

**AGENDA ITEM 5****RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****24<sup>TH</sup> SEPTEMBER 2015****UTILISING THE WELSH GOVERNMENT EUROPEAN SOCIAL FUND  
COMMUNITIES FOR WORK PROJECT TO SUPPORT EMPLOYMENT IN  
RHONDDA CYNON TAF****REPORT OF THE GROUP DIRECTOR FOR COMMUNITY & CHILDREN'S  
SERVICES****Author: Nicola Lewis, Communities First Coordinator  
Tel: 01443 425762****1. PURPOSE OF THE REPORT**

The purpose of this report is to brief Members on the arrangements for delivery of the Welsh Government's Communities First programme to support people into employment, and the opportunity to add value to current provision through participation in the Communities for Work, European Social Fund (ESF) Programme.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Note the information contained within this report.
- 2.2 Accept the offer of ESF funding from Welsh Government as part of the all Wales Communities for Work programme, subject to any legal considerations arising from the conditions of offer.
- 2.3 Apply for continuation funding for the 'LIFT' project in the Taf cluster for 2016-2018.
- 2.4 Authorise the Service Director for Public Health & Protection to formally notify the Welsh Government as to Rhondda Cynon Taf's intentions in relation to participating in the all Wales Communities for Work programme and to apply for 'LIFT' continuation funding.
- 2.5 Ask the Service Director for Public Health & Protection to review the existing Communities First programmes to remove any duplication of service delivery caused by the introduction of the Communities for Work programme.
- 2.6 Ask the Service Director for Public Health & Protection to review the management arrangements for the Communities First and Communities for

Work Programme as part of the wider strategic review of the tackling poverty programme.

### **3. BACKGROUND**

- 3.1 Wales continues to have higher levels of people who are unemployed and economically inactive than the rest of the UK. Local labour market figures for 2014-15 show Rhondda Cynon Taf as ranked 4<sup>th</sup> highest across local authorities in Wales; having 27.9% of the population as economically inactive, which is 2.3% higher than Wales, and 5.2% higher than the United Kingdom. Unemployment figures for 2014-15 showed Rhondda Cynon Taf ranked 8<sup>th</sup> highest across local authorities in Wales, with 7.2% of the population unemployed.
- 3.2 In 2012 the Communities First programme changed from being a community led programme to a community focussed programme that supports the Welsh Government's Tackling Poverty agenda. There was a move to cluster working arrangements and funding approvals, with an emphasis on three strategic themes of "Prosperous", "Learning" and "Health" with programme outcomes reported through a results based accountability framework.
- 3.3 In 2013 the Welsh Government introduced a 'Tackling Workless Households' programme which was to be piloted in eight areas across Wales. In Rhondda Cynon Taf, the Taf cluster was chosen by WG to be one of these eight pilot areas.
- 3.4 The Tackling Workless Households programme was renamed the "Lift Programme" in February 2014 to reflect the WG's intention to take positive steps in order to lift people out of poverty. "Building Resilient Communities – Taking Forward the Tackling Poverty Action Plan", published in July 2013, set out the Welsh Government's ambitious plans to help people out of poverty. This included a proposal to create 5,000 training and employment opportunities for people living in workless households by the end of the 2017 calendar year.
- 3.5 Additional Communities First funding was awarded to each pilot area to enable the recruitment of employment brokers or mentors to help people from workless households into training or employment opportunities. The Taf cluster receives £86,690 annually in addition to the Communities First programme funding. Outcomes achieved from the Lift programme are presented at paragraph 4.5.
- 3.6 In 2014, the Welsh Government developed a pan Wales European funding bid, 'Communities for Work' in partnership with Department for Work & Pensions (DWP), building on the existing 'Lift' model as well as other good practice models identified across Wales. Both the Welsh Government and DWP provided the required level of match funding with approval being given by WEFO in June 2015.

#### **4. CURRENT DELIVERY**

- 4.1 In 2014-15, Rhondda Cynon Taf's Communities First programme had targets of 57 young people between the ages of 16-24 years and 299 people over 25 years 'entering employment'. These targets were exceeded with year end reported figures of 106 young people between the ages of 16-24 years and 445 people over 25 years, totalling 551 'entering employment'.
- 4.2 Where a need is identified for Employment related skills training, Communities First staff work closely with partners and in particular the Council's Adult Education service to commission in appropriate training to support people in obtaining relevant qualifications and becoming more job ready and/or secure employment. In 2014-15, Communities First ran 2,411 Adult Learning courses with 1,182 accredited qualifications gained.
- 4.3 Communities First also run a number of Job Fairs annually in partnership with Job Centre Plus (JCP) and local employers which have proved popular and an effective engagement tool for signing up new people to work clubs, volunteering opportunities and linking direct with employers.
- 4.4 Communities First figures contribute to both outcomes measures for 'entering employment' and 'number of qualifications gained' in the Council's Wales Programme for Improvement.
- 4.5 The 'Lift' programme piloted in the Taf cluster continues to be delivered and found employment for 18 people in 2014-15, with the support of employment opportunities sourced by the Welsh Government. The staff team work closely with the JCP Parent Employment Advisor, the Communities First Prosperous Team employed through Gilfach Goch Community Association and Council employed Learning and Health Communities First staff team.
- 4.6 Communities First staff also support the delivery of the 'Your Future First' Programme across Rhondda Cynon Taf and closer working links with the SEETs Co-ordinator and team, Youth Engagement and Participation Service and Careers Service continue to be developed.
- 4.7 The strategic review of the Council's approach to tackling poverty in Rhondda Cynon Taf, agreed by Cabinet in May 2015, has commenced with a final report expected in October 2015.

#### **5. COMMUNITIES FOR WORK ESF PROGRAMME AND LIFT PROJECT**

- 5.1 The Council recently received confirmation from the Welsh Government that funding for the 'Lift' programme will continue until the end of March 2018. A bid is currently being prepared for Rhondda Cynon Taf to continue running the project in the Taf cluster only, which will draw down additional funding amounting to £175,749.06 from April 2016 to March 2018. Welsh Government confirmed on 11<sup>th</sup> August 2015 that submissions for continuation of funding should be made by 11<sup>th</sup> September, 2015, although Welsh Government have confirmed that they are prepared to be flexible around this deadline.

- 5.2 Employment outcome targets for the 'Lift' project in the Taf Cluster only annually include:-

<b>25 year +</b>	<b>16 – 24 years</b>
8 Enter Employment	2 Enter Employment

- 5.3 The Welsh Government's Communities for Work (CfW) European funded programme received approval from WEFO in June 2015 and will have a phased implementation. The Welsh Government has requested that the Council as Lead Delivery Body (LDB) take on responsibility for delivering an element of the programme in Rhondda Cynon Taf and to work closely and compliment the DWP element of delivery.
- 5.4 CfW is intended to operate as a separate but complementary programme, fully integrated with the existing CF activity in each Cluster. It will need to operate alongside CF and build on the work of the Lift Programme where it exists (RCT Taf Cluster), Welsh Government's Shared Outcome projects and the DWP ESF Want to Work project, providing support for unemployed people within Clusters to return to work, aiming to proactively engage with beneficiaries furthest from the labour market.
- 5.5 Communities for Work will also focus on reducing the number of 16-24 year olds who are Not in Education, Employment or Training (NEET) and increasing the employability of economically inactive and long term unemployed adults who have complex barriers to employment (those being long term unemployed, economically inactive people, lone parents, carers, people in receipt of Disability Living Allowance / Personal Independence Payments), who by the nature of their unemployment will have low skills. Beneficiaries will also include a high number of people from workless households and in all cases will have the ultimate goal of supporting them into employment. The programme will also be postcode specific with only the most deprived LSOAs eligible for inclusion.
- 5.6 The proposed additional resource would complement the current delivery of the Communities First programme, providing a consistent and co-ordinated approach across all the Communities First areas, whilst allowing flexibility to move resources to the areas where it's most needed. Communities First current provision could also be changed to ensure that both programmes are not competing for the same clients, however, this is likely to impact on current target levels within each clusters plans.
- 5.7 Delivery of the CfW programme would also need to complement and add value to other current working arrangements already in place across Rhondda Cynon Taf including the proposed 'Inspire to Work' regional European funded programme.
- 5.8 The Council has yet to receive the formal "offer documentation" from Welsh Government and this will need to be carefully scrutinised to ensure that the Council is not exposed to any unacceptable risks or liabilities. Should Members wish to participate in the Communities for Work Programme

participation would be subject to the conditions of offer being closely scrutinised by the Service Director for Public Health & Protection in consultation with the external grants funding team through the Director of Finance.

### **Staffing Arrangements & Governance**

- 5.9 In each cluster there is the opportunity to have an additional five members of staff, which in RCT will mean a total of 40 posts. Two Employment Advisers will be employed through DWP, one of these posts already in place from June 2015, with the second post currently out to advert with a start date envisaged for early October 2015.
- 5.10 The additional three members of staff will be appointed through the LDBs, these being an Adult Mentor, Youth Mentor and Triage Worker. These roles are prescribed in the Welsh Government guidance.
- 5.11 The two mentor posts and triage workers per Cluster will be based in each Cluster but managed centrally by a Programme Manager employed by the Council and line managed by the Communities First Coordinator. In addition to the performance reporting requirements of Welsh Government, performance will be reported regularly to Members through the Council's usual performance management arrangements.
- 5.12 To ensure confidence in the management of both the Communities for Work Programme and the Communities First programme it will be necessary to review the existing management arrangements as part of the current wider review of the Council's approach to tackling poverty.

### **Targets/Outcomes**

- 5.13 Each cluster will be expected to get six people back into employment per month. Overall, the programme would be expected to deliver in excess of 576 people into employment across Rhondda Cynon Taf per year. The Council as LDB contributing at least 192 people of the total into employment.
- 5.14 The Welsh Government draft guidance refers to performance targets for each Cluster. At the level of each Cluster area figures for headline performance equates to a minimum of:
- 12 new enrolments per month
  - 2 job outcomes per month
- 5.15 The figures above are for the Mentors (employed by the Council) with additional performance expected from the Advisors (employed by DWP), which is:
- 12 new enrolments per month,
  - 4 job outcomes per month.

- 5.16 Whilst lines of accountability exist directly between Welsh Government and both LDBs and DWP performance will be monitored at the level of each Cluster area and there is a strong expectation that Local Delivery Teams clearly demonstrate how they are meeting targets as a single team.

### **Programme Funding**

- 5.17 The Council in its role as LDB has been invited to deliver the CCfW programme in Rhondda Cynon Taf. Documents and guidance were sent through in August and a financial profile has been prepared for submission to WG in September, subject to Members approval.
- 5.18 Overall the funding from the Welsh Government's Communities for Work programme will be £2,367,142 between 2015 and 2018. No match funding is required from the Council.
- 5.19 The funding will support the following:-
- Twenty four posts - Adult Mentor (GR8), Youth Mentor (GR8) and Triage Worker (GR6) in each cluster (excluding the 16 posts employed by DWP)
  - One off initial set up cost of £24,000 (£1,000 per member of staff)
  - Travel and Subsistence £24,000 (£1,000 per member of staff)
  - Marketing £20,000 (£2,500 per cluster)
  - Barriers Fund £80,000 (£10,000 per cluster)
- 5.20 Simplified costs are also available to the Council which equates to 15% of salaries. Welsh Government has requested consideration for the use of unit costs of 1720 productive hours. In Rhondda Cynon Taf our annual productive hours is less than 1720 so it would prevent us from recharging any increase in staff costs (e.g. increase in employers National Insurance / Pension contribution, pay award) for two years post approval. For that reason we would prefer to fully evidence actual staff costs to WEFO standard and replied to WG by their deadline of 20<sup>th</sup> August.
- 5.21 As LDB we will also be able to bid for an additional resource to help deliver this project in Rhondda Cynon Taf. The LDB resource will need to be responsible for the financial claim submissions, monitoring reports and compliance functions and also management of the 24 staff. The project and staff will be managed centrally with staff being based locally with Cluster teams in line with WG guidance. However, should performance targets in one Cluster not be met or demand in one area be greater than in another there is flexibility to move resources between Clusters so that overall the programme meets its targets.
- 5.22 Welsh Government has suggested that the LDB resource be one post but due to the size of the programme in RCT consideration will be given to some additional resource, which we suggest would be one full time post and 50% of another, but this will need to be discussed and agreed with WG officers prior to us making our submission to them.

5.23 A deadline for the financial submission to WG has not been set however Welsh Government has indicated that they would like to see programme implementation start in October 2015.

5.24 A detailed breakdown of costs can be found in Appendix A.

## **6. CONCLUSION**

6.1 The Communities First programme in Rhondda Cynon Taf has made good progress over the last two years in getting people into employment. This is due to developing good partnership working with partners such as DWP/Job Centre.

6.2 This report sets out the potential opportunity to add value to current provision by accessing European funding through participation in the Welsh Governments 'Communities for Work' ESF Programme and continuing current provision for the 'Lift' programme leading to further improvements in the reduction of long term unemployed people.

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## Appendix A

**PROPOSED WELSH GOVERNMENT ESF 'COMMUNITIES FOR WORK' PROGRAMME**  
**BREAKDOWN OF COSTS**

Communities For Work		No of staff	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	3 year costs
<b>Salaries</b>						
<b>RCTCBC Lead Delivery Board</b>						
Programme Mgr LDB from 1.11.15		1	£ 19,275.31	£46,723.35	£47,190.58	£ 113,189.25
Finance Officer LDB 50% post from 1.11.15		0.5	£ 8,858.25	£21,472.41	£21,687.13	£ 52,017.80
<b>Eight Clusters</b>	<b>8</b>					
Adult Mentors in post 01.01.16		8	£ 63,490.00	£256,499.60	£259,064.60	£ 579,054.20
Youth Mentor in post 01.01.16		8	£ 63,490.00	£256,499.60	£259,064.60	£ 579,054.20
Triage in post 01.01.16		8	£ 51,218.64	£206,923.31	£208,992.54	£ 467,134.48
<b>Total staff salaries</b>		<b>25.5</b>	<b>£206,332.21</b>	<b>£788,118.27</b>	<b>£795,999.45</b>	<b>£1,790,449.92</b>
<b>Simplified eligible indirect costs (15% of salaries)</b>			£ 30,949.83	£118,217.74	£119,399.92	£ 268,567.49
<b>Direct costs</b>						
Travel and subsistence	£ 1,000.00	per person / year	£ 6,625.00	£ 25,500.00	£ 25,500.00	£ 57,625.00
Barriers Fund (25% in yr 1)	£ 10,000.00	per cluster	£20,000.00	£ 80,000.00	£ 80,000.00	£ 180,000.00
one off IT purchase	£1,000	per person (o	£ 25,500.00	£ -	£ -	£ 25,500.00
Customer Marketing (25% in yr 1)	£2,500	per cluster	£ 5,000.00	£ 20,000.00	£ 20,000.00	£ 45,000.00
<b>Total Salaries + 15% simplified costs and Direct costs</b>			<b>£294,407.04</b>	<b>£1,031,836.01</b>	<b>£1,040,899.37</b>	<b>£2,367,142.41</b>

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