

REQUEST FOR DIRECTOR DECISION – DD1279

Title: Tottenham Employment Support Project

Executive Summary:

The purpose of the paper is to seek approval to release up to £796,750 of the London Enterprise Fund (approved under cover of MD895 and MD1092) to provide grant funding to an organisation as a contribution to costs of delivering its Tottenham Employment Support project which was granted in principle (stage 2) approval at Investment Programme Board on 24 July 2014. MD895 and MD1092 also delegated investment decisions to the Executive Director for Development, Enterprise and Environment

The project will provide activities supporting people furthest from the labour market toward employment and in low paid employment toward a better job. It will also improve coordination and cross referrals between council-led, voluntary and statutory services to simplify provision of support to job seekers.

Decision:

The Executive Director approves expenditure of up to £796,750 (in revenue) of London Enterprise Funding to deliver Employment Support projects in Haringey.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.
It has my approval.

Name: Fiona Fletcher-Smith

Position: Executive Director of Development,
Enterprise & Environment

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1 The Tottenham Employment and Skills project is part of the £41m Mayor's Regeneration Fund (MRF)/ London Enterprise Fund (LEF) funding package comprising £18m from the Mayor's Regeneration Fund, £10m Government Funding from the London Enterprise Fund and £13m match funding from LB Haringey. Under cover of MD895 and MD1092 the Mayor approved a programme of delivery through to March 2017 with investment decisions within this timeframe, subject to a Stage 2 investment decision, being delegated to the Executive Director for Development, Enterprise and Environment.

1.2 The Tottenham Employment and Skills (TES) package aims to address the persistent disadvantage relative to the London and borough averages, experienced by Tottenham residents with lower levels of employment, earnings and educational attainment.

1.3 A revised Tottenham Employment and Skills package (as outlined in appendix 1) was approved (Stage 2) in principle by the Investment and Performance Board (IPB) on 24th July 2014.

1.4 Within this, approval is sought for expenditure of up to £796,750 (in revenue) of London Enterprise fund as a contribution to the costs of one or more projects with aims corresponding with those of the TES project which support people furthest from the labour market or in low paid employment toward employment and/or a better job.

1.5 The 'Haringey Employment Support' project seeks to support Haringey residents aged 16+ who are not in employment, or in low paid employment through employment support and training opportunities to ensure that participants secure sustained employment. The project will track the engagement until it has been sustained for a minimum period of 26 weeks.

1.6 The project will aim to effectively target and engage with people furthest from the labour market (hard to reach groups) or in low paid employment offering personalised and tailored support (such as Information and guidance, debt/financial management support, confidence building, CV building, interview techniques, job search, and training) to help them into employment and progress in work. It is intended that the project delivery period will be from March 2015 to March 2017.

1.7 The project will primarily target those who are economically inactive and those who are unemployed and have either not yet been mandated to the Work Programme or who have been through the Work Programme and remain unemployed. Note that only a small proportion of participants will be in low paid employment

1.8 A competitive application process will be conducted to ensure that projects are funded which align most closely with the aims of TES project and value for money is secured. Applications will go forward to an Evaluation Panel. The panel will consist of GLA staff, and may include external partners as appropriate. Scores and a synopsis of information received for each application will be presented to the evaluation panel for review and ratification of the grant offers to be recommended.

Topic	Percentage of Application Score available
Value for Money (VFM)	10.1%
Development	50.9%
Delivery	27.0%
Cross Cutting Themes	11.9%

1.9 As the GLA specifies the minimum number of sustained employment outcomes the project should achieve, it indirectly determines what value for money will be. In this instance the unit cost for sustained employment will be £3,187.

2. Objectives and expected outcomes

2.1 The funding conditions will not prescribe the specific activities, beyond the outputs and results payment schedule that will lead to the minimum core targets being achieved. The expectation is that bidders will propose proven and innovative approaches to the delivery of such projects successfully. However, bidders should consider including the following activities as part of their delivery models and set out how they will deliver them:

- Identify and recruit participants
- Diagnosis of the needs of participants and how Bespoke Training Plans (BTP) will be developed to record the barriers and support required for individual participants
- Deliver training service that prepare and provide the adequate skills for participants to secure sustained employment. Projects must incorporate:
 - Accredited vocational training, Basic skills, Confidence building/mentoring, CV building and interview techniques, Non-accredited training, ESOL, Self-employment support
- Debt/financial management support (including Better Off Calculations)
- Employer engagement and job brokerage: Employer engagement - How will the most appropriate employment outcome be achieved for the participant
- Sustained Support - Strategies/support to be delivered to prevent further disengagement.

2.2 The project will aim to complement existing provision so in **all cases** participants **cannot** be already be on a mainstream employment programme, such as the Work Programme.

2.3 The project should improve coordination and cross referrals between council-led, voluntary and statutory services to simplify the provision of support available to job seekers.

2.4 Delivery will cover primarily the following wards: Bruce Grove, Harringey, Hornsey, Noel Park, Northumberland Park, Seven Sisters, St Ann's, Stroud Green, Tottenham Green, Tottenham Hale, West Green, White Hart Lane, Woodside which have been identified as areas with the highest rates of worklessness. While these will be the targeted wards, the project will have a borough-wide coverage.

2.5 The GLA is seeking to offer two Grants each with a value of up to £398,375.

2.6 Each project will be measured and funded on the achievement of a bespoke set of inputs, outputs and outcomes as detailed in the successful bid application.

2.7 The GLA will make staged payments to successful applicants for each participant that they enable to progress through a number of key stages.

Table 2: Anticipated Proportions of Funding for Trigger Payment Activities	
Input/Output/Outcome	%
Advance payment (to be recovered against payments made for the number of participants commencing on the project)	A maximum of 5% of project cost

Number of participants commencing on the project	A maximum of 15% of project cost
Number of participants completing 30 hours of activity which moves them towards employment	A maximum of 25% of project cost
Entry into Employment or entry into employment at, or above, the London Living Wage – (progression)	A minimum of 20% of the Project cost
Sustained Engagement in Employment for 26 weeks (out of 32) – or sustained employment at, or above, the London Living Wage for 26 weeks (out of 32) - (sustained progression)	A minimum of 40% of the project cost

2.8 The minimum deliverables are:

Output/outcome	2 Grants Offered (per successful applicant)
Sustained Employment outcomes (for 26 weeks) or Sustained progression outcomes (for 26 weeks)	A minimum of 125 for each grant offer

Key project outputs and outcomes:

2.9 The project will support a **minimum of 500** people in Haringey to enter into employment (job entry) , **of which at least 250** people must achieve 26 (out of 32) weeks sustained employment or 26 weeks sustained progression by April 2017.

2.10 The project will be divided into **two grant packages, each** supporting a **minimum of 125** people into sustained employment.

Budget

2.11 The budget allocation is profiled in the following table;

Provisional budget spend			
2014/15	2015/16	2016/17	Total budget
39,500	378,625	378,625	796,750

Note that the current spend profile over the 3 financial years is different from the IPB profile. This new profile reflects the payment by result model which will be used to pay against output and outcomes over the project delivery period.

Planned delivery approach and timeline

2.12 Following authorisation of expenditure, the GLA will initiate a competitive process inviting organisations to submit proposals detailing how their projects will achieve the above objectives. The GLA's Delivery Unit will work closely with Haringey Council to develop the project specification and manage the competitive bidding process. Funding will be awarded on a payment by results basis. The Delivery Unit will monitor project delivery on a regular basis, together with progress against milestones and outcome targets.

- 2.13 The competitive process and projects will be structured in order to be scalable, subject to attracting additional ESF match-funding.
- 2.14 Project delivery is forecast to start in March 2015 and it will finish in March 2017 to comply with the LEF funding timetable.

3. Equality comments

3.1 The projects will be developed and delivered in compliance with relevant codes of practice and in line with the public sector equality duty.

3.2 The project will positively further equality aims by setting specific equality targets for the target groups that have been identified as having the highest levels of labour market deprivation (i.e: parents (including lone parents), women, young people, people with a health condition or disability, and ethnic minorities). Beneficiary equality data will be reported and monitored on a quarterly basis as part of the project delivery monitoring requirements.

3.3 The project will be expected to effectively target and engage with people furthest from the labour market by offering personalised and tailored support to help them into employment and progress in work. A specific focus will be placed on the following target groups that have been identified as having the highest levels of labour market deprivation:

Parents (including lone parents)	At least 25% of participants
Women	At least 50% of participants
Young people (aged 24 and under)	At least 20% of participants
People with a health condition or disability	At least 10% of participants
Ethnic minorities	At least 50% of participants

In addition to these target groups, **a maximum of 90% of participants** must be **unemployed** (i.e. claiming JSA) or **economically inactive** (i.e. ESA/IB, Income Support or non-benefit claimants).

- 3.4 All documents produced will comply with Mayor of London branding guidelines, themselves based on guidance from the Royal National Institute of Blind People.

4. Other considerations

a) Risk and issues

- 4.1 Key risks and their control measures will be reported to the Regeneration Budget and Performance Review, which will oversee the project as part of their regular updates and performance management.

Risk	Mitigation
Delays in identifying the recipients of funding	Some flexibility will be built into the delivery timetable in case slippage occurs.
Failure to engage and recruit sufficient number of beneficiaries to start on the project	Ensure that the delivery partner has a robust engagement and marketing plan. Ensuring that intensive outreach and information sessions reach into the most

	deprived wards and communities
Funding Recipient underperformance	On-going project management and monthly reporting against agreed milestones as well as regular monitoring process will be in place to ensure early notification of underperformance allowing for remedial action to reduce risk. Note also that payment by result means that the GLA limits its financial risk if the outputs are not achieved. GLA grant agreement includes a clawback clause which could enable recovery of money if necessary

b) links to Mayoral strategies and priorities

- 4.2 The project links with the EDS objective to give all Londoners the opportunity to take part in London's economic success, access sustainable employment and progress in their careers.
- 4.3 The project will support the Mayor's priority to deliver growth and jobs, including meeting the Mayor's 200,000 jobs target.
- 4.4 It will support more specifically one of the three key growth deal priorities to help Londoners into sustainable employment.

c) impact assessments and consultations.

- 4.5 The Tottenham Employment and Skills project will tackle some key concerns identified through a formal public consultation exercise (November 2011 to January 2012) carried out by Haringey Council following the riots in August 2011. It will specifically address residents' concerns about the lack of jobs and enterprise, and their aspirations to encourage jobs and enterprise growth.
- 4.6 A market-warming event is planned in October 2014 prior to starting the procurement of the Employment Support project competitive funding application process.

5. Financial comments

- 5.1 Approval is being sought to grant fund up to £796,750 to one or more projects with aims corresponding with those of the Tottenham Employment Support (TES) project which will support people furthest from the labour market or in low paid employment towards employment and / or a better job (to be governed by funding agreement).
- 5.2 The proposed profile of the £796,750 spend is as follows:
 - 2014/15 £39,500
 - 2015/16 £378,625
 - 2016/17 £378,625
- 5.3 The revenue cost of £796,750 will be funded from uncommitted 2014/15 LEF funds relating to Employment & Skills.
- 5.4 All appropriate budget adjustments will be made.

- 5.5 As the proposed funding above is to be governed via funding agreement, officers are reminded to ensure that they liaise with both the Legal and Finance Teams in the preparation and execution of the funding agreements. In addition, the monitoring of the funding and associated payments must be line with the Authority's Funding Agreement Toolkit.
- 5.6 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 5.7 The Delivery Team within the Communities & Intelligence Directorate will be responsible for managing this project and associated funding agreement.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the Director (acting under the Authority's Scheme of Delegation) fall within the statutory powers of the Authority to do such things as may be considered facilitative of or conducive or incidental to the promotion of economic development and in Greater London; and
 - 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - (c) consult with appropriate bodies.
- 6.2 Officers have indicated in sections 1 to 4 of this report that the:
- 6.2.1 contribution to funding recipients will amount to the provision of loan funding and not a payment for services rendered; and
 - 6.2.2 a process will be followed to identify the proposed recipients of funding fairly, transparently, and which are considered to afford value for money.
- 6.3 Officers must ensure that appropriate funding agreements are put in place between and executed by the Authority and the recipients selected before any commitment is made to the provision of the same.

7. Planned delivery approach and next steps

Milestone	Date
Invitation to successful applicants for grant application.	November 2014
Deadline for receipt of applications	December 2014

Notification of successful/unsuccessful applicants	February 2015
Grant Issued	February 2015 (provisional)
Project set-up and Delivery from:	March 2015 (provisional)
Final date for recruitment of Starters	September 2016
Final date for entry into Employment (for 6 months sustained)	October 2016
Project completion period – submission of final claim, evidence & information	April 2017

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? Yes**

If YES, for what reason:

Part 1 should be deferred until the procurement process is completed to ensure the GLA obtains value for money from the bidding process.

Until what date: (a date is required if deferring) 30 March 2015

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Aminata Diaby has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Debbie Jackson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date