

BIRMINGHAM CITY COUNCIL

PUBLIC

Report to:	CABINET	
Report of:	Strategic Director for Economy	
Date of Decision:	19 April 2016	
SUBJECT:	CONTINUATION OF THE DELIVERY OF THE BIRMINGHAM JOBS FUND (BJF) FROM 2016/17 THROUGH TO 2017/18	
Key Decision: Yes	Relevant Forward Plan Ref: 001511/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member(s)	Councillor Tahir Ali, Cabinet Member for Development, Transport and the Economy	
Relevant O&S Chairman:	Councillor Victoria Quinn, Economy, Skills and Sustainability	
Wards affected:	All	

1. Purpose of report:
<p>1.1 To set out the proposed arrangements for a continuation of delivery of the Birmingham Jobs Fund (BJF) during 2016/17 and 2017/18. The initiative will target the creation of routeways to a minimum of 1,000 additional jobs and apprenticeships per year for unemployed 16-24 year olds (850 apprenticeships and 150 jobs). The Fund will operate through a multi-organisational partnership team providing enhanced, tailored packages of support to employers to capture vacancies, which will then be matched to young people through an intensive package of personalised coaching and upskilling support.</p> <p>1.2 The report sets out the funding arrangements for BJF during the requested next two years of operation.</p>

2. Decision(s) recommended:
That Cabinet,
<p>2.1 Approves expenditure up to an annual limit of £1.65m for 2016-17 and 2017-18 totalling £3.3m, as the City Council's contribution to the delivery and employer incentive costs of the proposed Birmingham Jobs Fund.</p> <p>2.2 Notes that the fund will seek to achieve additional job and apprenticeship starts per year for up to 1,000 unemployed young people (16-24 year olds).</p> <p>2.3 Agrees the continuation of the partnership delivery for the Birmingham Jobs Fund and the Council's role as lead accountable body for the fund.</p>

- 2.4 Delegates the authority to the (Acting) Strategic Director for Economy in conjunction with the Strategic Director – Finance and Legal, to develop, finalise and manage the Council's involvement in the Birmingham Jobs Fund including expenditure of up to £1.65m per year and agreement of joint working protocols, and/or the letting of contracts or grant arrangements with external agencies as required, within the parameters of the Council's financial procedures and standing orders, with a view to commencing delivery from April 2016.
- 2.5 Authorise the City Solicitor to sign, seal and execute legal documentation in relation to the proposals set out in this report.

Lead Contact Officer(s):	Shilpi Akbar, Assistant Director for Employment
Telephone No: E-mail address:	0121 303 4571 shilpi.akbar@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

This report has been shared with the Cabinet Member for Skills, Learning and Culture who supports the proposal coming forward for executive decision. Officers in Legal and Finance have been involved with the production of this report.

3.2 External

City Council officers consulted with the key partner Department for Work and Pensions (DWP) Jobcentre Plus Birmingham & Solihull District Office in respect of the proposed service delivery. Employment support providers (colleges, private and voluntary sector) already involved in the delivery of Birmingham Jobs Fund have also been consulted and their view is continuation of the Birmingham Jobs Fund would help further Apprenticeships take-up by employers.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

By seeking to support currently unemployed people into sustainable employment and provide financial incentive to employers, the project activity will contribute directly to the following key outcomes as part of the Council Plan and Budget 2016+. Outcome 1: A strong economy and its sub-outcome, "An integrated skills system that reduces the skills gap, supports employers to take on people furthest from the labour market and drives down unemployment." And in the Sustainable Community Strategy: Succeed Economically, has as one of its outcomes that "more people, including people with disabilities, will be in work - unemployment and worklessness will be reduced significantly". The project will also contribute to the Birmingham Skills Investment Plan 2016-2026 approved by Cabinet on 16 February 2016 – The Birmingham Skills Investment Plan sets out the skills challenge for Birmingham over the coming decade. Delivering strong economic growth, improved productivity and full employment in Birmingham will, in part, be dependent on how Birmingham responds to the skills challenge. The Birmingham Skills Investment Plan is backed up by the best information available on what employers are demanding now and what they will need in the future. The project activity will also work well alongside the recently agreed Youth Employment Initiative (YEI) report.

4.2 Financial Implications (Will decisions be carried out within existing finance and Resources?)

Management, administration and payments to employers will be managed within the Council's approved policy contingency allocation of £1.65m per year to the Birmingham Jobs Fund (BJF) in years 2016/17 and 2017/18. No further payments will be made once the available funding is committed. All delivery will be managed and monitored through existing staff within the Economy Directorate's Employment and Skills Service team. DWP staff, as part of the Multi-agency Team, have aligned resources to work alongside the Council's staff.

4.3 Legal Implications

The Council has power to enter into this activity in accordance with the general power of competence conferred by Section 1 of the Localism Act 2011 (LA 2011). The proposed activity is within the boundaries and limits on the general power of competence set out in Sections 2 and 4 LA 2011 respectively.

4.4 Public Sector Equality Duty (Equality Analysis Ref No. EA001203)

4.4.1 All activity will focus upon supporting young unemployed people aged 16 to 24 in communities where there is demonstrable exclusion from the labour market and as such the activity will contribute directly to the Directorate's Equality Impact objectives. Any company or external body selected to deliver elements of the project will be required to have a policy that complies with the West Midlands' Common Standard for Equalities in Public Procurement and the City Council's Equal Opportunities policy.

- 4.4.2 The requirements of Standing Order No. 11 in respect of the Council's Equal Opportunities Policy will be incorporated into the Contract / Grant conditions documentation. The requirements of the Equality Act 2010 will be specifically included in Contract / Grant conditions to draw provider's attention to the detail of, and the need to comply with the Act.
- 4.4.3 Initial officer assessment is that the service will continue to address barriers and create equality of access to employment support services for residents and communities in demonstrably deprived communities with high and persistent levels of youth unemployment. Feedback from the partners consulted during the preparation of this report indicated that the programme would be valuable in directly addressing inequality and exclusion from the labour market for specific target groups. Birmingham Jobs Fund will be monitored closely on a monthly basis and feedback from this will inform continuous service improvement as delivery progresses. It will also be aligned to the Youth Employment Initiative to enhance the raft of provision and specifically engage / incentivise employers to work with us in tackling youth unemployment.

5. Relevant background/chronology of key events:

- 5.1 The Birmingham Jobs Fund (BJF) was originally set up in response to the recommendations of the Birmingham Commission on Youth Unemployment (2013), and has proved to be effective.
- 5.2 During 2013/14 the BJF (comprising £2m BCC funds; and the alignment of DWP's Wage Incentive and NAS AGE Grant) succeeded in placing 1,336 young people into employment. Following on from this achievement Birmingham City Council invested funds for a second year to support delivery in 2014/15.
- 5.3 On 6 August 2014 DWP nationally withdrew their Wage Incentive (which was aligned with the BJF) and this affected the 'offer to employers' with the potential to impact on the numbers of young people starting work through the campaign.
- 5.4 In September 2014 a Joint Report of the Cabinet Member for Development, Transport and the Economy; the Cabinet Member for Skills, Learning and Culture; and Deputy Chief Executive authorised the continuation of the BJF without the alignment to DWP's Wage Incentive scheme and the continuation of the payment of £2,275 for 26 weeks of job sustainability and a cap on the payment for Apprenticeships at £1,500, again paid at 26 weeks of sustainability.
- 5.5 The latest reports show take up of BJF remains strong and that targets are being achieved. The number of apprenticeship jobs has been higher than non-apprenticeship jobs over the last 18 months under this programme.
- 5.6 Between August 2013 (the project start) and 10 March 2016 (latest produced data):
- 679 Non-Apprentice jobs had been achieved, of which 36% were from Priority Wards

- 2,657 Apprenticeship 'jobs' had been achieved, of which 21% were from Priority Wards
- The above two figures combined total is 3,336 jobs (Apprenticeship and Non-Apprenticeship), of which 24% in total are in Priority Wards. This is equivalent to an average cost per job outcome of £1,550.
- The total achieved so far equates to 83% of the target (4,000 jobs starts between August 2013 and end of March 2016). There is always a lag in receiving official job start paperwork and therefore the final position is expected to increase.

- 5.7 A sample job sustainability exercise was undertaken in partnership with DWP in November 2015 and it was found that for both apprentice (of 1,827 apprentice positions supported by BJF at the time) and non-apprentice jobs (471 non-apprentice positions supported by BJF) *85% were still 'off register', i.e. taken as still in employment.*
- 5.8 The targeting of the provision via eligibility criteria, guarantees that it is 16-24 year olds that are benefitting and therefore BJF forms an essential employer-facing and business support part of the Birmingham Youth Promise. Long term data for the employment status of young people in the city shows an encouraging trend upwards, with the latest quarter's data continuing this. The claimant count has fallen for the second consecutive month, and the overall trend is down.
- 5.9 Seven of Birmingham's 40 wards are deemed to be priority – Aston, Bordesley Green, Lozells and East Handsworth, Nechells, Sparkbrook, Soho and Washwood Heath – and in 2014/15 28% of the BJF beneficiaries have been from the Priority Wards. The council is reliant on a wide range of intermediary partners to deliver the fund, and the importance of geographical targeting is emphasised on an ongoing basis. The target for the priority wards going forward will be to reduce youth unemployment by 40%.
- 5.10 A total of 136 people with a disability have been supported through the initiative. Data is collected where people have agreed to disclose their disability.
- 5.11 An analysis of young beneficiaries' ethnicity, age and gender highlighted the following:
- *Ethnicity:* most supported group of young people have been White – British (51%), followed in second place by Asian – Pakistani (18%)
 - *Age:* statistics show that the most supported age bracket under BJF has been the 18 year olds (21%), followed by 17 year olds (18%) and then 19 year olds (14%) in third place
 - *Gender:* more females (57%) than males (43%) have been supported
- 5.12 As well as the young people benefitting from across Birmingham, BJF has also supported employers from across the city (and sectors), although there is a bigger concentration of employers benefitting based in the city centre (Ladywood district).

- 5.13 There are currently 47 Training Providers signed up to promote and deliver Birmingham Jobs Fund Apprenticeship payment to employers.
- 5.14 The letting of contracts or grant arrangements with external agencies will be in line with Procurement Governance Arrangements.
- 5.15 Delivery of the Birmingham Jobs Fund (BJF) during 2016/17 and 2017/18 will target the creation of routeways to a minimum of 1,000 additional jobs and apprenticeships per year for unemployed 16-24 year olds (850 apprenticeships and 150 jobs). Current training providers will be given the opportunity to sign-up to agreements covering the next two years. New training providers will also be welcomed and their targets negotiated. The Department for Work and Pension's Jobcentres will continue to support with trying to fulfil the non-apprenticeship job starts target, as well as apprenticeships.

6. Evaluation of alternative option(s):

- 6.1 The alternative to this approach would be to rely on existing employer incentives available through the National Apprenticeship Service capped at £1,500 for employers with a workforce of fewer than 50 employees. Employers can be paid a maximum of five grants in total. However, given the disproportionate levels of unemployment and worklessness that exist in specific wards, it is felt that the deployment of BJF as recommended above represents the best way of effectively alleviating the levels of youth unemployment prevalent in these communities.
- 6.2 Not to continue with the payments to the fund. This would impact efforts to tackle youth unemployment in Birmingham.

7. Reasons for Decision(s):

- 7.1 To allow for the effective and timely deployment of available BJF resource to support the progression into work of local residents in disadvantaged communities across Birmingham.

Signatures

Date

Councillor Tahir Ali, Cabinet
Member for Development,
Transport and the Economy

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Waheed Nazir, Strategic
Director for Economy

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List of Background Documents used to compile this Report:
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| <ol style="list-style-type: none">1. Birmingham Commission on Youth Unemployment report, January 2013.2. A separate Cabinet Report for the YEI was approved 16/02/16 (Forward Plan Ref 000295/2015).3. Detailed statistics of young people beneficiaries (ward analysis, disability information, ethnicity, age and gender) and employer beneficiaries (geographical and sector analysis) can be made available upon request. |
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List of Appendices accompanying this Report (if any):
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Nil

PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation

