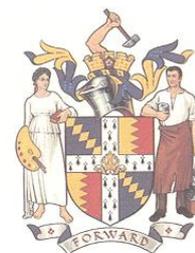


Birmingham City Council

Report to Cabinet

19 January 2021



Subject: UNEMPLOYMENT SUPPORT - WORLD OF WORK
CONTINUATION PROJECT FULL BUSINESS CASE

Report of: Dr Tim O'Neill
Director for Education & Skills

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

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

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 008379/2021		
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

- 1.1 To seek approval for the full business case (FBC) to deliver a 3 year European Social Fund (ESF) “World of Work” Continuation Project under Priority 1.1 Access to Employment for Jobseekers and Inactive People, at total estimated gross value of up to £3,125,963 (to 31 October 2023) under the project delivery name “World of Work”. The project will support up to 1,576 Birmingham residents and will be a continuation of and build upon the previous ESF 1.1 Progression Pathways for Adults (Cabinet Approval June 2018 – 28 month project) which ended on 31 October 2020. The new project

will focus all resources on jobs brokerage, employer engagement and participant support to access pathways towards and into the world of work accessing training, work experience, apprenticeships and jobs.

- 1.2 To seek approval to accept grant funding from the Department for Work and Pensions (DWP) and act as the accountable body for this project subject to confirmation of an offer of funding obligations being acceptable to the Council. The Employment Access Team (EAT) will manage and deliver the WoW project with ESF income providing costs to cover current staff salaries at 50%.

2 Recommendations

That Cabinet:

- 2.1 Approves the Full Business Case at a total estimated cost of up to £3.126m which includes the Birmingham City Council match funding commitment £0.320m (from directorate earmarked reserves), as well as staff time (£0.605m). Delivery partner match funding commitments are £0.638m and this helps generate ESF Grant draw down of up to £1.563m (at an intervention rate of 50%). This is subject to final project values being within these estimates.
- 2.2 Authorises the Council to act as the Accountable Body in respect of the World of Work project and to hold and manage ESF grant funding, subject to approval by the DWP and Accountable Body obligations being acceptable to the Council.
- 2.3 Authorises the Director, Education & Skills acting on behalf of the Council as the Accountable Body, to accept grant resources from the DWP of up to £1.563m to fund the proposed World of Work project subject to confirmation of offer from DWP.
- 2.4 Authorises the Director, Education & Skills to enter into grant funding arrangements with DWP and the Project's delivery partners Sandwell West Birmingham Hospitals NHS Trust and Clarion Futures in a manner compliant with EU funding regulations and the national guidance.
- 2.5 Authorises the City Solicitor to negotiate, execute and complete all relevant legal documents necessary to give effect to the above recommendations.

3 Background

- 3.1 European Structural and Investment Funds (ESIF) are administered by managing authorities, the Department for Communities & Local Government and the DWP, who released a call on 05/09/2019 for applications to deliver employment support and employability skills provision.
- 3.2 In response to the European Social Fund call an application was submitted to DWP on 28 November 2019 to deliver the World of Work project.
- 3.3 The project is a direct response to the objectives as set out in the ESF call to support long term unemployed and inactive adults aged 25 and over and non-

NEETs (not in education, employment or training) who reside within Birmingham impacting on the high levels of unemployment, which stands at 10.2% compared to a national average of 3.9% and in particular focus on areas of high claimant unemployment, which in inner city parts of Birmingham are more than 3 times the national average of 6.5%.

3.4 The Employment Access Team is already delivering a similar project that was approved by Cabinet, (relevant Forward Plan Ref: 004556/2018) titled 'Progression Pathways for Adults', delivery name known as 'World of Work' or WoW – this project ended on 31 October 2020. This project will be a continuation of this activity under a new Funding Agreement and to maintain service delivery and resources the team are continuing to deliver with temporary funding from earmarked service reserves. Taking learning from the previous project has enabled us to move forward with a more agile and responsive delivery model especially required in the current pandemic. The new project will focus all resources on jobs brokerage, employer engagement and participant support to access pathways towards and into the world of work accessing training, work experience, apprenticeships and jobs.

3.5 Since commencing activity on the ground in November 2018, the World of Work project has, registered and supported approximately 656 Participants, up to 31 October 2020. Of this figure, 235 (40%) have been supported into employment. It should be noted that this figure is based on database statistics from The Council's own activity as well as estimates from the Delivery Partners working alongside to support the project. (BCC is currently in the process of obtaining and collating full and accurate statistical information from the Delivery Partners, so that all Outputs and Results can be reported).

3.6 In terms of BCC's own statistics and conversion against project outputs and results, below is a summary of what has been achieved:

Of the participants registered,

- 67% were from a BAME background
- 22% were aged 50 or over
- 15% declared a disability
- 16% declared having no Basic Skills
- 16% declared themselves as a Lone Parent

(NB: the above statistics are likely to change once full reporting from Delivery Partners has been received).

3.7 It is the intention to transition smoothly onto the new WoW continuation project, being requested under this Cabinet report, once the current WoW project comes to an end on 31 October 2020, as all resources, systems and infrastructure will already be in place. DWP have confirmed that the Employment Access Team should continue to support participants using the existing ESF/DWP compliant project documentation in place. This is being

funded through the Service Reserves until the funding position is confirmed (c£80k allocation to 31 March 2020).

3.8 The WoW continuation project will engage with up to 1,576 long term unemployed (73%) and inactive participants (27%) aged 25 years to retirement age, providing support in training and employment. It will target those with no/low basic skills, people from black and minority ethnic backgrounds, (BAME) women, lone parents, people with disabilities and health conditions including those living in areas of high unemployment across Birmingham and Solihull. Further information on outputs and results is set out in the FBC attached at **Appendix A.**

3.9 The Employment Access Team will manage and deliver the project with income covering current staff salaries. Using the available levers and enablers such as the Procurement Framework Policy for Jobs & Skills; Planning Protocol for Jobs & Skills; and the Birmingham Business Charter for Social Responsibility, Employment Access Team will continue to maximise and influence the development of training pathways, work experience opportunities, graduate placements both paid and unpaid, jobs and apprenticeships. We will also maximise links to employers through our Business Development Innovation Team, Inclusive Growth Directorate, West Midlands Growth Company, the GBSLEP Skills and Growth Hubs, actively working with employers in those sectors where there is growth opportunity and potential despite the economic challenge Covid-19 presents.

4 Options considered and Recommended Proposal

4.1 Do Nothing: If we did not develop and submit the proposal the Council and the GBSLEP would miss the opportunity to obtain significant external funding to deliver focussed activity to promote local skills development and access to employment, which is something the Council is proud to promote as one of its key priorities within its Council Plan. It would also mean that the future of the Employment Access Team service would be jeopardised as core funding currently supports approximately 50% of staffing costs, loss of this funding would require a service redesign to be initiated. The Employment Access Team is needed now and moving forward, even more than ever to ensure we have a jobs brokerage service in place to support unemployed local residents on a place leadership basis.

4.2 The recommended option is that the Employment Access Team proceed with the project delivery in order to bring forward a scale and volume of response that is required as we move through the impact of the Covid-19 pandemic and resulting economic crisis. The proposed delivery model is set against tried and tested methods of jobs brokerage, engagement, planning, procurement, Birmingham Charter for Social Responsibility (BC4SR) related activities which have been evidenced to deliver improved access to jobs and skills by local unemployed residents. Not having a fully functioning Employment Access Team service for the Second City will mean that this

activity is at best drastically reduced or at worst ceased to deliver at a time when the City's unemployment figures are 81,815 (October) an increase of 68% since February 2020 and the highest since 1987 with over 55,000 of the City's workforce on furlough. Birmingham's claimant unemployment rate across all ages stands at 15.3%; above both the West Midlands (9.1%) and the UK (7.7%) rates.

5 Consultation

- 5.1 A report was taken to Cabinet on 29 October 2019 which approved the recommendation to submit a full application to deliver the ESF 1.1 World of Work Project. This was also subject to consultation with relevant Cabinet Members.
- 5.2 The Cabinet Member for Education, Skills and Culture, Cabinet Member for Finance and Resources and the Director for Education and Skills have been briefed and fully support the proposal proceeding to executive decision.
- 5.3 Lead Officers from Birmingham Adult Education Service, 14-19 Participation & Skills Service, Careers Service, and Youth Service have also been involved in the development of the project and have agreed the proposed delivery model.
- 5.4 Externally, the project has been developed with input and support from DWP Birmingham & Solihull District, the National Careers Service, Solihull Metropolitan Borough Council, Sandwell and West Birmingham NHS Trust, Clarion Housing Association and the West Midlands Combined Authority.

6 Risk Management

- 6.1 A project Risk Register has been developed and will be reviewed and monitored throughout the project lifecycle and updated accordingly. Full details are set out in the Risk Register within the FBC attached at **Appendix A** including risks specifically related to finance.
- 6.2 Some risks highlighted include the impact of Covid-19 on the local economy, difficulty progressing participants into employment and delays within the confirmation of funding and associated match funding not being available. Details of mitigations against these risks are included within the Risk Register in the FBC document. All identified and potential risks will have assigned leads and a probability/impact score resulting in risk rating and respective mitigation actions identified to enable effective risk management.
- 6.3 The Council has extensive experience of managing European projects and resources. In addition to successful delivery as the Lead Accountable Body for ESF Innovation, Trans-nationality and Mainstreaming Projects, the Council has vast experience of being a Co-Financing organisation and managing a complex network of delivery partners. The Council has experience of assisting and co-ordinating project partners to ensure that they are able to learn from the development, capacity building, compliance, eligibility, feasibility work that the

Council will undertake. This level of experience and skills will enable the project to operate at minimum risk.

7 Compliance Issues:

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

7.1.1 The proposed project supports the Council's Vision & Priorities 2017 to 2020, particularly in respect of Jobs and Skills – "we want Birmingham to be a great city to learn, work and invest in." Project delivery will address enduring and structural issues related to unemployment and low-skill levels and enable participation in the labour market. With the City Council as the lead applicant we will ensure that the projects are synchronised with the jobs and skills priorities using the investment where it will have the most impact.

7.1.2 The proposed project will also support the Birmingham City Council Plan (2018-2022) Outcome 1: 'Birmingham is an entrepreneurial city to learn, work and invest in' and in particular its Priority 1: 'We will create opportunities for local people to develop skills and make the best of economic growth' and Priority 2: 'We will strive to maximise the investment in the city and engage employers to create quality jobs and opportunities for citizens'. It will also contribute to the City's Inclusive Economic Growth priorities and the Covid-19 Business & Economic Recovery Plan.

7.1.3 The recommended decision to proceed with the project will eventually translate in EAT (Skills & Employability, Education and Skills Directorate) being able to bring forward candidates as required during the development phase of the Commonwealth Games due to take place in Birmingham in 2022 along with other major regeneration projects such as HS2, Peddimore, Smithfield, Langely and the Ladywood Regeneration Project.

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 on the general power set out in Section 2 and 4 of the Localism Act 2011 respectively. Legal and compliance issues associated with the EU Grant and Project will be delivered within the Conditions of Grant Aid, in accordance with the Council's financial regulations where appropriate.

7.3 Financial Implications

7.3.1 The ESF Access to Work to Employment for Jobseekers and Inactive People – World of Work continuation Project has a revised extension end date to 31 October 2023. The total project value is up to £3.126m, with Birmingham Council matched funding commitment of £0.925m. This source of this funding comes from directorate earmarked reserves for World of Work (£0.320m) plus £0.605m from staff time and a notional £0.009m from the Education & Skills

Directorate budget. There is no call on any further corporate resources. The remaining matched funding commitment comes from Clarion Futures, Sandwell & West Birmingham Hospitals (£0.638m).

- 7.3.2 It should be noted however that prior to DWP approval and confirmation of the Funding Agreement the project value and associated match funding commitment may change. The project will be closely monitored and managed by the Employment Access Team so that should there be any changes, delivery will be reduced accordingly to ensure that no liabilities fall to the Council.

7.4 Procurement Implications (if required)

- 7.4.1 There is no procurement activity planned at this stage. Any future procurement activity in respect of this funding will follow the Council's Procurement Governance Arrangements.

7.5 Human Resources Implications (if required)

- 7.5.1 This funding will enable the Employment Access Team to retain staffing at current levels. Depending on the type of contracts staff currently working on the project are on, there may be a risk that some staff will become 'at risk' of compulsory redundancy as the project nears its conclusion and the funding ceases. For any staff on Fixed Term Contracts, it will be important for them to be registered as Priority Movers at least 12 weeks before their end date so that efforts can be made to identify suitable alternative employment with the City Council. In the event of compulsory redundancy of anyone on a fixed term contract who is not successfully redeployed, there will be an associated cost of this which will depend on the employee's grade, length of service and age. Consideration should be given to the recruitment of apprentices/interns/graduates if any additional resourcing is required to support and/or deliver the project in order to provide employment and training opportunities for local people.

7.6 Public Sector Equality Duty

In accordance with the Public Sector Equality Duty, an Equality Analysis screening (EQUA604) 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

1. Appendix A - Full Business Case
2. Appendix B - Project Overview
3. Appendix C - Project Organogram
4. Appendix D - Delivery Model & Data Flow Chart
5. Appendix E - Equality Analysis

9 Background Documents

- Cabinet Report 29 October 2019 – ESF Bid Application for Access to Employment for Jobseekers and Inactive People – Unemployed Support and Employability Skills
- Birmingham Covid-19 Economic Recovery Plan
- Birmingham Delivery Plan 2020 – 2022
- Cabinet Proposal: Youth Employment Response: Major Projects