

Decision Maker: Resources Portfolio Holder

**For pre-decision scrutiny at the
Executive & Resources Policy Development and Scrutiny
Committee**

**For noting at the
Renewal & Recreation Policy Development and Scrutiny
Committee**

Date: 14th June 2012
10th July 2012

Decision Type: Non-Urgent Non-Executive Key

Title: Bromley Youth Employment Project

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Chief Officer: Marc Hume, Director: Renewal & Recreation

Ward: All

1. Reason for report

Following a decision by Bromley Council's Executive Committee to allocate £500,000 to support sustainable employment opportunities for young unemployed people who live in Bromley, this report recommends the creation of a three year project which focuses on creating sustainable jobs for unemployed residents aged between 18 and 24.

2. **RECOMMENDATION(S)**

The Executive and Resources Policy Development and Scrutiny Committee are asked to note the contents of this report and provide the Portfolio Holder with their comments.

The Resources Portfolio Holder is asked to

2.1 Approve the creation of an employment programme for young people aged 18 -24 over 3 years (2013 -2016) by way of apprenticeships and internships.

- 2.2** Approve the outsourcing of the project to a suitable, experienced and proficient employment and skills provider to deliver the outcomes desired from the aforesaid programme.
- 2.3** To approve an application to Jobcentre Plus' Flexible Learning Fund to deliver environmental skills and training to young people over the next 3 years with support from local and regional partnerships. It should be noted that the application may actually be submitted by one of Bromley's partners rather than by the Council directly. (Please see paragraph 3.32)

To be noted at the Renewal & Recreation Policy Development and Scrutiny Committee on 10th July 2012.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Excellent Council Quality Environment Safer Bromley Supporting Independence Vibrant, Thriving Town Centres
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Financial

1. Cost of proposal: £500k will be spent over a period of 3 years
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Earmarked reserve for Members Priority Initiatives to support tackling youth unemployment amongst young people
 4. Total current budget for this head: £500k
 5. Source of funding: Earmarked reserve for Members Priority Initiatives
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Staff

1. Number of staff (current and additional): 1 (current)
 2. If from existing staff resources, number of staff hours: 36 hrs per week for 3 years
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Legal

1. Legal Requirement: None
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Unknown number of young unemployed Bromley residents and an unknown volume of local and regional businesses. If an application to the Jobcentre Plus Flexible Learning Fund is successful, it is likely that a further number of young unemployed residents will benefit from the scheme.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

Introduction

- 3.1 The Department for Work and Pensions and other organisations concerned with welfare to work issues are highlighting the negative affects that unemployment has on a generation of young people. Notably, a dependency on out of work benefits, mental health problems and a reduced ability to join the labour market are all consequences of unemployment for young people.
- 3.2 The number of 18-24 year olds unable to get work has been high since 2008 when the UK went into recession. In July of 2004, around 12.2 % of young people in the UK were unemployed and in September 2011, 21% were out of work.
- 3.3 The table below illustrates the number of young people claiming job seekers allowance both nationally and locally since the beginning of the recession. *Please note that these statistics report on those claiming job seekers allowance only and do not include all young people who are out of work.*

Date	18-24 year olds claiming JSA nationally		18-24 year olds claiming JSA in the London Borough of Bromley	
	Number	Rate	Number	Rate
April 2009	44800	7.8%	1585	7.1%
July 2009	450975	7.9%	1595	7.1%
October 2009	462250	8.1%	1670	7.4%
January 2010	465880	8.1%	1425	6.4%
April 2010	428320	7.4%	1290	5.8%
July 2010	388355	6.7%	1170	5.2%
October 2010	394165	6.8%	1335	5.9%
January 2011	401840	7.0%	1205	5.4%
April 2011	411195	7.1%	1295	5.8%
July 2011	433650	7.5%	1360	6.1%
October 2011	459615	8.0%	1560	7.0%
January 2012	465415	8.1%	1515	6.8%
April 2012	449,645	7.8%	1,445	6.4%

Table 1: Number of 18-24 year olds claiming Job Seeker's Allowance nationally and locally (2009 – 2012)
This does not include all unemployed 18-24 year olds.

- 3.4 In March 2012, Bromley Council's Executive Committee agreed to contribute £500k over the next three years to a programme which will engage unemployed 18-24 year olds with support to access sustainable employment opportunities in a difficult labour market.

Programme Aim

- 3.5 It is proposed that a programme is designed around a model of apprenticeships and internships opportunities created for 18-24 year olds who are claiming job seekers allowance, aimed at giving young people the skills and experience they require to take their next steps into the labour market.

Apprenticeships

- 3.6 An apprenticeship combines 'hands on' training at work with a structured qualification recognised by the apprentice's chosen industry.

- 3.7 A programme of apprenticeships will be targeted at school leavers aged between 18-24 who are eligible for apprenticeship funding but are finding it difficult to obtain their first paid position

Internships

- 3.8 A programme of internships will be aimed at young people aged between 18-24 who have completed further education courses such as degrees or higher level qualifications. It is reported that, for the first time, graduates are finding it more difficult to enter the labour market than school leavers. Internship opportunities will be designed to give these young people the opportunity to gain work place experience to strengthen their future employment prospects.
- 3.9 Subject to paragraph 3.18, it is expected that salaries for both apprenticeship and internship opportunities will be paid at the full national minimum wage as a minimum (£4.98 per hour for 18-20 year olds and £6.08 per hour for those aged 21 and over) and job descriptions will be designed to reflect this level of pay.
- 3.10 The programme to allow flexible working to ensure diverse participation. Apprentices will be given day release for one day per week to train for their qualification.
- 3.11 These employment opportunities would have a duration of six months (for internships) and one year (for apprenticeships).
- 3.12 The aim of this programme is to ensure that the employment opportunities created for young unemployed Bromley residents should have a sustainable outcome following the end of the opportunity; improving quality of life and boosting the local economy.
- 3.13 A pivotal aspect of the programme is effective job brokerage with businesses locally and regionally to ensure the young person moves into a sustainable job at the end of the Bromley Youth Employment Project.

Programme Delivery

- 3.14 Bearing in mind that the emphasis of the programme is job brokerage for sustainable employment, it is proposed that this programme is delivered by an external service provider.
- 3.15 This is appropriate because:
- In the current climate of budgetary reductions, the public sector is not best placed to create sustainable jobs for young people.
 - In this climate the Council does not have the capacity to create sustainable jobs in the private sector and to achieve the best results for these young people.
- 3.16 Officers are therefore recommending that the programme be outsourced to the market for delivery by an experienced and proficient employment and skills service provider.
- 3.17 A robust performance specification will be designed and the opportunity will be tendered. The successful service provider will manage the programme on behalf and in partnership with the Council.
- 3.18 Before the specification is finalised, a soft market testing exercise will be undertaken to ensure that the specification and outcomes are designed to achieve the best value from the market. It is essential that the successful service provider demonstrates value for money.

3.19 The performance specification will be based around a set of core outcomes/key performance indicators. Based on previous employment schemes, it is anticipated that this approach could achieve the following outcomes:

- A **minimum** of 52 unemployed Bromley residents aged between 18 and 24 are employed as part of the programme over a period of three years.
- A **minimum** of 70% of employees are matched with sustainable employment opportunities following the programme.
- A **minimum** of 50% of employees achieve industry recognised training/qualifications as part of their employment opportunity.

Ultimately, the levels of outcomes for both training and employment will be dependent on the tender returns which, as the timetable in 3.21 demonstrates, will be reported to Committee in January 2013 for approval.

3.20 In addition to core outcomes, the provider will also be expected to provide:

- Information, advice and guidance and pastoral care to those young people employed as part of the programme, with a particular emphasis on career progression.
- A promotional launch event and a set of Council approved publicity documents to promote the scheme and increase its profile among employers and young Bromley residents.

3.21 The anticipated timetable for procurement will be as follows:

Procurement Activity	Deadline
Soft market testing exercise undertaken	June 2012
Specification, conditions and ITT drawn up	27 th July 2012
Advertisement in press	30 th July 2012
Deadline for expressions of interest	13 th August 2012
PQQ documents issued	27 th August 2012
Deadline for PQQ returns	10 th September 2012
PQQ returns analysed and reviewed	5 th October 2012
Tender documents issued	8 th October 2012
Deadline for return of tender documents	5 th November 2012
Interviews take place	w/c 19 th November 2012
Analysis of tender documentation/interviews complete and report recommending preferred contractor prepared for committee deadline.	3 rd December 2012
Report to E&R and R&R PDS Committees for approval to award contract	3 rd January 2013 17 th January 2013

Award of contract following call in	31st January 2013
Launch of project	February 2013
Delivery begins	March 2013

Table 2: Proposed timetable for procurement of service provider

- 3.22 Initial consultation on the scheme has been undertaken with Jobcentre Plus and the National Apprenticeship Service and it has been indicated that there is an appetite among providers to deliver this sort of programme in the Bromley area. The National Apprenticeship Service has agreed to offer advice on the procurement and assessment of a service provider to support officers to appoint the best places service provider.
- 3.23 The potential partners for this scheme will be proficient training providers with experience managing similar contracts and delivering similar outcomes. They will have pre-existing skills and training programmes and knowledge of training frameworks recognised by employers that will make the programme more efficient.
- 3.24 Perhaps the biggest advantage that is achieved by outsourcing is that these potential service providers have pre-existing networks and links into the private sector. It is recognised by all parties already consulted that in order to meet the primary objective of the programme: sustainable employment for young people, opportunities in the private sector will need to be brokered so that positions are created with a view to converting the role into a long term opportunity after the funding has been withdrawn. This sort of brokerage service has already been developed by those providers in the market and relationships have been created and managed over a number of years.
- 3.25 The service provider will carry the risk for the programme. It is also likely that they will take on some of the HR functions for those employed as part of the programme.
- 3.26 The programme will be branded as Bromley Council's initiative.
- 3.27 An existing officer will be assigned to monitor the delivery of the contract, funded from within Renewal and Recreation budgets. As part of the contract management procedures, the chosen provider will be expected to provide the following on a monthly basis:
- Evidence of a referral from Jobcentre Plus of each young person employed as part of the programme.
 - For those employed to complete an apprenticeship opportunity, an original copy of the signed agreement between the employer, training provider and young person that is required to create the apprenticeship.
 - For those employed to complete an internship opportunity, a signed copy of their contract of employment.
 - An itemised invoice for the payment of the subsidy for the salaries of those employed as part of the programme and the provider's management fee.
- 3.28 The provider will also be expected to provide a quarterly report on the delivery of the contact that gives a progress update on the achievement of the core outcomes and that demonstrates the delivery of other outcomes and objectives highlighted in the specification. Case studies will be requested as part of this monitoring process.
- 3.29 An audit on the contract will be completed bi annually.

- 3.30 There is also a requirement that no double funding should be achieved by the provider or their partners if they claim financial support from other available funds.

Jobcentre Plus, Flexible Learning Fund

- 3.31 To compliment the Council's allocation of funding for a youth employment project, officers are seeking permission to work with partner agencies to apply to the Jobcentre Plus Flexible Learning Fund. It is recommended that the fund should be applied for to create a skills based environmental training programme that will compliment Council initiatives in the borough's parks and green spaces.
- 3.32 The value of this programme is estimated to be at £60,000 per annum and will be entirely funded by the Flexible Learning Fund, supported by partnerships with Capel Manor College, the National Housing Association and Groundwork London. Scoping for the project is currently underway with these partners.
- 3.33 Partnership working on this project will ensure value for money and effectiveness. It may be that the application is submitted by one of these partners with support from Bromley Council.
- 3.34 A number of short-term (6 week) courses will be run over three years that will provide training in conservation and horticulture. These short term courses are designed to move young people nearer to employment.
- 3.35 The trainees will complete their training in the borough's parks and green spaces under the guidance of the ranger service, giving added benefit to community spaces.
- 3.36 The fund will be applied for on an annual basis and it is expected that, if successful, delivery will commence before January 2013.

4. FINANCIAL IMPLICATIONS

- 4.1 An allocation of £500k has been set aside in an earmarked reserve to support tackling youth unemployment amongst young people.
- 4.2 This report is seeking approval to investigate whether the three year programme can be outsourced for delivery by an experienced and proficient employment and skills service provider.
- 4.3 The contract is expected to be based on the delivery of specific outcomes and no funds will be released unless these outcomes have been delivered.
- 4.4 The project is intended to be monitored by existing staff at no additional cost to the Council.
- 4.5 This report is also seeking approval to submit an application to Jobcentre Plus Flexible Learning Fund to deliver environmental skills and training to young people over a 3 year period with support from local and regional partnerships. It should be noted that the application may actually be submitted by one of Bromley's partners rather than by the Council direct.

5 LEGAL IMPLICATIONS

The selection of the service provider to support the programme is in accordance with the Council's contract procurement rules.

6 PERSONNEL IMPLICATIONS

There are no direct personnel implications because the scheme will be delivered by a third party provider however the client role will be delivered by Culture, Libraries and Leisure division within existing budgets.

All jobs created through this project will be managed by the service provider and the employer.

Non-Applicable Sections:	Policy Implications
Background Documents: (Access via Contact Officer)	N/A