

Nottingham City Council Delegated Decision



Nottingham
City Council

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| Reference Number: | 4190 |
| Author: | Alex Reader |
| Department: | Development and Growth |
| Contact: | Alex Reader (Job Title: 16-19 Manager, Email: alex.reader@nottinghamcity.gov.uk, Phone: 01158762825) |
| Subject: | Nottm Works 4You Project - Project Change Request |
| Key Decision (decision valued at more than £1million): | Yes |
| Total Value: | £13,006,698 (Type: Revenue) |
| Decision Being Taken: | <p>1. For the Council to accept additional European Social Fund (ESF) monies for the Nottingham Works 4You project to run between April 2021 and 31 December 2023 to accommodate the transfer of delivery partners and staff from the existing Nottm Works Project. (NB - Approval for NCC to act as the Accountable Body for the Nottm Works 4You project was given in Delegated Decision 4108). 2. To delegate authority to the Corporate Director for Development and Growth to sign a Variation to the existing Funding Agreement with the Department for Work and Pensions for the increased Contract Value, and to allocate funding to delivery partners 3. To delegate authority to the Corporate Director for Development and Growth to transfer the roles below from the existing Nottingham City Council (NCC) Nottm Works Project Team to support the management and delivery of the larger Nottm Works 4You project: 4. To delegate authority to the Corporate Director for Development and Growth to allocate NCC funds (as per the existing arrangements in current Nottm Works project) to be used as Local Match for the project roles</p> |

In February 2021, The Department for Work and Pensions (DWP) informed NCC that the European Union's Youth Employment Initiative (YEI) funding that had been secured by NCC to deliver the Nottm Works project would no longer be available to NCC and its delivery partners. The withdrawal of this £3.5m of funding (and the resulting termination of the Funding Agreement for this project) was as a result of an 'over-commitment' of YEI funds by the DWP.

DWP has offered NCC the opportunity to secure additional funds from an alternative European Fund budget (European Social Fund: Priority Axis 1.2) to enable the continuation of support of young people in the City after April 2021. To access this alternative ESF funding, the NCC staff and delivery partner staff would transfer to the Nottm Works 4You project from April 2021. The value of the Nottm Works 4You contract would be increased to accommodate the additional funding.

The Nottm Works 4You project is a pre-employment intervention and support programme for young people who are NEET (not in education, employment or training) and disengaged 15 to 24 year-olds within Nottingham City. The project is needed to reduce the drop-out rates of marginalised and disadvantaged young people at key periods of transition during their educational and working lives.

The transfer of the Nottm Works partners into the Nottm Works 4You project will secure up to £2.2m of additional ESF funds into Nottingham (with an equivalent amount being secured from local match provided by the project's delivery partners). The project will support approximately 5,500 NEET young people in Nottingham City with at least 2,000 of these progressing into education, training or employment upon leaving the programme. This additional funding will help ensure the continuation of the Nottingham Jobs Hub and will directly contribute to the following Council Plan targets: -

- Create 15,000 new jobs for Nottingham people;
- protect the Nottingham Jobs Hub from cuts;
- guarantee a job, training or further education place for every 18-24 year old;
- increase the number of Nottingham residents with level 2 qualifications to within 3% of national average;
- work with businesses to deliver 500 new apprenticeships

This is a revenue only project, which utilises European Social Funding under Priority 1.2. This will provide a 50% grant with a requirement to find 50% match funding, which will be provided by the delivery partners as outlined in the attached appendix.

The sources of the local match for the existing Nottm Works NCC Economic Development project roles that will transfer onto the Nottm Works 4You are given below. These sources remain as per the current Nottm Works project.

Local Match Source 1: Nottm Works 4You Delivery Partner Salary costs

- ESF Project Manager
- Project Compliance Officer
- Finance Business Analyst
- Communications & Marketing Specialist
- Project Marketing & Administration Officer
- ESF Project Administrator
- Community Employment & Skills Officers
- Community Partnership & Project Development Manager

These roles support the delivery of the NCC Accountable Body Function for the project and provide capacity for coordinating Employment & Skills activities across the City. All costs for these posts are met through the ESF and local match contributions from the delivery partners. Partners are charged additional costs to cover all other NCC costs of employing these staff. There is no net cost to NCC for employing these staff.

Local Match Source 2: NCC Economic Development core-funded salary budget

- Supported Employment & Training Advisor**

This post specialises in providing support to young Nottm City residents with disabilities and health difficulties. It is the only specialist role which support this Priority Group on the project and it is integral in meeting the target for this group in the project and in supporting NCC's Equalities ambitions.

Local Match Source 3: Developer's Section 106 Contributions to NCC Economic Development for Employment & Skills support

- Senior Employer Engagement & Apprenticeship Officer**

This post provides support to young people to help them access opportunities relating to developments in Nottm City. These can be in the construction phase of new developments or in the end use. The Section 106 contributions from developers must (and can only) be used by NCC to provide skills and employment opportunities to City residents.

Local Match Source 4: Economic Development's Youth Contract Funding

- Caseload Development Officer**

This post is the first point of contact for unemployed City residents who contact NCC's Nottm Jobs Service. Their role is to identify the most appropriate referral route and opportunities and to monitor engagement and progression.

- Employer Relations Officer**

This post supports NCC's commitments to create opportunities for young people with local employers as part of the Nottm Jobs Service. This includes the promotion and delivery of the Nottm Jobs Fund scheme and the national Kick Start programme.

Local Match Source 5: Procurement Levy Contribution to NCC Economic Development for Employment & Skills support

- YouCan Project Support Lead (Post-holder employed by Base 51)**
- YouCan Finance Officer (Post-holder employed by NNYS / Futures)**

The YouCan project was implemented by NCC as a response to increasing levels of risk of young people becoming involved in criminal activity and as part of the drive to reduce knife crime among young people. Its inclusion in the Nottm Works project followed a successful pilot programme in 2018.

The revised Local Match contributions for these posts have been included in the most recent forecasts for each of these budgets. In the event that the anticipated contributions / funds are not available these posts would be made redundant (if no alternative sources of match could be identified). There would be no net cost to NCC for employing any of these posts.

Briefing notes documents: NW4You- PCR#1 DDM - Appendix v1.pdf

Other Options Considered: To not access the additional ESF funding and transfer Nottm Works partners to Nottm Works 4You - This would mean that all of the staff on the Nottingham Works project would not be able to access any contributions from ESF funds after May 2021. This would represent a loss of approximately £7.5m in European funding. These funds were to be used to support the costs of 87 FTE, across 12 external delivery partners and 5 NCC departments, whose role is to support young unemployed and NEET City residents to progress into education, employment and training.

This loss of funding would lead to redundancies in delivery partners and NCC itself as well as having a negative impact on the Council's ability to deliver some of its key Council Plan commitments. NEET rates in the city would almost certainly increase. It would also put at risk the continuation of the Nottingham Jobs Hub which are almost entirely dependent on external funding and it would be very difficult for the Council to address unemployment and social exclusion among 15-24 year-olds in the City. This option was rejected.

Background Papers: None

Published Works: Delegated Decision 4108

Affected Wards: Citywide

Colleague / Councillor Interests:

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: It is well documented that crime and disorder increases when unemployment rises. As this project is aimed at reducing youth unemployment, it will have a positive impact on reducing criminal and anti-social behaviour in the City. The NCC Youth Justice Service is a partner on the project. This project also includes the YouCan programme which was developed to support young people at risk of criminal activity to progress into education, employment or training.

Equality: EIA not required. Reasons: The NW4Y already has an Equality Implementation Plan that ensures all priority groups are considered in the delivery of the project. The project has targets for minimum numbers of participants from priority groups that must be engaged (including female participants, those from BAME communities, those with disabilities, those from single adult households)

Relates to staffing: Yes

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| Decision Type: | Leader's Key Decision |
| Subject to Call In: | Yes |
| Call In Expiry date: | 27/04/2021 |
| Advice Sought: | Legal, Finance, Human Resources |
| Legal Advice: | An earlier DDM No. 4108 gave authority for Nottingham City Council (NCC) to act as accountable body for the Nottingham Works4you project for which NCC had already received grant funding. This delegated decision seeks authority to accept additional ESF monies and to vary the existing funding agreement to reflect the increase in grant funding as well as to allocate funding to delivery partners. Written agreements with the delivery partners - if not already in place will need to be put in place, to ensure that there are no acts or omissions on their part which bring the council into breach of grant conditions. Advice provided by Sarah O'Bradaigh (senior solicitor) on 09/03/2021. |

Finance Advice:

This decision seeks approval to accept a variation to original contract value of the Nottingham Works 4You project as per approved DD4108, to £13.0m.

The project is to be funded 50% from the European Social Fund (ESF) and 50% from local match contributions, provided by sixteen partner organisations and NCC.

NCC's match funding £1.695m is in the form of 23.3fte posts, funded from a combination of base budget, ring-fenced contributions received via the Kickstart project and Youth Contract, section 106, procurement levy and additional partner contributions. The service will need to monitor all funding sources effectively to ensure any potential risks to funding are identified and mitigated early on.

The Nottingham Works 4You project is to be implemented in partnership with sixteen different partner organisations and requires NCC to take on the role of accountable body. The accountable body is required to receive and manage funds on behalf of the partnership but also to apply its own contract procedure rules and financial regulation to the project.

Receipt of all funding sources is largely dependent on the successful delivery of the project in line with the targeted outputs and activities, as well as the submission of compliant quarterly claims. Project Manager and Project Compliance Officer roles have been allocated into the accountable body resource requirements for the project. It is important these roles are able to take responsibility for ensuring the project is delivered within budget and within timescales to ensure that all conditions of the grant are adhered to and the risk of unfunded expenditure is mitigated. The roles should also ensure regular updates are provided to the Head of Service.

Acceptance of the ESF funding will allow NCC to create up to 6 new positions. It is recommended the department refer to established internal processes to resource. The project is expected to start in April 2021 and to be completed by December 2023. To mitigate the risk of unfunded staffing costs these posts will need to be appointed on fixed term contracts.

A risk register has been developed as part of the bid process. It is recommended that this is reviewed and assessed regularly throughout the project's lifespan.

Advice provided by Chanelle Poyser (Commercial Business Partner) on 09/03/2021.

HR Advice:

The creation of the posts under ESF grant funding was initially advised upon by HR in January 2021 (see attached document) and this submission extends the grant funding available. Therefore the circumstances still apply to the creation and management of the posts and the original advice still remains valid and to remain in place. Advice provided by Labeeb Aslam (HR Consultant) on 04/03/2021.

Advice documents: Nottm Works 4You Posts.pdf

Signatures:

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| David Mellen (Leader/ PH Regeneration, Schools, Communications) |
| SIGNED and Dated: 20/04/2021 |
| Chris Henning (Corporate Director for Growth and City Development) |
| SIGNED and Dated: 12/04/2021 |