

# Birmingham City Council

## Report to Cabinet

15<sup>th</sup> October 2019



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**Subject:** **PLACING URBAN RESIDENTS INTO EMPLOYMENT AND TRAINING 2 (PURE 2) – PROJECT EXTENSION**

**Report of:** **Professor Graeme Betts**  
**Director for Adult Social Care**

**Relevant Cabinet Members:** **Cllr Ian Ward - Leader**  
**Cllr Paulette Hamilton - Health and Social Care**  
**Cllr Tristan Chatfield - Finance and Resources**  
**Cllr Sharon Thompson - Homes and Neighbourhoods**  
**Cllr Jayne Francis - Education Skills and Culture**  
**Cllr John Cotton - Social Inclusion, Community Safety and Equalities**

**Relevant O & S Chairs:** **Cllr Sir Albert Bore - Resources**  
**Cllr Rob Pocock - Health and Social Care**  
**Cllr Penny Holbrook - Housing & Neighbourhoods**  
**Cllr Kath Scott - Education & Children's Social Care**

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007035/2019		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

## **1 Executive Summary**

- 1.1 The purpose of the report is to seek authority from Cabinet to submit a bid to the value of up to £4m for European Social Fund (ESF) to extend the Placing Urban Residents into Employment and Training (PURE) project and if successful to accept any offer of grant funding and to continue as the Accountable Body for the grant.
- 1.2 This bid is proposed as mitigation against the potential failure to secure an extension for the existing PURE project via a Project Change Request (PCR). Unless this is agreed, the PURE project – which commenced actual delivery in March 2019 – will terminate in June 2020. This timescale does not give sufficient time to deliver the intended outcomes of the project. Due to Department for Work & Pensions (DWP) procedures the project team is unable to submit a PCR until December 2019.
- 1.3 This ESF funding is being made available through DWP, with a 30<sup>th</sup> October 2019 deadline for submission of bids. Therefore, it is proposed to take the opportunity to bid for additional funds as a precautionary measure.

## **2 Recommendations**

- 2.1 That Cabinet:
  - 2.1.1 Gives authority to the Director for Adult Social Care to submit a bid to the value of up to £4m for ESF funding to extend the PURE project.
  - 2.1.2 If successful, approves the City Council to continue as the Accountable Body for the PURE project and accept the offer of ESF revenue grant from DWP of up to £4m, which is being matched against an equivalent amount of City Council revenue main programme budgets in the Adult Social Care Directorate.
  - 2.1.3 Notes that should the PCR, due to be submitted in December 2019, be successful, BCC would no longer need to pursue/accept the ESF offer of funding and will withdraw the PURE 2 application.
  - 2.1.4 Authorises the City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.

## **3 Background**

- 3.1 In December 2016, the City Council submitted an Outline Application for the PURE project, followed by a full, detailed application in June 2017 in response to a funding call issued by DWP for the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) area under ESF Investment Priority 1.4: Active Inclusion – to help people who are more distant from the labour market and may face multiple disadvantages to tackle their multiple, complex and profound barriers to work and to move towards or into employment, or to

sustain employment. The PURE project focused exclusively on tackling these issues, in order to improve their life prospects.

- 3.2 There were significant delays in issuing and accepting the Grant Funding Agreement (GFA) from DWP. The outcomes of these delays were that upon receipt of the ratified GFA the project had a maximum delivery period of only 16 and half months. A project of this scale and complexity with multiple providers requires the usual full 3 year delivery period to ensure that all outcomes and results are achievable.
- 3.3 To alleviate the time pressures the project was under, the project submitted a PCR on 15<sup>th</sup> May 2019. This PCR was partially rejected by DWP due to a change in policy, which meant a project could only request an extension to delivery once a project was within six months of closing down.
- 3.4 The project will submit a PCR in December 2019 to request the full 3 year delivery period it initially requested, as instructed by DWP. However, if this PCR is rejected, as a means of mitigation, the project will have submitted a new bid (deadline 30/10/2019) to DWP for further funding to allow for the PURE project to continue delivery.
- 3.5 If the PCR is accepted the application for funding will be withdrawn and BCC will not enter into any Grant Funding Agreements with DWP. The £4m is drawn down retrospectively; therefore, if successful with the PCR, there will be no grant to return to ESF.
- 3.6 Please see below in Table 1 the timeframes involved in submitting the ESF bid and the PCR:

Table 1

Document	Purpose	Date for Submission
New ESF Bid	To extend the PURE project to allow for continuation of delivery	30/10/2019
PCR	To request the full 3 year delivery the project requested	31/12/2019

#### **4 Options considered and Recommended Proposal**

- 4.1 Option: To not submit the PCR or the ESF bid and prematurely end the project in June 2020 – this is not a preferred option and would result in early closure of a project, which is supporting citizens who are furthest from the labour market. In addition the target of 4,000 participants of the city's most vulnerable citizens would not benefit from the opportunity to receive a significantly enhanced offer of support in meaningfully accessing education, training and employment.

- 4.2 Recommended Proposal: To give authority to submit a bid to the value of up to £4m for ESF funding to extend the PURE project and if successful and if required, approve the City Council to continue as the Accountable Body for the PURE project and accept the offer of ESF revenue grant from DWP.

## **5 Consultation**

### **5.1 External**

- 5.1.1 Solihull Metropolitan Borough Council (SMBC) has been consulted to avoid duplication of effort and have agreed a referral processes for the crossover between geographical boundary areas.
- 5.1.2 The external agencies/delivery providers involved in the delivery of this project have all been consulted and fully support this project.
- 5.1.3 The People for Public Services forum have been involved in the co-production of the bid and are fully supportive of the approach to extending its delivery.

### **5.2 Internal**

- 5.2.1. The Adult Social Care Management Team have been consulted on the project and support the recommendations as well the PURE project board.
- 5.2.2 Officers from Legal and Governance, City Finance, European and International Affairs and Corporate Procurement have been involved in the preparation of this report.
- 5.2.3 The Skills and Employability, Education and Skills Directorate's Employment Team has been consulted to ensure that its delivery of other programmes is complimentary and does not duplicate existing provision.

## **6 Risk Management**

- 6.1 A Risk Assessment has been established alongside the project delivery milestones, which is attached at **Appendix 1**.
- 6.2 A PURE project board has been established as part of the projects governance and includes representation from Inclusive Growth Directorate, Finance, Commissioning and Corporate Procurement. The board also has representation from the PURE delivery providers and Job Centre Plus (JCP).
- 6.3 Delivery of the PURE project is partially dependent on utilising the recently tendered Vulnerable Adults Service contracts. The PURE project team was involved in this procurement exercise and have recently completed the scoring and evaluation of these contracts. The project will embed the new contracts with the new providers to ensure a seamless delivery for the PURE participants.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 The PURE project is consistent with the Council Plan: 2018-22 specifically Outcome 1 Priority 1: "We will create opportunities for local people to develop skills and make the best of economic growth."
- 7.1.2 In addition, City Council Strategies include:
- Health and Well-being Strategy 2017+
  - Homeless Prevention Strategy 2017+
  - Homeless Related Support Strategy 2019+
  - Financial Inclusion Strategy 2016+
  - Domestic Abuse 2018+
- 7.1.3 The project aligns with strategic objectives in the Birmingham Development Plan (BDP) 2031 relating to improving health and well-being. This includes priorities of the Health and Well-Being Board and Public Health Outcomes Framework in supporting vulnerable people with mental health conditions and learning disabilities into paid work.
- 7.1.4 It must also be noted that the existing commissioned Housing Related Support Services also contribute significantly to the delivery of two related Council strategies, Homelessness Prevention Strategy 2017+ and the Domestic Abuse Prevention Strategy 2018- 2023.
- 7.1.5 This project also aligns to the Housing First Project for vulnerable people who are homeless or at risk of being homeless; a key element of which is the provision of consistent 1:1 support, tailored as required to the individual. Research findings are that improved outcomes in relation to employment and sustained housing are achieved where consistent and responsive 1:1 support is provided where needed.

### **7.2 Legal Implications**

- 7.2.1 The lawful receipt of grant funding depends on the adherence to the terms of the ESIF grant funding agreement, which includes the requirement of securing matched funding, and adherence to the requirements of procurement legislation, including lawful extensions and re-procurements where required.
- 7.2.2 Under the general power of competence set out in Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report and they are within the boundaries

and limits of the general power of competence in Section 2 and 4 of the Localism Act 2011, subject always to the contractual and procurement constraints referred to above.

### **7.3 Financial Implications**

- 7.3.1 The total of this PURE project is anticipated to be £8m, comprising £4m of ESF revenue grant and £4m funded from City Council main programme revenue budget from the Adult Social Care Directorate, Commissioning services. The management and administration of the project will be delivered by the existing PURE project team who have been delivering the PURE project since March 2019.
- 7.3.2 Spend will only be incurred when a Grant Funding Agreement is in place with DWP ensuring that 50% of grant will be made available against this specific project expenditure.
- 7.3.3 The project will be delivered through contracted delivery providers, which are existing PURE providers. The Council will enter into contract variations with these providers which will set out the outputs required to deliver the requirements of the ESF grant. This robust method is already being used to deliver the current scheme. The City Council will claim ESF grant quarterly from DWP in arrears based on actual expenditure. Given the time limit of this scheme, expenditure will be defrayed before the project end date in order to be eligible and this will be reflected in their contracts. The Council will reserve the right to exit the project at any time by giving the required notice of one month to DWP. There will be no on-going revenue implications for the City Council as a consequence of this project.
- 7.3.4 The Council further mitigate its risk as Accountable Body through the existing and established payment mechanism and claw-back arrangements with existing PURE providers. Payments will be made to providers monthly at 70% ratio based on delivery and with 20% based on engagements and 10% reconciled annually dependent on results achieved. The Council will include the right to claw-back grant from the deliverers if necessary in line with the provisions in the ESF funding agreement.

### **7.4 Procurement Implications (if required)**

- 7.4.1 There are limited procurement implications for this project as the wider commissioning team have just completed an ESF compliant Vulnerable Adults Housing and Wellbeing Support (P0577) procurement exercise. The PURE project was involved throughout this process and a sufficient number of providers meet the criteria to provide the services throughout the 3 years of the PURE project. The PURE project will continue to work with its current Disability providers

until these contracts expire in 2022. Prior to this happening, the PURE team will replicate the Vulnerable Adults Housing and Wellbeing Support (P0577) procurement and will look to secure new Disability providers.

## **7.5 Human Resources Implications (if required)**

- 7.5.1 The ESF revenue grant will continue to fund the existing PURE project team.
- 7.5.2 There are no HR resources implications as there is an existing, experienced delivery team in place which will continue to deliver and manage the PURE 2 project.

## **7.6 Public Sector Equality Duty**

- 7.6.1 Please refer to previous Equality Analysis which was presented with the Cabinet Report Dated 13<sup>th</sup> November 2018. The document fundamentally remains the same as the projects aims and objectives remain unchanged. **Appendix 2.**

## **8 Appendices**

### **8.1 List of Appendices accompanying this Report (if any):**

- 1. Risk Assessment
- 2. Equality Assessment

## **9 Background Documents**

- 9.1 Birmingham City Council Plan: 2018 -2022
- 9.2 Health and Well-being Strategy 2017+
- 9.3 Homeless Prevention Strategy 2017+
- 9.4 Homeless Related Support Strategy 2019+
- 9.5 Financial Inclusion Strategy 2016+
- 9.6 Domestic Abuse 2018+
- 9.7 Tender Strategy for Integrated Prevention (C0218) – Cabinet report 20<sup>th</sup> October 2015
- 9.8 Cabinet Report Dated 13<sup>th</sup> November 2018 – ESF Funded PURE Project (Placing Urban Residents into Employment and Training)