

---

**Report of the Chief Officer Employment and Skills**

**Report to the Director of Children's Services**

**Date: 3 January 2017**

**Subject: Head Start Programme Phase 2 (Extension)**

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 supporting unemployed 18-24 year olds on a qualifying benefit, move into employment. Ending in March 2016, a key feature of the programme was the tailored support offered to each young person. This was delivered under a contract with Aspire IGEN in Leeds.
3. In September 2016 approval was given to extend the original contract through a waiver to deliver a phase 2 programme incorporating an additional grant award from the West Yorkshire Combined Authority (WYCA). This extended programme known as Head Start Phase 2 started in September 2016 and has continued 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. Key Worker support continues to be delivered by Aspire IGEN.
4. The new programme is now well underway and continues to support vulnerable young people make the transition into work. To maximise the full grant allocation, this report

seeks approval to put another 5 young people through the programme (and complete their placement by 31 March 2017).

## **Recommendations**

The Chief Officer Employment and Skills is asked to:

- Waive Contract Procedure Rule (CPR) 21.7 to allow the variation of an existing contract, that will increase the participant numbers on the Head Start Phase 2 Programme from 45 to 50 and,
- Waive Contract Procedure Rules (CPR) 7.1 to increase the total maximum value of the Aspire IGEN contract by £9,250, which is a low value contract under £10,000 and represents best value for money.

## **1 Purpose of this report**

- 1.1 This report seeks approval to increase the number of young people supported under the second phase of the successful Head Start Programme and, to utilise the maximum value of the Aspire-IGEN Key Worker contract accordingly.

## **2 Background information**

- 2.1 In September 2016, Aspire IGEN was commissioned through a waiver to support 45 young people on a paid 8 week work placement, under the Head Start Phase 2 programme. Eligible young people are referred to the Phase 2 programme by the Children's Social Work 13+ Team and Jobcentre Plus. Participants attend an induction day to be provided with an overview of the programme. Participants 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.
- 2.2 Each participant is assigned a dedicated key worker who supports them throughout the duration of the programme. All participants attend an 8 week paid work placement for 4 days per week, with a further day receiving ongoing support from Aspire IGEN. Participants receive the current National Minimum Living Wage of £7.20 per hour, which equates to £216 per week.
- 2.3 To date, two of the three planned cohorts have begun with all 30 young people starting their placements. A further cohort is planned for early January 2017.

## **3 Main issues**

### **3.1 Programme Underspend**

- 3.1.1 The Head Start Phase 2 Programme was approved in September via a waiver and, to date, has met all time bound targets. However, taking into account outstanding expenditure, including payments due to Aspire IGEN to the end of March 2017, there is an anticipated underspend of approximately £25,000.
- 3.1.2 This has arisen on the basis that the budget assumed a maximum cost allowance for each individual which has not been fully utilised. This included the possibility that each young person would be based with a different employer. In reality, more than one individual has been placed with some employers reducing the cost of risk assessments. There has also been limited need for new PPE resulting from the use of recycled items.
- 3.1.3 The estimated underspend can support an additional cohort of 5 young people through the programme. However, the recruitment of these individuals will need to commence immediately, as the funding must be spent by 31 March 2017.

### **3.2 Contract Procedure Rules No 7.1 and 21.7**

- 3.2.1 It is proposed to take a decision under CPR No 7.1 and 21.7 to amend the contract with Aspire IGEN and increase the maximum value from £83,250 to £92,500 (an increase of £9,250) to support the additional cohort. Key worker support for these individuals will be delivered on the same basis as the original contract.

- 3.2.2 Contract Procedure Rule (CPR) No 7.1 allows for award of contracts under £10,000 where it represents best value for money. CPR 21.7 allows for the variation of an existing contract.
- 3.2.3 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 support the additional cohort. Aspire IGEN has confirmed that it has existing staff in place to provide the key worker provision for the proposed increased number of participants.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Executive Member for Employment, Skills and Opportunity has been consulted on the proposals in this report.
- 4.1.2 Discussions have taken place with the Care Leavers Team, Children's Social Work services on the proposed changes, and Aspire IGEN 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 attached at Appendix 1 identifies the positive impact of the proposals set out in this report, on unemployed young people aged 18-24.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 The Head Start Phase 2 Programme contributes 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. The programme 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 changes to increase the cohort supported on the Head Start Phase 2 programme will be delivered entirely through the use of external funding.
- 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 which is not subject to Call in.

### **4.6 Risk Management**

- 4.6.1 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.
- 4.6.2 Aspire IGEN will continue to deliver the key worker support contract on a payment by results basis, and the maximum value they can claim remains within the programme budget.

## **5 Conclusions**

- 5.1 The new provision continues to focus on key priority groups which remain some distance from the labour market including young care leavers who can face additional and often complex barriers to employment.
- 5.2 The Council commenced delivery in September 2016 and has the opportunity to maximise the external funding available under Head Start Phase 2 by increasing the cohort of young people supported to acquire new skills and secure employment for care leavers.
- 5.3 The funding is time bound and must be spent by 31 March 2017. Therefore, this report also seeks to vary the existing contract with Aspire IGEN by a further £9,250 to deliver key worker support to an additional cohort of 5 young people. If supported, payment will continue to be made based on a results basis.

## **6 Recommendations**

- 6.1 The Chief Officer Employment and Skills is asked to:
- Waive Contract Procedure Rule (CPR) 21.7 to allow the variation of an existing contract, that will increase the participant numbers on the Head Start Phase 2 Programme from 45 to 50 and,
  - Waive Contract Procedure Rules (CPR) 7.1 to increase the total maximum value of the Aspire IGEN contract by £9,250, which is a low value contract under £10,000 representing best value for money.
- 6.2 Note 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 documents<sup>1</sup>**

- 7.1 Not applicable.

---

<sup>1</sup> 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.