

BRIEFING ON ESF SMART SPECIALISATION PROJECT

Education Participation and Skills



Background

- In August 2019, the Heart of the South West Local Enterprise Partnership working with DWP launched three further calls for ESF skills activity. Developed from the balance of ESF funds still available to the area, the calls sought to draw down £10m of extant funding towards the development of local workforce skills, apprenticeship and teaching / delivery capacity. Specifically, the calls included:
 - £4.5m from Priority 2.1 (including £1m ring-fenced for Somerset) for the development of Health and Social Care training across the LEP area, with a focus on enhancing related recruitment and upskilling.
 - £4.5m from Priority 2.1 (including £1m ring-fenced for Somerset) towards the development of wider workforce skills, with a focus on STEM, Construction and supporting other high need workforce areas.
 - £900,000 from Priority 2.2 (Including £300,000 ring-fenced for Somerset) to enhance the capacity of training providers to deliver better tailored learning to local businesses.
- Following discussions between partners within the LEP area however, it quickly became clear that partners beyond the local authorities lacked the capacity to deliver upward of £2-3m of ESF programme activity, with both the required level of match and programme management outstripping their headroom.
- As such, upper tier / unitary council partners agreed to explore taking forward this final wave of ESF delivery, with Devon and Plymouth seeking to act as accountable bodies for the final tranche of expenditure to ensure local retention. This also had the strategic benefit of allowing the Councils to shape and direct activity to best meet local ambitions and priorities.
- Consequently, two programmes are currently being pursued by the authorities through the ESF programme:
 - Health and Social Care Programme (£3.2m) – Led by Devon County Council as the accountable body, and working with health and care providers, FE and other training providers across the Plymouth, Torbay and Devon area, a programme of support to provide tailored learning and progression routes into the sector.
 - SMART Specialisation (£3.5m) – led By Plymouth City Council, working in conjunction with CSW Ltd, a programme of activity to bolster in work skills progression and apprenticeship activity, building on the Transition approach run by the three Councils to support young people into further learning / worthwhile work.

- For our part, Plymouth has been keen to pursue the SMART specialisation programme for the following reasons:
- **Maximising the use of ESF** – Following on from strong feedback about ensuring the city fully benefits from the balances within European funding programme, officers have been keen to ensure that the Council takes a leading role with its peers, and seeks to secure relevant funds before they are lost back to national pots.
- **Leverage and advantage of additional skills resource to our individual priority groups and economic recovery plans** – We are currently facing the largest economic crisis ever encountered. As at July 2020, those on Universal Credit had reached over 25,000. Those on Universal Credit in 16-24 yrs was 3,096. We anticipate the number of young people leaving post 16 education destinations including Schools, FE and HE education being nearly 12,000, with reduced chances. Smart Specialization will support the following:
 - Those employed in SMEs and Micro businesses and increased offer of upskilling
 - Apprenticeships and promoting the value of them to employers
 - Unemployed (including long-term unemployed) - supporting progression towards employment and to further education and training and into employment
 - Participants without basic skills – supporting progression into higher education, further education, improved work prospects, entry into employment and improved confidence and social engagement
 - Participants aged 50 plus - supporting re-entry into employment, career change
 - Participants with disabilities - supporting re-entry into employment, first-time employment, improved English, maths skills supporting independence, improved confidence, improvement in mental health
 - Single parents - supporting entry and re-entry into employment (when children reach school age) and improved prospects within employment
 - Homeless, or those in temporary housing - supporting improvement in English, maths and digital skills to better engage with society and entry into employment and further education and training
- **Reinforcing CSW Ltd, and accelerating progression toward Teckal compliance**
In addition, the project will recognize its existing role as *the* principal ESF delivery partner across the area, seeking to utilise the balance of ESF funding to route additional activity through CSW as our shared delivery body. By routing the funds through the Council but utilising CSW as the authority's delivery arm and drawing upon their matched funding capacity, significantly increasing the volume of council activity flowing through CSW books, and thus accelerating its progression toward Teckal compliance and overall local authority control.

Ask

- Given the above, we are seeking approval to now move forward with the hosting of the SMART Specialisation programme, enhancing Plymouth's leverage from the ESF programme, and reinforcing CSW's position towards Teckal compliance.