

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY & RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE		Subject: North Lanarkshire's Working Employability Service European Funding extension to December 2014
From: HEAD OF PLANNING & REGENERATION		
Date: 20 th February 2014	Rep: 1754/JK	

1 Purpose of Report

1.1 This purpose of this report is to:

- (i) update Committee on the performance of the North Lanarkshire's Working Community Planning Partnership (CPP) European funding applications; and
- (ii) seek approval from Committee to apply for an extension of funding to 31 December 2014

2. Background

- 2.1 There are two main European Structural Fund programmes - one for the European Regional Development Funds (ERDF) and the other for the European Social Funds (ESF).
- 2.2 The North Lanarkshire's Working Community Planning Partnership (CPP) pilot has been funded through 3 phases starting in April 2008 with the current one due to end in June 2014. The project costs approved by the Scottish Government for the current phase are £16,956,349 with total European grant approved of £6,923,228.
- 2.3 The current funding seeks to achieve the following key outcomes across North Lanarkshire:
 - Number of individuals supported – 5,542
 - Number of individuals into employment – 2,587
 - Number of individuals gaining a full or part qualification – 1,085
- 2.4 North Lanarkshire Council acts as the lead partner on behalf on the North Lanarkshire Partnership (NLP) for these funds. The Lead Partner role is associated with a number of significant responsibilities and requirements for the Council. These include the co-ordination and drafting of the overall funding application, formal acceptance of the conditions of grant tied to the funds, and ongoing negotiations with the Scottish Government on changes to project finances and activities. The Council also undertakes the management of a dedicated CPP co-ordination team, based within Planning and Regeneration Services, to ensure all strands of the project are monitored and verified, on an ongoing basis, in line with EU and Scottish Government requirements.
- 2.5 The key delivery partners in North Lanarkshire's Working (NLW) are North Lanarkshire Council, Routes to Work, Voluntary Action North Lanarkshire, SALUS, and Enable. Within the Council there are a range of projects funded within Learning and Leisure Services, Corporate Services and Regeneration and Environmental Services.

3 Progress with Current Funding

- 3.1 The partnership and projects are performing well and all projects are expecting to fully spend and full amounts of awarded ERDF and ESF will be claimed.

4 Wage Subsidy payments

- 4.1 The Scottish Government has been reviewing the compliance arrangements surrounding the eligibility of wage subsidies within the CPP ESF funding across Scotland. The Council has had extensive dialogue with both the Scottish Government and COSLA over the eligibility of the Council's wage subsidy programme within our CPP programme. The audit trail retained by the Council had previously been deemed satisfactory through several Scottish Government verification visits and an audit of the CPP. However, the issue which subsequently emerged was that whilst the Council requires copies of pay slips for participants in order to make wage subsidy payments, the Council had not been retaining evidence of the payment of those wages through the businesses' bank accounts. As a result, the Scottish Government is now deeming the wage subsidies as ineligible for ESF funding and requiring that we remove the costs from our ESF applications which are approximately £974,744 for our current funding application which could result in the loss of ESF grant of £438,634.
- 4.2 Discussions with the Scottish Government have concluded that in order to minimise the financial impact of removing the wage subsidies, we could extend our ESF and ERDF activity from 30 June 2014 to 31 December 2014.
- 4.3 The same compliance requirements have applied to phase 1 of our NLW CPP which covered the previous period 2008-2010 and following negotiations with Scottish Government we have removed wage subsidy expenditure from this programme and replaced it with the maximum amount of eligible activity that we had available to present evidence for. However, we are not able to carry this forward in the same way as we are proposing for phase 1 and 2, and as a result there remains a financial consequence which the Council now wish to discuss with government and COSLA.

5. Financial and Resource Considerations

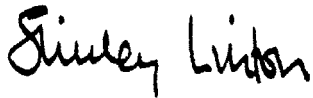
- 5.1 The current activity funded up to 30 June 2014 is fully funded through existing budgets.
- 5.2 Planning and Regeneration Services are currently working with internal and external partners to identify the exact expenditure and funding requirements for the period to 31 December 2014.
- 5.3 It is anticipated that the overall total spend to December 2014 will be £18,197,678, with total European grant approved of £6,923,228.
- 5.4 The extension will result in additional spend for Regeneration Services of £839,041 which can be met from existing service budgets in the new financial year. Over and above the £839,041, Learning and Leisure services will be required to provide additional match funding of £339,615 for the extended period. This is consistent with current levels of match and will be met from their existing budget lines in the new financial year. The balance in additional match funding will come from NLW's external partners.
- 5.5 It should be noted that the total spend amounts are indicative, and are based on pro-rata past spend and current information and may alter following receipt of final budgets from partners. All partners were asked to submit a revised budget by Friday 10th January 2014 and the team are now working on compiling the most up to date profiles and information.

5.6 In addition, there are a number of staff posts funded up to 30 June 2014. As a result, some employment contracts may need to be extended in line with the funding extension (See Appendix 5). This will be agreed in consultation with HR services and approval is sought to remit the attached report to the H&R sub-committee to seek approval for the extensions in line with the funding agreements.

6 Recommendations

6.1 It is recommended that:

- i) Committee notes the progress to date, and
- ii) Committee provides approval to extend current activity to 31 December 2014.
- iii) Committee approves staffing report be remitted to the H&R Sub Committee to extend the contracts of posts detailed to December 2014.



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Head of Planning & Regeneration

Local Government Access to Information Act: for further information please contact Cairiona McAuley Regeneration and Infrastructure Services at Tel 01236 632866

Appendix 5 – Staff Post Extension to December 2014

Service	Activity	Job Title	Status	Salary Grade
Environmental Services	Core Costs	Performance & Finance Officer	Secondment from existing NLC7 post	NLC10
Environmental Services	Core Costs	MIS Officer	Secondment from existing NLC5 post	NLC7
Environmental	Debt and Money Advice	Debt Adviser	0.5 post Temporary Contract	NLC7
Environmental	Debt and Money Advice	Debt Adviser	0.3 post Temporary to contract	NLC7
Environmental	Debt and Money Advice	Debt Adviser	Secondment from existing NLC3 post	NLC7
Environmental	Debt and Money Advice	Debt Adviser	0.2 post Temporary to contract	NLC7
Corporate	Enhanced Skillseekers	VQ/MA Development Coordinator	Extension to contract	NLC11
Corporate	Enhanced Skillseekers	Training Supervisor	Extension to contract	NLC7
Learning & Leisure -CLD	Adult Literacy & Numeracy	ALN Development Worker	Temporary Contract 17.5 hrs	NLC 12
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Learning & Leisure - CLD	Adult Literacy & Numeracy	ALN Development Worker	Temporary Contract 17.5 hrs	NLC12
Learning & Leisure	Flexible Learning Initiative	Teacher /Coach TPA Grade	Secondment	Teacher (TPA)
Learning & Leisure	Flexible Learning Initiative	Funding Officer	Secondment from NLC2 post	NLC8
Learning & Leisure	Flexible Learning Initiative	Temporary Teacher /Coach	Temporary Contract	Teacher (TPA)
Learning & Leisure	Flexible Learning Initiative	Temporary Coach	Temporary Contract	Teacher (TPA)
Learning & Leisure	Flexible Learning Initiative	Temporary Coach	Temporary Contract	Teacher (TPA)
Learning & Leisure	Flexible Learning Initiative	Temporary Coach	Temporary Contract	Teacher (TPA)
Learning & Leisure	Flexible Learning Initiative	Temporary PT Classroom Assistant	Temporary Contract	NLC04
Learning & Leisure	Flexible Learning Initiative	Temporary PT Classroom Assistant	Temporary Contract	NLC04
Learning & Leisure	NL Activity Agreement	Development Officer	Secondment from permanent NLC12 post	NLC 12
Learning & Leisure	NL Activity Agreement	CLD Worker	Temporary Contract	NLC 11
Learning & Leisure	NL Activity Agreement	CLD Support Worker	Temporary Contract	NLC 7