

Funding opportunities

Item 8

Report for Management Group

8 November 2007

Local Authority ESF co-financing consortium

Management Group last month received a report on the proposed local authority European Social Fund (ESF) co-financing consortium in the region. GOEM have now approved the consortium and the Co-financing Plan for 2007-2010. Derby has been allocated a total of £270,001 ESF split between the two main priorities of the Regional Framework;

- Extending employment opportunities - £147,273
- Developing a skilled and adaptable workforce - £122,728

Both ESF priorities have a requirement for 55% match funding to draw down up to 45% of ESF. The section on Derby in the plan is attached as Appendix A.

The intention is that delivery of ESF should commence from April 2008 and the current planned timetable for contracting with providers is that the prospectus will be published in late November with award of contracts by 7 April 2008.

ERDF programme 2007-2013 update

The draft Operational Programme for the delivery of ERDF in the East Midlands was submitted to the EU Commission in May 2007 and approval is expected this month. The next stage in delivering the programme will be the development of an Investment Framework which will give more details of proposed ERDF Programme activities, timescales and mechanisms for delivery.

This work will take place against the backdrop of a new, and substantially different, operational context for the 2007-13 ERDF programmes:

- Programmes must contribute to the delivery of the objectives of the renewed Lisbon strategy of stronger growth and more and better jobs;
- ERDF programmes must be clearly aligned to domestic and regional policies and funding streams;
- Whilst contributing to European regional policy goals, the Programmes will also contribute to the delivery of the Regional Economic Strategy (RES);

It is expected that this approach will lead to the programmes making fewer, more strategic investments and responsibility for management and delivery will transfer from GOEM to emda.

The 2007-13 ERDF programme is made up of two priority axes

- Priority Axis 1 – innovation and sustainable business practice
- Priority Axis 2 – sustainable economic and enterprise activity in disadvantaged communities.

The aim is to have a fully worked up Investment Framework for endorsement in early January 2008 to enable programme delivery to get underway in early 2008.

Actions

- To note GOEM approval of the ESF co-financing consortium of local authorities and progress on developing the ERDF programme 2007-2013.

Item 8 Appendix A

Introduction

Derby is a city of 233,700 people (mid year estimate 2005) and this is expected to increase by a further 2.4% by 2013. Ethnic minorities make up 13% of this total with the largest group (8%) being Asian. A total of 143,700 or 61% of people living in the city are of working age with 74% (105,200) classed as economically active – well below the East Midlands average of 80.3%.

In June 2007 the number of Job Seeker Allowance (JSA) claimants was 4,276 or 3.0% but there is a further 7.8% (11,200) of the working population on Incapacity Benefit. Overall, the number of Key Benefit claimants of working age is 23,860, including 3,620 lone parents and 1,650 disabled.

Derby's priority neighbourhoods

One of the main priorities for Derby's 2020 Vision - the Derby City Partnership Community Strategy - is improving our deprived neighbourhoods and narrowing the gap between these and the rest of the city. Flowing from this commitment, Derby City Council have developed a strong focus on better and more effective targeting of disadvantaged groups and areas in the city. By using post coded data on annual household incomes, Derby has been able to identify pockets of deprivation within wards which appear at or near the city average. This approach identified 13 priority neighbourhoods in the city which are the focus for the 'narrowing the gap' targets and indicators on worklessness and poverty embedded within the Local Area Agreement. These neighbourhoods represent just under half of Derby's residents and households and characteristics include:

- high rates of economic inactivity and low levels of qualifications.
- households have considerably lower incomes than the rest of Derby and have less access to home PC's
- in most areas rates of self employment fall well short of the city average.
- the share of Derby's business base in these areas is not proportionate to their share of population.

Priority 1: Extending Employment Opportunities

Derby City Council has identified the following priorities for inclusion under Priority 1;

Activities/skills

Derby is seeking to develop and extend support to those individuals and groups furthest from the labour market and build on the successful Workstation project. In its first year of operation, the project has focused on retail jobs in the new Westfield shopping centre and how to target and open up access to these jobs for disadvantaged groups and individuals. The project has over 4000 clients and has worked with nearly 40 retail employers.

Moving forward, the future focus will be on

- providing unemployed residents with the skills and support to enable them to break down barriers and access jobs in retailing, tourism/ hospitality, creative industries and high value engineering which were identified as priority clusters in the city Growth Strategy.
- Rolling out a range of outreach services across Derby's priority neighbourhoods to co-ordinate employment support activities and ensure closer contact with harder to reach unemployed and economically inactive individuals and groups.

The aim is to establish recruitment advisors at neighbourhood level to offer a range of different interventions and support provided to the target groups. This is likely to be longer term involving building relationships with individuals as it may take several different types of intervention to help the most disadvantaged move towards work readiness. These interventions could include a mix of one to one or group sessions, advice and support, assessments, training (both vocational and for some learners pre-level 2 training), work placements and supported interviews.

In places like Derwent, where there are already worklessness projects in operation at the neighbourhood level, Workstation will not duplicate but work with existing providers to ensure they have up to date information on employment or training opportunities. The intention is to focus on priority neighbourhoods outside Sinfen and Normanton to complement and add value to the efforts of Jobcentre Plus.

A focus for activities in Derby will be on integrating vulnerable groups and individuals into employment and helping them to remain in work. In particular, activities will be aimed at people with learning disabilities and health conditions. The intention is to provide sustained and specialist support to develop skills that could be used in the workplace and then to provide job search, support taster sessions and help them to learn and retain a job.

- **Two tender specifications have been developed (1.1)**

Priority 2: Developing a skilled and adaptable workforce

Derby City Council have identified the following activities for Priority 2

Activities/Skills

Derby still relies on major employers for much of its employment and a priority is to increase the number of business starts especially in disadvantaged communities in the priority neighbourhoods. Activities would provide new businesses or potential entrepreneurs with training support to increase start up and survival rates and could include training in first stage business idea/planning through to skills for marketing and financial management. In particular, activities that engage and support women and ethnic minority groups to consider self employment will be encouraged.

The activities will build on the neighbourhood enterprise strategies collaborative work developed across the 3 cities and aimed at stimulating enterprise in deprived communities. The initial focus will be on the Normanton area and the outcome is to stimulate an 8% increase in businesses within this target community. In particular Derby is looking to support and encourage social enterprises.

The Derby economy needs to diversify and reduce dependency on traditional manufacturing industries and support needs to be given to SME's especially micro organisations in the emerging growth sectors such as creative and cultural industries highlighted in the City Growth Strategy. Activities to be supported will include

- Training to assist SME's with their business management and marketing skills.
- Training to develop and retain creative talent in the local economy.
- **Two tender specifications have been developed (2.1)**

Breakdown to tenders

The amounts detailed below are available for the tender specifications.

Financial

Tender Specification	ESF allocation			
	2008	2009	2010	Total
Priority 1 - 1.1	49,091	49,091	49,091	147,273
Priority 2 - 2.1	40,909	40,909	40,909	122,728