

The Highland Council

Resources Committee – 25 November 2015

Agenda Item	16
Report No	RES/107/15

European Social Fund Priority 2 – Promoting Social Inclusion, Combating Poverty and any Discrimination

Joint Report by the Head of Policy and Reform and Head of Revenues and Business Support

Summary

The report asks Members to note the approval of the Strategic Intervention for Poverty and Social Inclusion. The report outlines the operations approved as part of the Intervention and the next steps required in the process including the identification of match funding. Members are asked to approve ring-fencing the remaining £649,000 from the Welfare Fund as potential match funding towards the Intervention.

1. Background

- 1.1 Under the European Structural Funds (ESF) Programme 2014-2020, lead partners are required to complete a Strategic Intervention Application. This application is required to set out how the area proposes to address the priority for the particular strand they are applying for.
- 1.2 The Council is the lead partner for a number of strands, with the Development and Infrastructure Service leading on ESF Priority 1 (Promoting Sustainable Employment) and ERDF Priority 3 (Enhancing the competitiveness of small and medium sized enterprises) and the Chief Executive's Office is leading on ESF Priority 2 (Promoting Social Inclusion, Combating Poverty and any Discrimination).
- 1.3 This report updates Members on the progress of this Intervention and seeks approval to ring-fence the remaining Welfare Fund monies to potentially act as match funding for strand 2.

2. The Programme and Highland's Approach

- 2.1 The aims of the ESF Priority 2 strand are around employment, equal opportunities and active participation recognising the need to further assist individuals who require more intensive and long term support to enter the job market. It is specifically aimed at individuals who are disengaged and are experiencing multiple barriers such as:

- debt;
- financial capability;
- long term health issues;
- homelessness;

- low income;
- childcare and social care.

This strand is designed to complement ESF Priority 1 which focuses upon developing activities to support individuals to seek employment and the Intervention has been designed to achieve this.

2.2 Through cross service and partnership discussions to identify gaps, an approach for Highland's Intervention was drawn up and agreed in conjunction with the Council's Welfare Reform Working Group. Key aspects of this approach include:

- Developing approaches to early engagement of people experiencing poverty
- An intensive support service approach designed to provide one to one individualised support to individuals experiencing multiple barriers.
- Outreach approaches will be used to engage with people as they engage with other services for example housing, social and health care at key life stages or milestones (e.g. pregnancy, entering childcare or education) to offer early intervention.
- Employability advice for these groups moving into and within work to ensure that work is sustained.
- As part of the overall approach, key target groups will include individuals experiencing mental ill health through mental health clinic settings and with the most excluded families in order to provide a holistic approach to improve outcomes for the family and reduce child poverty.
- A further strand will take an improvement methodology approach to addressing poverty within families at an early years and early primary stage, building on the success of the Highland Midwifery Project.

2.3 Although European funding is not allowed to mitigate against Government policy, a significant proportion of the key client group will be impacted by the effects of Welfare Reform and the interventions proposed will support them in managing these impacts. Information relating to welfare reform and local impacts is provided in the Welfare Reform Update report on today's agenda at item 17.

3. Current Status of the Application

3.1 Highland's Strategic Intervention Application for this programme was submitted to the Scottish Government on 1 July 2015. Following some technical revisions this was approved by the Government's Scrutiny and Risk Panel on 1 October 2015. The feedback received was very positive, with no revisions required, only points to clarify at the next stage.

3.2 The next stage in the process is to develop the operational programmes for the key areas of work identified within the Strategic Intervention Application. This will detail how the operations will be delivered, details of the need for grant/added value, details of the match funding and the cost model selected

i.e. whether we propose in-house delivery, procurement or a challenge fund approach.

3.3 Officers are currently working on the detailed operations and a workshop has been held to scope out how best to design this and ensure that the Operations form part of an overall integrated referral pathway and triage approach to enable all staff – from housing support advisers, employability advisers to advice and information staff - to utilise the intensive support services being developed and already established services in order to effectively support clients in greater need. We await confirmation from the Scottish Government for details of the submission deadline.

4. Financial Requirements and Match Funding

4.1 The indicative allocation available for this Programme for Highland is £1.42m¹. This is the total funding available from 2015 to 2020. The first stage of the programme runs between 2015 until the end of 2018, with £822,105 of the total funding available to draw down. As with all European programmes, match funding is required with a 50% intervention rate agreed for this strand. Match funding of £822,105 is therefore required up until the end of 2018.

4.2 Given the focus of the programme on reducing poverty and the likely client groups, the Council's Welfare Fund had been identified as a source of potential match. With £649,000 remaining in the fund, this would not provide complete match funding up until 2018 but a significant proportion of this. Additional funding sources will continue to be sought; both for the remaining £173,105 and more, therefore it is possible that not all of the Welfare Fund may be required. It is also intended at this stage that a Challenge Fund approach is adopted which would seek bids from organisations with funding available to use as potential match.

4.3 It is important to highlight that there are no other bids to the Welfare Fund at present and also that additional funding for any of the existing bids would not be possible if the fund is committed for potential match. Details of funds allocated to date can be found at **Appendix 1**. All bar 3 were for one off projects with the remaining 3 funded on the basis of time-limited project funding.

4.4 Given that details of match funding are required to be included within the operational programme submission, Members are asked to agree that the remaining Welfare Fund of £649,000 is ring-fenced, to be used in principle as match funding for the ESF Poverty and Social Inclusion Intervention but on the understanding that officers will continue to pursue other potential opportunities for match funding.

¹ The amount in sterling will fluctuate as a result of exchange rates.

5. Implications

- 5.1 Resource implications – The indicative ESF allocation for Highland for this strand is £1.42m and with match funding the total programme to 2020 could be £2.84m.

It will not be possible to draw down the £1.42m without match funding but identification of match funding is challenging within the current financial climate. At this stage, there is a need to identify match funding for the first stage of the programme to 2018, i.e. £822,105.

As outlined at paragraph 4.3, should Members agree to ring-fencing the remaining Welfare Fund as potential match, there would be no funding available for other initiatives.

- 5.2 Legal implications – No legal implications have been identified at this stage however as projects develop this will need to be considered. A potential area is in the procurement of services using ESF.
- 5.3 Equalities implications – The key objectives of this strand of EU funding include increasing the financial capacity of the most disadvantaged along with increasing the number of disadvantaged individuals into positive employment of training outcomes. Key groups within this will include individuals with multiple barriers including health and disabilities and may include single parents and they are more likely to be female.
- 5.4 Climate Change/Carbon Clever –Projects have to show environmental sustainability.
- 5.5 Risk – As the lead partner for the Strategic Intervention the Council will be fully financially responsible for all the individual operations it covers. With this responsibility there will be an element of risk, but managed through relevant processes such as standing orders, procurement rules and performance management.

Gaelic - There are no known Gaelic implications arising from this report but there may be opportunities to link with Gaelic medium child care and to use the Council's policy in Gaelic signage and translation for advice surgeries.

- 5.6 Rural implications –There will be a need to identify the key issues facing individuals in rural communities and consider how best to meet these needs through this EFS programme and potentially the LEADER programme.

6. Recommendation

Members are asked to note:

- The update on the Strategic Intervention application and the approval from the Scottish Government for the proposed approach in Highland.
- Note the financial requirements in relation to this ESF strand and the match funding required.

Members are asked to agree:

- Ring-fencing the remaining Welfare Fund of £649,000 to be used in principle as match funding for the ESF Poverty and Social Inclusion Intervention.

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Activities Supported by the Welfare Fund to Date

Activity	Date Agreed at Resources Committee	Approved Welfare Fund Funding	Activity Timetable
Tailored welfare advice clinics for people with mental health	26/11/14	£160,920.00	January 2015 to March 2016
Training for front-line workers in responding to people with mental health	26/11/14	£3,000.00	One-off
Roll out of midwifery project for expectant mothers	25/02/15	£90,000.00	June 2015 to May 2016
Maximising benefit take-up	25/02/15	£63,645.00	June 2015 to May 2016
“Count Your Cash” Days	27/05/15	£28,500.00	One off
Citizens Online	27/05/15	£90,000.00	One off
School Clothing Grants Increases	27/05/15	£118,044.00	One off
Design and production of Essential Guide to benefits, etc and Funeral Guide	26/08/15	£8,000.00	One off
Uncommitted Balance of Welfare Fund		£649,000.00	

Priority Axis 2

09: Promoting social inclusion, combating poverty and any discrimination

9i: Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

9v: Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate employment

SO21: Increase the financial capacity of the most disadvantaged individuals and households

Big Lottery Fund Intervention
Delivering an intervention focusing on financial inclusion in 5 targeted local authority areas. The programme will bring together existing services and support partnership working in order to better co-ordinate provision, referrals and performance management.

SO24: Increase the sustainability and capacity of the social economy to deliver support to the most disadvantaged areas and groups.

Scottish Government and Highlands & Islands Enterprise

Supporting existing social enterprises to increase employment opportunities for disadvantaged excluded individuals, and encouraging new approaches to developing social businesses. There will be a focus on nurturing social innovation, linking to academia and research, testing and piloting different approaches to developing solutions to increase social inclusion, and supporting the third sector to adopt social innovation approaches to service redesign.

SO22: Increase the number of disadvantaged participants from workless, lone parent and low income households with positive employment or training outcomes

Local Authorities
An allocation of funding is available for Local Authorities to bid for to meet this specific objective.

SO25: Support and encourage social innovation and solutions

Scottish Government and Highlands & Islands Enterprise

Finding ways to empower at risk and/or disadvantaged communities to develop and own sustainable solutions to their problems, build community resilience and capacity, increase economic activity, and improve health and well-being.

SO23: Enable disadvantaged communities to develop long-term solutions to increase active inclusion and reduce poverty