



Subject:	ESF update and proposed match funding approach
Date:	8 September 2021
Reporting Officer:	John Greer, Director of Economic Development
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report
1.1	The purpose of this report is to update Members on the European Social Fund (ESF) call for applications which closed in July 2021, and to seek approval for the proposed Council approach to match funding projects, subject to funding availability, in the coming financial year.
2.0	Recommendations
2.1	The Committee is asked to; <ul style="list-style-type: none">Note the Department for the Economy's decision to open the last year of ESF funding (2022/23) to an open callApprove the recommended approach for Council match funding, within the indicative funding envelope of £240,000 (subject to approval of 2022/23 estimates), consistent with the amounts and approach operated in the previous years

- Note that, subject to agreement of this approach, a report will be brought back to a future meeting of the Committee to advise on proposed funding allocations.

3.0 Main report

3.1 The European Social Fund (ESF) provides funding for activity to help key target groups (long-term unemployed, economically inactive, those not in education, employment or training, disabled people) to develop their employability and skills and ultimately to find employment/self-employment. ESF providers are currently in year four of what was expected to be a five-year delivery timeframe.

3.2 Through ESF, DfE had provided funding for up to 65 projects regionally with approximately 50% of these operating from and/or within the Belfast area. Members will be aware that the Council has previously given commitment to match fund five European Social Fund (ESF) projects over the Call 2 funding period. The five projects are:

Organisation	BCC ESF Match-funding per annum
Springboard	£27,245
Workforce	£54,699
USEL	£50,000
Specialisterne	£9,080
LEMIS+/Belfast Works (ACT, USDT, EBM, GEMS NI and Impact Training)	£98,966

3.3 In May 2021, DfE advised that the proposed extension of existing funding agreements for a further year (2022/23) would not be possible, based on advice from the European Commission. Instead, they issued an open call for applications in June 2021, with a closing date of July 2021. Applications are currently being assessed and it is likely that decisions on successful projects will be made by mid-September 2021. Similar to previous years, successful projects will receive up to 65% of the requested budget, and project promoters are expected to find the matching 35% budget. This usually comes from other government departments, councils, public bodies or private organisations. Projects can also provide an element of “self match funding” where they make a contribution to the programme costs.

3.4 ESF is administered by the Department for the Economy (DfE). This means that the council has no influence on the selection process and/or funding allocations to specific projects.

Nonetheless, the level of resources available represents a significant investment in provision and there are opportunities to consider how the Council can work alongside selected projects as part of the solution to addressing economic inactivity in the city, complementing some of the Council-led work in this field. ESF projects and other community-based engagement and training are key elements of the pipeline of support for Council's delivery of, for example, Employment Academies as well as for the new Belfast Labour Market Partnership.

3.5 As part of the application process, the Council received match-funding requests from ten organisations. Officers have met with all projects at this stage in order to explain the council position and the proposed approach, subject to Council endorsement. It is not yet known how many of these projects will be successful in attracting their 65% funding from DfE. Taking account of the need to ensure provision for these priority target groups – particularly in a challenging labour market – it is proposed that the council approach to supporting ESF in 2022/23 is to:

- Maintain the match funding at £240,000 (subject to resource availability as part of the estimates process)
- Establish a transparent process for assessing which projects should receive match funding from the Council, and the amount of match funding that they should receive.

3.6 In terms of the transparent process, it is proposed that a number of criteria are established and formally communicated to those seeking match funding. It is also recommended that only those projects that are successful in securing approval through the DfE call will be included as part of this process. Recommended assessment criteria include:

- Ability to address the specific areas of challenge identified in the strategic assessment recently undertaken as part of the work of the Belfast Labour Market Partnership
- Ability of the project to support delivery on a city-wide basis, while recognising the need to address the spatial disparities in employment deprivation and skills levels across the city
- Experience of delivering against targets such as engagement rates and outcomes such as employment/self-employment, involving ESF and/or other interventions
- Assessment of how the project can complement and support delivery of planned Council interventions.

3.7 Subject to Council endorsement, officers will undertake an assessment of projects seeking match funding in line with the approach set out above, following the DfE decision on successful

	<p>applications. A report will be presented to a future meeting of this Committee outlining the proposed projects to be supported, including the financial allocation recommended for each.</p> <p><u>Financial and resource implications</u></p>
3.8	<p>Subject to 2022/23 financial estimates, it is proposed that an allocation of £240,000 is set aside within the departmental budget to match fund successful ESF projects.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p>
3.9	<p>The Department for the Economy is responsible for the EQIA for the overall programme. The nature of the programme means that it is focused on those furthest from the labour market. Projects all across Northern Ireland can apply for funding.</p>
4.0	Appendices – Documents Attached
	None