

**REPORT TO:** Employment Learning and Skills and  
Community Policy Performance Board

**DATE:** 24th March 2014

**REPORTING OFFICER:** Strategic Director Children & Enterprise

**PORTFOLIO:** Leader

**SUBJECT:** European Programme 2014-2020

**WARDS:** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

1.1 The Operational Director for Economy, Enterprise and Property will provide a presentation on how Halton's European Funding Action Plan is intended to support the business priorities of the Employment Learning and Skills and Community PPB.

## **2.0 RECOMMENDATION: That PPB Members:**

- (1) Note the presentation and emerging priorities that have been identified.

## **3.0 SUPPORTING INFORMATION**

3.1 A report to this Board in January explained that EU Regulations for the new programme require all EU funding to be spent on 11 thematic objectives; the Liverpool City Region has agreed that these themes will be taken forward through 5 portfolios:

- Blue/Green Economy
- Business Economy
- Innovation Economy
- Inclusive Economy
- Place and Connectivity

(N.B. The term portfolio is used in this context to describe specific headings. It does not mean Council Portfolios).

3.2 Halton has mirrored the 5 Portfolios in developing its own set of projects under the same themes.

3.3 A partnership event took place on February 7th where the borough's partners were invited to comment on the priorities that had been outlined to date. Partners were asked to confirm their support for the initiatives being developed, and or identify where there were potential gaps in provision.

3.4 The Inclusive Economy and Business Economy are the portfolios most relevant to this Policy Performance Board.

3.5 Emerging considerations for the Business Economy portfolio are:

- Business support measures should address current market failure – EU funding best employed to plug gaps in existing business support provision
- Necessary to map current business support provision against the entire lifecycle of a typical business, from pre-start, to start-up, to post-start to high growth.
- This would enable work of the 'Business' theme' to then better mesh with other providers & the work of other thematic groups

❖ **Establish long-term relationships – ensuring continuity with the company**

- Current ERDF funded business support provision, e.g. Merseyside Business Support Programme (MBSP), is wholly output driven, currently measured at a minimum of 12 hours consultancy support
- 12 hours of support was regarded as of limited use to a growing business, although Halton typically delivers 6 days of support
- Any successor programme to MBSP, be it pan-Merseyside or bespoke to Halton, should have capacity to revisit companies who have previously benefited from support in order to support them further

❖ **Skills & capacity building**

- £900,000.00 of ESF for 'skills' is nominally under the 'Business' theme
- No programmes developed to utilise this resource but stressed the need to address the requirement for higher skills, particularly within the science, technology & advanced manufacturing sector & to build capacity amongst owner managers & directors

- Evident that access to finance was a key challenge facing business leaders & often business leaders have little or no understanding of the financial markets
- Evidently a clear link between this Portfolio & the work of 'Inclusion' & advocated a cross theme working group to work together to develop a series of programmes which addresses the skills needs of individuals in work, those seeking work and business leaders

#### ❖ **Learn from existing programmes**

- Experiences of previous EU funded business support programmes illustrated where mistakes had been made time and time again in successive programmes
- Essential that we learn from the mistakes of previous programmes when designing future programme

3.6 Emerging considerations relating to the Inclusive Economy are set out below:

#### **Skills Development**

Aspirations:

- Schools
- NEETs
- Windmill Hill ( a big local area)

Cross cutting with other portfolios

#### **Tackling Youth Unemployment**

- Person centred approach
- Tracking
- Support to sustain employment
- Work placement/transport : wraparound support

#### **Helping Adults Back To Work**

- Making the most of support agencies
- Volunteering
- Focus on specific cohorts
- Interventions/breaking down barriers

- Skills growth & connectivity
- Infrastructure support

#### **4.0 POLICY IMPLICATIONS**

- 4.1 This is in line with the Council's Corporate Priorities and with the requirement to lever as much external funding as possible into the borough to support the communities of Halton.
- 4.2 It is proposed that the Operational Director for Economy, Enterprise and Property will take the lead on the day to day management of the programme and will be supported by the External Funding Team who will offer a borough-wide service helping with application writing, funding claims and the ongoing monitoring.

Whilst Halton has an allocation it is imperative that all Halton's applications are realistic and robust and meet the eligibility criteria and that they are underpinned by a comprehensive monitoring system.

It is therefore, anticipated that additional support will be required from the Council's Internal Audit and Accountancy Divisions.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 An indicative allocation of £16.9 million is good news for the Borough. However, in order to draw down the maximum grant available over the 7 year period, it will be necessary to identify and secure appropriate matching funding, because, depending on the type of project, the level of matching funding required can vary between 20% and 50%. In broad terms to draw down £16.9m of European grant, a further £40m to £50 million of additional funding will be required.

However, this additional funding can be drawn down using a variety of sources, for example, Government departments (DWP, Skills Funding Agency, Business Innovation and Skills), Lottery Funding, Trust Funding, Landfill Communities funding, Regional Growth Fund, Growing Places Fund, as well as private sector contributions from businesses and developers.

In addition, 'in kind' and 'actual' costs can be used as matching funding, providing the costs are attributable to the project. Examples of in-kind contributions include land, equipment, and unpaid voluntary costs. Actual costs can include premises, salaries, overheads and fees.

There are also opportunities for Halton to apply economies of scale principles by either 'slip-streaming' regional initiatives, or working collaboratively with neighbouring LEP areas. In cases such as these, the Council would not always be the provider of the service, but could still

use its influence and its EU allocation to direct the most effective deployment of these resources for the benefit of Halton's residents and businesses.

Therefore, colleagues have developed project realistic options which are not only based on need and demand, but reflect opportunities for drawing down external funding.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

There is a significant opportunity for the EU programme to benefit all of the Council's priorities. Specific projects will be developed to support Children and Young People, targeting the resources where they are most needed.

### **6.2 Employment, Learning and Skills in Halton**

Overall the EU programme will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton. The projects being developed will support the local economy, local businesses and the local community which in turn will skill up Halton's workforce and create more jobs locally.

### **6.3 A Healthy Halton**

The EU programme will promote healthier communities through jobs opportunities, the development of green transport and housing initiatives.

### **6.4 A Safer Halton**

The EU programme will complement the initiatives of the Mersey Gateway Regeneration Strategy and the good work of the Police and Community Safety and through its projects look to reduce the fear of crime

### **6.5 Halton's Urban Renewal**

The EU programme will act as a catalyst to attract developers and new businesses to the area by creating an attractive, well-accessed and serviced area, which provides a safe and attractive environment for employees and visitors.

## **7.0 RISK ANALYSIS**

- 7.1 There is a risk that the Council will not be in a position to access the EU grant funding if it cannot source the match funding required which is a minimum of £16.9m. If the Council were to place an over reliance external match, Halton could potentially lose out.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

It is anticipated that reference to Equality and Diversity principles will be a prerequisite for any funding available. In fact, the theme 'Inclusive Economy' focuses on supporting disadvantaged either to enter into the work place or remain in the work place

## **9.0 REASON(S) FOR DECISION**

An indicative allocation of £16.9m is a much needed resource which will support the borough in delivering its strategic priorities

## **10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

N/A

## **11.0 IMPLEMENTATION DATE**

January 2014 onwards

## **12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Strategic Investment Plan	Municipal Building	Wesley Rourke