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| <b>DECISION-MAKER:</b>        | CABINET   |  |                           |
| <b>SUBJECT:</b>               | ACCEPTANCE OF EU GRANT FUNDING FOR CITY DEAL DELIVERY |  |                           |
| <b>DATE OF DECISION:</b>      | 19 APRIL 2016   |  |                           |
| <b>REPORT OF:</b>             | LEADER OF THE COUNCIL                                 |  |                           |
| <b><u>CONTACT DETAILS</u></b> |   |  |                           |
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| <b>Director</b>               | <b>Name:</b>  | <b>Mike Harris</b>                       | <b>Tel: 023 8083 2882</b> |
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#### **STATEMENT OF CONFIDENTIALITY**

Not applicable

#### **BRIEF SUMMARY**

A grant application of £2m has been submitted to the European Social Fund (ESF) to provide an employment support programme for 1,200 long term unemployed people across the Solent area. This programme will support unemployed adults with health conditions into employment as match funding for the City Deal agreement with Government. This report seeks approval from Cabinet to accept the grant and lead on the management of the programme across the defined area.

#### **RECOMMENDATIONS:**

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|  | (i)   | To accept a grant of £2m from the European Social Fund via the Department for Work and Pensions (DWP) for the Solent Jobs Programme, and approve, in accordance with Financial Procedure Rules, revenue expenditure for the delivery of the programme over a period of three years; |
|  | (ii)  | To act as Lead Accountable Body for the administration of the grant funding for the Solent Jobs Programme, which totals £4m across the Solent Local Enterprise Partnership (LEP) area; and  |
|  | (iii) | To delegate authority to the Chief Operating Officer, following consultation with the Leader, to undertake such actions necessary to enable the successful delivery of the City Deal employment programmes, including procurement of services.                                      |

#### **REASONS FOR REPORT RECOMMENDATIONS**

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| 1. | To enable Southampton City Council to receive funds to manage the delivery and implementation of the Solent jobs programme across the Solent area. |
| 2. | Southampton City Council has a role in ensuring the provision and integration  |

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|  | <p>of services to improve the economic and social well-being of its residents, and the surrounding area.</p> <p>The projects will contribute to the Council's key priorities regarding:</p> <ul style="list-style-type: none"> <li>• Jobs for local people</li> <li>• Prevention and early intervention</li> <li>• Protecting vulnerable people</li> </ul>   |
| <b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b> |  |
| 3.   | Not to receive funding from ESF programme. If funding is not received, delivery, support and co-ordination of services will not be possible within Council resources.  |
| 4.   | Not to lead on the delivery and management of the Solent Jobs Programme. If these recommendations were not agreed it would result in loss of resourcing and provision of employment support services in Southampton for those who are long term unemployed with health conditions.   |
| <b>DETAIL (Including consultation carried out)</b> |  |
| 5.   | In November 2013, Southampton and Portsmouth City Councils, in partnership with Hampshire County Council and the Solent LEP, successfully negotiated a City Deal with Government. The Deal includes a range of measures to support local economic growth, skills and jobs through funding from a number of sources to the local authorities and wider agencies.  |
| 6.   | The City Deal included specific funding to deliver programmes to support unemployed adults and young people in Southampton, Portsmouth and the wider Solent area under the lead accountability of Southampton City Council. Match funding was required from the European Social Fund, the allocation of which has been held up, due to the delay in agreeing the UK ESF Operational Programme with the European Commission. This was finally agreed at the end of 2015 and after that date a specification was released to fund the Solent Jobs Programme for a total of £2m over 3 years. Southampton City Council has led a partnership comprising Portsmouth City Council, Isle of Wight Council, Hampshire County Council and Gosport and Havant Borough Councils, to apply competitively for the funding and has been successful through to the second stage. A full application is currently being appraised by DWP and if this is approved delivery of the programme will start by June 2016. Funds will be spent on the delivery of pre-employment support to 1200 long term unemployed people with health conditions, the costs of paid work placements and on-going in-work support once the individuals move into sustained employment. |
| 7.   | It was agreed as part of the City Deal arrangements that Southampton City Council would be the Lead Accountable Body for this element of the City Deal. This involves receiving the funds, developing and overseeing the delivery of the programme to meet the specified outcomes and quality requirements, and financial administration. The grant is intended to test local approaches to integrating services and provide evidence of the benefits of integrated approaches to dealing with complex social problems.  |
| 8.   | Delegation of authority to the Chief Operating Officer is required to ensure   |

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|  | that the programme is effectively developed and managed to meet agreed outcomes, whilst remaining responsive to changing economic, social and policy contexts over a three year period. |
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**RESOURCE IMPLICATIONS**

**Capital/Revenue**

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| 9.  | There are no capital implications.  |
| 10. | All staffing, resource and delivery costs will be funded from the ESF grant and the City Deal agreement, which have a combined total of £4m. There will be no additional costs to the Local Authority. The City Deal funding has already been received. The ESF grant funding will be used to finance additional posts to manage, deliver and administer the programme. This funding will be received 6 monthly in arrears based on the actual costs of delivery. The total expenditure and grant income will be recorded in the Leader's Portfolio. The indicative phasing of the expenditure is £0.91m in 2016/17, £1.68m in 2017/18 and £1.41m in 2018/19. |

**Property/Other**

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| 11. | There is limited property requirement, as most of the delivery will be on partners' premises. Accommodation will be required for additional staff, but this is available through current flexible working arrangements. |
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**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

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| 12. | Section 1 of the Localism Act 2011 permits a Council to do anything that an individual may do whether or not normally undertaken by a local authority (the General Power of Competence). The power is subject to any pre or post commencement restrictions on the use of power (none of which apply in this case). |
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**Other Legal Implications:**

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| 13. | Legal advice will be sought regarding the contract between the Department for Work and Pensions and Southampton City Council, and contracts/service level agreements with sub-contractors and partners to minimise risk. |
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**POLICY FRAMEWORK IMPLICATIONS**

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| 14. | The project is in line with the Policy Framework and will assist the Council in meeting the overall aims of the Policy Framework, including the objectives set out in the Southampton City Strategy 2014-17. |
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| <b>KEY DECISION?</b>               | Yes |
| <b>WARDS/COMMUNITIES AFFECTED:</b> | All |
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**SUPPORTING DOCUMENTATION**

**Appendices**

1. Equality and Safety Impact Assessment

**Documents In Members' Rooms**

1. None.

**Equality and Safety Impact Assessment**

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| Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out. | Yes |
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**Privacy Impact Assessment**

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| Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out. | No |
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**Other Background Documents**

**Equality and Safety Impact Assessment and Other Background documents available for inspection at: Economic Development and Skills folders, Civic Centre Southampton**