

EXECUTIVE BOARD – 17 DECEMBER 2013

Subject:	Approval of additional funding for the Nottingham Jobs Fund		
Corporate Director(s)/ Director(s):	David Bishop, Corporate Director for Development Chris Henning, Director of Economic Development		
Portfolio Holder(s):	Councillor Nick McDonald, Portfolio Holder for Jobs and Growth		
Report author and contact details:	Kevin Bartlett, Employment and Skills Officer 0115 8762527 Kevin.bartlett@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Reasons: Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings <input type="checkbox"/> of £1,000,000 or more taking account of the overall impact of the decision			Revenue <input checked="" type="checkbox"/> Capital <input type="checkbox"/>
Significant in terms of its effects on communities living or working in an area consisting of two or more wards in the City			<input checked="" type="checkbox"/> Yes No <input type="checkbox"/>
Subject to call-in	<input checked="" type="checkbox"/> Yes	No <input type="checkbox"/>	Total value of the decision: £1,000,000
Relevant Council Plan Strategic Priority:	Wards affected: All		
World Class Nottingham	<input type="checkbox"/>		
Work in Nottingham	<input checked="" type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Neighbourhood Nottingham	<input type="checkbox"/>	Date of consultation with Portfolio Holder(s):	
Family Nottingham	<input type="checkbox"/>	1 October 2013	
Healthy Nottingham	<input type="checkbox"/>		
Leading Nottingham	<input type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>The current Nottingham Jobs Fund (NJF) is a salary subsidy scheme to local employers which pays 50% of the salary based on the National Minimum Wage. To date, Nottingham City Council has committed £2.2 million to the programme, with a target of achieving 400 jobs by March 2014. This target has now been exceeded and the NJF Team have been able to place 430 people into employment by making use of an under spend of the training budget and by aggregating the funding for the people who did not complete their full year. However, the current £2.2 million allocation has now been committed to current employers and a new injection of funding is needed to continue the scheme.</p> <p>The additional £1 million is proposed to be combined with the Department of Work and Pensions (DWP) Youth Contract funding in the 2nd phase of the NJF. The DWP funding of £2,275 for each eligible young person will be used to subsidise the Council payment to employers and this will enable an additional 40 more jobs to be created than Nottingham City Council could create alone. An overall total of 200 jobs will be created for unemployed Nottingham residents in phase 2 of the NJF.</p>			
Recommendation(s):			
1. Approve the extension of the NJF to enable a further 200 jobs to be created to be funded from £1 million reserves set aside for this purpose.			

1 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

1.1 During September 2013 there were 12,152 people in Nottingham City claiming Job Seeker's Allowance and 17,926 people in Greater Nottingham. Unemployment fell by 3.9% in the City in the last month and by 4.6% in Greater Nottingham. The national average was a 4.2% fall and the East Midlands figure fell by 5.2%. This indicates that unemployment is falling at a slower rate in the City compared to the County and nationally and, therefore, action is needed to help Nottingham citizen's access and sustain employment.

- 1.2 The current NJF has successfully placed 430 City residents into work and the sustainability rate after the year long placement is 53%. This high level of sustainability reflects the quality of employer and jobs roles on offer, and highlights the fact that if young people are able to access meaningful work with training they can make the transition into employment. The agreed allocation of £2.2 million for the NJF has either been spent or allocated, to enable continuation of the programme additional funding would be needed.
- 1.3 The Employment and Skills Team have been in discussion with colleagues at the DWP and propose to combine the two organisations resources on offer to employers. This will enable the Council to use DWP funding of £2,275 per person to subsidise the financial offer to employers and so reducing the amount the Council pays and enabling additional jobs to be created. The Youth Contract funding is only available for young people aged 18 - 24 who have been unemployed for between 6 to 9 months. Through working with the DWP in this way an additional 40 more jobs can be created for unemployed Nottingham residents.

2 REASONS FOR RECOMMENDATIONS

- 2.1 To enable the continuation of the NJF to provide sustainable employment opportunities for City residents.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not to provide additional funding for the NJF was dismissed as there is a continued need to create job opportunities for local people and help local businesses which would like to expand their workforce but require financial support to do so. Many local residents are still having difficulties getting employment and the need for job opportunities to be targeted at priority groups is still required.
- 3.2 To continue with the original model of the NJF was dismissed as combining the NJF with the Youth Contract offers greater value for money to the Council. There will also be additional 40 jobs created by working in partnership with the DWP.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The £1 million has been set aside in reserves for this purpose.
- 4.2 The complementary scheme being co-ordinated with DWP maximises the impact of the scheme in the city and carries no financial risk for the City Council.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1 This report raises no further legal issues from those previously reported to Executive Board in the delegated decision of 18 October 2011. The legal advice given in support of that report focused on equality and diversity issues in accordance with the Equality Act. In discussions with the report author it is understood that as a consequence of information received from monitoring the first phase of allocation of the jobs fund that in respect of this second phase of the fund the Council will consider looking at ways of raising the level of applications from BME communities by specific marketing to these communities.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 All the employees taken on under through the NJF are living in the City and therefore spending their salaries in local shops, business and contributing to the local economy. The majority of businesses supported through the NJF are City based and many of them state that their NJF employee has helped them to grow their business which in turn helps the local economy. The NJF has increased the number of apprenticeships undertaken in the City. As of October 2013, 26% of the jobs created were apprenticeships which are contributing to raising the skill levels of City residents.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 Not applicable.

8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 Delegated Decision 950 - 18 October 2011 the Nottingham Jobs Fund.

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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