

Birmingham City Council

Report to Cabinet

09 February 2021



Subject: YOUTH EMPLOYMENT RESPONSE: MAJOR PROJECTS

Report of: Chris Naylor
Interim Chief Executive

Relevant Cabinet Member: Cllr Jayne Francis - Education, Skills and Culture
Cllr Tristan Chatfield - Finance & Resources

Relevant O &S Chair(s): Cllr Kath Scott - Education and Children's Social Care
Cllr Sir Albert Bore - Finance & Resources

Report author: Tara Verrell
Project Manager – Education & Skills
Tel: 07703 373 418
Email: tara.verrell@birmingham.gov.uk

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: 008380/2021		
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

This report proposes a set of three support actions for young people who are unemployed, in urgent response to the impact of the COVID 19 pandemic:

- 1.1 A proposed extension to our major youth employment project Birmingham and Solihull Youth Promise Plus; related risks are set out, including the delays occurring in DWP approvals of ESF projects;

- 1.2 Delivery of the Government's Kickstart employment programme, both through internal Council job placements and through acting as an intermediary or 'Gateway' for other employers (principally SMEs),
- 1.3 To bid, in partnership with the Birmingham Children's Trust, for Youth Futures Foundation funds for a 5-year pilot for earlier intervention for 1,900 vulnerable young people aged 14 – 18 who are Not in Employment, Education or Training (NEET) or are at risk of NEET to stay in education, or to undertake specialist work related training and/or part time paid work placements..

2. Recommendations

That Cabinet approves:

- 2.1 The preferred 2-year extension option for the Youth Promise Plus project to include:
 - 2.1.1 Approval to bid for £4.098m EU funds to extend the delivery of the Youth Promise Plus (YPP) project by 2 years from 1st January 2022 to 31st December 2023, and for BCC to remain as the Accountable Body for its full duration and;
 - 2.1.2 Approval of the revised total BCC Match Funding Package to increase from £8.666M to up to £11.091M.
 - 2.1.3 Approval of £0.357M Council funding, currently held in Policy Contingency for Employment initiatives, to be used as part of the matched funding for the extension of the Youth Promise Plus project.
 - 2.1.4 Delegates responsibility to the Cabinet Member for Education, Skills and Culture, with the Director for Education & Skills and the Chief Finance Officer, Finance & Governance to accept the revised funding offer from DWP up to a value of £48.133M.
 - 2.1.5 Delegates authority to the Director for Education & Skills and Chief Finance Officer to accept any additional funds from the current YPP project funder Office of the Police and Crime Commissioner as part of the BCC matched funding to the project.
 - 2.1.6 Authorises the Cabinet Member for Finance and Resources, and the City Solicitor (or delegates) to execute and complete all necessary legal documents to give effect to the above, including amendments to the Procurement Strategy and extension to contracts (which are to be made in conjunction with the Assistant Director, Development and Commercial).
- 2.2 Delivery of the Government's Kickstart employment programme for 16 to 24-year old jobseekers:
 - 2.2.1 Approval to bid for 50 internal Council placements and at least 150 more placements via an external Gateway function for other employers; ring-fencing the income from each scheme to contribute to delivery costs,
 - 2.2.2 Approves Council funding of up to £0.434M to fund: salary uplift for the 50 Council posts to Real Living Wage (subject to due diligence regarding equal

pay considerations); and underwrite training and staffing costs - to also be funded from Employment and Skills reserves (£0.200m) and unspent Policy Contingency for Employment initiatives (£0.234m).

2.2.3 Delegates responsibility to the Cabinet Member for Education, Skills and Culture, with the Director for Education & Skills and the Chief Finance Officer, Finance & Governance to accept the funding offer from DWP.

2.2.4 Authorises the Cabinet Member for Finance and Resources, and the City Solicitor (or delegates) to execute and complete all necessary legal documents to give effect to the above

2.3 To bid to the Youth Futures Foundation for up to £6M of funds for a 5-year project to be delivered in partnership with the Birmingham Children's Trust, from mid-2021:

2.3.1 Approves bidding for and acceptance of funds, procurement strategy and contracts to be delegated to the Cabinet Member for Education, Skills, and Culture and the Cabinet Member for Finance and Resources, the Director for Education and Skills, Chief Finance Officer, the Assistant Director Development and Commercial, and the City Solicitor as appropriate.

3. Background

3.1 Prior to the COVID19 pandemic (Feb 2020) Birmingham already had a high level of youth unemployment with 8,840 claimants 18 – 24 years old, and a youth claimant proportion (claimants as a percentage of the 18-24 population) of 6.3%; well above the UK figure of 4.1% and the highest rate amongst the core cities.

3.2 At time of writing, latest figures for youth unemployment in Birmingham are for November 2020, and they show that youth unemployment in the city stands at 16,100. This is an increase of around 82% since February, with the proportion of young people unemployed now at 11.4%; nearly doubling the city's February rate. In volume and % proportion Birmingham levels remain highest amongst the core cities.

3.3 A Youth Futures Foundation¹ article on 27th November states that '...the employment landscape is bleak and especially for young people. The Office for Budget Responsibility's latest worst-case unemployment forecasts are that 11% of the workforce could be unemployed by early 2022. If the youth rate keeps tracking that, as it has done in previous recessions, we could be looking at around 25% or even over 30% unemployment for young people.'

3.4 Following the last recession in 2008/9 the Council undertook a Youth Employment Commission (published in January 2013) which is the basis of our current youth employment strategy; being focussed on young people who are not in any employment, education or training (NEET) and on how to accelerate the routes to

¹ Youth Futures Foundation was established in February 2019 in response to the government's commitment to allocate £90m of dormant asset funding to youth opportunities. It is an independent, not-for-profit organisation

employment, including self-employment. In 2015 Birmingham and Solihull became one of the few national areas able to bid for new large-scale EU 'Youth Employment Initiative' funds which were matched with European Social Funds to provide extra levels of EU project funding (totalling 66%), and this was matched with Council resources and local partner resources to form the Youth Promise Plus (YPP) project.

- 3.5 Since its start YPP has had especial focus on those who face challenging life circumstances such as children in care, 18+ care leavers, young people referred by the youth offending service, the police, and social services, as well as young people engaged through careers and youth services' peripatetic and outreach work. YPP has funded Council and partner/contractor staff to deliver person-centred support which can range from life-stabilisation (e.g. linking with housing, health and income support) to work-ready CV and interview preparation, as well as support for up to a month after the young person achieves an employment, education or training outcome.
- 3.6 Due to the 'porous' nature of the boundary with north Solihull (for example around 40% of Chelmsley Wood Job Centre clients are from Birmingham) Solihull Metropolitan Borough Council (SMBC) is a partner in the YPP project and delivers in Solihull, with their travel support team offering specialist travel support for young people with special educational needs. Also, a similar project to YPP runs in the Black Country and staff refer young people (in each direction) if they live over the border.
- 3.7 The YPP project funds the equivalent of around 120 full time staff provided by a combination of Birmingham and Solihull Council teams and a range of specialist partners and contractors including: The Prince's Trust (who provide one to one support and an exciting range of programmes with major employers), University Hospital Birmingham Learning Hub (specialising in health care training and recruitment), Change Grow Live (intensive support for vulnerable young people such as care leavers) and Better Pathways (providing professional mental health advice). The West Midlands Police and Crime Commissioner's office supports the project with funding alongside the local and EU funds.
- 3.8 Outcomes include supporting young people to gain qualifications, and go into a range of employment, education and training such as college courses, traineeships, apprenticeships, and jobs, which is the most frequent outcome, with over 2,400 young people helped into employment to date.
- 3.9 Prior to the pandemic, the Youth Promise Plus project was achieving over 90% success rate against 15 of its 17 KPI targets, having supported over 14,000 NEET young people with nearly 4500 having achieved a positive employment, education or training outcome since delivery commenced in early 2016.
- 3.10 Every major scale EU funded project is subject to at least one deeper level audit conducted by DWP as the Managing Authority. This 'Article 127' audit was undertaken during 2020 and the YPP project recently received a 100% approval

in all the compliance checks. DWP recognised this as a strong achievement for such a large project.

Responding to the pandemic: Youth Promise Plus Extension

- 3.11 In response to the unprecedented impact on the country caused by the pandemic, the Council is currently consulting on a COVID-19 Economic Recovery Plan and in October 2020 has adopted a new Birmingham City Council Delivery Plan for 2020 to 2022 to maximise our support to residents who have been affected.
- 3.12 The Council is committed to its Inclusive Growth Strategy and to enable a rapid response on youth employment it is proposed the Council takes this last opportunity to bid for EU funds to extend our established Youth Promise Plus Project, and also utilise contingency reserves to deliver the key national programme of Kickstart as fully as possible.
- 3.13 COVID 19 has had a disproportionate impact on young people's lives in many ways. The Council is undertaking a review of the available national and local impact evidence, and consulting with staff teams, stakeholders and young people to ensure our provision meets needs and addresses inequality in opportunity. The study is giving particular focus to where the pandemic has exacerbated existing inequity for young women, young people of Black, Asian or Minority Ethnicity (BAME), and care-leavers. This work will result in policy review in 2021; unfortunately it is not possible to await these findings before bringing the proposals in this report, due to the external funding application timescales (all applications/programmes featured need to be progressed in Feb – Mar 2021), however we are taking account of early findings, and the delivery proposed in this report will be adjusted as needed, within the constraints of EU funding conditions/government programme rules.
- 3.14 The delivery of employment, education and training support to NEET young people since March 2020 has been severely impacted by COVID-19 due to:
 - a) the disruption to Job Centres due the surge of new Universal Credit applications, taking all their capacity for around 4 months; and the large volumes of claimants is still impacting on this capacity
 - b) the closure/disruption of education and training sites and the huge impact on employers, especially those sectors who employ young people such as retail and hospitality.
- 3.15 The YPP project partnership adapted quickly in April; moving all registration and support online, revising all the recording requirements and managing the impact of furlough / centre closure on delivery (which also affected partners and contractors).
- 3.16 Due to the YPP project funding over the last 3 years, the city's Youth and Careers Service has been maintained at scale, and this supported their response of welfare support and safe outreach provided by the Youth Service, and support to schools provided by Careers Service, who supported around three times the usual levels

of young people referred by schools during the first lockdown for being at risk of disengaging from education.

- 3.17 DWP has brought forward a set of support measures for employers and employees, with the Coronavirus Job Retention Scheme ('Furlough' scheme) and a range of loans and grants for employers, which the Council has been instrumental in delivering for the city. West Midlands Combined Authority (WMCA) has created a Youth Unemployment Taskforce, chaired by Cllr Brookfield, Leader, City of Wolverhampton Council. This has also been supported by Birmingham's Deputy Leader Cllr Jones, who undertakes the role of WMCA's Portfolio Lead for Inclusive Communities.
- 3.18 The Taskforce has overseen strong collaborative work – with DWP and Jobs Centre Plus (JCP), Local Authorities, the voluntary sector and local colleges and providers to develop a West Midlands Youth Offer delivered through JCP's Youth Hubs and an online platform that sets out all the training, education and support services available regionally, and at a local level, to support young people experiencing, or at risk of, unemployment (in the form of city/town level information added to a national site 'Youth Employment UK').
- 3.19 WMCA states that whilst this is a good start, we will need to continue to evaluate our combined response to ensure that we are addressing existing and emerging needs. Birmingham City Council has also led early discussions on plans to establish a new Jobs Taskforce – with an emphasis on maximising support to businesses and employees affected by the economic consequences of Covid 19. Following discussion at the WMCA Recovery Forum, it is proposed that both Taskforces are aligned with the work of WMCA's Skills Board, chaired by Cllr Duggins (leader of Coventry City Council). This will ensure clear governance, links to existing work on jobs and skills to our Covid response, and that we avoid duplication.
- 3.20 In preparing our forward plan for addressing existing and emerging youth employment needs, we created a new project survey of young people supported by YPP during 2020. We gained enough responses for the findings to be reliable, and 78% said the pandemic had made achieving their employment / education/ training aims a lot or a bit harder. 83% said their support needs had been met.
- 3.21 DWP is about to launch a new final call for use of Youth Employment Initiative funds (with aligned ESF) and the funding is unaffected by Brexit due to agreement between the UK and EU to protect this round of EU funds for use up to December 2023. There is good prospect for a YPP extension based on performance and compliance track record, so the recommended option in this report is for maximising an extension to the final possible delivery date of 31 December 2023, to enable continued large-scale response to the pandemic's impact on young people's prospects.
- 3.22 All YPP extension options (Appendix 1) include resources for specialised intensive support for our most vulnerable young people, and the Council is beginning a joint

transitions mapping exercise with the Children's Trust to enable joined up working with education and training providers and with employers, many of whom are keen to partner in ensuring young people get the opportunities they deserve.

- 3.23 All aspects of employment support will be included in our YPP delivery, for example in early 2021 we will hold a Self-Employment Summit to gather all the local support providers so residents can gain the support they need if self-employment/ social enterprise is their goal.
- 3.24 Part of our local funding to the project is provided by the Office of the Police and Crime Commissioner for the West Midlands (OPCC), this supports additional focussed support for young people at risk of offending, and there may be potential for additional PCC funding to support this project in 2022/23.

Responding to the pandemic: Kickstart delivery

- 3.25 Alongside YPP, to help combat lack of employment opportunities for young people, the Council proposes to utilise the Government's Kickstart Scheme to support young people with placement opportunities in our own organisation. The Kickstart Scheme provides funding to create new job placements for 16 to 24-year olds on Universal Credit who are at risk of long-term unemployment. Employers of all sizes can apply for funding which covers:
- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months, plus associated employer National Insurance contributions.
 - Employer minimum automatic enrolment contributions.
 - £1,500 for support and training costs per placement
 - Employers can spread the start date of the job placements up until the end of December 2021 (i.e. with the last placements running to June 2022).

In line with the Council's pay policy to pay at least Real Living Wage, it is proposed the Council uplift the Kickstart National Minimum Wage payment to the Real Living Wage for all our Kickstart jobs. As the Minimum Wage is tiered according to age bands, depending on the wage of successful applicants, this is estimated at £150,000 for the 50 positions to be created.

- 3.26 The Council proposes to deliver these 50 internal Kickstart placements over 18 months in three tranches with 30% successfully gained by Children in Care or Care Leavers, with wrap around support to be provided by the Kickstart staff team.
- 3.27 Kickstart fits into the wider Council plans: BCC Human Resources Culture Change – Apprenticeships Team within Organisational Development are in the process of developing a clear learning pathway into the Council. This will incorporate offering a traineeship programme to young people within the city to support readiness for future employment or an apprenticeship. Kickstart enables young people to gain vital work experience to support them in gaining further

employment with a potential route being an apprenticeship, bringing new talent into the Council and local employers. This complements the work to increase the learning options for young people with special educational needs or an Education, Health and Care Plan by offering Supported Internships and apprenticeships and to develop corporate Internship and Graduate programmes to ensure the best local talent stays within Birmingham.

- 3.28 In support of Birmingham's hard-pressed employers, we propose to support other employers (mainly SMEs) who cannot meet the 30 placements threshold for direct applications, through a 'Gateway'. We have formed a delivery partnership with Solihull Metropolitan Borough Council, and Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), to provide a Gateway offer spanning Birmingham and Solihull. The Council will be the applicant and Accountable Body. All employers under the Gateway need to be registered with Companies House and register staff payments with HMRC.
- 3.29 GBSLEP will provide the initial advice and support to each employer to help them navigate the skills and jobs support offers such as traineeships and apprenticeships (see **Appendix 2**). Following handover to the Council for Kickstart recruitment support, the LEP team will keep in touch with the SME at regular intervals including to plan any further developments such as an apprenticeship opportunity for the Kickstart placement to apply for.
- 3.30 Support to the young people applying: BCC Employment and Skills team will employ two Kickstart coordinators; one for the internal placements and one for the external, and a support worker to provide additional pastoral support for 16-18 year-olds across both streams in particular for care experienced young people. Unfortunately, we could not create efficiencies by using our YPP project staff as DWP has ruled (despite objections from Local Authorities and others) that Kickstart cannot be aligned in this way. Council legal and financial support will also be essential to Gateway delivery, and this delivery planning is underway.
- 3.31 Birmingham Adult Education Service (BAES) will offer 2 weeks pre- Kickstart preparation support, and support all internal and external placements, reviewing functional skills, and offering a range of sector focused training, and pastoral support; liaising with other skills providers where its own provision does not meet needs. In this way each young person will be supported with a skills assessment and learning plan to meet their needs and fit alongside the 25 hours per week Kickstart Placement. They will be empowered to seek employer support for their learning plan.
- 3.32 **Appendix 3** provides an overview of the support to be provided under Kickstart, including in-placement support, to achieve sustainability of the placement, completion of the skills plan and successful progression.
- 3.33 To enable the Council to deliver a Gateway as soon as possible, the Council's declared intention to be a Gateway has been published along with all others on the DWP website. To date, based on very little advertising (to avoid disappointment

whilst we develop this prior to approvals) over 60 businesses have expressed interest in working with us, and GBSLEP Skills Hub team are discussing more than 100 placements with them. It is very difficult to predict the volumes of interest that we might receive as there are many organisations seeking to be a Gateway – around 70 in the West Midlands region alone. Subject to approval by DWP the first Gateway Kickstart jobs could be recruited in March/April 2020. In our first batch of Gateway jobs we will seek to work with employers who have more ‘Covid resilient’ jobs that can be delivered remotely such as business admin and digital marketing. We have sought to keep the grant available to the employer at a higher level to support investment in IT and training for remote delivery and other company specific skills and qualifications. Many Gateways are charging at least £1,000 out of the £1,500 support grant, we propose to charge £650 based on the Council resources being sought to support this and the use of Adult Education delivery for over 19s which is already funded.

- 3.34 In terms of assurance; the DWP appraisal includes financial checks on all employers in the Gateway application, and payment salaries through the Gateway to the employer depends on DWP confirmation (via HMRC) that salaries have been paid. The gateway is also responsible for management of the £1,500 funding for each employer to support the placement. It is proposed that £650 of this payment will be retained by the Council and used by the Council to part-fund the pastoral support costs involved. The remaining £850 will be passed to the business to support the placement with supervision, IT and any other related costs needed. The additional £300 DWP payment to the Gateway for administration for each placement will be used to support administration and co-ordination with all the businesses. The gap in delivery costs for the Gateway and the internal Kickstart Placements will be met by use of the city’s related reserves (which have previously been approved as reserve match funds for EU projects). These costs are set out in the Financial Implications section later in this report.

Responding to the Pandemic: addressing inequality

- 3.35 The Council seeks to increase its activity to address the inequalities young people face, especially where they have been exacerbated by the pandemic. The Council’s review of evidence (noted above) has found that the pandemic is disproportionately impacting on the more vulnerable, and seeks to priorities support for young women, Children in Care and Care Leavers and BAME young people.
- 3.36 The Council and the Children’s Trust have designed a project that supports 14 – 18 year-olds including Children in Care and other young people receiving Trust services such as those under the Youth Offending Service. This research-led project proposal would trial new approaches for supporting young people to stay in education/training by starting on a work-focused trajectory from an earlier age. The project will fund mentors, specialist training and part-time paid work placements (when at appropriate ages). Subject to approval in this report, the Council will bid to the Youth Futures Foundation for the funds, which are approved

at 100% of full value, for a 5-year project to gain direct and longitudinal data to inform long term strategy. This will provide support to 1,935 young people. Please see **Appendix 4** for further information on this proposal.

- 3.37 In addition, the Council has recently been working with the Birmingham Anchor Partnership and the Prince's Trust to design a second Youth Futures Foundation bid for later in 2021/22 to trial a public/voluntary sector recruitment programme that enables employers to succeed to recruit BAME young people. We are designing a development phase to involve employers and young people to ensure the project aims are correctly defined and the solutions are viable. We will be working with the Preparation for Adulthood Team and consulting the BCC equalities and HR teams to ensure the project aligns to developing Council policies and actions to address inequality as part of our response to the trajectory set by the Assistant Director's 'Everyone's Battle, Everyone's Business: Tackling Inequality in Birmingham' report agreed by Council in September 2020.

4. Options considered and Recommended Proposal

4.1 Youth Promise Plus Extension Options

4.1.1 Option A: The 'Do Nothing' Option is likely to cause significant loss of support to NEET young people in Birmingham after 2021, because currently the Youth Promise Plus project finishes delivery at the end of 2021, and the national funds to succeed the EU funds (the 'Shared Prosperity Fund') is not yet in place to bid to. To date such large projects take around 9 -12 months to apply for via DWP, so the funding may not be in place in time, meaning cuts to services and wind-down of delivery by Partners and contractors will need to start in early to mid-2021.

4.1.2 Birmingham Careers Service would need to reduce staffing levels by around 50% and Birmingham Youth Services by around 63%. The impact would be:

4.1.3 No face to face careers support to NEET young people (16 – 18), which is usually available on an outreach basis from 12 bases around Birmingham. A limited online service would be supplied.

- In normal (pre COVID) times this could lead to an increase in 1200 NEET young people each year (those currently successfully supported by the Careers Service) worsening our city's NEET performance (which has been in the upper 25%). This may increase due to COVID impact.
- For the Youth Service this reduction would mean loss of 1:1 mentoring and informal learning engagement for around 7,500 young people per annum.
- 15 of the city's current 16 youth centres are located in the 15 areas of greatest deprivation in the city. Unfortunately, Youth Service provision would cease in 14 sites, leaving only 2 youth centres open.

- The Employment and Skills Service core team would be reduced to 5 staff, a team who could lead a project for all-age employment support but would not be able to lead youth employment focussed support. The proposed actions for delivery of Kickstart and two Youth Futures Foundation bids could not be delivered as planned and capacity in other Council teams with related experience would need to be planned from mid-2021.
- Key partners and contractors delivering support as part of the YPP project could lose significant capacity (collectively £2M - £3M per annum); and specialist support to our most vulnerable NEET young people would be significantly reduced; with the loss of 11 contracted workers who work from Care Leavers support teams and WM Police Integrated Offender Management teams/ Youth Offending teams, and the loss of 3 mental health support professionals, as well as specialist delivery in Partner organisations.

4.1.4 In addition to these significant delivery losses, the risk of performance penalties related to EU funding conditions is highest with this option: the pandemic has had significant impact on the delivery of the project and disruption to education, training and employment opportunities has meant that young people are staying with project support for longer and are finding it even more challenging to reach positive outcomes, so based on the uncertain economic outlook, the project performance levels are now forecast to exceed the 15% variance tolerance if the project finishes at the current end date, which could trigger performance penalties.

Projected achievement with this option:

Numbers supported:

Total Target Number - 16,430

Target Remaining to achieve - 1,657

Outcomes into Employment/Education/Training:

Total Target Number - 5,765

Target Remaining to achieve - 1,109

(These figures assume DWP agreement of reduction in some targets proportionate to a reduction in expenditure)

4.1.5 Option B: The Limited Extension Option: Due to some underspend, exacerbated by COVID 19, the YPP project is forecast to be underspent by an estimated £2.24M (5%) by its current end date which is within the allowed 15% variance tolerance. This presents an opportunity to extend the project timescale with no added cost. DWP has indicated that a short extension (time only) which we estimate to be maximum 6 months, can be sought by projects to help maximise delivery and performance following the impact of COVID-19. Therefore, this has been included in the options appraisal (**Appendix 1**) as a

viable forward plan option. This option would successfully extend the current project delivery in Birmingham, but would not provide much additional time to replace the scale of resources for supporting NEET young people that the YPP project provides, as no clear strategy or timeframe has yet been set for the national successor 'Shared Prosperity Fund'.

Numbers supported:

Total Target Number - 16,561

Target Remaining to achieve - 1,801

Outcomes into Employment/Education/Training:

Total Target Number - 5,997

Target Remaining to achieve - 1,335

(These figures assume DWP agreement of reduction in some targets proportionate to a reduction in expenditure)

4.1.6 Option C: The Two-Year Extension Option provides ongoing support at scale for young unemployed people in Birmingham and Solihull. This option continues to maintain the volumes of support provided by Birmingham Youth Services and Birmingham Careers Service and increases the volumes of support by University Hospital Birmingham Learning Hub who will extend their south-Birmingham-based training provision to create an East Birmingham Team to support local recruitment to Heartlands Hospital.

4.1.7 This extension sees scaling back of direct delivery by Solihull MBC due to the creation of their own Youth Employment Initiative project (timed to start in 2021 at the point where Youth Promise Plus had been scheduled to end) but we will continue to work strategically and SMBC remain a partner as three Employment Development staff are seconded into the Birmingham YPP team to support all of Birmingham and Solihull. The partnership delivery by The Prince's Trust will phase out in this option from April 2022 as part of the Trust's forward plan for Birmingham delivery.

4.1.8 This option will enable renewal of the contracts to support vulnerable young people with significant barriers; and a second contract to provide wrap-around mental health support. It is planned that these contracts would be procured to start as the existing contracts come to an end, ensuring continuity of support to vulnerable young people.

Numbers supported:

Total Target Number – 17,943

Target Remaining to achieve – 3,183

Outcomes into Employment/Education/Training:

Total Target Number – 6,981

4.2 Kickstart Options

- 4.2.1 Do Nothing** There is the option to continue to support young people into internal and external jobs only via Youth Promise Plus, and to work with HR services to link young unemployed people to other internal opportunities such as Supported Internships, Traineeships and Apprenticeships without using Kickstart. However the pathway for many young people into our longer term job opportunities depends on our pre-apprenticeship offer, and Kickstart as an option alongside traineeships means that young people who cannot afford unpaid traineeships can gain vital paid work experience and related learning in order to be able to compete, so it is recommended this option is rejected due to the pressing need to respond to the crisis in youth unemployment and help address inequality of opportunity caused by financial hardship.
- 4.2.2 Internal placement delivery only** The Council seeks to create approximately 50 placements over 18 months, and this is deliverable through the pastoral support provided through alignment of Youth Promise Plus (for job readiness) and Birmingham's Adult Education Service, combined with the technical support of HR services and the supervisory capacity in host teams. The proposal is for the Skills and Employability section of Education and Skills Directorate take the lead in providing the first lot of placements in 2021, so that the appropriately experienced staff can support young people as we learn how the project works and continuously improve our systems. It is then envisaged to roll out the programme across the rest of the Education and Skills Directorate for the second batch in mid-2021, and then across other Council team that have capacity by the end of 2021. Currently the last placements must be set up by the end of December 2021 to run through to June 2022 and the end of the Kickstart programme, though the Chancellor is already mentioning an extension if the programme is successful.
- 4.2.3** However this option alone does not maximise assurance of quality placements in Birmingham City Council. This would require 1.5 FTC additional posts to co-ordinate activity and support young people taking up placements in Council teams, and additional support from Careers and / or Birmingham Adult Education Service for establishment of the Individual Learning Plan and in-placement work readiness support (this is covered under Adult Education funds for over 19s only) . The cost of the posts, Real Living Wage uplift and support could not be fully recovered by the

associated Kickstart funds per-placement, so a level of reserves to counter the risk of lack of delivery is required.

4.2.4 External delivery only The Council is in the process of forming a partnership with Solihull MBC and Greater Birmingham and Solihull Local Enterprise Partnership to deliver a Kickstart Gateway for approximately 150 placements across Birmingham and Solihull. This would require 1.5 FTC additional posts to co-ordinate activity and support young people aged 16 – 18 taking up placements in SMEs across Birmingham and Solihull, and the cost of additional support from Careers and / or Birmingham Adult Education Service for establishment of the Individual Learning Plan and in-placement work readiness support (this is covered under Adult Education funds for over 19s) .

4.2.5 The cost of the posts could be covered by the associated Kickstart funds per-placement if the approximate numbers are achieved and the whole £1,500 funds are retained by the Council as part of the Gateway. However in support of employers it is proposed to charge £650 per placement leaving £850 per placement for the employer to provide bespoke support.

4.2.6 Therefore use of the Council's reserves is needed. On its own this option provides a quality support package to Birmingham's employers, but does not maximise the opportunities for young people, which could be furthered by the Council also being a Kickstart employer in its own right.

4.2.7 Deliver Internal and External Kickstart programmes The Council can lead support for Birmingham's young people with quality internal and external paid placements as pathways to apprenticeship and other opportunities. Additional staff need is slightly reduced by running both aspects; 2.5 FTE staff are needed, with some additional reserves required.

4.3 Youth Futures Foundation Options

4.3.1 Do Nothing - proceed with existing contracted support for vulnerable young people in YPP for 16+ NEETs only. No longitudinal-style 5-year study into earlier NEET interventions with 14 – 18 year olds;

4.2.2 Proceed with project bid for support to most vulnerable 14 -18s for prevention and early intervention (with YPP then focussed on 18+ support for this cohort).

5 Consultation

5.1.1 All aspects of the report:

- BCC Preparation for Adulthood team

5.1.2 Youth Promise Plus Extension:

- Our YPP participant survey of young people supported in 2020 show need has been exacerbated by the pandemic.

- Youth Promise Plus Steering Group (including all YPP partners and contractors), Officer of the West Midlands Police and Crime Commissioner, Job Centre Plus and GBSLEP

5.1.3 Youth Promise Plus and Kickstart:

- Solihull Metropolitan Borough Council, The Prince's Trust, National Careers Service, GBSLEP, DWP for Birmingham & Solihull, West Midlands Combined Authority, Great Birmingham Chamber of Commerce, Birmingham Adult Education Service, Birmingham Children's Trust (also consulted for Youth Futures Foundation Freshstart bid).

6 Risk Management

- 6.1.1 A high-level risk assessment including all three proposals in this report is attached at **Appendix 5**. It shows that whilst some risks remain high, such as ability to support young people into job outcomes in the current economic situation, these risks are the causes of the necessary response and are therefore necessary in order to support residents at this critical time.
- 6.1.2 There is risk in extending the EU funded YPP project as DWP project appraisal on other projects has taken over 12 months recently – and the YPP project only has 9 months delivery time remaining. However, DWP is now seeking to commit all the relevant EU funds in 2021, so there is potential for improvement in-year. The UK Shared Prosperity Fund will replace EU funding, but there are no details yet on when this will be available and what the aims and application process will be, hence the need to propose EU funding extension at this time.
- 6.1.3 The use of external funds increases the performance risk as it adds financial risk of penalty or withdrawal of funds when financial commitments (staffing and contracts) have been made. As a matter of course the Employment and Skills team ensure that Fixed Term employment contracts and procured service contracts have clauses to show they are subject to availability of funds as well as satisfactory performance and have reasonable notice terms for ceasing if funding is reduced or withdrawn. This reduces the Council's liability but does not negate it altogether.
- 6.1.4 The Kickstart programme presents risk as it is a new and rapidly developed initiative for which detailed guidance is developing at pace. This brings initial uncertainty in planning resource needs. Therefore, our proposal has been cautious in allocated strong administrative and pastoral support resource levels and proposing a manageable level of placements which can be increased if the model is successful.
- 6.1.5 Youth Futures Foundation is 100% funded and 'youth focussed' priority on evaluation and learning best practice as well as delivery, so is less risky. The programme is reviewed by the national YFF team after Year 1 to ensure it should proceed – providing a fitness check before 5-year commitments are made.

7. Compliance Issues:

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

7.1.1 The proposals contained in this report directly contribute to the Council's Council Plan 2018 – 2022 (published in June 2018)

- Birmingham is an entrepreneurial city to learn, work and invest in
- Birmingham is an aspirational city to grow up in

As part of the Council's response to the pandemic, these proposals begin to fulfil the aims for employment support set out in the COVID-19 Economic Recovery Plan (the draft is at final stage post public consultation), specifically regarding Youth Employment; the draft Plan states (page 36) two strategic intentions: to provide succession funding for Youth Promise Plus support for NEET young people after October 2021, and to work with the Children's Trust and the Council's new Preparation for Adulthood team to support vulnerable young people to enable successful transition from education to employment, further education or training (this is what the Freshstart project seek to achieve though Youth Futures Foundation funding).

These proposals also support the Council's Apprenticeship Pledge, in supporting young people to gain the skills and experience to progress to apprenticeships. In addition, we are working with GBSLEP to progress one of the principles for utilising the Council's unspent Apprenticeship Levy, to gift to SMEs and non-levy paying school so that citizens of Birmingham can benefit from high quality training and meaningful employment that an apprenticeship brings. The Levy can be transferred for any new apprenticeship appointment, or for an existing member of staff wanting to upskill. Potential eligibility could be:

- Employers are able to demonstrate that they actively support the Council Plan 2018-2022 and BCC Apprenticeship Pledge
- They are a voluntary, community and social enterprise (VCSE) sector organisation serving Birmingham residents
- A Birmingham City Council school that does not pay into our apprenticeship levy
- They are a Birmingham employer that have opportunities for 16-24 year olds but are unable to access funding via training providers

7.1.2 Further to the Council's Covid-19 Economic Recovery Plan. The Council has approved an immediate plan for the next 2 years: the Birmingham City Council Delivery Plan for 2020 – 2022. This plan also features the need to deliver additional Youth Employment support and states the aim to 'Ensure young people have the skills, experience and opportunities to develop higher level careers for jobs/enterprise and reap the benefits of the economic recovery and

Inclusive Growth Strategy.’ The Plan features 2 milestones for Jan – March 2021 which can be achieved with the support of the YPP team:

- 1) Create Youth Hub at LoB (Library of Birmingham) in partnership with DWP
- 2) Establish a Careers and Enterprise Hub (all age groups) at LoB in partnership with employers and other stakeholders

7.1.3 To achieve these aims the YPP team are working with Job Centre Plus and LoB Management to set up a Youth Hub (outreach of JCP Youth Employability Work Coaches), and with West Midland Combined Authority to champion providers of self-employment support in the city, and promote the support so that it can be navigated by residents if they wish to consider self-employment as a new way forward in challenging times. We are also Jobs and Skills lead for our Future Parks Accelerator project. In addition we are developing a new project to support public sector employers to achieve equality in recruitment, and to support young BAME people. This responds to the Everyone's Battle, Everyone's Business: Tackling Inequality in Birmingham report of September 2020.

7.2 Legal Implications

- 7.2.1 The City Council has the power to enter into this activity by the general power of competence secured by Section 1 of the Localism Act 2011. The activity is within the boundaries and limits of the general power set out in Section 2 and 4 of the Localism Act 2011 respectively.
- 7.2.2 A due diligence assessment of DWP (European Funding and Kickstart) and Youth Futures Foundation funding agreements will be undertaken, and for Kickstart, establishment of a model grant agreement for external placements.

7.3 Financial Implications

- 7.3.1 The following financial capacity is needed, and internal resourcing has been agreed:
- FTE finance manager for Youth Promise Plus financial management and compliance, financed by the project.
 - Approximately 0.25 FTE Finance Manager and 0.5 FTE finance officer for Kickstart management, compliance and payments processing to be provided by the Council.

The costs of these posts will be met from within the overall grant increase.

- 7.3.2 The further financial contributions needed for the two year extension to Youth Promise Plus are set out in the below table, and there is a requirement of £0.357M from the Council's Policy Contingency reserve (funds previously agreed as matched funding for YPP Phase 1 that was not utilised), to secure the combined lifetime project total of £48.133M external resources from local and EU funds.

Table 1: YPP All Funding Sources	Funding Total All Years Existing Project Approval (YPP to Dec 2021) £000s	Funding Total All Years Revised Project Value (YPP Ext to Dec 2023) £000s
BCC Match	8,666	11,091
Birmingham Children's Trust	140	82
Other Partners' Match	5,190	4,871
Total Match	13,996	16,044
ESF/YEI grant	27,991	32,089
Project Total	41,987	48,133

Table 2: BCC Match Funding detailed breakdown	BCC Match Total Extension Phase only (YPP Jan 22 – Dec 23) £'000s	BCC Match Total All Years (YPP Ext to Dec 23) £'000s
Birmingham Youth Service Salary & 15% Overheads	524	1,347
Birmingham Careers Service Salary & 15% Overheads	1017	4,779
Employment and Skills & other Services' Salary & 15% O'ds	309	720
Council contracts/cash resources/grants	357	4,245

7.3.3 The financial commitment needed for delivering the Kickstart internal and external placements is set out in the table below, and there is a requirement to utilise Employment and Skills reserves and Policy Contingency reserves (previously agreed as match for YPP Phase 1 and WoW 1 that was not utilised) of up to £233,674 funds to cover staff costs for delivery (should the planned income for the delivery not reach the expected levels and / or unforeseen costs due to the programme being developed at speed by DWP). Additional funds of up to £150,000 are needed for uplifting wages to Real Living Wage, and up to £50,000 for training costs for 16 – 18 year-olds who are not covered by Adult Education Budgets but may seek the employer focussed training that Birmingham Adult Education Service provides.

Table 3 Estimated Costs for Kickstart	Total March 21 – Sep 22
2.5 posts (1.5 x Gr5; 1 x Gr4)	233,674
Training support for under 18s (estimate 100 across internal and external jobs)	50,000
Wage uplift from Minimum Wage to Real Living Wage for 50 Council jobs – mixed ages	150,000
Total costs to be underwritten by the Council:	433,674
Income from Kickstart (DWP) for Gateway administration costs (£300 per job, estimated at 200 jobs)	(60,000)
Additional income from employers for Gateway costs (from £1,500 grant) (£650 per job x 150 jobs)	(97,500)
Balance remaining that represents minimum funding from reserves	276,174

The maximum Council funding required is £0.791M for both the extension of Youth Promise Plus and Kickstart. It is proposed this be drawn down from the Policy Contingency reserves (£0.591m), based on approved resources for Employment initiatives that were not drawn down and Employment and Skills reserves (£0.200m). The reserves were being held to cover the risk of any EU grant clawback and underwrite project staff costs, but following a positive Government / DWP audit and review, that risk has now largely been reduced.

7.4 Procurement Implications (if required)

- 7.4.1 The Youth Promise Plus Procurement Strategy requires updating to cover the procurement set out in the proposed extension period; the proposed activities to the value of £1.245M to be procured are of similar content and process as the current approved strategy, so it is proposed that these are finalised in consultation with the project partnership and the approval is delegated as set out in the Recommendations to this report.
- 7.4.2 There are no procurement implications for the Kickstart delivery as the basket of support measures for placements is to be delivered by staff supporting access to existing skills, advice and guidance provision including Birmingham Adult Education Service.
- 7.4.3 The Youth Futures Foundation project includes procurement of training providers and this will be supported by the Education and Skills commissioning team.

7.5 Human Resources Implications (if required)

- 7.5.1 If the Youth promise Plus project is not extended significantly (Options 1 and 2) there will be redundancy implications due to reduction in services in the next two financial years.
- 7.5.2 For Youth Promise Plus Option 3, there are some changes to the central delivery team in response to the changing make-up of some of the expenditure and partnership levels. These changes will result in reductions in one grade, and filling of vacancies at another grade, all on a fixed term basis. BCC process will be applied, appropriate, in relation to post reduction.
- 7.5.3 For Kickstart and YFF Freshstart project applications, additional fixed term project management and delivery staff are needed to manage contracts, support delivery, employer relationships, co-ordination with internal services etc. Subject to approvals, all these changes will be submitted in a Business Plan to the relevant Workforce Review Board prior to the recruitment.
- 7.5.4 It should be noted that DWP funding terms specify Kickstart placements can only be created on condition that posts are supernumerary with no impact on existing posts or roles. The creation of Kickstart opportunities will have a positive impact on Birmingham citizens through the creation of jobs and career placements with BCC and the skills and experience that will result. This will enhance Council's reputation as an employer of choice. The proposal to raise Kickstart pay levels to Real Living Wage will be managed with due consideration of employment law in particular equal pay considerations.

7.6 Public Sector Equality Duty

- 7.6.1 In accordance with the Public Sector Equality Duty, an Equality Analysis screening (EQUA607) is been carried out as part of the Full Business Case process for this project (see **Appendix E**). This analysis has identified that there is no adverse impact on people with protected characteristics.

8 Appendices

Appendix 1 - Youth Promise Plus Extension Options Appraisal

Appendix 2 - Wider training offer context

Appendix 3 - Kickstart overview

Appendix 4 - Youth Futures Foundation 'Freshstart' project bid summary

Appendix 5 - Youth Employment: Major Projects Risk Assessment

Appendix 6 - Equality Impact Assessment

9 Background Documents

Birmingham Commission on Youth Unemployment January 2013

Kickstart: What Good Looks Like Local Government Association September 2022