



## Belfast City Council

<b>Report to:</b>	Development Committee
<b>Subject:</b>	Council Engagement in Employability and Skills Development Initiatives
<b>Date:</b>	27 June 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 February meeting of the Development Committee, a paper was presented to make Members aware of a number of projects which were seeking match funding for their European Social Fund (ESF) applications. Members agreed that they would defer a decision on whether or not to provide the match funding as requested until the projects had undergone economic appraisal by Department for Employment and Learning (DEL). These appraisals are now complete.
1.2	Members will also be aware that, at the March meeting of the Development Committee, requests for support from the Employment Services Board (ESB) and Employers' Forum (EF) were received. Following legal opinion as to whether these requests could be considered, the Committee agreed as an interim gesture, to grant funding to the Employment Services Board, up to a maximum of £15,000, over a period of three months commencing 1 April, under the special expenditure powers as set out in Section 115 of the Local Government Act (Northern Ireland) 1972, it being the opinion of the Committee that the expenditure would be in the interest of, and would bring direct benefit to, the District and the inhabitants of the District, with the Committee being satisfied that the direct benefit so accruing would be commensurate with the payment to be made.
1.3	At that meeting, Members asked that a report be presented to the June Committee outlining the wider issue of the Council's future involvement in employability and skills issues, and recommending a proposed approach for this work.

<b>2</b>	<b>Key Issues</b>
2.1	<p><u>European Social Fund applications</u></p> <p>Members are reminded that, at the August 2010 meeting of the Development Committee, agreement was reached on a set of criteria to be used to guide the development of any potential applications under ESF. These criteria included:</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 with other services</li> <li>– Focus on agreed priority sector</li> <li>– Expected job outputs against investment.</li> </ul>
2.2	<p>At that meeting, Members also agreed that requests for match funding received after the application process closed would not be considered.</p>
2.3	<p>In total, 10 projects made match funding requests to the council (including one council-led initiative). These projects have a total match funding requirement of more than £245,000. Details of the projects including a brief description of planned activity and match funding required from Belfast City Council are attached as Appendix 1.</p>
2.4	<p>The projects submitted by North Belfast Partnership and Training for Women Network (TWN) were not among the 84 applications approved by DEL. Both organisations appealed this decision but were not successful in their appeals.</p>
2.5	<p>Representatives from TWN, Upper Springfield Development Co Ltd and Women in Business did not meet with council officers to discuss their ESF funding applications ahead of the submission deadline. However the organisations did engage with council staff subsequently and asked that their applications be presented to the committee for consideration.</p>
2.6	<p>At the February 2011 Development Committee, Members suggested that, while they were unable to take a decision on the applications at that stage, the scoring used should remain valid and should be used for selecting the most relevant match funding requests at a future meeting. Scores were assessed out of a total of 50 marks taking account of each of the eligibility criteria already presented above, along with some consideration of value for money. This was a combination of ratio of staff to programme delivery costs and potential employment outputs. The scores are included in appendix 1.</p>
2.7	<p>Based on the assessments, it was proposed that Council considered support for three projects, namely:</p> <ul style="list-style-type: none"> <li>– HARTE – contribution of up to £35,476 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>
2.8	<p>Given available resources and developments with other funders, it is recommended that these projects are supported for year 1 (April 2011-March 2012). Given the late start dates, there may be some downwards revision of the budgetary commitment required, subject to discussion with the individual project promoters.</p>
2.9	<p><u>Match funding support for Employment Services Board (ESB) and Employers' Forum (EF)</u></p> <p>Members are reminded that, at the 28 March 2011 meeting of the Development Committee, it was agreed as an interim gesture, to grant funding to the</p>

	<p>Employment Services Board, up to a maximum of £15,000, over a period of three months commencing 1 April, under the special expenditure powers as set out in Section 115 of the Local Government Act (Northern Ireland) 1972. In doing so, the committee indicated that it was of the opinion that the expenditure would be in the interest of, and would bring direct benefit to, the District and the inhabitants of the District, and that it was satisfied that the direct benefit so accruing would be commensurate with the payment to be made. This decision was made on the basis of legal opinion from the Legal Services team.</p>
2.10	<p>The Employment Services Board brings together a range of public and private partners working on employability issues, focusing on the west Belfast and Shankill areas. A service level agreement (SLA) was drawn up between the organisation and Belfast City Council for the delivery of agreed services within the designated time period. These include:</p> <ul style="list-style-type: none"> <li>– Participation in the TQ Work group providing input and advice on maximising benefit to those furthest from the labour market, with particular regard to the Operator contract in the short-term</li> <li>– Monitoring the impact of welfare reform on the city’s unemployed, including tracking the impact of benefit reassessment and promoting approaches to increase take up of existing support</li> <li>– Supporting the continued development of the Health Employment Partnership in its expansion to cover areas of disadvantage across the City.</li> </ul>
2.11	<p>This work is still going on at present and will complete at the end of June 2011. The organisation is currently working on a plan to determine its strategic direction going forward and is anticipating making an application for further support under the Social Investment Fund (SIF) for its ongoing operations.</p>
2.12	<p>The Employers’ Forum was established in 2003 by Business in the Community (BiTC), with the support of Bombardier Aerospace. The Forum provides an interface with up to 40 employers, working within 6 sectoral “clusters”. These include construction, engineering, contact centres, retail and IT. The employers are committed to helping those furthest from the labour market to find work by providing support to help develop employability skills, identifying opportunities for work experience and ultimately providing sustainable employment opportunities. The Employers’ Forum has helped almost 1000 people from the west Belfast and Shankill areas find employment since it was established.</p>
2.13	<p>The Forum is currently funded by Bombardier and Northstone Construction. Business in the Community (BiTC), who operate the Forum, were seeking funding from Belfast City Council of £40,000 per annum towards the operation of a citywide Employers’ Forum. This would enable the roll-out of the learning from west Belfast and Shankill across the city. Members at the March meeting of the Development Committee did not propose to support this organisation, judging that its financial position did not appear to be as precarious as that of ESB. The organisation is still endeavouring to source funding and has asked to meet with Council officers late in June 2011 to consider what role Belfast City Council may play in this regard. As with the previous reports on this issue, it is suggested that any engagement and/or support should be framed within a wider, agreed approach to addressing the city’s employability and skills challenges.</p>
2.14	<p><u>Proposed Council role in city-wide employability and skills development work</u> The funding-driven approaches identified above in this report indicate the need for Belfast City Council to agree its role and function in supporting employability and skills-related initiatives.</p>

2.15	While there is a plethora of activity ongoing across the city, much of it is subject to time-bound funding or comes with a complex range of criteria which mean that accessing the provision and signposting individuals to relevant support is very difficult. At the same time, unemployment levels are continuing to increase across the city and in the wider region and this risks hampering our recovery from the downturn.
2.16	Much of the economic assessment work that the council has commissioned in recent years identifies the need to ensure that education and skills are aligned to the needs of the local economy and highlights the current mismatch in this regard. In particular, the economic inactivity levels in the city – which have never really improved, even during the decade of major growth from 1998-2008 – place a major brake on productivity and growth levels in the city.
2.17	As mandated by this committee, officers have held a number of preliminary meetings with senior DEL officials to consider the best approach to addressing these challenges. A draft scoping paper outlining the challenge, rationale and approach has been drafted and is attached as Appendix 2.
2.18	In summary, it is proposed that the collaborative city-wide forum would consist of a small grouping of key organisations committed to developing and working towards an integrated response to the challenge. Representatives on this forum would be senior level individuals capable of committing the organisation to specific activities and identifying commensurate resources to deliver on those activities. From a Belfast City Council perspective approach, this would provide a framework in which we could make informed decisions as to how and where we should commit resources to address the city-wide challenges of economic growth, aligned to a wider, coordinated approach to economic growth.
2.19	DEL officials have indicated that they may be willing to consider how they could realign their existing resources internally to support the delivery of agreed activity. This may be done by providing a member of staff on secondment – similar to the current arrangement around employability issues in Titanic Quarter. It is anticipated that Belfast City Council may be expected to make a financial contribution towards the salary costs, subject to further discussion with DEL. If this is the case, an allocation has been identified for this activity within existing resources.
2.20	In order to secure the leadership role for Belfast City Council, there is an opportunity for the Chair of Development Committee to lead and chair this process, if appropriate.

<b>3</b>	<b>Resource Implications</b>
3.1	<u>European Social Fund</u> Budgets for each of the match funding requests are attached as Appendix 1.
3.2	If the proposed approach to city-wide employability and skills issues is endorsed, Belfast City Council may be expected to make a financial contribution towards the salary costs of a staff member on secondment from DEL, subject to further discussion with that organisation.
3.3	Provision for both areas of activity has been made within the current estimates.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no equality or good relations considerations attached to this report.

<b>5</b>	<b>Recommendations</b>
5.1	<p>It is recommended that Members:</p> <ol style="list-style-type: none"> <li>1. Note the match funding requests received by ESF project applicants;</li> <li>2. Agree the recommendation to support the three projects identified, up to a value of £60,476;</li> <li>3. Note the proposed city-wide approach to employability and skills development issues and endorse this as a way forward for this area of work.</li> </ol>

<b>6</b>	<b>Decision Tracking</b>
Progress on these activities will be presented as part of the regular departmental plan updates to committee.	

<b>7</b>	<b>Key to Abbreviations</b>
<p>BiTC – Business in the community  DEL – Department for Employment and Learning  ESB – Employment Services Board  ESF – European Social Fund  SIF – Social Investment Fund  SLA – Service Level Agreement  EF – Employers’ Forum</p>	

<b>8</b>	<b>Documents Attached</b>
<p>Appendix 1 - ESF match funding requests  Appendix 2 - Draft scoping paper on proposed collaborative approach to employability issues</p>	