

<b>Full Business Case (FBC)</b>			
<b>1. General Information</b>			
<b>Directorate</b>	Economy	<b>Portfolio/Committee</b>	Skills, Learning & Culture
<b>Project Title</b>	<b>GREATER BIRMINGHAM &amp; SOLIHULL LOCAL ENTERPRISE PARTNERSHIP: YOUTH EMPLOYMENT INITIATIVE: YOUTH PROMISE PLUS</b>	<b>Project Code</b>	Forward Plan ref: 000295/2015
<b>Project Description</b>	<p><b>Background</b></p> <p>The policy and statistical context for this project proposal is summarised in Appendix G of this Full Business Case report.</p> <p>In May 2015, Cabinet received a composite report via the Council's European and International Division setting out potential funding opportunities within the European Structural Investment Fund (ESIF) programme, and gave approval to submit an application for up to £50.4 million pounds (gross value over 3 financial years) under the Youth Employment Initiative (YEI) element. A first stage outline application was therefore submitted to the Department for Work and Pensions (DWP) on 22<sup>nd</sup> May 2015. This received a positive appraisal and the Council was invited to develop and submit a full application September 2015.</p> <p>Following a call for Delivery Partner expressions of Interest and match funding on the "Find it in Birmingham" website, the following delivery partners were identified and they and others pulled together into a Project Development Group through which the full application was developed; The Project Delivery/Funding Partners are:</p> <ul style="list-style-type: none"> <li>• Birmingham City Council (Employment &amp; Skills, Housing infrastructure, Birmingham Career and Youth Services and through them their contracted providers)</li> <li>• Solihull MBC</li> <li>• The Prince's Trust</li> <li>• University Hospital UHB</li> <li>• Centro</li> <li>• Police Commissioner's Office</li> </ul> <p>Project Development Group:</p> <ul style="list-style-type: none"> <li>• The Best Network</li> <li>• BVSC</li> <li>• West Midlands Learning Provider Network</li> <li>• Birmingham &amp; Solihull FE Consortium</li> <li>• People Plus</li> <li>• St Basils</li> <li>• Ahead Partnership (CSR City)</li> <li>• DWP Birmingham &amp; Solihull District Office</li> </ul>		

A full application was duly submitted on 11<sup>th</sup> September 2015 and appraisal feedback in the form of clarification questions have been shared and responded to in several iterations, the last submission being made by the Council on 30<sup>th</sup> December 2015. A funding decision and detailed grant conditions from DWP national office are anticipated to be received by the Cabinet meeting date . Cabinet is now asked to consider and approve this Full Business Case for the project.

### **Project Proposals**

The key principles within the Youth Promise Plus delivery model are:

- Integration of service provision across providers
- Personal holistic support driven by a relationship of trust between beneficiaries and lead professionals
- Work First: Introduction of young people into some form of supported work environment, as early as possible, and certainly within 6 weeks of their entry to the project. Many previous employment support programmes have been formed with job search and matching activities built-in towards the end of a programme of training and upskilling support. This programme seeks to bring opportunity for employment much earlier on to aid participant confidence and experience.
- Dedicated support to employers to ensure the creation of work environments that are conducive and responsive to beneficiaries support needs but also remain positive for the businesses themselves.

Therefore, the Youth Promise Plus project has the following delivery elements:

### **STRAND ONE – Engagement and intervention with young people (holistic and tailored personal support and in work support)**

In addition to the activity delivery of BCC and partners, newly commissioned Intervention Workers will be embedded within a range of agencies across the sub-region who work directly with disadvantaged young people. The Project will work with both sub-regional agencies working across Birmingham and Solihull and those smaller agencies working in specific wards or neighbourhoods. These agencies include:

- Care leaver teams in Birmingham and Solihull
- Youth Offending Teams
- St Basil's (youth homeless service operating across Birmingham and Solihull)
- Midland Heart (youth homeless service operating across the sub-region)
- Trident (youth homeless service operating across the sub-region)
- Accord (youth homeless service operating across the sub-region)
- Local Jobcentres
- The Prince's Trust
- Local Authority Youth Centres
- Birmingham Careers Service
- Local multi-agency NEET panels
- Voluntary and faith sector organisations

The project will also commission teams of outreach intervention works

to engage with “hidden” NEETs and provide local responsiveness in 5 localities sub-dividing the total Birmingham and Solihull area.

Accessing specialist services where necessary, the Intervention Workers will provide intensive mentoring and pastoral support, providing a ‘wrap-around’ service enabling the young people to address a myriad of barriers including debt, health, housing, basic skills and personal development challenges. The aim is to resolve these barriers swiftly keeping the focus on gaining employment or workplace experience or training leading directly to employment within 6 weeks. The workers will seek to link beneficiaries directly into opportunities generated through the employer-facing aspects of this project, but where appropriate will also signpost and refer into a wider range of external training and employment opportunities. The Intervention workers will also provide continuity of support and in-work support to seek to ensure maximum sustainability of employment for beneficiaries.

In addition, to this newly commissioned activity the project will engage with young people through the following existing programmes and services:

**Destination Work** –existing procured contracts delivered through People Plus, Standguide and The Best Network providing intensive coaching and mentoring support to 18-24 years olds referred by 7 Jobcentres in the area. This will be extended to include all 14 Jobcentres in the sub-region.

**Supporting People** - enhancing existing procured contracts delivered through Accord Housing, Midland Heart, St Basil’s and Trident Housing providing personal and employment support to young people at risk of homelessness.

**Birmingham Careers Service**- enhancing existing council managed service offering Careers and information Advice and guidance to NEETS.

**Solihull MBC direct employment & Skills provision**- enhancing existing employment support and job matching activities with a focus on young people distanced from the labour market resident in Solihull

**STRAND TWO – Employment Development** (Improving Employer Engagement and Support):

The aim of this strand is to ensure employers are prepared and supported to provide work opportunities/apprenticeships/traineeships to the most disadvantaged. Through the commissioning of specific Employment Development workers the project will establish services to employers which provide ‘wrap-around’ support to young people achieving employment/work experience to address personal barriers and challenges, enabling the sustainment of employment. These contracts will provide supported pathways through employer-led training programmes leading directly to jobs upon completion.

The YEI delivery will include strengthening and deepening the following existing employment pathways:

- **The Prince’s Trust:** “Get into” programmes and tailored support leading to vacancies with the Trust’s large National employer accounts
- **Queen Elizabeth University Hospital UHB:** supported pathways to NHS and Health and Life Sciences opportunities.

In addition the project will commission new supported pathways and embedded Employment Development workers through external providers and employers in the following work areas:

- **Employment growth and natural market turnover in Small and Medium sized Enterprises (SMEs)** – with a particular emphasis on work in Business Improvement Districts
- **Sector Based employment pathways in areas of growth** – e.g. Construction, Manufacturing, Food and Tourism, Professional sector.

### **STRAND THREE- The Learning and Practice Hub**

In order to ensure the required level of service integration between providers and crucially to ensure smooth transition of young beneficiaries to and through supported employment, education and training pathways and into sustainable jobs, the project design incorporates a newly formed Learning and Practice Hub to deliver the following elements

- **A quality development & coordination support function** (including provider theme groups/quality circles; and Employer Engagement coordination to ensure linkage to GBSLEP priorities and identified growth sectors).
- **Bespoke Coach/mentor practice techniques and support** (Continuous professional development for front line staff)
- **Evaluation & Continuous service improvement framework**
- **Spot purchasing fund** to respond to specialist support needs and demand expressed through service users and Intervention workers.
- **Travel training and support to beneficiaries**
- **Youth Voice-** service users and wider young people's consultation to inform service improvement.

### **Outcomes**

The project aims to support 16,610 Birmingham & Solihull young people (15-29 years) who are either NEET (Not engaged in Employment Education or Training) or unemployed and claiming Job Seekers Allowance, Universal credit or other work related benefits. The aims are to upskill and create integrated and supported pathways to sustainable employment, and the project targets supporting at least 7,309 (44%) of its beneficiaries into further education, training and/or employment by the end of the delivery period. All beneficiaries (including those who don't progress to a positive destination) will be tracked and supported for at least six months.

In order to hit these targets it is envisaged that providers will need to deliver a higher number of client case engagements in order to:

- a) Plan around potential dropout rates
- b) Translate recorded "case contacts" into individual beneficiaries in instances where individuals access support from more than once YEI contracted provider (e.g. an Intervention Worker and a supporting People provider) in order to fulfil their agreed action plan.

### **Management**

Birmingham City Council will act as Lead Accountable Body on behalf of the Greater Birmingham and Solihull Local enterprise partnership (GBSLEP) in respect of this project. The management of the project will be driven through the Council's Employment & Skills Service in the Economy Directorate, and activity will be steered by a Project Partnership group made up of a range of identified strategic and delivery partners (see earlier list)..

In addition to the delivery strands set out above, an element of the YEI income in respect of this project will be used to create and underpin a number of posts providing management and administration services to ensure the smooth and EU compliant running of the project. The details of the envisaged management & administration structure of the project are shown in **Appendix B** of this report. This function will involve staff being embedded and hosted in the following ways:

- **BCC Employment and Skills Service:** Central team of posts around project and contract management, compliance/support and monitoring, administration and data inputting. Project income will be used both to underpin the staff costs of some existing posts and to create additional capacity for fixed term/secondment roles.
- **BCC Housing infrastructure and Careers Service:** Additional fixed term posts around YEI monitoring and data imputing roles for the Supporting People and Careers Service activity.
- **Solihull MBC-** fixed term management, monitoring and support roles
- **Management and administration roles embedded in external delivery partners** (i.e. The Princes' Trust, UHB)

The total grant available for project management and administration costs is set out below:

	£
Staff and Employee costs	3,710,831
Marketing	100,000
Hospitality	50,000
Evaluation	50,000
Database	<u>137,500</u>
	<b>4,048,331</b>

All new posts recruited by Birmingham City Council in this respect will be offered on a fixed term basis in line with the limited lifetime of the funding.

#### **Procurement**

Subject to DWP approval, it is envisaged that the first phase of Youth Promise Plus delivery will commence through an allowed retrospective start date in September 2015 through refocused delivery of existing match funded contracts and services. The commissioning of new services will commence from late February 2016 with phased tender submission and appraisal dates up until June 2016 when the first tranche of contracts will be let for delivery. The details of this approach will be set out in a procurement strategy to be approved by the Cabinet Members for Commissioning, Contracting and Improvement, and Skills, Learning and Culture jointly with the Acting Strategic Director for the Economy Directorate.

#### **Contract Management and Monitoring**

The detail of the project's contract management and monitoring will be set out in the procurement strategy.

#### **Funding Package**

The project is based on a gross value of £50,400,000 over four

financial years (2015/16, 2016/17 2017/18 and 2018/19), with an envisaged start date of September 2015 (retrospection is allowed so that existing matched activity can be countered from date of invitation to submit a full application) and delivery running until June 2018 with a closedown period to December 2018. In line with EU guidance, this gross value is to be made up as follows:

	£
Youth Employment Initiative income	16,800,000
ESF income	16,800,000
Existing local activity/ expenditure as matched funding	<u>16,800,000</u>
	<b>50,400,000</b>

The package of **local match funding** that has been confirmed is as follows:

Partner/ Match funding source		£ Total Match funding (£m) in the period from 1 <sup>st</sup> Sep 2015- July 2018
BCC- Birmingham Careers service	Up to	2.2
BCC- Destination Work Contracts	Up to	2.8
BCC- Supporting people Contracts	Up to	5.8
Youth Promise policy contingency	Up to	0.2
Birmingham Jobs Fund policy contingency	Up to	1.4
	Maximum available	12.4
<b>BCC- Total match required</b>		<b>12.0</b>
The Prince's Trust	Confirmed	0.8
Solihull MBC	Confirmed	2.1
University Hospital UHB consortium	Confirmed	0.9
Police Crime Commissioner's office	Confirmed	1.0
<b>Total Match</b>	<b>Required</b>	<b>16.8</b>

Commitment to the match funding outlined above from external partners has been confirmed in writing by all partners. Budgetary provision for the Council's element of the match funding is in place. It is recognised that the staffing elements of this match within the Birmingham Careers Service could be subject to change as a result of their current Service review. As shown in the table above, allocations in respect of policy contingency (Youth Promise and Birmingham Jobs Fund) have therefore been identified which can be accessed to underwrite the total City Council match if required ( for example due to service changes or reduced eligibility of match activity) . An alternative option would be to negotiate with DWP around reducing the scale of delivery but this is not

	<p>preferred due to the scale of need identified in the development of this project.</p> <p><b>Revenue Consequences</b></p> <p>There are no ongoing revenue consequences for Birmingham City Council beyond those identified in this report.</p> <p>The City Council will be the Accountable Body for the EU/DWP grant which will involve receiving grant on behalf of Solihull MBC and other delivery partners. To minimise the risk of claw back the Accountable Body will ensure that all grant conditions are enforced through back to back partnership agreements with all Delivery Partners. This will be managed so as to ensure that there are, no ongoing capital/revenue implications for BCC. Further details as to how such risks will be managed are included in the Risk Register (<b>Appendix C</b>).</p> <p><b>Consultation</b></p> <p>Following an Expression of Interest call for Strategic/delivery partners conducted through “Find it in Birmingham” in May 2015 a range of partner agencies (detailed in the “background” section above) were invited to form a group through which stakeholder consultation was undertaken around the development of a full application and delivery plan.</p> <p>In addition, through partnership with St Basils, a Youth Voice consultation was undertaken with young people and potential service users, the feedback from which is included in the Equalities Assessment forming <b>Appendix F</b> of this report. It is envisaged that the Youth Voice forum will be developed on an on-going basis to form part of the Learning and Practice Hub delivery strand in the project with young people’s feedback being used actively to inform continuous service improvement as the project progresses.</p>		
<p><b>Links to Corporate and Service Outcomes</b></p>	<p>The proposal contributes towards the strategic outcomes outlined in the ‘Council Business Plan 2015+’, specifically ‘Prosperous City’; the recommendations will deliver a project of significant scale focused on upskilling and actively supporting up to 16,610 NEET or unemployed young people around creating pathways to sustainable employment. It also deepens the Council’s current “Youth Promise” policy commitment. Where applicable the project will operate within the State Aid General Block Exemption regulations (GBER).</p>		
<p><b>Project Definition Document Approved by</b></p>	<p>N/A</p>	<p><b>Date of Approval</b></p>	<p>N/A</p>
<p><b>Benefits Quantification- Impact on Outcomes</b></p>	<p><b>Measure</b></p> <p>Increase Employment and Training Opportunities for NEETs and others with complex barriers</p>		<p><b>Impact</b></p> <p>Supporting the rise in participation age by providing additional traineeships and apprenticeships in the area by:</p> <ul style="list-style-type: none"> <li>• Providing a substantial increase in the numbers of employers prepared and supported to offer work experience and employment to the most disadvantaged young people.</li> <li>• Improving the co-ordination of current employer engagement</li> </ul>

		work across the sub-region.
	Address Marginalisation and Disadvantage	<p>Engaging marginalised 15-18 year olds in the area to support them to re-engage with education or training by:</p> <ul style="list-style-type: none"> <li>• Working directly with those area-wide and local agencies which work with the most disadvantaged young people aged 15-18 to identify and engage them.</li> <li>• Providing an intense and tailored personalised support to these young people to address the challenges faced by the young people to ensure that they receive interventions in an effective and timely manner.</li> </ul>
	Improve the Basic and employability Skills of Young People	<p>Addressing the basic skills needs of young NEETs in the area so that they can compete effectively in the labour market by:</p> <ul style="list-style-type: none"> <li>• Developing a common and genuinely holistic sub-regional approach which is tailored to the needs of each disadvantaged young person.</li> <li>• Swift and effective removal of young person's educational, personal and social barriers to the workplace through support into existing and newly commissioned services and an early introduction to employer-led opportunities for development and employment.</li> </ul>
Work With Employers to Increase Opportunity for the unemployed	<p>Providing additional work experience and pre-employment training opportunities for unemployed 18-24 year olds by:</p> <ul style="list-style-type: none"> <li>• Providing an increase in the numbers of employers prepared and supported to offer work experience and employment to the most disadvantaged young people.</li> <li>• Improving the co-ordination of current employer engagement work across the sub-region.</li> <li>• Direct support to employers to enable workplace issues to be resolved simply and effectively, at an early stage to prevent any impact on business operations</li> </ul>	



	Address the Specific Needs of young Lone Parents	<p>Supporting lone parents in the area to overcome the barriers they face in the labour market by:</p> <ul style="list-style-type: none"> <li>• Working directly with those area-wide and local agencies which work with young lone parents such as Children's Centres, JCP and other VCO provision identify and engage them.</li> <li>• Providing an intense and tailored personalised support to young lone parents to address the challenges they face in an effective and timely manner</li> <li>• Swift and effective removal of a young lone parent's educational, personal and social barriers to the workplace through support into existing and newly commissioned services and an early introduction to employer-led opportunities for development and employment</li> <li>• Providing childcare where not available through other public resources wherever it is a barrier to engagement and participation.</li> </ul>
<b>Project Deliverables</b>	<p>Client case contacts recorded: 19,000</p> <p>Individual beneficiaries engaged and supported: 16,610</p> <p>Clients completing YEI intervention 11,212</p> <p>Job starts achieved 4,000</p> <p>No of beneficiaries in FE, training or employment on leaving the project 7,309</p>	
<b>Scope</b>	<p>The Project proposes to work with the most disadvantaged young people in Birmingham and Solihull who are unemployed (i.e. not in paid employment and claiming JSA, Universal Credit ESA or other work related benefits) or are NEET or 'inactive'/'Not Known' (i.e. not in education, employment or training). The age range for the project will be 15-29 year olds.</p>	
<b>Scope exclusions</b>	<p>Project delivery will be restricted to operate within EU guidelines around eligibility around both beneficiary status and expenditure including being resident in Birmingham and Solihull. No exclusions to these criteria will be permitted except where young people are in care /fostering arrangements and are living in local authority endorsed residences which are outside of the area.</p>	
<b>Dependencies on other projects or activities</b>	<p>The project is dependent upon the following:</p> <ul style="list-style-type: none"> <li>• Funding awards and approvals from DWP Procurement of service contracts with external providers</li> <li>• Changes in economic/labour market context affecting demand or ability to achieve positive employment outcomes</li> <li>• Pledged match funding and delivery from partners and within BCC services</li> </ul>	

<b>Achievability</b>	<p>Significant progress has been made in developing an effective delivery partnership and securing the required match funding package at a local level. An outline application has been submitted and positively appraised. A full application has also been submitted to the required timescale and has been appraised and approved at LEP level. Final approval is now awaited from DWP, and is anticipated by or before the Cabinet meeting date of 16 February 2016</p> <p><b>Key risks</b></p> <ul style="list-style-type: none"> <li>- Restrictive funding conditions restrictions (e.g. relating to phasing of spend and eligibility of costs or inflexibility over profile changes)</li> <li>- Being Accountable Body for Delivery Partner spend</li> <li>- Challenging timescales</li> <li>- Cost overrun and/or quality issues (both expenditure and outputs will be performance managed by DWP)</li> <li>- Recruiting sufficiently skilled staff within BCC and Partner organisations to deliver the additional activity.</li> </ul> <p>Risks will be managed to remove or mitigate them as far as possible and a risk register is included at <b>Appendix C</b></p>		
<b>Project Managers</b>	Andrew Barnes, 0121 303 3740, <a href="mailto:andrew.barnes@birmingham.gov.uk">andrew.barnes@birmingham.gov.uk</a> Tara Verrell <a href="mailto:tara.verrell@birmingham.gov.uk">tara.verrell@birmingham.gov.uk</a>		
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<b>Project Accountant</b>	Alison Jarrett, 0121 675 5431, <a href="mailto:Alison.jarrett@birmingham.gov.uk">Alison.jarrett@birmingham.gov.uk</a>		
<b>Project Board Members</b>	Shilpi Akbar, Stuart Evans, Andrew Barnes, Alison Jarrett, Mark Reed, external partnership steering group		
<b>Head of City Finance (HoCF)</b>	Alison Jarrett	<b>Date of HoCF Approval:</b>	04/02/2016

## 2. Budget Summary

	<b>Voyager Code</b>	<b>Financial Year 2015/16</b>	<b>Financial Year 2016/17</b>	<b>Later Years</b>	<b>Totals £</b>
Engagement & Intervention strand		2,145,926	15,190,336	17,834,823	<b>35,171,085</b>
Learning & Practice Hub		119,551	846,265	993,587	<b>1,959,403</b>
Employment Development		562,620	3,982,615	4,675,946	<b>9,221,181</b>
<b>Totals</b>		<b>2,828,097</b>	<b>20,019,216</b>	<b>23,504,356</b>	<b>46,351,669</b>

<b>Other revenue Consequences</b>					
Management & Administration Costs		247,005	1,748,468	2,052,858	<b>4,048,331</b>
<b>Totals</b>		<b>3,075,102*</b>	<b>21,767,684</b>	<b>25,557,214</b>	<b>50,400,000</b>

\* If slippage to expenditure occurs; approval to reprofile expenditure into future years will be sought.

<b>Funded By:</b>					
YEI Income		1,025,034	7,255,894*	8,519,071*	16,800,000
ESF income		1,025,034	7,255,894*	8,519,071*	16,800,000
Local Matched Funding		1,025,034	7,255,894*	8,519,071*	16,800,000
<b>Totals</b>		<b>3,075,102</b>	<b>21,767,684</b>	<b>25,557,214</b>	<b>50,400,000</b>
<b>Planned Start date for delivery of the project</b>	<i>December 2015 (with provision for retrospection from September 2015)</i>	<b>Planned Date of Technical completion</b>		<i>Expenditure ends July 2018 with monitoring to December 2018</i>	

\*rounded figures.

<b>3. Checklist of Documents Supporting the FBC</b>		
<b>Item</b>	<b>Mandatory attachment</b>	<b>Number attached</b>
<b>Other Attachments (list as appropriate)</b>		
Full list of Appendices to FBC		
Appendix A – Detailed delivery structure	Y	A
Appendix B - Management & Administration Structure	Y	B
Appendix C – Risk Register	Y	C
Appendix D – Stakeholder Analysis	Y	D
Appendix E – Milestone dates/ Project critical path	Y	E
Appendix F- Equalities Impact assessment summary	Y	F
Appendix G- Policy and Statistical context: Evidence of employment support need	Y	G