

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

1 SEPTEMBER 2015

REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

COMMUNITIES FOR WORK – A EUROPEAN FUNDED PROJECT BETWEEN COMMUNITIES FIRST AND WELSH GOVERNMENT

1. Purpose of Report.

- 1.1 The purpose of the report is to seek approval from Cabinet to deliver a joint project with the Department of Work and Pensions (DWP) funded through European Social Fund (ESF) to support adult and youth employment. This has been developed as a national project for all Communities First Clusters by Welsh Government. Approval is sought subject to the satisfaction of conditions identified within the report.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The actions in the report support the Welsh Government's national programme objectives. Locally the actions support all Corporate Plan priorities.

3. Background.

- 3.1 A previous report to Cabinet on 3rd February 2015 highlighted the development of a new project by Welsh Government and Department for Work and Pensions – Communities for Work (C4W). This report sought authority for officers to explore with Welsh Government (WG) proposals for the Bridgend area and to bring a further report when details were available.

4. Current situation / proposal.

- 4.1 Since then, WG have confirmed that Communities for Work (C4W) will operate as a separate but complementary programme to Communities First and is expected to integrate fully with the existing Communities First activities. The project will provide intensive employment mentoring and support in all 52 Clusters in Wales via a number of distinct, but integrated elements. The project is funded by the European Social Fund up to 2018 with a possibility of extension until 2020.
- 4.2 The project will be delivered locally through 'employment mentors' who will work closely with Employment Advisors within DWP. Communities First delivery bodies have been invited to submit costed proposals for the delivery of the project in their areas. It is anticipated that there will be a phased implementation across Wales, starting from October onwards.
- 4.3 Current guidance from Welsh Government indicates that 3 staff per cluster will be funded, (an adult mentor, a youth mentor, and a triage officer) with a potential additional one post for each lead delivery body for financial and governance purposes, subject to negotiation.

- 4.4 Of key importance is clarity on the legal and financial responsibilities that will be placed on the Council, the level of funding available, and the governance and compliance requirements.
- 4.5 The lead bodies for European funding purposes are Welsh Government and DWP. In order to participate in this project, Bridgend Council, as the Communities First Lead Delivery Body (LDB) will be required to enter into a legal agreement with WG, to undertake a specific activity on its behalf, under a 'Service of General Economic Interest' which is provided in an 'Act of Entrustment' to meet EU regulations. This legal documentation has not yet been issued by Welsh Government, so any decision by Cabinet to participate in the project will be subject to the Assistant Chief Executive Legal and Regulatory Services, and the Corporate Director, Resources being satisfied with the terms of the agreement.
- 4.6 Work is underway on developing the budget plan and staffing structure for Bridgend. The proposed budget for the project is expected to be in the region of £1million over its lifetime, and includes salary costs and an additional amount of 15% for overhead costs such as office costs, IT support and management costs. The ability to include these costs on a percentage basis, has only recently been agreed by the Wales European Funding Office, and is known the 'Simplified Cost Model.' This 15% overhead can only be claimed against the number of staff in place and it is therefore imperative that the project is fully staffed at the outset, and that full staffing is maintained throughout its lifetime, in order to keep to the agreed budget. It will be necessary to implement 'fast track' recruitment processes in order to ensure that budget gaps are not created as a result of failure to fill staff vacancies in a timely manner.
- 4.7 The project is to be welcomed as it will provide a level of intensive support and mentoring for individuals which will enhance the current employment support activities of the C1st programme within the Communities First structure. Subject to successful conclusion of the negotiations on the financial and legal issues, Cabinet is recommended to authorise officers to pursue this project with the purpose of implementation as soon as possible.

5. Effect upon Policy Framework& Procedure Rules.

- 5.1 There is no effect upon the Policy Framework and Procedure Rules. A 'fast track' system for recruitment to EU grant funded projects will be required to maximize delivery capacity and grant income, and reduce the risk of underspend.

6. Equality Impact Assessment

Not applicable

7. Financial Implications.

- 7.1 Project costs will be fully funded through the European Social Fund, with no requirement for match funding from BCBC. Fundamental to the ability to claim 15% overhead on the project via the 'Simplified Cost' model will be meeting the staff budgeted costs throughout the project.

7.2 In line with other EU funded programmes it is anticipated that statutory redundancy costs relating the period in which staff are employed on the delivery of the project will be met within the project funds. Where contracts for the project extend beyond two years, any associated non-statutory redundancy/compensatory payments will have to be met outside of the ESF allocated funds.

8. Recommendation.

8.1 Cabinet is recommended to authorise the Corporate Director, Communities to develop the delivery plan for the project in Bridgend, and in consultation with the Corporate Director, Resources and the Assistant Chief Executive Legal and Regulatory Services, to enter into the necessary agreements with WG on behalf of the Council, as set out in paragraph 4.5 above.

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Background documents

None