



## Report of the Policy & Resources Committee

### City of London Corporation Employability Partnership

*To be presented on Thursday, 17<sup>th</sup> January 2013  
To the Right Honourable The Lord Mayor, Aldermen and Commons  
of the City of London in Common Council assembled.*

#### **Summary**

1. In October 2012 the Court agreed proposals for a new initiative to help tackle the growing problem of rising numbers of young people not in employment, education or training (NEETs), entitled “Get Young People Working – The Youth Offer”. At that time the Court acknowledged that there was a further need for the City Corporation to explore how it could do more to support this important area of work with its partners and neighbouring boroughs. Your Policy and Resources Committee undertook to consider how an additional project, which complements the Get Young People Working initiative, might be progressed.
2. Officers have subsequently developed a project in partnership with Central London Forward (CLF) aimed specifically at the City Corporation’s neighbouring boroughs.<sup>1</sup> These boroughs have some of the highest deprivation levels in the country. CLF covers 6 Central London boroughs and the City. It should be noted that the project would also complement City Bridge Trust’s £1m awarded to 11 organisations for horticultural work training and apprenticeships in several London boroughs.
3. The project comprises three strands, training, mentoring and an Employability Passport for 14 – 16 year olds. It would benefit unemployed residents of the CLF boroughs, as well as the City. Tower Hamlets and Hackney would also have the

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<sup>1</sup> CLF authorities: Camden, Islington, City of London, Lambeth, Southwark, City of Westminster, Royal Borough of Kensington & Chelsea. Tower Hamlets and Hackney also have the option to join the initiative.

option to join. Up to £2.1m over two years would be provided from Bridge House Estate's revenue surplus to support it. The funds would be used to leverage additional funding and commitment from wider organisations and it also includes a budget of £100,000 to cover the commissioning, managing and monitoring of the programme. The aim would be to achieve approximately 2000 jobs/apprenticeships, along with 1,200 additional mentoring, skills and skills passport interventions. The City Corporation would also gain credit as the driver for project.

## **Recommendation**

4. That approval be given to:-
  - a) the approach outlined in this report for a new employability initiative for Central London, the City and neighbouring boroughs; and
  - b) a sum of £2.1m being allocated over 2013/4 -2014-15 (for a £2m programme plus a £100,000 (5%) budget for management costs) from the revenue surplus in the Bridge House Estates Fund towards a potential sum of £4-5m levered from other organisations.

## **Main Report**

### **Background**

5. In October 2012 the Court agreed proposals for a new initiative to help tackle the growing problem of rising numbers of young people not in employment, education or training (NEETs), entitled "Get Young People Working – The Youth Offer". The initiative was established to assist the 32 London Boroughs with the cost of a project(s) designed to help at least 1,000 young people across London to access employment or apprenticeships. It involved London Boroughs being invited to apply for a grant of up to £100,000 over a 2 year period to assist with this. The cost was to be met from Bridge House Estates income.
6. At that time the Court acknowledged that there was a further need for the City Corporation to explore how it could do more to support this important area of work with its partners and neighbouring boroughs. Your Policy and Resources Committee undertook to consider how an additional project, which complements the Get Young People Working initiative, might be progressed. Officers have subsequently developed a project in partnership with CLF aimed specifically at the City Corporation's neighbouring boroughs. These boroughs have some of the highest deprivation levels in the country. CLF covers 6 Central London boroughs and the City.
7. The project comprises three strands, training, mentoring and an Employability Passport for 14 – 16 year olds. It would benefit unemployed residents of the CLF boroughs, as well as the City. Tower Hamlets and Hackney would also have the

option to join. The aim would be to achieve approximately 2000 jobs/apprenticeships, along with 1,200 additional mentoring, skills and skills passport interventions. It should be noted that as well as complementing the Get Young People Working project the proposed initiative would also complement City Bridge Trust's £1m awarded to 11 organisations for horticultural work training and apprenticeships in several London boroughs. In addition the City Corporation would gain credit as the driver for the project.

## **Current Position**

8. Nationally, the government has recognised youth unemployment as a particular priority and is implementing a range of measures targeted at young people amid broader reforms to welfare, education and training.
9. The boroughs surrounding the City experience high levels of unemployment:-
  - One in four economically active young adults in London is unemployed, compared to the average of one in ten for all working-age adults. The young adult unemployment rate in Inner London is higher and has risen faster than the rate in Outer London.
  - Of the 51,000 18-24 year olds currently unemployed claiming Jobseekers Allowance (JSA) in central London, 8,000 (16%) have been unemployed for more than 12 months.<sup>2</sup> However, we should not lose sight of the fact that 134,000 25-49 year old central Londoners are also unemployed claiming JSA, with 42,000 (30%) unemployed for over 12 months.

The project will therefore include, but not be exclusive to, work with young people.

## **Proposals**

10. The following proposal has been worked up by CLF as part of its employability work-stream, following analysis of the most successful models, and in consultation with a working group of CoL officers from the Economic Development Office, City Bridge Trust, Community and Children's Services Department and Public Relations Office.
11. It is intended that, as well as the CLF boroughs, this project would benefit unemployed residents of Tower Hamlets and Hackney, as well as the City.
12. The preferred option is to provide a flexible menu of joined-up, cross-borough provision able to meet the needs of both employers and unemployed people across Borough boundaries. It would use £2m from Bridge House Estates to leverage in additional funding and commitment from wider organisations. Some key players have already demonstrated an appetite for such an approach.
13. This approach (with a single fund , potentially up to a total of £4-5m), joining up key London stakeholders in a more simplified, streamlined, offer would, crucially,

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<sup>2</sup> Nomis, October 2012

meet the expressed needs of employer businesses who consistently cite multiple initiatives, strands, entry points and 'blind alleys' as a key barrier to engagement with a disparate, confusing employment and skills system. Addressing this employer need, joining up the offer and leveraging additional funding and partner commitment would deliver greater outcomes than the City Corporation and CLF developing a separate initiative.

14. It is considered that this sum would be sufficiently sizeable to make a difference as a stand-alone project and /or to leverage in other funds. In the latter case it also ensures that the City Corporation remains the biggest single funder and so can ensure its priorities are met.

### The proposed programme

15. The following activities would be funded:

- **Pre-employment training through training providers** – including bespoke pre-recruitment preparation aligned to the skills, attitudes, behaviours and branding requirements of employers undertaking large-scale recruitment and tackling the core issues of employability and soft skills. Provide more pre-apprenticeship/pre-employment support for people who are not equipped with the skills necessary to present themselves well to employers.
- **Employability Passport for 14 – 16 year olds** – including supporting and increasing local recruitment and encouraging local businesses to take young people on work placements and in apprenticeships and support for schools and colleges to develop and extend their links with business
- **Mentoring between employees / unemployed** - work with employers to extend mentoring programmes between their employees and unemployed local people.

### Delivery partners

16. The project could be delivered by organisations which meet the requirements of the City Bridge Trust, i.e. registered charities and properly constituted, not for profit/social enterprise organisations in the eight Boroughs.

### Funding partners

17. The following partners have been identified. A number of these have already expressed interest and possible commitment of funds:-

- the six 'other' CLF Boroughs (and potentially Hackney and Tower Hamlets - to fit the "neighbouring boroughs" remit),
- GLA,
- London's allocation of the EU's European Regional Development Fund (ERDF) which has an underspend in excess of £11m,
- London Enterprise Panel (LEP) employment and skills working group,

- JobCentrePlus (JCP),
- Employer Ownership of Skills (EOS) programme (BIS/UK Commission on Employment and Skills).

### Outputs

18. Estimating a metric of £1.5k per job, which is in line with known comparators<sup>3</sup>, a total fund of £4m (with £2m provided by the City Corporation) could provide, over 2 years:-
- 2000 people into jobs /apprenticeships, along with
  - 1,200 additional mentoring, skills and skills passport interventions
  - 17 schools engaged with employer links facilitated and capacity building delivered and
  - demonstration of the value and impact of a joined-up but semi-autonomous, devolved London-level skills and employment funding stream
  - support 3rd sector employment and skills providers who have valuable experience and community engagement as well as some innovative delivery models.
19. City residents would be able to benefit from the programme, as well as residents of the eight boroughs.

### Monitoring and Evaluation

20. A budget of £100,000 (5%) would be added to cover the commissioning, managing and monitoring of the programme.<sup>4</sup>
21. CLF would develop with the City Bridge Trust a detailed monitoring and evaluation process and provide regular monitoring reports. Payments will be released in instalments and will be subject to satisfactory progress.

### Profile

22. The Working Group officers feel that this proposal offers the potential to act as a catalyst and game-changer for London's employment and skills system. The opportunity to leverage in additional funding and partner commitment shows the

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<sup>3</sup> This approximation is based on combined programme start and job output payments for a Job Seekers Allowance (JSA) claimant Work Programme participant, equates to previous delivery by the London Employer Accord and has also been 'sense checked' with current Department for Work and Pensions (DWP) provision in London, funded under JCP District Flexibility Funds

<sup>4</sup> 5% is the same percentage as is used by London Councils for commissioning and monitoring EU-funded programmes. This is a complex project. While the management and financial reporting arrangements have yet to be settled, it is likely that Central London Forward would work to leverage in the funds. Discussions will be held with appropriate bodies (eg Cross River Partnership) who would manage procurement and commissioning.

capacity to add impact and value above and beyond the core funding for which the authority is sought. Because of these significant potential wider impacts, this proposal is also broadly supported by the GLA, Jobcentre Plus and the LEP as well as the Boroughs.

23. For these reasons, the additional impact and added value, as well as the positive PR and kudos accruable to the City Corporation as the driver and major funder of such an initiative, we recommend this proposal for approval.
24. The Public Relations Office will ensure that the City Corporation obtains maximum recognition for its contribution.

### **Corporate & Strategic Implications**

25. This proposal fits within three of the strands of the community strategy – “is competitive and promotes opportunity”, “supports our communities” and “is safer and stronger”. It also supports the Corporate Plan objective of providing “valued services to London and the nation” – and key policy priority to “be a good neighbour”. It meets the priorities within the business plans of the City Bridge Trust, the EDO and the Community and Children’s Services Department.

### **Implications**

26. While the larger, partnership, project proposed will produce greater impact overall than each partner using its own funds for separate initiatives, it inevitably carries with it a risk of delays in assembling all of the funding and of a more involved monitoring and reporting process. This is considered worthwhile in order to achieve a ground-breaking initiative.
27. Should it not prove possible to piece together all of the proposed funding within a reasonable timescale, a worthwhile project could still be implemented with a smaller total amount of funding than the £4-5m or with the £2m City Corporation funding alone.<sup>5</sup>
28. The ambition would be to get the initiative out to tender as early as possible in 2013. The timeline on this will be challenging given the partners and additional funding to align. Delivery could commence within the first quarter of 2013/14 and the funding would be profiled over the two financial years 2013/14 and 2014/15.
29. The Comptroller and City Solicitor has advised that grants for charitable purposes associated with addressing employability made to organisations which meet the criteria for funding by City Bridge Trust may be regarded as within the Guidelines and the purposes of the Charitable Scheme.

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<sup>5</sup> For £2m we would anticipate 800 jobs, 500 mentoring, skills and passport interventions and 8 schools engaged. It would not be the game changer or generate the broader impacts envisaged for the larger project..

## **Conclusion**

30. Unemployment in Central London and surrounding boroughs is a particular concern. The opportunity has arisen to implement a ground-breaking project which joins up funding sources and agencies to produce greater impact than any single agency acting alone. With £2m of City Corporation funds there is the opportunity to achieve £4-5m worth of outputs, to lay the ground for a different way of doing things to tackle unemployment in London and to bring credit to the City Corporation as a catalyst and single major funder.

All of which we submit to the judgement of this Honourable Court.

DATED this 13<sup>th</sup> day of December 2012

SIGNED on behalf of the Committee

Mark Boleat  
Chairman of the Policy and Resources Committee