

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2395

Author:

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Department:

Development

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Subject:

Nottingham Works - Youth Engagement Initiative Funded Programme

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£6,875,340 (Type: Revenue)

Decision Being Taken:

To grant authority to the Corporate Director of Development and Growth to enter into a grant funding agreement for £6,875,340 with the European Social Fund (ESF) Managing Authority;

To commit the required match funding of £2,291,780;

To delegate authority to the Corporate Director of Development and Growth to be able to sanction the expenditure associated with the programme in line with financial regulations and to enter into the proposed partnership arrangements for the programme with local delivery partners;

To recruit a Programme Manager and an Administrator on fixed term contracts (non-executive function).

Reasons for the Decision(s)

Following submission of the full application, the DWP confirmed their intent to award a funding agreement on 17th February 2016. A Leader's Key Decision is required in order to gain approval for the commitment of the necessary match funding for the programme. The funding agreement cannot be signed without confirmation that the match funding for programme is in place.

All match funding for Nottingham Works will be provided by Nottingham City Council. Breakdowns of total programme budget and the match funding required is attached for information. This match funding will be sourced from a range of different projects and budgets, including:

- The Nottingham Jobs Fund
- The Strategic Choice 16-18 NEET prevention programme
- The Area Based Grant (with the agreement of the lead organisations)
- The Economic Development service
- The Youth Contract

Value for Money

The intervention rate for the European Social Fund and Youth Employment Initiative is 66%. Therefore, for every pound of Council match funding invested in the programme, a further two pounds will be provided from European sources. This intervention rate is higher than for other European funding programmes (the European Regional Development Fund has an intervention rate of 50%) and consequently represents good value for money for the Council.

The primary aim of the Nottingham Works programme is to reduce unemployment and social exclusion amongst 15-29 year-olds in Nottingham City. In addition, the programme will also:

- Build a community based programme of six integrated activities, delivered by a strong local partnership that will support young people into work and ensure value for money.(An FAQ document for each activity is attached for information)
- Ensure it is fully aligned with other pre-employment provision and mainstream services, thereby adding value and avoiding duplication.
- Significantly reduce the number of young people who are NEET.
- Provide additional traineeship and apprenticeship opportunities for young people.
- Provide additional work experience and pre-employment training opportunities for young people.
- Re-engage marginalised and disadvantaged young people.
- Improve the skills of young people.
- Develop additional provision for groups of young people who face multiple barriers to work.
- Reduce the drop-out rate of young people from the system at key periods of transition.
- Deliver high-quality age-appropriate support, including advice, mentoring and work readiness training that will help young people to develop the skills and behaviours needed for work.
- Incentivise and engage local employers to recruit disadvantaged young people.

The programme will therefore deliver significant benefits for unemployed and socially excluded young people in Nottingham, supporting them off benefits and into full-time paid employment. The number of outputs for the programme is attached for information.

Briefing notes documents:

NJF Plus FAQ - YEI.doc, Step in to Work Plus FAQ - YEI.doc, Nottm Traineeships FAQ - YEI.doc, Intensive Careers Support FAQ - YEI.doc, Nottm North Traineeships FAQ - YEI.doc, Nottingham Apprenticeship Grant FAQ - YEI.doc, Nottingham Works Budgets - April 2016 start.pdf, Nottm Works - Outputs - April 2016 start.pdf, Local Match by Financial Year - April 2016 start v2.pdf

Other Options Considered:

Do Nothing - If the Nottingham Works funding agreement with the Managing Authority was not signed, the funding made available through the call would have to be re-allocated to alternative projects and organisations (through a subsequent tender process). This would result in different projects aimed at addressing youth unemployment being delivered in Nottingham by other local and/or possibly national organisations over which the Council would have no direct control or influence. There would consequently be a risk that this activity would not tie in with the Council's existing initiatives and plans or support its socio-economic objectives within this area.

Alternative Delivery Models - During the development of the Nottingham Works programme proposal, the alternative option of developing individual projects that addressed each of the eight activities included in the call was considered and then rejected on the grounds of efficiency and value for money. Instead, a combined programme approach covering six of the eight activities was considered the best option as it offered a holistic, coherent and integrated model that avoids duplication of provision. It was based on a strong local partnership of community organisations and is linked with existing local infrastructure

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Consultations:

Date: 16/09/2015
Ward Councillors: Graham Chapman
Cllr Chapman approved the provision of local match through the sources identified following a discussion of the programme with Chris Henning, Director of Economic Development.

Date: 08/09/2015
Other: PFH for Jobs, Growth and Transport, Councillor Nick McDonald
Cllr N McDonald approved the design of the programme and delivery arrangement.

Those not consulted are not directly affected by the decision.

Crime and Disorder
Implications:

The primary objective of the Nottingham Works programme is to support young people who are NEET and unemployed into employment. This will include the development of additional provision for groups of young people who face multiple barriers to work, such as those who are at risk of / involved in gang related activity, ex-offenders and those with mental health issues. By engaging with young people who are NEET and from vulnerable groups, the programme will reduce the potential for them to become involved in crime or anti-social behaviour by providing them with opportunities for employment. The programme will provide employment opportunities for young people who are NEET or in vulnerable groups, including pre-employment training, traineeships and apprenticeships. Through the provision of these activities, young people will be given the opportunity to develop new life skills and work experience that will assist with the prevention of criminal or anti-social behaviour.

Equality:

EIA not required. Reasons: The activities with the programme have been designed to ensure equality between genders, to prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation and to ensure accessibility for persons with disabilities. The programme outputs specifies the number of participants from these groups that will complete the activities.

Relates to staffing:

Yes

Decision Type:

Leader's Key Decision

Subject to Call In:

No

The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Councillor Brian Parbutt

Consultation Date: 01/03/2016

Need to sign funding agreement and arrange for 1 April 2016 start.

Advice Sought:

Legal, Finance, Procurement, Human Resources

Legal Advice:

The City Council has chosen to deliver the Nottingham Works programme with local delivery partners rather than procuring service providers who would act as contractors to the City Council. The City Council should put in place a partnering agreement with those delivery partners which reflects that delivery model while mitigating as far as possible the risks to the City Council of any clawback. The partnering agreement should include provisions to enable the City Council to verify expenditure by the partners.

Where money is paid by the City Council as a grant to businesses under the elements of the Nottingham Works programme which it is administering the City Council must ensure the grant is not state aid. Following discussions with the report author it is understood that the City Council will make use of the De Minimis exemption for state aid. To ensure compliance with the De Minimis aid exemption the City Council must obtain appropriate declarations in advance from the proposed grant recipient.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 04/03/2016.

Finance Advice:

This decision seeks approval regarding the Nottingham Works - Youth Engagement Initiative Funded programme, with the Council incurring total expenditure of £6.875m. This expenditure will be resourced as follows:

European Social Fund & Youth Employment Initiative	£4.584m (66.7%)
Match funding	£2.292m (33.3%)

The match funding will be met from the following sources:

£0.437m	NCC Youth Contract (DWP grant)
£0.453m	NCC Nottingham Jobs Fund (earmarked reserves)
£1.026m	NCC Funding to Nottingham & Nottinghamshire Future
£0.175m	Area based grant (subject to agreement of lead organisations)
£0.200m	NCC Economic Development budgets (subject to Council approval of annual medium term financial plan)

Attached document "Local Match by Financial Year - April 2016" shows a breakdown of the indicative match funding for each source for financial years 2015/16 to 2018/19.

All the expenditure (including the match funding and that incurred by partner organisations) must comply with the grant funding conditions to maximise the drawdown of funding and avoid clawback in any subsequent external audits.

The Director for Economic Development will be accountable for this programme. It is proposed the Council will employ a Programme Manager and Administrator. The Programme Manager will put in place appropriate processes to ensure accurate, complete and timely grant claims and ensure compliance to the conditions and any reporting requirement in respect of the European funding. As the grant funding is temporary until 2018/19, the employment contracts will need to be fixed term to prevent an unfunded recurring cost. At the end of the programme, subject to the length of service of the postholders, there may be employment severance costs to be met.

Advice provided by Maria Balchin (Finance Analyst) on 01/03/2016.

Procurement Advice:

The Procurement Team has been consulted in the development of the funding application for the Nottingham Works programme. It is proposed that the programme will be delivered through existing local delivery partners and, provided that the proposed model is compliant with the European Social Fund grant conditions, there are no procurement implications arising from these arrangements. If there is a requirement under the grant funding conditions for any element of the programme to be procured in line with the EU Procurement Regulations, the Procurement Team will support that process to ensure compliance.

Advice provided by Jo Pettifor (Procurement Team Manager) on 04/03/2016.

HR Advice:

This funding seeks to create 2 new posts. The contracts should be fixed term in line with the duration of the funding and must comply with any recruitment protocols established by the funding if appropriate. If none exist normal NCC recruitment will apply. Existing staff that will deliver the work should have their contracts extended accordingly to deliver this programme of work Advice provided by Hannah Gemmill (HR Business Partner) on 07/03/2016.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 30/03/2016
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 24/03/2016