



Cabinet (Resources) Panel

29 July 2014

Report title	Neighbourhood Employment and Skills Service	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Philip Page Schools, Skills and Learning	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Adult Education Service	
Accountable employee(s)	Paul Doherty Tel Email	Interim Head of Service (01902 55)8087 Paul.Doherty@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for action:

The Cabinet (Resources) Panel is recommended to:

- (a) approve the arrangements for the extension of the Neighbourhood Employment and Skills Service (NESS) grant from the European Regional Development Fund and to delegate authority for the Director for Education and Enterprise to sign the contract between the Department for Communities and Local Government (DCLG) and Wolverhampton City Council (WCC) for these arrangements.
- (b) acknowledge receipt of up to £530,000 European Regional Development Fund (ERDF) grant to WCC for the period 1 July 2014 to 31 December 2015.
- (c) delegate authority to the Cabinet Member for Schools, Skills and Learning, in consultation with the Assistant Director for Partnerships, Economy and Culture, to manage the distribution of the additional ERDF grant between WCC and its partners within the NESS Consortium in accordance with contract terms and conditions.

- (d) approve the virement of £530,000 to the grant payments budget, and compensating £530,000 from the grant income budget of £265,000 for the financial year 2014/15 and £265,000 for the financial year 2015/16, with the contract ending 31 December 2015.
- (e) delegate authority to the Chief Legal Officer to execute the contract between the Department for Communities and Local Governance and the Council.

1.0 Purpose

- 1.1 This report seeks to delegate authority to the Assistant Director Partnerships, Economy and Culture to manage the distribution of ERDF grant and authorise grant payments up to £530,000 to the NESS consortium for the period 1 July 2014 to 31 December 2015 in relation to the previously approved European Regional Development Fund (ERDF) project.

2.0 Background

- 2.1 The NESS ERDF project is part of the Priority Axis 3 within the ERDF 2007-2013 programme in the Achieving Sustainable Urban Development (SUD) priority. The grant is designed to support the development of multi-agency/provider centres in local community based facilities which will afford greater opportunities for access to advice and guidance for workless residents in deprived communities in Wolverhampton to help them to overcome the barriers to starting the journey to employment. Under this variation to contract, Bilston Resource Centre, TLC College and Wolverhampton YMCA will continue as project delivery partners. However, additional partners have been identified by a process approved by ERDF in order to deliver the expanded project. These partners are Access to Business, Job Change, TOPPs Training and Gloucester Street Community Centre, all of whom have confirmed in writing their targets and agreement to match fund. Overall management responsibility lies with the Adult Education Service (AES).
- 2.2 The proposal to bid for ERDF funding by Wolverhampton City Council was agreed by Cabinet (External Relations) Panel on 3 March 2008. AES was successful in its original application for £592,000 ERDF funding and was invited to apply for the opportunity to extend the grant as a result of its success to date in meeting and exceeding the targets set. This application was approved as a contract variation for the period from 1 July 2014 to 31 December 2015, with the original contract agreement for £592,000 ceasing on 30 June 2014 and the grant being adjusted accordingly.
- 2.3 The project supports unemployed residents within the 'SUD' wards into employment through neighbourhood-based services, and the original contract extended the premises at Bilston Resource Centre to improve services in the Bilston area. Capital works were completed in December 2013.
- 2.4 Unemployment is a significant problem in the city, which has higher rates of worklessness than its neighbours across all age groups. 7.6% of the economically active population are Job Seekers Allowance (JSA) claimants, compared to 4.8% for the West Midlands and 3.8% nationally. The city has significantly lower levels of skills than its neighbours and the rest of the country. 20% of the adult population has no qualifications.
- 2.5 The project is supported by the Department of Communities and Local Government (DCLG), Job Centre Plus (JCP) and the third sector.
- 2.6 The total contract value of the project will increase to £2.2 million, attracting an ERDF grant to the value of £1.1 million for the period 14 November 2011 to December 2015.

3.0 Project description

- 3.1 The original NESS project was managed by the AES in partnership with three 'core' third sector agencies: Bilston Resource Centre, the YMCA and TLC College and provided at nine centres across the City; the three 'core' centres, together with Low Hill, Eastfield, Heathtown, Bingley, YMCA (Temple Street) and Wednesfield Library. Expressions of interest were issued to other partners in the SUD wards to extend the project provision, bringing the total 'core' third sector agencies to seven, as detailed in 2.1, increasing the number of centres accordingly and adding St Chad's (Bilston).
- 3.2 Each of the existing centres provides an employability service supported by JCP and currently five centres run Job Clubs. Each centre has access to a full careers guidance service provided by Wolverhampton Job Change and, through its links with Job Change, NESS also participates in the National Careers Service which was established in 2012. The contractual arrangements with the National Careers Service are changing in Wolverhampton and in the future NESS as a consortium will link with Prospects to connect to the National Careers Service.

4.0 Governance

- 4.1 WCC is the accountable body for the duration of project, with operational management provided by AES. The NESS consortium steers the project as an operational group and the NESS Project Manager is accountable to AES.
- 4.2 A contract has been drawn up between WCC and DCLG for the management of the project. AES will continue to submit monthly claims on behalf of the project and will ensure contract compliance across the partners. WCC will receive grant payments from DCLG, with payments made to partners according to performance.

5.0 Financial implications

- 5.1 In 2011, WCC was awarded an ERDF grant to the value of £592,000 against the total value of the project of £1.2 million, with match funding provided through the three 'core' agencies. The value of the contract has increased to £2.2 million and the period extended to 31 December 2015, with match funding increased accordingly.
- 5.2 A capital grant of £140,000 was approved and included in the original contract value to extend the premises at Bilston Resource Centre. This amount was increased to £168,000 due to additional building requirements, with the Centre providing the match funding for this grant and a total contract value of £336,000. The building work was completed in December 2013.
- 5.3 A virement of £530,000 for the period 1 July 2014 to 31 December 2015 will be required to increase the grant payments budget to reflect the revised allocation with a corresponding increase to the grant income. The payments profile will be £265,000 in the financial year 2014/15 and £265,000 in the financial year 2015/16, with the contract ending 31 December 2015.

5.4 Whilst there are no additional direct costs or any further resource implications for the Council, there remains the potential for clawback if performance outputs and outcomes are not achieved and appropriate records are not maintained to the required standard. Clawback could potentially be 100% of the additional grant money (£530,000). This risk was previously highlighted to members in the report to Cabinet (Resources) Panel, 10 January 2012.

5.5 To mitigate against the potential for clawback, appropriate records are maintained and audited, internally on a monthly basis by AES and externally by DCLG. Two full audits have been carried out by DCLG resulting in only minor issues which have subsequently been addressed.
[CF/08072014/N]

6.0 Legal implications

6.1 The legal implications are covered in the body of this report. A contract will need to be entered into between WCC and DCLG for the management of this project.
[RB/07072014/G]

7.0 Equal opportunities implications

7.1 The project will target unemployed residents furthest removed from the labour market, living in the most deprived communities. Many of these unemployed residents have protected characteristics, with 43% from black and minority ethnic groups.

8.0 Environmental implications

8.1 There are no direct environmental implications.

9.0 Human resources implications

9.1 There are no human resources implications.

10.0 Corporate landlord implications

10.1 There are no corporate landlord implications.

11.0 Schedule of background papers

11.1 Neighbourhood Employment and Skills Service, Cabinet (Resources) Panel, 10 January 2012

11.2 European Regional Development Fund (Sustainable Urban Development) 2007-13, Cabinet (External Relations) Panel, 3 March 2008