

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2808
Author:	Paul Crookendale
Department:	Development
Contact:	Paul Crookendale (Job Title: Community Partnership and Project Manager, Email: paul.crookendale@nottinghamcity.gov.uk, Phone: 01158762522)
Subject:	Proposal to bid for 2014-2020 European Structural and Investment Funds Growth Programme - Priority Axis 1 Inclusive Labour Markets
Total Value:	£774,000 (Type: Revenue)
Decision Being Taken:	<p>1) To submit a bid to the European Social Fund for £774,000 funding to deliver a youth employment project between June 2017 and July 2018; and</p> <p>2) If successful in bidding for the funding:</p> <p>a) to accept the awarded funding via Department for Work & Pensions (who are the managing authority for this funding)</p> <p>b) for the Council to act as the Accountable Body for the project; and</p> <p>c) to delegate authority to the Corporate Director, Development and Growth to enter into an agreement with Department for Work and Pensions and establish a partnership with local voluntary and community sector organisations for delivery of Youth Employment Initiative 2 (YEI2) and allocate funding to partners in line with Service Level Agreement.</p>

Reasons for the Decision(s) A decision is required to enable officers to contract for and receive funding to deliver a European Social Fund (ESF) programme to support youth employment, subject to a successful bid, and implement the programme (working title Nottingham Works Plus), once funding has been received.

The Nottingham Works 2 programme will contribute to the Council's commitment to "Guarantee a job, training place or further education place for every 18-24 year old".

Nottingham City Council is applying for ESF funding to deliver a £774,000 Youth Employment project between June 2017 and July 2018. The project will help those 18-29 year olds who are currently out of work due to health problems, and support those whose first language is not English. It will also focus on supporting jobseekers who need basic life skills and employability support and members of ethnic minority communities who are Not in Employment, Education or Training (NEET).

There is a very small risk that partner activity falls so far below anticipated that we are left with costs which are not covered by the grant. We consider this risk to be very small and manageable via monthly financial reviews and performance with partners. In the event this did occur we could increase delivery by other partners to cover any potential under claim.

A partnership will be established between the City Council and 6-8 local specialist voluntary and community sector organisations (selected through an open call) to deliver the project and this will ensure that provision builds upon and does not duplicate existing employment and skills programmes in the City. If the bid is successful Nottingham City Council will act as the Accountable Body, taking responsibility for funding and delivery of outcomes. In common with our approach to other ESF contracts we will manage the project rigorously and manage any risk contractually with our partners.

It will make a significant contribution to reducing youth unemployment, poverty and inequality in the City. In particular it will engage over 250 of the hardest to help young people of whom a minimum of 44 will have disabilities, 55 will be from ethnic minority backgrounds and 64 will be classified as inactive and not on any other type of education or training.

The City Council expect to incur costs amounting to £195,000 over 14 months, which is within the overall grant of £774,000 and will be reclaimed from the ESF fund. The grant allocation for the Council is dependent on the value of the claims submitted by its delivery partners.

The attached document is the Call for Partners, which sets out the objectives of the project and provides relevant background.

Briefing notes documents: Partnership Call- Nottingham City Council PA1 1 3.docx

Other Options Considered: Not to bid for this funding may leave disadvantaged young people in the City unable to access existing pre-employment programmes and therefore further away from sustainable employment. It would also make it less likely for the Council to fulfil its key employment and skills commitments. Nottingham City Council would be unable to fund additional work for these residents without this funding and the match provided by potential partners. Therefore the option not to bid for the funding was rejected.

Background Papers: None

Published Works:	'2014 to 2020 European Structural and Investment Funds Growth Programme: Call for Proposals European Social Fund: Priority Axis 1 Inclusive Labour Markets' document published by DWP and EU
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	The primary objective of the YEI2 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 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.
Equality:	EIA not required. Reasons: 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 in three main categories, Health, BAME and Migrants.
Social Value Considerations:	NA
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	20/04/2017
Advice Sought:	Legal, Finance, Procurement

Legal Advice:

It is understood that the City Council is the lead partner for the bid and has chosen to work with delivery partners. The City Council is accountable for its delivery partners and so must have an agreement with each of them which includes appropriate monitoring and claw back provisions. The City Council must ensure it complies with the ESIF procurement rules which may be more onerous than the Public Contracts Regulations 2015 and the City Council's contract procedure rules. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 13/03/2017.

Finance Advice:

This decision seeks approval to submit a bid to the ESF for a £774k grant, of which £258k is to be put forward as match funding.

The City Council as the lead partner will have the responsibility for allocating the funds to its delivery partners. The delivery partners as per the agreement are wholly responsible for putting forward the £258k match funding.

The City Council expect to incur costs amounting to £195k over 14 months which will be reclaimed from the ESF grant fund. The grant allocation for NCC is dependent on the value of the claims submitted by its delivery partners. In the event that the grant claims are less than anticipated, the grant available to the authority may be insufficient to cover its costs. In this case the service will need to fund its costs by other means.

The service will need to ensure processes and procedures are in place to ensure the conditions of the ESF funding are kept and grant claims are submitted in a timely manner

Advice provided by Chanelle Poyser (Commercial Business Partner) on 14/03/2017. Advice provided by Chanelle Poyser (Commercial Business Partner) on 17/03/2017.

Procurement Advice:

The decision is supported from a procurement perspective, providing that should the bid be successful, the allocation of any funding to external organisations should be through a compliant process and in accordance with the requirements of the ESIF funding. Funding allocated to delivery partners included in the application should be subject to a robust agreement to ensure compliance with the funding conditions. Advice provided by Julie Herrod (Procurement Officer) on 06/03/2017.

Signatures

Sam Webster (PH for Education, Employment and Skills)
SIGNED and Dated: 10/04/2017
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 10/04/2017



Nottingham

City Council

2014-2020 European Structural and Investment Funds Growth Programme

**Priority Axis 1 Inclusive Labour Markets
Youth Employment Initiative**

Investment Priority: 1.3 Sustainable Integration of Young People into the Labour Market

Call Reference: Supporting Nottingham's Young People into the Labour Market - OC08S17P0553

Call for Partnership and Proposals

We are seeking Expressions of Interest to join our partnership for the co-delivery of services to fulfil the objectives of the ESF calls referenced above and detailed below. The deadline for submissions is **5pm on 22nd February 2017**. Following the deadline, we will evaluate submissions and contact organisations with the initial outcome by 24th February 2017. We will then enter into more detailed dialogue and due diligence.

Project Details

Investment priority 1.3

Sustainable integration into the labour market of young people (YEI), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities.

Specific Objectives

- The projects will be funded through the European Social Fund.
- The activity to be funded through this call is limited to residents of Nottingham City only.
- To engage marginalised 15-29 year old NEETs in YEI areas and support them to re-engage with education or training, with a particular focus on 15-19 year olds.
- To address the basic skills needs of 15-29 year old NEETS in YEI areas so that they can compete effectively in the labour market.
- To provide additional work experience and pre-employment training opportunities to 15-29 year old NEETs in YEI areas, with a particular focus on those aged over 18.
- The projects will end 31st August 2018

Local Priorities

Nottingham has a high rate of youth unemployment. Within the local authority boundaries there are just under 3,500 citizens aged 16 to 24 who are NEET or in receipt of benefits related to;

Worklessness:

- 580 NEETs and Not Knowns aged 16-18¹
- 1,560 Job Seekers Allowance (JSA) or Universal Credit (UC) claimants aged 18 to 24²
- 1,380 Employment and Support Allowance (ESA) Claimants aged 18 to 24³

The majority of this group reside in the City wards identified by the Indices of Deprivation (2010 Census) as amongst the most deprived in England, including Aspley, Bulwell, Bilborough and Berridge (all ranked in the bottom 250 wards). There is a higher prevalence of NEETs and Not Knowns in the wards above plus some of the inner city wards such as Bridge.

Health barriers

One in five working age people have a common mental health condition and in 2015 the Department of Health report Future in Mind highlighted that 75% of mental health problems in adult life start by the age of 18, but less than 35% of those with a diagnosable mental health condition access support.⁴ The Government published the Work, Health and Disability Green Papers in October 2016, and within this it highlights that “young people who are out of work and begin to claim Employment and Support Allowance or Universal Credit early in their lives can face scarring effects of long-term unemployment if they do not move in to work”.

The primary health reason for 60% of 18 to 24 year olds in receipt of Employment and Support Allowance is “mental and behavioural disorders⁶ and this is an underlying health barrier for other claimant groups too. The most common diagnostic mental health categories amongst adolescents are conduct disorders, anxiety, depression and hyperkinetic disorders.

Employment rates for young people with a learning disability or autism are also significantly lower than for their peers who do not have a long-term diagnosed disability. Of all working age adults who received long-term support with a primary support reason of learning disability support, just 0.3% are in employment in the City compared to a national average of 5.8%.⁷

Barriers for Black and Minority Ethnic (BAME) Communities

Nottingham has a higher rate of citizens from BAME communities represented within unemployment statistics when compared to the national average.⁸

Within Nottingham:

- Of all JSA-only claimants aged 18 to 24 (1,180), 26% (310) are from an ethnic minority community. Claimants are most likely to be mixed white and black Caribbean, black or black British Caribbean, black or black British African, or Asian or Asian British Pakistani
- Of all ESA claimants aged 18 to 24 (1,380), 9% (130) are from an ethnic minority community. Claimants are most likely to be mixed white and black Caribbean¹⁰

Migrants and New Arrivals

Nottingham has also seen an increase in the number of people who are refugees or are seeking asylum in the UK and where their first language is not English. These young people present with language barriers, do not have experience of navigating the skills and employment market in the UK and often present with emotional and health difficulties. Flexible ESOL provision, and basic life skills & employability guidance interventions are needed to support this group.

Accessing and supporting the Hardest to Engage

Overall levels of youth unemployment have decreased and increasingly programmes are targeting those who are the hardest to engage. Existing programmes have seen higher than average drop-out rates, up to 50% in some cases. Furthermore there are estimated to be thousands of young people in the City who are not in employment, education or training and who are not in receipt of benefits relating to worklessness. They are not engaging or accessing employment and skills programmes and may be classified as economically inactive and so hidden from unemployment rates.

New and innovative approaches to engaging young people in employability programmes, including through the use of financial incentives and new technologies is needed.

The proposed programme

NCC will act as managing agent for the project and deliver the over-arching management, administration and reporting of outcomes to the managing agent.

Partner organisations are sought to deliver one or more of the 3 activities required for the call:

Our model will ask for all partners to carry out engagement activities to attract hard to reach participants which could include the use of new technologies to engage and sustain participation.

As part of the delivery model we will also look to embed employer incentives to create meaningful work experience opportunities and sustained employment for the groups identified below.

Delivery activities

1. Raise aspirations and support 18 to 29 year olds in to employment, who are currently out of work due to health problems and are claiming Employment and Support Allowance, Job Seekers Allowance or Universal Credit. Innovative approaches including the use of digital technologies should be applied to promote engagement, improve health outcomes and support participants to gain/re-gain and sustain employment. This should include a focus on integrating health, social, welfare and employment services to provide a holistic package of case managed support that meets individual needs and will aid recovery, encourage self-care and management of long term mental and physical health problems. The programme should embed clinically recognised methods to measure and report on participants' self-esteem and self-reported work readiness.

2. An agile model that results in overcoming barriers relating to citizens whose first language is not English and includes basic life skills and employability preparation aimed at 16 to 29 year olds who would benefit from this support, including young people from refugee communities and eligible young asylum seekers.

This could include work placements, financial subsidies, mentoring, a training allowance for participants and flexible ESOL provision.

3. Targeted employability models that are located and delivered in BAME communities to engage and support 16 to 29 year old ethnic minorities who are currently not in employment, education or training including young people from refugee communities. The programme should include close working with existing BAME community and support organisations groups and a tailored engagement strategy to build trust and ensure that the programme is tailored to specific needs.

Eligibility and Expected Outcomes

Eligible participants will be from the following customer groups;

- Unemployed
- Long term unemployed
- Inactive participants (not in Education or Training)

Success will be measured against the following outcomes

- Participants who complete the YEI supported intervention
- Participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving
- Participants who are in education/training, gaining a qualification, or in employment, including self-employment, upon leaving
- Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving.
- Participants in employment six months after leaving
- Participants in self-employment six months after leaving

Match Funding

Nottingham city council is planning to submit a bid for the full value of the Call, approx. £774,000. Potential partners will need to have eligible match funding for the balance of costs (£285,000), which must be from a source other than the European Union. Match funding needs to come from delivery staff time dedicated to the programme

Match funding in kind

In addition, in-kind funding based on volunteer time can also be used for match purposes. The use of volunteer time as match will need to be agreed by the Managing Authority.

How to value unpaid volunteer time

Voluntary time should be valued to the same hourly wage rate for the specific paid role e.g. align pay rate of 'groundsmen and greenkeepers' with volunteer greenkeepers. You can find these wage rates using the link below (there are hundreds of roles listed) –

<http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/index.html>

It is important to remember that the value of volunteer time is based on the theoretical value of the tasks performed by the volunteer for the project and not the current earnings of an individual in their usual paid employment.

We will require partners using volunteer time as match to submit full audit trail details for example timesheets with their first – and all subsequent – claim(s) for payment.

Application Notes

ESF cannot be used to duplicate existing activities or activities that do not address market failure. ESF can only be used to achieve additional activity or bring forward activity more quickly.

Prospective partners should develop proposals that demonstrate additionality to activity that would have occurred anyway or enables activity to be brought forward and delivered more quickly than otherwise would be the case in response to opportunity or demand.

Potential partners should provide an overview of each activity they plan to deliver and expected outputs and results per activity.

We are looking for partners who demonstrate a strong track record of delivering support intervention in each activity they propose to deliver.

We are looking for targeted delivery and not generic employment support and for partners who demonstrate knowledge of and connectivity with the target group associated with the chosen activity.

Partners should have existing delivery sites (or access to) within Nottingham City, appropriate for the delivery of the chosen activities.

We are looking for partners who have the capability and capacity to commence delivery promptly on award.

Partnership applications will be appraised after the 17th February. Applications received after this date will not be considered.

References

1. DfE 2015 local authority NEET figures, downloaded 05 December 2016 NOMIS JSA and 2.UC Combined rates as at October 2016, Claimant Count section, downloaded 05 December 2016
- 3 NOMIS ESA rates as at May 2016, DWP Benefits section, downloaded 05 December 2016
4. Future in Mind, NHS England, pp. 13-14, downloaded 05 December 2016
5. Improving Lives; The Work, Health and Disability Green Paper, HM Government, October 2016, p.34, downloaded 05 December 2016
6. NOMIS ESA rates as at May 2016, DWP Benefits section, downloaded 05 December 2016
7. NHS Digital ASCOF Data 2014-15, downloaded 05 December 2016
8. It should be noted that there is a high number of individuals whose ethnic group is listed as "unknown" or "prefer not to say" across both claimant groups

9. NOMIS JSA rates as at May 2016, downloaded 05 December 2016

10 NOMIS ESA rates as at May 2016, downloaded 05 December 2016