

REPORT TO: Cabinet

DATE: 29th October 2009

SUBJECT: Liverpool City Region Employment Strategy (Ces) Funding Opportunities

WARDS AFFECTED: All Wards

REPORT OF: Andy Wallis, Planning and Economic Regeneration Director

CONTACT OFFICER: Claire Maguire, Employment And Skills Manager Ext 2684

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

- i) To provide members with an update of a range of Sefton based activities linked to the Liverpool city region City Employment strategy
- ii) To note progress made on the acquisition of funding through CES to support additional activities related to tackling worklessness and child poverty for the benefit of Sefton residents and businesses

REASON WHY DECISION REQUIRED:

To advise members of resources available for tackling unemployment and responding to the recession through the CES.

RECOMMENDATION(S):

That members:

- (i) Note the contents of this report
- (ii) Accept the contracts for the resources described in the report.

KEY DECISION: Yes

FORWARD PLAN: No – Rule 15 Form submitted to the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services)

IMPLEMENTATION DATE: Immediately following expiry of the call-in period.

ALTERNATIVE OPTIONS:

N/A

IMPLICATIONS:**Budget/Policy Framework:**

There are no direct financial implications arising from this report, as all funds are external to the Council's overall core budget and are sufficient to cover expenditure related to delivery and any associated exit costs (including redundancy costs) at the end of the projects.

The Employment & Skills team located within Planning and Regeneration Department is responsible for constructing the delivery of the Sefton Employment & Skills Strategy, which aims to deliver actions to contribute to Sefton's LAA targets, principally NI 153, NI 116, NI 163 and NI 164.

Financial: The total offer of funding outlined in the report is £2,345,705 with £1,529,372 being received in 2009/10 and £816,333 in 2010/11. This is provided under the specific conditions for each funding stream and will be conditional on being utilised for the purposes set out in these conditions. This funding and any associated expenditure related to it sits outside of the Councils revenue budgets and as such will have no direct financial implication on the Councils budgets. Matched funding for the ERDF and ESF schemes will be provided from the Working Neighbourhoods Fund (Integrated Job Brokerage) allocation.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £		
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y				
How will the service be funded post expiry?		Future CES funding will be sought, although redundancy provision for staff has been made.		

Legal: Legal Services have been consulted on the terms and conditions of contracts

Risk Assessment: There are terms and conditions attached to each offer of funding. It is expected that these terms and conditions can be complied with, however not meeting these may put the funding at risk.

Asset Management: N/a

CONSULTATION UNDERTAKEN/VIEWS

HR:

HR Director has been consulted on delivery arrangements for Future Jobs and on other projects which could carry staffing implications.

FD 194 - The Finance and Information Services Director has been consulted and his comments have been incorporated into this report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Cabinet Member for Regeneration Report August 2009 on Future Jobs Fund

1. Background

- 1.1 The Liverpool City Region Employment Strategy is a new approach to the planning and delivery of worklessness and skills services across the city region, and is supported by all Merseyside Chief Executives. A sub-regional CES Board has been established with Local Authorities Director of Planning and Regeneration) providing the appropriate officer representation for Sefton.
- 1.2 The City Employment Strategy identifies key priorities across the wider city region to tackle worklessness and improve income levels for both working and workless families. A range of funding opportunities has been secured to enable activities to be developed and delivered either across the whole city region, or within specific areas to test out a selection of projects and programmes to inform future policy and delivery arrangements.
- 1.3 Within the CES portfolio of projects, there are four specific funding opportunities which have the potential to positively impact on Sefton, particularly in the current economic climate. These include Future Jobs Fund, Action Area 4.2 ERDF, Tackling Hidden Disadvantage (ESF), and the SME Pilot.

2. CES Projects and Contracts

Members are asked to note the following contracts which have been successfully won through the City Employment strategy pathfinder by Sefton MBC Employment and Skills team (PERD)

Project	Funding Source	Total contract value	Output Summary	Contract Period
Future Jobs Fund	Department of Work and Pensions	£690895 (in phase 1)	107 jobs phase 1 153 jobs phase 2	Phase 1 – until March 2010 Phase 2 – Until March 2011
Sefton Employer Liaison Support	ERDF 4.2	£1,036,467	850 Businesses assisted 150 business receiving intermediate support 375 individuals assisted into employment 125 Individuals gaining employment 6 months after an intervention 90 individuals remaining in employment after 6 months	Until end December 2010
Tackling Hidden Disadvantage	Pathfinder Enabling Programme (European Social Fund)	£322,050	150 starts 50 jobs	Until December 2010

SME shared service pilot	Pathfinder Enabling Programme (European Social Fund)	£296293	60 companies receiving support	Until end December 2010

3. Future Jobs Fund

- 3.1 A previous cabinet report (August 2009) entitled Future Jobs outlined the CES approach to bidding for these new Government resources.
- 3.2 A city sub regional bid was submitted to DWP on 30th June, signed off by Councillor Round from Knowsley MBC under delegated authority given via the Liverpool City Regional Cabinet at its meeting in early June 2009. This bid was successful resulting in an initial contract of £16,687,010 to support 2,570 placements over the first six-month period.
- 3.3 The Sefton allocation for the first 6 months is 107 starts with a total allocation of £690,895 commencing 1st October 2009 to 31st March 2010. It is anticipated that the contract will be extended after this period subject to satisfactory performance.
- 3.4 The Future Jobs Fund forms part of the government's Young Persons' Guarantee and therefore must demonstrate a community benefit, with the creation of a job that does not already exist being offered to unemployed benefits claimants. Much work has been undertaken with officers and key partners within the borough to identify an appropriate delivery mechanism to delivery this new national initiative. Detailed discussions are taking place with Sefton CVS to provide the lead in the contracting and performance management of Future Jobs across the VCF sectors within Sefton. It is anticipated that other Future Jobs created in the public sector will be directly managed by PERD Employment & Skills Team and Sefton@work.
- 3.5 Much groundwork has been undertaken to identify appropriate opportunities across Sefton in order to deliver the first 107 Jobs for local residents.

4. Action Area 4.2 ERDF

- 4.1 Through a joint CES bid directly to the NWDA, ERDF resources have been secured for Sefton equating to a grant of £466,410 to March 2011. This funding will be utilised to support a number of staff from business facing team within PERD, as well as key staff with Sefton@work. This will support over 800 local businesses, by providing information and advice, and give over 500 of these businesses more in depth support relating to access to funding, recruitment, workforce advice and skills development. Matched funding to this grant is being funded from the Working Neighbourhoods Fund (Integrated Job Brokerage) allocation.
- 4.2 Specifically, this resource will help to support the team within Sefton@work that have led on the recent recruitment programme for Tesco in Litherland, and Asda in Bootle, demonstrating the added value that Sefton MBC can bring ensuring local people benefit from job creation and job growth occurring locally.

5. Tackling Hidden Disadvantage

- 5.1 Additional ESF resources have been secured through CES to provide additional Information, Advice & Guidance activity in areas of Sefton that are seeing significant percentage increases in the volume of worklessness. The ESF funding secured for Sefton equates to £161,165 which will be contracted out to Sefton CVS to continue important IAG through the Workzone project, which has been established in the Southport area and provide an important additional service to mainstream activity such as Jobcentre Plus. Matched funding to this grant is being funded from the Working Neighbourhoods Fund (Integrated Job Brokerage) allocation.
- 5.2 The acceptance of this contract will ensure that in excess of 150 individuals will receive support, with over 50 moving into employment. The funding will also provide additional resources to support individuals in accessing training, travel, childcare, tools, clothing and equipment support to take up both training and education.

6. SME Pilot

- 6.1 Funding has been secured through NWDA and ESF resources allocated to the CES to pilot a new approach to working directly with SMEs in the borough. The aim is to improve the health and wellbeing of employees to aid with retention and long term sustainability of the businesses. Advice to businesses relate to the development of a range of policies linked to HR and recruitment including support in accessing occupational health services, smoking cessation and other health related initiatives. It will help businesses to develop policies to maintain a health and productive workforce. Matched funding to this grant is being funded from the Working Neighbourhoods Fund (Integrated Job Brokerage) allocation.
- 6.2 The project will also aim to capture any vacancies from these local businesses, and wherever possible, fill these from individuals seeking work through Sefton@work and other partner agencies. The project will run the Sefton@works Employer Liaison team, and ties in with both the ERDF project and mainstream IAG services. The results of this pilot will help to identify successful service offers that could potentially be rolled out across the wider city region. Organisations successfully engaging in this project will benefit by receiving funding towards Sefton Chamber fees. This will provide not only additional networking opportunities for local businesses, but provide an ongoing level of support through the services offered via the Chamber. It will also provide an additional membership revenue stream for the Chamber, important in the current economic climate.

7. The Impact of these contracts - Responding to the Recession

- 7.1 These additional funds demonstrate how resources are being channelled to not only address the needs of jobseekers and workless households in Sefton, but also to businesses that could benefit from additional support and workforce skills development in the current economic climate.
- 7.2 Non acceptance of these contracts will result in lost opportunities to Sefton, as resources will be reallocated across the wider city region. These lost opportunities could include loss of jobs, loss of resources targeted at deprived areas and lack of support for local companies in improving business processes and procedures, reducing the impact of the 'service offer' to workless Sefton residents actively

seeking employment. These external resources have been competitively bid, and won, for Sefton, and in this current economic climate, demand for services is higher than ever.

- 7.3 It is therefore requested that these contracts be formally accepted in order to implement services across the borough. In the case of the Future Jobs Fund contract offer, members should note that the initial contract of 6 months will be extended to cover the full 18 month period as outlined in the bid to March 2011.
- 7.4 Provision has been made to cover any ongoing costs related to exit costs (including redundancy payments which may be payable to staff) should the projects come to an end. This would be funded through a specific contingency budget identified within the single employment programme, to be drawn down in the event of termination of contracts or funding expiry. There will be no ongoing revenue implications for the Council of non-staffing related items as all expenditure will be picked up from the external sources outlined.