

Executive Board
21 December 2021

Subject:	D2N2 Skills Access Hub
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor Rebecca Langton, Portfolio Holder for Skills, Growth and Economic Development
Report author and contact details:	Owen Harvey, Acting Head of Employment, Skills and Economic Strategy owen.harvey@nottinghamcity.gov.uk
Other colleagues who have provided input:	
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision:	£926,633
Wards affected:	All
Date of consultation with Portfolio Holder(s):	
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

Subject to a successful project change request, the D2N2 Skills Access Hub will provide businesses and employees with access to skills and training, improving productivity, growth and attainment levels in the city.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

1. To approve the acceptance of £926,633.36 in additional funding from the Department for Work and Pensions for the D2N2 Skills Access Hub Project, to run between January 2022 and December 2023, subject to a successful Project Change Request.
2. To delegate authority to the Corporate Director for Growth and City Development to enter into a new funding agreement with the Department for Work and Pensions, make variations to the existing collaboration agreements with delivery partners, and allocate funding to delivery partners in accordance with those agreements.

1. Reasons for recommendations

- 1.1 The Council was previously awarded **£4,796,576** in 2020 to deliver the D2N2 Skills Access Hub between April 2020 and December 2023, a project that currently provides businesses and employees with access to skills and training, improving productivity, growth and attainment levels. The project is managed by the Council and is delivered by a consortium of delivery partners including the University of Nottingham, West Nottinghamshire College, Futures, Direct Help and Advice, and Nottingham College.
- 1.2 Subject to a successful Project Change Request (PCR) application, approval is needed to accept **£926,633** in additional funding for the D2N2 Skills Access Hub Project to increase the size of the project and skills support available to businesses and employees. Of the £926,633 in new funding, half (£463,317) will be provided by the European Social Fund, with the remaining half provided by the Skills Access Hub delivery partners as local match for the project.
- 1.3 If approved, the PCR will enable the Council to vary the existing Funding Agreement with the Department for Levelling Up, Housing and Communities (DLUHC) and, similarly, to vary the Collaboration Agreement between the Council and delivery partners, to reflect the increased total project budget. There are no additional funding requirements for the Council.

2. Background (including outcomes of consultation)

- 2.1 Currently, the Skills Access Hub is contracted to support 888 small and medium-sized enterprises (SMEs) to access skills provision and 2,220 individuals to improve their own skills attainment. The current total project budget for the Skills Access Hub is £4,796,576. If successful, the PCR will enable the Council to increase the number of SMEs supported to 1,060 and the number of individuals supported to increase their skills to 2650, taking the new total project cost to **£5,723,210**.
- 2.2 It is anticipated that at least 50% of project participants will be based within Nottingham City. The Council will lead a partnership of public, private, and charitable organisations who will identify the skills needs of SMEs and either provide, or broker, the required skills provision. The project will contribute to the following Strategic Council Plan priorities:
- it will increase the number of Nottingham residents with **Level 2** qualifications to within **3% of the national average**;
 - it will create **15,000** new jobs for Nottingham people;
 - it will continue to support residents into work through the **Nottingham Jobs Hub service**;
 - it will support **1000** residents into work by securing external funding for programmes across the city; and
 - it will support **1,000** more Nottingham young people **into learning** and work with businesses to **create 500 new apprenticeships**.
- 2.3 The Nottingham Jobs Service will work with colleagues in Adult Social Care services to ensure the project supports adults with additional needs to access skills and training opportunities. The project will also continue to reduce the skills gap across Nottingham and help to create a more productive and profitable SME sector.
- 2.4 This is a revenue-only project that is applying for ESF support and requires 50% match funding. All accountable body, management and some delivery costs for the Council are met through the ESF contributions and the Local Match provided by partner organisations. Delivery partners are paid project costs once income is received from the DLUHC.

3. Other options considered in making recommendations

- 3.1 To not bid for this additional ESF funding: this would mean that Nottingham would not receive £926,633 of additional external funding to support 1060 businesses and 2650 individuals to address skills gaps current and future workforces. In addition, not to bid for this funding would have a negative impact on the Council's ability to deliver some key Strategic Council Plan commitments. It would also have a negative impact on the breadth of service to SMEs provided by the Growth Hub and deny Nottingham and D2N2 delivery partners access to additional external funding. Therefore, this option was rejected.

4. Consideration of Risk

- 4.1 Regarding risk, the Department for Work and Pensions (DWP) has the ability to invoke funding clawback from the Council if there are any issues with project performance or compliance. To mitigate this risk, officers will develop risk management plans and

regularly monitor performance, compliance, income and expenditure, as well as put in place clear escalation procedures to ensure that all funding is received and any potential risks are identified and mitigated early.

- 4.2 The project will be managed by officers within Growth and City Development, a department with a successful track record of undertaking ESF projects. Under the 2014 to 2020 European Structural Investment Fund Programme, Economic Development has successfully delivered £54 million of employment and skills provision without incurring any financial claw back from DWP. The project will use an established project governance structure reporting into the Council's European Structural Investment Performance Group, to review progress and performance at least monthly, with all staff having designated roles headed up by the senior responsible owner. The governance structure has defined reporting lines between all parties and a clear decision-making process.

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 The Council is the Accountable Body for the Skills Access Hub and this and the initial funding and project was approved in Delegated Decision 3822 in 2020. The project spans 2020/21, 2021/22, 2022/23 and 2023/24. As the Accountable Body, additional funding for this Skills Access Hub was available to bid for through a PCR.
- 5.2 A PCR has been submitted and approval is awaited for the extension to the Skills Hub Access project and the £463,316.68 funding from the DWP this brings. Once this approval is given, the additional funding will be provided by the DWP. As part of the PCR bid process, established partners were asked for match funding commitments for this extension of the project. These were given, so there is no risk attached in securing the match funding. The PCR submission included detail of how the project will run and this will be monitored in line with the monitoring outlined in Section 4 above, which is an established process.
- 5.3 There is an established team managing the project and clawback of the grant is unlikely, with several stages of mitigation available during the project. There is no additional funding required from the Council in conjunction with the PCR and therefore no financial pressure arising from this decision.

Advice provided by Susan Tytherleigh, Finance Business Partner, on 24 November 2021.

6. Legal colleague comments

- 6.1 The proposals in this report seek to accept additional funding, subject to the PCR that has been submitted being successful. If so, the consequence of such will be the receipt of additional funding to support the D2N2 Skills Access Hub that has already been established. The funding will be used to vary the existing collaboration agreements in place with delivery partners to extend the remit of the project as detailed within the report.
- 6.2 Any additional terms imposed upon receipt of the funding from the DWP will need to be reflected in the agreements with the delivery partners to ensure compliance and to provide the Council with appropriate monitoring and clawback protections.

- 6.3 The Council must ensure that any grant provided to the delivery partners is in accordance with the Subsidy Control Regime.

Advice provided by Dionne Screamton, Legal Business Partner, on 30 November 2021.

7. Crime and Disorder Implications

- 7.1 The Skills Access Hub will help SMEs to be more successful and productive, primarily by enhancing the skills of their workforce. The project will, therefore, help to grow the local economy and provide participants with more job security and opportunities to improve their economic and social circumstances. As a result, the project will reduce some of the factors recognised as contributing to high levels of crime and disorder.

8. Equality Impact Assessment (EIA)

- 8.1 An EIA is attached as an appendix and due regard will be given to the implications identified in it.

9. Data Protection Impact Assessment (DPIA)

- 9.1 A DPIA is not required because full data sharing agreements have already been signed with the DWP and delivery partners as part of the original implementation of the Skills Access Hub.

10. Carbon Impact Assessment (CIA)

- 10.1 A CIA is not required because, within all ESF projects, robust sustainability plans are in place to ensure that the Council and partners reduce carbon emissions, e.g., through zero-carbon working (with no travel, no paper, no waste, no consumption) and maximising the benefits of hybrid working.

11. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 11.1 None.

12. Published documents referred to in this report

- 12.1 Delegated Decision 3822: European Social Fund Project – Skills Access Hub
<https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=5159>