

Report of the Chief Officer Employment and Skills

Report to the Director of Children's Services

Date: 25 August 2016

Subject: Head Start Programme Phase 2



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Best Council Plan sets out the Council's ambition for Leeds to have a strong economy and to be a compassionate city, tackling poverty and inequalities. In 2015-16, activities contributing to these aims included supporting more than 4,800 people make the transition from benefits into work, improving employment outcomes for individuals with complex needs and supporting 12,200 local residents to acquire new skills.
2. The Council was awarded £1m by the Leeds City Region Enterprise Partnership to deliver the two year Head Start Programme from March 2014 which has been key in extending support to unemployed 18-24 year olds on a qualifying benefit into employment. A key feature of the programme delivered in Leeds was the tailored support offered to each young person.
3. The programme job outcome targets have been exceeded and it will complete in September 2016 with a forecast underspend of £200,000. In addition, the West Yorkshire Combined Authority (WYCA) has made a further grant award to the Council of £25,000 from programme underspend across the city region. It is proposed that these funds are used to deliver a second phase of the Head Start Programme utilising the same successful delivery model.
4. The programme will continue to support unemployed young people move into work but with a specific focus on care leavers who often face additional and complex barriers impacting on their ability to move into work.

5. The available funding must be spent by the end of March 2017, this limits the ability of the Council to undertake a full procurement process to deliver the key worker support, an integral element of the programme delivered to date by Aspire-Igen. Therefore it is proposed to award Aspire-Igen a contract to deliver the key worker support as part of Phase 2 programme up to 31 March 2017.
6. The Phase 2 programme will contribute to key objectives set out in the Best Council Plan 2015-2020 to 'promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses' with a specific focus on helping young people to acquire skills and move into employment. The programme will also support the delivery of the More Jobs, Better Jobs breakthrough projects by enabling young people to acquire skills and experience to move into employment.

Recommendations

The Director of Children's Services is asked to:

- Authorise expenditure of £225,000 to implement a second phase of the Head Start programme to support young people move into work with a focus on care leavers.
- Waive Contracts Procedure Rules No 8.1 and 8.2 – Intermediate Value Procurements to award a contract up to a maximum value of £83,250 to Aspire-Igen to deliver key worker support as part of the Phase 2 programme to 31 March 2017.

1 Purpose of this report

- 1.1 This report details the proposal to establish a second phase of the successful Head Start Programme to support unemployed young people into work. The programme will be financed through underspend from the existing programme and additional grant funding awarded by the West Yorkshire Combined Authority (WYCA).
- 1.2 The report sets out the delivery model and identifies the target beneficiaries as young unemployed people with priority given to those leaving Care. A key element of the programme is tailored support through a Key Worker. It is proposed to contract Aspire-Igen to deliver this element of the Phase 2 programme to run to the end of March 2017.

2 Background information

- 2.1 In November 2013, the Leeds City Region Enterprise Partnership (LCRLEP) was awarded a government grant of £4.6m from Cabinet Office to deliver the “Young Talent: Head Start” programme, which was designed to support unemployed 18-24 year olds into sustainable employment. From April 2015, these funds were managed by the West Yorkshire Combined Authority (WYCA).
- 2.2 The Council received £1m from this fund to deliver a local two year programme starting in March 2014. Key worker support and work placements were key features of the regional Head Start Programme designed to help young people break down barriers to employment as part of a tailored package of interventions. Managed by the Council’s Employment and Skills Service, Aspire-Igen was awarded the contract in Leeds to deliver the key worker support element of the programme, following a competitive procurement process.
- 2.3 Aspire-Igen was commissioned to support the Council to achieve a minimum of 217 job outcomes and 163 young people sustained in employment for at least 6 months. The formal contract ended in March 2016 with the Leeds programme having successfully supported over 250 young people into jobs or other positive destinations, of which 131 have so far sustained for six months (to end of July 2016). Under the terms of the original contract, Aspire-Igen will continue to support young people until the end of September 2016 and continue to report outcomes to the Council on a monthly basis. It is anticipated that the sustained element of the contract will exceed the target of 163 by the end September 2016.

3 Main issues

3.1 Programme Underspend

- 3.1.1 The original Head Start Programme included a package of support enabling young people to move closer to the labour market and, once in a job to help them sustain their employment. New starts onto this programme ended in March 2016 but the support to help individuals remain in work or into other positive destinations will continue until the end of September, delivered by Aspire-Igen.
- 3.1.2 The Council has delivered job outcomes in excess of the contract target and expects to exceed anticipated sustained outcomes by the end of September. However, taking into account all outstanding expenditure and including payments

due to Aspire-Igen by the 30 September 2016, an underspend of circa £200,000 is forecast. This has arisen in the areas of marketing, host business payments to placement providers and additional funding available to support young people enter and sustain their employment e.g. purchase of uniforms, childcare etc.

- 3.1.3 The underspend arose primarily as a result of a large number of employers offering more than one placement and fewer than expected seeking any reimbursement. A barriers fund was set up locally but this was not fully committed as WYCA established a central funding pot during year one of programme delivery to meet these needs.

3.2 LCR Head Start Extension

- 3.2.1 In July 2016, the WYCA confirmed their intention to enable a short term extension of the Head Start Programme arising from an under spend across the city region. The Council has been allocated an additional grant of £25,000. The funding must be used to support young people including those with multiple or complex needs move closer to the labour market and into employment and all expenditure must be incurred by 31 March 2017.

- 3.2.2 Due to the short duration of the extension, programme eligibility and referral points have been widened. Eligible participants include any young person 18-24 not in employment, education or training (NEET) that are furthest away from the labour market. Referrals are no longer restricted to Jobcentre Plus. Previously only young people unemployed for at least 6 months and claiming Jobseekers' Allowance were eligible to participate. The Council will be required to determine appropriate local success measures which will include job outcomes and in-work progression.

3.3 Priority Target Group - Care Leavers

- 3.3.1 The Head Start Programme funding formed part of the Government's Youth Contract and was previously restricted to supporting young people who are unemployed claiming Jobseeker Allowance Support (JSA) for 6 months or more. In Leeds, the number of JSA claimants aged 18-24 years has fallen from 6,295 (6.3%) in July 2013 to 2,425 (2.4%) in July 2016. Despite these significant reductions, there are still too many young people in Leeds with additional barriers and or complex needs who continue to struggle to move into work. One such priority group is young care leavers.

- 3.3.2 Young people who have been in care often have difficult lives and have to start living independently much earlier than their peers and face multiple barriers in finding work and or going into further education, for example 41% of care leavers were NEET at 19 compared to 15.5% of all 19 year olds. 6% of care leavers go on to higher education compared to 33% of all 19 year olds. 37% of all care leavers achieved 5 A*- C GCSE's compared to 80% of non-looked after children.

- 3.3.3 There are approximately 200 care leavers in the city that are being supported by the Council at any time, however, there is currently only one employability programme specifically targeted at this priority group helping young people move into work. The existing provision is a short programme and aimed at those closer to the labour market.

3.3.4 It is proposed to utilise the unspent and additional programme funds of circa £225,000 to establish a second phase of the Head Start Programme. Building on the successful delivery model, it will continue to support unemployed young people to move into work but with a specific focus on care leavers who often face additional and complex barriers impacting on their ability to move into work.

3.4 Proposed Programme

- 3.4.1 Eligible young people will be referred to the proposed Phase 2 programme by the Children's Social Work 13+ Team and Jobcentre Plus. Participants will attend an induction day to be provided with an overview of the programme. Participants will then attend a four week training course to prepare them for their placement which will include as a minimum: employability skills, confidence building, team working and budgeting.
- 3.4.2 Each participant will be assigned a dedicated key worker who will support them throughout the duration of the programme. All participants will attend an 8 week paid work placement for 4 days per week, with a further day receiving ongoing support from Aspire-Igen. Participants will receive the current National Minimum Living Wage of £7.20 per hour, which equates to £216 per week.
- 3.4.3 Placement providers will be from the charity or third sector who can demonstrate their ability to appropriately support the participants throughout the duration of the placement. Placement providers will be eligible to receive £75 per week in recognition of their time spent supporting and mentoring the participants, given the likely level of need of participants.
- 3.4.3 On completion all participants will have a further two weeks of support from their key worker if not already in permanent employment. Throughout the duration of the programme Aspire Igen will be undertaking employer engagement activities to transition participants into sustainable employment. Arrangements have been made with local Jobcentre Plus colleagues to ensure that participants on benefits are not adversely impacted. These fast track arrangements are in place for those moving off benefits when commencing a paid placement and where necessary, those moving back on to Universal Credit (if claiming as a single person).
- 3.4.4 The Programme will support approximately 45 young people and offer up to 14 weeks of training, mentoring and work placement opportunity. The mentoring and keyworker support will be delivered by Aspire-Igen and, where possible opportunities through the Council's Adult Learning Programme to further upskill participants will be maximised.
- 3.4.5 Programme costs comprise £30,000 for support payments to businesses hosting work experience placements and to undertake health and safety assessments of business premises prior to placement; £80,000 to provide each participants with 8 weeks of paid work experience at National Minimum Living Wage rates; £10,000 to cover travel costs and luncheon vouchers of participants whilst not on placement; £20,000 to cover other costs such DBS checks and a barriers fund to provide tailored assistance to overcome obstacles that prohibit individuals returning to work.

3.5 Waiver of Contract Procedure Rules No 8.1 and 8.2

- 3.5.1 Contract Procedure Rule (CPR) No 8.1 states: Where no appropriate ISP, Exclusive Supplier, existing provider or Third Party Framework Agreement exists, competition is required for procurements valued at or over £10k but at or below £100k. CPR No 8.2 states: At least three written tenders will be invited. These tenders may be invited by publishing either an open or a restricted tendering opportunity on the YORtender portal or inviting tenders from suppliers using Construction line.
- 3.5.2 Delivery of the proposed phase 2 programme will need to commence immediately to maximise expenditure of the external funding which must be spent by 31 March 2017. Most elements of the proposed programme will be delivered in-house and managed by the Employment and Skills Service, however, there are no internal resources available to deliver the key worker support, an integral element of the programme.
- 3.5.3 The time constraints on the availability of the funding limit the ability of the Council to undertake a full competitive procurement process and mobilise a new provider to deliver the key worker support. Aspire-Igen was contracted to deliver this role under the original Head Start programme following a competitive procurement process in March 2014. The organisation has confirmed that it has existing staff in place to provide a seamless continuation of the key worker provision that could 'hit the ground running' and maximise outcomes for young people in Leeds
- 3.5.4 It is proposed to waive CPR No 8.1 and 8.2 to issue Aspire-Igen with a contract to a maximum value of £83,250 to deliver the key worker element of the phase 2 programme. The key worker provision will be delivered on the same basis as the original contract and will commence from 1 September 2016.
- 3.5.5 Aspire-Igen will be expected to engage with an additional 45 young people, by the end of March 2017. The Employment and Skills Service will agree specific outcome targets and payments for phase 2 delivery.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Employment, Skills and Opportunity has been consulted on the proposed programme extension and priority target groups.
- 4.1.2 Discussions have taken place with the Care Leavers Team, Children's Social Work services to ensure that the programme meets needs and aligns with existing provision.
- 4.1.3 Aspire-Igen has been consulted on the capacity to deliver Phase 2 of the Head Start Programme and has confirmed that the required staffing resources are immediately available.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The equality, diversity, cohesion and integration screening form is attached as Appendix 1. This identifies the positive impact of implementation of the proposed programme on unemployed young people aged 18-24. The Cabinet Office has

determined this group need further support than what is available on other main programmes.

4.3 Council policies and Best Council Plan

4.3.1 The proposed programme will contribute to the key objectives set out in the Best Council Plan 2015-2020 to 'promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses' with a specific focus on helping young people to acquire skills and move into employment. Head Start Phase 2 also supports the achievement of the Council's breakthrough projects by prioritising employment support services to young people furthest from the labour market.

4.4 Resources and value for money

4.4.1 The proposed programme will be delivered using external funding targeted to a priority group. Recent research indicated that individuals aged 16-19 and NEET cost approximately £17,000 per year to the taxpayer in benefits and supported programmes. Although there is not a defined value figure for care leavers it is estimated that a care leaver who is NEET costs in excess of £20,000 per year to support.

4.4.2 Waiving the requirement for a competitive procurement process needs to be balanced against the opportunity to target additional external resources to this priority group. Aspire-Igen was appointed to deliver the initial contract following a competitive procurement process and has successfully delivered this.

4.4.3 Value for money is supported through the contract payment model which is based on the delivery of individual target outcomes. The payment rates are comparable with the other providers in the employment support sector and in other local authority districts where similar provision is commissioned.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This is a significant Operational Decision and therefore is not subject to Call in.

4.6 Risk Management

4.5.1 The Employment and Skills service will monitor and ensure compliance and quality assurance for programme. Robust procedures are in place to monitor the delivery of activities and expenditure in accordance with the Council's and WYCA's requirements.

4.5.2 Aspire-Igen will deliver the key worker support contract on a payment by results basis and the maximum value they can claim is within the proposed programme budget.

5 Conclusions

5.1 The unspent and additional external funding available through the local and city region Head Start programme provides the opportunity to deliver additional targeted support to key priority groups which remain some distance from the labour market. Young care leavers can face additional and often complex barriers

to employment. This programme will support this priority group to acquire new skills and work experience and secure employment.

- 5.2 The external funding is time bound and must be spent by 31 March 2017, therefore a waiver is sought to contract with Aspire-Igen to deliver the key worker support on a payment by results basis to ensure continued value for money.

5 Recommendations

- 6.1 The Director of Children's Services is asked to:

- Authorise expenditure of £225,000 to implement a second phase of the Head Start programme to support young people move into work with a focus on care leavers.
- Waive Contracts Procedure Rules No 8.1 and 8.2 – Intermediate Value Procurements to award a contract up to a maximum value of £83,250 to Aspire-Igen to deliver key worker support as part of the Phase 2 programme to 31 March 2017.

- 6.2 The Head of Projects and Programmes will be responsible for the implementation of the programme and contract management activity to maximise grant expenditure up to 31 March 2017.

7 Background documents¹

- 7.1 Not applicable.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.