



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

**REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD
TO
BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON
9 MARCH 2016**

BLACK COUNTRY YOUTH EMPLOYMENT INITIATIVE (YEI) PROGRAMME FUNDING
Approval for the Four Black Country Local Authorities to receive EU Funding

Key Decision: Yes
Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1. To seek approval from the Joint Committee to agree the four Black Country Local Authorities of Dudley, Sandwell, Wolverhampton and Walsall can accept EU funding drawn in from the Black Country Youth Employment Initiative (YEI) programme.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee grants approval for the four Black Country Local Authorities of Dudley, Sandwell, Wolverhampton and Walsall to receive EU funding for the Black Country Youth Employment Initiative (YEI) programme.

3. REPORT DETAIL

- 3.1 In April 2014 the Government announced an allocation of additional EU funding support to create Youth Employment Initiative (YEI) programmes in a number of Local Enterprise Partnership (LEP) areas that demonstrated high levels of need amongst its Young people, this included the Black Country. These programmes are designed to specifically tackle youth employment from ages 16 to 29. The Department for Work and Pensions (DWP) is responsible for the 'Call for Proposals' and the allocation, based on the current exchange rate, is £51m (£17m YEI. £17m EU funding, £17m match funding provided by the applicants). The timeframe for spending these EU resources includes the 2018 period, creating the opportunity for a three year programme, subject to being able to claim retrospective eligible expenditure.

- 3.2 The funding has to be targeted at supporting 16-18 year-olds NEETs and 19-29 unemployed into positive outcomes such as mainstream education and training, employment, Apprenticeships and Traineeships.
- 3.3 Walsall Council agreed to co-ordinate the development of a programme throughout the Black Country, drawing in the Local Authorities of: Dudley, Sandwell, and Wolverhampton, plus Talent Match. Together these organisations have now designed a programme that fits all of the EU criteria and has identified the £17million of matching funding required to draw down the £34million available for the Black Country.
- 3.4 These organisations submitted an application on behalf of the Black Country LEP for 100% of the funding available (£34million). The full application was submitted to DWP and is now subject to scrutiny as part of the detailed process of assessment. All partners are currently working together to respond to further queries for a single Black Country programme to tackle the issue of NEETS and youth unemployment.
- 3.5 Two reports were previously presented and approved by the Joint Committee on 17 June 2015, the first report sought approval for Dudley Council to become the Accountable Body for the YEI proposal and the second report sought approval for Dudley Council to accept EU funding on behalf of the Black Country Local Authorities and Talent Match for all eligible Youth Employment Initiative (YEI) activity.
- 3.6 This report seeks approval for the EU funding to be passed from Dudley Council, the Accountable Body to the other three Local Authority delivery partners, Walsall Council, Wolverhampton City Council, Sandwell Council and BC Talent Match. This will be subject to rigorous monitoring claim, checks and assessment to ensure that activity adheres to EU compliance and is YEI eligible expenditure.
- 3.7 The proposal for Dudley Council to become the Accountable Body and Strategic Lead Partner for the Black Country application was agreed at Dudley Council's Corporate Board on 28 April 2015, subject to approval by the Cabinet Members for Children's Services, Regeneration and Leader of the Council, and this approval was secured.

4. FINANCIAL IMPLICATIONS

- 4.1 The total funding available for YEI in the Black Country is £51m if the EU funding of £17m can be matched by partners. Talent Match has committed £9m of match funding and the four Black Country Councils need to and are now working on finding the balance of £2m of match funding each over three years of the programme. The Local Authorities have identified this match from core funding for staff currently working with the YEI eligible target groups.
- 4.2 There is a maximum Management Fee of 15% from the total project value to cover the costs of the Lead Accountable Body and all non direct project costs which is subject to external audit. Accountable Body status will require significant input from a number of teams in all Directorates and Dudley Council has set up a cross-Directorate Technical

Support Group to provide support and challenge to ensure the project remains on track and is EU compliant. This support will be identified and if staffing is not available from current resources the Management Fee will be used to fund additional staffing required or pay replacement costs for staff deployed. Direct delivery costs for would be funded via YEI/ESF.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements will be prepared by the Accountable Body (Dudley Council) and will include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

6. RISK MANAGEMENT

- 6.1 Risk is being managed through the application of Dudley Council's corporate Risk Assurance Protocols to the emerging YEI programme and its ability to deliver the required spending profiles and outcomes as required or agreed with Government and set into place by the LEP Board or the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8 CONSULTATION

- 8.1 All Local Authorities were consulted.

Background papers

None.

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