

Report to:	Cabinet	Date of Meeting:	3 September 2015
Subject:	Applications for European Funding	Wards Affected:	(All Wards);
Report of:	Head of Inward Investment & Employment		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To advise members of current applications for EU Structural Funds and seek delegated authority to sign off full applications before the appropriate deadline.

Recommendations

- (i) To note progress towards submission of full applications for Ways to Work, Integrated Business Support, and FIT for the Future projects,
- (ii) To delegate approval of full and final applications by the specified deadlines to Cabinet Member – Regeneration & Skills after taking advice of the Chief Financial Officer and Head of Regulation and Compliance as necessary prior to submission,
- (iii) If the FIT for the Future application is successful, then Sefton Council is deemed to be accountable body for the project.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	X		
2	Jobs and Prosperity	X		
3	Environmental Sustainability	X		
4	Health and Well-Being		X	
5	Children and Young People		X	
6	Creating Safe Communities		X	
7	Creating Inclusive Communities	X		
8	Improving the Quality of Council Services and Strengthening Local Democracy		X	

Reasons for the Recommendation:

To ensure full applications for EU funding are not delayed or prevented, as application deadlines precede the next Cabinet.

Alternative Options Considered and Rejected:

Not to apply for EU funding would be to forego the benefits (financial, social, economic and environmental) associated with external funding. EU funding will provide an essential component of the future funding of key elements of the council’s Investment and Employment Service from 2015 onwards, and will support the delivery of key objectives for prosperity and jobs

What will it cost and how will it be financed?

(A) Revenue Costs

The three applications described in the report (FIT for the Future, New Ways to Work and Integrated Business Support) have a total value across the city region of £62 million, of which £38 million is grant. Sefton Council is forecast to receive about £4.5 million in grant to deliver these projects. The financial implications for the Council are contained in the match funding requirement. The total match funding requirement for the Council is £4.4 million in the period to 2019. This expenditure is contained partly within approved revenue budgets for 2015-17, plus a forecast of potential match for 2017-19. The match funding forecasts will be constantly monitored and updated, and corrective action taken to substitute any shortfall.

(B) Capital Costs

N/a.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	A risk assessment and associated mitigation measures are included as Appendix B.	
Legal	Specialist advice is being obtained by the LCR Combined Authority as regards EU funding issues including State Aids, procurement, eligibility of costs, and the accountable body role of the Combined Authority. This advice will be incorporated in the full applications.	
Human Resources	N/a	
Equality	1. No Equality Implication	<input checked="" type="checkbox"/>
	2. Equality Implications identified and mitigated	<input type="checkbox"/>

3. Equality Implication identified and risk remains	<input type="checkbox"/>
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Impact of the Proposals on Service Delivery:

If approved, the funding applications will contribute to the costs of service delivery by the Council. However, under EU rules, European funding must be additional to activity paid from mainstream public expenditure and not substitute for it.

What consultations have taken place on the proposals and when?

The Chief Finance Officer has been consulted and comments that although £4.4 million has been identified as match funding within revenue budgets in 2015-17 (Appendix C) there is a risk concerning potential match funding in future years 2017-19. There is also the concern over future budget savings that the council may have to find 2017-18 onwards. There is a small potential future risk that if Britain came out of Europe as part of the planned Referendum of Europe in 2017 it may impact on European grants in the future (FD 3729/15).

The Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 3012/15)

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

Contact Officer: Mark Long

Tel: 0151 934 3471

Email: mark.long@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Background

- 1.1 Preparations for the 2014-20 European Structural & Investment Funds (ESIF) for the Liverpool City Region have been described in a series of reports to Cabinet Member – Regeneration (22 July 2012, 20 November 2013, 27 February 2014, 20 November 2014 and 4 June 2015).
- 1.2 The City Region's ESIF Strategy was submitted to government on 30th January 2014. The national Growth Programme Board, which oversees the preparation of ESIFs from all 39 Local Enterprise Partnerships, approved the ESIF in April 2014.
- 1.3 The Local ESIF Committee, now chaired by Dept of Communities & Local Government, has continued to work up the Strategy and convert it into Calls for Proposals, which are being released in a staged process consistent with the overall programme profile.
- 1.4 The UK government is responsible for negotiating with the European Commission the two component Operational Programmes for ESF and ERDF. Final agreement was reached on the UK ERDF Operational Programme in July 2015, with approval for the ESF Programme expected in September.
- 1.5 The City Region ESIF Committee is now updating local ESIF Strategies in line with the financial allocations and outputs targets agreed nationally, and only then will the programme for LCR be fully specified.

2. Calls for Proposals

- 2.1 On the basis of the agreed ESIF Strategy for Liverpool City Region, the first Call for Proposals was issued on 27th March 2015.
- 2.2 Sefton officers reviewed the Calls and identified three funding streams where there is a good fit with Sefton's strategic priorities, and where the proposed activities are feasible, deliverable and affordable. All three are consortia bids, in line with LCR policy, and were submitted by the required deadline for outline applications:

PA3c Integrated Business Support.

Applicant: LCR Combined Authority (signed off by John Fogarty, s151 Officer for CA).

Partners: LCR Local Enterprise Partnership, Halton MBC, Knowsley MBC, Liverpool Vision, Sefton MBC, Wirral MBC, St Helens Chamber, Wirral Chamber of Commerce, Liverpool & Sefton Chambers of Commerce.

Purpose: To provide eligible SMEs across the Liverpool city region who would not typically engage with providers of business support with the capacity they need to grow and prosper.

Total costs £5.9m, request for ERDF of £2.9m

Outputs: 1,056 enterprises receiving support (12 hour assists), 984 jobs created. Of which in Sefton: 260 enterprises receiving support, and 180 jobs created

PA1.3 Ways to Work

Applicant: LCR Combined Authority (signed off by John Fogarty, s151 Officer for CA)

Partners: Halton MBC, Knowsley MBC, Liverpool Vision, St Helens MBC, Sefton MBC, Wirral MBC

Purpose: A local, intelligence-driven, comprehensive and integrated programme for young people and adults, designed to improve personal resilience and progress to sustainable employment incorporating our existing Youth Employment Gateway.

Total costs £47.7m, request for ESF of £20.8m, request for YEI of £10.2m

Outputs: 7,500 participants, of which in education/training/employment on leaving programme = 2,183 formerly unemployed, 485 formerly inactive. Of which in Sefton: approx 1,500 participants, approx 400 formerly unemployed, and approx 100 formerly inactive.

PA4 FIT for the Future

Applicant: Sefton MBC

Partners: Sefton MBC, Liverpool Mutual Homes, Wirral Partnership Homes t/a Magenta Living, One Vision Housing, Regeneda, Wirral MBC, Liverpool CC, St Helens MBC, Knowsley MBC, Halton MBC, VIRIDIS, Helena Partnerships.

Purpose: Building on the success of REECH, this new initiative will bring together an innovative multi-agency approach to increase the energy efficiency of homes, SME premises and public infrastructures throughout the LCR, with the implementation of innovative low carbon technologies.

Total costs £8.3m, request for ERDF of £4.1m

Outputs: 34,619 tonnes CO² emissions prevented, 676 households assisted, 18 SMEs assisted. Of which in Sefton: 6,900 tonnes of CO² emissions prevented, 102 households assisted, and 5 SMEs assisted.

- 2.3 The outline applications are not approved at City Region level, because the government has “nationalised” the new European programme. The Dept of Communities & Local Government (CLG) is the national Managing Agent for ERDF, and the Dept of Work & Pensions (DWP) is the national Managing Agent for ESF. The Managing Agents will manage the programmes and the national Growth Programme Board will make all the final decisions on project approval.
- 2.4 The Local ESIF Committee for Liverpool City Region was asked to appraise a summary of the three applications above and to offer comments on strategic fit and value for money. These comments were relayed to the Managing Agent in July.
- 2.5 Integrated Business Support, FIT for the Future Ways to Work have all recently been invited to submit full applications.
- 2.6 Full applications are considerably more detailed and include all information necessary for the Managing Agent to make a decision on the deliverability of the project. They take into account any comments raised by the Managing Agent at outline stage. The FIT for the Future and Integrated Business Support projects have

a deadline for submission of 11 September, and Ways to Work has a deadline of 2nd October.

- 2.7 Summaries of each project, taken from the outline application, are attached in Appendix A. Verbal updates on any significant variation from the outline application will be provided at Cabinet.
- 2.8 If approved, the applications could expect to receive offer letters from about November 2015, with a start date as soon as January 2016. Funding is for nearly three years to September 2018. We would expect there to be retrospective approval for spend from the date of the offer letter rather than the physical commencement of the project. DCLG has advised that in certain circumstances there is potential for retrospective approval to the date of outline approval.

3. Risk assessment & risk mitigation

Project-level risks

- 3.1 All applicants are required to identify and manage risks for individual projects. This mainly relates to the eligibility of activity for ESIF funding, compliance of procurement with EU rules, State Aids (competition law), availability of match funding, accountable body role, and financial good standing.
- 3.2 Sefton has a good track record in managing and mitigating financial and operational risks from European funded projects, with high spend rates, very low clawback rates, and excellent performance at interim and final audit. The table in Appendix B identifies risks for individual projects, and the proposed methods of mitigating them. The corporate risk scoring matrix is applied to measure residual risk.

Collective & cumulative risks

- 3.3 In addition, there are collective and cumulative risks to the Council from taking part in European-funded programmes, to do with promises to fund (Public Sector Match Funding Certificates), the management of liability in partnership arrangements, and the role of the Combined Authority as accountable body. These risks do not lend themselves to a risk scoring matrix, and are therefore addressed here:

(i) The availability of match funding

This is the first European Programme in which the UK government has not made available regeneration funding at local level to draw down EU Structural Funds. This role has been played in the past by (for example) Single Regeneration Budget, Working Neighbourhoods Fund or Regional Development Agency funding. These funds have been progressively withdrawn since the crisis of 2008. Therefore the “affordability” of the European programme has been an issue for the City Region from the very beginning. In taking forward the three applications described above, both the individual match providers, and the Combined Authority where it is accountable body, have taken great interest in the robustness of the proposed match. In Sefton’s case, the Council has itself significantly reduced the funding it makes available to economic development, employment and regeneration. This is a fairly basic limit on the Council’s ambitions. Therefore

an alternative strategy has been adopted of identifying eligible Sefton match from within the existing and approved revenue budget for 2015-17, plus a forecast of available resource for the 2017-19 period. A series of bilateral conversations with match-providing services has established the feasibility of this arrangement, which basically requires the budget holder to account for the use of funds so that claims for grant are prepared, and the grant applied to, a (separate and distinct) ESIF-funded activity. A full financial table showing Sefton's proposed match and grant for the three projects is contained in Appendix C. The appropriate risk mitigation measure is to ensure match providers (Heads of Service) are aware, equipped and supported to follow basic EU rules on eligibility, recording of spend & outputs, procurement, and profiling. Investment & Employment and Regeneration & Housing services are ready and able to provide this support to the three projects, in conjunction with Finance. As and when the Council decides to invest further in growth, then the same machinery can be used to apply more match and increase Sefton's share of ESIF resources.

(ii) Financial commitment

At final application, the applicant supplies a Public Sector Match Funding Certificate (PSMFC) to confirm that, should the application be approved, all necessary match funding is available. As we expect grants will be offered for 3 years, the "promise to pay" exceeds the lifetime of the Council's approved budget. When budgets have been stable or growing this has not been seen as a problem, but during a period of considerable consolidation there is a risk that allocations identified as match are subsequently deleted as savings. The Council is not obliged to "protect" a particular category of spending when using it as match, but will need to take active steps to manage its portfolio of match funding, and to swap in and out spending lines as appropriate to maintain the total value of the PSMFC. The ultimate protection for the Council is that it can decline to spend the full amount of match promised, and maintain its spend profile. However it will then forego the percentage grant on that spend, and the implications for committed costs in terms of staffing and services need to be clearly understood in advance. The appropriate risk mitigation measure is therefore active programme management by Sefton Council, with its LCR partners. Because the risk is ours (loss of grant, loss of match), the active management of programmes cannot be completely transferred to another body, or else we lose control over our own costs. This is an important principle when we consider how the Combined Authority can take on the accountable body role on behalf of the local authorities.

(iii) The role of the Combined Authority

In single applicant projects, the match funder, provider and accountable body are the same. The three projects identified above are more complex, with multiple delivery organisations, multiple match funders (not all deliverers are match funders, not all match funders are deliverers), and a non-delivering accountable body, who, as applicant, also manages the project to a conclusion. In these more complex arrangements, where does liability sit for underperformance, ineligible expenditure, overpayment or disallowed outputs? The standard response would be back-to-back agreements so that all the terms and conditions contained in the grant offer letter to the

accountable body would be mirrored (and pro rata'd) in the offer letter from the accountable body to the delivery partner. This model suits the application (FIT for the Future) where Sefton is proposed as accountable body.

However, in the other two bids, the LCR Combined Authority (CA) has been formally designated the accountable body for what are LCR-wide local authority-led programmes. To be precise, Merseytravel has been given this role of behalf of the CA. The CA can play a “maximum” role with full responsibility for receipt and distribution of grant through back-to-back agreements, managing spend rates for match and grant, virement, and final claim apportionment of surpluses/losses. Or, it can play a “optimum” role, with a formal responsibility for quality assurance of all systems and financial approval powers, but supported by a programme management function paid for out of the project and reporting into the CA.

There are two reasons for preferring the latter approach. The first is that Sefton is a co-funder and should in principle retain control (and provide accountability to members) for the funding it has placed in the overall programme, subject to any obligations freely entered into as part of a back-to-back agreement. Secondly, a programme management function resourced within the project can then be “docked” with Merseytravel. This addresses Merseytravel’s lack of experience with European funding, and ensures the match funders can steer the project and effect all necessary corrective actions within a framework set by the CA.

The critical risk management measure is therefore the correct specification of programme management arrangements within the accountable body. The accountable body discussions on ERDF are close to being resolved, and ESF arrangements must be concluded soon. It is important that ongoing discussions with Merseytravel are brought to a head so that applicants can build an appropriate model of performance management into their full applications, due in September. A verbal update will be made at Cabinet.

- 3.4 Finally, this is the first time that the UK has signed Operational Agreements for the Structural Funds with the European Commission when it is possible that because of the planned Referendum on European membership in 2017, the UK will not be a full member of the European Union at the end of the programme period (2020).
- 3.5 The implications of a British Exit for the Structural Funds are reviewed by BIS in the “Review of the Balance of Competences between the United Kingdom and the European Union Cohesion Policy” (2014). They are many and various. The general conclusion is that the UK government would be unlikely to compensate regions of the UK for the loss of EU funding. This would have serious implications for the type and method of regeneration we have pursued for the last thirty years. However, any further consideration can be safely left until after the Referendum itself because of the many options and uncertainties inherent in this complex decision.

4. Conclusions

- 4.1 This report has concentrated on the technical and financial consequences of applying for and receiving European funding, as members need to be informed before making a decision to submit full applications.

- 4.2 The advice from officers is that although a few aspects of the new programme are novel, many others are familiar and have been satisfactorily addressed in all previous programmes. Sefton has an excellent record in delivering effective programmes of social, economic and environmental benefit to its jobseekers, workforce, young people, entrepreneurs, growing businesses and investors. Sefton also has an excellent record at interim and final audit stage in accounting for the use of Structural Funds. Staff within the Investment & Employment and Regeneration & Housing services possess the necessary in-house expertise.
- 4.3 Therefore Cabinet is recommended to note progress towards full applications for FIT for the Future, Integrated Business Support, and Ways to Work. To ensure flexibility around deadlines, it is recommended to delegate approval of final versions to the Cabinet Member – Regeneration & Housing.
- 4.4 If the “due diligence” exercise referred to in para 3.3iii leads to any variations in project design then the advice of Head of Regulation & Compliance and Head of Finance should also be obtained prior to submission.
- 4.5 As and when any of the applications for funding are approved, then officers are required to adopt the risk mitigation measures identified in this report.
- 4.6 If FIT for the Future is successful, then Cabinet is recommended to accept the Council as accountable body, in line with partner wishes and following all necessary due diligence.

Appendix A

Project Summaries

Integrated Business Support

The project will provide eligible SME's across the Liverpool City Region, who would not typically engage with providers of business support, with the capacity and support they need to grow and prosper.

The project will be a bridge between start-up and more bespoke, intensive or specialist support typically provided by the private sector.

The project will provide participating SME's with the following:-

- An intensive Business Diagnostic
- A Strategic Business Plan
- A dedicated Growth Adviser
- Informed brokerage into specialist/commercial business support
- More intensive support, where appropriate, focusing upon the management of people, processes and resources

The project will be delivered to SMEs in the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. It will be delivered by the LEP, Local Authorities and Chambers of Commerce business support services under an agreed strategy through local Growth Hubs in each of the six areas.

The project will meet a distinct gap in current city-region business support delivery, positioned between pre-start/start-up/post-start support, delivered by others within the LCR, and more specialist, bespoke and intensive follow-on support delivered by the private sector on a commercial/semi-commercial basis.

The project will dovetail with, and enhance, proposed Growth Hub provision providing SME's with the capacity and capability to more effectively engage with providers of specialist and commercial business support.

It will also provide SME's with an element of customised support, historically lacking from previous interventions and current commercial provision. This includes each participating SME having a dedicated, suitably qualified and experienced Growth Advisor who will remain at the disposal of that company as it grows and accesses subsequent business support.

The support provided will be both consistent and measurable across the LCR based upon a series of shared outputs. Partners will also endeavour to streamline, where possible, both the mechanics and the costs associated with the delivery of the service to help provide a much leaner, efficient and, above all, simplified service to SME's, including:

- A clear local entry and access point, in partnership with the LCR Growth Hub, for business support and engagement.

- A dedicated Growth Adviser with whom the business can build a long term relationship based upon mutual trust and consistency of support
- Face to face support at SME premises
- Provision of demand led SME network events, workshops, website and newsletters
- Provide participating SMEs with an Action Plan for Growth, a Strategic Business Plan, a structured, managed referral service to other business support providers and, where appropriate, intensive targeted support

The project will seek to build both the capacity and confidence within those SME's reluctant or unable to effectively engage with existing business support providers for either lack of knowledge or understanding or simply do not perceive the value of existing commercial provision.

The source of match funding is predominantly match from staff within the partner organisations dedicating all, or a percentage of, their time to the project to ensure its successful delivery. An element of the Liverpool City Region Growth Hub funding will also be used as match funding. The accountable body and delivery partners have sought clarification from BIS and DCLG on the eligibility of using Growth Hub funds as match. This advice has been followed to ensure all activity is eligible and adds value to all aspects of the project. Partners have confirmed match is in place as per the enclosed partner forms.

FIT for the Future

Building on the success of REECH, this new initiative will bring together an innovative multi agency approach to increase the energy efficiency of homes, SMEs premises and public infrastructure throughout the LCR, through the implementation of innovative low carbon technologies. This will be complemented by a programme of detailed performance monitoring, awareness raising and behavioural change activity.

In addition to the required deliverables:

- No. Households with improved energy consumption
- Green House Gas reductions
- No. of enterprises receiving support

Lessons will be learnt, good practice captured and disseminated, ensuring that the implementation and management of future retrofit schemes is fit for the future.

LCR has strengths in delivering collaborative retrofit, inc. REECH & VIRIDIS. This project brings these 2 specialists together to create this project.

The project will be delivered through a 'hub and spoke' approach. 'Spoke' activity includes:

District Heating – Registered Providers & Local Authorities working in partnership to establish a pilot district heating network linking a CHP plant to local energy efficient homes. An innovative scheme piloting new approaches to community heating – heat infrastructure, mechanisms for establishing decentralised heating & energy provision to the community. Lessons learnt will enable future expansion of the district heating network & provide a template for learning.

Eco Archetype – LCR has identified a number of housing archetypes (7), one being Victorian/Georgian property within conservation areas. These properties limited retrofitting due to the challenges of finding the right technologies to meet planning restrictions. The project will work with specialists including Centre for Refurbishment Excellence (CORE) to fully retrofit a listed property. Lessons learnt will provide a module for learning across the LCR and via CORE the rest of the UK. .

Neighbourhoods – Registered Providers & Local Authorities and others working together to deliver designed solutions in a holistic community-wide way. Innovative approaches will be used including alternative funding mechanisms e.g. revolving loan funds & grants. The project is current working with the LEP, Knauf & Pilkingtons to explore the use of near to market technologies.

SMEs – A grant pot enabling SME's to retrofit their premises, plus behavioural change advice & signposting.

'Hub' activity includes LCR wide initiatives including local supply chain & skills initiatives, awareness raising, behavioural change advice & guidance.

Match funding will be provided by a variety of partners ranging from Registered Providers and Local Authorities to the private sector. Elements of match funding have already been secured but some will not be confirmed until second application stage e.g. ratification at Board level.

Ways to Work

Ways to Work is a local intelligence-driven, comprehensive and integrated programme for young people & adults, designed to improve personal resilience & progress to sustainable employment. Incorporating our existing successful Youth Employment Gateway (YEG), workless and inactive people, including those-furthest from the labour market will access a suite of individually tailored products which will add value to mainstream provision, respond to employer needs & yield better outcomes. High quality Information, Advice & Guidance, transitional employment (ILMs), & skills development are essential components of our offer, anchored by needs-led assessment, conducted by experienced mentors in this flexible support system.

The Programme will comprise 5 stages.

1. Engagement

- Self-referral or referrals from JCP & contractors
- Public sector service delivery referrals based on established contact with our stated client groups & integration with local mainstream services, we will signpost & engage individuals at hundreds of local venues.

2. Needs Led Assessment from qualified employability adviser at accessible venues including:

- Assessment of basic/functional skills including digital & IT skills
- Work history
- Skills/qualifications

- Realistic career aspirations
- Specific barriers to employment e.g. health; caring; travel barriers
- Personal/household financial assessment e.g. debt issues.

Resulting in tailored personalised Action Plans which will:

- Identify actions to tackle barriers to employment
- Be transferable between partners
- Be based on clear & measurable milestones
- Be informed by relevant labour market information
- Develop over time to reflect progress/changing circumstances; e.g. in relation to health conditions
- Be owned & directed by the individual participant

3. Preparing for Work

- Ongoing quality Information, Advice & Guidance
- Mentoring & Coaching
- Careers Awareness
- Assistance with applications & employability skills
- Assistance with online recruitment
- Digital/IT skills training
- Basic Skills
- A personalised budget for YEG participants
- Employer led pre-recruitment leading to guaranteed job interviews
- Health condition management & support.

4. Transition to Work

- Intensive work search
- Transitional employment placements: (ILMs)
- Access to Employability Fund
- Employer Advocacy
- Work trials in partnership with JCP.

5. In-Work Retention & Progression

- Ongoing adviser contact for the individual/employer
- Access to progression training through active signposting
- Sustainable travel solutions

Participants are workless & inactive people including those with multiple & complex barriers including:

- Poor-health
- workless Households
- Caring/parenting responsibilities
- Low or no skills
- Women with low skills / lack of work history
- Substance misuse issues or domestic abuse
- Ex-Offenders & their families
- BME workless people including refugees
- Young People eligible for YEI support.

The local programme will be delivered across Liverpool City Region at existing network of venues & accessible community bases.

Each partner has identified eligible match funding from a selection of activity that underpin and complement the ESF call. All our funding is from public sources and will be available for the lifetime of the programme. Match funding relates to the resourcing of eligible complimentary activity to be delivered through the Project partners.

Appendix B

Risk assessment and associated mitigation measures

Integrated Business Support

Risk	Likelihood	Impact	Risk	Mitigation	Revised Likelihood	Revised Impact	Residual Risk
Reduction in available match funding	2	3	Low	At the earliest opportunity alert Accountable /Programme Management body and scale project accordingly	1	1	Low
Under performance of contracted project outputs & potential clawback	1	2	Low	Establish robust and clear project delivery, monitoring & compliance systems, agreed at outset of project with Accountable /Programme Management body, overseen internally by I&E Project Board. Clear internal delivery plan setting out project milestones for outputs and expenditure; monitored monthly	1	1	Low
Changes to project finance & outputs	2	3	Low	LCR Project Board to support Accountable /Programme Management body. Overseen internally by I&E Project Board which will agree any collective changes	1	1	Low
Poor performance of LCR delivery partners affecting finance & outputs	2	3	Low	LCR Project Board to support Accountable /Programme Management body; will monitor collective performance and challenge accordingly; establish clear remedial plan where appropriate.	1	1	Low

				Agree separate 'Back to Back' agreement with Accountable/ Programme Management body for Sefton			
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Ways to Work

Risk	Likelihood	Impact	Risk	Mitigation	Revised Likelihood	Revised Impact	Residual Risk
Non-Compliance with ESF regulations on Procurement for service provision	2	5	Medium	Agreed process for Procurement between all LA partners. Central team for Performance and compliance within CA with Procurement as central objective.	1	3	Low
Changes to schemes. Reduced project outputs. Outputs not delivered by schemes. Funding Body unwilling to agree to revised proposals.	1	5	Low	Regularly monitor outputs from individual schemes and the project in its entirety. Regular reporting and engagement with the funding body on progress, activity. Manage Change Control Procedure.	1	3	Low
Inability of Sefton or the other LAs to provide public match funding certificates to agreed level	1	5	Low	Effective change control systems in place across all match providing partners. Arrangements between LAs to adjust allocations depending on level of match supplied	1	2	Low
Under-achievement of people into jobs and training outputs	2	5	Medium	Effective performance systems in place including peer challenge to identify and correct underperformance. All partners have successful ESF track record and delivery systems in place. All Partners will secure effective employer engagement to provide progressions opportunities for ESF participants	1	3	Low

Insufficient numbers of eligible Sefton residents entering the programme to meet engagement targets	1	4	Low	Sefton@work has a range of referral mechanisms in place with JobcentrePlus and a wide range of community partners to provide adequate referrals. Outreach delivery and co-location with housing and health providers, together with an accessible and well-known, shop front delivery unit will ensure awareness is raised	1	3	Low
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FIT for the Future

Risk	Likelihood	Impact	Risk	Mitigation	Revised Likelihood	Revised Impact	Residual Risk
Delivery partners decide not to agree to terms and conditions in Grant Offer Letter.	1	3	Low	At the earliest opportunity Delivery Partners will be consulted about the terms and conditions.	1	2	Low
Inability of the delivery partner to deliver the match funding prior to signing funding agreements.	2	4	Low	Develop alternative or substitute schemes for inclusion in project, keep steering group, local authority partners and DCLG informed on progress	1	3	Low
Withdrawal of Projects Political 'fall out' from the loss of a scheme in any Local Authority Area. Loss of reputation for project.	2	4	Low	Report progress of individual schemes to Steering Group Regular reporting of progress, activity to the Funding body. Local Authority to keep Elected Members briefed at appropriate stages.	1	3	Low
Changes to schemes. Reduced project outputs. Outputs not delivered by schemes. Funding Body unwilling to agree to revised proposals.	1	5	Low	Regularly monitor outputs from individual schemes and the project in its entirety. Regular reporting and engagement with the funding body on progress,	1	3	Low

				activity. Manage Change Control Procedure.			
Progress or work slower than anticipated, weather dependent works, availability of staff, tenants reluctant to have work undertaken, caution by partners in respect of ERDF compliance.	2	4	Low	Regular monitoring of progress of scheme. Close dialogue with delivery partners, local authority partners and DCLG.	1	3	Low

Appendix C

Match and grant summary

	Total Project Value	Total Grant	Total Public Match	Sefton match & grant	Source
Integrated Business Support	£5,937,156	£2,968,578 ERDF	£2,968,578	£649,000 £649,000	SMBC Investment & Employment (I&E) – Sefton match Sefton grant
Ways to Work	£47,720,367	£20,855,618 ESF £10,175,076 YEI	£16,689,673	£447,500 £90,000 £54,800 £750,000 £30,000 £180,000 £286,686 £183,166 £755,320 £561,420 £3,338,892 £3,497,722	SMBC Health & Well-Being SMBC Schools & Families (care leavers) SMBC I&E (14-19 team) SMBC I&E (IAG contract) SMBC I&E (NWCAHSN) SMBC Schools & Families (Turnaround) Youth Employment Gateway SMBC Corporate Support (apprenticeship team) Youth Employment Initiative SMBC I&E (reserves) Sefton match Sefton grant
FIT for the Future	£8,353,058	£4,176,529 ERDF	£4,001,529	£119,500 £8,365 £12,500 £25,867 £275,000 £441,232 £441,232	SMBC Regeneration & Housing (Energy – heat network) SMBC R&H (Energy – capital levy) SMBC R&H (Energy – advice line) SMBC R&H (accountable body costs Regen Team) SMBC R&H (underwriting costs Regen Team) Sefton match Sefton grant
Totals	£62,010,581	£38,175,802	£20,691,202	£4,429,124 £4,587,954	Sefton match Sefton grant