

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3746

Author:

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Department:

Development and Growth

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Subject:

The Way2Work ESF Project

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

Yes

Total Value:

£16,166,274 (Type: Revenue)

Decision Being Taken:

1. For the Council to act as the Accountable Body for the D2N2 Way2Work project and accept European Social Fund (ESF) monies for the project to run between March 2020 and February 2023;
2. Delegate authority to the Corporate Director for Development and Growth to enter into an agreement with Department for Work and Pensions, allocate funding to delivery partners and authorise Nottingham City Council (NCC) project roles as outlined in Annex 1;3. Establish 3 posts within the NCC Project Team to support the project (non-executive officer decision under Delegation 16)

Reasons for the Decision(s)

Following the successful application for ESF funding under Investment Priority 1: Access to Employment for job seekers & inactive people, a Leader's Key Decision is required to accept the funding, approve the necessary budget and authorise the project activity.

Project Description and Rationale

The proposed Way2Work project is a partnership, led by Nottingham City Council, which brings together the four upper tier Local Authorities in D2N2, as well as community organisations and training providers. The project will link delivery partners into an integrated network of employment support which has the employer at the heart of its operation. It will support unemployed people across the D2N2 area, focusing on the most deprived communities identified in the call, so that 11,599 participants address their barriers to work and 3,946 progress into work. Of these 7,887 will be unemployed/long-term unemployed, 3,712 will be inactive, 2,582 will be over 50, 2,086 will be from ethnic minority communities, 1,616 will live in single households with dependent children, 3,700 will be people with a disability and 3,036 will be lacking basic skills.

The 3 year Way2Work project will build upon the award-winning model of the Nottingham Jobs Hub, creating a new Jobs Hub in Derby to support Derbyshire employers and participants. The project will also embed employment and training support within key public services that offer support to the most disadvantaged people within the community. These will include family and youth services, the DWP, housing and health. The partnership will enable intervention teams to more effectively incorporate training and employment activity into their day-to-day delivery. So, for example, the unemployed participant receiving accommodation advice from a housing support officer will also be offered help and support to address their skills and employability barriers to work.

The Way2Work project will focus support on hard to reach participants; it will enable people from disadvantaged communities to progress into and towards employment. Beneficiaries will include long-term unemployed, economically inactive, women returners, the over 50s, ethnic minorities, disabled people, those without basic skills and people who live in a single adult household with dependent children.

The project will also offer local employers an improved recruitment service, tailored to their particular needs. The Nottingham and Derby Jobs Hubs will work with employer advisers across the partnership and establish a coordinated service that will more effectively link employers with suitably skilled project participants.

The Budget

The majority of the 50% match funding required for the Way2Work project is provided by partner organisations. Nottingham City Council's (NCC) match for the project delivery staff is provided by two different directorates, Economic Development will provide £221,672 and Children's Services and Integrated Services (Priority Families) will provide £706,446. This will come from existing staff budgets. The Local Match required for the NCC Project Management team (employed by NCC Economic Development) will be met in full by the project's delivery partners.

A breakdown of the total programme budget, the match funding required and the management of risk is included in Annex 1: 'Project Budget, Match and Risk Management'.



Briefing notes documents: Annex 1. Project Budget Match Risk Management - Dec 2019.docx

Other Options Considered: Not to bid for this additional ESF funding - This would mean that Nottingham would not receive £8,083,000m of additional external funding and 11,599 disadvantaged D2N2 residents would not receive employment and skills support. This would significantly reduce their chances of accessing employment support opportunities and likelihood of moving into work.
In addition, not to bid for this funding would have a negative impact on the Council's ability to deliver its 18-24 guarantee. It would also put at risk the sustainability of the Nottingham Jobs Service and deny Nottingham and D2N2 delivery partners access to additional external funding.
Therefore this option was rejected.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations:
Date: 15/01/2019
Other City Council Bodies:Cllr Neghat Khan
Application supported

Date: 01/05/2018
Other:Derby Council Derbyshire Council Nottinghamshire Council
The Other Partners all support this D2N2 application

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

A primary objective of the Nottingham Jobs Service is to support unemployed and inactive City residents into training and work. The ESF Way2Work project will have a focus on unemployed residents and further education construction students who face barriers to work. The project will therefore help to reduce the potential for them to become involved in crime or anti-social behaviour by providing participants with more opportunities to improve their economic and social circumstances.

Equality:

EIA not required. Reasons: Equality: EIA not required. Reasons: The decision/project takes equalities into account. The project has an equality implementation plan and specific targets relating to each of the E & D priorities. The Way2Work project has been explicitly designed to address 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. An equality Impact assessment is part of the DWP project assessment process.

Relates to staffing:

Yes

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

02/01/2020

Advice Sought:

Legal, Finance, Human Resources

Legal Advice:

The City Council is acting as the Accountable body for the project and will sign the funding agreement with DWP. The City Council should put in place agreements with its delivery partners that enable the City Council to ensure it can meet the terms of the funding agreement, including if necessary the recovery of any monies where the City Council is subject to clawback by DWP.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 18/12/2019.

Finance Advice:

This decision seeks approval for the Council to act as the Accountable Body for this project. The detailed arrangements and governance of the Accountable Body and the responsibilities of both NCC and the partners will be set out in the Memorandum of Understanding which is still being drafted.

The project requires match funding for the project which has been identified as Economic Development staff and Priority Families staff. In order to ensure that the Council has the required match these posts will need to be protected from any savings cuts for the duration of the project.

Due to the role of Accountable Body, Nottingham City Council employs a project team to undertake the work required for this project - and the costs of this are £350,748. The DDM attachment outlines that these costs are paid from by contributions across the partnership. There are some risks to ensuring that sufficient contributions are given to meet these costs and the mitigation is also outlined in the attached appendix. There is insufficient budget within Economic Development to meet these costs without the required contribution and therefore carefully monitoring of these contributions is essential. Where insufficient funding is provided, the mitigations must be undertaken even if that means reducing the team.

As the Accountable Body, Nottingham City Council submit retrospective quarterly claim to DWP based on staffing hours spent on the project in fulfilling Accountable Body duties and by partners. Evidence (timesheets etc) is provided and once approved payment is made to Nottingham City Council and is then forwarded on as appropriate. The timing of submitting claims must be adhered to in order to minimise risk to the Council and all information must be checked to minimise any risk of clawback. This is the responsibility of the Employment and Skills Manager.

Advice provided by Susan Tytherleigh (Senior Finance Manager) on 26/02/2019.
Confirmation this is still valid 13 December 2019 and discussed with Children's Business Partner

HR Advice:

Management propose to create 3 new posts to support project delivery, HR will support to identify the most suitable resourcing plan. Job evaluation should take place for any new or updated role.

As project funding is temporary for 3 years posts should be recruited to on a fixed term basis, management will also need to ensure an appropriate exit strategy is in place at the end of the fixed term contracts to terminate in line with NCC guidance and associated financial costs for compensatory payments for redundancy / pension strain where an individual has accrued 2 years' service should be accounted for.

Management should ensure that the correct approvals are in place for recruitment in line with current vacancy management controls.
Advice provided by Joanne Hill (Senior HR Consultant) on 13/12/2019.

Signatures:

David Mellen (Leader/ PH Regeneration, Safety and Communications)
SIGNED and Dated: 20/12/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 18/12/2019

Annex 1. Project Budget, Match and Risk Management

Total Programme Budget

Overheads	£ 4,618,935
Total salary Costs	£11,547,339
Total	£16,166,274

Source of Match Funding for Project*

Organisation Contributing Local Match	Total	Local Match for Salary Costs	Local Match for Overheads
Nottm City Council - Economic Development	£310,339.00	£221,672.00	£88,667.00
Derby City Council	£303,119.00	£216,514.00	£86,605.00
Academy Transformation Trust	£180,011.00	£128,580.00	£51,431.00
Princes Trust	£432,468.00	£308,906.00	£123,562.00
East Mids Chamber	£353,068.00	£252,192.00	£100,876.00
Nottm City Homes	£442,345.00	£315,961.00	£126,384.00
Nottingham City Council - Childrens Integrated Services	£989,024.00	£706,446.00	£282,578.00
Notts County Council (trading as Inspire)	£828,537.00	£591,813.00	£236,724.00
Community Training Portal	£224,641.00	£160,458.00	£64,183.00
Community Action Derby	£70,621.00	£50,444.00	£20,177.00
Futures	£3,591,295.00	£2,565,211.00	£1,026,084.00
Derby College	£357,669.00	£255,478.00	£102,191.00
Total	£8,083,137.00	£5,773,675.00	£2,309,462.00

Risk Evaluation

The Local Match for the NCC project management team's salary costs (i.e. salary, Employer Pension Contribution and Employer NI contribution) is provided by the other delivery partners. This funding is generated by partners through the employment of the delivery staff. (Nottingham City Council deduct a proportion of partners' Overhead contributions as part of the project Claims payment process). As a result, there is a risk that if partners do not employ their full staffing complement for the duration of the project, insufficient funds will be generated in the Claim to provide the match required for the Project Management Team.

This risk is managed using the following mechanisms:

- Monitoring of partner salary expenditure against profile. Where partners fall below profile, a Performance Improvement Plan is put in place to ensure that any underspend is recovered by the end of the Project
- Where partners cannot recover underspend, other project partners have the option to employ additional staff on the Project
- NCC retains the option of reducing the size of the Project Management Team to accommodate any shortfall in match requirements. This would be implemented if required to ensure that NCC covered all expenditure on the project.

- DWP underperformance methodology allows a 15% under-delivery of project targets and budget. Where 85% of the total salary budget is claimed there is no clawback of funds. This provides capacity for delivery partners (and NCC) to claim less funding than planned. This mitigates the risk of clawback if / when the project partners do not employ a full staffing complement for the duration of the project.
- Project claims are based on defrayed expenditure rather than payment by results. This minimises the risk that NCC (and partners) make a loss on this project. Partners receive 50% of defrayed salary costs plus Overheads, equivalent to 20% of total salary costs. The 50% not reimbursed is the Local Match contribution. All partners have signed letters, as part of the application, confirming that this 50% will be available to use on the project.
- The contributions towards the Pension Deficit, Apprenticeship Levy and Redundancy costs for the NCC Project Management Team will be met in full by the Project Delivery Partners. This funding will be collected via invoice on a quarterly basis throughout the project. This has been agreed with partners as part of the application process.

Staffing

There are 3 new posts in the NCC Project Management team structure. The total salary costs of all Project Management Posts are met in full through a combination of ESF funds & Local Match (provided by the Project Delivery Partners). Other costs (including Pension Deficit and Apprenticeship Levy contributions) are also met by contributions from delivery partners.

Organisation	Job Role	FTE on Project	Start date on project	End date on project
Nottm City Council - Project Management	WAY2WORK Project Manager	0.50	Mar-20	Mar-23
Nottm City Council - Project Management	WAY2WORK Project Compliance Officer	1.00	Mar-20	Mar-23
Nottm City Council - Project Management	WAY2WORK Project Administrator	1.00	Mar-20	Mar-23
Nottm City Council - Project Management	Finance Business Analyst	0.20	Mar-20	Feb-23
Nottm City Council - Project Management	Economic Development Communications & Marketing Specialist	0.20	Mar-20	Feb-23
Nottm City Council - Project Management	Community Employment & Skills Officer	0.80	Mar-20	Feb-23
Nottm City Council - Project Management	Employer Engagement & Apprenticeship Officer	1.00	Mar-20	Feb-23
Nottm City Council - Project Management	Nottm Jobs Manager	0.20	Mar-20	Feb-23
Nottm City Council - Economic Development	Employment & Training Officer	1.00	Jul-20	Feb-23

Nottm City Council - Economic Development	Employer Engagement & Apprenticeship Officer	1.00	Mar-20	Feb-23
Nottm City Council - Economic Development	Senior Employer Engagement & Apprenticeship Officer	1.00	Mar-20	Feb-23
Nottingham City Council - Childrens Integrated Services	Family Support Worker	12.00	Mar-20	Feb-23

