



CABINET - 17TH OCTOBER 2018

SUBJECT: EUROPEAN SOCIAL FUND OPERATION NURTURE EQUIP THRIVE (NET)

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 To seek Cabinet approval for Caerphilly's involvement in the European Social Fund operation - Nurture Equip Thrive (NET).

2. SUMMARY

2.1 Nurture, Equip and Thrive (NET) is an operation to address underemployment across 5 Local Authorities (Caerphilly, Torfaen, Merthyr Tydfil, Blaenau Gwent, Bridgend) in South East Wales (West Wales and the Valleys). This will be achieved through a collaborative approach. The operation aims to engage, support and prepare employed individuals with work limiting health conditions and / or other barriers to gain sustainable employment.

2.2 The current ESF operation of Bridges into Work 2 provides employment support for unemployed adults aged 25+, while Working Skills for Adults 2 offers training opportunities for those in low skilled and low paid work. Working Skills for Adults is not able to offer other support, such as coaching, CV writing etc. often necessary for those in the most unstable employment to improve their labour market position. The target group for the NET operation are employed, so cannot be supported by Bridges but would benefit from support additional to the training opportunities offered by Working Skills for Adults.

3. LINKS TO STRATEGY

3.1 The operation can clearly demonstrate alignment with relevant Welsh Government policies.

Strategy	Priorities/Outcomes/Linkages	How The Operation will contribute
DfES Skills gateway	National referral and assessment system including access to Adult careers advice and guidance.	Supply up to date information on support & opportunities offered to Skills Gateway team.
Welsh Government Tackling Poverty Action Plan (2012-2016)	We will increase action to mitigate the impact of Poverty here and now. We recognise that for more and more people, even being in work will not guarantee that they can escape poverty. We can act to improve the quality of life of these communities, families and individuals.	The essence of the model and the operation is to enable those who are suffering in work poverty to progress in the workplace increasing income and job security.

Prosperity for All: Economic Action Plan (EAP)	In December 2017 the Welsh Government launched the Prosperity for All: Economic Action Plan. It is anticipated that many NET participants will be employed within the Foundation Economy. The Foundation Economy is the part of the economy that provides essential goods and services and plays an important role in the lives of people and communities. As part of the Economic Action Plan (EAP) the Welsh Government intends to focus on a limited number of foundation sectors: <ul style="list-style-type: none"> • Tourism • Food • Retail • Care 	The NET Operation will support the EAP in this focus on the Foundation Economy by supporting employees' underemployed within these sectors to stabilize and improve their labour market situation.
Fair Work Nation	In Prosperity for All the Welsh Government outlines its intention to make Wales a Fair Work nation. The growing 'gig economy' means some individuals and families increasingly find themselves trapped in a cycle of low-wage and casual work, locked out of the security, stability and opportunity that decent and fair work provides.	NET will change people's working lives for the better. Supporting more people to have access to good work and a secure, fair income. Enabling people to access better jobs closer to home, where people can develop their skills and careers and move out of in work poverty.
Strategy for Older People	Recommendation 28 - Local authorities should be encouraged to address unemployment at 50+. Initiatives to meet the needs of this age group should be reflected in the local regeneration and strategy plans that mirror the economic needs.	NET will encourage those over the age of 50 who are working to increase their employability in the job market. It will use the expertise developed through the sister Operation Working Skills For Adults 2 in engaging older working participants.

3.2 The report contributes to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2016. In particular, as follows:

- A prosperous Wales as it details improved outcomes for operation participants, and reduces impact of poverty if people are able to gain skills to gain sustainable employment.
- A healthier Wales, supporting vulnerable participants can improve their well-being and aid educational achievement.
- A more equal Wales, a society that enables participants to fulfil their potential no matter what their background is; and.
- A Wales of cohesive communities (in the context of improving quality of life with attractive, viable, safe and well connected communities).

4. THE REPORT

- 4.1 Caerphilly will be part of a new operation involving 5 Local Authorities in South East Wales (West Wales and the Valleys). This is a European Social Fund operation lead by Torfaen CBC to address underemployment across the 5 local authority areas. Through a collaborative approach, the operation aims to engage, support and prepare employed individuals with work limiting health conditions and / or other barriers to gain sustainable employment.
- 4.2 The aim will be to ensure the widest possible participation of under-represented groups and communities to improve their labour market situation and / or health.
- 4.3 The main strand of the operation will focus on supporting underemployed participants with barriers to full employment to improve their labour market situation. The second strand of NET will support those participants with a work limiting health condition (WLHC) or disability who are either looking to return to work after a period of absence or who wish to improve their labour market situation.
- 4.4 The target participants will align with key Target Groups as described in the operational Programme for the European Social Fund in West Wales and the Valleys, namely:
- Participants Employed, including self-employed with work limiting health condition or disability.
 - Underemployed Participants with barriers to full employment.
- 4.5 Caerphilly will aim to support 326 participants over 5 years:
- 60 Employed, including self-employed, participants with work limiting health condition or disability, target of 40% with an improved labour market situation upon leaving such as increased hours, permanent contract.
 - 266 Underemployed participants, target of 40% with an improved labour market situation upon leaving, such as increased hours, permanent contract.
- 4.6 Participants will be guided and supported to stabilize and improve their employment within the local labour market. This will be achieved through a series of interventions. Participants will be supported by team of 3 FTE key workers who will be involved throughout the participant's journey.
- 4.7 The operation will:
- Develop a range of activities to build confidence, raise motivation levels and develop knowledge to sustainably engage and improve their situation in the job market. Activities and interventions include:
 - Mentoring
 - Coaching
 - Job Brokerage
 - Support with health & wellbeing
 - Careers Advice
 - Equip participants with transferable skills such as becoming competent at job application form completion and good interview techniques.
 - Encourage participants to actively take part in job search activity.
 - Support participants (including in partnership with other agencies) with WLHC and disabilities to improve and manage their health situation.
 - Support participants to remove barriers such as by providing advice regarding childcare and transport solutions, and to thrive in the labour market.

- 4.8 The operation will engage with other initiatives, agencies, organisations locally and regionally to ensure provision is not duplicated and is marketed effectively with an appropriate referral mechanism to encourage engagement. This operation in Caerphilly will work closely with the rents department of Housing as a means of referral.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This operation contributes to the Well-being Goals as set out in Links to Strategy above.

They are consistent with the five ways of working as defined within the sustainable development principle in the Act in that providing progression for those in low skilled low paid employment will in turn prevent the problems of poverty and social exclusion.

This operation will focus on 4 of the 7 well-being goals:

- A prosperous Wales: It will provide employment opportunities allowing people to take advantage of the wealth generated through securing sustainable work.
- A healthier Wales: It will provide an opportunity to maximise mental wellbeing.
- A more equal Wales: it will provide opportunities for people to fulfil their potential no matter what their background or circumstances.
- A Wales of cohesive communities: It will provide mentoring and advice to people in order that they can develop and grow in order to contribute to the community that they live in.

This operation will be run in collaboration with a range of local agencies and in partnership with other authorities and partners across the region.

This operation will involve people in the development of their own well-being goals by developing more confidence and self-reliance so that they can make positive contributions to the society in which they live.

- 5.2 This report contributes to the Well-being Goals and in particular in the context of:

- Corporate planning
- Risk management
- Workforce planning
- Financial planning.

6. EQUALITIES IMPLICATIONS

- 6.1 Equalities is a cross cutting theme for EU funding and each project must address this according to each theme. The planned investments inherent in the EU Funding programmes will however benefit many different groups in the community.

7. FINANCIAL IMPLICATIONS

- 7.1 The operation will be managed alongside three other European operations, namely Bridges into Work 2, Working Skills for Adults 2 and Inspire 2 Work, and will share a project coordinator, finance officer, monitoring and compliance officer and administration officer. Staff from Housing (0.5 FTE) will be one of the referral sources and their involvement in the project will generate staff match funding at no additional cost to Caerphilly. This match funding from the HRA (Housing Revenue Account) will ensure council housing tenants also benefit from the NET operation. Three FTE coach/mentors (Grade 7) will be newly appointed and this should attract applications from current staff on short term contracts. Contracts will run from September 2018 to September 2022 in line with current ESF projects.

7.2 The operation, as other European projects in Caerphilly, will use the WEFO simplified cost model. Where simplified costs are used, eligible costs are calculated according to a predefined methodology. For these operations, 40% of total staff costs incurred is drawn down to fund all non-staff related expenditure. The key intention of simplified costs is to reduce the administrative burden by the tracing of every pound of expenditure to individual supporting documentation. Experience to date, across the other ESF projects in Caerphilly, has demonstrated that the 40% is more than sufficient to cover non-staff costs and the differential can be utilised towards the match funding commitment. Consequently, the “real” cash cost to Caerphilly is less than the “headline” match funding identified in the financial model and, in this case, there is projected to be no additional cash cost to Caerphilly.

7.3 Details of the financial forecasts are:

Staff costs	£744k
Other costs	£126k (maximum)
Total costs	£870k
Grant	£781k
Staff match funding	£ 89k (existing staff)
Cash cost	NIL

Intervention Rate – 75%.

7.4 In line with all ESF projects, there may be clawback if the targets are not met. The development of NET is very new and innovative and the project was requested by WEFO. However, the ESF team have a vast amount of experience in delivering these projects.

8. PERSONNEL IMPLICATIONS

8.1 Personnel implications are inherent in the development of new operations. This will be addressed via reports and project plans for the project, by the appropriate Officer. The current ESF administration staff, lead worker and coordinator will be shared and 3 new coach/mentors will be advertised on a fixed term basis to Sept 2022, in line with current ESF contracts.

9. CONSULTATIONS

9.1 Relevant officers of the authority have been consulted throughout the process of applying for these ESF operations.

9.2 The report reflects the views of the consultees.

10. RECOMMENDATIONS

10.1 It is recommended that Cabinet approve Caerphilly’s involvement in the European Social Fund project “Nurture, Equip and Thrive” at a nil additional cash cost to the Authority.

11. REASONS FOR THE RECOMMENDATIONS

11.1 The operation would provide support for 326 project participants within in the borough of Caerphilly who are underemployed.

12. STATUTORY POWER

12.1 Local Government Act 2000. This is a Cabinet function.

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