

## CABINET

21 DECEMBER 2010

### REPORT OF THE CABINET MEMBER FOR REGENERATION

<b>Title:</b> London Development Agency Sustainable Employment Pilot	<b>For Decision</b>
<b>Summary:</b>  Officers have worked over the last year with colleagues from Havering, Redbridge, Lewisham and Bexley to secure funding through the London Development Agency (LDA) to assist the Borough's residents into work in 2010-11 and 2011-2.  This report seeks Cabinet agreement to enter into an agreement with the London Borough of Bexley, who is the accountable body for the LDA, to secure up to £595,155 in funding from the LDA. This will part-fund the Borough's job shops.  There are no risks associated with this programme during 2010-11 as it is paid entirely on the basis of outputs and has no additional staffing implications. There are matching outputs required which could be difficult to achieve in 2011-12 without further direct support for the Borough's job shops. In the latter eventuality there would be a need to re-negotiate lower outputs and a smaller programme of activity with London Borough of Bexley / London Development Agency (or Greater London Authority on the demise of the LDA).  <b>Wards Affected:</b> All	
<b>Recommendation(s)</b>  The Cabinet is recommended to agree to the Council entering into an agreement with the London Borough of Bexley for the sum of £595,155 to support Borough residents into employment via the Sustainable Employment Pilot Project.	
<b>Reason(s)</b>  To assist the Council in achieving its Community Priority of "Prosperous", by providing assistance to Borough residents to access employment.	
<b>Comments of the Chief Financial Officer</b>  The contract relates to £595,155 income linked to the creation and sustainability of 139 jobs. This is a contract between the London Borough of Barking and Dagenham and London Borough of Bexley. Bexley are acting as the Accountable Body on behalf of the LDA. This agreement was made by Bexley prior to LDA funding reductions; this should not affect the income associated with the creation of sustainable employment.	
<b>Comments of the Legal Partner</b>  The Legal Partner has been consulted in the preparation of this report and the Legal	

Practice assisted with the preparation of the funding agreement. As this arrangement does not constitute procurement by the Council and the agreement is a funding agreement, under which the Council receives funds from the LDA via Bexley, there are no specific legal or procurement issues or processes to comply with. Councillors need, however, to be satisfied that the proposals set out in this report are consistent with the Council's policies and strategies.

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## 1. Background

- 1.1 Officers in the Skills, Learning and Employment division have worked over the last year with colleagues from Havering, Redbridge, Lewisham and Bexley to secure funding through the London Development Agency's (LDA) Sustainable Employment Programme, with the Bexley in the role of accountable body.
- 1.2 The programme is targeted at residents who are either long-term unemployed (12+ months) or economically inactive (people on incapacity benefit, income support or not claiming benefits, or who have not recently been looking for work). Bexley have a signed contract in place with the LDA and delivery is underway.

## 2. Proposal

- 2.1 Payments will be made to the Council on the basis of achieving the following targets over the life of the programme:
  - 600 eligible residents to be supported
  - 259 to secure employment
  - 139 to be in employment for a minimum of 6 months
- 2.2 This funding will be used to provide part of the funding support for the Borough's job shops. Importantly it provides a funding stream into 2011-12. It has no additional staffing implications.
- 2.3 Cabinet is asked to note that the Job Shop service is currently available to all residents looking for work. The service provides one-to-one mentoring and support, access to training and job vacancies and a range of other support (e.g. better off calculations from trained advisors, help with claiming in-work benefits and tax credits) which is not available from Jobcentre Plus (JCP).
- 2.4 The service also supports key client groups not well served by JCP, not least potential second earners from hard working families who are not currently claiming any benefits. Finally, it provides post-employment contact and support to offer assistance to residents to stay in work.

- 2.5 As match for its funding the LDA will be looking for both monies (£200,000 over the life of the programme - this can be resourced from existing mainstream budgets, including staff time) and outputs (these would be residents not eligible for this project, but supported in any case by the job shops).
- 2.6 The ability to generate matching outputs in 2011-12 will, therefore, be dependent on securing at least some continued Council funding for the job shop service. External funding from a range of other sources will also be sought. Failure to generate sufficient match may lead the LDA (or GLA) to ask for programme activity to be scaled down.

### **3. Financial Issues**

- 3.1 This project will provide an in-year saving for the Children's Services Department of £150,000 in the form of a reduced Area Based Grant allocation.
- 3.2 The £595,155 will be paid based on 139 people sustained in employment for six months. Barking and Dagenham will be required to submit quarterly claims to Bexley, the accountable body, to evidence the outputs. The £200,000 match funding will be made up of job brokers as well as core staffing. Despite the LDA being disbanded, the LDA contractual commitments will be honoured as the contract between Bexley and the LDA was signed in March 2010.

### **4. Legal Issues**

- 4.1 The comments of the Legal Partner appear at the beginning of this report.

### **5. Options appraisal**

- 5.1 The agreement assists in the funding of the Council's job shop service. A do nothing approach would therefore not be appropriate.

### **6. Background Papers Used in the Preparation of the Report:**

None.

### **7. List of appendices:**

None