

To: POLICY & RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE		Subject: Current Regeneration Funding Opportunities and Approvals
From: EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES		
Date: 16 May 2013	Ref: 1725/YW	

1. Purpose of Report

1.1 The purpose of this report is to update Committee on current funding opportunities and approvals in relation to employability and business support activity.

2. Update on North Lanarkshire's Working Employability Service European Funding Extensions to June 2014

2.1 Committee was previously informed of the ongoing negotiations with the Scottish Government in relation to the continuation of EU Priority 5 funding which supports the North Lanarkshire's Working partnership activity. The Council submitted proposals to fund an extension of current activity from 1 April 2013 to 30 June 2014. Since the previous report, the Council has received confirmation of approval from the Scottish Government of both ESF and ERDF grants although a formal Offer of Grant has not yet been renewed.

2.2 The previous committee report (Policy and Resources Sub Committee 21st February, agenda item 7), indicated that budgets were based on pro-rata spend. A full re-budgeting exercise with all partners has now been carried out and final budgets for the period 1 April 2011 to 30 June 2014 have been submitted to the Scottish Government for total spend of £11,046,754 with grant of £4,815,186 for ESF, and a total budget of £5,651,974 for ERDF with grant of £2,108,042.

2.3 Based on these revised budgets Council match funding of £3,289,201 will be required to fund the extensions which will come from existing Council resources. In relation to the ESF element of the above match (£1,801,784), £732,534 will be met by Regeneration and Infrastructure and £1,069,251 from Learning & Leisure Services. For ERDF the revised budgets require Council match funding of £1,487,417, all of which will be met by Regeneration and Infrastructure budgets.

2.4 Full details of the original and extended project budgets for EU Priority 5 ESF and ERDF funding can be found in Appendix 1 of this report.

3. Forthcoming EU Funding Opportunities

3.1. An update on the new 2014-20 EU programme is the subject of a separate report

Youth Employment Scotland Fund

3.2. Committee was previously informed of the Scottish Government's intention to allocate additional EU funding to support efforts to tackle Youth Unemployment. Negotiations have taken place between CoSLA and the Scottish Government, resulting in a call for proposals in March which has been branded Youth Employment Scotland.

3.3. £25million has been allocated through a mixture of EU and the Scottish Government and has been targeted exclusively for the development of employer recruitment incentive schemes. This funding is designed to allow local authorities to expand existing schemes or to design new schemes where none were in place. The funding does not support any of the infrastructure required to deliver such schemes.

3.4. While local authorities have welcomed additional resources to tackle youth unemployment, there are a number of concerns which we believe make it highly unlikely that a significant proportion of the £25million will be spent.

Timescales – all funding has to be incurred and defrayed by, at the latest, September 2014. Compliance – initial guidance suggests we may need to ask more from local businesses in terms of paperwork evidence. This has the potential to reduce engagement from business and increase the difficulty in making compliant claims for the funding.

3.5 North Lanarkshire Council has submitted a Stage 1 expression of interest to the Scottish Government which outlines that we believe we could utilise a maximum of £1.129million of this funding if the compliance requirements follow the initial guidance published.

3.6 We received approval in late April, to proceed to submit a Stage 2 bid and continue to lobby for less restrictive compliance rules through CoSLA and the Scottish Local Authorities Economic Development Group. (SLAED)

SME Growth ERDF Programme

3.7 A further call for funding has been announced by the Scottish Government through the European Regional Development Fund (ERDF) to support business growth services available to micro-firms and SMEs. It is understood that up to £5m has been made available for local authorities to bid into to augment Business Gateway services and to enable business growth services to integrate with measures to connect young people into employment. The funding will be available to cover activity from 1 July 2013 to 31 March 2015.

3.8 The key objectives of the ERDF support are to:

- Support business growth and innovation in the micro-firm and SME sectors
- Generate additional jobs growth
- Increase the number of employment opportunities particularly for young people

3.9 North Lanarkshire Council submitted a Stage 1 application on Friday 26 April 2013 following discussions with the Scottish Government, and partners including South Lanarkshire Council, Lanarkshire Enterprise Services Ltd, VANL, VASLAN, Town Centre Activities Ltd and Biocity Scotland Ltd. The Stage 1 application seeks to fill gaps in local provision by adding value to current Business Gateway and local authority business support, and by replacing and adding to existing ERDF activity locally. The funding also gives us an opportunity to further augment our existing portfolio of business support particularly around grant funding to assist businesses to access finance in order to set-up and/or grow.

3.10 The total anticipated costs outlined in the Stage 1 application are £5.6m of which £3.2m are eligible costs drawing down potential ERDF funding of £1.285m. The specific activities outlined in the Stage 1 application include:

- Pre-start support to disadvantaged groups
- Advisory support to new, early stage and established social enterprises
- Specialist business support for new and early stage life science businesses
- Incubation and business support for new and growing town centre businesses
- Enhanced SME grant funding support

3.11 Work is currently underway to fully cost the activity identified and to finalise the Stage 2 submission by the forthcoming deadline of Friday 17 May 2013. All match funding will

come from existing Council and partner budgets. North Lanarkshire Council are the lead partner agency for this bid and as such have the lead responsibility for preparation of the bid submission, and if successful will be responsible for managing and monitoring of this project across the partnership.

4. Other Funding Feedback

Employability Fund

- 4.1. North Lanarkshire Council has been successful in securing a contract through Skills Development Scotland's Employability Fund. This fund is designed to support activity which will progress unemployed residents into work. The North Lanarkshire Council contract award is for 270 places during 2013/14, and a number of other providers have received contracts to make up the overall allocation of 1646 places in North Lanarkshire.

Big Lottery

- 4.2 Routes to Work Ltd has been successful in securing £1.25 million from the Big Lottery to support lone parents towards and into work. The consortium bid, co-ordinated by North Lanarkshire Council and Routes to Work Ltd, along with Voluntary Action North Lanarkshire (VANL), Circle Scotland, Greater Easterhouse Money Advice Project (GEMAP), One Parent Families Scotland (OPFS) and Job Centre Plus (JC+) will support 300 clients in the most deprived areas in North Lanarkshire with their journey into work for 2013-2017

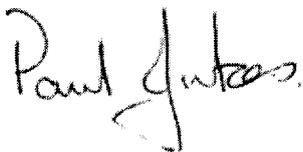
5. Finance Implications

- 5.1 Funding for all the extensions and proposals outlined in this paper, will be met from existing Council resources and budgets.

6. Recommendations

- 6.1 It is recommended that Committee:

- i) Approve the acceptance of the grant extension award through the EU priority 5 programme
- ii) Note the issues relating to the call for proposals for Youth Employment Scotland
- iii) Note the submission of Stage 1 and Stage 2 applications for ERDF and Youth Employment Scotland funds..



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For further information on this report please contact Caitriona McAuley on 01698 302846.

Appendix 1

EUROPEAN SOCIAL FUND – Revised Budget for CPP Extension to June 2014

	Project Cost to 31 March 2013	Match Funding to 31 March 2013	Grant to 31 March 2013		Increased Total Project Cost for 1 April 2013 to 30 June 2014	Increased Match Funding for 1 April 2013 to 30 June 2014	Increased Grant for 1 April 2013 to 30 June 2014		Total Cost to 30 June 2014	Total Match Funding to 30 June 2014	Grant to 30 June 2014
TOTAL	£7,690,065	£4,293,194	£3,396,871		£3,356,689	£1,938,374	£1,418,315		£11,046,754	£6,231,568	£4,815,186
NLC	£7,127,789	£3,959,173	£3,168,616		£2,972,939	£1,801,784	£1,171,155		£10,100,728	£5,760,957	£4,339,771
Regeneration & Infrastructure	£4,169,255	£2,329,499	£1,839,756		£1,152,184	£732,534	£419,650		£5,321,439	£3,062,033	£2,259,406
Learning & Leisure	£2,958,534	£1,629,674	£1,328,860		£1,820,755	£1,069,250	£751,505		£4,779,289	£2,698,924	£2,080,365

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EUROPEAN REGIONAL DEVELOPMENT FUND – Revised Budget for CPP Extension to June 2014

(All match funding is from Regeneration and Infrastructure Budgets)

Project Cost to 31 March 2013	Match Funding to 31 March 2013	Grant to 31 March 2013		Increased Total Project Cost for 1 April 2013 to 30 June 2014	Increased Match Funding for 1 April 2013 to 30 June 2014	Increased Grant for 1 April 2013 to 30 June 2014		Total Cost to 30 June 2014	Total Match Funding to 30 June 2014	Grant to 30 June 2014
£3,285,036	£2,056,515	£1,228,521		£2,366,939	£1,487,417	£879,521		£5,651,974	£3,543,932	£2,108,042