



Report to:	Development Committee
Subject:	European Social Fund (ESF) match funding request and HARTE procurement
Date:	15 April 2014
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1	Relevant Background Information
1.1	<p><u>Match Funding Request</u></p> <p>Members will be aware that European Social Fund (ESF) Priority One provides financial support to promote training and other activities to assist long term unemployed people obtain sustainable employment. ESF projects are funded through the Department of Employment and Learning (DEL) and is subject to the agreed match funding being in place. Successful projects are allocated funding on condition that they can provide 35% match funding from another public sector source. Match funding must be secured on an annual basis.</p>
1.2	<p>At the March 2014 meeting of Development Committee, Members agreed to provide match funding to six ESF projects for 2014-2015. Members will recall that East Belfast Mission (EBM) had not submitted a match funding request to Belfast City Council but if forthcoming it was agreed that it would be presented to a future meeting of Development Committee for consideration. EBM has now submitted a match funding request for Jobs4u for 2014-2015.</p>
1.3	<p><u>HARTE</u></p> <p>Following an open procurement exercise, Time Associates was awarded the contract for the Council's HARTE (Hospitality and Retail Training and Employment) Programme in November 2011. The tender was for the achievement of defined targets up to March 2014. DEL subsequently offered a one year extension to the funded projects as well as a 25% uplift in the budgets for year 3 (last year) and year four (2014-2015). The Development Committee previously agreed the extension to the project.</p>

2	Key Issues
2.1	<p><u>East Belfast Mission (EBM) - Jobs4u Project</u></p> <p>The midterm progress report received from EBM (to end September 2013) shows the project engaged with 84 participants out of an annual target of 212.</p>

	<p>25 people moved into employment against a target of 53, seven people completed a qualification against a target of 42 and 84 people engaged in job search activities against a target of 170.</p>
2.2	<p>Provisional figures (up to mid-March 2014) indicate 195 people were registered out of a 212 target, 52 people got jobs against a target of 53, 38 people completed a qualification against a target of 42 and 195 people engaged in job search activities against a target of 170. Targets have improved compared with the other quarters following a re-focusing of resources to the project. A recent review of operating procedures has identified additional outreach opportunities to work closely with community partners and better engage with local long-term unemployed people as a means of ensuring that targets for the coming year are met.</p>
2.3	<p>In the coming year, the Jobs4u project will again aim to support 212 people, assist 53 people into employment and 42 people to complete qualifications and engage 170 people in job search activities.</p>
2.4	<p>The total project cost of the Jobs4u programme is £190,253 for the 2014/2015 financial year. The organisation is requesting match-funding support of £12,485 from Belfast City Council. The other funding sources are DEL/ESF (£123,665); other DEL match (£15,312 - currently being applied for) and East Belfast Mission (£38,791).</p>
2.5	<p><u>HARTE</u> Given that the original contract between Belfast City Council and Time Associates was scheduled to come to an end in April 2014, officers have taken advice from Central Procurement Services on the implications of extending this contract in order to deliver the final year of the programme, following DEL's funding extension.</p>
2.6	<p>As part of this process, a value for money assessment of Time Associates' original contract to March 2014 for achievement of the HARTE project targets was undertaken. Time Associates' proposed costs for the extended project period (to March 2015) were also reviewed. The European Social Fund Promoter's Operating Manual guidance on subcontracting requires project promoters to follow Central Procurement Directorate (CPD) guidelines for purchases of direct items in excess of £200. Officers have therefore applied a CPD test to the proposed revised contract.</p>
2.7	<p>The findings of the exercise above are:</p> <ul style="list-style-type: none"> - Over the current contract the Council has received good value for money from Time Associates. The original tender price was £410,336 and the actual amount paid to the contractor was £404,741. The original target of 188 participants was exceeded by 16 and the supplier delivered one further programme/workshop. Therefore the contract has cost less than the tender price and the original targets upon which the tender was based have been exceeded - The cost schedule submitted by Time Associates for the period 1 April 2014 – 31 March 2015 is £119,585. In most instances costs are straight line projection of rates from Time Associates' original tender. The costs are also proportionate when considered against the targets in the original tender. In instances where costs are not straight line projections there is a clear rationale mostly influenced by DEL as the funder. The costs are

	<p>in line with the overall letter of offer received by Belfast City Council from DEL – the maximum value of the contract is £142,000, based on the Council's match funding commitment of £25,000 in cash and £10,000 in kind (therefore a total cash value of £132,000).</p> <ul style="list-style-type: none"> - The CPD test applied by officers concluded that the economic balance of the contract has not changed in favour of the contractor in a matter not provided for in the terms of the initial contract.
2.8	<p>A further consideration of this contractual matter is that DEL will not be in a position to extend the timescale beyond March 2015 for achievement of the outputs. Therefore if the Council did not agree to the extension of the current contract, both the ESF funds and potential economic impacts would be lost.</p>

3	Resource Implications
3.1	<p>The total match funding requirement for East Belfast Mission in the 2014/15 financial year is £12,485. This budget is provided for in the Economic Development Unit 2014/15 budget.</p>
3.2	<p>The Council's match funding commitment to the extended HARTE project was approved by Development Committee in March 2014 (£25,000 from Belfast City Council).</p>

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

5	Recommendations
5.1	<p>Members are asked to:</p> <ul style="list-style-type: none"> - Consider the match funding request of £12,485 for the Jobs4u project at East Belfast Mission - Consider an addendum to the Time Associates contract for achievement of a further year's targets for the HARTE project to March 2015 at a total value of £119,585, subject to agreement by DEL.

6	Decision Tracking
<p>Update reports will be presented to Committee on an annual basis.</p>	

7	Key to Abbreviations
<p>CPD - Central Procurement Directorate DEL - Department for Employment and Learning EBM - East Belfast Mission ESF - European Social Fund HARTE - Hospitality and Retail Training for Employment</p>	