



## Belfast City Council

<b>Report to:</b>	Development Committee
<b>Subject:</b>	European Social Fund – Match Funding requests
<b>Date:</b>	15 February 2011
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
<b>Contact Officer:</b>	Shirley McCay, Head of Economic Initiatives, ext 3459

<b>1.</b>	<b>Relevant Background Information</b>
1.1	Members will be aware that, at the August 2010 meeting of the Development Committee, details of an upcoming call for projects under Priority 1 of the European Social Fund (ESF) were provided. Priority 1 focuses on “helping people into sustainable employment.”
1.2	At the August meeting, members agreed a set of criteria to be used to guide the development of any potential applications under ESF. It was also agreed that these criteria would be used to assess any requests for match funding from potential partners.
1.3	The call for projects was launched in late August 2010 and the deadline for submissions was 5 November 2010. All projects were notified of the outcome of the assessment at the end of December 2010.
1.4	In total 112 applications were received of which 84 received letters of offer. Due to the high volume of applications and subsequent approvals, all successful projects were asked to consider a 25% reduction to their original budget.

<b>2.</b>	<b>Key Issues</b>
2.1	Projects that are successful in receiving ESF support are awarded funding of up to 65% of the total project value. They have to seek match funding from another public sector partner(s) for the remaining 35%. Projects can also choose to “self-match” i.e. they can provide support in-kind to meet the match funding requirements. ESF projects have a three year duration but match funding requests have to be endorsed on an annual basis.

2.2	Applications for match funding have been received from 10 projects (including one Belfast City Council-led initiative). The total match funding requested exceeds £230,000. A budget of £60k has been allocated within the Departmental Estimates for 2011/12 to support ESF projects.
2.3	Details of all projects that have made match funding requests are attached as Appendix 1. The table provides an assessment of the projects against the criteria previously established by this Committee and includes details of the level of match funding requested for this coming financial year.
2.4	<p>In addition to the assessment against the criteria, members should be aware of a number of points:</p> <ul style="list-style-type: none"> <li>– The projects submitted by North Belfast Partnership and Training for Women Network (TWN) were not among the successful 84 projects. However both projects have appealed the decision and are hopeful that this will be reversed. Appeals will be assessed in the coming weeks and it is likely that a decision will be made in mid-February 2011</li> <li>– As part of their decision at the August 2010 Development Committee regarding priority criteria for council's contribution to ESF projects, it was agreed that requests for match funding received after the application process closed would not be considered. Representatives from TWN, Upper Springfield Development Co Ltd and Women in Business did not meet with officers to discuss ESF funding applications ahead of the deadline. However these organisations have held meetings with council officers subsequently and have formally asked that their match funding applications be considered by this Committee</li> <li>– Some of the projects include staff costs which appear to be excessive, with many at 70% or 80% of the overall project budget, as against general practice of around 30-40% overheads costs. Most projects also included significant uplifts in salaries year on year, despite the stipulation in the recent DEL budgetary announcement that they would expect all funded initiatives to mirror the current pay restraints that they are implementing</li> <li>– It is unlikely that all of these projects will be successful in finding the match funding requested, given the efficiency cuts currently being pursued across all of the public sector. At this stage, we have not been able to determine whether any of the projects seeking other match funding in addition to Belfast City Council support have had confirmation that the funding is available</li> <li>– Match funders do not have to provide the total amount requested – they can agree to provide a lesser amount, if appropriate.</li> </ul>
2.5	<p><u>Assessment of compliance with agreed criteria</u></p> <p>In order to assess the relative merits of each of the applications received, we have undertaken an assessment of the projects against the criteria agreed by Committee in August 2010, namely:</p> <ul style="list-style-type: none"> <li>– Degree of fit with Belfast Employability and Skills strategy</li> <li>– City wide/strategic impact</li> <li>– Degree of duplication of other services</li> <li>– Focus on agreed priority sector?</li> <li>– Expected job outputs against investment.</li> </ul>

2.6	We also endeavoured to make some assessment of the value for money of the respective projects. This was based on ratio of staff v participant costs, cost per job to BCC.
2.7	In order to help Members assess the relative merits of each submission, we have made an assessment of how each project meets the agreed criteria. This is based on; <ul style="list-style-type: none"> <li>- A maximum of 10 points each for; <ul style="list-style-type: none"> <li>- fit with employability and skills strategy</li> <li>- citywide/strategic impact</li> <li>- duplication of other services and</li> <li>- focus on target economic sector</li> </ul> </li> <li>- A maximum of 10 points for 'value for money'. This is a combination of ratio of staffing to programme delivery costs and potential employment outputs.</li> </ul>
2.8	Based on these assessments, it is proposed that Council considers support for the following three projects: <ul style="list-style-type: none"> <li>- HARTE – contribution of up to £35,470 for year 1</li> <li>- Tools for Life – contribution of up to £20,000 for year 1</li> <li>- Learn 2 Earn – contribution of up to £5,000 for year 1, to support the self-employment element, which will complement the HARTE programme</li> </ul>

<b>3.</b>	<b>Resource Implications</b>
3.1	The total match funding requests for year 1 are around £245,000.
3.2	Taking account the relative merits of the applications received and their match with the agreed criteria, it is proposed that the Committee agrees to support the Council led HARTE programme, up to £35,476 for year 1.
3.3	It is also recommended that consideration be given to supporting the Tools for Life programme up to £20,000 for year 1 and the Learn to Earn programme up to £5,000 for year 1.

<b>4.</b>	<b>Equality and Good Relations Considerations</b>
4.1	All applications will be equality impact assessed by the Department for Employment and Learning (DEL) as part of their decision-making process.

<b>5.</b>	<b>Recommendations</b>
5.1	Members are asked to: <ul style="list-style-type: none"> <li>- Note the match funding requests received by ESF project applicants</li> <li>- Note the assessment of relative merits against agreed criteria</li> <li>- Agree the recommendation to support the three projects identified, up to a value of £60,476.</li> </ul>

<b>6.</b>	<b>Decision Tracking</b>
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Update reports on any projects funded will be provided on a regular basis.	
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<b>7.</b>	<b>Key to Abbreviations</b>
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ESF – European Social Fund	
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DEL – Department for Employment and Learning	
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<b>8.</b>	<b>Documents Attached</b>
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Appendix 1 – Overview of match funding requests received	
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