIW2 local authorities are currently working on collating financial and output information for submission to WEFO, subject to approval through their own approval processes. Bridgend figures are based on the trends over the last six months of the project, which were averaged out, multiplied by the extra 24 months of the extension period, uplifted by 15% due to the fact that we now have a full team and are cutting down the deficit month on month.
- 4.3 The volunteering outcome, however, has not followed the same formula as it has been a very difficult target to achieve across Wales, so this will be a focus of negotiation with WEFO. The current delivery phase of the project runs to 31st December 2017. With the extension, WEFO is keen to absorb and adjust the existing targets agreed with Torfaen, which they are now concluding were unrealistic.
- 4.4 The aggregated outputs of the main programme, and the proposed extension are shown in Table 2, but could be subject to change during the WEFO approval process.

Table 2: Revised target outputs and actuals, to April 2020

	Participant	Qualification	Volunteering	Employment	Job Search
Economically Inactive	490	286	125	103	100
Long-term Unemployed	253	99	82	43	n/a
Total	743	385	207	146	100

5. Effect upon Policy Framework & Procedure Rules

- 5.1 There is no effect on policy framework or procedure rules.

6. Equality Impact Assessment

- 6.1 A local Equalities Impact Screening has been carried out and found that no individuals with protected characteristics are disadvantaged. The overarching

objective of the project is to tackle poverty, increase access to training, volunteering and employment and, as such, the project will have a positive impact on equalities.

7. Financial Implications

7.1 The project was originally funded to 31st March 2018 and the proposed extension will run until 31st March 2020. Below is the breakdown of the original award and the additional figures for the required two year extension:

Table 3: Revised target outputs and actuals, to April 2020

	Original Project costs (May 2015 – 31 March 2018)	Additional costs (April 2018 – 31 March 2020)	Total Projected costs (May 2015 – 31 March 2020)
Staff Costs	£905,776	£777,071	£1,682,847
Delivery costs (FR40)	£362,305	£310,833	£673,138
Total Project costs	<u>£1,268,081</u>	<u>£1,087,904</u>	<u>£2,355,985</u>
Funding the Project			
ESF grant fund	£973,452	£837,617	£1,811,069
Total match required	£294,629	£250,287	£544,916
Total Project costs	<u>£1,268,081</u>	<u>£1,087,904</u>	<u>£2,355,985</u>
Staff match-funding (for existing staff member)	£89,771	£59,638	£149,409
BCBC Strategic Regeneration Fund (SRF)	£100,000	£75,000	£175,000
FR40 costs	£104,859	£115,648	£220,507
Total Match	<u>£294,630</u>	<u>£250,286</u>	<u>£544,916</u>

- 7.2 Torfaen, the lead local authority for the Project, has confirmed that the additional funding requested will be added to the existing funding to facilitate a smooth continuation in service. If approved, all existing staff members will remain in post and the Project Manager will continue to be matched into the project at a rate of 50% of their existing salary.
- 7.3 The financial profile is primarily made up of direct staff costs. All other delivery costs (including overheads) are claimed as a set percentage of the direct staff costs, at a rate of 40%. These are known as the FR40 costs. This is in line with WEFO's new simplified costs methodology.
- 7.4 Table 3 demonstrates that the additional match funding requirement has been identified from matching in existing staff time, elements of the simplified costs and from the Strategic Regeneration Fund (SRF). The Project is able to demonstrate an excellent return on investment for the authority. Looking at the projected values, the Project is set to deliver a leverage ratio of over 1:13 in favour of the SRF. For an investment of £175,000 of SRF, the Council will be able to deliver a total programme of £2,355,985 which once again demonstrates the value of the SRF in leveraging funding to deliver vital services for the County Borough's most disadvantaged residents.
- 7.5 Cabinet should note that the figures provided in the report are subject to change, pending final approval by WEFO and confirmed figures will be reported back to Cabinet for information purposes.

8. Recommendations

- 8.1 It is recommended that Cabinet authorise the Corporate Director, Communities, in consultation with the Section 151 Officer, to apply for and accept an extension to the Bridges into Work 2 programme, up to 31st March 2020 in line with the Council's Grant policy, and subject to being satisfied that any grant conditions attached to the extension of funding are acceptable.

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22 February 2017

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Background Documents

Cabinet Report on ESF projects 10th December 2013