

Report of the Cabinet Member for Education

Cabinet – 23 March 2017

CAM NESA – EUROPEAN SOCIAL FUND GRANT ACCEPTANCE

Purpose:	To seek approval to participate in the Cam Nesa project and see through the necessary stages to implementation.
Policy Framework:	Swansea Bay City Region Economic Regeneration Strategy.
Reason for Decision:	To approve and agree participation of City and County of Swansea in the Cam Nesa project. This is a collaborative ESF funded initiative between five Local Authorities across the South West Wales Region, for which Pembrokeshire County Council is acting as the lead beneficiary.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	<ol style="list-style-type: none">1) Note the progress achieved by the project in securing full approval from the Welsh European Funding Office (WEFO).2) Authorise the Head of Financial Services, acting as the Authorising Contact for the Project, to accept the Grant Offer made by WEFO.3) That regular reports are made on progress to the External Funding Panel.4) Agree that a Service Level Agreement be entered into with Pembrokeshire Council, and authorises the Head of Legal and Democratic Services to enter into any appropriate legal documentation with any provisions necessary to protect the Council's interests.
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1. Introduction

- 1.1 Following the update on European and other external funding applications to the External Funding Panel on 2nd November 2016, this report seeks specific approval to accept the anticipated grant offer for the participation and delivery of the Cam Nesa Project.
- 1.2 The Lead Authority of this Regional Project, Pembrokeshire County Council, has submitted the final business plan and financial profile to WEFO for approval. The Project has a duration of 3 years.
- 1.3 The Cam Nesa project is aimed at as required under Specific Objective 1) reducing the number of 16-24 year old young people who are Not in Education, Employment or Training (NEET), under Priority Axis 3 (Youth Employment and Attainment) of the 2014-2020 West Wales and the Valleys ESF Operational Programme.
- 1.4 The vision of the project is a participant led; young person centred network of opportunities, responding to those young people identified as NEET and then providing them with the right level of challenge, support and additional activities to help them make genuine progress. The primary objective is to be measured using the WEFO indicator “NEET Participants (16 – 24) gaining employment”. The project will also record the results - “NEET Participants (16 – 24) in education/training upon leaving” and “NEET Participants (16 – 24) gaining qualifications upon leaving”.
- 1.5 The Cam Nesa project will only operate with young people that are not ready for employment or further training at the point of referral, otherwise referred to as Tier 2 NEETs; young people with significant or multiple barriers including, motivation and confidence, substance misuse, housing issues and mental health, which impact on their ability to make a successful transition to education, employment or training (EET). The project can however, operate with young people from Tiers 1 and 3 also, provided the above initial referral position is applicable (5 Tier Model – Appendix 1).
- 1.6 The project can also work with young people within and outside of the Communities First areas, provided that it can be demonstrated that there is no duplication of activity of other ESF funded projects such as Communities for Work to ensure expenditure is eligible.
- 1.7 The delivery mechanism comprises of an initial assessment of each participant’s barriers and needs via an existing multi-agency panel, which

include organisations such as Careers Wales, DWP, representatives from other ESF projects etc. The panel will make a judgement as to which ESF funded project will best suit the needs of the young person and the applicable referral will then be made to the respective project.

- 1.8 Following a referral to the Cam Nesa project via the multi-agency panel a named Lead Worker will be allocated to the participant. A second diagnostic assessment will then be made between the Lead Worker and participant which will include an appraisal of the challenges that the participant faces such as motivation, confidence, anti-social behaviour, geographic isolation, offending history all of which would have led to their becoming disenfranchised, also including their basic skills, qualifications, aspirations and their needs. In addition, an assessment will be made on the participants work readiness.
- 1.9 Following this second, more in depth diagnostic assessment, the Lead Worker and in agreement with the participant will enrol them onto the Cam Nesa Strand that is best suited to their needs and can progress onto other Strands as and when required:
 - Strand 1 – Pre-engagement Activities
 - Strand 2 – Pre-employment Skills and Qualifications
 - Strand 3 – Employability and Work Experience
 - Strand 4 – Enterprise and Self Employment
- 1.10 In addition to ensuring, the appropriate identification of participants and the brokering of support outlined in previous sections will help ensure the right young people are receiving the support they need. The multi-agency panel will also be responsible for tracking the progress of the young people and evaluating the impact of any support being provided to enable the Lead Workers to make adjustments when needed and also hold the providers to account for the impact of their work.
- 1.11 Current knowledge base regarding the targeted group of Tier 2 NEETs demonstrates that they have a diverse and complex set of needs and barriers that prevent and limit their engagement in EET activity. In the City and County of Swansea, a large portion of the funding will be utilised to recruit Cam Nesa Post 16 Lead Workers to work with the project target group. The specific responsibilities associated with the Lead Worker role include, being a named individual for young people and their families, providing support directly to the young person to help build resilience and coordinate support from a range of other support services, acting as a champion for the young person to make sure they are getting the support they need, and providing feedback on the progress of the young person

to enable an assessment of whether the support is having the desired effect.

The Lead workers will play a pivotal role in improving outcomes for these vulnerable young people bringing clarity and adding value to services and processes across communities.

- 1.12 In addition to the role of the Cam Nesa Lead Worker, the main focal Strand that the City and County of Swansea is aiming for is Strand 3 – Employability and Work Experience. A significant number of young people will only consider employment as a next step opportunity. Taking into account the complex range of needs often presented by young people in Tier 2 and who are rarely job ready there is a strong sense that that there is a definite need for a tailored pre employability approach, combined with the prospect of a paid work experience placement broadening their learning and employment options to fill a gap in provision for NEET young people.

In addition to staff costs the majority of the remaining budget will be allocated to paid work experience and other supporting services/interventions. There is also a budget to support transport costs.

- 1.13 Consideration of a procurement exercise will be undertaken for the paid work experience element of the project to seek a supplier that can facilitate and source the appropriate work placement/experience identified for the projects participants. This will be undertaken at a local level and no regional frameworks are considered as being required or are being stipulated as such from the Regional Lead Authority. A Speculative Notice (Expression of Interest) will be undertaken in advance of the tender exercise to confirm if there are indeed suppliers able to meet the projects requirements with the budget allocated. For additional services/interventions that have been identified as being required for the participants will be commissioned as and when required. Any expenditure being incurred of this nature will be completed in line with the City and County of Swansea's Contract Procedure Rules (CPR's).
- 1.14 The participants will be able to access centrally delivered services and provision via the Young People Services, NEET Team. As set out in the Governance section, the Cam Nesa team will be strategically placed within the NEET Team, maximising opportunities with other core funded staff and services.
- 1.15 The strategy behind the project is aligned to the key business driver the 'Youth Engagement and Progression Framework' and other key Welsh

Government policies including the strategic aims of each of the partner authorities.

- 1.16 The project will respond to many of the 'demand drivers' identified under the economic opportunities in the Economic Prioritisation Framework (EPF) which seeks to identify the broader activities taking place in the Welsh economy in order that all EU funding operations will act in support of strategic investments.
- 1.17 The impact of the Cam Nesa project will not be direct as it is concerned with young people not yet in the workplace. The Cam Nesa project is concerned to ensure that Wales has the widest possible workforce available to engage in the industry sectors by improving collaboration between the worlds of education and work. The project will invest in young people to endeavour to secure their futures but in the longer term aim to ensure that Wales has a sustainable workforce.
- 1.18 Links will be made with the City Centre regeneration programme, through initiatives such as Beyond Bricks & Mortar, to take advantage of the employment and training opportunities that will be created.
- 1.19 The project has benefited from detailed collaborative discussions and planning of activities with Engagement Progression Co-ordinators and Regeneration colleagues from Pembrokeshire County Council, Neath Port Talbot County Borough Council, Carmarthenshire County Council and Ceredigion County Council.
- 1.20 Having been approved for development from an Expression of Interest to the Youth Engagement Group of the Regional Learning Partnership, the project planning has moved successfully through the WEFO Expression of Interest and final Business Planning stages. The Lead Authority has submitted the final Business Plan to WEFO. Approval is now awaited. The financial profile detailed with the report is to be confirmed in lieu of this approval from WEFO.

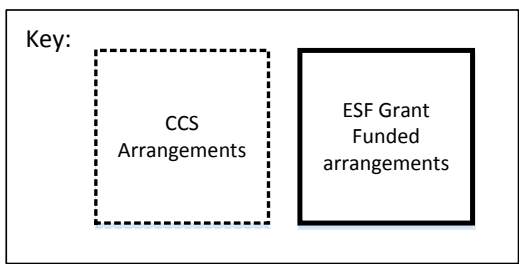
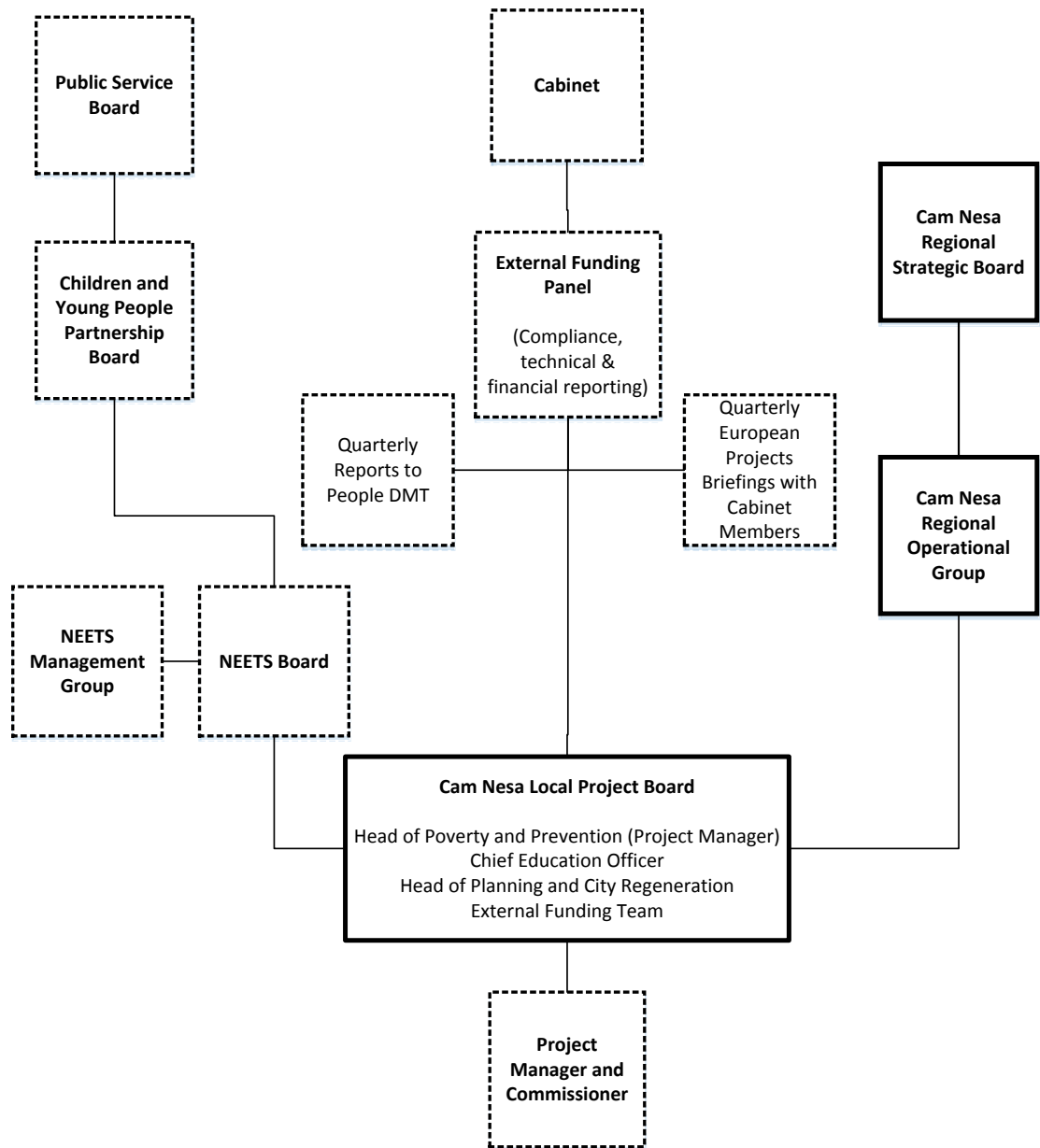
2. Programme

- 2.1 The indicative timeline of the programme has been set as follows:
- Mobilisation period, i.e., recruitment and procurement activities (2 months) – 01.02.2017 to 31.03.2017.
 - Project Delivery / Implementation and Closure phase (36 months) - 01.04.2017 to 31.03.2020. The last 3 months of this is for the project closure phase, where project delivery will cease.

3. Project Governance and Organisation Structure

3.1 Governance of the project will be through three levels from a Regional Perspective.

For the City and County of Swansea, the Governance is yet to be formalised, but it is envisaged it will set up as the following flowchart. The Governance will be reviewed at approximately nine months into operation to give assurance that it is fit for purpose.



Compliance, Technical and Financial Reporting:

Regionally:

- A regional strategic board, led by Pembrokeshire County Council – the membership of this group will be senior level managers from each of the local authorities. High-level project decisions and escalated issues from the operational group will be raised in this board.
- A regional operational group, led by Pembrokeshire County Council – the membership of this group will be project managers/European funding officers from each of the local authorities to discuss operational issues and refer these to the strategic board, where required.

Locally:

- The External Funding Panel which meets bi-monthly with Cabinet Members, to report on current and planned European and externally funded projects will report on Cam Nesa progress and grant compliance as for all European and externally funded projects.

Governance and Decision Making:

Locally:

- A Local Project Board will take responsibility for the management and monitoring of the project activity undertaken in Swansea. The Local Project Board will communicate key progress, and escalate risk and issues as appropriate to Senior Management and politicians responsible for Education, Poverty & Prevention, City Regeneration and ultimately Cabinet.
- Appropriate information from the Local Project will be reported to the Regional Meetings.

Reporting for Alignment and Co-ordination:

Locally:

- The Local Project Board will communicate appropriately to the NEETS Board, and NEETS Management Group. Reporting continues to the CYP Partnership Board and Public Service Board.

- 3.2 Each local authority engaged in the project has developed its own delivery profile, which will form the basis of the service level agreements between each of the joint beneficiary authorities, acting as delivery agents, and Pembrokeshire County Council as lead beneficiary.
- 3.3 In its capacity as lead beneficiary, Pembrokeshire County Council will utilise their European Contract Management Team (ECMT) to undertake the strategic management, monitoring, compliance, financial management and procurement overview of the project and its activity across the region. The ECMT will be directly responsible for liaison between the engaged authorities and with WEFO.
- 3.4 As joint beneficiary, the City and County of Swansea will be responsible for ensuring key officers provide information to the ECMT for monitoring of project outputs and expenditure. The formal role for leading on the delivery of the project in Swansea, along with monitoring performance and expenditure will be undertaken by a European and External Funding Programme Officer, located in the European and External Funding Team. The European and External Funding Programme Officer will be line managed by the European and External Funding Team Leader, as part of the Economic Regeneration and Planning Section. The formal reporting of finance and output information will be collated by the European and External Funding Programme Officer with the support of European Officers for onward transmission to the ECMT based with Pembrokeshire County Council.
- 3.5 The External and European Funding Team (EEFT) in Swansea is currently undertaking the formal role for leading delivery of other 'live' ESF funded projects for the Authority, which in turn will offer the advantage of identifying opportunities to link in with them; such as:
- Cynnydd – 11-24 year old at risk of becoming NEET
 - Communities for Work – 16-24 year old NEET, operating in Community First areas
 - Workways + - 25+ year olds long term unemployed, operating outside Community First areas
 - In addition, the EEFT leads the delivery of the Gower Landscape Partnership, therefore will maximise the opportunity to seek the relevant placements that could assist the above named projects where applicable.

4. Equality and engagement implications

4.1 Every European programme is subject to a full Equality (and Environmental) Impact Assessment, which are available for public consultation as programme development progresses. Projects and business plans developed for submission to the programme must detail how they will address equality issues as a cross-cutting theme. The level of integration of equality into project design is part of the formal development and assessment process for every business plan and project seeking European funding. These cross-cutting themes are included within the Business Plan and cover:

- equal opportunities and gender mainstreaming;
- Welsh language;
- sustainable development; and
- tackling poverty

4.2 The Business Plan (Section 1 – Cross-Cutting Themes) addresses the specific ways in which these themes will be addressed throughout implementation of the project.

4.3 In line with the Equality Act 2010 and Public Sector Equality Duty for Wales, the City and County of Swansea will ensure that the project adheres to both the City and County of Swansea Strategic Equality Plan 2012-2016 and Pembrokeshire County Council Strategic Equality Plan 2012-2016, meeting the higher requirements of each local authority's standard procedures.

5. Financial implications

5.1 The expected project start date is from 1st February 2017, with three-year project duration. Once the business plan is approved, an Offer of Grant will be received from WEFO and the breakdown of funding identified within the offer letter in-line with the delivery profile.

5.2 There is a risk in beginning project delivery without the Offer of Grant. The City & County of Swansea Finance and Legal departments do not recommend project delivery without ensuring this risk is minimised through a satisfactory WEFO appraisal.

5.3 A number of issues have been taken into consideration in developing the business plan based on experience from the current programming round:

- Taking advantage of opportunity to use 15% flat rate for overhead costs removing the need for an audit trail for certain internal

transactions and meeting part of the match funding requirement for the programme. Use of the 15% flat rate overhead will also reduce administrative burden particularly in relation to audit.

- The proposed team is proportionate to the scale of the programme based on experience from the previous round.
- Redundancy costs are included to cover for the duration of the programme.
- Procurement advice will be sought as appropriate and will build on good practice established via previous EU programmes.
- Internal match funding requirement being kept low using internal staff time and flat rate overhead.
- Document retention and storage arrangements are now following the central archiving arrangement led by the European Office, as agreed at Executive Board in June 2014.

5.4 The budget allocation to the City and County of Swansea is:

- Total project cost: £1,830,171
- Total ESF Grant: £1,281,120 (70%)
- Total match funding: £549,051 (30%)

5.5 With match funding comprised of:

- Staff in-kind match: £530,068
- Flat rate overhead contribution (part of 15% flat rate overhead allocation): £18,983

5.5 The staff time contribution to match funding will be provided by Transition Learning Officers who already work with NEET young people to support their transition into education, employment or training. The Cam Nesa project will support them with their aims by providing a more appropriate mix of provision and support for the hardest to reach groups.

5.6 Whereas Pembrokeshire County Council will assume full responsibility for the European Grant when signing the offer letter with WEFO, the SLA will mean that in the event of certain prescribed breach of the terms of the offer letter, the Authority would be required to repay grant accordingly. The same controls are to be applied to delivery of Swansea's element of the Cam Nesa project as would be applied to direct delivery to WEFO. No other costs to be incurred and appropriate management arrangements will be implemented to ensure successful grant compliance and audit.

6. Legal implications

- 6.1 Generally the terms attached to EU Grant funding are legally binding and should be formally recorded in an appropriate document/contract with external delivery partners as required, to ensure that relevant risks and liabilities are transferred as appropriate
- 6.2 Procurement rules (both EU and the Council's) will have to be fully complied with in all respects, whether in relation to inter-authority services or the procurement of services from external delivery agents.
- 6.3 The Council will have to comply with all Conditions attached to the offer letters from Welsh European Funding Office.
- 6.4 The Council, together with all Authorities participating in this project, will need to ensure compliance with European state aid rules.
- 6.5 Any documentation entered into as referred to in this Report will have to contain any necessary clauses required by the Head of Legal and Democratic Services and the Head of Financial Services to protect the Council's interests so far as they are able.

7. Risk implications

- 7.1 In addition to the summary of major perceived risks included in section 2.4 of the business plan, risks identified applicable to City and County of Swansea in the project development stage have been outlined below. A comprehensive risk register including risk scoring/categorisation will be maintained by the European Funding Team and shared appropriately as set out against a confirmed Governance Structure.

Risk description	Possible outcomes	Existing control measures in place / Planned countermeasures to be placed
£530,068 staff time contribution to match funding – non compliant	Insufficient match funding contribution, reduction / clawback of ESF payment	Staff time has been narrowed down to as few as possible full time equivalents to minimise paperwork involved. These 5 FTE members of staff have already been identified and costed against their individual payroll details. As the payroll information has been submitted to the EU team who have access to the required HR systems, this information can be gathered centrally. EU team has met with the Young People Services Manager to identify members of staff who will work with the Cam Nesa participants to ensure compliant activity and

		correct process to second them onto the project.
WEFO approval delayed	Project spend in line with the indicative timeline is at risk of not being repaid	Do not commence any activity that would incur financial implications to mitigate the risk of not receiving a timely WEFO approval. Project delivery start date to be reviewed. Young People Services will need to be informed of changes to start date at the earliest opportunity to enable them to plan accordingly.
Failure to achieve or evidence outputs	Clawback of ESF	Cam Nesa Lead Workers will receive training to ensure paperwork evidences baseline and progress made. A European Officer will work directly with Cam Nesa Lead Workers to ensure that outputs are achieved and evidence is submitted with each claim.
Central management of project spend – budgets not given directly to the Young People Services Section	Over/Under spend of budget	A central management approach minimises the risk of non-compliance of the ESF claim process and evidences Cam Nesa provision as being additional to current core provision. A central approach also ensures that interventions are needs-driven through the referral process. The European team will need to closely monitor quarterly spend and feedback via the Cam Nesa Lead Workers.
Insufficient financial evidence / audit trail	Clawback or non-payment of ESF	The European team comprises experienced staff who has worked on a number of previous EU funded projects including Coastal, Regional Essential Skills, Engage, Waterfront City and RDP. The centralised management approach will mean all audit documentation is retained centrally and experienced officers will ensure compliance at every stage.
Not meeting the target participant numbers required	Clawback or non-payment of ESF	The EU team will work directly with the Young People Services Team and NEET Team to be fully aware of the required target numbers, and have done so in the planning of the project and will do so throughout the project duration to ensure the workload and planning of caseloads is done so effectively.
Not seeking a suitable	Delayed start date	Being aware of other projects offering similar provisions provides assurance that this type of

supplier to offer paid work experience element of the project	and / or not meeting the project outcomes	provision is on offer in the market.
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Background papers: None

Appendices:

5 Tier Model (Appendix 1)

Cam Nesa Business Plan (Appendix 2)