

AGENDA ITEM

REPORT TO CABINET

9th October 2008

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

**REGENERATION AND ECONOMIC DEVELOPMENT – Lead Cabinet Member – Councillor
Cook**

COMMUNITIES FUND REPORT

1. Summary

This report outlines the delivery plan and the mechanism for the allocation of the balance of Stockton's Communities Fund beyond the transitional year of NRF interventions as previously agreed by Cabinet on 24th April 2008.

2. Recommendations

1. Cabinet agree that the balance of £10.2 million already allocated to the Communities Fund be apportioned as follows:
 - £7.2M of the fund will 'follow the person' and will be allocated to employability activity and increasing skill levels in the Borough.
 - £2M will be targeted towards increasing levels of enterprise in the Borough in line with the themes identified through the previous Local Enterprise Growth Initiative (LEGI) bid.
 - £1M will be allocated to a Communities Contingency Fund for ongoing evaluation of the programme and a further Skills Audit to better inform the needs of the community.
2. Cabinet agrees that the delivery plan including the "worklessness, employability and skills", "enterprise" and "contingency" elements will be procured through the Public Contracts Regulations 2006 and Stockton Council's own contract procedure rules.
3. Cabinet agrees that the delivery of the employability programmes will concentrate on five adjacent geographical areas, generally aligned to the Area Partnership boundaries and that up to five lead providers will be commissioned to deliver those programmes/services.
4. Cabinet agrees that payments be defrayed on the basis that there will be a fixed allocation for the delivery of the programme paid monthly to help assist with cash flow, a variable staged progression payment, which will include measurable milestones and a performance/reward payment. The actual proportion of each payment stage will be agreed as part of the procurement process.
5. Cabinet endorse the priorities and criteria set out in paragraphs 5 to 6.4 of the report.

3. Reasons for the Recommendations/Decision(s)

Stockton has been allocated £13,511,065 of Working Neighbourhoods Fund (WNF) over a three year period. As a result of the late announcement of the WNF, Cabinet previously agreed to have a transitional year for the remaining 40 NRF projects, which amount to an expected expenditure of £2,785,027 during 2008/09. In the said Cabinet Report the proposals for governance recommended that Cabinet “Agree the allocation of the Communities Fund to a delivery plan/programme to improve employability” this report outlines the delivery plan and the mechanism for the allocation of the balance of Stockton’s Communities Fund beyond the transitional year.

4. Members’ Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council’s code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member’s judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member’s membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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COMMUNITIES FUND REPORT

SUMMARY

This report outlines the delivery plan and the mechanism for the allocation of the balance of Stockton's Communities Fund beyond the transitional year of NRF interventions as previously agreed by Cabinet on 24th April 2008.

RECOMMENDATIONS

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2. Cabinet agrees that the delivery plan including the "worklessness, employability and skills", "enterprise" and "contingency" elements will be procured through the Public Contracts Regulations 2006 and Stockton Council's own contract procedure rules.
3. Cabinet agrees that the delivery of the employability programmes will concentrate on five adjacent geographical areas, generally aligned to the Area Partnership boundaries and that up to five lead providers will be commissioned to deliver those programmes/services.
4. Cabinet agrees that payments be defrayed on the basis that there will be a fixed allocation for the delivery of the programme paid monthly to help assist with cash flow, a variable staged progression payment, which will include measurable milestones and a performance/reward payment. The actual proportion of each payment stage will be agreed as part of the procurement process.
5. Cabinet endorse the priorities and criteria set out in paragraphs 5 to 6.4 of the report.

DETAIL

1. Introduction

- 1.1 The Working Neighbourhoods Fund (WNF) was created by Government to simplify and refocus local level funding to tackle worklessness and low levels of skills and enterprise within some of the most disadvantaged communities. This new fund, part of the non ringfenced Area Based Grant (ABG) replaces Communities and Local Government's Neighbourhood Renewal Fund and concentrates the focus of neighbourhood renewal on these core areas of regeneration.
- 1.2 Government intend that the fund will provide the basis for a new approach, recognising the need to tackle worklessness on a local community wide basis to provide maximum flexibility to local authorities to design local worklessness programmes to meet local needs.
- 1.3 Stockton has been allocated £13,511,065 over a three-year period. As a result of the late announcement of the WNF, Cabinet agreed to have a transitional year for the remaining 40 NRF projects, which amount to an expected expenditure of £2,785,027 during 2008/09. A further allocation for the Area Partnerships of £516,705 over the three years has also been agreed. Consequently, there is £10,209,333 available for activities to tackle worklessness and increase the levels of skills and enterprise in the Borough.
- 1.4 In Stockton, Cabinet has agreed to refer to the Working Neighbourhoods Fund as the Communities Fund. This is in recognition of the emphasis placed on budget setting and commissioning in the recently published 'Unlocking the talent of our communities' and the consultation paper on the Statutory Guidance on Strong and Prosperous Communities about working with and within local communities. This guidance, in addition to the DWP's Green Papers, A new deal for welfare: Empowering people to work, and No one Written off, focuses on tackling poverty and social exclusion. This devolved responsibility to local authorities offers the unique opportunity to use WNF to have more control over the delivery of accountable services that best suit the needs of the locality. It offers the opportunity to give the community the tools to get involved and leads to neighbourhood empowerment.
- 1.5 The value of provision will reflect the training and support that is needed for a person to achieve sustainable employment, as this will vary depending on the complex and individual needs of that person.
- 1.6 In line with Government guidance for the Working Neighbourhoods Fund to tackle worklessness and the low levels of skills and enterprise consideration has been given to allocate the Communities Fund to three distinct elements in recognition of the work that will be required to improve the status quo. This will be as follows:
 - £7.2M of the fund will 'follow the person' and will be allocated to employability activities and increasing skill levels. This will be aligned to the five stages of the Regional Employability Framework, which are 'engagement', 'action planning', 'employability services', 'job placement' and 'aftercare and retention'.
 - £2M will be targeted towards increasing levels of enterprise in the Borough.
 - £1M will be allocated to a Communities Contingency Fund for ongoing evaluation of the programme, good practice dissemination events and a further Skills Audit to better inform the needs of the community around factors that may still remain as a barrier to residents accessing jobs. The development of more specialist support or associated projects for the most vulnerable groups with multiple barriers may be a consideration for the Contingency Fund, along with ongoing recognition of success.

Each of these aspects is now considered in turn.

2. WORKLESSNESS, EMPLOYABILITY AND SKILLS

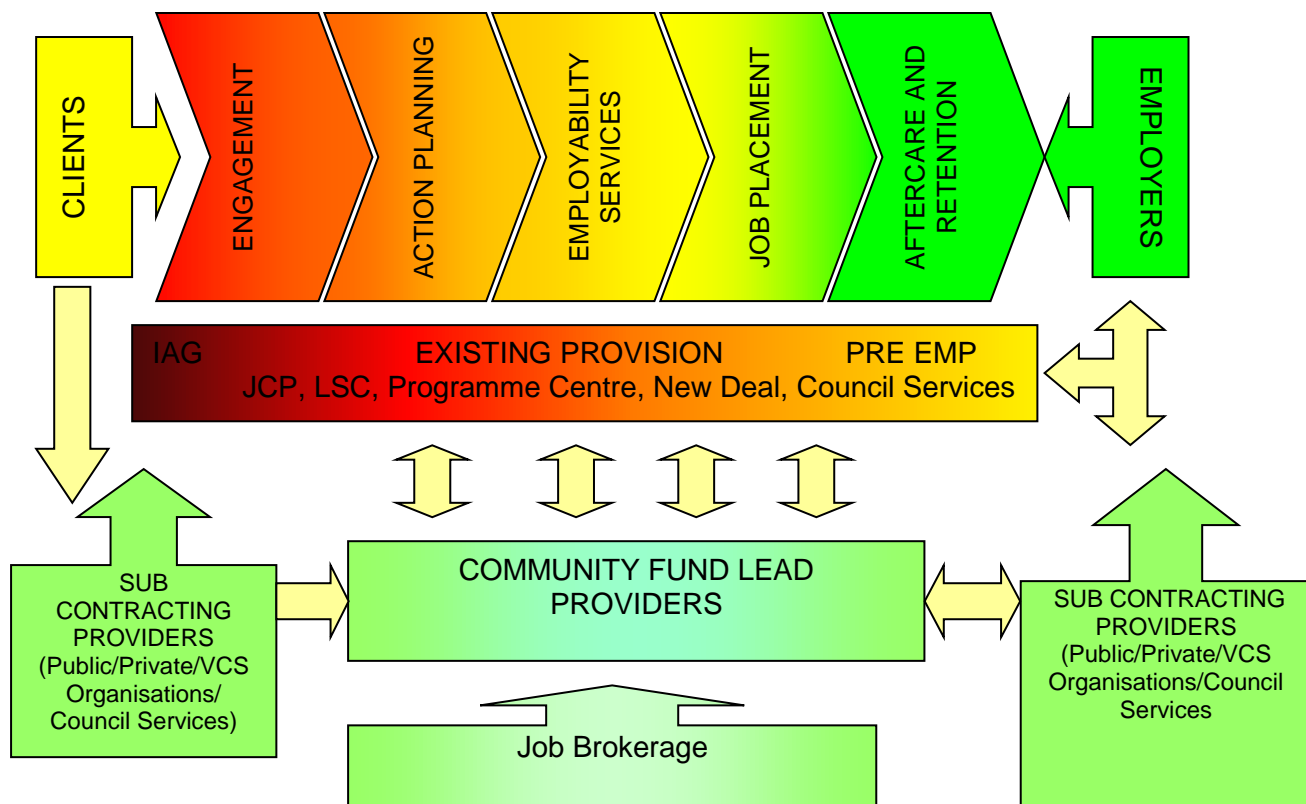
Background

- 2.1 Stockton-on-Tees has a working age population of 118,600, with 19,860 residents relying on the Government's key out-of-work benefits, many of whom reside in the worst performing neighbourhoods, identified as having a benefit claim rate of 25% or more. This equates to 24 identified Lower Super Output Areas across the Borough, the highest being 49.7% in Stockton Town Centre Ward.
- 2.2 Stockton has agreed with Government Office for the North East as part of its Local Area Agreement (LAA) to reduce the average benefit claim rate of 32.3% in the worst performing neighbourhoods to 26.5% over three years and to increase the overall employment rate from 73.2% to 74.1%. Based on current rates of worklessness we will need to help a potential total of 1,950 people to find work to achieve these targets.
- 2.3 We have seen significant improvements in recent years in the delivery of the worklessness agenda on a number of different cross cutting themes, in particular health and housing through NRF and the Deprived Area Fund. These values and principles and the action plan and recommendations from the recent Select Scrutiny Review of 'employability' dovetail with the overall philosophy of the Working Neighbourhoods Fund and give Stockton the opportunity to further strengthen this area of work.

3. Programmes

- 3.1 The ultimate aim of the Communities Fund is to secure sustainable employment for the most disadvantaged and to help and support the 'hardest to reach and hardest to help' move closer to the labour market. By sustainable employment we mean not just jobs, but jobs that pay and offer retention and progression. Experience from previous funding programmes has shown that disadvantaged people face multiple barriers. Consequently, tackling worklessness needs to involve a coordinated multi-agency approach as demonstrated in Appendix 1, in order to create and sustain enterprise to drive demand for labour in and around neighbourhoods with high levels of worklessness. Therefore, it is unlikely that any one provider will be able to deliver the package of support that will be required by the Communities Fund without support from a number of other providers/suppliers.
- 3.2 Stockton is looking for providers to take a new and unique innovative approach to Community Fund programmes that will offer a holistic tailored individual approach, rather than "one size fits all" that coordinates activity for every client from engagement to sustainable employment. Providers will be responsible for intensive case management and coordinating of personalised help for individuals to re engage with the labour market using the services of mainstream and partner organisations to best support that individual, increasing flexibility, addressing shortfalls in provision and avoiding duplication of delivery.

3.3 The following diagram illustrates how the relationships and association between the lead providers and all the delivery partners, including public, private and voluntary and community sector organisations, is aligned to the Regional Employability Framework.



3.4 Programmes will be commissioned with lead providers to cover five adjacent geographical areas, generally aligned to the Area Partnership boundaries. Up to five key contracts will be awarded to deliver provision that will complement, integrate with and add value to the existing services provided by the mainstream providers and our partners. These lead providers may include a cocktail of private, public and third sector organisations. As it is also key to delivery that providers engage with and work in partnership with existing service providers, including all the various Council services, PCT, LSC and Jobcentre Plus the procurement process will require them to evidence how this will be achieved.

3.5 Our relationships with lead providers will operate increasingly at a strategic level moving towards shared thinking and insights, jointly identifying opportunities for efficiency gains and better outcomes. These lead providers will be expected to sub contract with smaller and other specialist providers, using social clauses, letters of intent and commitment statements in the tendering process. There is no intention that the lead providers will deliver all of the elements, or the complete end to end process and we expect the process to involve local partnerships that will build the joined-up relationships and delivery arrangements that are central to success.

3.6 This may include procurement of specialist provision, for example, developing bespoke apprenticeship programmes outwith mainstream provision, or individual vocational training programmes that reflect a demand led approach to suit needs of employers, or a guaranteed housing bond scheme to enable people to access social accommodation, helping to stabilise a person’s circumstances, which is a necessity in securing employment, to name but a few.

3.7 As this is a relatively new way of delivery for the authority there will be continual assessment of the whole programme with both formal and informal project and performance management.

Specific milestones will be set around the five stages of the Regional Employability Framework over the lifetime of the programme. However, the prime objective is to secure employment for local people and as a consequence individual targets will be set year on year to ensure we are achieving our strategic outcomes. Formal quarterly monitoring visits will be undertaken and the delivery provider will be expected to provide a full range of performance management information, including expenditure, outputs and beneficiary details. This will help to identify any duplication or inconsistencies in processes, whilst also ensuring the added value brought by projects. This will help to inform the performance reports that will be provided to Renaissance, ER & TP, the Area Partnerships and to the Employability Consortium.

3.8 In determining payment arrangements consideration will be given to the state of the market (and specifically the strength of the balance sheets of providers and therefore the ability to carry working capital), and the nature of the customer group, i.e. degree of difficulty involved in getting individuals back into work and therefore the risk for providers where weighting of payment is placed heavily on outcomes. A steering group will be established with the preferred lead providers and the mainstream delivery organisations to ensure shared good practice and expertise to minimise risks in all areas at regular quarterly meetings.

4 Procurement

4.1 Contracts will be awarded by open and fair competition between potential suppliers to deliver sustainable jobs for unemployed people. Organisations will have to demonstrate that they have a proven track record in delivering programmes that ultimately have secured employment for the most disadvantaged or helped and supported the 'hardest to help' move closer to the labour market. They must be able to demonstrate knowledge of the local labour market and the multitude of barriers that may prevent local people fulfilling their potential.

4.2 Organisations will be expected to develop effective delivery proposals that demonstrate that they have the capability and capacity to meet a wide range of needs from a diverse customer group. The tender evaluation process will ensure that potential providers intend to use high performing, smaller and specialist providers as sub contracting organisations who have the expertise to deliver high quality services. This approach enables these providers to get involved in delivering part of the programmes but without the administrative burden, ensuring large providers understand the need to achieve diversity in the service delivery. This will allow for any necessary capacity building to be identified and addressed.

4.3 The procurement strategy will be designed around delivery of outcomes that will encourage service providers to think innovatively and to maximise engagement with local delivery partners from all sectors. Payment mechanisms will be designed to incentivise performance and maximise our return on investment.

4.4 The specification will ensure the partnership is aligned with the strategic plans, ensuring a clear understanding of how the project outputs contribute directly towards job outcomes and deliver against, clear goals or targets. Partners will measure achievements of outputs, putting controls in place to manage risks. Delivery organisations will be expected to include details of management policy and account and budget management, with clearly defined reporting requirements. The lead providers will also be required to provide details of payments to the smaller and other specialist providers to ensure that the multi-agency approach is working in practice and that no provider is operating in isolation. Specifications will clearly define the timescale of operations over the three year programme and it will be a requirement for providers to clearly identify their exit strategy. Financial appraisals, audited accounts and external inspections will be included to ensure appropriate use of resources.

4.5 This is a new and innovative method of service delivery and the Communities Fund will strive for a balance between any risks contractors will carry in terms of working capital and the potential rewards available through outcome focused funding. Larger, fewer contracts will avoid duplication and the piecemeal approach that is labour intensive with costly resource

implications for project management. Appropriate targets and inspection throughout the programme will seek to minimise any risks of under performance. This method supports Stockton's procurement and commissioning strategy and delivers specific and prescriptive provision. The Council as the commissioner of services will determine the levels of risk that are acceptable and will, therefore, design the tender process in such a way. Actions to mitigate any risk will be implemented including robust pre and post contract relationships with providers.

The payment structure will be as follows, but the actual proportion at each stage will be agreed as part of the procurement process:

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ % for Fixed Delivery Fee | <ul style="list-style-type: none"> % of contract price ÷ equal monthly payments |
|--|---|

to provide suppliers with a guaranteed monthly payment by way of contribution towards the delivery of the service, which will include an element of administration costs.

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ % Variable Progression | <ul style="list-style-type: none"> % of contract price ÷ agreed staged payments |
|--|---|

which will include measurable milestones linked directly to jobs and to the stages of the Regional Employability Framework.

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ % for Performance | <ul style="list-style-type: none"> % of contract price Paid pro rata on achievement of agreed outcomes |
|---|--|

4.7 This type of payment structure has been in practice with the likes of the LSC and JCP for sometime. It also reflects recent good practice advocated in the Government's Freud Report about 'Payments for Results'. A higher weighting on outcome and progression payments will add importance to the end result, while offering a monthly income for sustainability. This option will offer both the flexibility for the delivery of innovative packages or programmes, while providing the working capital needed for sustainability, particularly to help support voluntary and community sector organisations.

4.8 The quality of governance arrangements is a key determinant of the success of the contract. Good corporate governance combines the 'hard' factors – robust systems and processes – with the 'softer' characteristics of effective leadership and high standards of behaviour. Governance systems should be practical and proportional to the responsibilities and risks of the lead providers.

4.9 During the life of the programme, we will undertake periodic self assessment health-checks with lead providers to ensure that they continue to adhere to the PQQ assessments in conjunction with the Council's Procurement Manager. Each year a sample of these health-checks will be subject to Internal Audit review as to their reliability.

Procurement Timetable	
20 October 2008	Advertisement/Expression of Interest/PQQ
17 November 2008	Deadline for return of EOI/PQQ
W/C 1 December 2008	Network Event for short listed service providers and issue of tender documents
9 January 2009	Deadline for receipt of full tenders/ proposals
End of January 2009	Award of contract decision and signing of contracts
February 2009	Expected Project Start date

5. Priority Groups

5.1 The Communities Fund will support any individual who wishes to aspire to fulfil their potential, in particular, those individuals who are regarded as being from one or more disadvantaged groups from the disadvantaged areas. These groups are identified as:

- Young people aged 12-24;
- People with low skill levels below NVQ Level 2, including key skills such as literacy, numeracy and ICT;
- Homeless people;
- People from Black and Minority Ethnic Communities (including refugees);
- Lone parents (in particular teenage parents);
- Drug and alcohol abusers;
- People with long term health conditions;
- People with learning and physical disabilities, mental health conditions and people needing sensory support;
- Offenders and Ex-offenders;
- Families and individuals suffering financial exclusion;
- People leaving care, especially young people;
- Carers;
- Unemployed people not claiming benefits but still in disadvantage;
- Family groups suffering generational unemployment;
- Older People aged over 50.

6. Geography

6.1 To address issues of substantial deprivation in areas where there are clients and families with multiple barriers it will be essential to ensure that help is available where it is needed. By examining geographical data and considering issues faced by marginalised groups in the Borough, we will secure up to five providers who can deliver in those areas.

6.2 Focus will be on the worst 24 neighbourhoods (LSOAs) that are identified as having in excess of 25% of their residents reliant on key Government benefits, however, this is not exclusive. The flexibility of the fund allows some focus on wards that have less than 25%, consequently, support in adjacent or surrounding LSOAs will enhance the overall activity.

6.3 However, providers will be expected to demonstrate that at least 80% of beneficiaries are from the worst performing neighbourhoods and no more than 20% are from elsewhere in the Borough. This activity will be aligned with the Area Partnership Boards. (The criteria for eligibility may be more tightly defined for this outside the LSOAs).

The following table shows a breakdown of the five identified areas based on the LAA National Indicator 153 "Working Age People Claiming Out of Work Benefits in the worst performing neighbourhoods" and the corresponding numbers of people in receipt of DWP Non work benefits.

INDICATOR NI 153			
Working Age People Claiming Out of Work Benefits in the worst performing neighbourhoods			
Neighbourhood	ONS LSOA Pop Ests 2005	DWP Non-work Benefits	
	Working Age Pop	Av May2006 to Feb 2007	Rate (%)
Central area inc 6 LSOAs (Newtown)	6330	1838	29
Central area inc 12 LSOAs (Hardwick)	9614	2160	22
Central area inc 6 LSOAs (Stockton Town Centre)	6597	2356	36
Eastern area inc 9 LSOAs (Thornaby)	8518	2274	27
Northern Area inc 12 LSOAs (Billingham)	10717	2415	23

Please see Appendix 2 for a map illustrating the worst performing neighbourhoods.

7. ENTERPRISE

7.1 Stockton has one of the lowest levels of entrepreneurial activity in Great Britain. Our company base is relatively small, VAT de-registrations have exceeded new registrations in three of the last five years and self-employment rates are well below average. As a result, Stockton has an enterprise deficit and this is constraining the development of local markets, the productivity and growth prospects of existing businesses and the creation of employment to lift more residents out of poverty.

7.2 Enough entrepreneurs are not being created through conventional 'start-up' routes and therefore, there is a need to engage with people who are currently prevented from realizing their potential as true business leaders, recognizing that self employment is a route out of worklessness for some of the hardest to help, particularly those with poor health who are able to manage their business around their health condition.

7.3 To reverse this trend and create further opportunities for the residents of Stockton, £2 Million will be allocated towards increasing the levels of enterprise within the Borough, but focusing on the most deprived neighbourhoods. This specific entrepreneurial activity will be targeted at programmes of support previously identified as part of the Local Enterprise Growth Initiative (LEGI) bid, which included proposals to build an enterprise culture, enable more people to set up in business via easy access support in target neighbourhoods and improve the competitiveness of existing businesses. This will also add value to a Tees Valley European Regional Development Fund proposal, potentially securing a further £820,000 for the Borough to be used for specific enterprise activity as outlined in paragraph 7.7 below.,

7.4 This element of the Communities Fund will be procured separately from the more generic worklessness activity as it will need to meet European procurement regulations.

7.5 In March this year, the Government also announced a new Enterprise Strategy, the central vision of which is to make the UK the most enterprising economy in the world and the best place to start and grow a business. An element of this focuses on social enterprise, a form of

business with primarily social or environmental objectives, which can be a useful tool to alleviate poverty amongst the most marginalised in society and has a role to play in regenerating neighbourhoods and increasing community cohesion. Enterprising social organisations are at the heart of the community and are a means by which people can become enterprising themselves. In Stockton this sector remains relatively under-developed, but has the potential for significant growth.

7.6 We propose a series of interventions that will complement Business Link activities, provide pre-brokerage intensive support and that are aligned to the Business Support Simplification Programme. They will focus resources to encourage and engender a culture of enterprise within the disadvantaged areas of Stockton. We will raise local awareness of and involvement in enterprise and support people to move along the enterprise journey from the animation to actual business start. We will also support small businesses to overcome barriers and so encourage their growth.

7.7 Proposals will be expected to include the following main elements: –

- Enterprise Culture – working with young people to raise the profile of and involvement in enterprise and business creation.
- Proactive outreach enterprise support and coaching in our disadvantaged communities.
- Community based packages of pre-start and start-up support for disadvantaged and key target or underrepresented groups
- The development of existing and aspiring social enterprises at the heart of our disadvantaged communities.
- Support for existing small businesses in relation to taking on employees, encouraging businesses to grow- and bidding for procurement opportunities

8. COMMUNITIES CONTINGENCY FUND

8.1 This element of the Communities Fund will be allocated for specific activity not elsewhere covered. This will include the ongoing evaluation of the programme, good practice dissemination events, ongoing publicity of the programme and a further Skills Audit to better inform the needs of the community around factors that may still remain as a barrier to residents accessing jobs. Also the development of more specialist support or associated projects for the most vulnerable groups with multiple barriers may be a consideration for the Contingency Fund, along with ongoing recognition of success.

9. Approval Process

The following table outlines the arrangements for the approval process as previously agreed in line with Renaissance and the Cabinet Report of 24th April 2008.

Approval Process		
Date	Who	What
10 September 2008	Economic Regeneration & Transport Partnership	Agree developed criteria as in paras 5 to 6.4 of this report and recommend delivery plan to Renaissance
24 September 2008	Employability Consortium	Recommend final criteria
26 September 2008	Area Partnerships Event	Agree criteria and commissioning programme to ERTTP
7 October 2008	Renaissance	1. Endorse programme priorities and criteria for allocation of funding. 2. Recommend to Cabinet adoption of proposed delivery plan
9 October 2008	Cabinet	Agree the adoption of the Communities Fund delivery programme.

FINANCIAL IMPLICATIONS

Delivery will commence in the first WNF financial year, which is likely to be February 2009 and will be for a period of up to three years from the date of the offer letter. This will result in some monies rolling into a fourth year. This view has been discussed and official guidance from DCLG stipulates that: "Local authorities are free to use all of their non-ringfenced funding as they see fit to support the delivery of local, regional and national priorities in their areas, including the achievement of LAA targets." and that: "As a non-ringfenced general grant, there will be no restrictions on authorities' ability to carry forward ABG. However, the Audit Commission will continue to have a role in assessing whether authorities have invested their resources effectively."

This will allow for longer term contracts, which will offer greater security and sustainability providing the opportunity to build capacity with providers, particularly from the voluntary and community sectors.

LEGAL IMPLICATIONS

All three elements of the allocation of the Communities Fund will be procured through the Public Contracts Regulations 2006 and Stockton Council's own contract procedure rules to ensure that the process is open and transparent.

RISK ASSESSMENT

This matter is categorised as low to risk. Existing management systems and those proposed within the delivery plan for the Communities Fund will be sufficiently robust and rigorous to control and reduce the level of risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

The priority theme directly linked to the worklessness agenda is Economic Regeneration & Transport. The Partnership aims to bring more people into employment, strengthen our knowledge base, promote a more entrepreneurial culture and strengthen key industrial clusters.

The key ambition at the heart of this vision is 'a strong local economy with better jobs and improved employability'.

However, it will be expected that the Communities Fund will touch a number of other areas of the Sustainable Community Strategy as it is recognised that a co-ordinated multi-agency approach is required to achieve the long term objectives of moving more people in to work, improving the skill levels of local people and increasing the level of entrepreneurial activity across the Borough.

EQUALITIES IMPACT ASSESSMENT

This report has been subject to an Equality Impact Assessment and has been judged to have a positive impact. An action plan for further improvements has been developed.

CONSULTATION INCLUDING WARD/COUNCILLORS

Extensive consultation with key stakeholders has taken place to secure support for the publication and procurement processes. The Stockton Employability Consortium in line with some of the recommendations of the Select Scrutiny Review has agreed the vulnerable groups that should be supported and the principles and criteria for the development of the Communities Fund delivery plan. This includes representatives from Jobcentre Plus, Learning Skills Council, North East Employer Coalition, PCT, CESC (STEPS & Drugs Action Team), Housing, Tristar Homes, Neighbourhood Management Pathfinder and representatives from the Voluntary and Community Sector, including Catalyst and the Cabinet Member for Regeneration & Economic Development.

The proposed approach will build upon the previous successful partnership arrangements in the Borough and strengthen both the LSP and community role in working together to deliver the employability agenda.

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Background Papers

DWP A new deal for welfare: Empowering people to work
DWP Ready to Work, Skilled for Work: Unlocking Britain's Talent; Reducing dependency, increasing opportunity: options for the future of Welfare to Work
DWP/DCLG Working Neighbourhoods Fund
DIUS/DWP publication Opportunity, Employment and Progression: making skills work
DIUS Command Paper – Work Skills
Leitch Review of Skills
Regional Economic Strategy
Regional Employability Framework
CLES Rapid Research – The Working Neighbourhoods Fund, neighbourhood renewal & the third sector
Stockton Council Select Scrutiny Review of Employability
Skills Audit Research
Cabinet Report 24th April 2008 - The role of Stockton Renaissance post Neighbourhood Renewal
Funding and governance arrangements for Working Neighbourhoods Fund

Ward(s) and Ward Councillors:

All wards - Consultation will be undertaken as appropriate.

Property

No implications in relation to Council property

Case Study

This case study provides an example of how an individual with complex needs would be supported into employment through this programme.

Mr X is a homeless man who has Asian heritage. He has low levels of numeracy and literacy and has struggled to find work due to poor physical health and has been diagnosed with depression. In the last few years he has become dependent on drugs and alcohol though is keen to overcome this. He is currently homeless and living in council supported B&B accommodation. Unemployed for over fifteen years, isolation and social exclusion means he is lacking self confidence, and uncomfortable meeting people and has a history of offending to support his drug habit. As an ex-offender, he needs his driving licence back in order to take up a job. He has no bank account and has a large debt as a result of a previous drug taking habit.

Mr X's initial engagement with the organisations providing our worklessness programme through the Communities Fund could be through one or more of the organisations currently supporting him. Involvement with Housing Organisations, Probation Services, Faith Venues or any Community based Organisation will result in the referral to Lead Provider for Communities Fund and formulation of an action plan may commence with the VCS organisation where they have the knowledge and skills to inform ongoing activities and steps necessary to address the issues. Any referral from engagement will attract payment, as will other key stages of the client's journey, closely aligned to the Regional Employability Framework.

Mr X's journey will involve a number of steps, or stages. The first will be stability, and involve exploring opportunities for Housing bond and pre tenancy training. Intensive drug and substance abuse counselling will be equally necessary to improve Mr X's health and ensure he does not re-offend. Financial exclusion needs to be addressed, probably through referral to Credit Union for support through practical debt assistance and debt counselling. Self esteem and confidence can be raised by Basic Counselling Courses and healthy lifestyle can be addressed with Cookery and health awareness sessions. Once this is achieved, numeracy and literacy skills can be improved followed by employability skills training. Specialist occupational training (e.g. training for Construction Plant Competence Scheme (CPCS) card is available, followed by volunteer placements to secure some pre work training. Specialist providers can also provide peer support, mentoring and in work support.

The provider's activities to support Mr X into work could include:

Engagement

- Initial diagnostics
- Intensive Information Advice and Guidance

Pre Employability and Action Planning

- Intensive programme of support to become drug & medication free
- Basic Counselling Course
- Debt advice and counselling
- Support services to enable tenancy sustainability and independent living
- Cookery and healthy lifestyle course
- Employment Skills
- Financial/ practical support for driving licence

Employability Services

- Construction S Certification Scheme Test construction industry activity
- Computer literacy I.T. Course
- Employment Skills Programme
- Numeracy and literacy skills
- Training in Horticulture or other specialist activities

Work Placement

- Intermediate Labour Market placements
- Aftercare and retention
- Volunteering organised, as a route into employment
- Volunteer placements to gain experience
- In work mentoring, and/or support.
- In work training

These stages reflect the Regional Employability Framework and each would attract payment from the Communities Fund.

