

Young People's Education and Skills Board

ESF 2014-2020 – Proposed Youth Priorities and Discretionary Funding Programmes

Item no: 7

Report by: Peter O'Brien **Job title:** Regional Commissioning Manager

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Telephone: 020 7934 9743 **Email:** peter.obrien@londoncouncils.gov.uk

Summary	This paper provides the Board with the latest information about the next round of European funding, including the role of the London Enterprise Panel. It invites discussion and guidance on priorities and programmes to be taken forward.
Recommendations	The Board is invited to discuss the LEP's ESIF investment priorities for young people, to comment on the development of programmes and agree how to work with the LEP in taking forward proposals (as set out in paragraph 3.5)

1 Background and Introduction

- 1.1 In line with the European Union (EU) Budget, European Structural Investment Funds (ESIF) follow a seven year cycle and the next cycle will be for 2014 – 2020. To date, EU Structural Funds have concentrated on promoting social cohesion (closing the disparities between deprived and more prosperous regions of the EU and providing support to disadvantaged people), but in the next cycle the emphasis will be on supporting growth.
- 1.2 Although the government will run a national programme, the new cycle will see a further major departure within the UK. Whereas in previous cycles most of the EU Structural Funds have passed through national Co-Financing Organisations (CFOs) for the delivery of nationally-commissioned programmes, the 2014-2020 cycle will see Local Enterprise Partnerships in the driving seat – the London Enterprise Panel (LEP) fulfils this function for the capital and, consequently, is being given more control over policies, strategies and investment to support economic growth. The LEP has been asked to set out an European Structural and Investment Funds strategy based on “evidence-based narrative” to secure London's share of the available funds. It will effectively ‘commission’ CFOs to deliver local and London-wide programmes that meet the needs of residents and businesses.
- 1.3 In consultation with key stakeholders, the LEP it devised its proposed priorities and strategy for London and submitted it to the government by 7th October 2013. A response is expected by mid-November and, subject to final negotiations between the LEP and the government, the strategy and funding are expected to be approved early in 2014 – and final clearance by the appropriate EU bodies should then enable spending to begin in mid-2014. The GLA will act as an “Intermediate Body” on behalf of the government, a role it fulfils in the present programme

- 1.4 London received the largest allocation of any of the 39 Local Enterprise Partnerships, comprising approximately £640m. Inner London¹ has also attracted a further £37m through the EU's new Youth Employment Initiative. With match-funding in line with the rules for these funds, the total size of the programme exceeds £1.2 billion over the next seven years.
- 1.5 Our interest in Structural Funds is largely with regard to the European Social Fund (ESF), but it also includes European Regional Development Fund (ERDF) and some other funds covering agriculture and fisheries. ESF is used to train and support people into employment, while ERDF is used to improve regional and local economic competitiveness and support a low carbon economy.
- 1.6 In one final major change for the next funding round, the priority age range has been defined as 15-24 (currently there are separate approaches for 16-18 and 18-24).

2 ESIF Strategic Investment Priorities

- 2.1 The LEP's Jobs and Growth Plan informs the following Investment Priorities in its strategy to draw down ESIF:
 - Skills and employment
 - Strengthening science and technological development and fostering innovation
 - Enhancing the competitiveness of London enterprises
 - Supporting the shift towards a low-carbon, resource-efficient economy
 - Unlocking growth potential in deprived areas
- 2.2 Clearly, there will be activities of benefit to young people arising from each of these priorities; but the area of our greatest interest is in the *Skills and Employment* priority.
- 2.3 The LEP has proposed that the Skills and Employment priority should comprise the themes and indicative activities shown in Annex One. At Annex Two, an extract from the draft ESIF strategy provides further details on those activities that relate primarily to the 15-18 age group.

3 Next Steps

- 3.1 The indicative activities and further detailed work on programme areas will ultimately result in specifications that will be tendered in line with both EU and CFO procurement rules. As in previous rounds, it is intended that commissioning will be in two phases, each lasting three or four years.
- 3.2 London Councils and other YPES Board members were involved in the iterative process of drafting the ESIF strategy. There have been a number of wider consultative activities and YPES continues to direct activity to reflect on lessons learnt from the previous ESF round and inform future thinking on youth programmes.
- 3.3 The timeline suggests that YPES Board members will shortly need to contribute to discussions on how to convert the priorities and indicative activities into effective programmes for young Londoners. Boroughs, other partners and stakeholders will also be engaged in this phase of the consultation; further consultation events are planned by the GLA on 14th October and GLE on 24th October. The topic will also be discussed at the next Local Authority Forum (comprising 14-19 lead officers) on 23rd October.

¹ City of London, Camden, Hackney, Hammersmith & Fulham, Haringey, Islington, Kensington & Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlet, Wandsworth and Westminster

- 3.4 In the strategy submitted for the government's approval, the YPES Board, which is acknowledged by the LEP and its Skills and Employment Working Group as the primary strategic body for young people's education and skills in London, is mentioned as the group with which the LEP will work to "support interventions focused on moving young people aged 15-24 not in education employment or training (NEET) or at risk of NEET using ESF and YEI to progress into sustainable employment and / or education (EET)"².
- 3.5 As the Board is not scheduled to meet until March 2014, it may wish to consider alternative methods through which it can comment on the programmes and interventions that partners and other stakeholders may propose to the LEP. This could include:
- Holding a special Board meeting in January 2014;
 - Convening a working group of Board meetings to work with the YPES Director and other London Councils staff to provide appropriate guidance to the LEP.
 - Contributing to virtual discussions on documents circulated by the YPES Team.
 - Delegating decisions to the Chair.

4 Other Discretionary Funding Programmes

- 4.1 In addition to EU funds, London also benefits from other non-mainstream funded programmes, including:
- Youth Contract, which provides "wrap-around" support to 16-18 year olds who are NEET and:
 - who are or were in care
 - have one GCSE at A* to C (or no GCSEs grades A* to C)
 - are young offenders released from custody

From 1 August 2013, the lead contractor for the programme is Prospects Services Ltd and YPES supported the re-launch of the programme to local authorities on 13th September.

- Talent Match, which is a Big Lottery funded initiative led by London Youth and targeted at young people aged 18-24 who have been out of work, education or training for over 12 months (regardless of how long they have been claiming Jobseekers Allowance), including economically inactive young people and those who aren't claiming benefits. The programme will help young people secure employment, take-up training / further education or create their own employment / enterprise. Delivery will be through a combination of pan-London programmes and contracts targeted on seven boroughs with greatest need.

5 Recommendation

- 5.1 The Board is invited to discuss the LEP's ESIF investment priorities for young people, to comment on the development of programmes and agree how to work with the LEP in taking forward proposals (as set out in paragraph 3.5)

² Draft 2014-2020 European Structural & Investment Funds Strategy for London October 2013
Appendix A, Theme 1

LEP ESIF Strategy – Investment Priorities (extract)		
Skills and Employment		
Theme		Indicative Activities
Freedoms, flexibilities and funding incentives	Primarily 19-24	Targeted employability programmes for long-term and disadvantaged workless groups
		Job readiness and pre-apprenticeship support
		Support for jobless households / families
		Tailored support and advice for parents and carers returning to work
	Primarily 15-18	Basic skills
		Tailored support for hard-to-reach NEETs and at risk of NEETs
		Intensive support for the most disengaged young people
		Equipping NEETs with more relevant and higher level skills
Informed Customers	All ages	Brokering opportunities for young people and supporting the transition from education to work
		Bringing together schools, further education (FE) and higher education (HE) institutions and employers
		Improving the information available on post-16 career pathways
Employer Engagement		Brokering progression opportunities and jobs mapping
		Business support for SMEs
		Entrepreneurship
		Sector-specific business focused skills programme
		Developing better links between business and schools, FE and other education partners

Themes and Indicative Activities

(Extract from **draft** LEP ESIF Strategy)

Freedoms, flexibilities and funding incentives

The LEP's investment will be focused on incentivising providers to respond to the needs of the economy by delivering job outcomes, sustainability, career progression and given the requirement for higher level skills over the next decade, progression in learning. Funding will be targeted at the most hard to reach and disadvantaged young people (aged 15-24) and adults in London in particular long term workless groups, those with low level or no qualifications, the low paid and those earning less than the London Living Wage, those in part time work to progress into full time and/ or better paid work and off benefits.

Working with London Councils' Young Peoples Education and Skills Board, the LEP will also support interventions focused on moving young people aged 15-24 not in education employment or training (NEET) or at risk of NEET using ESF and YEI to progress into sustainable employment and/ or education/ training (EET). ESF and YEI investment will complement and align with mainstream initiatives through working with boroughs and others to deliver:

- **Tailored support for hard to reach NEETs and at risk of NEETs** including refugee/ migrant children, children in care/ care leavers in a holistic integrated way to progress into EET including high quality traineeships and apprenticeships;
- **Intensive support for the most disengaged young people** to help them overcome social and economic barriers to become job ready using mentoring and other tailored interventions, with a focus on young offenders in custody and community particularly those involved in gang-related activity or who have committed gang-related offenses, have been excluded from school, with mental health, drugs/ alcohol abuse or other disabilities;
- **Equipping NEETs with more relevant and higher level skills** to improve their employability;
- **Brokering opportunities for young people** and supporting the transition from education to work. Working with local employers to take on young people not participating in education, employment or training to progress into work or to secure good quality work placements, graduate placements and/ or internships.

Informed Customers

Within this priority the LEP is keen to promote a much stronger London-wide and locally driven careers/ information, advice and guidance (IAG) offer which responds more effectively to the needs of Londoners and employers. Funding should enhance and align to existing IAG services offered in schools and by the National Careers Service including:

- **Bringing together schools, further education (FE) and higher education (HE) institutions and employers** to develop better and more consistent links between the education and business sectors, ensuring that training given to young people helps meet London's current and future skills needs. This should include developing new ways to increase the supply of high-quality work placements and improve access into apprenticeships;
- Help schools improve links with business and HE, **improving the information available on post-16 career pathways** in London schools to ensure school leavers are better informed of local employment opportunities;
- **Brokering progression opportunities and jobs mapping** including entrepreneurship for young people and other workless groups with local employers. This could be through extending outreach and face to face engagement.

Employer Engagement

The LEP is keen to support London's business economy to help tackle the skills and employment challenges faced. This priority will also support opportunities to provide skills training in business start-up, self-employment and business growth.

- **Business support for SMEs** to take on apprentices, provide good quality work placements and employment opportunities;
- Promote opportunities leading to **entrepreneurship, business start-up and self-employment skills training** including leadership and management. Activities could be linked with ERDF funded projects that help boost creative hubs and grow-on spaces, mentoring between businesses and knowledge transfer networks;
- **Sector specific business focused skills programmes** aimed at equipping SMEs, micro business and sole traders with the skills they need to grow their business including helping grow the social investment market to support social enterprises and the social economy;
- **Developing better links between business and schools, Further Education providers and other education partners** to equip students with the skills to start and grow a business.