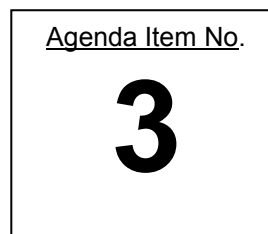


HERTFORDSHIRE COUNTY COUNCIL

ADULT CARE AND HEALTH CABINET PANEL

TUESDAY 24 APRIL 2018 AT 10:30 A.M.

**ADULT CARE SERVICES PARTICIPATION IN
EUROPEAN STRUCTURAL & INVESTMENT FUNDS (ESIF) GRANT:
UPSKILLING THE WORKFORCE**



Report of the Director of Adult Care Services

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Executive Member:- Colette Wyatt-Lowe – Adult Care and Health

1. Purpose of report

- 1.1 To advise Panel of recent activity to submit a bid for European Structural and Investment Funds (ESIF) Grant in relation to skills development for the adult social care workforce.

2. Recommendations

- 2.1 Panel is asked note the content of this report and to consider the advantages and risks associated with the administration of this funding.
- 2.2 Panel is asked to consider whether to propose to Cabinet that Cabinet agree that if successful in the bid process for European Structural and Investment Funds (ESIF) Grant as referred to in the Report:
- a) The Director of Adult Care Services in consultation with the Executive Member for Adult Care and Health be authorised to finalise the terms on which the ESIF is to be accepted by the Council;
and
 - b) Subject to (a) above the Council will take on the responsibility for the administration of the ESIF Grant and will arrange for delivery of the grant objectives

3. Summary

- 3.1 The Hertfordshire Local Enterprise Partnership (LEP) highlighted the opportunity for appropriate parties to bid for ESIF monies under the 'Care to Step Up - Up-skilling the Workforce in the Health and Social Care Sector in Hertfordshire' programme. The LEP is making £1.5m available for investment in the sector; this amount must be matched by the successful applicant to deliver a total funding package of £3m.

- 3.2 The Adult Care Services (ACS) Workforce Development Team worked in partnership with Hertfordshire Adult and Family Learning Service, (HAFLS) and Hertfordshire Care Providers Association (HCPA), and learned in December 2017 that the proposal was successful in passing Stage 1 of the bid process.
- 3.3 Stage 2 of the bid process required submission of a comprehensive business case setting out proposals for skills development for the social care workforce. The bid submission was made on 12 February 2018 and the LEP will announce the successful proposal during Spring 2018.
- 3.4 The grant offers the opportunity of attracting additional funding for social care workforce development into Hertfordshire. This supports work that the council is doing to promote a sustainable social care workforce, an issue about which Panel has previously expressed concern.

4 Grant Proposal

- 4.1 The proposal is a project to engage care providers in learning and career development, providing additional opportunities to upskill the adult social care workforce by complementing the existing training offer.
- 4.2 The ambition is to provide additional qualifications and specialist training for the sector, supporting the development of a social care workforce and management cadre that is equipped to meet the future demands of it, particularly in relation to working in an integrated health and social care context; delivering person centred care; and promoting best practice in relation to staff retention in the sector.
- 4.3 The project will:
- support managers and proprietors to understand the importance of upskilling their workforce by offering an initial Skills Audit and Impartial Feedback Service;
 - contribute to the implementation of the county adult health and social care workforce development strategy/plan;
 - increase health and social care sector specific skills and knowledge within the sector;
 - offer basic skills (English, maths and digital skills) courses;
 - provide information, advice and guidance to staff to help identify next steps in training and career development, including Apprenticeships.

- 4.4 The proposed start date for delivery will be September 2018. Learner recruitment would commence in June 2018 and by December 2018 the project would be fully operational. From March 2020 the project will be scaled back to ensure time to complete delivery and evaluate the results by the end of the project. These timelines are subject to alteration depending on the timings of the grant award. The EU is expected to honour all grant awards for their anticipated lifetime once made.
- 4.5 The council would act as the 'grant holder', administering the process of paying training providers and re-claiming grant monies from the EU. This function would be located within HAFLS given their previous experience of administering EU funding. HCPA, HAFLS and a number of smaller third party organisations would act as 'providers', delivering courses in line with the grant objectives.

5 Grant Claim and Audit Process

- 5.1 The history of fraudulent use of European Union funding across the continent means that a robust audit regime exists for the ESIF programme.
- 5.2 Grant rules will require a quarterly return to be submitted itemising expenditure claimed for reimbursement at individual transaction level. Every single item of expenditure is audited to ensure that it is appropriate within the terms and conditions of the grant; there must be a clear audit trail right through to bank statements demonstrating payment of monies out of organisations. This framework applies to both the grant funded and the match funded elements and will be administratively onerous. The anticipated level of audit scrutiny is significantly more rigorous than standard external audit approaches.
- 5.3 It is not uncommon for funding to be ruled 'ineligible' and so there is a significant risk that expenditure incurred might not be reimbursed. The timing of the audit process means that rejection of claims may happen months after the original expenditure was incurred.
- 5.4 Experience suggests that the best way of managing these financial risks is for providers to claim re-imburement retrospectively from the grant holder, with the grant holder being very rigorous about ensuring only eligible expenditure with a full audit trail is reimbursed. Ordinarily, this approach of paying in arrears and transferring financial risk to providers ensures that risk to the grant holding body is minimised.

6 Match Funding Arrangements and Risks

- 6.1 The grant holder is required to provide £1.5m of its own 'match funding' alongside the ESIF investment. The table below identifies the match funding that has been proposed in the council's bid:

Fund name	18/19	19/20	20/21	Total
	£	£	£	£
Workforce Development Funding to HCPA	252,000	252,000	252,000	756,000
Improved Better Care Fund	124,000	-	-	124,000
ACS courses	147,000	147,000	146,000	440,000
Better Care Fund	60,000	60,000	60,000	180,000
Total	583,000	459,000	458,000	1,500,000

- 6.2 The majority of these amounts are for ongoing and long-standing commitments to fund learning activity for the social care workforce. These commitments can be counted as part of the match funded element.
- 6.3 As the match funds are proposed in this way, issues arise because the terms and conditions of the ESIF Grant do not fully align with the county council's funding processes, specifically:
- a) 'Workforce Development Funding to HCPA' is paid upfront in order to ensure the financial sustainability of this important partner organisation. Payment in arrears in relation to this element of the bid is therefore not feasible;
 - b) 'ACS Courses' funding comprises payments to third party training providers procured under a framework contract that pre-dates the grant bid. Current terms and conditions of payment do not include a requirement to provide the level of assurance or transactional reporting that we anticipate the EU regime will necessitate.
- 6.4 A further complexity relates to the timing with which match funding is allocated against the bid. Ideally this should begin when the project goes live, whereas the bid has proposed that the match funded period begins on 1 April 2018. If there is a delay commencing delivery the full

year of funding for 2018/19 will not be available to support the match funded element. If the county council is not able to identify sufficient match funding, an equal element of grant funding will be withdrawn.

7 Management and Administration arrangements

7.1 Given the risks set out above it is important that there is robust oversight and administration of grant monies. A group has been established to take forward preparations in the event of a successful award. An Action Plan has been developed to support this activity (Appendix A).

7.2 The proposed arrangements are that:

- HAFLS lead on administration of the grant, including validation of payment claims from providers, submission of summary grant claims to the EU, co-ordination of the presentation of supporting evidence and liaison with EU officers. Other roles include:
 - Acting as lead contact with all delivery partners;
 - Quarterly reporting;
 - Implementing and monitoring the Equality & Diversity and sustainability plan;
 - Training partners on the payment evidencing arrangements;
 - Organising audits;
 - Organising marketing /promotion;
 - Checking eligibility for participants.;
 - A skilled and experienced project manager will be recruited, and all project administration resource funded by the grant will be located in HAFLS. A review will be undertaken to identify whether project administration resource funded by match elements can be transferred into HAFLS.
 - A grant steering group will be chaired by the Assistant Director of Commissioning to support HALFs in grant oversight. The group will meet fortnightly after notification of grant award, and bring together provider representatives, HAFLS, Finance and any other relevant stakeholders with attendance being mandatory. The group will oversee development of the financial processes and ensure compliance with them.
- 7.3 Despite these arrangements there is still an inherent risk of loss of funding arising from the complexities outlined in Section 6 of this report.

8 Financial Implications

- 8.1 Grant applicants are required to identify £1.5m of match funding as their contribution to the grant. These amounts have been identified from existing funding sources. Putting these amounts forward as match funding means that there is a commitment to making them available over the life-time of the grant.
- 8.2 If successful the council will make claims to the ESIF administrators to reimburse funding incurred. There is a risk that ESIF will decline payment if the required terms and conditions of payment are not met. This risk is heightened because of the way the match funding has been proposed. If the risk materialises then grant funding achieved will be less than the full £1.5m available. At the very worst case the entire grant amount could be withdrawn. The council may not be able to fully transfer financial risk to providers and would then have to meet expenditure from within its own resources.

9 Equalities Implications

- 9.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equality implications of the decision that they are making.
- 9.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment produced by officers.
- 9.3 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 9.4 A 'Care to Step Up' Equality, Diversity and Inclusion policy and action plan has been developed in partnership with the project partners and is attached at Appendix B.

Appendix A: ESIF Preparation Plan

Task	Lead	Timescale	Commentary
Establishment of Steering Group	Assistant Director of Commissioning	Immediate	
Assessment of likely financial control arrangements	Steering Group	Immediate	<p>Research financial control arrangements and assess ability of stakeholders to meet these</p> <p>Identify areas of risk and explore mitigations</p>
Establishment of financial control framework	Steering Group / HALFS	On notification of successful award	<p>Develop guidance for providers on payment terms and conditions</p> <p>Develop pro forma templates to support payment claims</p>
Recruitment of staffing team	HAFLS	On notification of successful award	<p>Preparation will involve:</p> <ul style="list-style-type: none"> • reviewing line management arrangements and developing proposals to bring staff into HAFLS • development and agreement of job outlines
Provider briefing and training	HAFLS	After notification of successful award	<p>Preparation will involve:</p> <ul style="list-style-type: none"> • relationship building with providers • developing briefing materials • working with providers to agree payment and evidencing

Task	Lead	Timescale	Commentary
			arrangements
Implementation of Equality, Diversity and Inclusion Policy and Action Plan	Steering Group	On notification of successful award	Review action plan and develop arrangements for implementation