

## CABINET

18 OCTOBER 2011

<b>Title:</b> European Social Fund (ESF) – Access to Sustainable Employment	
<b>REPORT OF THE CABINET MEMBER FOR REGENERATION</b>	
Open Report	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
<b>Report Author:</b> Terry Regan, Group Manager Employment & Skills	<b>Contact Details:</b> Tel: 020 8227 5329 E-mail: terry.regan@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Jeremy Grint, Divisional Director for Regeneration	
<b>Accountable Director:</b> Tracie Evans, Corporate Director of Finance and Resources	
<b>Summary</b>  This report sets out an opportunity to match borough funding 1:1 against European Social Fund (ESF) monies to support a project helping residents into work. The programme would be overseen by London Councils, who have managed the borough's previous ESF programmes, and would provide 50% of project costs via ESF. It thereby allows the Council to double the available funding to tackle worklessness.  Officers from the Regeneration and Economic Development Division have requested an indicative allocation of just over £1.02m in ESF over 2011-March 2014. The match funding would come from existing resources allocated to the Regeneration and Economic Development Division. The specification has been drawn up to ensure added value to mainstream provision.	
<b>Recommendation(s)</b>  The Cabinet is recommended to:  (i) Approve the Access to Sustainable Employment project as detailed in the report; and  (ii) Authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to enter into an agreement with London Councils in the sum of £1,028,518.	
<b>Reason(s)</b>  To assist the Council in achieving its objective of 'Raising Household Incomes'.	

## **1. Introduction and Background**

- 1.1 The borough has previously match funded European Social Fund (ESF) monies drawn down by London Councils over two previous programmes. Over 2009-11 four projects were funded that have assisted around 500 residents into employment under an outcome-based funding model.
- 1.2 London Councils have contacted boroughs to indicate that additional ESF monies have become available in London over 2011-14. Borough funds would be matched under this programme on a 50% basis by ESF, allowing participating authorities to double the level of their programme (although 5% is retained for programme management purposes). The programme would run over late 2011-March 2014 (three financial years).
- 1.3 In February 2011 an Expression of Interest was registered with London Councils that the Council would wish to participate in this programme, signed off by the Acting Chief Executive and Cabinet Member for Regeneration. The Council's match was indicated at £1.02m in total over three financial years. This would be resourced from within existing allocations to the Regeneration and Economic Development Division.

## **2. Proposal and Issues**

- 2.1 The key focus for the service would be the community-based delivery of employment and skills services, in particular from the borough's Children's Centres. Existing projects within the centres have shown that many families who are accessing children's centre core services are able to make a natural progression into job brokerage services in an environment they are already familiar with. Evidence of the success of job brokerage services within children's centres can be seen in the three reports from Ofsted where each of the centres, Abbey, Sue Bramley and Furze, achieved outstanding in the area of 'achieving economic wellbeing'. Comments from the inspectors expressed how well job brokerage services were embedded into children's centres and how well supported families were as they had the opportunity to access these services.
- 2.2 A key concern for the Council will be that any funding does not duplicate existing programmes or displace other public funding. In particular, the Government's new Work Programme is in place and the Council already funds three Job Shops in high street locations. The specification ensures that there is no duplication and has been signed off by other ESF co-financers, including the Department of Work and Pensions.
- 2.3 In addition to this, job brokerage services in Children's Centres help support the child poverty priorities outlined under the Children & Young People's Plan and also within the child poverty strategy.
- 2.4 The programme would be managed by Greater London Enterprise on behalf of London Councils. A single prospectus would be issued, listing borough level specifications. All beneficiaries would be borough residents and open and competitive tendering would be used. Almost 60% of funding would be paid on the basis of residents securing jobs (800 into work of which 600 to stay in work for 26 weeks), with just under 10% on the basis of achievement of skills for life

qualifications (250 qualifications to be achieved). A copy of the detailed specification is shown at Appendix 1.

### **3. Options Appraisal**

- 3.1 The Council could commission services directly but would thereby lose the European Social Fund match-funded element of this proposal. The specification drawn up has not been amended in substance following consultation with the Greater London Authority or Department of Work and Pensions. It is thereby entirely a locally generated project.

### **4. Consultation**

- 4.1 Consultation has been undertaken with Jobcentre Plus, Children's Services Targeted Support and the outline expression of interest was signed off by the Acting Chief Executive and Lead Member for Regeneration.

### **5. Financial Implications**

Implications verified by: David Abbott, Principal Accountant

- 5.1 This is a match funded project, which commits the Council to provide £1,028,515 over the three years 2011/12 to 2013/14 (profiled £452,547; £287,984; £287,984 respectively). This funding will be matched 1:1 by London Councils (less 5% for management), in quarterly instalments, providing total funding for the project of just over £2 million. The Council funding will come purely from existing Regeneration & Economic Development budgets, specifically from within the Employment & Skills section. This entails a combination of core expenditure (project) budgets; the underspend on the staffing budget in 11/12; S106 funding (cash already received); and income streams to the extent that they exceed the teams' main income target. A risk assessment has been carried out on these different funding elements, and they have been deemed low risk in terms of their [non] availability / occurrence. To the extent that such funding streams do not materialise (and the available funding is reduced), it would represent an overspend on the budget, and this would be dealt with within the overall Regeneration & Economic Development budget. The funding is also front heavy (is reduced in years two and three) which is prudent, and limits the Council's long-term commitments and exposure to risks in terms of flexibility to make savings.

### **6. Legal Implications**

Implications verified by: Paul Field, Senior Lawyer

- 6.1 The scope and terms of the project will be agreed and set out in a grant agreement for which legal support in terms of drafting and advice will be provided. If section 106 monies are identified a source of funding checks will be carried out to ensure that the use is in accordance with the terms of the respective funding agreement.

## **7. Other Implications**

- 7.1 **Risk Management** – all provision is paid for on the basis of payment by outcomes.
- 7.2 **Contractual Issues** – a funding agreement will be entered into with London Councils. Provision will be procured by open and competitive tendering. Local voluntary sector organisations will be encouraged to apply.
- 7.3 **Customer Impact** – this programme will help more residents into sustainable employment. It should therefore positively impact on a number of other agendas, given that it should assist in raising incomes e.g. lower rent arrears.
- 7.4 **Health Issues** – employment is positively correlated with improved physical and mental health.

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

None

### **List of appendices:**

Appendix 1 Borough specification: 'Community-based provision of employment services'