

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	ACCEPTANCE OF FUNDING: SOLENT EMPLOYMENT SUPPORT		
<b>DATE OF DECISION:</b>	16 <sup>TH</sup> APRIL 2019		
<b>REPORT OF:</b>	CABINET MEMBER FOR ASPIRATION, SCHOOLS AND LIFELONG LEARNING		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
Not applicable			
<b>BRIEF SUMMARY</b>			
<p>On 15<sup>th</sup> February 2018, the Council submitted an application to the Department for Work &amp; Pensions (DWP) under the European Structural &amp; Investment Funds (ESIF) Growth Programme for European Social Fund (ESF) grant funding. The application proposes engaging and supporting economically inactive or unemployed adults living in Southampton and the wider Solent LEP area whose health, drug/alcohol dependency, chaotic lifestyles or homelessness are barriers to education, training or sustained employment. Officers have been notified that the application for an ESF grant totalling £566,583 has been successful and the purpose of this report is to authorise the next steps to accept the grant and deliver the Solent Employment Support project.</p>			
<b>RECOMMENDATIONS:</b>			
Having complied with paragraph 15 of the Council's Access to Information Procedure Rules.			
	(i)	To delegate authority to the Service Director, Growth to take all actions necessary to accept the grant and deliver the project until September 2021.	
	(ii)	To accept, in accordance with Financial Procedure Rules, a grant of £566,583 from the European Structural & Investment Funds (ESIF) Growth Programme as match funding towards a total project budget of £1,133,165	
	(iii)	To approve, in accordance with Financial Procedure Rules, revenue expenditure of £1,133,165 for the Solent Employment Support project over 2019/20, 2020/21 and 2021/22 and the Council's individual financial contribution of £260,716	
	(iv)	To approve the Council to act as Accountable Body for the administration of grant funding and Solent Employment Support Project Partnership.	

## REASONS FOR REPORT RECOMMENDATIONS

1.	This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the City Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the Public. The matter requires a decision due to (a) a delay in receipt of DWP grant approval and (b) the project commencement date of 2 <sup>nd</sup> June 2019 precedes the next Cabinet meeting scheduled for 18 <sup>th</sup> June 2019.
2.	Under Financial Procedure Rules, the matter requires a decision in order to accept the grant award from the Department for Work & Pensions and deliver the Solent Employment Support project.
3.	Southampton City Council will lead the project on behalf of a partnership, which will support individuals living in Southampton, Portsmouth, Isle of Wight, Gosport, Havant and Waterside into learning and work. Target groups will be those whose profound, complex needs are likely to create acute difficulties for voluntary participation in the Work and Health Programme. It will mainly focus on people who are 'outliers', including those with an enduring mental health condition, care leavers (19-24 years), adults and young people who are homeless or at risk of becoming so, people with a history of alcohol/substance misuse, women and men experiencing domestic violence/sexual abuse, and workless people with similarly entrenched barriers to work.
4.	<p>Grant funding will contribute to the Council's key priorities of a city with strong and sustainable economic growth and where people can live safe, healthy and independent lives. ESF funding will enable Solent Employment Support to:</p> <ul style="list-style-type: none"><li>• Help unemployed and economically inactive people improve their skills and move closer to work by tackling the root causes of poverty and exclusion in a consistent and integrated way.</li><li>• Enable target small businesses (SMEs) to secure the people they need to address labour shortages, develop workforce skills and improve business performance.</li><li>• Widen project reach and impact by encouraging innovation, adaptation and uptake of Solent Employment Support in locally commissioned services and other business sectors.</li></ul>

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.	<p><u>Reject the Grant Offer</u></p> <p>To not accept the ESF grant would result in the loss of external funding and cancellation of a proposed project to support economically inactive individuals with complex social and health needs access education, training or sustained employment. Loss of support for those requiring services. There would also be associated reputational damage to the Council</p>
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<b>DETAIL (Including consultation carried out)</b>	
6.	<p>Southampton City Council has, over the past 3 years, led delivery of the City Deal Solent Jobs Programme (SJP). By contract end (December 2018), the programme had provided integrated health and employment support to 1,200 unemployed adults in receipt of Employment Support allowance (ESA) or Work Programme Completers living in the Solent LEP area, supporting nearly 40% into employment. Building on SJP outcomes, learning and good practice, Solent Employment Support affords sustainability by increasing the number of long-term unemployed adults into work, drive sustainable service improvements and add value to the Work and Health Programme and existing local employment and skills provision (e.g. Well at Work).</p>
7.	<p>An options appraisal undertaken by Council officers and SJP project partners (Portsmouth City Council, Hampshire County Council and Isle of Wight Council) concluded local need would be best met by submitting a new multi-agency bid to the Solent LEP's European Structural &amp; Investment Funds (ESIF) Solent Jobs Call launched in early 2018. A funding application for an ESF grant of £566,583 (50% of the total project costs of £1,133,165) was submitted on 15<sup>th</sup> February 2018. Following appraisal by Department for Work &amp; Pensions (DWP) in its capacity as Managing Authority, the application was approved and Southampton City Council received a formal Grant Offer on 21<sup>st</sup> February 2019.</p>
8.	<p>The Solent Employment Support project will:</p> <ul style="list-style-type: none"> <li>• Engage and support 398 economically inactive or unemployed adults into learning, skills and employment, whose health, drug/alcohol dependency, chaotic lifestyles or homelessness are barriers to labour market participation.</li> <li>• Promote education or training and achieve a minimum 22% into sustained employment.</li> <li>• Enable SMEs in target growth sectors (social care, hospitality, construction and logistics) to secure the people they need to address labour shortages that constrain business performance.</li> <li>• Achieve continuing innovation and integration of employment support within housing, social care and mental health services in the Solent area, through robust management information, evaluation and knowledge transfer.</li> </ul>
9.	<p>Project delivery involves intensive, but flexible person-centred support into work, based around skills development, pre-employment volunteering or work experience, individual placement support and employer engagement. Personalised support plans and client beneficiary budgets will secure tailored solutions that meet individual need and provide for essential clothing, equipment or support aids, emergency tenancy deposits, and contribute towards travel and childcare costs. Provision will be secured via a combination of joint working with local services and agencies, and direct commissioning using framework agreements, including:</p>

	<ul style="list-style-type: none"> <li>• Work with substance misuse treatment providers and psychologists to achieve an integrated transition into the project’s employment and skills pathway.</li> <li>• Life coaching</li> <li>• Counselling and Cognitive Behavioural Therapy</li> <li>• Tenancy sustainment</li> <li>• Money management</li> <li>• Basic skills and teaching English as a Second Language (ESOL) Digital and literacy skills</li> </ul>										
10.	Activity will run for 2 years commencing June 2019 with participation open to all residents who meet the eligibility criteria (i.e. inactive or long-term unemployed Universal Credit and JSA benefit claimants, including those affected by sanction or delayed payment).										
11.	Project partners are Southampton City Council (Lead Partner), Portsmouth City Council, Hampshire County Council and Isle of Wight Council. Together the Partnership will employ 9.5 full-time Employment Support Caseworkers (3.5fte in Southampton, 3fte in Portsmouth, 2fte covering South Hampshire and 1fte on IoW) to be integrated within specialist agencies and local teams, including Community Mental Health, Substance Misuse Services, Homeless and Vulnerable Adults Support Team (H-VAST), Housing and Resettlement, Troubled Families, Care Leavers, Women’s Aid and Jobcentre Plus (JCP) to coordinate and optimise client referral rates.										
12.	<p>There will be an average caseload size of 21 clients per caseworker/per annum with a ratio of 1:12 at any one time, allowing for a personalised service. Referrals will start October 2019 and run for 20 months with the Council and project partners supporting total client numbers of:</p> <table border="1" data-bbox="411 1330 1150 1520"> <tr> <td>Southampton City Council</td> <td>140</td> </tr> <tr> <td>Portsmouth City Council</td> <td>150</td> </tr> <tr> <td>Hampshire County Council</td> <td>72</td> </tr> <tr> <td>Isle of Wight Council</td> <td>36</td> </tr> <tr> <td><b>Total</b></td> <td><b>398</b></td> </tr> </table>	Southampton City Council	140	Portsmouth City Council	150	Hampshire County Council	72	Isle of Wight Council	36	<b>Total</b>	<b>398</b>
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13.	Attracting and enabling local businesses to engage with Solent Employment Support is key to achieving client progression into work. A key component of the former Solent Jobs Programme (SJP) offer was the use of City Deal match funding to subsidise a work placement or job paid at the National Living Wage for up to 25 hours per week. As this match funding is no longer available, Employment Support Caseworkers will allocate dedicated project time to work with Hampshire Chamber of Commerce and Federation of Small Businesses to expand the network of employers developed by SJP. Specifically, Solent Employment Support will work through Solent Growth Hub colleagues to access live business data and insight required to effectively target local SMEs and promote the benefits of Individual Placement and Employment Support to business. Caseworkers will work with individual employers in social care, hospitality, construction and logistic sectors to deliver a package of business support comprising information, advice and guidance (IAG) and wrap around individual placement support (IPS) to facilitate successful recruitment, progression and retention of clients.										

14.	<p>Solent Employment Support will deliver supported pathways to education, training and sustained employment opportunities for 398 adults who are furthest from work and experience social exclusion and multiple disadvantage. Over a 20 period the project aims to progress:</p> <ul style="list-style-type: none"> <li>• 17% (67) into education or training opportunities on leaving provision.</li> <li>• 14% (31) of the total unemployed cohort into employment, including self-employment on leaving provision.</li> <li>• 27% of total inactive cohort into employment or job-search on leaving provision</li> <li>• 22% of all clients into employment, including self-employment 6 months after leaving provision.</li> </ul>
15.	<p>Project activity will produce a number of outcomes that have the power to drive social change long after project completion. Impact evaluation will be undertaken to measure the degree of impact the project has achieved in improving the economic and social conditions of clients. It will also assess the benefits to SMEs of wrap around individual placement or employment support in facilitating the recruitment, progression and retention of clients needed to grow business. Key outcomes include:</p> <p><u>For clients</u></p> <ul style="list-style-type: none"> <li>• Sustained engagement in the labour market.</li> <li>• Improved employability skills.</li> <li>• Enhanced employment opportunities.</li> <li>• Improved levels of self-confidence and self-esteem.</li> <li>• Increased levels of motivation and self-reliance.</li> <li>• Increased accommodation stability.</li> <li>• Reduced alcohol and/or substance misuse.</li> <li>• Improved mental health and well-being.</li> <li>• Increased level of social inclusion.</li> <li>• Reduced welfare dependency.</li> </ul> <p><u>For Employers</u></p> <ul style="list-style-type: none"> <li>• Improved client retention and progression.</li> <li>• Improved workforce stability</li> </ul>
16.	<p>A Project Steering Group (PSG), chaired by Southampton City Council, and comprising representatives from project partner organisations and relevant stakeholders, including Job Centre Plus and Solent LEP will own and assure project activity, monitor actions and progress, and reviews quality assurance data. The PSG will meet quarterly and have authority to make recommendations regarding project plans, timescales, expenditure and allocation of resources, communication and publicity actions, and agree actions (corrective or otherwise) in accordance with Council policies and procedures, EC Regulations and ESF Operational Programme rules.</p>

## RESOURCE IMPLICATIONS

### Capital/Revenue

17. The Solent Employment Support project is to be funded from a single ESF grant of £566,583 from the European Structural & Investment Funds (ESIF) Growth Programme managed by Department for Work & Pensions (DWP). The grant will be paid to the Council under section 31 of the Local Government Act 2003 and drawn down through quarterly financial claims for eligible defrayed expenditure.

18. The ESF grant represents 50% of total project costs of £1,133,165. Southampton City Council (as Lead Partner) and all other project partners are contributing match funding in terms of staff time and cash from existing budgets over financial years 2019/20, 2020/21 and 2021/22. The required SCC revenue funding is budgeted against GM590 (Regeneration) yearly spend. The planned revenue income and expenditure is as follows:

#### Income

Project Partner	2019/20 £	2020/21 £	2021/22 £	Totals
European Social Fund	236,076	283,292	47,215	566,583
Southampton City Council	108,632	130,358	21,726	260,716
Portsmouth City Council	64,188	77,025	12,838	154,051
Isle of Wight Council	20,717	24,861	4,143	49,721
Hampshire County Council	42,539	51,047	8,508	102,094
<b>Totals</b>	<b>472,152</b>	<b>566,583</b>	<b>94,430</b>	<b>1,133,165</b>

#### Expenditure

Item	2019/20 £	2020/21 £	2021/22 £	Totals
Staff costs	324,073	394,753	66,583	785,409
Direct costs	70,980	124,095	20,370	215,445
Indirect costs	51,461	67,963	12,887	132,311
<b>Totals</b>	<b>446,514</b>	<b>586,811</b>	<b>99,840</b>	<b>1,133,165</b>

19. The Solent Employment Support project has no capital funding implications.

20. In July 2018 the UK Government published a guarantee to underwrite the UK's full funding allocation for Structural and Investment Funds (both European Structural Funds and European Regional Development Funds) until the end of the programming

	period (31 <sup>st</sup> December 2020). In short, this means that any funding application approved and contracted before the end of 2020 should have their funding guaranteed for the lifetime of the approved project.
<b><u>Property/Other</u></b>	
21.	There are no property implications. The project is not expected to place any demands on Council accommodation during delivery or post completion.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
22.	S.31 Local Government Act 2003 empowers the Secretary of State to issue grants to Local Authorities and set conditions on their use. In order for the Council to accept the ESF grant it is required to enter into a legal agreement with the Department for Work & Pensions (DWP) who act as the Managing Authority of the European Social Fund. The Council has the power to undertake the employment functions set out in this report by virtue of s. 1 Localism Act 2011. .
<b><u>Other Legal Implications:</u></b>	
23.	<p>These funds are targeted at supporting people in vulnerable positions in society and contribute to the Council’s Public Sector Equality Duty obligations through;</p> <ul style="list-style-type: none"> <li>• Reducing the disadvantages vulnerable adults experience</li> <li>• Better meeting the economic needs of people with protected characteristics; and</li> <li>• Supporting people with protected characteristics to more effectively participate in economic life</li> </ul>
<b>RISK MANAGEMENT IMPLICATIONS</b>	
24.	<p>A comprehensive Risk Register will identify high, medium and low risks and dependencies to achieving project outputs and results, together with a management plan setting out mitigating actions to address under-performance.</p> <p>A significant risk to the Council, acting as Lead Partner and Accountable Body is claw-back of ESF funds should Audit identify expenditure irregularities during the e-claim process. The project will put in place stringent financial controls to ensure all e-claims for eligible defrayed expenditure are certified with zero errors.</p>
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
25.	Solent Employment Support contributes to the delivery of two key priorities in the Southampton City Council Strategy (2016-2020): (i) a city with strong and sustainable economic growth and (ii) where people can live safe, healthy and independent lives.

<b>KEY DECISION?</b>	<b>Yes</b>	
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>ALL</b>	
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	None	
<b>Documents In Members' Rooms</b>		
1.	Equality and Safety Impact Assessment (ESIA)	
2.	Data Protection Impact Assessment (DPIA)	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>Yes</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.	None	