

DECISION-MAKER:	CABINET
SUBJECT:	BUILDING EUROPEAN ENVIRONMENTAL AND MARITIME SKILLS
DATE OF DECISION:	17 JULY 2012
REPORT OF:	CABINET MEMBER FOR COMMUNITIES
STATEMENT OF CONFIDENTIALITY:	
Not applicable.	

BRIEF SUMMARY:

On 13th February 2012 Southampton City Council submitted an application to the EU Interreg France (Channel) England Programme for funding from the European Regional Development Fund (ERDF) to support a project entitled BEEMS (Building European Environmental Maritime Skills). Officers have been notified that the application with a total budget of £1,661,910 (€2,665,027) has been successful.

The aim of BEEMS is to stimulate the development and sustained growth of environmental and maritime skills within the marine renewable energy industry, and to increase the sector's economic viability through enhanced cross border cooperation and joint working.

BEEMS will be led by Southampton City Council and delivered by a UK/French Partnership comprising 11 project partners and 2 participants, including regional and local authorities, industry associations, educational institutions and training providers.

RECOMMENDATIONS:

- (i) To delegate authority to the Director of Economic Development, following consultation with the Head of Legal, HR and Democratic Services, to enter into a legal agreement with the Managing Authority of the EU Interreg France (Channel) England Programme to deliver the BEEMS project.
- (ii) To accept, in accordance with Financial Procedure Rules, the ERDF grant of £830,955 (€1,332,513) from the European Regional Development Fund and £747,017 from BEEMS partners contributions on behalf of the BEEMS Partnership and act as Accountable Body.
- (iii) To approve, in accordance with Financial Procedure Rules, revenue expenditure of £1,661,910 (€2,665,027) for the BEEMS project.
- (iv) To delegate authority to the Director of Economic Development, in consultation with the Head of Legal, HR and Democratic Services, to undertake such actions necessary to enable the successful delivery of the BEEMS project and support the proposals in this report.

REASONS FOR REPORT RECOMMENDATIONS:

1. As skills gaps hinder economic growth, BEEMS will add value to the strategic drive for a more competitive and sustainable low-carbon regional economy. It will afford the marine renewable energy industry and supply chains operating in the Solent offshore wind development zone additional competitive advantage and build stronger communities by ensuring local people are skilled and ready for work.

2. Priority action includes the preparation of a cross border employment strategy and skills plan with dedicated education, training and apprenticeship pathways to maximise flexible workforce development, support local people with low level skills into work and meet the future needs of sector employers.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

3. To not accept the ERDF grant on behalf of the BEEMS Partnership would result in the cancellation of the project and the loss of external funding to promote the growth of green skills and renewable technology in the sub-region, and with partners.
4. To not accept to act as the Accountable Body nor enter into a legal agreement with the EU Interreg France (Channel) England Programme by the due date would result in a delay in the commencement of the project.

DETAIL (Including consultation carried out):

5. The EU Interreg IVA France (Channel) England Programme distributes European Regional Development Fund (ERDF) money on behalf of the European Union. The Programme supports cross border cooperation projects between coastal regions on either side of the Channel.
6. Southampton City Council submitted an application with a total budget of £1,661,910 (€2,665,027) to the Channel Programme on 13th February to fund the project, BEEMS (Building European Environmental Maritime Skills). Officers have received notification from the Channel Programme Steering Committee that the application has been successful and the Managing Authority is ready to enter into a legal agreement with the City Council.
7. The marine renewable energy (MRE) sector is witnessing unprecedented growth. The UK is at the forefront of deploying offshore wind turbines and several manufactures (Vestas, Siemens, Areva and Alstom) are already locating production facilities off European shores. Projections indicate that the market is set to create an estimated 29,700 direct and 17,500 indirect new jobs in the UK with a further 10,000 in France; injecting a significant boost to the regional economies of N.W France, Southern and Eastern England from 2015 onwards.
8. The aim of BEEMS is to stimulate the development and sustained growth of environmental and maritime skills within the marine renewable energy industry, and to increase the sector's economic viability through enhanced cross border cooperation and joint working.
9. To achieve this aim it is proposed that BEEMS will deliver the following objectives over 25 months commencing September 2012.
 - Secure a joint understanding of the commercial commonalities and differences of the cross border MRE sector, and its specific requirements for developing and retaining a skilled and ready-for-market workforce that meets short, medium and long term growth in the offshore wind energy industry.

- Engage with cross border sector employers and training providers to broker and establish an offshore wind energy industry employment strategy and skills training plan that meets industry needs in skills development, training, apprenticeships and workforce retention.
- Develop a cross-border offshore wind energy industry skills training and apprenticeship programme that will meet the educational, social and economic needs of unemployed people or those with low level skills.
- Develop and evaluate cross border practical approaches and techniques that improve performance and long term employability, including a skills escalator, study trips and exchanges.
- Enhance opportunities for SME's in the partnership territories to benefit from the development of the marine renewable energy sector supply chain.

10. BEEMS will be delivered by a UK/French Partnership of 11 project partners, including regional and local authorities, industry associations, educational institutions and training providers as listed below:

Solent Partners

- Southampton City Council (Lead);
- Isle of Wight Council;
- Portsmouth City Council;
- Southampton Solent University (Warsash Maritime Academy);
- Apprenticeship Training Ltd (ATL);

East of England Partners

- Waveney District Council;
- Marine East;
- Lowestoft College;
- East of England Energy Group (EEEGr) – *project participant*;

Région Haute-Normandie

- Council of Région Haute-Normandie ;
- Energies Haute Normandie – *project participant*;

Région Basse-Normandie

- Council of Région Basse-Normandie ;
- Maison de l'Emploi et de la Formation du Cotentin (MEF)

11. It is proposed that Southampton City Council acts as the Lead Partner and Accountable Body for BEEMS. This will require the City Council to represent the BEEMS Partnership in all project delivery, management, legal and financial matters, including liaison with the Channel Programme Steering Committee and Managing Authority. It is intended that the City Council will host the project's central administration, employing a Project Manager (1.0 FTE), Project Coordinator (0.5 FTE) and Project Administrator (0.5 FTE) for the duration of BEEMS. The cost of the 3 posts, plus overheads will be externally funded.

12. Project activity is grouped into 3 work packages – Industry, Skills and Education & Training. Activity is designed to:
- Identify how workforce requirements in the MRE sector will develop over time and where skills gaps lie.
 - Identify and promote career opportunities and pathways available to the young and mature alike.
 - Produce a cross border employment strategy and skills plan to maximise flexible workforce development, re-skilling, up-skilling and retention to meet the needs of employers.
13. BEEMS brings together English and French public administrations, policy makers, educational institutions, training bodies and the MRE industry to share knowledge and practice and deliver a set of commanding outcomes:
- Cross border employment strategy and skills plan.
 - Employment and training network.
 - Common set of skills and training standards for the MRE industry.
 - Draft new level 1 & 2 training programme leading to a cross border certification for baseline skills in the operations and maintenance sector.
 - Skills escalator and toolkit for entry level progression.
 - Anglo-French documentation and enhanced communications.
 - Exchanges of experience
14. The vision and core purpose of BEEMS was presented to key stakeholders, partners and sector representatives at a cross border maritime conference and roadshow held in Southampton on 12th October 2011. The BEEMS Partnership was developed in response to negotiations with a number of UK and French delegates during 2011.

RESOURCE IMPLICATIONS:

Capital:

15. No implications

Revenue:

16. The project will be funded as follows:

Channel Programme / 50% ERDF grant	£830,955
BEEMS Partners' contributions	£747,017
Southampton City Council contribution	
Staff costs contribution	£45,556
Preparation Costs (already spent in 2011/12)	£3,383
Regeneration revenue budget	£35,000
Total	£1,661,910

17. The staff costs contributions will come from staff in Regeneration, Sustainability, Legal and Finance departments who will be involved in various aspects of project delivery. 50% of staff costs can be reclaimed against the ERDF grant for actual hours worked. This figure is calculated at £45,556.

18 The planned expenditure is shown in the table below:

	2011/12	2012/13	2013/14	2014/15
Central Administration Costs				
Project Manager (1.0 FTE) Grade 10		27,873	45,292	10,452
Project Coordinator (0.5 FTE) Grade 9		12,135	19,719	4,550
Project Assistant (0.5 FTE) Grade 7		7,944	12,912	2,979
Overheads/ Supplies and Services		3,000	6,000	1,000
Travel & subsistence		4,350	4,350	1,300
Finance Support		9,600	15,600	3,600
Interpretation (BEEMS Partnership meetings)		775	1,550	763
Forecast Spend by Partners				
Southampton City Council	6,765	54,575	43,177	19,826
Région Haute-Normandie		42,741	63,040	1,896
Région Basse-Normandie		22,522	44,344	4,117
Maison d' l'Emploi		11,502	20,317	1,600
Isle of Wight		25,350	34,650	
Waveney District Council	300	32,804	21,573	8,481
Portsmouth City Council		0	0	0
A.T.L		121,691	337,898	3,723
Solent University		77,302	17,177	
Marine East	19,268	98,738	124,110	13,640
Lowestoft College	5,000	79,015	93,354	15,670
Total	31,333	631,917	905,063	93,597

19. Central administration staff will be newly appointed on 2 year fixed term contracts. The project will pay statutory redundancy costs incurred on closure of the project.

Property/Other:

20. The BEEMS central administration staff will be accommodated on Southampton City Council premises.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

21. Section 1 of the Localism Act 2011 permits a Council to do anything that an individual may do whether or not normally undertaken by a local authority (the General Power of Competence). The power is subject to any pre or post commencement restrictions on the use of power (none of which apply in this case).
22. Accepting the funding for the BEEMS project and implementation of the project as Accountable Body will require the authority to satisfy itself that project funding does not distort competition between Member States of the EU or otherwise amount to unlawful state aid. State aid issues will need to be fully explored and all state aid requirements satisfied throughout the life of the project on an ongoing basis.

Other Legal Implications:

23. In order for Southampton City Council to accept the ERDF grant it is required to enter into a legal agreement with the Managing Authority of the EU Interreg France (Channel) England Programme.

POLICY FRAMEWORK IMPLICATIONS:

24. The proposals contained in the report are in accordance with the appropriate Policy Framework Plans of the City Council

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices:

1.	None
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Documents In Members' Rooms:

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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